

REGIONAL DISTRICT OF NANAIMO

COMMITTEE OF THE WHOLE

TUESDAY, JUNE 14, 2016

7:15 PM

(RDN Board Chambers)

A G E N D A

PAGES

CALL TO ORDER

DELEGATIONS

- 7 **Rob Williams and Bill Campbell, French Creek Residents' Association**, re Support for Purchase of Epcor French Creek Water Services.

MINUTES

- 8-15 Minutes of the Regular Committee of the Whole meeting held Tuesday, May 10, 2016.

That the Minutes of the Regular Committee of the Whole meeting held Tuesday, May 10, 2016 be adopted.

BUSINESS ARISING FROM THE MINUTES

COMMUNICATIONS/CORRESPONDENCE

- 16-22 **Ladies Auxiliary, Royal Canadian Legion Branch #211**, re Funding Request – Community Works Fund.
- 23-52 **Leigh Campbell, Qualicum Bay-Horne Lake Waterworks District**, re Infrastructure Planning Grant Program.
- 53 **Danyta Welch, UBCM**, re 2016/17 (Spring) Regional Community to Community Forum with Snaw-Naw-As First Nation - Approval in Principle.
- 54 **Danyta Welch, UBCM**, re 2016/17 (Spring) Regional Community to Community Forum with Snuneymuxw First Nation - Approval in Principle.
- 55 **Lynne W. Brookes, Arrowsmith Naturalists**, re Preservation of Hamilton Marsh for Our Watershed, Wildlife and Community.

- 56 **Peter Fassbender, Minister of Community, Sport and Cultural Development,** re Meeting requests for the 2016 UBCM Convention in Victoria.

UNFINISHED BUSINESS

Annual Special Electoral Area Planning Committee and Town Hall Meetings in Electoral Areas.

At the April 26, 2016 Board Meeting, the following motion was carried:

That consideration of annual Special Electoral Area Planning Committee and Town Hall meetings in Electoral Areas be deferred until the June 14, 2016 Committee of the Whole meeting.

CORPORATE SERVICES

INFORMATION TECHNOLOGY

- 57-58 Crown Land GPS Trail data collection – *Staff to provide presentation.*

FINANCE

- 59-88 2015 Annual Financial Report (Audited Financial Statements), Board and Committee Member Remuneration/Expenses and Statement of Financial Information – *SOFI to be distributed as a separate enclosure.*
- 89-92 Fire Department Radio Repeater System Improvements.
- 93-103 Operating Results for the Period Ending March 31, 2016.
- 104-106 A Bylaw to amend the requisition limit for the Southern Community Search and Rescue Contribution Service – Bylaw 1552.
- 107-117 Bow Horn Bay Fire Services Operational Bylaw 1743.

STRATEGIC AND COMMUNITY DEVELOPMENT

BUILDING AND BYLAW

- 118-125 Large Scale Open Burning in the Regional District of Nanaimo.

RECREATION AND PARKS

RECREATION

- 126-145 Ravensong Aquatic Centre Lease Amendment and Renewal.

REGIONAL AND COMMUNITY UTILITIES

WATER AND ASSET MANAGEMENT

- 146-215 Arrowsmith Water Service (AWS) & Englishman River Water Service (ERWS) Joint Venture Agreement Renewal.
- 216-218 Support Letter – Georgia Basin Inter-Regional Education Initiative.

ADVISORY, SELECT COMMITTEE AND COMMISSION

- 219-220 **Electoral Area 'A' Parks, Recreation, and Culture Commission Committee**

That the minutes of the Electoral Area 'A' Parks, Recreation, and Culture Commission meeting held Wednesday, May 18, 2016 be received for information.

- 221-241 **Community Works Fund for Snuneymuxw Sport Court**

That the Regional District of Nanaimo Board enter into the Contribution Agreement as provided in Attachment I that provides up to \$300,000 in Electoral Area 'A' Community Works Funds to Snuneymuxw First Nation for use in the capital upgrade of the lacrosse box (sport court) located on Nanaimo River I.R. #4 in exchange for community use access as per the terms of the Agreement.

- 242-246 **District 69 Recreation Commission**

That the minutes of the District 69 Recreation Commission meeting held Thursday, May 19, 2016 be received for information.

Grants

That the Board approve the following District 69 Youth Recreation Grant applications:

Youth Organization	2016
Bard to Broadway - Performing Arts Education Series	1,590
Bard to Broadway - Summer Youth Theatre Workshop	380
Errington War Memorial Hall Association- World Music Youth Camp	1,050
District 69 Family Resource Association - youth sports/music program	2,400
District 69 Family Resource Association - 4-days summer camp activity	563
Kwalikum Secondary School - Dry Grad	1,200
Ravensong Breakers Aquatic Club- equipment	2,200
Total	\$9,383

That the Board approve the following District 69 Community Recreation Grant applications:

Community Organization	2016
Arrowsmith Community Recreation Association - Coombs Candy Walk	1,000
Bow Horne Bay Community Club - Fall Fair children's activity	1,200
Corcan Meadowood Residents' Association - Halloween event	1,200
Corcan Meadowood Residents' Association - Canada Day event	800
Family Resource Association - Special Needs Family Retreat	1,200
Kidfest Society- event rentals	1,200
Nanoose Bay Activities and Recreation Society and Arrowsmith Community Recreation Association – Pickle ball equipment	576
Parksville Qualicum Pickle ball Club - equipment	1,000
Qualicum Beach Community Education and Wellness Society - Root Bag program	800
Qualicum Beach Elementary School PAC - play space	1,200
Tri-Athletics Society - pool rental	1,200
Vancouver Island Opera	1,500
Total	\$12,876

247-332

Ravensong Aquatic Centre Expansion Update Report

That the Ravensong Aquatic Centre Expansion Update report be received as information and that the Board direct staff to develop a timeline, budget and process that includes stakeholder input, public consultation, facility amenity refinements, and District 69 Recreation Commission review for the potential expansion of the aquatic facility.

333-350

Recreation Services 2016 Master Plan for the Oceanside Area (District 69) Report.

That the Board approve the Terms of Reference to undertake a Recreation Services Master Plan for the Oceanside Area (District 69) shown in Appendix I and a Request for Proposals be issued for project consultant services.

351-352

Grants-in-Aid Advisory Committee

That the minutes of the Grants-in-Aid Advisory Committee meeting held Thursday, May 19, 2016 be received for information.

District 68 Grant Approvals

That the Board award District 68 Grants-in-Aid funds as follows:

Gabriola Arts Council – rental of a tent, theatre lighting, sound equipment, port-a-potties, marketing, distribution and advertising for the Gabriola Theatre Festival.	\$0.00
Gabriola Community Hall Association – to purchase 2 sets of Carpet Bowling equipment.	\$0.00
Gabriola Rod, Gun and Conservation Club – sound abatement materials for the Club’s Tait Road Range.	\$2,398.46
Scouts Canada Camp Caillet – purchase of an Automatic Defibrillator (AED) and mounting case.	\$2,280.54
Total	\$4679.00

District 69 Grant Approvals

That the Board award District 69 Grants-in-Aid funds as follows:

Corcan-Meadowood Residents Association – four sets of 8 solar / battery powered walkway lights and 4 solar / battery / hand crank operated lanterns.	\$761.52
Errington Co-operative Preschool – replacement crafting supplies, outdoor equipment.	\$950.00
Lighthouse Community Centre Society – interior hall lighting, 10 tables and 60 chairs for the hall, dolly's for chair storage, photocell and lamps for exterior lighting.	\$4,900.00
Oceanside Stroke Recovery Society – aphasia software upgrade for 4 computers.	\$2,000.00
Royal Canadian Legion, Branch 211 Ladies Auxiliary – replacement of dishwasher in Legion kitchen.	\$4,726.48
Total	\$13,338.00

ADDENDUM

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

Directors' Roundtable

IN CAMERA

That pursuant to Sections 90 (1)(e) and (f), and Section 90 (2)(b), of the Community Charter the Committee proceed to an In Camera Meeting, for discussions related to land acquisition, law enforcement, and negotiations with the federal government.

ADJOURNMENT

Delegation: Rob Williams and Bill Campbell, French Creek Residents' Association, re Support to Pursue Purchase of Epcor French Creek Water Services.

Summary: Seeking Board support to pursue the purchase of Epcor French Creek water services for the benefit of all French Creek property owners.

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE REGULAR COMMITTEE OF THE WHOLE MEETING
OF THE REGIONAL DISTRICT OF NANAIMO HELD ON
TUESDAY, MAY 10, 2016 AT 7:10 PM IN THE
RDN BOARD CHAMBERS**

In Attendance:

Director W. Veenhof	Chairperson
Director C. Haime	Deputy Chairperson
Director A. McPherson	Electoral Area A
Director H. Houle	Electoral Area B
Director M. Young	Electoral Area C
Director B. Rogers	Electoral Area E
Director J. Fell	Electoral Area F
Director J. Stanhope	Electoral Area G
Director B. McKay	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Alternate	
Director D. Brennan	City of Nanaimo
Director J. Kipp	City of Nanaimo
Director W. Pratt	City of Nanaimo
Director I. Thorpe	City of Nanaimo
Director B. Yoachim	City of Nanaimo
Director M. Lefebvre	City of Parksville
Director T. Westbroek	Town of Qualicum Beach

Regrets:

Director J. Hong	City of Nanaimo
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Also in Attendance:

T. Osborne	A/Chief Administrative Officer
R. Alexander	Gen. Mgr. Regional & Community Utilities & Solid Waste
G. Garbutt	Gen. Mgr. Strategic & Community Development
J. Harrison	Director of Corporate Services
W. Idema	Director of Finance
D. Pearce	A/Director of Transportation and Emergency Planning
J. Hill	Mgr. Administrative Services
C. Golding	Recording Secretary

CALL TO ORDER

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

The Chairperson welcomed Alternate Director Brennan to the meeting.

DELEGATIONS

Corey Vanderhorst, MNP, re 2015 Financial Statements and Audit Findings Report.

Corey Vanderhorst provided a slide presentation and verbal overview of the Audit Findings Report and the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2015.

Kim Stephens, Partnership for Water Sustainability, re Georgia Basin Inter-Regional Education Initiative (IREI).

Kim Stephens recognized the Regional District of Nanaimo as a Champion Supporter in the partnership for Water Sustainability and provided an overview of *Beyond the Guidebook 2015: Moving towards Sustainable Watershed Systems, through Asset Management*.

Kevin Goldfuss, re Proposal Regarding Open Burning Concerns.

Kevin Goldfuss expressed his opposition to a complete ban on open burning within the Regional District of Nanaimo and shared his views of open burning compliance through regulation and education asking the Board to consider creating a bylaw to regulate open burning and include stiff penalties for non-compliance.

COMMITTEE OF THE WHOLE MINUTES

Minutes of the Regular Committee of the Whole meeting held Tuesday, April 12, 2016.

MOVED Director Stanhope, SECONDED Director Pratt, that the minutes of the Regular Committee of the Whole meeting held Tuesday, April 12, 2016, be adopted.

CARRIED

COMMUNICATION/CORRESPONDENCE

Lisa Griffith, Gabriola Historical and Museum Society, re Request to consider proposal for Community Works Funds for the Museum.

MOVED Director Houle, SECONDED Director Lefebvre, that the correspondence from Lisa Griffith, Gabriola Historical and Museum Society, regarding a request to consider a proposal for Community Works Funds for the museum be received.

CARRIED

Joyce Babula, Gabriola Island Community Hall Association, re Application for \$17,364 from Community Works Funding.

MOVED Director Houle, SECONDED Director Lefebvre, that the correspondence from Joyce Babula, Gabriola Island Community Hall Association, regarding an application for \$17,364 from Community Works Funding be received.

CARRIED

Els King, re Proposed Ban on Outdoor Burning.

MOVED Director Houle, SECONDED Director Lefebvre, that the correspondence from Els King regarding a proposed ban on outdoor burning be received.

CARRIED

J. H. McLean, re Complaints about Land Clearance Burning.

MOVED Director Houle, SECONDED Director Lefebvre, that the correspondence from J. H. McLean regarding complaints about land clearance burning be received.

CARRIED

James A. Lettic, Nanoose Bay Activities & Recreation Society, re Community Works Fund - Contribution Agreement (NBARS:RDN).

MOVED Director Houle, SECONDED Director Lefebvre, that the correspondence from James A. Lettic, Nanoose Bay Activities & Recreation Society, regarding Community Works Fund - Contribution Agreement (NBARS:RDN) be received.

CARRIED

, re Regional District of Nanaimo Assignment of Lighthouse Bluegrass Festival to Meadowood Community Park at the behest of the Corcan Meadowood Residents' Association without public consultation.

MOVED Director Houle, SECONDED Director Lefebvre, that the correspondence from regarding Regional District of Nanaimo assignment of the Lighthouse Bluegrass Festival to the Meadowood Community Park at the behest of the Corcan Meadowood Residents' Association without public consultation be received.

CARRIED

FINANCE

2015 Financial Statements and Audit Findings Report.

MOVED Director Stanhope, SECONDED Director Thorpe, that the Audit Findings Report and the financial statements of the Regional District of Nanaimo for the year ended December 31, 2015 be received.

CARRIED

MOVED Director Stanhope, SECONDED Director Thorpe, that the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2015 be approved as presented.

CARRIED

CORPORATE SERVICES

INFORMATION TECHNOLOGY

Microsoft Enterprise Agreement 2016 - 2019.

MOVED Director McPherson, SECONDED Director Pratt, that staff be authorized to enter into a three-year Enterprise Agreement with Microsoft for licensing the use of Microsoft software products by the Regional District of Nanaimo (RDN) for \$102,237 per year.

CARRIED

STRATEGIC AND COMMUNITY DEVELOPMENT

RDN Fire Services Review Report and Fire Services Coordinator.

MOVED Director Rogers, SECONDED Director Pratt, that the Regional District of Nanaimo Fire Services Review report dated April 2016 be received and the recommendations of the report be endorsed.

CARRIED

MOVED Director Rogers, SECONDED Director Pratt, that staff, in consultation with the Fire Departments, be directed to initiate the process to create a Fire Services Coordinator position required to implement the recommendations.

CARRIED

INTERGOVERNMENTAL LIAISON

Canada 150 Fund Grant Applications.

MOVED Director Houle, SECONDED Director Stanhope, that staff be directed to work with the Snuneymuxw First Nation, Stz'uminus First Nation, Snaw-Naw-As First Nation, Qualicum First Nation, and Electoral Area Directors on possible artwork for the Regional District of Nanaimo.

DEFEATED

MOVED Director Westbroek, SECONDED Director Pratt, that staff be directed to engage with Snuneymuxw First Nation, Snaw-Naw-As First Nation and Qualicum First Nation regarding \$30,000 allocated by the Board in the 2016 Regional District of Nanaimo Budget for a First Nations Art Installation Project at the Regional District of Nanaimo Administration Building and to solicit letters to support an application to the Canada 150 Fund requesting an additional \$30,000 to match the allocated funds.

CARRIED

MOVED Director Westbroek, SECONDED Director Pratt, that staff be directed to prepare a Board report outlining potential Terms of Reference for a First Nation art selection committee that includes representation from Snuneymuxw First Nation, Snaw-Naw-As First Nation and Qualicum First Nation.

CARRIED

MOVED Director Westbroek, SECONDED Director Pratt, that staff be directed to apply to the Canada 150 Fund for \$40,000 to contribute towards the development of a gateway information structure at Moorecroft Regional Park, to engage with Snaw-Naw-As First Nation regarding the construction of a gateway information structure at Moorecroft Regional Park and to solicit a letter from Snaw-Naw-As First Nation and other relevant parties to support the application to the Canada 150 Fund.

CARRIED

MOVED Director Westbroek, SECONDED Director Pratt, that staff be directed to apply to the Canada 150 Fund for \$40,000 for the creation of a First Nation cultural piece or a collaborative event with Snuneymuxw First Nation, engage with Snuneymuxw First Nation regarding the cultural piece or event and to solicit a letter from Snuneymuxw First Nation to support the application to the Canada 150 Fund.

CARRIED

MOVED Director Westbroek, SECONDED Director Pratt, that staff be directed to apply to the Canada 150 Fund for \$40,000 for the creation of a cultural piece or sign, engage with Qualicum First Nation regarding the cultural piece or sign and solicit a letter of support from Qualicum First Nation to support the application to the Canada 150 Fund.

CARRIED

BUILDING AND BYLAW

162 Bayridge Place, Electoral Area 'H' — Building Bylaw Contravention.

Colin Hearn, property owner of 162 Bayridge Place, asked the Board for an extension to allow him to submit an application for a building permit within the next few weeks.

MOVED Director Westbroek, SECONDED Director Stanhope, that the matter of the building bylaw contravention at 162 Bayridge Place, Electoral Area 'H', be deferred for (thirty) 30 days.

CARRIED

RECREATION AND PARKS

PARKS

Proposed Park Land Dedication in Conjunction with Proposed Subdivision of Parcel 'B' - 1520 McCollum Road, Gabriola Island, Electoral Area 'B'.

MOVED Director Houle, SECONDED Director Young, that the Regional District of Nanaimo support the Gabriola Island Local Trust Committee's decision to require 5% cash-in-lieu of park land dedication for the proposed subdivision of Lot B, Section 15, Gabriola Island, Nanaimo District, VIP59663, 1520 McCollum Road and that the funds be held by the Regional District of Nanaimo in a separate reserve fund dedicated to acquiring future community park land in Electoral Area 'B'.

CARRIED

ADVISORY, SELECT COMMITTEE AND COMMISSION

Electoral Area 'B' Parks and Open Space Advisory Committee.

Minutes of the Electoral Area 'B' Parks and Open Space Advisory Committee meeting held Tuesday, March 1, 2016.

MOVED Director Houle, SECONDED Director Lefebvre, that the minutes of the Electoral Area 'B' Parks and Open Space Advisory Committee meeting held Tuesday, March 1, 2016 be received for information.

CARRIED

707 Community Park Signage Plan.

MOVED Director Houle, SECONDED Director Lefebvre, that staff be directed to work with Gabriola Land and Trails Trust to review and update the 707 Community Park directional signage.

CARRIED

Parkland Dedication as Part of Subdivision Development Application - 1520 McCollum Road.

MOVED Director Houle, SECONDED Director Lefebvre, that the proposed 5% cash-in-lieu of parkland dedication in conjunction with proposed subdivision of 1520 McCollum Road be accepted.

CARRIED

Rollo-McClay Park.

MOVED Director Houle, SECONDED Director Lefebvre, that staff be directed to provide support to the Gabriola Softball Association with their installation of a batting cage at Rollo-McClay Park.

CARRIED

Electoral Area 'F' Parks and Open Space Advisory Committee.

Minutes of the Electoral Area 'F' Parks and Open Space Advisory Committee meeting held Wednesday, March 9, 2016.

MOVED Director Fell, SECONDED Director Young, that the minutes of the Electoral Area 'F' Parks and Open Space Advisory Committee meeting held Wednesday, March 9, 2016 be received for information.

CARRIED

Liquid Waste Management Plan Monitoring Committee.

Minutes of the Liquid Waste Management Plan Monitoring Committee meeting held Tuesday, March 29, 2016.

MOVED Director Thorpe, SECONDED Director McPherson, that the minutes of the Liquid Waste Management Plan Monitoring Committee meeting held Tuesday, March 29, 2016 be received for information.

CARRIED

Agricultural Advisory Committee.

Minutes of the Agricultural Advisory Committee meeting held Friday, April 22, 2016.

MOVED Director Houle, SECONDED Director Kipp, that the minutes of the Agricultural Advisory Committee meeting held Friday, April 22, 2016 be received for information.

CARRIED

Agriculture Area Plan Implementation 2014 – 2016 Action Plan Progress Update.

MOVED Director Houle, SECONDED Director Haime, that Agriculture Area Plan Implementation 2014 – 2016 Action Plan Progress Update be received as submitted.

CARRIED

MOVED Director Houle, SECONDED Director Haime, that Project 6 - Composting Facility, in the Agricultural Area Plan Implementation 2014-2016 Action Plan, be moved from low priority to high priority, and from medium timeframe to short timeframe.

CARRIED

Fire Services Advisory Committee.

Minutes of the Fire Services Advisory Committee meeting held Wednesday, April 27, 2016.

MOVED Director Stanhope, SECONDED Director Rogers, that the minutes of the Fire Services Advisory Committee meeting held Wednesday, April 27, 2016 be received for information.

CARRIED

Fire Service Review Report.

MOVED Director Rogers, SECONDED Director Stanhope, that the Board direct staff to prepare a report to come forward to the May 10, 2016 Committee of the Whole meeting with respect to engaging a Fire Services Coordinator.

CARRIED

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

Lisa Griffith, Gabriola Historical and Museum Society, re Request to consider proposal for Community Works Funds for the Museum.

MOVED Director Houle, SECONDED Director Young, that staff be directed to develop an agreement to provide for the transfer of up to \$5,000 of Electoral Area 'B' Community Works Funds for the construction of a wheelchair accessible walkway for the Gabriola Historical and Museum Society.

CARRIED

Joyce Babula, Gabriola Island Community Hall Association, re Application for \$17,364 from Community Works Funding.

MOVED Director Houle, SECONDED Director Young, that staff be directed to develop an agreement with the Gabriola Island Community Hall Association to provide for the transfer of up to \$17,500 of Electoral Area 'B' Community Works Funds for replacing the metal portion of the Community Hall roof.

CARRIED

James A. Lettic, Nanoose Bay Activities & Recreation Society, re Community Works Fund – Contribution Agreement (NBARS:RDN).

MOVED Director Rogers, SECONDED Director Westbroek, that staff be directed to develop an agreement with the Nanoose Bay Activities & Recreation Society to provide for the transfer of up to \$107,500 of Electoral Area 'E' Community Works Funds for mechanical systems, HVAC and appliance upgrades to the Nanoose Place Community Hall.

CARRIED

NEW BUSINESS

Social Procurement.

MOVED Director Westbroek, SECONDED Director McPherson, that the Board of the Regional District of Nanaimo acknowledges that the procurement methodologies utilized by the corporation helps drive our economy and shapes the Regional District and, as such, that the Board direct staff to investigate options for the creation, adoption, implementation and evaluation of a Social Procurement Policy for the Regional District of Nanaimo.

CARRIED

MOVED Director Westbroek, SECONDED Director Thorpe, that the Chair, on behalf of the Board, write a letter to Island Health requesting consideration of a social procurement policy around local food procurement for all Vancouver Island hospitals and that copies of the letter be sent to: the Premier; the Honourable Terry Lake, Minister of Health; the Honourable Michelle Stilwell, Minister of Social Development and Social Innovation; Union of BC Municipalities and the Association of Vancouver Island and Coastal Communities.

CARRIED

Coastal Invasive Species Committee, re Knotweed and Giant Hogweed Public Education and Control Program.

MOVED Director Lefebvre, SECONDED Director Yoachim, that a \$10,000 grant for invasive species mitigation on private land be awarded to the Coastal Invasive Species Committee, and that the funds be raised through borrowing from the existing reserve account held for the Island Corridor Foundation and repaid in 2017 if required through the Grants-In-Aid tax requisition.

CARRIED

Director's Roundtable.

Directors provided updates to the Board.

IN CAMERA

MOVED Director Young, SECONDED Director Stanhope, that pursuant to Sections 90 (1) (f), (g), (i), and (j) of the *Community Charter* the Committee proceed to an In Camera Meeting, for discussions related to law enforcement, litigation, solicitor-client privilege and third-party business information.

CARRIED

TIME: 9:36 PM

ADJOURNMENT

MOVED Director Kipp, SECONDED Director Stanhope, that this meeting be adjourned.

CARRIED

TIME: 9:50 PM

CHAIRPERSON

CORPORATE OFFICER



WJL Enterprises Inc.
4733 Kilmarnock Drive
Courtenay BC
250 335-3447

April 23, 2016

To Bowser Legion

As requested, this is an estimated cost to renovate the kitchen at the Bowser Legion Hall on South Island Highway

Included is

Removal of existing cabinets and associated plumbing and electrical

Supply and Install new birch plywood cabinets with all required hardware and accessories as specified

Supply and Install new 18 gage stainless steel counter tops and 22 gage stainless steel backsplash

Supply and install new plumbing and fixtures as specified (fixture allowance \$1500.00) (Dishwasher allowance \$8,000.00)

Supply and Install new electrical as required

Make good all floor finishes, drywall, trim and paint as required

Supply all necessary, equipment, scaffold etc. required

Clean up and disposal of all waste and debri

Total \$64,280.00 plus GST

All work will be done in a good and workman like manner complying with all local bylaws and health and safety standards

Sincerely

Bill Lane

Deep Bay Construction

Steve Osborne

250-927-0266/778-424-9095

deepbayconstruction@shaw.ca

deepbayconstruction.ca

Specifications for Bowser Legion kitchen remodel, as per plans given:

1. **Excavation and backfill:** N/A
2. **Foundation:** N/A
3. **Floor Framing:** N/A
4. **Sub-Flooring:** Upon removal of existing cabinets, any sub-floor damage is replaced by contractor. Contractor will install the sub-floor if needed to accommodate cabinets.
5. **Exterior Wall Framing:** N/A
6. **Partition Framing:** All partition wall framing is supplied by contractor where needed.
7. **Roof Framing:** N/A
8. **Roofing:** Contractor to raise skylights 6" off of existing metal roof, and reflash, Contractor to fix leaks around skylights. If skylights to be replaced, add \$200.00 each.
9. **Garage Slab:** N/A
10. **Sidewalks:** N/A
11. **Timber frame:** N/A
12. **Windows/Skylights:** See above – roofing
13. **Soffit/Fascia/Gutters:** N/A
14. **Exterior Doors including Garage Doors and Openers:** N/A
15. **Fireplace:** N/A

17. **Plumbing:** Contractor to supply RU80 high efficiency On Demand hot water system which will be plumbed into the existing propane. All venting, roof penetrations and applicable permits provided by contractor. Allowance of \$1500 is in the contract for plumbing fixtures. All sinks are drop in industrial stainless steel and welded in place. Allowance of \$8000 for the industrial dishwasher.
18. **Wiring:** Wiring of the dishwasher, On Demand hot water, and anything pertaining to the remodel is the responsibility of the contractor.
19. **Heating:** N/A
20. **Insulation:** N/A
21. **Vacuum:** N/A
22. **Sound System:** N/A
23. **Drywall:** Contractor will replace drywall damage in skylights. Contractor also to drywall anything associated with renovation.
24. **Painting:** Allowance of \$1500, if desired.
25. **Interior Trim:** Allowance of \$1000 for labor and materials.
26. **Interior Flooring:** \$1500 for labor and material relating to flooring.
27. **Interior Doors:** N/A

Cabinets: All cabinets, shelves and drawers are built with pre-finished birch plywood. All drawers include full extension, heavy duty drawer slides that include a soft close anti-slam component that are built for years of trouble free service. Thermofoil flat panel (MDF board with a white melamine back and vinyl on all other sides) doors and drawer fronts have been included in the price. These are easy to wipe clean and reasonably priced for this type of application. The current kitchen design includes approx. 160 sq ft of cabinet doors and drawer fronts. Soft close hinges on all cabinet doors. Super susans , which are an industrial grade turntable system, are included in the base corner cabinets. Cheaper lazy susan units could reduce the cost for these base corner cabinets. Included are banks of drawers, rather than a standard base cabinet configuration with a shelf, in most of the base cabinets. Most are banks of three drawers, however two units have four drawers which would help store utensils and other cooking gadgets. Currently there are forty-four (44) drawers in the kitchen design.

physically get down on your hands and knees to access the products stored at the back of base cabinets. Currently only three base cabinets contain the standard shelf.

The Island that is 3'6" x 8' is increased to 4'x8' to allow 2' drawers to be accessed from both sides of the island. All countertops are 18 gage stainless steel rolled down 1 1/2" in the front and rolled up 8" on the back against the wall. All kitchen backsplash are 22 gage stainless steel. 3'x6' stainless steel table on rollers with lower shelf is included in the quote.

28. Exterior Deck: N/A

29. Exterior Finish: N/A

30. Additional Items: All allowances in quote will have GST added to the price. Contractor to keep site clean and hazardous free. Deep Bay Construction is insured through Intact Insurance Company (document provided). Contractor will ensure all trades are insured and provide their documentation.

Price: \$53,780 + GST

Thank you for the opportunity to bid this job. If you have any questions, please feel free to contact me at either of the numbers listed.

Sincerely,

Steve Osborne

Island Food Equipment
250 240 0904

Michael Bachynski 384213

Bowser Region Branch 211

DATE	Jan 4/16
INQUIRY NUMBER	
ESTIMATED DELIVERY DATE	2-3 weeks
TERMS	on delivery

WE THANK YOU FOR THE OPPORTUNITY TO SUBMIT THE FOLLOWING PRICES AND SPECIFICATIONS.

Retas

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
2	gas deep Fryers - Propane	1365	2730
1	3 Comp Sink		1295
1	prewash Tabling - sink - Spray Unit		945
1	Clean Tabling		415
1	8' SS. work table - splash guard		695
1	hand wash sink		172
4	6' Storage rack - with castors		520
1	upright flow Hi Temp dishwasher - AUSA		4625
1	6' SS. work table		425
			11,872.00

This Quote is for Supply only. installation & taxes Extra

PLEASE REFER TO THE ABOVE QUOTATION NUMBER WHEN PLACING YOUR ORDER.

ABOVE PRICES GOOD FOR 30 DAYS.

SIGNATURE

M. Bachynski

x GST 55.00

x PST 75.00

TOTAL 12002.00



Qualicum Bay-Horne Lake Waterworks District

234 Lions Way, Qualicum Bay, BC V9K 2E2

Tel (250) 757-8507 Fax (778) 424-8507 ~ Office: Mon-Fri, 12:30-4:00 pm

March 28, 2016

Wendy Idema, CPA, CGA
Director of Finance
Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Re: Infrastructure Planning Grant Program

Dear Wendy Idema:

The Qualicum Bay Horne Lake Water District (QBHLWD) located in Qualicum Bay on Vancouver Island delivers untreated drinking water to 500 connections servicing over 900 dwellings. In operation since 1968 our improvement district strives to maintain the purity, safety and affordability of the water supply to our community.

In cooperation with Island Health and with consideration to the on-going update of our Official Community Plan (OCP) we are charged to create a Well and Aquifer Protection Plan that will identify the source aquifer, recharge area, and well capture zones, recommend a Well and Aquifer Protection Area, identify overall risks to water quality and recommend measures to protect the wells and aquifer. Two proposals estimate the cost of this project at \$15,000.

The process requires the skills of Hydro geological professionals, the dedication of the Water District Administrator and Trustees and most importantly the long term commitment of our community to preserving and protecting our water source now and into the future.

The Qualicum Bay Horne Lake Water District requests that you apply for the Infrastructure planning grant this grant on our behalf.

Thank-you.

Sincerely

Leigh Campbell, Administrator

Encl



Qualicum Bay-Horne Lake Waterworks District

234 Lions Way, Qualicum Bay, BC V9K 2E2

Tel (250) 757-8507 Fax (778) 424-8507 ~ Office: Mon-Fri, 12:30-4:00 pm

March 28, 2016

Ministry of Community, Sport and Cultural Development
Local Government Infrastructure and Finance Branch
PO Box 9838 Stn Prov Govt
Victoria, BC V8W 9T1

Re: Infrastructure Planning Grant Program

To Whom it may concern

The Qualicum Bay Horne Lake Water District (QBHLWD) located in Qualicum Bay on Vancouver Island delivers untreated drinking water to 500 connections servicing over 900 dwellings. In operation since 1968 our improvement district strives to maintain the purity, safety and affordability of the water supply to our community.

In cooperation with Island Health and with consideration to the on-going update of our Official Community Plan (OCP) we are charged to create a Well and Aquifer Protection Plan that will identify the source aquifer, recharge area, and well capture zones, recommend a Well and Aquifer Protection Area, identify overall risks to water quality and recommend measures to protect the wells and aquifer. Two proposals estimate the cost of this project at \$15,000.

The process requires the skills of Hydro geological professionals, the dedication of the Water District Administrator and Trustees and most importantly the long term commitment of our community to preserving and protecting our water source now and into the future.

Thank-you in advance for consideration of our application.

Sincerely

Ken Traynor,
Chairman for the Board of Trustees
Qualicum Bay Horne Lake Water District

Encl

PLEASE READ THE PROGRAM GUIDE before completing this Application Form. A separate Application Form must be completed for each project. Applicants should be aware that information collected is subject to provincial freedom of information legislation.

This Application Form is designed to be filled in electronically using word processing software. If you have any questions, please contact Local Government Infrastructure and Finance Branch by Phone: 250 387-4060, Fax: 250-387-7972 or Email: Infra@gov.bc.ca

			For Administrative Use Only
A. Applicant Information			
Legal Name of Applicant: Regional District of Nanaimo on behalf of the Qualicum Bay Horne Lake Water District			
Address: 234 Lions Way			
Town/City: Qualicum Beach, BC		Postal Code: V9K 2E2	
Phone No: 250757-8507	Fax No:778 424-8507	Email Address:qbhlwater@shaw.ca	
Primary Contact Name: Wendy Idema, Regional District of Nanaimo / Leigh Campbell, Qualicum Bay Horne Lake Water District			
Title of Primary Contact: Director of Finance, Regional District of Nanaimo / Administrator, Qualicum Bay Horne Lake Water District			

B. Project Description

Project Title:Wellhead Protection Plan
Brief Project Description (less than 200 words): The Qualicum Bay Horne Lake Water District is embarking on a well head protection plan, as required by Island Health. The wellhead protection plan is a tool used for not only wellhead protection but watershed protection. A wellhead is the physical structure of the well above ground. A wellhead protection area is the area around a wellhead where land use activities have the potential to affect the quality and quantity of water that flows into the well.

C. Project Information

1. What are the main objectives of the project? <ul style="list-style-type: none"> • To involve and engage the community and to build support for this initiative through public consultation • Identify the source aquifer, recharge area, and well capture zones. • Develop a Well and Aquifer Protection Area, based on this information. • Identify potential sources of pollution within this area and overall risks to water quality. • Develop and implement measures to protect the wells and aquifer. • Monitor and adjust Well and Aquifer protection plan as needed.To have a wellhead protection plan for the Qualicum Bay Horne Lake Water District
2. What is the estimated total cost of the project? \$15,000.00

3. What is the estimated completion date of the project? March, 2017
4. If multiple applications are being submitted, this project is ranked as priority 1 out of 1 applications.
5. The project will be completed by: <input checked="" type="checkbox"/> Local government staff <input checked="" type="checkbox"/> Consultant <input checked="" type="checkbox"/> Other (please specify): Public Consultation
6. a) Will the project enhance environmental protection? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b) If yes, describe: This project will help manage and protect our water source.
7. a) Will the project improve public health and safety? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b) If yes, describe: This project will identify potential hazards to groundwater quality and quantity, by reviewing existing and proposed land use activities and historical contaminated sites
8. a) Does the project support any community sustainability goals? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b) If yes, describe: by identifying and protecting our aquifer we safeguard our source of clean, safe, untreated drinking water now and into the future.
9. a) Does the project support the development or implementation of any long-term plans? e.g. Regional Growth Strategy, Liquid Waste Management Plan <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b) If yes, describe: A Well and Aquifer Protection Plan works hand in hand with an Official Community Plan (OCP) in order that future development will not place our water sources at risk.
10. a) Does the project use any innovative technologies or approaches? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b) If yes, describe: Hydrogeological Mapping
11. a) Will the project be developed in partnership with any organizations? <input type="checkbox"/> Yes <input type="checkbox"/> No b) If yes, list the partners and describe their role in this project: RDN - planning department, Island Health
12. a) Will (has) this project receive(d) any funding or in-kind contributions from a third party? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b) If yes, list the parties and describe the contributions:
13. a) Will there be any public consultation and/or participation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b) If yes, describe: Public education and consultation to gain understanding and support of WAAP initiative ensuring community commitment and participation in the protection of our drinking water supply.
14. a) What is the population of the community? 1300 b) What is the estimated population that will be served by this project? 1300+
15. This application should be submitted with any supporting documentation that may help with the assessment process (e.g. terms of reference, consultant's proposal, letters of support). If applicable,

please list the supporting documentation that will be submitted with the application.

Proposal from Payne Engineering, proposal from Waterline Resources

16. Does the Ministry have permission to share the information contained in this application with the Federation of Canadian Municipalities' Green Municipal Fund?

Yes No

Please email the completed Application Form and any supporting documentation to: Infra@gov.bc.ca

Hardcopies can be mailed to: Ministry of Community, Sport and Cultural Development
Local Government Infrastructure and Finance Branch
PO Box 9838 Stn Prov Govt
Victoria BC V8W 9T1

To complete the application process you must sign and submit the Certification Form in portable document format (PDF) by email to: Infra@gov.bc.ca. By signing the Certification Form you are certifying that the information contained in this application is to the best of your knowledge correct and complete. Applications are not eligible for assessment until the Certification Form is received by the Ministry of Community, Sport and Cultural Development. The Certification Form can be downloaded from http://www.cd.gov.bc.ca/lgd/infra/infrastructure_grants/infrastructure_planning_grant.htm

14 March 2016

File: QBH-1-1

Qualicum Bay Horne Lake Waterworks District
234 Lions Way
Qualicum Beach, BC
V9K 2E2

Attention: Beverley Allen, Trustee, and Leigh Campbell, Administrator

Proposal for a Well and Aquifer Protection Plan for the Qualicum Bay Horne Lake Waterworks District

Dear Ms. Allen and Ms. Campbell:

In this letter, PEG (Payne Engineering Geology) proposes to complete a Well and Aquifer Protection Plan for your waterworks district.

Background

I understand that the Qualicum Bay Horne Lake Waterworks District (the District) operates three wells that supply water to 516 water connections. Recently, the Vancouver Island Health Authority (Island Health) required that you complete a wellhead protection plan. I usually call this a Well and Aquifer Protection Plan, to emphasize that the importance of protection the aquifer, rather than just the wells. You recently asked my company, PEG, to complete this Plan for your District.

Payne Engineering Geology Qualifications

Payne Engineering Geology (PEG) is a ground water consulting firm focussed on site evaluation and design services for:

- aquifer protection
- soil-based industrial and municipal wastewater treatment systems
- industrial and municipal water supply wells
- infiltration of storm-water runoff

PEG has completed Well and Aquifer Protection Plans for the Cowichan Valley Regional District, North Cedar Improvement District, and the Bowser Waterworks District, and we are currently working on a Plan for the Deep Bay Improvement District.

Michael Payne is a professional groundwater engineer and hydrogeologist with more than 30 years of consulting experience.

Summary of the Project and Objectives

PEG objectives

In preparing this Well and Aquifer Protection Plan, our objectives will be as follows:

- (1) Identify the source aquifer, recharge area, and well capture zones.
- (2) Recommend a Well and Aquifer Protection Area, based on this information.
- (3) Identify potential sources of pollution within this area.
- (4) Identify overall risks to water quality.
- (5) Recommend measures to protect the wells and aquifer.
- (6) Write a comprehensive report to summarize the information listed above.

Approach and limitations

For a Well and Aquifer Protection Plan, the guideline that we follow is the BC Ministry of Environment publication **Well Protection Toolkit**. This document outlines the general process, but it is only a guideline, not a strict standard or a regulation.

This guideline, the Well Protection Toolkit, emphasizes a *Community Planning Team* and a public process. While public consultation is always a good idea, the Community Planning Team is not necessary for all water systems. Other small water districts have asked me to complete most of the analysis and reporting for them, without forming a Community Planning Team, and without much of a public process. The technical methods that I use, as a hydrogeology consultant, are quite similar to what is outlined in the **Toolkit** guideline.

If I am the main person responsible for preparing the Plan, then I will need help from District staff and volunteers, or from your Community Planning Team, on the following:

- Collecting background information, maps, and reports.
- Identifying potential sources of pollution (contaminants)
- Developing management strategies and contingency plans.

- Planning a monitoring program that is practical for your District.

The Aquifer Protection Plan is not a GARP study. As a result, this study does not follow the procedures in ***Guidance Document for Determining Ground Water at Risk of Containing Pathogens (GARP)***. Having said this, I usually include a GARP initial screening process as part of the process of “identifying potential contaminants”.

The Aquifer Protection Plan is not the same as a Watershed Protection Plan, although some of the analysis and management strategies will be similar.

I will need to visit the well locations, and the potential well capture zone lands, at least once for this study, and potentially two or three times.

Scope of Services

Appendix 1 outlines our proposed scope of services.

Fee and Schedule

Fee

PEG will charge a pre-tax fee of \$15,000 for the services listed in Appendix 1. Applicable sales taxes will be added to all invoices. If we agree to a change the scope of services, this will also change the fee.

Expenses included in the fee

This fee includes allowances for the following incidental expenses:

- travel expenses
- photocopying and long distance phone charges
- use of PEG-owned field equipment (hand auger, borehole permeameter, water level meter, Hanna combo WQ meter, GPS)

Services and expenses not included in the fee estimate

The fee above does not include the cost of the following services. If any of these services are required, these services may be provided directly by the owner, or PEG can subcontract these services, at an additional cost.

- Attending meetings (other than those listed under Scope of Services)
- drilling or excavating contractors

- testing of well capacity by pumping drawdown tests
- water testing laboratory
- surveying (other than field GPS)
- licencing or permitting or approvals of water supply wells

Schedule

On approval, we propose to complete this Plan during April through July of 2016.

Agreement

Please confirm our agreement by returning one signed copy of this letter.

Sincerely,

Payne Engineering Geology Limited

MPayne

.....
Michael Payne, PEng, PGeo

Accepted,
Qualicum Bay Horne Lake Waterworks District

.....
Sign here

Date

.....
Name

Title

Appendices:

1. Scope of Services
2. Terms of agreement

Appendix 1: Scope of Services

Step 1: Review Background Information

We plan to collect and review the following information:

- general history and description of the existing water system
- land use (zoning) map or maps
- maps or plans of the existing water system (wells, tanks or reservoirs, water treatment plants, distribution lines)
- previous engineering or hydrogeology reports relating to the wells or the water system
- expected future water use (water demand)
- existing and expected number of users (water system connections)
- information on past well pumping rates and total water use
- engineering estimates of future pumping rates and water use (if available)
- proposed construction of additional wells (if any)
- logs of existing production wells
- logs of other wells located on the same property (observation wells, abandoned wells)
- data and reports from previous well pumping tests
- lab reports from testing of water quality in existing wells
- Regional maps of topography, cadastral surveys, soils, geology, aquifers, and water well locations
- Aerial photographs
- Water well records from the BC Environment Wells Database
- Regional hydrogeology, geology, soils, and water well reports prepared by other consultants or government
- Records from long term observation wells, possibly available from BC Environment or others
- Records of communal sewage systems in the area (may be available from the water system owner, the municipality, or from BC Ministry of Environment)
- Municipal or regional bylaws that affect assessments of water quality risks or a wellhead protection plan

Step 2: Initial Consultation and Site Reconnaissance

- Meet with the water system operator to review the history of the water system and to identify any known or suspected risks to water quality.

For each well site, identify and map nearby features of interest or concern, including the following:

- buildings, property lines, drainage ditches, storm water infiltration systems
- other water wells
- septic fields, manure stockpiles, cemeteries, or areas of storage of toxic chemicals
- communal sewage drainfields
- sanitary landfills
- tanks storing petroleum products
- fresh and salt water bodies

Step 3: Well, Aquifer, and Soil Testing

Soil and aquifer testing may include one or more of the following tests.

- Excavate and log up to 6 shallow test pits, to depths of about 30 to 90 cm, located in areas where soil properties are important for aquifer protection. *We propose simple hand-dug pits to observe typical soil conditions; if deeper test pits or test holes are more appropriate, then we will advise the District on this.*
- Test the soil permeability, using up to six shallow soil permeability tests.

Step 4: Hydrogeology and Risk Analysis

- For each of the three wells, review well compliance with applicable regulations, including the Groundwater Protection Regulation and Drinking Water Protection Regulation.
- Prepare a sketch map and cross section of the aquifer and wells.
- Map the well capture zones.
- Select a Well and Aquifer Protection Area (WAPA) based on the capture zone and subsurface travel times.
- Identify potential sources of pollution within the well protection area.
- Analyze sources of recharge, including screening of GUDI and GARP risks.
- Review and assess existing raw water quality, and changes in water quality over time.

- Analyze and evaluate water quality risks, using qualitative risk analysis or, where feasible, semi-quantitative analysis.

Step 5: Risk Management

- If appropriate, recommend repair or upgrades of the well seals or wellhead assemblies.
- Recommend appropriate operation, monitoring, and maintenance of the wells, for water quality protection.
- Recommend emergency response measures, where appropriate (but this will not be a formal Emergency Response Plan).
- Identify legal or administrative measures that may help protect all or part of the WAPA. *These could include, for example, regional district development permit areas, or provincial Map Reserves or Community Watersheds.*

Step 6: Report

- Write the formal Aquifer and Wellhead Protection Plan (report) in draft format.
- Discuss the draft report with District staff or trustees, as appropriate.
- Revise the report and issue a final report.

Appendix 2: Terms of Agreement for this Project

Services and Fee

PEG (Payne Engineering Geology Ltd) will provide the Services listed under **Scope of Services** above, according to the following terms:

- PEG may, at its discretion and at any stage, engage sub-consultants to complete some or all of the Services.
- PEG will issue progress invoices monthly, based on services completed since the last invoice date.
- The Client (QBHLWD) will pay invoices within 30 days of the date of the invoice, without hold back.
- After 30 days, a late payment charge of 1.50% per month, or 19.56% per annum, applies to the unpaid balance.
- PEG will place all consulting on hold until overdue amounts have been paid in full.

Change Orders

During the project, the Client may want to increase the Scope of Services. If this increases PEG's fee, PEG will obtain the Client's approval for the increased fee before starting on the extra consulting services.

Representatives

Each party will designate a representative who is authorized to act for that party and receive notices under this Agreement. Unless otherwise designated, this will be Leigh Campbell and Michael Payne.

Termination

Either party may cancel this agreement without cause upon 15 day notice in writing. On cancellation by either party under this paragraph, the Client will pay PEG its Charges for the Services provided, including all expenses and other charges that PEG incurred. If either party breaches the agreement, the non-defaulting party may cancel this agreement after giving seven day notice to remedy the breach. On cancellation by PEG under this paragraph, the Client will pay PEG its Charges for the Services provided to the date of cancellation, including all fees and disbursements. If either party cancels this agreement, then PEG will determine applicable Charges using its Schedule of Fees and Disbursements in effect at the time.

Standard of Care and Limitation of Liability

PEG will provide these services with a high standard of skill and care, consistent with that ordinarily used by members of the profession currently practicing under similar circumstances. However, PEG will not be responsible for the following:

- the failure of a contractor, or another consultant, to properly complete the work or services required under separate agreements with the Client;
- the design of or defects in equipment provided by the Client or contractor for use on this project;
- any cross-contamination resulting from subsurface investigations;
- any damage to subsurface structures and utilities that the Client identified and located;
- any decision that the Client makes without PEG's advice, or contrary to PEG's advice;

- any consequential loss, injury or damages that the Client may suffer, including loss of use of constructed works, and including loss of earnings and interruption of business;
- the unauthorized distribution of any confidential document that PEG prepares for the Client.

PEG carries professional liability insurance. The total of all claims the Client may make against PEG will be limited to the amount of professional liability insurance that PEG holds when the Client makes the claim. No claim may be brought against PEG more than two years after PEG completes the services under this agreement.

Information Provided by Others

The agreed scope of services does not include verifying the accuracy and completeness of information provided by others. PEG is entitled to rely on this information for the purposes of this project.

Documents Prepared for this Project

PEG will prepare documents, including design drawings and recommendations, for its Client's use on this project. PEG retains the property and copyright of these documents. These documents may not be used on any other project, or by any party other than the Client, without prior written approval from PEG.

Dispute Resolution

Recognizing that disputes can arise despite our best intentions, this paragraph specifies a reasonable and efficient way to resolve disputes. If a dispute arises, both parties will meet with a mediator, and will then attempt to resolve the dispute using structured, non-binding negotiations, without prejudice. If the two parties cannot settle a dispute within 30 days of mediation, then the parties will resolve the dispute through arbitration.

March 14, 2016
2627-16-000

Qualicum Bay Horne Lake Waterworks District
234 Lions Way
Qualicum Beach, BC, V9K 2E2

Attention: Leigh Campbell, Administrator

Dear Leigh,

RE: Proposal for Qualicum Bay Horne Lake Well Protection Plan

1.0 INTRODUCTION AND OBJECTIVE

The Qualicum Bay Horne Lake (QBHL) Waterworks District is looking to develop a Well Protection Plan (WPP) that will help them manage and protect their water source. The water system services approximately 1,300 residents with over 500 water connections. The water source consists of three water supply wells which are completed in the Quadra Sands Aquifer. The wells produce high quality groundwater and there are no known water quality issues at this time.

QBHL Waterworks District retained Waterline Resource Inc. (Waterline) to submit a proposal to complete the Well Protection Plan.

2.0 SCOPE OF WORK

To address the Water District's objective of developing a Well Protection Plan, Waterline will complete the following tasks:

Task 1:

- Conduct an initial site visit to collect the required hydrogeologic information from the planning team. Inspect the wellheads and take site photos.
- Record land use activities upgradient of the community wells.

Task 2:

- Define the well capture zone and well protection area based on a review of available hydrogeologic information: well logs, historical pumping test results, monitoring data and aquifer mapping.

Task 3:

- Identify potential hazards to groundwater quality and quantity. This will include a review of existing and proposed land use activities, historical contaminated sites and air photo interpretation.

Task 4:

- Develop a management plan to address the groundwater hazards. The community team members will be responsible for implementing the management actions.
- Integrate well and aquifer protection into the Water District's existing emergency response plan.
- Develop a suitable groundwater monitoring program that will allow the community to detect changes in water quality, well and aquifer performance.

Task 5:

- Prepare a concise report outlining the WPP. Present the results and recommendations to the QBHL community planning team via Webex.

3.0 ASSUMPTIONS

Based on the proposed scope, Waterline has made the following assumptions:

- Water level monitoring and water quality results will be provided to Waterline in already compiled tables and figures, or in an organized Microsoft Excel format for data processing;
- Previous aquifer testing reports are available and will be provided to Waterline; and
- Once complete, Waterline will present the Well Protection Plan to the community planning team via Webex.

4.0 CORPORATE SUMMARY – WATERLINE TEAM

Waterline is a small to medium size hydrogeology consulting firm employing approximately 45 staff (35 hydrogeology/technical) with offices in Nanaimo, Victoria, Vancouver and Calgary. The company has been operating in Western Canada for 16 years providing comprehensive groundwater resource, contaminant hydrogeology, and environmental consulting services. Waterline provides services to residential and commercial land developers, industry, agricultural operations, First Nations, and all levels of government. We specialize in regional scale hydrogeological assessment, aquifer testing and assessment, water supply development, groundwater modelling and environmental site assessments.

Waterline will use our in-house Water Management Geodatabase to support the study, which already has much of the hydrogeologic information compiled for the area. Waterline has considerable project experience in the Qualicum Bay Horne Lake area and are very familiar with the hydrogeology.

Waterline will dedicate the following staff to the QBHL Water District project:

- Darren David, M.Sc., P.Geo., Principal Hydrogeologist, Project Director/Manager
- Dalton Pajak, B.Sc., P.Geo. Intermediate Hydrogeologist, Assistant Project Manager
- Rob Flemming, B.Sc., Senior GIS Analyst and Data Management Specialist
- Maury Scott, B.A., GIS Analyst and Field Technician

Biographical sketches and resumes are provided for the Waterline team members in Attachment 1.

5.0 COST AND SCHEDULE

Waterline's total estimated costs are shown below in Table 1. The professional fees and level of effort to complete the assessment are outlined.

Waterline is prepared to initiate this work immediately upon receiving notice to proceed.

Table 1: Waterline Cost Estimate

Professional and Technical Fees								
Staff	Classification	Estimated Hours	Unit Rate				Cost	
D David (DD)	PL13 - Principal Hydrogeologist	16	\$180				\$2,880.00	
B Lyons (BL)	PL9 - Senior Hydrogeological Engineer	0	\$150				\$0.00	
A Mellor (AM)	PL7 - Intermediate Hydrogeologist	0	\$130				\$0.00	
D Pajak (DP)	PL5 - Intermediate Hydrogeologist	78	\$110				\$8,580.00	
R Flemming (RF)	DML4 - Senior GIS Analyst	6	\$110				\$660.00	
M Scott (MS)	DL3 - GIS Analyst and Field Tech	10	\$100				\$1,000.00	
K Arshi (KA)	A2 - Clerical	4	\$65				\$260.00	
Hours and Fees Total		114	-				\$13,380.00	
		Hours						
Task Subdivision	DD	BL	AM	DP / JH	RF	MS	KA	Total
Project Management	2			6			2	10
Task 1: Consultation (consult with planning team; single site visit)	2			6				8
Task 2: Capture Zone Assessment and Well Protection Boundary	2			24	6	4		36
Task 3: Contaminant Source Identification				8		2		10
Task 4: Develop Management Actions, ERP, Monitoring Plan	2			30		2		34
Task 5: Finalize report and present to QBHL community	8			4		2	2	16
Disbursements								
Task	Description	Unit	# of Units		\$/Unit	Cost		
Admin costs 8% of fees	Miscellaneous office expenses (computer, GIS, printing, Health and Safety program)	%	0.08		\$13,380.00	\$1,070.40		
					Disbursements Total		\$1,070.40	
* GST not included				TOTAL*		\$14,450.40		

6.0 CLOSURE

Waterline is pleased to provide the enclosed proposal for the Qualicum Bay Horne Lake Water District. We trust that the information provided herein sufficiently details the depth of our collective experience in well and aquifer protection. However, should you require more information or have any questions or concerns, please do not hesitate to contact the undersigned at your convenience. You may reach Darren David at 250-585-0800.

Respectfully submitted,

Waterline Resources Inc.

Darren David, M.Sc., P.Geo.
Principal Hydrogeologist

Dalton Pajak, B.Sc., P.Geo.
Intermediate Hydrogeologist

Attachments:

Attachment 1: Waterline Team Biographical Sketches and Curriculum Vitae

Attachment 1

**Waterline Team Biographical Sketches
Curriculum Vitae**

Darren David, M.Sc., P.Geo. – Principal Hydrogeologist, Director/ Project Manager

Mr. David has 30 years of experience in geology, hydrogeology, geochemistry, and environmental impact assessment. Mr. David has specialized in water resource management. He has directed various watershed scale aquifer mapping and water budget projects. Mr. David is currently the project director for the Gibsons Aquifer Mapping and groundwater protection project that has been on-going since 2009. He was the principal investigator and author of the Regional District of Nanaimo Phase 1 Water Budget project. Mr. David will be the primary contact and project director/manager and will be involved in all aspects of data compilation, report preparation, and presentation to the project team.

Dalton Pajak, B.Sc., P.Geo. – Intermediate Hydrogeologist, Assistant Project Manager

Mr. Pajak has a bachelor's degree in hydrogeology from the University of British Columbia. Dalton has over five years of hydrogeology consulting experience working on a variety of projects in the industrial and municipal sectors. He has worked on projects related to groundwater supply evaluation, hydrogeological assessments, source water exploration drilling and aquifer testing and regulatory compliance. He has extensive field experience including numerous drilling investigations, downhole geophysical logging, grain size analysis for well screen design, aquifer testing, well installation and instrumentation. Dalton just completed a project for the Community of Tsaxana near Gold River involving drilling a new water supply well and completing a source water protection plan. He is also the project manager for a water supply project in the Comox Valley and organizes and executes the hydrogeological field work on that project. Dalton will be available to assist Darren David with project management duties, data compilation, analysis, and reporting.

Rob Flemming, B.Sc. – Senior GIS Analyst and Data Management Specialist

Mr. Flemming has over 15 years of experience applying a geographical approach across a range of disciplines. This includes field data collection, scientific research and writing, database management, programming, geospatial data integration and analysis, and cartography. With Waterline, Rob has assumed a key role in the development and maintenance of the GIS and online Water Management Planning Tool. Rob has experience working on various aquifer mapping projects and was also involved with the final transfer of the database created for the RDN as part of the Phase 1 Water Budget Project. Rob's role will be to interact with the project team on matters of GIS and data management.

Maury Scott, B.A. – GIS Analyst and Field Technician

Maury Scott is a GIS technician and geographer with Waterline. He has a bachelor's degree in geography and an advanced diploma in GIS applications with 4 years of related experience. Since joining Waterline, he has provided data compilation and display support for groundwater exploration, environmental impact assessment, hydrogeological assessment, remediation work, source water assessments, and license applications. Maury's most recent project was a field verification survey of over 1,100 water wells. Maury's role on the QBHL project will be to develop figures related to the Well Protection Plan.

DARREN J. DAVID, M.Sc., P.Geol., P.Geo.

Principal Hydrogeologist

EDUCATION

University of Waterloo, Waterloo, Ontario, Canada
Saint Mary's University, Halifax, Nova Scotia

M.Sc., Hydrogeology, 1993
B.Sc., Geology, 1986

REGISTRATION

Professional Geologist: Alberta
Professional Geoscientist: British Columbia

REPRESENTATIVE EXPERIENCE¹

Hydrogeology (Water Resources and Contaminants)

Mr. David has been involved with groundwater exploration and aquifer evaluation studies in Canada, United States, Mexico, and South America. He has been responsible for managing projects and supervising field operations relating to testing and evaluating domestic and industrial wells used for municipal water supply, power generating stations, recreational facilities, enhanced recovery projects, construction dewatering, and mine dewatering at metal and coal mines in both Canada and the United States.

A preliminary conceptual hydrogeological model typically forms the basis for follow up field investigation programs that include field verification, drilling, sampling, and testing. Mr. David has been responsible for directing preliminary desk-based studies that focus on data management and interpretation of geological, hydrogeological, and geochemical information for the development of conceptual hydrogeological models at project sites. Mr David has also completed studies evaluating groundwater interactions with surface water bodies, assessing cumulative impacts on aquifers, and developing appropriate mitigation and protection programs. Mr. David has extensive experience in designing and supervising such programs, as well as completing field operations relating to drilling, well completions, hydraulic testing of bedrock and overburden deposits, and specialized testing to evaluate groundwater surface water interactions.

Mr. David has been responsible for managing and conducting contaminant hydrogeology investigations in Canada, United States, and in Latin America. He has worked on contaminated sites associated with upstream petroleum facilities, coal gasification activities, metal plating facilities, petroleum dispensing operations, metal refineries, sulphuric acid plants, mining sites, and other industrial sites.

As part of a multi-disciplinary team of engineers and scientists, Mr. David has completed numerous projects involving baseline hydrogeology assessments that consider the environmental impacts on groundwater systems from industrial operations. The studies include the development of mitigation strategies and groundwater management programs to protect environmentally sensitive receptors (water supply aquifers, wetlands, lakes and streams) from contamination by commercial and industrial operations including farming, upstream and

¹ Updated January 2014

downstream oil and gas operations, mining, and other commercial facilities. The studies also considered groundwater flow and water table disturbances resulting from new developments such as residential and commercial subdivisions, exploration and mining activities, construction dewatering, and groundwater extraction and diversion programs.

Hydrogeology - Oil Sands (Open-pit and SAGD)

Mr. David has work as part of a team to provide expertise on oil sands projects, including the preparation of the hydrogeology component of baseline/EIAs, Quaternary and McMurray Formation source well design, construction and testing/ analysis, design/supervision of injectivity tests on non-potable bedrock intervals. As an example, under subcontract to an environmental consulting firm, Mr. David has been involved with source water testing and analysis, and disposal well injectivity testing on several SAGD projects in northern Alberta.

Mining (Hydrogeology, Hydro-Geotechnical, Geology)

Mr. David has been involved in the mining industry for the past 24 years. He has worked as an exploration geologist, hydrogeologist, and hydro-geotechnical specialist on projects dealing with open pit and underground mine dewatering, depressurization, pit wall design, and assessment and mitigation of metals leaching and acid mine drainage in Canada, United States, and Latin America. Mr. David specializes in integrated hydrogeology-geotechnical-environmental projects. He has been involved in the evaluation and selection of remedial/mitigation strategies, risk assessment, and various aspects of fieldwork associated with investigation, implementation, and project management. Mr. David has a strong working knowledge of geochemistry dealing with water-rock interactions for both inorganic and organic chemicals. His graduate thesis topic involved the assessment of geochemical interactions, plume evaluation, and geochemical modelling for the assessment and prediction of heavy metals solubility and distribution.

Mr David has also worked as an exploration and structural geologist in Eastern Canada, Northern Canada, and the South Western United States. He has considerable experience in geological exploration mapping and drilling for gold, base-metal, and coal mining areas in North America including the Yukon and Northwest Territories, British Columbia, Alberta, Nova Scotia and New Brunswick, Arizona and New Mexico.

Groundwater and Soil Remediation

Mr. David has been involved in a number of groundwater and soil remediation projects relating to organic and inorganic compounds. His remediation experience is primarily associated with conventional excavation and disposal operations, pump and treat, vapour extraction, cut-off trenches and effluent collection and treatment, and waste cover technologies. His responsibilities involved evaluation and selection of remedial/mitigation strategies, risk assessment, and various aspects of fieldwork associated with investigation, implementation, and project management. Mr. David has a strong working knowledge of geochemistry dealing with water-rock interactions for both inorganic and organic chemicals. His graduate thesis topic involved the assessment of geochemical interactions, plume evaluation, and geochemical modelling for the assessment and prediction of heavy metals solubility and distribution.

Groundwater Expert Review and Testimony

Mr. David has provided expert review and testimony on several groundwater related projects since 1993. Mr. David's involvement ranges from giving presentations at community meetings, to groundwater expert at a mediation hearing, and providing expert testimony during cross-examination by appellant lawyers. Mr. David has worked on a variety of different projects in this regard including groundwater resources and contaminant hydrogeology.

EMPLOYMENT RECORD

2000 - Present	Waterline Resources Inc
1993 - 2000	AGRA Earth & Environmental Limited (Now AMEC)
1991 - 1993	University of Waterloo, Ontario/contract position with Falconbridge Limited
1990 - 1991	Trow Dames and Moore, Mississauga, Ontario
1989 - 1990	Jacques Whitford and Associates, Halifax, Nova Scotia
1987 - 1989	NovaGold Resources Inc.
1986	Procan Exploration Company Limited, Calgary, Alberta
1996	Aurum Geological Consultants, Vancouver
1985	NSERC Grant, Saint Mary's University, Halifax, Nova Scotia



Unit D, 2301 McCullough Road
Nanaimo, BC
Canada, V9S 4M9
Tel: 250.585.0801
Fax: 250.585.0802
Toll Free: 1.888.641.6795
www.waterlineresources.com

DALTON PAJAK, P.GEO.

Hydrogeologist

EDUCATION

B.Sc. Earth and Ocean Science, University of British Columbia, Canada, 2011

PROFESSIONAL TRAINING

Standard First Aid + Level C CPR
Transportation of Dangerous Goods
Petroleum Safety Training
CN Safety for Canadian Contractors
Electronic General Safety Orientation (eGSO)

H₂S Alive
ATV Safety Training
WHMIS
Ground Disturbance

REGISTRATIONS/AFFILIATIONS

Professional Geoscientist, APEGBC
British Columbia Groundwater Association

PROFESSIONAL EXPERIENCE

Mr. Pajak has a bachelor's degree in Earth and Ocean Science (combined major in geology and hydrogeology) from the University of British Columbia. He has over four years of hydrogeology consulting experience working on a variety of projects in the mining, oil and gas, and municipal sectors. His project experience includes work in BC, Alberta, Saskatchewan, Yukon and Alaska.

As a hydrogeologist in the oil and gas sector, Mr. Pajak has worked on projects related to groundwater supply evaluation, hydrogeological assessments, source water exploration drilling and aquifer testing and regulatory compliance. He has spent considerable time in the Horn River Basin in northern BC at Quicksilver's Fortune Creek operations working as the Wellsite Hydrogeologist for the groundwater exploration and monitoring program. The program included: air and mud rotary drilling techniques, downhole geophysical logging with gamma, SPR, SP and resistivity, grain size analysis for well screen design, and vibrating wire installation to monitor potential impacts to the shallow groundwater environment.

Mr. Pajak has experience in groundwater characterization for mining related projects including aquifer testing for plant water supply, tailings facility seepage potential, monitoring well installation and assessing groundwater surface water interaction. He has spent summers working on hydrogeological site investigations at large mining projects including the Pebble Project in Alaska and the Casino Project in the Yukon. The remote site investigations involved a range of field hydrogeology including: helicopter supported drilling and hydraulic testing of seepage potential of various waste management facilities, drilling and hydraulic testing for open pit wall design, water supply potential of Quaternary and fractured bedrock aquifers, monitoring well installation down gradient of mine workings and groundwater sampling.

In the office, Mr. Pajak is involved in regional groundwater evaluation reports related to baseline hydrogeology assessments and licensing support documents required for groundwater diversion. Desk-based evaluations include hydraulic testing analysis, well log analysis,

geophysical log analysis, geologic interpretation, cross-section development and quantifying groundwater flow.

Mr. Pajak has co-authored the hydrogeology baseline of a major mining project in the Yukon to be submitted to the Yukon Environmental and Socio-economic Assessment Board (YESAB). He has also authored a number of technical documents for projects in BC and Alberta, including licensing support documents for groundwater diversion in Alberta under the *Water Act*.

EMPLOYMENT RECORD

2013 - Present	Waterline Resources Inc., Nanaimo, BC, Canada, Project Hydrogeologist
2011 - 2013	Knight Piésold Ltd., Vancouver, BC, Canada, Staff Hydrogeologist
2010 Summer	Strategic Forest Management Inc., Campbell River, BC, Canada, Field Engineer
2009 Summer	B.C. Forest Service, BC, Canada, Initial Attack Fire Fighter
2007 Summer	NVI Mining Ltd., Myra Falls, BC, Canada, Exploration Geologist Assistant

SHORT COURSES AND FIELD TRIPS

Critical Thinking in the Interpretation of Aquifer Tests (2-day course by Chris Neville, November 2014)
Groundwater Resource: Assessment, Monitoring and Modeling (APEGBC, April 2012)
Richmond BC Field Course in Groundwater Hydrology (UBC, April 2011)

Rob Flemming, B.Sc.

Geographic Information Systems (GIS) Specialist

EDUCATION

University of Victoria B.Sc., Geography, 2000

REPRESENTATIVE EXPERIENCE¹

Mr. Flemming has over 10 years of experience applying a geographical approach across a range of disciplines. These experiences have included field data collection, scientific research and writing, database management, programming, geospatial data integration and analysis, and cartography. With Waterline Resources, Rob has assumed a key role in the development and maintenance of the GIS and online viewer application.

Longline Fishing Surveys (DFO)

Annual long-line fishing surveys are conducted over hard bottom areas in BC waters to develop indices of abundance and collect biological data that informs stock assessments of Inshore Rockfish species. The Strait of Georgia and Johnstone Strait are surveyed by DFO staff using the CCGS Neocaligus, the rest of the BC coast is covered by contracted commercial vessels. As the Inshore Rockfish program biologist, Rob was responsible for refining spatial data and developing Python scripts for block selection and production of navigational data and charts. Rob assisted in the industry vessel contracting and deployment process. Rob participated in all aspects of DFO survey execution based on established sampling protocols, including organization of fishing and sampling gear, and design and construction of custom sampling stations. Post-survey, he developed methods using SQL, R statistical software, and ArcGIS to extract, summarize and present resulting survey data and produce technical reports, some of which may be downloaded from the following link:

<http://www.pac.dfo-mpo.gc.ca/science/species-especes/groundfish-poissonsdesfonds/insrockfish-sebcot-eng.html>

Remotely Operated Vehicle Surveys (DFO)

To collect data in Rockfish Conservation Areas (RCA's) without harming fish, the Pacific Biological Station in Nanaimo deployed a Remotely Operated Vehicle (ROV) from Coast Guard vessels during seven surveys over three years around Vancouver Island. As a key member of the ROV team, Rob's primary responsibilities, sometimes as Chief Scientist, included planning transects and scheduling and coordinating daily operations with the ship's captain and crew, piloting on the surface during deployment and retrieval, and ensuring successful data capture. Rob developed methods for the integration of spatial and video review data and administered contracts to complete this work. Rob managed resulting data, developing an MS Access front end and ArcGIS geodatabases to facilitate access for multiple researchers to unique benthic habitat and species observation data.

¹Updated May 2014

Rockfish Habitat Suitability Modelling (DFO)

Rob delineated potential Quillback Rockfish habitat by using ArcGIS to perform a supervised classification of multibeam bathymetry (from the Canadian Hydrographic Service) and derived terrain layers such as slope and rugosity, as well as a back-scatter strength layer. Point observations of Quillback Rockfish collected with the ROV and maintained in a geodatabase were used as training samples. A statistical relationship between the observations and the remotely sensed seafloor characteristics is estimated allowing a classification to be extrapolated.

Treaty Settlement Options – Crown Land identification, characterization and evaluation (HTG)

As the GIS Administrator for the Hul'qumi'num Treaty Group Rob acquired, developed and maintained a comprehensive data-set portraying multiple characteristics for Southern Vancouver Island. producing an atlas and report of potential treaty settlement lands (Crown Land), integrating cadastral fabric, BC Assessment data, and BC Online information, with orthophotos and resource and land use information and then working with a consultant to conduct field reconnaissance of these selected parcels. To assess potential values, Rob interpreted the BC/Canada Cost Sharing MOU document and applied formulas therein to calculate 'Representative Hectares'.

Cultural Research (HTG)

Rob had the opportunity to delve into cultural and historical research, reviewing journals recorded in the 1800's by the original surveyors of Vancouver Island and incorporating these details with data I extracted from traditional use interview transcripts (TUS) to produce compelling information, e.g.: http://www.hulquminum.bc.ca/pubs/Place_Names_maps_2005.pdf

Provincial Spatial Biodiversity Analysis (CPC)

Contracted to the BC Biodiversity Branch of MSRM, Rob developed a method to integrate and compare various disparate spatial datasets relating to biodiversity across BC using ArcInfo AML and Spatial Analyst. Using cartographic styles developed for the 2003 award winning Biogeoclimatic Zones map, patterns of biological diversity and threats were revealed.

Airborne Wildfire Intelligence System technician (CPC)

I was the sole technician aboard the twin engine Piper Navajo carrying the prototype Airborne Wildfire Intelligence System (AWIS). This infrared camera and image mosaicing system provided data essential to fighting the record breaking 2001 Chisholm, AB forest fire. My role as link between the head office in BC and the pilots and conditions in the field was as important as ensuring sound data capture.

EMPLOYMENT RECORD

2013 - Present	Waterline Resources Inc., Nanaimo, British Columbia
2009 - 2013	Pacific Biological Station, Fisheries and Oceans Canada, Nanaimo, BC
2001 – 2008	Hul'qumi'num Treaty Group, Ladysmith, BC
2000 – 2003	Clover Point Cartographics, Victoria, BC



Maury Scott, B.A.

Junior Geographer/ Geographic Information Systems (GIS) Technician

EDUCATION Vancouver Island University Bachelor of Arts, Honours Geography, 2009
Vancouver Island University Advanced Diploma in G.I.S. Applications, 2010

REPRESENTATIVE EXPERIENCE¹

Maury Scott is a junior GIS technician and geographer with Waterline Resources Inc. He has a bachelor's degree in geography (with background relating to, both, natural and urban systems) and an advanced diploma in geographic information systems applications. He has 3 years of related experience in western Canada.

Geographic Information Systems

Mr. Scott has experience with designing, developing, maintaining, and managing various projects using ArcGIS software. This experience has occurred, in both, supporting and leadership roles. Past experience involved developing a method for undertaking a regional analysis of land use practices and examining potential results from varying scenarios. Since joining Waterline Resources Inc. he has provided data compilation and display support for multiple projects throughout Alberta and British Columbia. These projects include: groundwater explorations, environmental impact assessments, hydrogeological assessments, remediation work, source water assessments, and license applications.

Other Experience

Mr. Scott has practical experience with water well data collection, logger installation and data downloading, as well as, experience collecting surface water field data. He has been involved in community surveying and data collection programs.

He has practical experience dealing with community water systems operations, waste water systems reporting, and field sampling training.

EMPLOYMENT RECORD

2013 – Present	Waterline Resources Inc., Nanaimo, B.C.
2012 – 2013	Regional District of Nanaimo, Nanaimo, B.C.
2010 – 2011	Regional District of Nanaimo, Nanaimo, B.C.

¹Updated January 2014

APPENDIX A

WATER SYSTEM OPERATING CONDITIONS FOR

QUALICUM BAY/HORNE LAKE WWS

240 Lions Way

Qualicum Beach, BC, V9K 2E2

Condition 1.

Conduct a chemical analysis of raw water in accordance with the list of parameters specified in the VIHA Guidelines for Approval of a Waterworks System at a frequency of no less than once every 5 years.

Condition 2.

The water system owner must ensure the person operating the water system is certified to operate, maintain or repair your system.

Condition 3.

Develop and implement a Cross-connection Control Program. The details of the cross-connection program and timing of implementation of the program shall be established in consultation with the local Environmental Health Officer.

Condition 4.

Develop and implement a wellhead protection plan to ensure that the drinking water source is protected in to the future. The wellhead protection plan should establish management strategies to avoid contamination of, or activities, which may degrade the quality of the drinking water source. The details of the wellhead protection plan and timing of the implementation of the program shall be established in consultation with the local Environmental Health Officer.

The Wellhead protection plan should be based on the publication "Well Protection Tool Kit", Ministry of Environment, Lands and Parks, Ministry of Health and Ministry of Municipal Affairs; Issued by: Water Stewardship Division. ISBN 0-7726-5566-9

http://www.env.gov.bc.ca/wsd/plan_protect_sustain/groundwater/wells/well_protection/wellprotect.html

Date: Aug 8, 2011

52

J. Post
Environmental Health Officer



**Regional Community
to Community Forum**

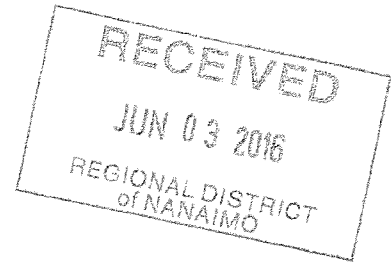
Administration provided
by UBCM and First
Nations Summit

Funding provided by the
Ministry of Community,
Sport & Cultural
Development

Please direct all
correspondence to:

Local Government House
525 Government Street
Victoria, BC, V8V 0A8

E-mail: lgps@ubcm.ca
Phone: (250) 356-2947



May 26, 2016

Tyler Brown, Intergovernmental Liaison
Regional District of Nanaimo
6300 Hammond Road
Nanaimo, BC, V9T 6N2

**RE: 2016/17 (Spring) Regional Community to Community Forum with
Snaw-Naw-As First Nation – Approval in Principle**

Dear Mr. Brown,

Thank you for submitting an application for the 2016/17 (Spring) Community to Community (C2C) forum program. We have reviewed your submission and are pleased to advise you that your request has been approved in principle pending receipt of outstanding items:

- The date(s) of the proposed event(s) has not been forwarded to UBCM.

Upon satisfactory receipt of this outstanding item your application will be eligible for final approval and 50% of the grant will be released. The remainder of the grant will be available after the event is completed and a final report and financial summary has been received.

I would like to congratulate you for responding to this opportunity to build relations with neighbouring First Nations and/or local governments and encourage you to complete your application as soon as possible.

If you have any questions, please feel free to contact Local Government Program Services at (250) 356-2947 or lgps@ubcm.ca.

Sincerely,

Danyta Welch
Policy & Programs Officer



**Regional Community
to Community Forum**

Administration provided
by UBCM and First
Nations Summit

Funding provided by the
Ministry of Community,
Sport & Cultural
Development

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correspondence to:

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May 26, 2016

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

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Sincerely,

Danyta Welch
Policy & Programs Officer

Date: June 3, 2016

To: Board of Directors
Regional District of Nanaimo

From: Lynne Brookes, PhD.
President,
Arrowsmith Naturalists

Re: **Preservation of Hamilton Marsh for Our Watershed, Wildlife and Community**

I am writing this letter on behalf of the 104 member Arrowsmith Naturalists, a local chapter of the 52 member Federation of BC Naturalists, to state that we thoroughly support and are a part of the community effort to preserve Hamilton Marsh. The current effort is spearheaded by the Friends of French Creek Conservation Society.

Hamilton Marsh, located primarily in Area F of the Regional District of Nanaimo, is a 36 ha. wetland protected within 360 ha. of mixed second growth forest. Wetlands are endangered internationally and locally. This at risk wetland ecosystem in our own watershed is valuable for its role in improving water quality, retention of precipitation and runoff, as the largest broodmarsh in the area, the support of at least 120 species of birds, 70 recorded species of dragonflies and red- and blue-listed species. This wetland and surrounding forest have historically played and continue to play an important role in our community for educational activities in SD69, for citizen science, for eco-tourism, and for various forms of recreation. There are also important cost saving environmental services and quantifiable benefits to the community from preserving wetlands.

We urge the Regional District of Nanaimo to make every effort to secure Hamilton Marsh and its protective forest as a Regional Park for the good of the watershed, the wildlife and the community. We will be glad to support the RDN and others in this effort for the benefit of all.

Sincerely,

Lynne W. Brookes, Ph.D.
President,
Arrowsmith Naturalists - (www.arrowsmithnats.org)

Lynne Brookes
1418 Memorial Drive (Box 871
Errington, BC V0R 1V 0
rppsolar@yahoo.com
250-586-4595



June 8, 2016

Dear Mayors and Regional District Chairs:

It is my pleasure to write to you regarding scheduling appointments at the upcoming annual UBCM Convention taking place in Victoria, September 26 to 30, 2016.

You will have recently received a letter from the Honourable Christy Clark, Premier, containing information about the online process for requesting a meeting with Premier Clark and other Cabinet Ministers. I am pleased to provide you with information regarding the process for requesting a meeting with me, as well as with provincial government, agency, commission and corporation staff.

If you would like to meet with me at the Convention, please complete the online form available as of **June 13, 2016**, at: [CSCD Minister's Meeting](#) and submit it to the Ministry of Community, Sport and Cultural Development before **August 12, 2016**. Meeting arrangements will be confirmed by early September. I will do my best to accommodate as many meeting requests as possible.

To get the most out of your delegation's meeting, it would be helpful if once you make your meeting request, you could provide a one to one and one-half page summary of the matter(s) to be discussed (a template will be provided online). By providing this information in advance of the meeting, I will have a better understanding of your delegation's interests and it will allow for discussions that are more productive. In the event I am unable to meet with you, arrangements may be made for a meeting post-Convention.

Ministry staff will email the provincial appointment book. This lists all government, agency, commission and corporation staff available to meet with delegates at the Convention, as well as details on how to request a meeting online.

I look forward to my second Convention as Minister responsible for local government and meeting with many of you and hearing about your priorities in the year ahead.

Sincerely,

Peter Fassbender
Minister

pc: The Honourable Christy Clark, Premier
Mr. Al Richmond, President, Union of British Columbia Municipalities

Ministry of Community,
Sport and Cultural Development and
Minister Responsible for TransLink

Office of the Minister

Mailing Address:
PO Box 9056 Stn Prov Govt
Victoria BC V8W 9E2
Phone: 250 387-2283
Fax: 250 387-4312

Location:
Room 310
Parliament Buildings
Victoria BC

www.gov.bc.ca/cscd



RDN REPORT	
CAO APPROVAL	<input checked="" type="checkbox"/>
EAP	<input type="checkbox"/>
COW	<input checked="" type="checkbox"/>
JUN 02 2016	
RHD	<input type="checkbox"/>
BOARD	<input type="checkbox"/>

STAFF REPORT

TO: Joan Harrison
Director of Corporate Services

DATE: May 27, 2016

FROM: Mike Moody
Manager, Information Technology &
Geographic Information Systems

MEETING: COW – June 14, 2016

FILE:

SUBJECT: Crown Land GPS Trail data collection

RECOMMENDATION:

That the Board approve the reallocation of GIS Department staff resources to collect and publish on-line GPS trail information for recreational use trails on Crown Land in RDN Electoral Areas.

PURPOSE:

To seek approval to reallocate GIS staff resources in order to collect GPS data for recreational use trails on Crown Land within RDN Electoral Areas.

BACKGROUND:

Geographical Information Systems (GIS) provides mapping support services for all RDN departments. Included in those support services is GPS data collection for various functions such as Parks trails, Sewer Interceptors, Water Lines / Valves, Facility surveys, Transit route information, etc. GIS is currently working closely with the Parks Department to establish a public Web based trail map system. All GPS trail data collection so far has been focused on RDN sanctioned trails within RDN Regional and Community Parks.

Chair Veenhof has expressed an interest in publishing on-line data and creating hard copy maps of trails on Crown land within the RDN’s Electoral Areas. As a starting point, GIS staff have been working to map the trails on Federal land near the Fisheries Hatchery in Area H as a pilot project. Chair Veenhof has indicated that ideally he would like to see GPS trail data on Crown Land collected and published on-line and in hard copy for all Electoral Areas. At this time, it is unknown how many kilometers of recreational use trails exist on Crown Land within the RDN’s Electoral Areas. GIS staff estimate that approximately 10 kms of trail can be collected and processed in one week.

Staff have determined that, with current staffing resources, it is possible to start this project in 2016, to get an estimate of how many kilometers of recreational use trails exist within the RDN Electoral Areas with the assistance of the Parks Department and to determine whether or not staffing resources need to be increased to complete this project in a reasonable amount of time in 2017 / 2018. In 2016, GIS staff

will work with the Parks Department to identify recreational use trails on Crown Land within Electoral Area H and proceed with GPS data collection.

ALTERNATIVES:

Alternative 1 – To reallocate GIS staff resources in order to collect GPS trail data on Crown Land within RDN Electoral Areas.

Alternative 2 – To not reallocate GIS staff resources in order to collect GPS trail data on Crown Land within RDN Electoral Areas.

FINANCIAL IMPLICATIONS:

Alternative 1 – There is no cost associated with this alternative. However, other GIS services may need to be reprioritized.

Alternative 2 – There is no cost associated with this alternative.

STRATEGIC PLAN IMPLICATIONS:

There are various Strategic Plan implications for collecting and publishing recreational use trail information. The trail information will enhance Service and Organizational Excellence by improving 911 Emergency Services response and adding to the RDN’s Recreational Amenities. Economic Health will be positively affected in the area of Eco-Tourism by showing the world our extensive trail systems on-line and making the RDN a desirable destination.

SUMMARY:

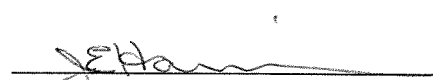
The RDN’s GIS department is actively collecting and publishing GPS trail data for RDN Regional and Community Parks. Currently there is interest from Chair Veenhof to publish on-line data and create hard copy maps of recreational use trails on Crown land within the RDN’s Electoral Areas. This trail information would not only be of interest to outdoor enthusiasts as a recreational amenity, but will also play an important supporting role in 911 Emergency Services, Search and Rescue operations and economic development for the region. Readily available trail data will also have a role in supporting environmental and planning processes throughout the RDN.

Though outside of the current scope of the department’s duties, GIS staff are interested in collecting and publishing the trail data on Crown Land to enhance trail systems in the region.

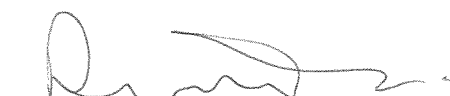
Because of limited budget and building constraints to house additional staffing resources in GIS, staff are recommending that GIS resources and priorities be realigned in order to collect and publish GPS trail data on Crown land.



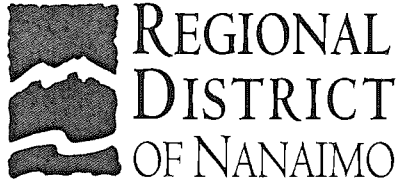
Report Writer



Director Concurrence



C.A.O. Concurrence



RDM REPORT	
CAO APPROVAL	<input checked="" type="checkbox"/>
EAP	<input type="checkbox"/>
COW	<input checked="" type="checkbox"/>
MAY 31 2016	
RHD	<input type="checkbox"/>
BOARD	<input type="checkbox"/>

MEMORANDUM

TO: Wendy Idema
Director of Finance

DATE: May 12, 2016

FROM: Manvir Manhas
Senior Accountant

MEETING: COW June 14, 2016

FILE: 1870-02

SUBJECT: 2015 Annual Financial Report (Audited Financial Statements), Board and Committee Member Remuneration/Expenses and Statement of Financial Information

RECOMMENDATION:

That the 2015 Annual Financial Report, Statement of Board and Committee Members Expenses and Remuneration and the Statement of Financial Information be received and approved as presented.

PURPOSE:

To provide comments on the financial performance of the Regional District of Nanaimo for the fiscal year ending December 31, 2015 and to present statutory reports covering Board remuneration and other financial information.

BACKGROUND:

Regional Districts are required by Section 376 of the *Local Government Act* to present annually the results of its financial audit and a report on Board and Committee member expenses and remuneration.

Additionally, as a public body in British Columbia, the Regional District must prepare a report in compliance with the *Financial Information Act* (Statement of Financial Information – SOFI). The SOFI contains extracts from the audited financial report, the schedule of Board expenses and remuneration, schedules of employee expenses and remuneration (over \$75,000 per Financial Information Regulation 249/2002), a schedule of supplier payments (over \$25,000) and information on community grants provided in the year.

The full edition of the annual financial report consisting of departmental highlights, a set of consolidated financial statements, notes to the statements, supplementary departmental revenue and expense schedules as well as statistical data has been provided as a separate handout along with a copy of the Regional District’s Statement of Financial Information (SOFI). The annual report and SOFI will be posted to the Regional District’s web site for public access.

Consolidated Financial Statements:

Attachment 1 is the consolidated financial statements and notes of the Regional District of Nanaimo. As noted earlier the full set of the consolidated financial statements is contained in the annual report and circulated separately. The consolidated financial statements allow the Board, management and the public to assess the overall results of all activities for the fiscal year ending December 31, 2015. The objective of the statements is to fairly present the financial position of the Regional District as a whole.

MNP LLP completed the audit of the Regional District for the year ended December 31, 2015 and presented their audit findings at the May Committee of the Whole meeting. As in prior years, the Regional District of Nanaimo received an unqualified opinion on the consolidated financial statements for 2015, assuring readers that based on the audit procedures conducted, the financial statements are considered to be free of material errors.

Consolidated Statement of Financial Position:**Net Financial Assets:**

The Regional District is reporting a “Net Financial Asset” position of \$37.4 million (2014; \$30.5 million) – an increase of \$6.9 million largely as a result of increase in financial assets as discussed below.

Financial Assets:

Total Financial Assets (cash, investments, accounts receivable) increased by \$10.3 million due to an increase in cash and investments from \$80 million to \$90 million. The Regional District raises funds annually for future capital replacement which are invested until required. Cash and investments totaling \$90.7 million in 2015 largely represent the deferred revenue and reserve funds held for future infrastructure. The 2016 – 2020 projections indicate an additional \$30 million will be added to reserves over that period, however, \$80 million is also projected to be used from reserves in the same period. The increase in the Other Jurisdictions Receivable (\$0.94 million) relates to the debt incurred on behalf of the Town of Qualicum Beach (\$4.6 million) offset by ongoing principal repayments.

Financial Liabilities:

Total Financial Liabilities (trade payables, short term and long term debt and other liabilities) increased by \$3.3 million. The majority of the increase (\$3.2 million) is due to an increase in accounts payable at year end which reflects major capital projects such as the Marine Outfall project and the secondary treatment upgrade at the Nanaimo Wastewater Treatment Plant. Deferred revenue increased by \$0.6 million mainly due to additional Community Works Funding received in 2015 under the Gas Tax agreement. Long term debt decreased by \$0.2 million (principle reduction offset by new debt incurred in 2015). The majority of the new debt incurred in 2015 was for the Town of Qualicum Beach (\$4.6 million) which is offset by the Other Jurisdictions Debt Receivable under the Financial Assets. In 2015, the RDN long term debt increased by \$230,000 (new long term debt incurred for Hawthorne Rise sewer \$173,000 and Reid Road sewer \$57,000).

Unfunded Liabilities:

Unfunded liabilities are calculated for two items related to our operations. The first is the future cost to close and monitor the regional solid waste landfill for a period of 25 years after closure. The second category is certain post retirement employee benefits. Recording the value of these future liabilities is a means of showing that there are financial obligations which are not completely captured in the annual activities of the Regional District.

As at December 31, 2015 the value of these two items were:

Employee benefit	\$ (603,462)
Landfill closure & future monitoring	<u>\$ 13,170,375</u>
Total future liability	<u>\$ 12,566,913</u>
Reserves on hand	<u>\$ 1,472,802</u>

Employee Retirement/Other Benefits:

Post-retirement benefits are calculated by an independent actuary. The Regional District of Nanaimo's employee agreements include payout of a portion of unused sick leave upon retirement (60 day maximum limit). The estimated amount required to meet the full cost of this potential obligation is \$1,789,202 (2014; \$1,733,207). As at December 31, 2015 the post retirement obligation is overfunded in the amount of \$884,783 (2014 – overfunded by \$652,780) because of \$2.6 million held as a liability. There are currently 136 employees over the age of 50 out of a workforce of 282 employees who could be eligible for a retirement benefit within the next five years.

Costs for vacation pay adjustments and other statutory amounts payable with respect to CPP, Employment Insurance, and Superannuation totaled \$281,321 at the end of 2015 (2014; \$343,827). These costs are combined with the overfunded amount for employee retirement liabilities noted above netting to the \$603,462 total overfunded for the two obligations at the end of 2015.

Landfill Closure/Post Closure Costs:

Public Sector Accounting Standards require local governments to estimate the costs to close and monitor landfill sites. The Regional District includes closure costs in the long term capital and financial plans for the Solid Waste service. Annual budgets for the landfill operations include contributions to reserve funds to help fund the overall long term capital plan including development of the North Berm.

The landfill site, once closed, must also be maintained and monitored for a period of twenty five years. The annual cost is estimated at \$575,000 in future dollars. It is expected that the cost to maintain and monitor the closed landfill in future will be met by a combination of property taxes and disposal fees as is used currently to fund operations and maintenance.

Short Term Loans:

During 2015 the Regional District entered into a short term loan agreement under the new Equipment Financing program of the Municipal Finance Authority in the amount of \$313,700, with interest and principal payable monthly, to fund the purchase of a Refuse Compactor at the Cedar Road Landfill. The principal amount of this short-term loan was reduced by \$20,559 to \$293,141 by December 31, 2015.

Long Term Debt:

Local governments in BC are authorized to borrow for capital purposes only and are required by legislation to prepare balanced annual budgets and five year financial plans. While all residents across the Regional District are jointly and severally liable for both Regional District and municipal debt in the event of a default, the strong fiscal framework under which we operate has meant there has never been an instance where a local government in BC defaulted on its debt.

At the end of 2015 Regional District and municipal member debt stood at:

Regional District of Nanaimo	\$14,484,553
Municipal/other jurisdictions	<u>\$69,103,355</u>
Outstanding debt	<u>\$83,587,908</u>

Accumulated Surplus:

The current measure of overall results for a government entity is its Accumulated Surplus. The components making up the Regional District's Accumulated Surplus as at December 31, 2015 are shown below and are described in additional detail in Note 15 to the consolidated financial statements.

	<u>2015</u>	<u>2014</u>
General Revenue Fund Net Operating Surplus	\$ 11,970,660	\$ 11,415,855
Unfunded Liabilities	(12,566,913)	(11,998,266)
Capital Fund Advances	(991,006)	(430,123)
Net investment in Tangible Capital Assets	163,180,340	160,202,493
General Revenue Fund Reserve Accounts	3,438,934	2,964,935
Statutory Reserve Funds	<u>51,454,284</u>	<u>45,341,349</u>
Accumulated Surplus	<u>\$ 216,486,299</u>	<u>\$ 207,496,243</u>

The Accumulated Surplus position increased by \$8.9 million between 2014 and 2015. Three significant items contributed to this change.

- 1) The net investment in tangible capital assets increased by \$2.97 million to \$163.1 million (2014; \$160.2 million). New capital assets totaled \$8.62 million offset by disposals (\$0.78 million) and amortization (\$6.75 million). The net investment in tangible capital assets includes the debt financing associated with the assets. In 2015 debt financing totaled \$14.7 million (2014; \$16.3 million), a decrease of \$1.6 million largely due to ongoing principal reduction on existing debt.
- 2) The capital fund advances increased by \$0.56 million due to the use of short term internal borrowing for Nanoose Peninsula Water Service capital projects offset by principal pay back on the existing internal borrowing. Nanoose Peninsula internal borrowing will be converted to Municipal Finance Authority (MFA) debt during 2016.
- 3) Statutory Reserve Fund balances increased from \$45.3 million to \$51.4 million, a change of \$6.1 million (2014; \$6.0 million) due to ongoing yearly reserve contributions for future capital needs.

Consolidated Statement of Operations and Accumulated Surplus:

The Consolidated Statement of Operations and Accumulated Surplus shows at a glance the Regional District's sources of revenues and the types of services to which we allocate resources.

The RDN is primarily a provider of basic services including solid and liquid waste disposal, water supply and distribution, public transportation, recreation programs and facilities, emergency call taking (E911) and fire protection services. This statement is prepared under Public Sector Accounting Board (PSAB) guidelines for government entities on a full accrual basis and includes amortization on capital assets and the estimated change in the balance of unfunded liabilities.

Revenue increased by \$2.5 million between 2014 and 2015 largely as a result of taxation and increased developer contributions which are only recognized as capital projects funded by the contributions are completed offsetting the lower level of grant revenues (Gas Tax capital program grants). The decrease in grant revenue is mainly due to the 2014 Gas Tax funding of \$2 million for the Marine Outfall Land section repairs project at the Nanaimo Wastewater Treatment Plant. DCC funded projects in 2015 included the Marine Outfall repairs and the Secondary Treatment upgrades at the Treatment Plant and the Englishman River Joint Venture capital project for the Nanoose Bulk Water service.

Expenses increased from \$66.9 million in 2014 to \$67.3 million in 2015. The majority of the difference is attributed to the Public Transit area reflecting the impact of the transit service expansion that began in September 2015 as well as the annual adjustment in Solid Waste related to the calculation of the estimated unfunded liability for closure and post-closure cost at the regional landfill.

Expenses of \$67.2 million were more than the budget estimate of \$63.8 million. Also the "Surplus for the Year" (\$8.9 million) is less than the budget surplus of \$16.5 million. This is because for year-end reporting purposes, costs for non-cash items such as amortization and unfunded liabilities are included in accordance with public sector accounting standards. Note 18 to the financial statements provides information on how the surplus budgeted in the annual financial plan is converted to the budgeted surplus for year-end reporting. The annual financial plan prepared on a cash basis incorporates items such as capital expenditures, borrowing proceeds, debt payments and transfers to/from reserves where the year-end report incorporates amortization and unfunded liabilities per PSAB guidelines. Capital asset purchases and debt servicing items are incorporated in the Statement of Financial Position under this model.

Reserve Fund Activity and Balances:

A schedule summarizing transactions in reserve funds is included in the annual financial report on pages 32 and 33. Reserve funds play a significant role in executing the capital plans of the Regional District and are highlighted for that reason.

The total value of reserve funds on hand at the end of 2015 was \$51.4 million (2014; \$45.3 million). Highlights of reserve fund activity over the last three years are shown in the table below:

	2015	2014	2013
Contributions to reserve funds from annual budgets	\$8,799,632	\$6,458,568	\$5,450,581
Interest earned	865,975	893,672	687,218
Funds applied to approved expenditures	3,942,699	1,576,943	1,126,326

As noted above, \$80 million is projected to be spent from reserves for capital over the next five years.

BOARD AND COMMITTEE MEMBER REMUNERATION AND EXPENSES

Attachment 2 to this report is the schedule of Board and Committee member remuneration and expenses (Page 30 in the SOFI report). Remuneration rates are reviewed and established by a Board appointed committee for the three year period between elections. 2014 remuneration rates reflect the review completed in 2011; current 2015 remuneration rates were established during the 2014 review.

Rates for attending additional meetings and meal per diems remained the same as in 2014. One third of remuneration is an income tax exempt allowance for carrying out the duties of an elected official. Total 2015 remuneration for Board members and their alternates was \$418,317 (2014; \$306,471) reflecting the new remuneration rates from the 2014 review as well as additional meeting per diems paid during 2015 related to special purpose meetings. The number of committee and public meetings is increasing annually in relation to the increase in the activities of the RDN.

The base remuneration rates for 2015 were as follows:

	Base Remuneration	EA Director/ Chairperson Allowance	2015 Total	2014 Total
Municipal Director	\$13,300	N/A	\$13,300	\$11,855
Electoral Area Director	\$13,300	\$10,985	\$24,285	\$18,440
Chairperson	\$13,300	\$30,485	\$43,785	\$32,835
Other Public/Advisory Committee Meetings	\$70 per meeting attended			

Board member expenses include eligible mileage expenses while attending meetings for Regional District purposes, ferry fares, computer and telecommunications equipment operating costs, and attendance at the annual UBCM, AVICC and FCM conventions. Board member expenses totalled \$74,540 in 2015 compared to \$62,492 in 2014. The variance is a result of several items including additional directors attending the UBCM and FCM events as well as costs for the Vancouver Island Economic Summit (new for 2015) as well as timing of receipt of 2014 expenses that were paid in 2015. Electoral Area Directors are attending more special purpose meetings in general and the associated reimbursement for mileage for those meetings is also included in the expense amounts above.

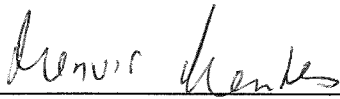
STRATEGIC PLAN IMPLICATIONS:

Regional Districts are required by the *Local Government Act* to present annually the results of its financial audit and a report on Board and Committee member expenses and remuneration. Compliance with this requirement directly supports the Board governing value to *Be Transparent and Accountable*, which demands transparency in financial reporting and that Directors are accountable to the public. In addition, the auditors conclude that the financial sustainability of the RDN is healthy and trending in a positive direction.

SUMMARY/CONCLUSIONS:

The 2015 Consolidated Financial Statements have been prepared and audited within the framework of the accounting policies applicable to local governments in BC. The statements present, in all significant respects, the financial position of the Regional District of Nanaimo as at December 31, 2015. This is confirmed by the Independent Auditors' Report dated May 10, 2016.

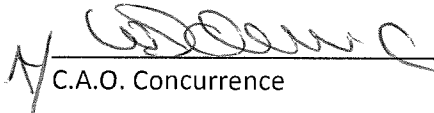
The report on Board and Committee members' expenses and remuneration and the Statement of Financial Information comply in all respects with the requirements of the *Local Government Act* and the *Financial Information Act*. Staff recommend that these reports be received and approved.



Report Writer



Director of Finance Concurrence



C.A.O. Concurrence

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules on pages 25 and 27 to 30 for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2015 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

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

Nanaimo, British Columbia

May 10, 2016

MNP LLP

Chartered Professional Accountants

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

		<u>2015</u>	<u>2014</u>
Financial Assets			
Cash and short-term deposits	(Note 2)	\$ 64,587,923	\$ 60,315,919
Accounts receivable	(Note 3)	\$ 5,055,066	6,098,751
Investments	(Note 4)	\$ 26,133,266	20,023,422
Other jurisdictions debt receivable	(Note 12)	\$ 69,103,355	68,171,086
Other assets	(Note 5)	\$ 23,139	25,264
		<u>\$ 164,902,749</u>	<u>154,634,442</u>
Financial Liabilities			
Short term loans	(Note 6)	\$ 293,141	-
Accounts payable	(Note 7)	\$ 6,030,009	2,795,083
Other liabilities	(Note 8)	\$ 4,422,319	5,115,987
Unfunded liabilities	(Note 9)	\$ 12,566,913	11,998,266
Deferred revenue	(Note 10)	\$ 20,376,391	19,724,406
Obligation under capital lease	(Note 13)	\$ 211,227	682,677
Long-term debt	(Note 11)	\$ 83,587,908	83,800,102
		<u>\$ 127,487,908</u>	<u>124,116,520</u>
Net Financial Assets		<u>\$ 37,414,841</u>	<u>30,517,922</u>
Non-financial Assets			
Tangible capital assets	(Note 14)	\$ 178,169,261	176,514,186
Prepaid expenses		\$ 861,430	425,002
Inventories		\$ 40,767	39,133
		<u>\$ 179,071,458</u>	<u>176,978,321</u>
Accumulated Surplus	(Note 15)	<u>\$ 216,486,299</u>	<u>\$ 207,496,243</u>

APPROVED:



W. Idema, CPA, CGA
Director of Finance

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u> (Note 18)	<u>2015</u>	<u>2014</u>
Revenue			
Property taxes	\$ 43,103,564	\$ 43,103,564	\$ 40,355,182
Operating revenues	20,765,574	21,339,433	21,227,537
Grant Revenues	11,090,091	6,740,947	9,110,177
Developer contributions	4,374,405	2,330,833	739,951
Other	745,645	1,117,461	831,593
Interest on investments	150,000	1,140,991	1,188,036
Grants in lieu of taxes	149,645	309,109	280,391
MFA debt surplus refunds	-	163,026	-
	<u>80,378,924</u>	<u>76,245,364</u>	<u>73,732,867</u>
Expenses			
General Government	2,322,205	1,693,015	2,003,596
Strategic & Community Development	3,520,619	3,299,141	3,320,302
Wastewater & Solid Waste management	19,461,418	23,096,142	23,864,939
Water, Sewer & Street lighting	4,624,805	5,551,953	5,349,418
Public Transportation	19,499,808	18,696,991	18,031,571
Protective Services	4,094,145	4,494,052	4,357,647
Parks, Recreation & Culture	10,311,975	10,424,014	10,065,248
	<u>63,834,975</u>	<u>67,255,308</u>	<u>66,992,721</u>
Surplus for the year	\$ 16,543,949	\$ 8,990,056	\$ 6,740,146
Accumulated surplus, Beginning of the year	207,496,243	207,496,243	200,756,097
Accumulated surplus, End of the year (Note 15)	<u>\$ 224,040,192</u>	<u>\$ 216,486,299</u>	<u>\$ 207,496,243</u>

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u> (Note 18)	<u>2015</u>	<u>2014</u>
Surplus for the year	\$ 16,543,949	\$ 8,990,056	\$ 6,740,146
Acquisition of tangible capital assets	(35,947,273)	(8,623,513)	(7,726,318)
Amortization of tangible capital assets	-	6,745,606	6,752,591
Proceeds on disposal of tangible capital assets	-	13,109	1,420
Loss (Gain) on disposal of tangible capital assets	-	209,723	(1,420)
Change in prepaid expenses	-	(436,428)	29,807
Change in inventories	-	(1,634)	(9,712)
Increase (decrease) in Net Financial Assets	(19,403,324)	6,896,919	5,786,514
Net Financial Assets, Beginning of the year	30,517,922	30,517,922	24,731,408
Net Financial Assets, End of the year (Pg. 3)	<u>\$ 11,114,598</u>	<u>\$ 37,414,841</u>	<u>\$ 30,517,922</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
Operating Transactions		
Surplus for the year	\$ 8,990,056	\$ 6,740,146
Non-cash items included in surplus		
Amortization of tangible capital assets	6,745,606	6,752,591
Contributed tangible capital assets	(322,000)	(139,000)
Loss (Gain) on disposal of tangible capital assets	209,723	(1,420)
Debt actuarial adjustments	(464,576)	(411,555)
Change in non-cash working capital balances related to operations		
Decrease (Increase) in accounts receivable	1,043,686	(2,304,685)
Decrease (Increase) in other assets	2,125	(11,525)
Increase(Decrease) in accounts payable	3,234,927	(1,418,418)
Increase (Decrease) in deferred revenues	651,985	3,627,012
(Decrease) Increase in other liabilities	(693,668)	635,040
Increase (Decrease) in prepaid expenses	(436,428)	29,807
Increase in inventory	(1,634)	(9,712)
Increase in unfunded liabilities	568,647	2,453,158
Cash provided by operating transactions	<u>19,528,449</u>	<u>15,941,439</u>
Capital Transactions		
Acquisition of tangible capital assets	(8,301,513)	(7,562,893)
Proceeds on disposal of tangible capital assets	13,109	1,420
Cash used in capital transactions	<u>(8,288,404)</u>	<u>(7,561,473)</u>
Investment Transactions		
Cash provided by (used in) investment transactions	<u>(6,109,844)</u>	80,949
Financing Transactions		
Short and long term debt issued	544,650	3,904,600
Decrease in capital lease obligation	(471,450)	(242,474)
Repayment of short and long-term debt	(931,397)	(3,674,617)
Cash used in financing transactions	<u>(858,197)</u>	<u>(12,491)</u>
Net change in cash and short-term deposits	4,272,004	8,448,424
Cash and short-term deposits, Beginning of the year	60,315,919	51,867,495
Cash and short-term deposits, End of the year (Pg. 3)	(Note 2) \$ 64,587,923	\$ 60,315,919

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2015**

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

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

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

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

Arrowsmith Water Service	22.4%
Englishman River Water Service	26.0%

Any inter-entity transactions are eliminated on consolidation.

(b) Short-term deposits

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

(c) Long-term investments

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

(d) Non-Financial Assets

i. Tangible capital assets

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

ii. Contributions of tangible capital assets

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

iii. Leases

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

iv. Inventories

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

(e) Debt servicing cost

Interest is recorded on an accrual basis.

(f) Financial Instruments

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

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

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

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

(h) Expense recognition

Operating expenses are recorded on an accrual basis.

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

(i) Contingent liabilities

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

(j) Use of Estimates

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Regional District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2015.

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

(l) Recent accounting pronouncements

PS 2200 Related Party Disclosures

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

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

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

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

PS 3210 Assets

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

PS 3320 Contingent Assets

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

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

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

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

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

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

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

PS 3380 Contractual Rights

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

PS 3430 Restructuring Transactions

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

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

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

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

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

Restructuring-related costs are recognized as expenses when incurred.

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

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

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

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

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

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2015

2. CASH AND SHORT-TERM DEPOSITS

In 2015, all cash and short-term deposits were held by the General Revenue Fund. Interest income has been allocated to restricted receipt accounts (development cost charges), reserve accounts/funds and unexpended loan proceeds for capital projects based on the relative equity.

3. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Province of British Columbia	\$ 24,972	\$ 78,734
Government of Canada	510,581	355,633
Regional and local governments	578,831	507,508
Gas Tax Revenue Transfer program	603,977	2,359,675
BC Transit Annual Operating Agreement	951,827	130,397
Accrued investment interest	223,839	165,812
Solid Waste commercial accounts	627,116	598,095
Utility services customers	401,399	415,513
Developer DCC instalments	328,010	408,198
Other trade receivables	804,514	1,079,186
	<u>\$ 5,055,066</u>	<u>\$ 6,098,751</u>

4. INVESTMENTS

	<u>2015</u>	<u>2014</u>
Investments at cost less amortized premium	<u>\$ 26,133,266</u>	<u>\$ 20,023,422</u>

As at December 31, 2015, the following investments were held by the Regional District:

Investment	Amortized Purchase Price	Accrued Interest	Total Book Value	Market Value at December 31, 2015
TD 0.8% deposit note	\$189,891	-	\$189,891	\$189,891
BMO 1.56% deposit note	\$5,000,000	\$6,625	\$5,006,625	\$5,000,000
PAC&WEST 1.56% deposit note	\$2,802,000	\$31,256	\$2,833,256	\$2,802,000
CWB 1.60% deposit note	\$2,050,000	\$7,099	\$2,057,099	\$2,050,000
CWB 1.65% deposit note	\$3,000,000	\$16,274	\$3,016,274	\$3,000,000
CCCU 1.75% extendible note	\$3,000,000	\$11,934	\$3,011,934	\$3,000,000
BMO 1.75% extendible note	\$2,000,000	\$4,890	\$2,004,890	\$2,012,266
BMO 1.75% extendible note	\$1,973,755	\$6,814	\$1,980,569	\$1,990,901
CWB 2.00% deposit note	\$3,492,000	\$70,031	\$3,562,031	\$3,492,000
BMO 3.979% extendible note	\$2,625,620	\$49,885	\$2,675,505	\$2,684,795
	<u>\$ 26,133,266</u>	<u>\$ 204,808</u>	<u>\$ 26,338,074</u>	<u>\$ 26,221,853</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2015

5. OTHER ASSETS

	<u>2015</u>	<u>2014</u>
Security deposits for building or development permit applications	23,139	25,264

6. SHORT-TERM LOANS

During 2015 the Regional District entered into a short term loan agreement under the Equipment Financing program of the Municipal Finance Authority in the amount of \$313,700, with interest and principal payable monthly, to fund the purchase of a Refuse Compactor at the Cedar Road Landfill. The principal amount of this short-term loan was reduced by \$20,559 to \$293,141 by December 31, 2015. Interest rate of this loan is variable, which at December 31 was at 1.35%, an increase of 0.01% from 1.34%, the rate at November 1, 2015, the date the loan was advanced. The maturity date for the loan agreement is April 30, 2018.

7. ACCOUNTS PAYABLE

	<u>2015</u>	<u>2014</u>
Payable to Federal Government	\$ 179,392	\$ -
Payable to Provincial Government	599,718	461,776
Payable to other local governments	333,231	316,005
Trade and other payables	4,917,668	2,017,302
	<u>\$ 6,030,009</u>	<u>\$ 2,795,083</u>

8. OTHER LIABILITIES

	<u>2015</u>	<u>2014</u>
Wages and benefits payable	\$ 1,221,031	\$ 2,229,061
Retirement benefits payable - see note 9(a) i	2,673,985	2,385,987
Other benefits payable	153,288	152,099
Permit deposits	374,015	348,840
	<u>\$ 4,422,319</u>	<u>\$ 5,115,987</u>

9. UNFUNDED LIABILITIES

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

(a) Employee Benefits

- i. Retirement Benefits - The Regional District provides vested sick leave benefits to its employees who retire where they can qualify for a one time payout of up to 60 days of their accumulated unused sick leave. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on service. The actuarial valuation was calculated at December 31, 2015.

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2015

9. UNFUNDED LIABILITIES (CONTINUED)

The accrued post-employment benefits are as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 1,733,207	\$ 1,681,452
Current service costs	143,052	126,125
Benefits paid	(109,663)	(109,946)
Interest cost	47,549	57,358
Amortization of Net Actuarial Loss/ (Gain)	(24,943)	(21,782)
Balance, end of year	\$ <u>1,789,202</u>	\$ <u>1,733,207</u>

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

	<u>2015</u>	<u>2014</u>
Discount Rate	3.10%	3.00%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

	<u>2015</u>	<u>2014</u>
Balance reported in Note 8		
Retirement benefits payable	\$ 2,673,985	\$ 2,385,987
Consolidation adjustment for actuarial valuation	(884,783)	(652,780)
Accrued benefit balance, end of year	\$ <u>1,789,202</u>	\$ <u>1,733,207</u>

- ii. Other – Includes vacation pay adjustments and statutory and other benefits provided for in the collective agreement and which are paid in the normal course of business in the following year. The vacation pay liability at December 31, 2015 is \$165,877 (2014, \$117,422). The statutory benefits liability at December 31, 2015 is \$115,444 (2014, \$226,405).

(b) Landfill Closure and Post Closure Maintenance Costs

In accordance with PS 3270 liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Landfill Closure costs include placing a permanent cover over the face of the landfill. Post Closure Maintenance costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 25 years after the landfill is permanently closed.

- i. Landfill Closure costs - are estimated based on the open area of the remaining unused capacity of the landfill site. In 2009 a revised design and operations plan was approved for the landfill which provides additional airspace for future needs. This plan extended the estimated life of the landfill to 2030 which has since been updated to 2040 based on most recent usage data. The plan includes remediation and reuse of previously filled areas as well as extending perimeter berms for the development of new airspace.

At December 31, 2015, there were approximately 1,765,738 cubic meters of airspace available for waste and daily cover. Landfill Closure costs are estimated at \$8,495,688 (2014, \$7,196,204). As at December 31, 2015, \$1,472,802 (2014, \$1,447,724) has been set aside in reserves for this purpose. The balance of Landfill Closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2015

9. UNFUNDED LIABILITIES (CONTINUED)

ii. Post Closure Maintenance costs – are costs estimated to manage the closed landfill for a statutory period of 25 years. Post Closure Maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate which is the difference between the long-term MFA borrowing rate and the 5 year average Consumer Price Index. The current estimate for annual Post Closure Maintenance costs is \$575,000 (2014, \$575,000). Total Post Closure Maintenance costs are estimated to be \$4,674,687 (2014, \$5,111,015) based on 63% of the total landfill capacity being filled at this date, a 25 year lifespan to 2040, final closure in 2041, and a discount rate of 1.73%. Post Closure Maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

<u>Unfunded Liability Balances</u>	<u>2015</u>	<u>2014</u>
Employee Retirement Benefits	\$ (884,783)	\$ (652,780)
Employee Other Benefits	281,321	343,827
Landfill Closure Costs	8,495,688	7,196,204
Post Closure Maintenance Costs	4,674,687	5,111,015
Unfunded Liability	<u>\$ 12,566,913</u>	<u>\$ 11,998,266</u>
Reserves On Hand	<u>\$ 1,472,802</u>	<u>\$ 1,447,724</u>

10. DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
Parkland Cash-in-Lieu receipts	\$ 1,691,619	\$ 1,662,844
Development Cost Charges	10,837,478	11,250,480
Subtotal (Pg. 34)	<u>12,529,097</u>	<u>12,913,324</u>
Gas Tax Revenue Transfer program – Community Works Fund	7,331,503	6,118,541
General Revenue Fund	515,791	692,541
	<u>\$ 20,376,391</u>	<u>\$ 19,724,406</u>

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

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

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

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2015

11. LONG-TERM DEBT

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

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

	<u>2015</u>	<u>2014</u>
Long-Term debt - Regional District services	\$ 14,484,553	\$ 15,629,016
Vancouver Island Regional Library	15,582,525	15,957,989
Member municipalities	53,520,830	52,213,097
Total Long-Term Debt	<u>\$ 83,587,908</u>	<u>\$ 83,800,102</u>

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>TOTAL</u>
\$1,125,151	\$1,116,263	\$1,116,368	\$1,073,916	\$ 1,069,880	<u>5,501,578</u>

12. OTHER JURISDICTIONS DEBT RECEIVABLE

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

	<u>2015</u>	<u>2014</u>
Town of Qualicum Beach	\$ 4,629,364	\$ -
City of Parksville	2,043,770	2,410,090
City of Nanaimo	46,847,696	49,803,007
Vancouver Island Regional Library	15,582,525	15,957,989
	<u>\$ 69,103,355</u>	<u>\$ 68,171,086</u>

13. OPERATING AND CAPITAL LEASES

The outstanding obligation balance for leased capital assets as at December 31, 2015 was \$211,227 (2014, \$682,677). The Regional District has financed assets under capital leases with a net book value of \$177,344 (2014, \$715,776). The assets include one road vehicle, one tractor and trailer and landfill site mobile equipment. The 2015 capital lease principal payments totalled \$471,450 (2014, \$242,474).

All capital leases are held by the MFA Leasing Corporation. While payments are fixed for the term of the lease, interest rates are variable daily based upon the Canadian prime rate minus 1.0%. An interest adjustment is made at the time of the final payment. In 2015, interest expenditures related to lease liabilities were \$10,839 (2014, \$15,549).

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2015

13. OPERATING AND CAPITAL LEASES (CONTINUED)

Lease payment commitments for the next five years are:

Capital Leases

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>TOTAL</u>
\$201,449	\$5,138	\$5,138	\$2,996	\$0	\$ 214,721
	Less: Imputed Interest				(3,494)
	Net Obligation under Capital Lease (Pg. 3)				<u>\$ 211,227</u>

Operating Leases – there are no operating lease commitments as at December 31, 2015.

14. TANGIBLE CAPITAL ASSETS

Net Book Value	<u>2015</u>	<u>2014</u>
Land	\$ 38,418,795	\$ 38,096,795
Land improvements	5,649,256	5,907,469
Buildings	31,446,591	31,992,029
Engineered structures	87,955,159	90,102,863
Equipment, furniture and vehicles	8,265,091	8,989,229
Assets under construction	6,434,369	1,425,801
	<u>\$ 178,169,261</u>	<u>\$ 176,514,186</u>
Owned tangible capital assets	\$ 177,991,917	\$ 175,798,410
Leased assets	177,344	715,776
	<u>\$ 178,169,261</u>	<u>\$ 176,514,186</u>

In 2015, parkland dedications and land used as a site for a community water supply well valued at \$322,000 were accepted and recorded as contributed assets. During 2014 parkland dedications valued at \$139,000 were accepted and recorded as contributed assets.

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

15. ACCUMULATED SURPLUS

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

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

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

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

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2015

15. ACCUMULATED SURPLUS (CONTINUED)

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

	<u>2015</u>	<u>2014</u>
Surplus		
General Revenue Fund Net Operating Surplus (Note 16)	\$ 11,970,660	\$ 11,415,855
Net investment in Tangible capital assets (Note 17)	163,180,340	160,202,493
Capital Fund advances	(991,006)	(430,123)
Unfunded liabilities	<u>(12,566,913)</u>	<u>(11,998,266)</u>
	<u>161,593,081</u>	<u>159,189,959</u>
General Revenue Fund Reserve Accounts		
Landfill expansion	277,479	272,755
Landfill closure	1,472,802	1,447,724
Property insurance deductible-fire departments	31,429	30,879
Liability insurance deductible	149,497	146,952
Regional Sustainability Initiatives	75,298	90,989
Island Corridor Foundation	809,000	404,500
Regional parks and trails donations	39,487	17,459
Vehicle fleet replacement (various departments)	<u>583,942</u>	<u>553,677</u>
	<u>3,438,934</u>	<u>2,964,935</u>
Statutory Reserve Funds (Pg. 33)	\$ 51,454,284	\$ 45,341,349
Total Reserves	\$ 54,893,218	\$ 48,306,284
Accumulated Surplus (Pg. 3)	<u>\$ 216,486,299</u>	<u>\$ 207,496,243</u>

16. CONSOLIDATION ADJUSTMENTS

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

	<u>2015</u>	<u>2014</u>
Net Operating Surplus (Pg. 36)	\$ 11,482,487	\$ 11,280,931
Add: Water User Fee Revenue year end accrual (billed May 2016)	143,881	134,924
BC Transit Operating Reserve Prepaid Expense Adjustment	367,531	-
Less: ICBC Fleet Insurance Premium Adjustment Accrual	<u>(23,239)</u>	<u>-</u>
Net Operating Surplus adjusted for statement presentation (Note 15)	<u>\$ 11,970,660</u>	<u>\$ 11,415,855</u>

17. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

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

	<u>2015</u>	<u>2014</u>
Tangible capital assets (Pg. 3)	\$ 178,169,261	\$ 176,514,186
Short-term loans (Pg. 3)	(293,141)	-
Obligation under capital lease (Pg. 3)	(211,227)	(682,677)
Long-term debt - Regional District only (Note 11)	<u>(14,484,553)</u>	<u>(15,629,016)</u>
Net investment in Tangible capital assets (Note 15)	<u>\$ 163,180,340</u>	<u>\$ 160,202,493</u>

REGIONAL DISTRICT OF NANAIMO
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 for the year ended December 31, 2015

18. BUDGET FIGURES

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 24, 2015. The financial plan includes capital expenditures but does not include amortization expense. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted "Surplus for the year" shown on Pg. 4 is provided to show which items must be added or removed to reflect to the budgeted financial plan values which are shown compared to actual expenditures on Pg.36 (General Revenue Fund Schedule of Revenue and Expenditures).

		<u>2015 Budget</u>
Budgeted Surplus for the year (Pg. 4)	\$	16,543,949
Add:		
Transfers from reserves		23,129,131
Proceeds of borrowing		1,616,665
Prior year operating surplus		11,280,947
Less:		
Capital expenditures		(35,947,273)
Debt principal repayments/actuarial adjustments		
Budgeted principal payments	4,424,157	
Add: Actuarial Adjustments	490,656	
Less: Principal payments for member municipalities	<u>(2,783,995)</u>	(2,130,818)
Capital lease principal payments included in equipment operating expenditure		(178,365)
Transfer to reserves		<u>(7,179,659)</u>
Consolidated Budgeted Surplus, per Regional District of Nanaimo Financial Plan Bylaw No.1722 (Pg. 36)	\$	<u><u>7,134,577</u></u>

19. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS

The Regional District secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2015 the Regional District had debt reserve funds of \$294,128 (2014, \$399,479).

20. NORTH ISLAND 9-1-1 CORPORATION

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

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

The Regional District's investment in shares of the North Island 911 Corporation is recorded at cost as it does not fall under the definition of a government partnership (PS3060.06). The Regional District's share of the corporation is equal to 23.8% and the degree of control is proportionate to the ownership share. As no benefits are expected from the ownership, it has not been accounted for as an equity investment.

REGIONAL DISTRICT OF NANAIMO
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 for the year ended December 31, 2015

21. PENSION LIABILITY

The Regional District of Nanaimo and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 345 contributors from the Regional District of Nanaimo.

The most recent actuarial valuation as at December 31, 2012 indicated an unfunded liability of \$1.370 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Regional District of Nanaimo paid \$2,051,074 (2014, \$1,783,224) for employer contributions to the Plan in fiscal 2015.

22. CONTINGENT LIABILITIES

Contingent liabilities are recognized by the Regional District in accordance with PS3300.15. As at December 31, 2015 there were outstanding claims against the Regional District, however, no liability has been accrued because amounts are undeterminable and the likelihood of the Regional District having to make payment is uncertain.

23. ENVIRONMENTAL REGULATIONS

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

24. EXPENDITURES BY OBJECT

	<u>Budget</u>	<u>2015</u>	<u>2014</u>
Operating goods and services	\$ 33,609,569	\$ 30,566,062	\$ 29,426,565
Wages and benefits	29,069,449	28,219,036	27,148,660
Debt interest	1,155,957	1,155,957	1,211,746
Amortization expense	-	6,745,606	6,752,591
Unfunded expenditures	-	568,647	2,453,159
Total Expenditures by Object	<u>\$ 63,834,975</u>	<u>\$ 67,255,308</u>	<u>\$ 66,992,721</u>

REGIONAL DISTRICT OF NANAIMO
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25. ARROWSMITH WATER SERVICE AND ENGLISHMAN RIVER WATER SERVICE JOINT VENTURES

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

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

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

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

	Arrowsmith Water Service	Englishman River Water Service
	<u>2015</u>	<u>2015</u>
Non-financial assets (tangible capital assets)	\$ 6,438,945	\$ 4,453,532
Accumulated surplus	<u>6,438,945</u>	<u>4,453,532</u>
Revenues		
Joint venturer contributions	\$ 50,208	\$ 633,452
Expenses		
Operating	50,208	23,953
Capital		600,134
Writedown of capital assets		<u>421,047</u>
	<u>\$ 50,208</u>	<u>\$ 1,045,134</u>
Annual surplus (deficit)	<u>\$ 0</u>	<u>\$ (411,682)</u>

26. CONTAMINATED SITES

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

27. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2015, the Regional District adopted the recommendations in PS 3260 *Liabilities for Contaminated Sites*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the Regional District is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 1 (k), *Significant Accounting Policies*.

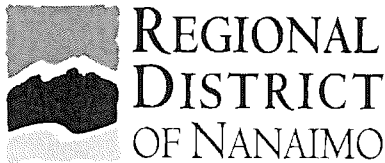
There was no effect on the Regional District's financial statements from adopting the above-noted change in accounting policy.

28. COMPARATIVE FIGURES

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

REGIONAL DISTRICT OF NANAIMO
REPORT OF DIRECTORS REMUNERATION & EXPENSES FOR 2015

Area	2015 Board G (Chairperson)	Name	Remuneration					Expenses		Total 2015	Total 2014
			Taxable Payroll	Exempt Allowance	Total 2015	Total 2014	2015	2014			
		Stanhope, J.	\$ 36,231.38	\$ 18,115.70	\$ 54,347.08	\$ 40,282.97	\$ 12,153.57	\$ 13,447.57	\$ 66,500.65	\$ 53,730.54	
	A	McPherson, A.	\$ 24,335.33	\$ 12,167.67	\$ 36,503.00	\$ 26,266.71	\$ 10,599.09	\$ 10,809.03	\$ 47,102.09	\$ 37,075.74	
	B	Houle, H.	\$ 22,809.41	\$ 11,404.71	\$ 34,214.12	\$ 24,375.96	\$ 9,742.38	\$ 9,772.90	\$ 43,956.50	\$ 34,148.86	
	C	Young, M.	\$ 22,921.41	\$ 11,460.71	\$ 34,382.12	\$ 23,280.96	\$ 4,313.26	\$ 5,527.10	\$ 38,695.38	\$ 28,808.06	
	E	Holme, G.	\$ -	\$ -	\$ 20,370.73	\$ 20,370.73	\$ -	\$ 2,119.20	\$ -	\$ 22,489.93	
	E	Rogers, B.	\$ 22,340.93	\$ 11,170.47	\$ 33,511.40	\$ 709.23	\$ 8,305.33	\$ 172.80	\$ 41,816.73	\$ 882.03	
	F	Fell, J.	\$ 20,917.78	\$ 10,458.90	\$ 31,376.68	\$ 20,475.70	\$ 11,403.98	\$ 7,056.29	\$ 42,780.66	\$ 27,531.99	
	H	Veenhof, B.	\$ 22,579.45	\$ 11,339.73	\$ 34,019.18	\$ 20,639.36	\$ 10,859.80	\$ 4,478.18	\$ 44,878.98	\$ 25,117.54	
	Lantzville	de Jong, J.	\$ -	\$ -	\$ 12,798.99	\$ 12,798.99	\$ -	\$ 692.76	\$ -	\$ 13,491.75	
	Lantzville	Haime, C.	\$ 10,810.94	\$ 5,405.47	\$ 16,216.41	\$ 455.96	\$ 353.02	\$ 36.00	\$ 16,569.43	\$ 491.96	
	Lantzville	Dempsey, B.	\$ -	\$ -	\$ 70.00	\$ 70.00	\$ -	\$ -	\$ -	\$ 70.00	
	Nanaimo	McKay, B.	\$ 10,417.61	\$ 5,208.80	\$ 15,626.41	\$ 1,095.96	\$ 300.18	\$ 91.77	\$ 15,926.59	\$ 1,187.73	
	Nanaimo	Greves, T.	\$ -	\$ -	\$ 11,888.99	\$ 11,888.99	\$ -	\$ 309.19	\$ -	\$ 12,198.18	
	Nanaimo	Bestwick, B.	\$ 9,890.94	\$ 4,945.47	\$ 14,836.41	\$ 12,624.95	\$ 322.03	\$ 328.10	\$ 15,158.44	\$ 12,953.05	
	Nanaimo	Johnstone, D.	\$ -	\$ -	\$ 12,188.99	\$ 12,188.99	\$ -	\$ 397.63	\$ -	\$ 12,586.62	
	Nanaimo	Kipp, J.	\$ 10,104.28	\$ 5,052.14	\$ 15,156.42	\$ 12,314.95	\$ 351.60	\$ 282.85	\$ 15,508.02	\$ 12,597.80	
	Nanaimo	Ruttan, J.	\$ -	\$ -	\$ 11,398.99	\$ 11,398.99	\$ -	\$ 173.40	\$ -	\$ 11,572.39	
	Nanaimo	Anderson, G.	\$ -	\$ -	\$ 11,818.99	\$ 11,818.99	\$ -	\$ 2,355.56	\$ -	\$ 14,174.55	
	Nanaimo	Hong, J.	\$ 10,010.94	\$ 5,005.47	\$ 15,016.41	\$ 455.96	\$ 207.20	\$ 28.80	\$ 15,223.61	\$ 484.76	
	Nanaimo	Pratt, W.	\$ 10,250.94	\$ 5,125.47	\$ 15,376.41	\$ 455.96	\$ 318.80	\$ 54.00	\$ 15,695.21	\$ 509.96	
	Nanaimo	Thorpe, I.	\$ 10,184.28	\$ 5,092.14	\$ 15,276.42	\$ 455.96	\$ 56.95	\$ 10.29	\$ 15,333.37	\$ 466.25	
	Nanaimo	Yoachim, B.	\$ 9,517.61	\$ 4,758.81	\$ 14,276.42	\$ 455.96	\$ 373.20	\$ 43.20	\$ 14,649.62	\$ 499.16	
	Parksville	Lefebvre, M.	\$ 10,930.94	\$ 5,465.47	\$ 16,396.41	\$ 13,254.95	\$ 1,384.41	\$ 1,135.38	\$ 17,780.82	\$ 14,390.33	
	Qualicum Beach	Westbroek, T.	\$ 11,277.61	\$ 5,638.80	\$ 16,916.41	\$ 455.96	\$ 1,942.73	\$ 154.29	\$ 18,859.14	\$ 610.25	
	Qualicum Beach	Willie, D.	\$ -	\$ -	\$ 12,588.99	\$ 12,588.99	\$ -	\$ 1,453.99	\$ -	\$ 14,042.98	
			\$ 275,631.78	\$ 137,815.93	\$ 413,447.71	\$ 291,182.13	\$ 72,987.53	\$ 60,930.28	\$ 486,435.24	\$ 352,112.41	
	Board Alternates										
	A	Grand, P.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338.12	\$ -	\$ 338.12	
	A	Wilson, K.	\$ 126.67	\$ 63.33	\$ 190.00	\$ -	\$ 59.69	\$ -	\$ 249.69	\$ -	
	B	Hartman, V.	\$ 73.33	\$ 36.67	\$ 110.00	\$ -	\$ -	\$ -	\$ 110.00	\$ -	
	C	Pinker, C.	\$ 126.67	\$ 63.33	\$ 190.00	\$ 80.00	\$ 11.52	\$ 22.62	\$ 201.52	\$ 102.62	
	E	Van Eynde, F.	\$ 373.33	\$ 186.67	\$ 560.00	\$ 960.00	\$ -	\$ 238.64	\$ 560.00	\$ 1,198.64	
	E	Lowe, K.	\$ 286.67	\$ 143.33	\$ 430.00	\$ -	\$ 73.15	\$ -	\$ 503.15	\$ -	
	F	Salter, L.	\$ -	\$ -	\$ 320.00	\$ -	\$ -	\$ 94.85	\$ -	\$ 414.85	
	F	McLean, J.	\$ 160.00	\$ 80.00	\$ 240.00	\$ -	\$ 78.58	\$ -	\$ 318.58	\$ -	
	G	Derkach, L.	\$ 106.67	\$ 53.33	\$ 160.00	\$ -	\$ 42.95	\$ -	\$ 202.95	\$ -	
	H	Recalma, M.	\$ 126.67	\$ 63.33	\$ 190.00	\$ -	\$ 672.71	\$ -	\$ 862.71	\$ -	
	H	Christensen, P.	\$ -	\$ -	\$ 80.00	\$ 80.00	\$ -	\$ 25.71	\$ -	\$ 105.71	
	Nanaimo	Brennan, D.	\$ 533.33	\$ 266.67	\$ 800.00	\$ 12,728.99	\$ 73.32	\$ 336.28	\$ 873.32	\$ 13,065.27	
	Nanaimo	Fuller, G.	\$ 373.33	\$ 186.67	\$ 560.00	\$ -	\$ 99.00	\$ -	\$ 659.00	\$ -	
	Lantzville	Mostad, A.	\$ -	\$ -	\$ -	\$ 160.00	\$ -	\$ 5.14	\$ -	\$ 165.14	
	Lantzville	Savage, G.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Nanaimo	Pattje, J.F.	\$ -	\$ -	\$ -	\$ 560.00	\$ -	\$ 49.38	\$ -	\$ 609.38	
	Parksville	Burger, C.	\$ -	\$ -	\$ -	\$ 320.00	\$ -	\$ 84.87	\$ -	\$ 404.87	
	Parksville	Powell, S.	\$ 320.00	\$ 160.00	\$ 480.00	\$ -	\$ 136.20	\$ -	\$ 616.20	\$ -	
	Qualicum Beach	Avis, B.	\$ 640.00	\$ 320.00	\$ 960.00	\$ -	\$ 305.91	\$ -	\$ 1,265.91	\$ -	
	Qualicum Beach	Tanner, S.	\$ -	\$ -	\$ 80.00	\$ -	\$ -	\$ 365.93	\$ -	\$ 445.93	
			\$ 3,246.67	\$ 1,623.33	\$ 4,870.00	\$ 15,288.99	\$ 1,553.03	\$ 1,561.54	\$ 6,423.03	\$ 16,850.53	
		TOTAL	\$ 278,878.45	\$ 139,439.26	\$ 418,317.71	\$ 306,471.12	\$ 74,540.56	\$ 62,491.82	\$ 492,858.27	\$ 368,962.94	



RDN REPORT	
CAO APPROVAL	
EAP	
GOW	✓
MAY 31 2016	
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BOARD	

MEMORANDUM

TO: Dennis Trudeau
Chief Administrative Officer

DATE: May 28, 2016

MEETING: Committee of the Whole
June 14, 2016

FROM: Wendy Idema
Director of Finance

FILE: 2240-20-E911

SUBJECT: Fire Department Radio Repeater System Improvements

RECOMMENDATIONS:

1. That the Board provide a letter of endorsement for the plan from Island Communications Ltd. to install a repeater on Mount Benson and back-up equipment on Cottle Hill to improve radio coverage for fire departments located within Regional District of Nanaimo boundaries.
2. That the Board approve the release of \$20,000 of funds held in the D68 E911 Service Reserve Fund.

PURPOSE

To obtain Board support for the installation of radio repeater stations owned by the Regional District of Nanaimo and used by RDN Fire services at radio sites owned and operated by Cercomm Electronics on Mount Benson & Cottle Hill.

BACKGROUND

Cercomm Electronics owns and operates a radio site on Gabriola Island which is used by several fire services within the RDN boundaries including Gabriola, North Cedar, Extension and Cranberry. There have been ongoing complaints about coverage from this site location for many years for communication with FireComm as well as within departments. Island Communications is proposing the installation of a repeater at an existing site owned and operated by Cercomm Electronics on Mount Benson along with back-up equipment to be installed at an existing site on Cottle Hill (also owned and operated by Cercomm Electronics) per attached correspondence (Appendix A). The move will result in improved coverage as well as the opportunity for departments such as Lantzville and East Wellington to use the backup repeater on Cottle Hill which would resolve coverage issues they have experienced also.

Industry Canada requires support from the Regional District for the plan per Appendix B. Cercomm Electronics/Island Communications is the RDN's long-term provider of FireComm radio stations in relation to the District 68 911 service and has developed this proposed plan to provide a long-term solution to the existing problems with coverage. They have provided assurance that this will serve the needs of area departments for many years. The various fire services within Regional District boundaries involved in this project support the initiative. The City of Nanaimo Fire Department was consulted as they operate the FireComm system for the District 68 911 service and have endorsed the plan.

ALTERNATIVES:

1. Endorse the plan from Island Communications Ltd. and approve use of reserve funds to install a repeater on Mount Benson and back-up equipment on Cottle Hill to improve radio coverage for fire departments located within Regional District of Nanaimo boundaries.
2. Do not endorse the plan from Island Communications Ltd. and provide alternate direction to staff.

FINANCIAL IMPLICATIONS:

Alternative 1

There will be some cost to fire departments for programming of radios and pagers which can be incorporated into fire department budgets. The RDN does pay Cercomm Electronics/Island Communications for a portion of the costs of the Cottle Hill site which will remain unchanged. The RDN pays hydro, maintenance and telephone costs related to the transmitter on Gabriola Island of approximately \$4,500 per year. These costs will end with the move; however, new costs for the Mount Benson site of approximately \$5,500 per year will be incurred resulting in a net annual increase of approximately \$1,000 per year for the D68 911 service which is manageable within the D68 911 service five-year plan. There will be an initial equipment installation cost at the Mount Benson and Cottle Hill sites of approximately \$20,000 which can be funded from the D68 911 Service Reserve Fund which has a balance of \$134,600.


SUMMARY/CONCLUSIONS:

Cercomm Electronics owns and operates a radio site on Gabriola Island which is used by fire services within the RDN boundaries. There have been ongoing complaints about coverage from this site location for many years. Island Communications is proposing the installation of a repeater at an existing site owned and operated by Cercomm Electronics on Mount Benson along with back-up equipment to be installed at an existing site on Cottle Hill (also owned and operated by Cercomm Electronics) per Appendix A. The move will result in improved coverage as well as the opportunity for departments such as Lantzville and East Wellington to use the backup repeater on Cottle Hill which will resolve coverage issues they are also experiencing.

Industry Canada requires support from the Regional District for the plan per Appendix B. Cercomm Electronics/Island Communications is the RDN's provider of FireComm radio stations in relation to the District 68 911 service and has proposed this plan to provide a long-term solution to the existing problems with coverage. They have provided assurance that this will serve the needs of area departments for many years. The various fire services within Regional District boundaries involved in this project support the initiative. Staff recommend support of the Cercomm Electronics move to Mount Benson and Cottle Hill for a fire services repeater system.



Report Writer



A/ CAO Concurrence

Appendix A



"The Communications People"

2540 Bowen Road, Nanaimo, B.C. V9T 3L3

Tel. 250-758-7301

Fax. 250-758-0294

cercomm@island-communications.com

www.island-communications.com

November 26 2015

To whom it may concern;

Recently Island Communications has applied to Industry Canada to install a repeater on Mt. Benson. This is to replace the current infrastructure on Gabriola Island that is in use to dispatch four fire departments in the RDN area, including Gabriola, North Cedar, Cranberry and Extension. For many years there have been complaints of coverage issues from some of the departments communicating with Firecomm. Also certain departments have had issues communicating between units requiring other units or Firecomm to relay if and when possible.

The current system that Firecomm uses to dispatch these departments is basically a base station radio on Gabriola Island that Firecomm accesses via a microwave link. The height of the antenna on this station is approximately 550 feet above sea level. The current system does not repeat signals that it receives from units, it simply receives them and sends them to Firecomm and vice-versa. Having a repeater on Mt. Benson would mean that all transmissions on the repeater channel would be received on Mt. Benson at approximately 3350 feet above sea level, and then be re-broadcasted to units providing much improved communication between units when at a distance, as well, pager coverage will be much improved. There will also be a talk-around channel programmed into all radios that will allow on-scene personnel to bypass the repeater for on-scene communications, however, to talk back to Firecomm, the repeater should be used.

In addition to the new Repeater on Mt. Benson, there would be back-up equipment installed on Cottle Hill at nearly 1000 feet above sea level. This would include the telephone interconnect paging equipment, as well as a 2nd "back-up" repeater. The plan for this repeater could also involve allowing other departments within the RDN to make regular use of the "back-up" repeater, these departments could include East Wellington and Lantzville. If having six departments on one channel concerns you, consider that in the busiest part of the Cowichan Valley Regional District, there are six fire departments currently using one repeater. We will endeavor to have a tactical channel available to you that you can switch to in the event of multiple calls on the repeater. It should be noted that command would be required to have a radio on the repeater as well, to stay in contact with Firecomm.

There will be costs involved to have all department radios and pagers programmed to make use of the new repeater(s). This will be up to each department to cover the cost. It is likely that Industry Canada will require the repeater to be narrow-band, therefore any archaic equipment in use may need to be replaced, as well, since it is likely that a change of frequency will be required, any Minitor II (or other crystal controlled) pagers may be cost prohibitive to change.

Before Industry Canada proceeds with our application, they have requested that we engage in "consultation with the RDN 911 System Administrators" and they would like "an endorsement from the RDN 911 System accepting the proposed system". So we are looking to you for your support in going forward with these changes, as well as invite any comments, concerns, or questions you may have.

Thank you in advance,

Don Boekenkruger
Island Communications Ltd.

Vancouver Island District Office Tel: (250) 363-3803
430 - 1230 Government Street Fax: (250) 363-0208
Victoria, BC V8W 3M4 victoria.district@ic.gc.ca

October 21, 2015

Don Boekenkruger
Island Communications Ltd
2540 Bowen Road
Nanaimo, BC. V9T 3L3

Subject: Application for a new repeater on behalf of the Regional District of Nanaimo - 911 System.

Dear Don,

Thank you for your responses to our initial questions and after reviewing the answers there are several things that need to happen before this application can proceed forward.

We would like to have better picture of the RDN's long term vision so we can assign the required spectrum in a manner that will provide spectral efficiency for all involved rather than providing a short term solution that will be obsolete in short order. Consultation with the RDN 911 System administrators to ensure that a long term plan can be established is highly recommended.

We will require a letter of intent outlining the complete proposed system with all the components, including any back-up repeaters, future expansions, and any additional sharing with other associated fire departments. Please include a list of other departments (siting licences to be amended) that will be utilizing this repeater with an endorsement from the RDN 911 System accepting the proposed system. With the public safety sector moving toward the implementation of the 700 MHz band, consideration should also be given to plans for future expansion and mutual aid requirements with other jurisdictions such as police, fire, and ambulance.

Prior to implementing any changes to the existing system, all the licences involved within the RDN 911 System and associated fire departments will need to be reviewed to ensure they're correct and reflect the proper status (i.e. licence is in the correct account) and amended as required following department policies and procedures.

Preliminary studies show that using the proposed frequency pair may not be possible and another pair will most likely need to be selected. With the congestion in the VHF band and the proposed location of the site this will prove to be very difficult, if possible at all. As well as requiring successful international coordination with the US. It is for this reason that additional justification is required.

Regards,



David Lewthwaite
Spectrum Management Officer
Vancouver Island District Office
(250) 363-0168
david.lewthwaite@ic.gc.ca



RDN REPORT <i>OM</i>		
CAO APPROVAL		
EAP		
COW	✓	
JUN 07 2016		
RHD		
BOARD		

MEMORANDUM

TO: Wendy Idema
Director of Finance

DATE: May 24, 2016

FROM: Manvir Manhas
Senior Accountant

MEETING: COW June 14, 2016

FILE:

SUBJECT: Operating Results for the Period ending March 31, 2016

RECOMMENDATION:

That the summary report of financial results from operations to March 31, 2016 be received for information.

PURPOSE:

To present a summary of the operating results for the period ending March 31, 2016.

BACKGROUND:

The Regional Board reviews quarterly financial progress statements in order to identify both positive and negative budget trends as they occur. This report provides information on the operating results for the period January 1st to March 31st, 2016.

The year-to-date statements are prepared primarily on a cash paid/received or invoiced basis. Exceptions are property taxes and debt payments, which are recorded or accrued at 1/12 of the annual amount each month and the prior year surpluses (deficits), which are recorded in full at the beginning of the year.

Assuming an even distribution of revenues and expenses throughout the year, the current financial performance benchmark would be approximately 25% versus budget. Where significant variances have been observed staff have provided comments in the individual sections below.

Attached as appendices to this report are the following:

- Appendix 1 Overall Summary by Division
- Appendix 2 Summary of Total Revenues/Total Expenditures by Department

Overall Summary by Division (Appendix 1)

This appendix provides an overview of the year to date results at an organizational level.

Revenues

Total Revenues are at 25% of budget with property tax revenues at the expected 25%. Grant Revenues are at 14% and Other Revenues are at 12% (includes transfers from reserves for capital projects) mainly due to timing of large projects which don't begin until budgets are finalized in March. Capital projects use a drawdown accounting approach where revenues are recorded as project expenses are incurred.

Operating revenues are at 20% of the budget as they do not yet reflect the first utility services billings which occur at the end of May.

Expenditures

Overall expenditures are at 16% of budget. Expenditure items noticeably under budget include Community Grants (2%), Professional Fees (9%), Program Costs (13%) and Capital Expenditures (7%). Professional fees and capital expenditures are directly related to the timing of payments for projects and the bulk of community grant funds will be allocated during the summer and fall. Program costs are incurred predominantly in the spring and summer in the Recreation and Parks area (16%) and reflect the Drinking Water/Watershed Protection rebate programs in the Regional & Community Utilities area (11%) which don't proceed until budget approval. Wages & Benefits are at 26%, which is to be expected as 6 of 26 pay periods had been processed at March 31. Further details are provided under results by department below.

Expenditures for Debt Interest (16%) and Debt Principal (19%) are lower than budget at this time because of the timing of debt payments made on behalf of municipalities. Transfers to Reserve (8%) are completed and recorded in August every year.

Summary of Operating Results by Department (Appendix 2)

This appendix lists the total year to date revenues and expenditures for functions within each organizational division. This listing illustrates at a glance the overall status of an individual service as at March 31 compared to the overall budget for that service.

Corporate Services

The Corporate Services division of Appendix 2 shows year to date total revenues at 24% of budget and expenditures at 17% which is largely related to the Fire Protection and Municipal Debt Transfers service areas.

The timing of transfers to other governments/service providers impact the Public Safety area for D69 E911 (0% expenditures) and Community Justice (0% expenditures). This also impacts Fire Services for French Creek (36% revenue/1% expenditures), Parksville Local (60% revenue/ 1% expenditures), and Wellington (28% revenue/1% expenditures) fire service areas which have service contracts with Parksville, Qualicum and Nanaimo where the contract payments will be transferred to their Fire Departments in August after the tax revenues are received from the province.

As noted above, Municipal Debt Transfers (6% revenue/6% expenditures) will catch up to the budget during the year as payments made to MFA flow through the RDN.

Strategic & Community Development

The Strategic & Community Development division of Appendix 2 shows year-to-date total revenues at 39% and expenditures at 20%. The service areas showing variances in revenue and expenditures are as follows:

- Economic Development South (25% revenue/0% expenditures) and reflect that the transfer of the funds to the Nanaimo Economic Development Corporation will occur in August.
- Economic Development North (35% revenue/5% expenditures) shows variances in both revenue and expenses. The revenue includes prior year surplus which is recorded in full at the beginning of the year. On the expense side grant funds will be disbursed as applications are received and approved during the year.
- VIHA Community Wellness Grant (0% revenue/0% expenditures) and VIHA Health Network Funding (0% revenue/0% expenditures) reflects drawdown accounting approach where grant revenues are recorded as expenses are incurred.
- D68 Search & Rescue (29% revenue/17% expenditures), D69 Marine Rescue (25% revenue/0% expenditures) and D69 Land Search & Rescue (25% revenue/0% expenditures) reflect the timing of the transfer to the groups receiving grants through this service which will be completed in August.
- Unsightly Premises (6% revenue/4% expenditures) and Hazardous Properties (18% revenue/8% expenditures) are low compared to budget because there have been no incidents requiring clean up so far this year.
- EA Community Planning (42% revenue/22% expenditures), Regional Growth Strategy (51% revenue/19% expenditures), Emergency Planning (28% revenue/16% expenditures), Animal Control EA F (54% revenue/20% expenditures) and Noise Control (40% revenue/25% expenditures) reflect the fact that prior year carry forward revenues have been recorded in full at the beginning of the year for which expenses will be incurred later in the year.

Regional and Community Utilities

The Regional and Community Utilities division of Appendix 2 shows year to date total revenues at 22% and expenditures at 13%. The service areas with variances at March 31 are as follows:

- Liquid Waste Management Planning (49% revenues/21% expenditures) reflects prior year carry forward revenues recorded in full at the beginning of the year as well as the Gas Tax Grant funds to be received for the Rural Village Sewer Servicing project and the unspent program costs associated with this project.
- Southern Community Wastewater (19% revenue/14% expenditures) and Northern Community Wastewater (33% revenue/9% expenditures) are both a result of the timing of capital projects where grant and DCC/Reserve revenues are being accrued as the expenses are incurred. In the South, the outfall replacement project and design for the secondary treatment expansion are currently underway. The Northern service includes a number of smaller capital projects totaling \$1.1 million in budgeted capital expenditure for 2016.
- Under the Water Supply service areas, variances are shown in Surfside (40% revenue/28% expenditures), French Creek (27% revenue/16% expenditures), Whiskey Creek (19% revenue/13% expenditures) Decourcey (44% revenue/12% expenditures), Englishman River (32% revenue/19% expenditures), and Nanoose Peninsula (28% revenue/15% expenditures). These reflect the impact of carry forward surpluses for those with higher than expected revenue, and those with lower revenues will catch up when the water billings are completed in May and September. Lower than

anticipated expenses again relate to the timing of capital projects and transfers to reserves which occur in summer. Drinking Water/Watershed Protection (44% revenue/16% expenditures) higher revenues reflect a larger carry forward surplus and the lower than anticipated expenses relate to rebate program costs that are incurred after the budget is approved.

- The French Creek Bulk Water (16% revenue/17% expenditures) budget includes transfers to the Arrowsmith Water Joint Venture which have not been completed.
- The Nanoose Bay Bulk Water (10% revenue/2% expenditures) budget includes transfers to the Englishman River Joint Venture capital work funded by DCC's and reserves, which have not been completed.
- Predominant differences in the sewer area arise from Fairwinds Sewer/Nanoose wastewater (42% revenue/12% expenditures), Surfside (43% revenue/19% expenditures), Cedar (39% revenue/19% expenditures), Englishman River Stormwater (67% revenue/5% expenditures) and Cedar Estates Stormwater (70% revenue/5% expenditures). These are due mainly to timing differences in recording these revenues and expenses.
- Community Works Fund Projects (2% revenue/2% expenditures) reflects the drawdown approach to these grants where revenues are brought in as expenses are incurred. Projects in this category include Nanoose Bay Interface Fire Area Water Storage, Whiskey Creek well development and the Area E water monitoring project.

Recreation and Parks Services

The Recreation and Parks division of Appendix 2 shows year-to-date total revenues at 25% and expenditures at 15%. The service areas with larger variances at March 31 are as follows:

- Regional Parks (16% revenue/5% expenditures) and most of the Community Parks Service areas have capital work where the timing is impacting revenues and expenditures. Area E (19% revenue/9% expenditures) and Area B (44% revenue/14% expenditures) have capital projects underway such as Blueback Park and Huxley Park development funded by both grants and reserve transfers.
- Area A Recreation & Culture (54% revenue/8% expenditures) higher revenues reflect the carry forward surplus and lower than anticipated expenses reflect timing differences in recording expenses such as transfers to reserves which occur in summer.
- Gabriola Island Recreation is at 36% for expenditures because of the timing impact on expenditures where the transfer of funds to the Gabriola Recreation Society is done in two installments (January 1st & June 1st) during the year.
- Southern Community Recreation is at 0% for expenditures because the transfer of funds to the City of Nanaimo for these services will be completed in August.
- Community Works Fund Projects (1% revenue/1% expenditures) reflects the drawdown approach to these grants where revenues are brought in as expenses are incurred. Projects in this category include Claudet Community Park Path in Area E, Gabriola Village Trail, Morden Colliery Bridge Crossing, French Creek Community Trail and Meadowood Community Recreation Centre.

Transportation and Solid Waste Services

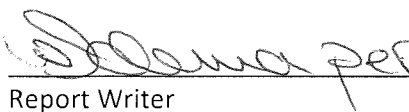
The Transportation and Solid Waste division of Appendix 2 shows year-to-date total revenues at 26% and expenditures at 19%. The service areas with variances at March 31 are as follows:

- Southern Community Transit (30% revenue/23% expenditures) and Northern Community Transit (40% revenue/24% expenditures) are largely on track for operating expenses and reflect the impact of the prior year surplus which is recorded in full at the beginning of the year.
- Gabriola Transit contribution at 16% of expenditures and Gabriola Island Taxi Saver at 18% of expenditures is because the transfer of funds to the Gabriola Community Bus and People for a Healthy Community for these services will be completed later this year.
- Gabriola Island Emergency Wharf (25% revenue/3% expenditures) is due to the timing in recording the transfer to reserve which occurs in August.
- Solid Waste Management (22% revenue/13% expenditures) reflects lower than anticipated expenditures primarily due to timing of the North Berm Development Project. Operating revenue is at 22% which is consistent with prior years (2015 = 23%, 2014 = 21%) for this period.
- Solid Waste Collection and Recycling is at 15% of its revenue budget vs. 18% of expenses because the annual utility billing is primarily completed in May each year.

SUMMARY:

The attached appendices reflect the operating activities of the Regional District recorded up to March 31, 2016. Appendix 1 summarizes the overall results across the organization. To date 25% of budgeted revenues and 16% of budgeted expenditures have been recorded. Grants (14%) and other revenues (12%) are below the benchmark for seasonal and other timing reasons noted above.


Expenditures across all services are lower overall (16%) due to the summer time commencement for many capital projects (7%) which also impacts professional fees (9%). Across all services, wages and benefits are in line with expectations at 26% of the budget.



 Report Writer



 Director of Finance Concurrence



 C.A.O. Concurrence



GENERAL REVENUE FUND
As of March 31, 2016

	CORPORATE		SERVICES		STRATEGIC & COMM DEVELOPMENT		REGIONAL & COMM UTILITIES		
	Actual 2016	Budget 2016	% Var	Actual 2016	Budget 2016	% Var	Actual 2016	Budget 2016	% Var
REVENUES									
TAX REQUISITION	1,993,076	7,972,303	25%	686,414	2,745,648	25%	3,949,344	15,797,373	25%
GRANTS	117,052	171,090	68%	17,613	209,263	8%	100,149	1,818,225	6%
OPERATING REVENUE	5,576	19,554	29%	255,485	1,213,763	21%	146,456	1,914,105	8%
OTHER REVENUE	1,673,857	12,643,204	13%	73,514	432,385	17%	3,313,867	26,195,544	13%
PRIOR YEARS SURPLUS (DEFICI)	1,561,236	1,561,236	100%	1,241,773	1,241,773	100%	3,392,242	3,392,242	100%
TOTAL REVENUES	5,350,797	22,367,387	24%	2,274,799	5,842,832	39%	10,902,058	49,117,489	22%
EXPENSES									
OFFICE OPERATING	59,556	268,437	22%	100,332	439,762	23%	210,818	915,097	23%
COMMUNITY GRANTS	1,000	56,528	2%	0	0	0%	0	0	0%
LEGISLATIVE	125,987	496,894	25%	0	0	0%	0	0	0%
PROFESSIONAL FEES	15,775	378,620	4%	16,070	374,535	4%	135,510	997,085	14%
BUILDING - OPER & MAINT	208,652	445,617	47%	17,328	67,613	26%	256,851	1,373,154	19%
VEH & EQUIP - OPER & MAINT	122,966	344,597	36%	48,302	94,317	51%	238,610	1,113,866	21%
OTHER OPERATING COSTS	201,144	1,246,693	16%	155,837	739,865	21%	589,822	4,187,316	14%
WAGES & BENEFITS	1,086,306	4,176,161	26%	661,774	2,544,587	26%	1,181,367	4,579,468	26%
PROGRAM COSTS	0	21,000	0%	10,220	173,284	6%	20,494	189,300	11%
CAPITAL EXPENDITURES	29,346	1,565,687	2%	2,927	122,500	2%	2,578,369	28,281,928	9%
DEBT - FINANCING - INTEREST	536,577	3,610,508	15%	0	0	0%	73,407	571,502	13%
DEBT - FINANCING - PRINCIPAL	74,777	3,339,948	2%	0	0	0%	65,641	318,827	21%
TRSF TO RESERVE FUND	299	829,227	0%	3,960	172,715	2%	658,212	4,343,286	15%
TRSF TO OTHER GOV'T/AGENCIE	1,177,106	4,716,828	25%	0	432,428	0%	0	0	0%
TOTAL EXPENDITURES	3,639,491	21,496,745	17%	1,016,750	5,161,606	20%	6,009,101	46,870,829	13%
OPERATING SURPLUS (DEFICIT)	1,711,306	870,642		1,258,049	681,226		4,892,957	2,246,660	



GENERAL REVENUE FUND
As of March 31, 2016

	RECREATION & PARKS SERVICES			TRANSPORTATION & SOLID WASTE			TOTAL		
	Actual 2016	Budget 2016	% Var	Actual 2016	Budget 2016	% Var	Actual 2016	Budget 2016	FUND % Var
REVENUES									
TAX REQUISITION	2,675,439	10,701,750	25%	2,568,013	10,272,057	25%	11,872,286	47,489,131	25%
GRANTS	65,236	4,115,245	2%	1,611,145	6,983,175	23%	1,911,195	13,296,998	14%
OPERATING REVENUE	534,090	1,608,515	33%	3,454,480	16,709,715	21%	4,396,087	21,465,652	20%
OTHER REVENUE	5,381	1,507,942	0%	697,625	9,040,931	8%	5,764,244	49,820,006	12%
PRIOR YEARS SURPLUS (DEFICIT)	1,522,596	1,522,596	100%	3,764,639	3,764,639	100%	11,482,486	11,482,486	100%
TOTAL REVENUES	4,802,742	19,456,048	25%	12,095,902	46,770,517	26%	35,426,298	143,554,273	25%
EXPENSES									
OFFICE OPERATING	143,515	597,498	24%	538,600	2,170,186	25%	1,052,821	4,390,980	24%
COMMUNITY GRANTS	0	0	0%	0	0	0%	1,000	56,528	2%
LEGISLATIVE	0	1,500	0%	0	0	0%	125,987	498,394	25%
PROFESSIONAL FEES	8,127	311,200	3%	45,086	461,228	10%	220,568	2,522,668	9%
BUILDING - OPER & MAINT	140,174	806,539	17%	133,836	539,685	25%	756,841	3,232,608	23%
VEH & EQUIP - OPER & MAINT	37,482	236,827	16%	1,570,820	6,089,390	26%	2,018,180	7,878,997	26%
OTHER OPERATING COSTS	144,699	1,165,284	12%	1,804,378	9,522,447	19%	2,895,880	16,861,605	17%
WAGES & BENEFITS	1,188,696	4,619,653	26%	3,896,566	14,745,317	26%	8,014,709	30,665,186	26%
PROGRAM COSTS	92,632	563,286	16%	0	0	0%	123,346	946,870	13%
CAPITAL EXPENDITURES	83,209	5,602,994	1%	370,395	9,243,264	4%	3,064,246	44,816,373	7%
DEBT - FINANCING - INTEREST	114,514	459,224	25%	671	22,935	3%	725,169	4,664,169	16%
DEBT - FINANCING - PRINCIPAL	734,930	1,004,287	73%	20,579	124,565	17%	895,927	4,787,627	19%
TRSF TO RESERVE FUND	0	1,485,660	0%	0	1,626,109	0%	662,471	8,456,997	8%
TRSF TO OTHER GOV'T AGENCIES	91,975	2,001,992	5%	2,000	93,165	2%	1,271,081	7,244,413	18%
TOTAL EXPENDITURES	2,779,953	18,855,944	15%	8,382,931	44,638,291	19%	21,828,226	137,023,415	16%
OPERATING SURPLUS (DEFICIT)	2,022,789	600,104		3,712,971	2,132,226		13,598,072	6,530,858	



SUMMARY OF OPERATING RESULTS
for period ending March 31, 2016

	Revenues		Expenditures		Variance	Expenditures		Variance	Surplus	
	2016 Actuals	2016 Budget	2016 Actuals	2016 Budget		2016 Actuals	2016 Budget			
CORPORATE SERVICES										
Administration	2,561,549	7,194,286	1,552,978	6,631,037	36%	1,552,978	6,631,037	23%	1,008,571	563,249
Electoral Area Administration	318,041	843,738	177,362	740,375	38%	177,362	740,375	24%	140,679	103,363
Public Safety										
D68 E911	33,987	147,445	27,843	147,445	23%	27,843	147,445	19%	6,144	0
D69 E911	208,954	665,052	2,125	619,245	32%	2,125	619,245	0%	206,829	43,807
Community Justice	34,575	138,300	0	138,300	25%	0	138,300	0%	34,575	0
Fire Protection										
Fire - Meadowood	34,838	139,357	34,839	139,357	25%	34,839	139,357	25%	(1)	0
Fire - Nanaimo River	4,451	17,795	404	17,795	25%	404	17,795	2%	4,047	0
Fire - Coombs Hilliers	101,579	651,505	140,676	651,505	16%	140,676	651,505	22%	(39,097)	0
Fire - Errington	115,897	512,901	158,671	512,901	23%	158,671	512,901	31%	(42,774)	0
Fire - French Creek	179,289	498,238	2,479	438,286	36%	2,479	438,286	1%	176,810	59,952
Fire - Nanoose Bay	235,336	976,294	94,766	960,849	24%	94,766	960,849	10%	140,570	15,445
Fire - Wellington	22,289	79,022	712	79,022	28%	712	79,022	1%	21,577	0
Fire - Cassidy Waterloo	52,470	171,538	33,104	171,538	31%	33,104	171,538	19%	19,366	0
Fire - Dashwood	132,826	574,160	213,927	574,160	23%	213,927	574,160	37%	(81,101)	0
Fire - Extension	75,213	193,515	18,886	193,515	39%	18,886	193,515	10%	56,327	0
Fire - Parksville Local	106,339	176,968	727	92,140	60%	727	92,140	1%	105,612	84,828
Fire - Bow Horn Bay	83,362	737,085	144,285	737,085	11%	144,285	737,085	20%	(60,923)	0
Regional Library	663,480	2,931,822	663,480	2,931,822	23%	663,480	2,931,822	23%	0	0
Feasibility Studies	14,930	14,930	828	14,930	100%	828	14,930	6%	14,102	0
Municipal Debt Transfers	366,019	5,683,936	366,019	5,683,936	6%	366,019	5,683,936	6%	0	0
House Numbering	5,375	21,500	5,375	21,500	25%	5,375	21,500	25%	0	0
TOTAL	5,350,799	22,367,387	3,639,486	21,496,743	24%	3,639,486	21,496,743	17%	1,711,313	870,644
STRATEGIC & COMMUNITY DEVELOPMENT										
EA Community Planning	851,361	2,034,828	403,998	1,858,795	47%	403,998	1,858,795	22%	447,363	176,033
Economic Development South	44,250	177,000	0	177,000	25%	0	177,000	0%	44,250	0
Economic Development North	20,338	57,838	2,927	57,838	35%	2,927	57,838	5%	17,411	0
VIHA Community Wellness Grant	0	154,933	0	154,933	0%	0	154,933	0%	0	0
VIHA Health Network Funding	128	44,695	128	44,695	0%	128	44,695	0%	0	0
Regional Growth Strategy	360,959	710,478	117,665	605,355	51%	117,665	605,355	19%	243,294	105,123
Emergency Planning	106,407	379,460	57,384	361,585	28%	57,384	361,585	16%	49,023	17,875
D68 Search & Rescue	14,846	50,460	8,000	47,800	29%	8,000	47,800	17%	6,846	2,660
D69 Marine Search & Rescue	1,250	5,000	0	5,000	25%	0	5,000	0%	1,250	0
D69 Land Search & Rescue	2,500	10,000	0	10,000	25%	0	10,000	0%	2,500	0

SUMMARY OF OPERATING RESULTS
For period ending March 31, 2016

	Revenues		Variance	Expenditures		Variance	Surplus	
	2016 Actuals	2016 Budget		2016 Actuals	2016 Budget		2016 Actuals	2016 Budget
Building Inspection	704,032	1,581,682	45%	294,861	1,229,979	24%	409,171	351,703
Bylaw Enforcement								
Bylaw Enforcement	73,872	303,785	24%	73,855	303,785	24%	17	0
Animal Control EA A, B, C, I, ANZ	20,895	71,506	29%	17,120	67,463	25%	3,775	4,043
Animal Control E, G & H	29,986	96,440	31%	22,576	92,744	24%	7,410	3,696
Animal Control EA F	16,140	30,086	54%	4,234	20,841	20%	11,906	9,245
Unsanitary Premises	3,392	59,273	6%	2,070	58,493	4%	1,322	780
Hazardous Properties	4,598	25,481	18%	1,979	24,967	8%	2,619	514
Noise Control	19,844	49,887	40%	9,955	40,432	25%	9,889	9,455
TOTAL	2,274,798	5,842,832	39%	1,016,752	5,161,605	20%	1,258,046	681,227
REGIONAL & COMMUNITY UTILITIES								
RCU - Administration	100,582	373,845	27%	100,582	373,845	27%	0	0
Wastewater Management								
Liquid Waste Management Planning	323,957	664,521	49%	108,433	512,652	21%	215,524	151,869
Wastewater Southern Community	5,844,194	30,318,769	19%	4,090,375	29,369,865	14%	1,753,819	948,904
Wastewater Northern Community	1,972,273	5,995,177	33%	486,401	5,599,045	9%	1,485,872	396,132
Wastewater Duke Point	246,795	483,970	51%	68,832	323,137	21%	177,963	154,833
Water Supply								
Water - Surfside	18,645	46,682	40%	12,571	45,565	28%	6,074	1,117
Water - French Creek	53,813	199,006	27%	29,129	181,067	16%	24,684	17,939
Water - Whiskey Creek	34,633	181,022	19%	21,793	169,693	13%	12,840	11,329
Water - Decourcy	5,497	12,566	44%	1,190	10,018	12%	4,307	2,548
Water - San Pareil	57,608	236,432	24%	55,566	232,943	24%	2,042	3,489
Water - Driftwood	1,365	5,459	25%	1,364	5,459	25%	1	0
Water - Englishman River	43,832	135,237	32%	21,095	112,928	19%	22,737	22,309
Water - Melrose Place	19,853	46,233	45%	9,074	38,901	23%	10,779	7,332
Water - Nanoose Peninsula	621,863	2,128,974	29%	306,340	2,007,037	15%	315,523	121,937
Water - Bulk Water Nanoose Bay	404,058	4,069,226	10%	91,298	3,952,298	2%	312,760	116,928
Water - Bulk Water French Creek	9,935	61,027	16%	9,935	57,549	17%	0	3,478
Water - San Pareil Fire	18,552	74,211	25%	18,553	74,211	25%	(1)	0
Water - Westurne Heights	(1,676)	4,295	(39%)	514	4,295	12%	(2,190)	0
Drinking Water/Watershed Protection	287,178	676,105	44%	90,969	578,602	16%	206,209	97,503
Streetlighting	38,131	116,118	33%	14,146	104,744	14%	23,985	11,374

SUMMARY OF OPERATING RESULTS
For period ending March 31, 2016

	Revenues		Expenditures		Variance	Expenditures		Variance	Surplus	
	2016 Actuals	2016 Budget	2016 Actuals	2016 Budget		2016 Actuals	2016 Budget			
Sewer Collection										
Sewer - French Creek	168,596	1,016,609	248,776	1,012,733	17%	248,776	1,012,733	25%	(81,180)	3,876
7551 / 2851 Sewer/Fairwinds / Wastewater Nanoose	368,487	877,802	97,403	804,390	42%	97,403	804,390	12%	271,084	73,412
Sewer - Pacific Shores	30,622	80,870	15,751	76,671	38%	15,751	76,671	21%	14,871	4,199
Sewer - Surfside	15,533	36,058	5,234	27,337	43%	5,234	27,337	19%	10,299	8,721
Sewer - Cedar	90,709	230,964	36,023	185,512	39%	36,023	185,512	19%	54,686	45,452
Sewer - Barclay	85,369	253,506	50,520	221,140	34%	50,520	221,140	23%	34,849	32,366
Sewer - Reid Road Debt (363)		3,624	906	3,624	(10%)	906	3,624	25%	(1,269)	0
Sewer - Hawthorne Rise Debt	3,837	9,941	2,485	9,941	39%	2,485	9,941	25%	1,352	0
Englishman River Stormwater	7,621	11,382	337	6,348	67%	337	6,348	5%	7,284	5,034
Cedar Estates Stormwater	8,383	11,927	337	7,348	70%	337	7,348	5%	8,046	4,579
Pump & Haul	500	2,400	500	2,400	21%	500	2,400	21%	0	0
Community Works Fund Projects - Regional & Community Util	11,670	753,531	11,670	753,531	2%	11,670	753,531	2%	0	0
TOTAL	10,902,052	49,117,489	6,009,102	46,870,829	22%	6,009,102	46,870,829	13%	4,892,950	2,246,660
RECREATION & PARKS SERVICES										
Regional Parks	1,084,889	6,973,997	306,151	6,798,704	16%	306,151	6,798,704	5%	778,738	175,293
Community Parks										
Community Parks - Area A	96,627	258,783	37,856	251,367	37%	37,856	251,367	15%	58,771	7,416
Community Parks - Area B	118,391	272,012	37,749	265,025	44%	37,749	265,025	14%	80,642	6,987
Community Parks - Area C (Extension)	49,661	99,282	13,025	80,494	50%	13,025	80,494	16%	36,636	18,788
Community Parks - Area C (East Wellington)	54,087	156,143	13,665	139,838	34%	13,665	139,838	10%	40,422	18,305
Community Parks - Area E	54,941	285,325	24,541	282,990	19%	24,541	282,990	9%	30,400	2,335
Community Parks - Area F	72,890	184,490	27,867	174,682	40%	27,867	174,682	16%	45,023	9,808
Community Parks - Area G	63,630	191,427	24,656	183,800	33%	24,656	183,800	13%	38,974	7,627
Community Parks - Area H	76,278	214,300	28,441	208,115	36%	28,441	208,115	14%	46,837	6,185
Area A Recreation & Culture	164,319	305,447	15,844	191,275	54%	15,844	191,275	8%	148,475	114,172
Northern Community Recreation	556,112	1,807,639	364,052	1,778,762	31%	364,052	1,778,762	20%	192,060	28,877
Oceanside Place	893,773	2,768,511	628,866	2,671,095	32%	628,866	2,671,095	24%	264,907	97,416
Ravensong Aquatic Centre	1,147,888	3,504,979	1,195,076	3,398,074	33%	1,195,076	3,398,074	35%	(48,188)	106,905
Gabriola Island Recreation	37,019	120,874	43,603	120,874	31%	43,603	120,874	36%	(6,584)	0
Southern Community Recreation & Culture	318,817	1,249,320	3,141	1,249,320	26%	3,141	1,249,320	0%	315,676	0
Community Works Fund Projects - Parks & Recreation Services	13,420	1,061,519	13,420	1,061,519	1%	13,420	1,061,519	1%	0	0
TOTAL	4,802,742	19,456,048	2,779,953	18,855,934	25%	2,779,953	18,855,934	15%	2,022,789	600,114

SUMMARY OF OPERATING RESULTS
For period ending March 31, 2016

	Revenues		Variance	Expenditures		Variance	Surplus	
	2016 Actuals	2016 Budget		2016 Actuals	2016 Budget		2016 Actuals	2016 Budget
TRANSPORTATION & SOLID WASTE SERVICES								
Transit								
Transit - Southern Community	6,907,986	23,319,307	30%	5,113,686	22,403,144	23%	1,794,300	916,163
Transit - Gabriola Transit Contribution	24,416	97,665	25%	15,204	97,665	16%	9,212	0
Transit - Gabriola Island Taxi Saver	2,985	11,940	25%	2,110	11,940	18%	875	0
Transit - Northern Community	881,094	2,222,226	40%	442,163	1,873,383	24%	438,931	348,843
Gabriola Island Emergency Wharf	1,478	5,914	25%	173	5,914	3%	1,305	0
Solid Waste								
Solid Waste Management	3,569,523	16,363,113	22%	1,977,210	15,665,903	13%	1,592,313	697,210
Solid Waste Collection & Recycling	708,419	4,750,352	15%	832,381	4,580,342	18%	(123,962)	170,010
TOTAL	12,095,901	46,770,517	26%	8,382,927	44,638,291	19%	3,712,974	2,132,226
TOTAL ALL SERVICES	35,426,292	143,534,273	25%	21,828,220	137,023,402	16%	13,598,072	6,530,871



RDN REPORT		
CAO APPROVAL		
EAP		
COW	✓	
JUN 06 2016		
RHD		
BOARD		

STAFF REPORT

TO: Wendy Idema
Director of Finance

DATE: June 3, 2016

FROM: Manvir Manhas, Senior Accountant

MEETING: COW June 14, 2016

FILE:

SUBJECT: A Bylaw to amend the requisition limit for the Southern Community Search and Rescue Contribution Service

RECOMMENDATION:

That "Southern Community Search and Rescue Contribution Service Amendment Bylaw No. 1552.02, 2016" be introduced and read three times.

PURPOSE:

To introduce a bylaw to amend the tax requisition limit for the Southern Community Search and Rescue Contribution Service.

BACKGROUND:

The Southern Community Search and Rescue Contribution service has a requisition limit which is the greater of \$41,300 or the amount obtained by multiplying the net taxable value of land and improvements in the service area by a tax rate or \$0.0025 per thousand dollars of assessment which allows for a requisition based on 2016 assessments of \$43,315. The 2016 Financial Plan includes a final requisition of \$47,563 as a result of the increase to the Nanaimo Marine Rescue Society contribution. Bylaw 1552.02 will establish a revised limit consistent with the financial plan. The proposed amendment bylaw has a requisition limit which is the greater of \$53,710 or \$0.0031 per thousand dollars of assessment which allows for a requisition of \$53,710 based on 2016 assessments.

If an amendment to an establishing bylaw increases the requisition limit by less than or equal to 25 percent over five years, the bylaw does not require the approval of the Inspector. After five years from establishment, the baseline date is five years before the date of the proposed amendment. This would make Bylaw No. 1552.01, 2012 our baseline. The proposed bylaw amendment 1552.02 is within the 25 percent over five year threshold and therefore will not require the approval of the Inspector.

ALTERNATIVES:

1. Approve the bylaw as presented.
2. Amend the bylaw for a lower requisition limit and approve the amended bylaw.

FINANCIAL IMPLICATIONS:

Alternative 1

The requisition limit must be amended at this time because the planned requisition for 2016 exceeds the requisition limit. The recommended limit does not obligate the Board to adopt budgets with the maximum amount noted in the bylaw - it does however provide the ability to draft future budgets which reflect the wishes of the community.

Service	Current Limit	Amended Limit
Southern Community Search and Rescue Contribution Service (Appendix A)	greater of \$41,300 or \$0.0025 per thousand of net taxable values	greater of \$53,710 or \$0.0031 per thousand of net taxable values

Alternative 2

A reduced requisition limit has no immediate financial implications. If a future budget approval exceeded the bylaw limit it can be amended at that time.

SUMMARY/CONCLUSIONS:

It has come to staff's attention that the amount to be requisitioned in 2016 for the Southern Community Search and Rescue Contribution Service exceeds the current bylaw limit (\$47,563 approved versus \$43,315 authorized) due to the increase to the Nanaimo Marine Rescue contribution. A bylaw amendment is required and staff recommend revising the bylaws to a maximum requisition limit indicated in the table presented under Alternative 1. The recommended limit does not obligate the Board to adopt budgets with the maximum amount noted in the bylaws - it does however provide the ability to draft future budgets which reflect the wishes of the community. Staff recommend adopting the bylaw as presented.



Report Writer



Director of Finance



C.A.O. Concurrence

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1552.02

A BYLAW TO AMEND THE SEARCH AND RESCUE CONTRIBUTION SERVICE

WHEREAS the Board of the Regional District of Nanaimo established by Bylaw No. 1552, 2008 the Southern Community Search and Rescue Contribution Service;

AND WHEREAS the Board wishes to amend the requisition limit of the service to provide additional resources for search and rescue organizations in District 68;

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

The "Southern Community Search and Rescue Service" is hereby amended as follows:

- 1. By deleting Section 7. Maximum Requisition and substituting the following:

Maximum Requisition

- 7. The maximum amount that may be requisitioned for this service shall be:

- (a) The sum of fifty three thousand seven hundred and ten dollars (\$53,710); or
- (b) The product obtained by multiplying the net taxable value of land and improvements within the service area by a property tax value rate of \$.0031 cents per thousand dollars of assessment.

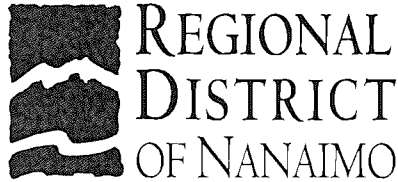
- 2. This bylaw may be cited as "Southern Community Search and Rescue Contribution Service Amendment Bylaw No. 1552.02, 2016".

Introduced and read three times this _____ day of _____, 2016.

Adopted this _____ day of _____, 2016.

CHAIRPERSON

CORPORATE OFFICER



RDN REPORT	
CAO APPROVAL	<input checked="" type="checkbox"/>
EAP	<input type="checkbox"/>
COW	<input checked="" type="checkbox"/>
JUN 07 2016	
RND	<input type="checkbox"/>
BOARD	<input type="checkbox"/>

STAFF REPORT

TO: Dennis Trudeau
Chief Administrative Officer

DATE: June 3, 2016

FROM: Wendy Idema, Director of Finance

MEETING: COW June 14, 2016

FILE:

SUBJECT: Bow Horn Bay Fire Service Operational Bylaw 1743

RECOMMENDATION:

1. That "Bow Horn Bay Fire Protection Service Operations Bylaw No. 1743, 2016" be introduced and read three times.
2. That "Bow Horn Bay Fire Protection Service Operations Bylaw No. 1743, 2016" be adopted.

PURPOSE:

To introduce an operational and administrative bylaw for the Bow Horn Bay Fire Service areas.

BACKGROUND:

Regional District staff previously worked with a group of fire services Chiefs and representatives to develop an updated operational bylaw that could be applied to any fire service area. The Bow Horn Bay Fire Department Board passed a motion to have the bylaw adopted for their service area.

Pending the hiring of a Fire Service Coordinator for the Regional District, who will be responsible for working with all of the fire services to update all bylaws, staff are recommending that this bylaw be adopted. The work of the Fire Services Coordinator will take some time and given the dry summers being experienced, the Bow Horn Bay Fire Department support the adoption of this bylaw as it will assist with prevention measures.

ALTERNATIVES:

1. Approve the bylaw as presented.
2. Amend the bylaw and provide alternative direction to staff.

FINANCIAL IMPLICATIONS:

Alternative 1

There are no financial implications to the adoption of this bylaw. It serves to provide the fire department with current measures for the operation and administration of the fire services.

Alternative 2

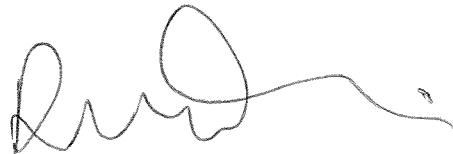
Any financial implications of an amended bylaw would need to be determined based on the alternative direction.

SUMMARY/CONCLUSIONS:

Regional District staff previously worked with a group of fire services Chiefs and representatives to develop an updated operational bylaw that could be applied to any fire service area. The Bow Horn Bay Fire Department Board passed a motion to have the bylaw adopted for their service area. When the Fire Services Coordinator position is filled, that person will have responsibility for undertaking work with all fire departments to update additional bylaws as necessary.



Report Writer



CAO Concurrance

REGIONAL DISTRICT OF NANAIMO
BYLAW NO. 1743

A BYLAW TO ESTABLISH RULES
FOR THE ADMINISTRATION AND REGULATION
OF FIRE PROTECTION WITHIN THE
BOW HORN BAY FIRE PROTECTION SERVICE

WHEREAS by Section 294 of the *Local Government Act*, the Board has all necessary powers to do anything incidental or conducive to the exercise or performance of any power, duty or function conferred on a board or regional district;

AND WHEREAS under Section 303 of the *Local Government Act* a Board may by bylaw, make rules respecting the authority of the fire chief and deal with any matter within the scope of the *Fire Services Act* in a manner not contrary to that Act or the regulations under it;

AND WHEREAS the Board of the Regional District of Nanaimo deems it necessary to make rules for the provision, operation and administration of the service established for fire protection, prevention and suppression and the provision of assistance in response to other classes of circumstances that may cause harm;

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

1. **Citation**

This bylaw may be cited as the “Bow Horn Bay Fire Protection Service Operations Bylaw No. 1743, 2016”.

2. **Interpretation**

In this bylaw unless the context otherwise requires:

“**Apparatus**” means any vehicle provided with machinery, devices, equipment or materials for the purpose of fire protection and assistance response as well as vehicles used to transport fire fighters or supplies.

“**Building Code**” means the Building Regulations of British Columbia as amended from time to time.

“**Equipment**” includes any hoses, tools, contrivances, devices or materials used by the fire department to combat an Incident.

“**Fire Chief**” means the Fire Chief of the Fire Department or his/her authorized agent.

“**Fire Code**” means the National Fire Code of Canada 2005 adopted as the British Columbia Fire Code or such other code as may be from time to time designated as the British Columbia Fire Code pursuant to the *Fire Services Act*).

“Fire Protection” means all aspects of fire safety including, but not limited to, fire prevention, fire fighting or suppression, pre-planning, fire investigation, public education and information, training or other staff development and advising and response to Incidents.

“Fire Department” means a fire department operating within the Service Area under the direction of a Society that by contract with the Regional District provides Fire Protection within the Service Area.

“Incident” includes fire prevention and suppression and attending fires for the purpose of containment and extinguishment of a fire and to provide assistance to persons and animals; and other classes of emergency as follows:

- (a) explosion or risk of explosion;
- (b) flood, tempest, earthquake, landslide, tidal wave or other natural event;
- (c) building collapse
- (d) motor vehicle or other accident;
- (e) spill, release or leak or risk of spill, release or leak of a substance capable of injuring property or the health and safety of a person;
- (f) an emergency declared by the Regional District under Section 295 of the *Local Government Act* or as otherwise declared under the *Emergency Program Act*;
- (g) first response to medical emergencies;
- (h) rescue operations;
- (i) responses under authorized mutual aid agreements

“Member” means a person that is so designated in accordance with the rules established for the selection and appointment of Members by an operating Society providing Fire Protection services under contract to the Regional District.

“Mutual Aid Services” means assistance response pursuant to an agreement between the Regional District and another public authority.

“Occupier” includes a person having a right to use land or a building under a license or permit.

“Officer” means a Member that is so designated in accordance with the rules established for the selection and appointment of Officers by a Society providing Fire Protection services under contract to the Regional District and who is given specific authority to assist the Fire Chief in his/her duties.

“Public Fire Hydrant” means a fire hydrant operated and maintained by the Province, a regional district, a municipality, an improvement district or a Society or a fire hydrant located on:

- (a) a public highway or right of way;
- (b) provincial, regional district, municipal or improvement district property; or

- (c) an easement or statutory right of way in favour of the Province, a regional district, municipality or improvement district for the purpose of installing and maintaining the water distribution system.

“Regional District” means the Board of the Regional District of Nanaimo or any committee or commission established by the Board of the Regional District of Nanaimo with responsibility for fire services matters.

“Service” means the service of fire protection and assistance response established by Regional District of Nanaimo Bylaw No. 1385 and all subsequent amendments.

“Service Area” means the boundaries of the Service(s) established under Regional District of Nanaimo Bylaw(s) No. 1385 and all subsequent amendments.

“Society Board” means a society incorporated under the laws of British Columbia and in good standing, having as its purposes fire protection and suppression and response to other classes of incidents.

3. **Jurisdiction**

(1) A Fire Department shall not respond beyond the boundaries of the Service Area:

- (a) without the express authorization of a written contract or agreement providing for the supply of fire fighting and assistance response services outside the boundaries of the Service Area; or
- (b) without the express authorization of the Regional District; or
- (c) unless an emergency is declared under Section 295 of the *Local Government Act* or under the *Emergency Program Act*.

4. **False Representation**

(1) No person who is not a Member shall represent himself or herself as being a Member.

5. **Authority of Fire Department Members**

(1) Officers and Members shall carry out duties and responsibilities assigned by the Society Board in accordance with its agreement with the Regional District.

6. **Fire Chief**

(1) The Fire Chief is authorized to:

- (a) administer this bylaw;
- (b) act as the Local Assistant to the Fire Commissioner, if so approved by the Fire Commissioner and be responsible for the enforcement of the Fire Code.

- (c) organize or establish programs and policies designed to inform the public or specified classes of the public, on matters regarding fire safety, use of flammable materials, prevention, containment or suppression of fires or other circumstances that may cause harm to persons or property and escape from fires or other classes of circumstances that may cause harm to persons or property;
- (d) enter onto any land or premises during normal business hours or at any other reasonable time to inspect conditions which may cause a fire, increase the danger of a fire or increase the danger to persons or property from a fire subject to (e) below;
- (e) the right of entry under 7(3)(i) with respect to private property is subject to the provisions of Section 16 (5) of the Community Charter which requires any of the following:
 - (a) the Occupier of private property consents;
 - (b) the Fire Chief or the Regional District has given the Occupier at least 24 hours written notice of the entry and the reasons for it;
 - (c) the entry is made under the authority of a warrant under this or another Act;
 - (d) the person exercising the authority has reasonable grounds for believing that failure to enter may result in a significant risk to the health or safety of the Occupier or other persons;
 - (e) the entry is for the purpose to inspect and determine whether all regulations, prohibitions and requirements are being met in relation to this bylaw.
- (f) make orders or take measures to ensure that flammable material is:
 - (a) removed from land or premises;
 - (b) removed to another part of land or premises;
 - (c) rendered harmless or suitably safeguarded against fire by requiring the placement and maintenance of barricades or the posting of "No Admittance" signs or the placement of locks on doors or windows or any combination of these;
- (g) order the demolition of buildings, structures or improvements or the destruction and clearing of materials, vegetation or debris to prevent the spreading of fire.

7. **Conduct at Incidents**

- (1) The Fire Chief or in his or her absence, the senior ranking Officer or Member present, shall have control, direction and management of all Fire Department apparatus, equipment or personnel assigned to an Incident and where the Member is in charge, he/she shall continue to act until relieved by a senior Officer.
- (2) No person shall in any way obstruct or interfere with any Member of the Fire Department or any other person assisting or acting under the direction of the Fire Chief or Member in charge at any Incident.

- (3) Where the Fire Chief or Member in charge at an Incident is of the opinion that there is imminent and serious danger to life or property, or that panic is imminent in an emergency arising from an Incident, he or she is authorized to do one or more of the following:
- (a) order or cause people to be removed from a building or an area;
 - (b) order or cause the evacuation of a building or area;
 - (c) call upon a peace officer to assist and to provide security to an evacuated area;
 - (d) obtain assistance from other persons as he or she considers necessary or advisable in order to discharge his or her duties and responsibilities under this bylaw
 - (e) make one or more orders or take one or more steps he or she considers necessary or advisable to remove a hazard or risk;
 - (f) establish lines marked by tape, rope, guards, barricade or similar means;
 - (g) request persons who are not Members to assist in whatever manner he or she considers necessary to deal with the Incident, including removing furniture, goods and merchandise from any building on fire or in danger of catching fire and in guarding and securing a building, in demolishing a building structure at or near the fire or other Incident;
 - (h) assume control of privately owned equipment that he/she considers necessary to deal with an Incident without the consent of the owner;
 - (i) enter onto or order Fire Department Members to enter onto any property or into any premises and damage, break up, remove or destroy any part or parts of any premises including any buildings, structures, improvements or vegetation on any premises, when the Fire Chief or Member in charge at an Incident is of the opinion that there is imminent and serious danger to life or property arising from a fire, fire hazard or risk of explosion;
- (4) The Fire Chief or the Member in charge at an Incident is authorized during the Incident to enter, pass through or over buildings or property adjacent to an Incident and to cause Members of the Fire Department, Apparatus or Equipment of the Fire Department to enter or pass through or over buildings or property, where he or she considers it necessary or advisable to gain access to the Incident or to protect any person or property.
- (5) No person shall, except with the permission of the Fire Chief or the Member in charge at an Incident, be permitted to enter any burning building or structure, or within the lines established by the Fire Chief or the Member in charge which are marked by tape, rope, guards, barricades or similar means .
- (6) No person shall drive, push or pull a vehicle of any kind over Fire Department Equipment without the permission of the Fire Chief or the Member in charge at an Incident.
- (7) No person shall damage, destroy, obstruct or interfere with, impede or obstruct or interfere with the operation of any Fire Department Apparatus or Equipment.

- (8) No person shall place or maintain any object or matter on a sidewalk or highway which interferes with free access or approach to any Public Fire Hydrant, or Stand Pipe or cistern or body of water required for designated for firefighting purposes, for a distance of 7.6 metres (25 feet) on either side of the hydrant, standpipe, cistern or body of water.

8. **Parking Prohibited**

No person shall park or leave a vehicle within 7.6 meters (25 feet) of a Public Fire Hydrant or Standpipe.

9. **Open Flames Prohibited**

- (1) Where, in the opinion of the Fire Chief, open flames may create a fire, risk of fire or explosion hazard, the Fire Chief may prohibit open flames in a building used for public assembly purposes including but not limited to a theatre, public hall, assembly hall, dance hall, school auditorium, skating rink, arena, or place used for public amusement, sport or public assembly or any structure or open space in which combustible materials are handled, stored, manufactured or sold.
- (2) Where, in the opinion of the Fire Chief, open flames should be prohibited to prevent a fire, risk of fire or explosion hazard, he or she may give notice in writing to require the owner or Occupier as the case may be, of premises identified in 9(1) to post suitable signs that open flames are prohibited in or about such premises or buildings and the owner or Occupier of the premises as the case may be shall prohibit open flames as ordered.
- (3) For the purposes of this section an open flame shall include the flame from a lighter, candle, sparkler, lighted stick or flame of any kind which is not enclosed in a shade or other non-combustible guard.

10. **Maintenance of Premises**

- (1) An owner or Occupier of real property in the Service Area shall remove any matter or thing in or about any building or structure, which, in the opinion of the Fire Chief, is a fire hazard or increases the danger of fire.
- (2) An owner or Occupier of real property which is an unoccupied or abandoned building or structure shall secure the building against entry by unauthorized persons.
- (3) No owner or Occupier of any building or structure shall allow any paper, wood, debris or other combustible rubbish or material to accumulate within or around a building or structure or upon the roof of the building or structure, which could contribute to or cause a fire or a risk of fire to buildings or other property.
- (4) Subsection 3 does not apply to:
 - (a) firewood in reasonable amounts having regard to the firewood needs of the owner or Occupier of the building or structure

- (5) Any person who makes, uses or has charge of shavings, paper bags, litter or other combustible material shall, at the close of each day, ensure that they are safely stored or disposed of so as to be safe from fire.
- (6) No person, in that part of any building where there is an accumulation of hay, straw, shavings or other readily flammable material, or liquids, shall smoke, or have in their possession any lighted pipe, cigar or cigarette, shall not light or carry any open flame or light not enclosed in a shade or other non-combustible guard.
- (7) No person shall deposit any ashes or allow any ashes to be deposited or remain:
 - (a) in any combustible container;
 - (b) on the floor of any building; or
 - (c) in any metallic container which is within 300 mm (12 inches) of any woodwork or any other combustible material.
- (8) No person shall deposit, or allow or cause to be deposited, any paper, straw, hay, shavings or other combustible or flammable material or thing, in or among any ashes or other materials or things taken from any stove, furnace, or fireplace.
- (9) No person shall keep any waste, rags, papers, or other substance liable by spontaneous combustion to cause fire, except in a container made of metal or other non-combustible material and with an air-tight top or lid of the same type of material.

11. **Public Fire Hydrants**

An owner of a Public Fire Hydrant or Standpipe purposes shall keep the Private Hydrant in good working order, clearly identify the location of the Public fire Hydrant clear of ice, snow, shrubs, trees, structures and other obstructions. If said Public Fire Hydrant is out of service for repair or not yet in service it shall be wrapped in coloured plastic and taped closed to prevent access.

12. **Chimneys, Stovepipes, Flues, Furnaces**

- (1) No owner or Occupier of any building shall permit any chimney, stovepipe or flue to remain in any condition which may cause or create a fire hazard.
- (2) Every owner or Occupier of any building shall keep all openings in any chimney in such buildings, while such openings are not in use, closed by a proper stopper of metal or other non-combustible material.
- (3) Where he or she considers it necessary or advisable, the Fire Chief or his or her designate may examine any chimney, flue, fireplace, hearth, oven, furnace, heater, boiler, stove, stem-pipe, funnel or any other equipment deemed to be a fire hazard.

- (4) Where any chimney, flue, fireplace, hearth, oven, furnace, heater, boiler, stove, steam pipe, funnel or any other equipment is found to be a fire hazard or increases the danger of fire, the Fire Chief shall notify the owner or Occupier of the building of the condition and indicate the remedy and the time within which the condition shall be remedied.

13. **Fire Escapes**

- (1) Each storey above the ground floor of any building used as a school, hotel, duplex, multi dwelling unit building, personal care or care services building, resort condominium development or place of public assembly as those are defined in Bylaws No. 500 or Bylaw No. 1285 as amended from time to time and as the case may be, shall be provided by the owner with an adequate fire escape or adequate fire escapes, and the owner, and the Occupier, if any, shall maintain the same in good repair and condition.
- (2) No door to any exit leading to a fire escape in any building shall be closed or fastened except with a standard panic or exit bolt, which may be readily opened without the aid of a key or other device.

14. **Flammable Liquids**

- (1) Except as authorized in writing by the Fire Chief, no person shall store or keep flammable liquids except in a container that meets applicable regulatory standards.
- (2) Except in a place especially provided for the purpose and/or approved by the Fire Chief, it shall be unlawful for any person to keep, store or use any combustible or explosive or flammable compound, liquid or material in any part of a building used or maintained as a school, hotel, duplex, multi dwelling unit building, personal care or care services building, resort condominium development or place of public assembly as those are defined in Bylaws No. 500 or Bylaw No. 1285 as amended from time to time and as the case may be.

15. **Notices**

- (1) Where, in the opinion of the Fire Chief, any fire hazard condition exists or any unoccupied building or structure is not properly secured, the Fire Chief may give written notice to the owner or Occupier at their last known address or the address that appears on the registered title for the land or by posting a notice in a conspicuous place on the building, structure or premises.
- (2) In any notice under this section, the Fire Chief shall indicate the nature of the condition to be remedied, and the time within which the owner or Occupier must comply.

16. **Enforcement**

- (1) Any person who violates any provision of this bylaw commits an offence and is liable upon conviction to the penalties provided in the *Offence Act*.

- (2) Where any violation continues, each day of which it continues shall be deemed to be a separate violation for the purposes of prosecution under this bylaw.

17. **Repeal of Prior Bylaw**

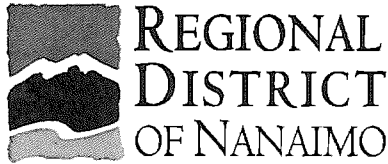
“Regional District of Nanaimo “Bow Horn Bay Volunteer Fire Department Operations Bylaw No. 1401, 2004” is hereby repealed.

Introduced and read three times this day of

Adopted this day of

CHAIRPERSON

CORPORATE OFFICER



RDN REPORT	
CAO APPROVAL	✓
EAP	
COW	✓
JUN 08 2016	
RHD	
BOARD	

STAFF REPORT

TO: Geoff Garbutt, General Manager
Strategic & Community Development

DATE: June 7, 2016

FROM: Tom Armet
Manager, Building & Bylaw Services

MEETING: COW – June 14, 2016

FILE: CE20160000130

SUBJECT: Large Scale Open Burning in the Regional District of Nanaimo

RECOMMENDATION

That the report on large scale open burning in the Regional District of Nanaimo (RDN) be received for information.

PURPOSE

To provide the Board with information on methods used by the Cowichan Valley Regional District (CRVD) and other regional districts to regulate and impose limitations on large scale open burning.

BACKGROUND

In April of this year, delegations to the Committee of the Whole and the Board presented their concerns about air quality in relation to the open burning of large scale agricultural clearing waste on a rural property in Rivers Edge. At its regular meeting held April 26, 2016, the following motion was passed by the Board:

That the Board directs staff to prepare a report on methods used by the Cowichan Valley Regional District and other regional districts to regulate and impose limitations on large scale open burning.

The terms “outdoor fire” or “open burning” are used synonymously to describe fires that are not completely enclosed in an incinerator, furnace or other device. These fires are typically associated with activities such as residential garden refuse, land clearing, industrial, agricultural clearing waste, construction waste and resource management open fires. Although burning can be considered a legitimate management tool or a convenient means of waste disposal, the smoke generated by open burning can have significant impacts on air quality, with associated health and environmental concerns.

In B.C., open burning is regulated by a combination of provincial legislation and local government bylaws. For the purpose of this report, a general overview of RDN, Cowichan Valley and Comox Valley Regional Districts burning bylaws is provided, as well as a synopsis of the provincial open burning regulations that apply in some areas of the RDN.

Provincial Regulations

The Ministry of Environment (MOE) regulates open burning of land clearing waste under the Open Burning Smoke Control Regulations (OBSCR). The OBSCR governs the burning of vegetative material associated with a range of activities, including land clearing and forestry. It sets out the conditions under which open burning of debris can be authorized. The regulation does not apply to agricultural and residential burning of foliage, weed, crops or stubble and is subject to seasonal provincial and local government burning bans. Many local governments, including the RDN, have adopted burning bylaws that, in some instances are more restrictive than the OBSCR. An overview of these regulations is described in further detail in this report.

The MOE has been reviewing the OBSCR since 2004 and recently published an update on the process which is open to public consultation until July 21, 2016 (see Attachment No. 1 - Open Burning Smoke Control Regulation Information Update). The Province intends to incorporate the following revisions into new legislation by the end of 2016:

- Imposition of more stringent smoke management plans when needed
- Increased setback distances for burning near populated areas
- Establishment of three smoke sensitivity zones in the province (low, medium, high)
- Expanded list of prohibited material
- Specific provisions for community wildfire protection plans
- Priority disposal of diseased vegetative debris
- Use of air curtain incinerators
- Enhanced requirements for burning at log sorts
- Requirement for using best management practices in relation to open burning
- Greater provincial power to prohibit open burning during periods of poor air quality.
- New reporting requirements for the tracking of emissions from open burning

In late 2014, following direction from the Board, staff wrote to the Ministry of Environment urging consideration of a ban on large scale open burning in electoral areas adjacent to municipal boundaries. The Board also directed that staff provide a report on regulatory options, which will include the impact of revisions to the OBSCR later this year. The proposed revisions as noted above, may address the issue of burning land clearing waste in proximity to populated areas in the high smoke sensitivity zone, that is anticipated will include this part of Vancouver Island.

Cowichan Valley Regional District (CVRD)

Large scale open burning in the CVRD is regulated by *Landclearing Management Regulation* (Bylaw 2020) which bans the burning of large quantity, machine stacked piles of land clearing debris. The bylaw requires that land clearing debris be chipped, ground or re-used on site. However, if no suitable alternatives are available, then land clearing debris may be burned only with the use of an air curtain or trench burner. Burns of this nature require an administrative permit from the CVRD, similar to that which is issued by the Ministry of Forests under the OBSCR regulations. Adherence to bylaw requirements is the responsibility of the permit holder however fire department officials and bylaw enforcement officers follow up on complaints as required.

This bylaw does not apply to persons carrying out normal farm practices within the meaning of the *Farm Practices Protection Act*, to a forest practice as defined by the *Forest and Range Practices Act* or on privately managed forest land.

In addition to the above regulation, CVRD Smoke Control Regulation Bylaw No. 3716 regulates the type, size and duration of open fires. CVRD staff advises that the effectiveness of addressing public concerns about smoke pollution through these bylaws can be challenging. As noted above, certain properties and activities are exempted from the *Landclearing Management Regulation*. Additionally, only half of the CVRD electoral areas participate in the smoke control service, creating conflicts when smoke drifts from unregulated areas or other jurisdictions.

Regional District of Nanaimo (RDN)

In the RDN, there are three fire protection service areas (Extension, French Creek and Parksville Local) and three Fire Improvement Districts (Deep Bay, Mountain, Gabriola) with burning bylaws that either ban some types of burning or impose permitting requirements on open burning within those fire districts (see Attachment No. 2 – Open Burning in the RDN).

Comox Valley Regional District

In the Comox Valley open burning is regulated through their fire protection service areas in a similar fashion to the RDN. Within the three Comox Valley Electoral Areas, their bylaws include times of the year where open burning is not permitted, a ban some types of burning or they impose permitting requirements on open burning. Staff at the Comox Valley Regional District noted however that their bylaws do not address landclearing burning. Within their electoral areas, the Regional District has deferred to the authority of the Province as the burning of large scale land clearing debris falls under the provincial Open Burning Smoke Control Regulations.

ALTERNATIVES

1. Receive the report on large scale open burning in the Regional District of Nanaimo for information.
2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

There are no financial implications in receiving this report.

STRATEGIC PLAN IMPLICATIONS

The awareness and mitigation of the health impacts of large scale open burning in the RDN through regulatory enforcement is directly linked to the RDN 2016 – 2020 Strategic Plan priorities to advocate on issues outside the RDN's jurisdiction, protect and enhance the environment, and the evaluation of air quality as a factor in services planning within the region.

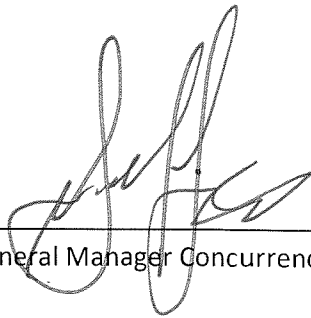
SUMMARY

In April 2016, the Board directed that staff prepare a report on methods used by the Cowichan Valley Regional District and other regional districts to regulate and impose limitations on large scale open burning. This report provides an overview of those burning regulations and an update on the revisions to the Open Burning Smoke Control Regulations proposed by the Province for introduction in the fall of 2016.

In researching the background for this report, it is clear from other Regional Districts that open burning of land clearing waste is an important and emerging inter-regional issue for residents and because of the nature of the activity (drifting smoke and particulates) it will be important to consider options to coordinate activities within our region and adjacent regional districts. Once the provincial regulatory changes have been finalized, staff will report back to the Board on the implications of these changes on RDN electoral areas and recommended course of action to address issues related to open burning.



Report Writer



General Manager Concurrence



CAO Concurrence

Attachment No. 1 Open Burning Smoke Control Regulation Information Update



Open burning in context

Open burning of vegetation is the largest source of fine particulate matter pollution in B.C., as well as a significant source of other air pollutants. Open burning is undertaken for a variety of purposes and in a wide range of settings:

- Waste disposal/fire hazard abatement for forest and agriculture industries
- Community fire hazard reduction
- Land clearing for agriculture and development
- Transportation and utility rights of way
- Other natural resource industries
- Clean up of debris for rural landowners

Burning of vegetative debris is a prescribed activity under the provincial *Environmental Management Act*. Rules under which this burning is authorized are provided in the Open Burning Smoke Control Regulation (OBSCR). The regulation affects anyone burning vegetative debris, although most agricultural practices and some backyard burning activities are exempt from the provisions.

Consultations on revising the OBSCR

A ministry audit in 2004 identified concerns with the regulation. Since that time the ministry has conducted extensive consultations, with intentions papers seeking public comment in 2008 and 2010 and engagement with a stakeholder review group through 2011-13. For detailed information and summaries of public comments see the ministry's [open burning regulatory review website](#). The ministry has reviewed comments received through 2013 and as a result, has substantively updated the proposed revisions to the regulation.

Key features of the proposed revisions

Smoke sensitivity zones

The revised regulation will establish three smoke sensitivity zones covering the entire province. This will replace the two category system ("cities, towns and villages" and "everything else") used in the current regulation. The zones will be delineated on maps that will be part of the final regulation.

The **high smoke sensitivity zone** includes a buffer of 10 km around densely populated areas, modified based on the topography

Key Points

This update provides information on revisions proposed by the ministry and the planned path forward.

The proposed revisions are intended to:

- ☑ Improve air quality in populated areas
- ☑ Simplify burning requirements in remote areas
- ☑ Support enforcement, encourage use of cleaner technologies and provide flexibility for community wildfire protection

Key features of the revisions:

- ☑ Establishes three smoke sensitivity zones, covering the entire province
- ☑ Smoke management plans may be established on a case by case basis
- ☑ Setback distances will be increased
- ☑ Provisions addressing prohibited materials, community wildfire protection plans, burning of diseased vegetative debris, use of air curtain incinerators, burning at log sorts, best management practices and reporting

Additional Information

For an overview on how smoke from different sources is managed in BC see: [A Smoke Management Framework for BC](#) under the "reports" tab at: www.bcairquality.ca. The site also provides general information on [Air Quality in B.C.](#)

The existing Open Burning Smoke Control Regulation can be accessed [here](#). Guidance material on complying with the regulation is available [here](#).

Open Burning Smoke Control Regulation (OBSCR)—Policy Intentions

HIGH	<ul style="list-style-type: none"> • Strict burning requirements • Heavily populated areas (5% of province)
MEDIUM	<ul style="list-style-type: none"> • Requirements similar to current regulation • Smaller communities and surrounding areas (10-15% of province)
LOW	<ul style="list-style-type: none"> • No venting or smoke release requirements • Areas more than 20 km from major communities (80-85% of province)

of specific communities. Burning requirements in this zone are most restrictive. One day burns are permitted with a “good” venting index forecast and two day burns are permitted if the venting index is forecast to be “good” on day one and “fair” or better on day two. The ministry’s aim is to require rapid burns during periods of good venting to reduce human exposure to smoke. The ministry estimates that less than 5% of the province’s land area will be in this zone. The primary change to burning rules in this zone is the shorter burn period than in the current regulation (from sunrise on day one to sunset on day two, versus 72 or 96 hours in the current regulation).

An estimated 10-15% of the province will be designated as **medium smoke sensitivity zone**. The zone encompasses settled rural areas, and buffers of up to 10 km around high smoke sensitivity zones, 1-5 km around smaller communities that are not part of the high smoke sensitivity zone and 1-3 km around provincial numbered highways. Burning in this zone will require a forecast of at least two days of “fair” or better venting index. Burn periods are up to four days in length (sunrise day one to sunset day four). Relative to current requirements the venting index requirements are more permissive, however the burn periods are slightly shorter.

The **low smoke sensitivity zone**, covering roughly 80% of the province, will be subject to the general burning provisions set out in the regulation. These general

requirements include a prohibition on causing smoke impacts to communities. However, burns in this zone will not be subject to specified limits with respect to venting index or burn duration. Delineation of this zone, where the risk of smoke impacts on populations is low, should greatly simplify open burning over much of the province. However if the removal of venting and smoke release requirements causes local pollution problems the ministry still has the option to impose stricter burning requirements in selected areas of the low smoke sensitivity zone.

Smoke management plans

The revised regulation will empower the ministry to substitute requirements on a case by case basis, in place of the “default” requirements in the regulation. These substitution powers could be used to approve existing smoke management plans or to develop new ones where appropriate.

Setback distances

Setback distances for burning will be increased to 500 metres from residences or businesses and 1,000 metres (1 km) from schools, hospitals and care facilities.

Setback distances will be reduced to 50 metres in specific situations – community wildfire protection or management of diseased vegetative debris. Burning within the specified setback distances under these situations will need to follow best management practices set out in the regulation.

Burning within the increased setback distances but still more than 100 metres from residences or businesses and 500 metres from schools, hospitals and care facilities (the same setbacks as the current regulation) will be allowed if specified conditions are followed:

- One day burns only
- Venting index “good”
- Vegetative debris being burned is “seasoned” in accordance with the definition in the regulation
- Neighbours are notified

Open Burning Smoke Control Regulation (OBSCR)–Policy Intentions

Additional proposed revisions***Prohibited materials***

The prohibited materials list in the current regulation will be expanded, with the addition of several materials unsuitable for open burning. Note however, that the addition of accelerant materials intended to assist rapid combustion will remain legal – as this reduces air pollutant emissions.

Community wildfire protection plans

A specific provision for burning that takes place under “community wildfire protection plans” will facilitate burning that is required for the critical goal of reducing wildfire hazard to communities. This will allow burning with reduced setbacks and only “fair” venting index, provided notice is given to adjacent residences and businesses.

Diseased vegetative debris

A specific provision for burning diseased vegetative debris will facilitate the priority disposal of diseased material that might put farms or forests at risk. This provision will allow burning with reduced setbacks and only “fair” venting index for vegetative debris that is verified as diseased.

Use of air curtain incinerators

The ministry encourages use of air curtain incinerators – which reduce open burning emissions by up to 95%. The revised regulation will include provisions for reduced setback requirements and relaxed venting requirements when air curtain incinerators are used.

Burning at log sorts

Provisions governing burning at log sorts for each smoke management zone will be revised (replacing the requirement to obtain a permit in all but the high smoke sensitivity zone). Existing permits for log sorts will not be affected.

Best management practices (BMPs)

Best management practices – such as seasoning vegetative debris before burning, minimizing soil content in piles and constructing piles to maximize airflow, will be required. Seasoned vegetative debris will be defined as debris meeting one of the following criteria: containing

<30% moisture content; seasoned at least four months; or standing dead.

Power to prohibit open burning

The ministry will retain the ability to prohibit open burning during periods of poor air quality or when pollution is occurring from open burning. The criterion for prohibiting open burning is B.C.’s ambient air quality objective for fine particulate matter.

New reporting requirements

New reporting requirements will be included in revised provisions to allow the ministry to better track emissions from open burning. Implementation of reporting requirements will follow enactment of the regulation by a specified period (e.g., one year) to enable development of an efficient reporting system.

Custom ventilation forecasts

The revised regulation will allow use of custom ventilation forecasts. These provide location-specific forecasts of the atmosphere’s ability to disperse smoke.

The path forward

The ministry plans to conduct a series of webinars on the proposed revisions, including a general overview webinar and information targeted to municipal, agriculture and forestry interests. If you are interested in participating in one of these webinars, please contact the email or mail addresses below.

If you have any questions or comments about the ministry’s proposed revisions, please submit them by e-mail or mail to the addresses below by July 21st, 2016.

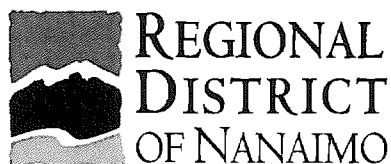
Email: OBSCR@gov.bc.ca

Mail: PO Box 28159 Westshore RPO
Victoria B.C. V9B 6K8

All comments received through the webinars, mail or email will be compiled and reviewed by ministry staff prior to final drafting of the revised regulation. The ministry intends to complete revisions to the regulation in 2016.

Attachment No. 2
Open Burning in the RDN

Fire Protection Area	Open Burning Regulations	Restrictions
Deep Bay	OBSCR	Permit required for all large fires as per Deep Bay Improvement District bylaw.
Bow Horne Bay	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Dashwood	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Coombs-Hilliers	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Errington	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Nanoose	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Mountain	OBSCR	Permit required for all large fires as per Mountain Fire Protection District bylaw.
Wellington	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Extension	RDN Bylaw No. 1028	Agricultural, land clearing and garden waste fires allowed with permit from the FD.
Yellowpoint-Waterloo	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Cranberry	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
North Cedar	OBSCR	In accordance with OBSCR. Enforced by MOE. Burn authorization required.
Gabriola	OBSCR	Permit required for all large fires as per Gabriola Fire Protection Improvement District.
French Creek	RDN Bylaw No. 922	Construction & clearing waste fires not allowed Agricultural clearing waste fires allowed with permit from FD
Parksville Local	RDN Bylaw No. 920	Construction & clearing waste fires not allowed Agricultural clearing waste fires allowed with permit from FD



RDN REPORT		
CAO APPROVAL		DN
EAP	✓	
COW	✓	
JUN 06 2016		
RHD		
BOARD		

STAFF REPORT

TO: Dennis Trudeau
Interim Chief Administrative Officer

DATE: June 6, 2016

MEETING: June 14, 2016 CoW

FROM: Tom Osborne
General Manager of Recreation and Parks

FILE:

SUBJECT: Ravensong Aquatic Centre Lease Amendment and Renewal

RECOMMENDATION

That the Board approve the Ravensong Aquatic Centre Lease Amendment and Renewal document as attached as Appendix II.

PURPOSE

To review and consider the Lease Amendment and Renewal with the Town of Qualicum Beach for the lands of which the Ravensong Aquatic Centre is situated.

BACKGROUND

In October 1994 the Regional District of Nanaimo entered into a Lease Agreement with the Town of Qualicum Beach for use of their municipal lands for the construction and operation a swimming pool facility owned by the Regional District of Nanaimo under RDN Bylaw 899.

As provided on the in Section 2 of the current lease (*Appendix I*) the twenty year lease agreement commenced on October 1, 1994, with a right for renewal for a further term of twenty years on the same terms and conditions. The term of the current lease expired in 2014 and as provided for in the document, the Regional District has been managing the lands per the hold over clause.

Regional District and Town of Qualicum Beach staff and legal counsel have now prepared the Lease Amendment and Renewal document for Town of Qualicum Beach Council and RDN Board consideration and approval attached as *Appendix II*.

The Lease Renewal is for a term of twenty years commencing October 1, 2014 and ending on September 30, 2034.

There are no major additions or changes to the original document being proposed other than replacing reference to the "Municipal Act" to the "Local Government Act and Community Charter" in addition to updated mailing addresses for both the Town of Qualicum Beach and the Regional District.

ALTERNATIVES

1. That the Board approve the Ravensong Aquatic Centre Lease Amendment and Renewal document as attached as Appendix II.
2. That the Board not approve the Ravensong Aquatic Centre Lease Amendment and Renewal document as attached as Appendix II and alternative direction be provided.

FINANCIAL IMPLICATIONS

Renewal of the document will allow for the continued operation of the Aquatic Facility by the Regional District of Nanaimo for a nominal fee of \$20.00.

If not approved, staff will be required to review further the terms and conditions of the Lease Renewal that would allow for the continued operation of the facility.

STRATEGIC PLAN IMPLICATIONS

Renewal of the Lease for the Ravensong Aquatic Centre is in line with Strategic Plan within the priorities of Service and Organizational Excellence, Relationships and Economic Health.

Renewal of the Lease Agreement with the Town of Qualicum Beach aligns with the RDN Board's objective to provide recreation services as a core service.

SUMMARY

In October 1994 the Regional District of Nanaimo entered into a Lease Agreement with the Town of Qualicum Beach for use of their municipal lands for the construction and operation a swimming pool facility owned by the Regional District of Nanaimo under Bylaw 899. Refer to *Appendix I*.

The term of the current twenty year lease expired in 2014 and as provided for in the document, the Regional District has been managing the lands per the hold over clause.

Regional District and Town of Qualicum Beach staff and legal counsel have now prepared the Lease Amendment and Renewal document for Town of Qualicum Beach Council and RDN Board consideration and approval as attached in *Appendix II*.

Renewal of the document will allow for the continued operation of the aquatic facility by the Regional District of Nanaimo and will continue to provide a valued service to residents of District 69 in a facility where they can maintain a healthy lifestyle in a social atmosphere.



Report Writer



CAO Concurrency

Appendix I

Town of Qualicum Beach / Regional District of Nanaimo
Lease Agreement

Ravensong Aquatic Centre Lands
1994 – 2014

RECEIVED
LAND TITLE OFFICE
VICTORIA B.C.

LAND TITLE ACT
Form C (Section 219.81)
Province of
British Columbia

GENERAL INSTRUMENT - PART I (This area for Land Title Office Use) Page 1 of 11 pages

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
STAPLES McDANNOLD STEWART
Barristers & Solicitors,
2nd Floor, 837 Burdett Avenue, **BURNS SERVICES**
Victoria, British Columbia, V8W 1B3 380-7744
Authorized Signatory

2. Parcel Identifier(s) and Legal Description(s) of Land:
(PID) (Legal Description)
001-291-599 Lot 9, District Lot 78, Newcastle Land District, Plan 2047, Except Parts in Plans 27288, 42165 and VIP55424

3. Nature of Interest
Description Document Reference (page & paragraph) Person Entitled to Interest
Lease over part in Plan VIP _____ Entire Document Grantee

4. Terms: Part 2 of this instrument consists of (select one only)
(a) Filed Standard Charge Terms _____ D.F. No.
(b) Express Charge Terms X Annexed as Part 2
(c) Release _____ There is no Part 2 of this instrument
A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged on the Land described in Item 2.

5. Transferor(s)(Grantor(s)):
TOWN OF QUALICUM BEACH

6. Transferee(s)(Grantee(s)): (including postal address(es) and postal code(s)) *
REGIONAL DISTRICT OF NANAIMO, a regional municipality duly incorporated under the laws of the Province of British Columbia, 6300 Hammond Bay Road, Lantzville, British Columbia, V0R 2H0

7. Additional or Modified Terms:
N/A

8. Execution(s): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s) Execution Date
Y M D
S.J. Keddy 94 10 11
SANDRA KEDDY
DEPUTY CLERK

Party(ies) Signature(s)
TOWN OF QUALICUM BEACH
by its authorized signatory(ies):
J.E. Collins Mayor
M.D. Brown Clerk
M.D. BROWN
JUL 18 1994

As to both signatures
COMMISSIONER OF OATHS AND AFFIDAVITS IN THE PROVINCE OF BRITISH COLUMBIA
TOWN OF QUALICUM BEACH
141 W. 2ND AVENUE
QUALICUM BEACH
B.C. V9K 1S7

Officer Certification
Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1979 c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

LAND TITLE ACT
Form D

EXECUTIONS CONTINUED

Page 2

Execution Date

Officer Signature(s)

Y M D
94 10 04

Party(ies) Signature(s)
REGIONAL DISTRICT OF NANAIMO
by its authorized signatory(ies):

M. Maureen Pearse
M. Maureen Pearse
A Commissioner for taking affidavits
for British Columbia.
6300 Hammond Bay Road, Nanaimo, B.C.
As to both signatures

Pearl G. Myhrnes
Chairperson PEARL G. MYHRNES

B. Williams
~~Administrator~~ SECRETARY BRUCE WILLIAMS

Officer Certification:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1979 c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

THIS AGREEMENT made pursuant to Section 679(1)(d)(i) and Part 24 of the *Municipal Act* and the *Land Transfer Form Act* the _____

BETWEEN

TOWN OF QUALICUM BEACH
141 WEST SECOND AVENUE
P.O. BOX 130
QUALICUM BEACH, BC
V9K 1S7

(the "Landlord")

OF THE FIRST PART

AND

THE REGIONAL DISTRICT OF NANAIMO
6300 HAMMOND BAY ROAD
P.O. BOX 40
LANTZVILLE BC
V0R 2H0

(the "Tenant")

OF THE SECOND PART

WHEREAS the Tenant has requested the Landlord to prepare an agreement between the parties providing for the lease of certain land within the Qualicum Beach Community Park for the location of the District 69 Swimming Pool.

NOW THEREFORE WITNESSES that in consideration of the rents received and the covenants, provisions and agreements to be paid, observed and performed by the Tenant, the Landlord leases to the Tenant:

1. LEASED LAND

The parcel of land in the Port Alberni Assessment District in the Town of Qualicum Beach in the Province of British Columbia legally described as:

That part of Lot 9, Plan 2047, District Lot 78, Newcastle Land District outlined on the plan VIP _____ annexed hereto as Schedule A and marked "Lease Area A".

(referred to as the "Land")

2. TERM

For a Term of TWENTY (20) YEARS commencing on the 1st day of October, 1994, with a right of renewal for a further term of 20 years, on the same terms and conditions unless mutually agreed by the parties, and excepting this right of renewal. This right of renewal is exercisable, on condition that the Tenant is in good standing upon termination of the initial term, and upon the further condition that the Tenant may hold over upon a tenancy from month to month, subject to all other conditions in this lease applicable to such a tenancy, until such time as the renewal of the lease is formally approved by both the Landlord and the Tenant or rejected by them.

3. RENT

The Tenant shall pay to the Landlord for the Term Rent of TWENTY DOLLARS (\$20.00) Cdn. payable in advance on the 1st day of October, 1994.

4. TENANT'S COVENANTS

- (1) The Tenant covenants with the Landlord as follows:
 - (a) to pay rent;
 - (b) to pay all rates charged for fuel, electricity, garbage, water and sewer supplied to the Land during the tenancy;
 - (c) to repair reasonable wear and tear and damage by fire, lightning and tempest only excepted;
 - (d) to leave the Land in good repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted;
 - (e) not to use the Land for any other purpose than that principally of a swimming pool and for other recreation purposes, including fitness and District 69 Recreation office and not to carry on any business that creates a nuisance on the Land;
 - (f) to indemnify the Landlord against all manner of claims, damages, loss, costs and charges whatsoever, suffered by the Landlord or its property, either directly or indirectly, in respect of any matter or thing arising from the Tenant's occupancy or use of the Land or out of any operation in connection therewith. These Tenant's covenants for indemnity shall extend to all damage and claims for damages by reason of erection or construction of structures now or hereafter to be erected or installed on (or in) the Land or in connection therewith by the Tenant, its servants or agents, whether they have been approved by the Landlord, its servants or agents, or not;

- (g) to observe and fulfil the lawful provisions and requirements of all statutes, Orders-In-Council, bylaws, rules and regulations, municipal or parliamentary relating to the Land;
- (h) to indemnify the Landlord from and against all claims for liens for wages or materials or for damage to persons or property caused during the making of or in connection with any excavation, construction, repairs, alterations, installations and additions which the Tenant may make or cause to be made on, in or to the Land; and

to allow the Landlord to post and agrees to keep posted on the Land any notice that the Landlord may desire to post under the provisions of the *Builder's Lien Act*, and to notify the Landlord at least two weeks prior to commencement of any of the activities referred to in section 4(h) in order to give the Landlord sufficient time to post the notice under the *Builder's Lien Act*;
- (i) not to assign or sublet without leave but leave shall not be unreasonably withheld;
- (j) to maintain the sidewalks and grounds of the Land in accordance with Schedule B to the same standards as is the surrounding civic complex lands of the Landlord;
- (k) to maintain the parking lot and connecting driveway referred to in Schedule B, including snow clearing, line painting, cleaning and minor repairs;
- (l) to effect and maintain in force at all times during the tenancy period on the Land and the building erected thereon, insurance:
 - (i) protecting both Landlord and Tenant (without any rights of cross-claim or subrogation against the Landlord) against claims for personal injury, death, property damage to a third party or public liability claims arising from any accident or occurrence upon or in the Land and the swimming pool building from any cause to an amount of not less than Five Million Dollars (\$5,000,000.00) in respect of any one accident or occurrence;
 - (ii) protecting both Landlord and Tenant in respect of steam boilers and such other pressure vessels as the Landlord may from time to time deem necessary to insure in the amount and in respect of the risks normally covered by prudent owners of similar properties in British Columbia;
 - (iii) upon the swimming pool building and all fixtures and improvements erected upon the Land, in the name of the Tenant (without any rights of cross-claim or subrogation against the Landlord) from loss or damage caused by

- (a) fire and such other perils as may from time to time be included in the Standard Fire Insurance Additional Perils Supplementary Contract generally available in British Columbia;
- (b) risks normally insured against in the Province of British Columbia for a building of construction, location, and use similar to the swimming pool building;
- (c) risks which the Landlord may from time to time reasonably be required to be insured against (except earthquakes and hurricanes);

and such insurance shall be for the replacement value of the swimming pool building and the replacement value of fixtures and improvements (exclusive of cost of foundations), and shall in any case be for an amount sufficient to prevent the Landlord being considered a co-insurer with the Tenant.

- (2) The terms of the insurance policies required to be effected by the Tenant under this section or any other provisions of this lease and the insurers issuing them shall be subject to approval of the Landlord (but such approval shall not be unreasonably withheld).
- (3) The insurance proceeds from any Fire Insurance Policy shall be paid to the Tenant and utilized by the Tenant for the purpose of repairing or reconstructing the swimming pool or other public building erected upon the Land which may be destroyed by fire during the term of the tenancy herein granted, subject to section 5(3).
- (4) The Tenant shall pay all premiums and costs of all insurance required to be effected by the Tenant under this lease and shall from time to time keep on file with the Landlord copies of the insurance policies and other documents sufficient to show and establish that the policies are in force.

5. DAMAGE OR DESTRUCTION OF SWIMMING POOL

- (1) (a) The Tenant's obligation to pay rent and all other sums payable by the Tenant under the provisions of this lease shall not be affected nor such rent abate or be diminished in the event of damage to or destruction of the swimming pool or any fixtures or improvements upon the Land, regardless of the cause or extent.
- (b) The Tenant waives the provisions of any statutes or rule of law contrary to subsection (1)(a) now or hereafter in effect, and acknowledges that the intention of this lease (which is essentially a lease of land) is that the swimming pool and all fixtures and improvements on the Land are at the risk of the Tenant.

- (2) If the swimming pool is destroyed or damaged by fire, tempest or other catastrophe and, in the opinion of the Tenant,
 - (a) the estimated cost of repairing the destruction or damage is unreasonably high; or
 - (b) the time, reasonably anticipated as being necessary for the repair, with due diligence, of the destruction or damage, is too long; or
 - (c) if the destruction or damage occurs after the expiration of the term of this lease then the Tenant has the option, to be exercised by a written notice to terminate this lease given to the Landlord within ninety (90) days after the occurrence of the destruction or damage, effective sixty (60) days after the exercise of the option.
 - (d) On termination under this subsection all proceeds of insurance payable in respect of the destruction or damage shall be paid to the Tenant to be dealt with in accordance with the *Municipal Act*.
- (3) If the swimming pool is destroyed or damaged, but if
 - (a) in the opinion of the Tenant it is practical and economical to rebuild or restore it with changes or alterations and
 - (b) if the Tenant desires to rebuild it with those changes or alterations,the Tenant may do so notwithstanding any other provisions of this lease.
- (4) In spite of any other provisions of this lease, there shall be no obligation on the part of the Tenant to rebuild or repair the swimming pool if it is destroyed or damaged by fire or any other catastrophe and the Tenant is unable to obtain any required assent to such rebuilding or repair by the owner-electors in the participating areas which the swimming pool serves.

6. LANDLORD'S COVENANTS

The Landlord covenants with the Tenant for quiet enjoyment.

7. PROVISIOES

The parties agree that

- (a) the Landlord may re-enter on non-payment of rent or non-performance of covenants whether lawfully demanded or not;

- (b) any notice required to be given to the Landlord under the terms of this lease shall be sufficiently given if delivered to the Landlord or mailed by prepaid registered mail addressed to it at P.O. Box 130, Qualicum Beach, BC, V9K 1S7, or at such other address as the Landlord may in writing designate. Any notice required to be given to the Tenant under the terms of this lease shall be sufficiently given if delivered to the Tenant or mailed by prepaid registered mail addressed to it at P.O. Box 40, Lantzville, BC, V0R 2H0;
- (c) the headings to the clauses of this lease are for convenience only and are not to be considered a part of this lease and do not in any way limit or amplify the terms and provisions of this lease;
- (d) when the context of this lease so requires or permits, the singular number shall be read as if the plural were expressed and the neutral gender as if the masculine or feminine as the case may be were expressed;
- (e) unless the context other requires, the words "Landlord" and "Tenant" whenever used herein shall be construed to include the heirs, executors, administrators, successors and assigns of the Landlord and Tenant respectively.

8. OWNERSHIP OF SWIMMING POOL

The parties acknowledge that:

- (a) the swimming pool is constructed and operated by the Tenant as a service provided to, and with capital and operating costs paid by, the participating areas of City of Parksville, Town of Qualicum Beach (the Landlord), and Electoral Areas F, G and H in the Regional District of Nanaimo, under the authority of Regional District of Nanaimo Bylaws 899 and 900;
- (b) if the Tenant elects not to rebuild or gives notice to terminate this lease, or both, under section 5, or if this lease is otherwise terminated, the swimming pool or the remains of it, and the proceeds of any fire insurance or sale are the property of the Tenant, as an asset of the service area in accordance with the *Municipal Act*, in spite of any law to the contrary;
- (c) the proceeds of any fire insurance policy under section 5(3) if the Tenant elects not to rebuild, and the proceeds of any sale of the swimming pool, fixtures and improvements, must be used firstly to repay any outstanding debt on that property as it matures, and any proceeds remaining after the debt is paid, must be deposited in a special fund for the swimming pool facility as a local service under Bylaw 899;
- (d) nothing in this lease prevents the Landlord from making a proposal to the Tenant to operate the swimming pool as a Town of Qualicum Beach facility or as a Regional District of Nanaimo facility under contract with the Tenant.

IN WITNESS WHEREOF the parties hereto hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Form C (page(s)) attached hereto.

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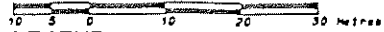
REFERENCE PLAN OF LEASE 0, PART OF LOT 9, PLAN 2047
(EXCEPT PARTS IN PLANS 27288, 42165 AND VIP55424)

D. L. 78, NEWCASTLE DISTRICT.

(PURSUANT TO SECTION 99 (1) (h) OF THE LAND TITLE ACT.)

B. C. G. S. 92F. 038

SCALE 1: 500



LEGEND

- All distances are in metres.
- Bearings are Astronomic and derived from Plan VIP55424.
- Denotes Standard Iron Post found.
- Denotes Standard Iron Post set.
- ⊠ Denotes Non-Standard Iron Post found.
- Denotes arc.
- r Denotes radius.
- ha Denotes hectares.
- wt. Denotes witness.

PLAN NO VIP _____

Deposited in the Land Title Office
at Victoria, B.C. this ____ day of _____, 19__.

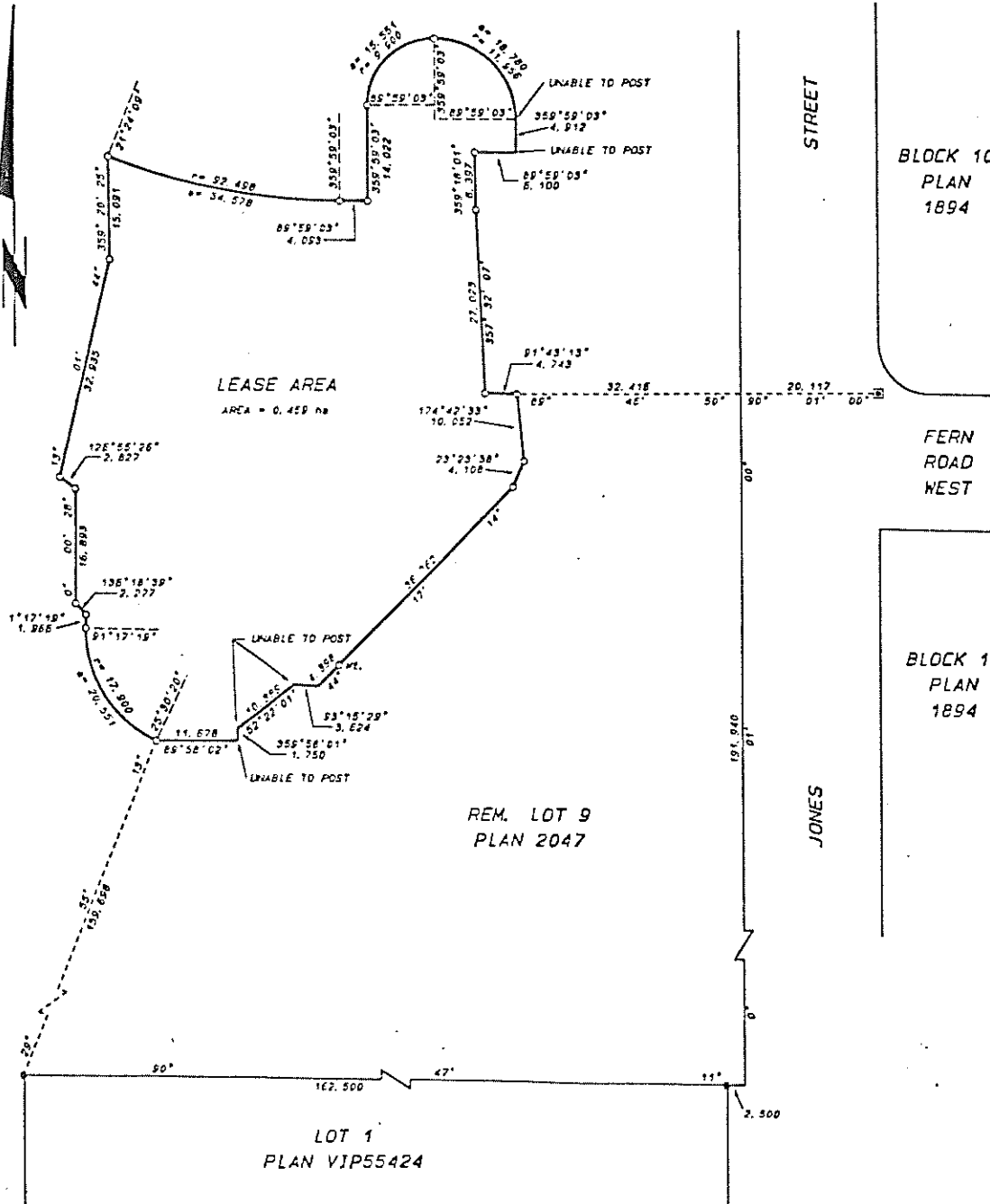
Registrar

Approved under the Land Title Act.
this ____ day of _____, 19__.

Approving Officer for the Town of
Qualicum Beach.

This plan lies within the Regional
District of Nanaimo.

Schedule 'A' is necessary Land Lease
Agreement between Town of Qualicum Beach
and Regional District of Nanaimo for because of
D&I Inventory Fuel



I, Michael A. Egan, a British Columbia
Land Surveyor, of the Town of Qualicum
Beach, in British Columbia, certify that
I was present at and personally superintended
the survey represented by this plan and that
the survey and plan are correct.

The said survey was completed on the
20th day of June 1987.

Michael A. Egan B.C.L.S.

SIMS ASSOCIATES

LAND SURVEYING
223 FERN ROAD WEST
QUALICUM BEACH, B.C. V8K 5S4
PHONE 752-5121 FAX 252-8241

FILE 82-820-11

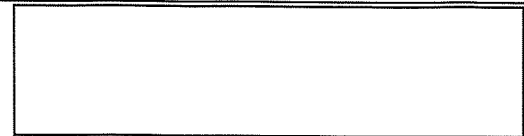
Appendix II

Town of Qualicum Beach / Regional District of Nanaimo
Lease Renewal Agreement

Ravensong Aquatic Centre Lands
2014 - 2034

**LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia**

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.



1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

**STEWART McDANNOLD STUART
BARRISTERS & SOLICITORS
2nd FLOOR - 837 BURDETT AVENUE
VICTORIA BC V8W 1B3**

Tel.: 250 380-7744 Fax.: 250 380-3008
File No.: 195 732 MC-slw
Modification of Lease EH144131

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

001-291-599 LOT 9, DISTRICT LOT 78, NEWCASTLE DISTRICT, PLAN 2047, EXCEPT PARTS IN PLANS 27288, 42165, VIP55424 AND VIP60676

STC? YES

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

SEE SCHEDULE

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms D.F. No.

(b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

TOWN OF QUALICUM BEACH

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

REGIONAL DISTRICT OF NANAIMO

6300 HAMMOND BAY ROAD

PARKSVILLE

V9P 6N2

BRITISH COLUMBIA

CANADA

7. ADDITIONAL OR MODIFIED TERMS:

n/a

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

(as to both signatures)

Execution Date

Y	M	D

Transferor(s) Signature(s)

TOWN OF QUALICUM BEACH, by its authorized signatory(ies):

Name: _____

Name: _____

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
FORM E**

SCHEDULE

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Modification of Lease	EH144131	Modification of Lease EH144131 Entire document except Paragraph 1.1, page 4

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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TERMS OF INSTRUMENT - PART 2

WHEREAS:

- A. By a lease (the "**Original Lease**") made effective October 1, 1994, and registered as instrument number EH144131, between the Landlord and the Tenant, the Landlord leased to the Tenant for a term of twenty (20) years from October 1, 1994, a parcel of land in the Port Alberni Assessment District in the Town of Qualicum Beach in the Province of British Columbia legally described as:
- PID 001-291-599
 Lot 9, District Lot 78, Newcastle District, Plan 2047, except parts in Plans 27288, 42165, VIP55424 and VIP60676
- (the "**Land**")
- B. Under the terms of the Original Lease, the Tenant was granted the right to renew the Original Lease for a further renewal term of twenty (20) years (the "**Renewal Term**").
- C. The Landlord and Tenant wish to renew and amend the Original Lease in accordance with this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the grants, rents and mutual covenants hereinafter reserved and contained, the parties hereto hereby covenant and agree as follows:

1.0 RENEWAL

- 1.1 Under the right of renewal contained in section 2.0 of the Original Lease, and in consideration of the rents, covenants, conditions and agreements hereinafter respectively reserved and contained, the Landlord hereby grants the Tenant a lease of the Land for the Renewal Term of twenty (20) years commencing October 1, 2014 and ending on September 30, 2034.

2.0 AMENDMENT

- 2.1 The Landlord and the Tenant agree that the Original Lease is hereby amended as follows:
- (a) the words "*Municipal Act*" found at section 5(2)(d) of the Original Lease are deleted and replaced with the words "*Local Government Act and Community Charter*";

- (b) section 7(b) of the Original Lease is deleted in its entirety and replaced with the following:

“any notice required to be given to either party must be in writing and will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the following address:

If to the Landlord: #201 - 660 Primrose Street
Qualicum Beach, BC V9K 1S7
Attention: _____

If to the Tenant: 6300 Hammond Bay Road
Nanaimo, B.C. V9P 6N2
Attention: General Manager of Recreation and
Parks Services

or at such other address as a party may, from time to time, direct in writing.”; and

- (c) the words “*Municipal Act*” found at section 8(b) of the Original Lease are deleted and replaced with the words “*Local Government Act and Community Charter*”.

3.0 RATIFICATION

- 3.1 This Lease Renewal is expressly made a part of the Original Lease to the same extent as if incorporated therein, and the parties agree that all agreements, covenants, conditions and provisos contained in the Original Lease, except as amended or altered herein, shall be and remain unaltered and in full force and effect during the Renewal Term. The Landlord and the Tenant acknowledge and agree to perform and observe, respectively, the obligations of the Landlord and the Tenant under the Original Lease as renewed and modified hereby.
- 3.2 Except as expressly amended by this Agreement, the parties ratify and confirm the Original Lease. The Original Lease and this Agreement shall be read and construed as one document.

4.0 TIME

- 4.1 Time shall be of the essence of the Original Lease and this Agreement.

5.0 BINDING EFFECT

- 5.1 This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Form C and Form D (pages 1 and 2) attached hereto.



RDN REPORT	
CAO APPROVAL	
EAP	
CoW	✓
JUN 07 2016	
RHD	
BOARD	

STAFF REPORT

TO: Dennis Trudeau
Chief Administrative Officer

DATE: May 31, 2016

FROM: Randy Alexander
General Manager,
Regional & Community Utilities

MEETING: CoW, June 14, 2016

FILE: 5620-01-AWS
5620-01-ERWS

SUBJECT: Arrowsmith Water Service (AWS) & Englishman River Water Service (ERWS) Joint Venture Agreement Renewal.

RECOMMENDATIONS

1. That the Board approve the Arrowsmith Water Service (AWS) Joint Venture Agreement and authorize the RDN Board Chair and Corporate Officer to sign the agreement on behalf of the RDN.
2. That the Board approve the Englishman River Water Service (ERWS) Joint Venture Agreement and authorize the RDN Board Chair and Corporate Officer to sign the agreement on behalf of the RDN.

PURPOSE

To obtain direction from the Board regarding the renewal of the AWS and ERWS Joint Venture agreements.

BACKGROUND

On July 10, 1996 the RDN, the City of Parksville and the Town of Qualicum Beach entered into a Joint Venture Agreement to establish a joint venture known as the “Arrowsmith Water Service” for the purposes of construction of the Arrowsmith Lake Dam and other associated capital infrastructure for the supply of bulk water from the Englishman River to the City of Parksville, Town of Qualicum Beach and Arrowsmith Water Service Areas of the RDN.

The AWS agreement was renewed in 2001, 2004, 2006 and again in 2011. The Partners participate in the AWS Joint Venture Agreement according to the following cost apportionment: Parksville 63.9%; Qualicum Beach 13.7%; RDN Nanoose 14.4% and French Creek 8%.

In 2011, the RDN, and the City of Parksville entered into the Englishman River Joint Venture Agreement to construct and operate a new river intake and treatment facility. The Town of Qualicum Beach chose not to participate in the Englishman River Water Service at that time, but retains the option of joining at a later date. The partners participate in the ERWS Joint Venture Agreement according to the following cost apportionment: Parksville 74%; RDN Nanoose 26%.

The AWS and ERWS Joint Venture Agreements expire on June 30, 2016 and need to be renewed. On May 12, 2016, the AWS and ERWS Joint Venture Boards passed motions directing staff to prepare documents to renew the Joint Venture Agreements, and forward to the Joint Venture Partners. Copies of the renewed agreements are attached. The agreement is in the same form as that approved by the Board in 2011. Minor changes have been made to update cross-referencing and wording, capitalize

defined terms, and update references to the *Local Government Act*. Schedules B and C and 16.2 of the ERWS Agreement reflect the June 2013 Amendment which removed French Creek from the capital cost apportionment.

ALTERNATIVES

1. Approve the AWS and ERWS Joint Venture Agreements as drafted.
Alternative 1 will allow the Joint Venture partners to continue with necessary operations, maintenance and capital works of the AWS and ERWS systems.
2. Provide staff with specific direction for further negotiations and changes to the AWS and ERWS Joint Venture Agreements.

FINANCIAL IMPLICATIONS

Costs related to the AWS and ERWS joint venture systems are included in the approved RDN 2016 Budget and 5 year financial plans. The RDN portion of the 2016 AWS Budget is \$33,000. AWS expenditures are for ongoing operations, there are no large capital projects at this time. RDN expenditures towards engineering and construction of the ERWS intake and treatment plant are budgeted to be \$8.1 million between 2016 and 2020.

STRATEGIC PLAN IMPLICATIONS

Focus on Service and Organizational Excellence – Necessary to fund required infrastructure in support of core water services with an asset management focus. Failure to renew the joint venture agreements will result in no capital, maintenance or operating resources for both existing and future infrastructure, this will create a significant cost burden on taxpayers in the coming years and jeopardize the health of the potable water supply.

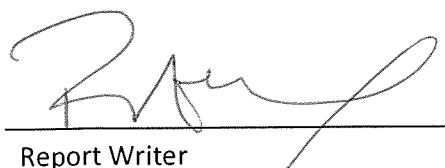
Focus on Relationships – the AWS and ERWS joint ventures represent innovative partnerships with member municipalities, providing cost effective infrastructure and services.


Focus on Economic Health – The AWS and ERWS joint ventures provide water resources required to support existing populations and planned growth.

Focus on the Environment - The AWS and ERWS joint ventures provide reliable safe drinking water supplies in an environmentally sustainable manner that benefits both people and fisheries.

SUMMARY/CONCLUSIONS

The AWS and ERWS Joint Venture Agreements expire on June 30, 2016 and require renewal in order for the joint ventures to continue. These agreements were reviewed by the AWS / ERWS Management Boards on May 10, 2016 and recommend approval of the agreements to the respected member Councils and Board for formal ratification.


Report Writer


CAO Concurrance

ARROWSMITH WATER SERVICE

Joint Venture Agreement

THIS AGREEMENT dated for reference the 1st day of July, 2016,

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

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

(the "RDN")

OF THE FIRST PART

AND:

CITY OF PARKSVILLE

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

("Parksville")

OF THE SECOND PART

AND:

TOWN OF QUALICUM BEACH

a municipal corporation incorporated under the *Local Government Act*
201 - 660 Primrose Street, P.O. Box 130
Qualicum Beach, BC V9K 1S7

("Qualicum Beach")

OF THE THIRD PART

WHEREAS:

- A. RDN under the *Local Government Act*, and Parksville and Qualicum Beach under the *Community Charter*, each have the power to design, construct, install, own, operate, maintain, repair and replace Bulk Water Supply Facilities;
- B. On July 10, 1996 the RDN, Parksville and Qualicum Beach entered into a Joint Venture Agreement to establish a joint venture known as the "Arrowsmith Water Service" for the purposes of bulk water supply under the authority of the Additional Powers Joint Venture Regulation, B.C. Reg. 88/97.
- C. On July 1, 2011, the RDN, Parksville, and Qualicum Beach agreed to continue the Arrowsmith Joint Venture under their authority under the *Community Charter* and *Local Government Act*.
- D. The 2011 joint venture agreement continues in force until June 30, 2016; and

- E. RDN, Parksville, and Qualicum Beach now wish to enter into a new joint venture agreement for the Arrowsmith Water Service.

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

Part 1 DEFINITIONS AND INTERPRETATION

Definitions

1.1. In this Agreement,

- (a) “Administration Cost” means the cost of administering the Joint Venture on a continuing basis. This includes but is not limited to, the costs of Management Committee Support as provided under Section 5.4, Budgeting, Accounting and Financial Records Support as provided under Section 9.4, and audit fees, insurance and licencing fees;
- (b) “Available Cash” means the amount by which cash on hand or on deposit with banks and other financial institutions, Available Credit, and the realizable value of short-term investments not otherwise pledged or required to be maintained as collateral or otherwise committed for the purpose of the Joint Venture, any of which is held by or on behalf of the Joint Venture, exceeds all unpaid cheques issued on and every overdraft in a Joint Venture Account;
- (c) “Budget” means the Operating Budget, Maintenance Budget and Capital Budget;
- (d) “Bulk Water Supply Facility” means the bulk water distribution system, dam and reservoir, treatment system, appurtenances and related interests in land described in Schedule A and contemplated under this Agreement to supply water in bulk to the Community Water Systems and the Water Service Areas;
- (e) “Business Day” means any day except Saturdays, Sundays and statutory holidays in effect in British Columbia;
- (f) “Capital Budget” has the meaning given to it in Section 8.6;
- (g) “Capital Costs” means expenditures incurred or accrued by or on behalf of the Joint Venturers for or in connection with the acquisition or construction of capital assets in accordance with Public Sector Accounting Board Standards for tangible capital assets and includes such costs incurred or accrued since January 1, 1987;
- (h) “Capital Loan” means the several and Limited Recourse borrowings to be entered into by and on behalf of the Joint Venturers, to be secured by, among other things, a first charge on the Bulk Water Supply Facility, and to be applied primarily toward the design, construction, installation and ownership by the Joint Venturers of the Purchased Assets;

- (i) “Community Water Systems” means the water distribution trunks, mains, pumps, valves, appurtenances and related interests in land, held or owned by a municipality or regional district that is a party to this Agreement;
- (j) “Continuing Party” means a party that wishes to acquire the Participating Interest of a Non Continuing Party in the Joint Venture Assets under Section 13.4;
- (k) “Event of Default” means one of the events described in Section 12.1;
- (l) “GAAP” means the generally accepted accounting principles (including the methods of application of the principles) established by the Canadian Institute of Chartered Accountants;
- (m) “Joint Venture” means the joint venture named Arrowsmith Water Service formed among RDN, Parksville and Qualicum Beach under this Agreement;
- (n) “Joint Venture Account” means the bank accounts established under Section 7.1 and any other bank accounts established by the Joint Venturers to be used in connection with the Joint Venture;
- (o) “Joint Venture Assets” means all property and assets, present and future, of every nature whatsoever whether real or personal, corporeal or incorporeal, owned or rented by the Joint Venturers or possessed or rented on behalf of the Joint Venturers, including the Purchased Assets, in each case for the purposes of the Joint Venture whether in the name of any of the Joint Venturers or the Joint Venture;
- (p) “Joint Venture Borrowing” means indebtedness, liabilities and obligations incurred on account of funds borrowed by or on behalf of the Joint Venturers;
- (q) “Joint Venture Costs” means the Operating Costs, Maintenance Costs and the Capital Costs;
- (r) “Joint Venturer” means RDN, Parksville and Qualicum Beach including their respective successors and permitted assigns, and “Joint Venturers” means all of them;
- (s) “Limited Recourse” with respect to a loan means that the right of any lender to recover any amounts, indebtedness or damages owing under or in connection with the loan (whether by reason of breach or default under any covenant, term, representation, warranty or other provisions relating to the loan or otherwise) or owing by the borrower at law or in equity or by statute or contract in connection with the loan, will be limited and restricted to the lender’s rights to realize upon the property and assets of the borrower which have been mortgaged, pledged, charged or assigned as security for the loan; except each borrower and its successors and permitted assigns will be liable for and pay to the lender the amount of any losses, liabilities, claims,

damages and expenses caused by the fraud (i) committed by that borrower (and not by an agent of that borrower) or (ii) committed by or participated in by one or more persons as officers, council members or directors of that borrower;

- (t) “Maintenance Budget” has the meaning given to it in Section 8.5;
- (u) “Maintenance Costs” means all costs (other than those identified as Capital and Operating Costs) of repairing and maintaining the equipment and capital assets of the Joint Venture to ensure the service is kept in satisfactory operating condition consistent with industry standards. It includes but is not limited to, testing, parts replacement, repairs, and any directly related materials and labour expenses; and includes such cost incurred and accrued on and after the date of the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (v) “Management Board” means the board established under Part 4;
- (w) “Management Committee” means the Management Committee of the Joint Venture appointed under Part 5;
- (x) “Non Continuing Party” means a party that does not wish to continue the Joint Venture after the expiry of the Term referred to in Section 13.1(c) of this Agreement.
- (y) “Operating Budget” has the meaning given to it in Section 8.4;
- (z) “Operating Costs” means all costs (other than those identified as Capital and Maintenance Costs) of operating the Joint Venture on a continuing basis. This includes but is not limited to, monitoring costs, overhead costs, indirect labour, utility services, and directly related materials and labour expenses; and includes such costs incurred or accrued on and after the date the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (aa) “Operator” means the City of Parksville;
- (bb) “Participating Interest” means the percentage interest of a Joint Venturer in the Joint Venture Assets and the profits of the Joint Venture, which will initially be as set out in Section 2.9;
- (cc) “Province” means Her Majesty the Queen in Right of the Province of British Columbia;
- (dd) “Water Licence” means the water licence or licences held by the three Joint Venturers;

- (ee) “Water Service Area” means an area situated in the RDN that is served by a Community Water System and is identified on Schedule B, subject to boundary alterations of the area:
 - (i) under the procedures prescribed by applicable enactments; or
 - (ii) by agreement of the Joint Venturers.

Interpretation

- 1.2. For the purposes of this Agreement, except as otherwise expressly provided or as the context otherwise requires:
- (a) “Agreement” means this Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions of this Agreement together with all other attachments to it;
 - (b) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific terms or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
 - (c) reference to a Part or a Section means the corresponding Part or Section of this Agreement;
 - (d) an accounting term not otherwise defined in this Agreement has the meaning assigned to it, and except as otherwise directed in this Agreement, every calculation to be made under this Agreement is to be made in accordance with GAAP;
 - (e) except as otherwise expressly provided, all references to currency mean Canadian currency;
 - (f) words in the singular include the plural and words importing a corporate entity include individuals and vice-versa;
 - (g) reference in this Agreement to a particular numbered paragraph, article or section, or lettered schedule is a reference to the correspondingly numbered paragraph, article, or section, or lettered schedule of this Agreement;
 - (h) reference in this Agreement to an enactment is a reference to an enactment as defined in the *Interpretation Act (British Columbia)*, and includes a reference to an enactment of British Columbia, RDN, Parksville or Qualicum Beach, as applicable;
 - (i) reference in this Agreement to an enactment is a reference to that enactment as amended, revised, consolidated or replaced; and

- (j) reference in this Agreement to a party is a reference to a party of this Agreement.

Governing Law

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

Headings

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

Severance

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

Water Licence

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

Part 2 JOINT VENTURE

Formation and Purpose

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

Bulk Water Supply

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

Name

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

Dedication of Assets

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

Nature of Obligations

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

Partition

- 2.6. Except on termination of this Agreement or withdrawal under Part 13, no Joint Venturer will be entitled to demand partition of the Joint Venture or the Joint Venture Assets.

No Partnership

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

Representations and Warranties

- 2.8. Each Joint Venturer represents and warrants to the others as follows:
- (a) it has the power and capacity to enter into this Agreement;
 - (b) this Agreement is valid and binding on it in accordance with its terms;
 - (c) the performance of its obligations under this Agreement does not breach the terms of any other agreement or obligation to which it is a party; and

- (d) it now holds and will hold its Participating Interest beneficially and free and clear of all restrictions, liens, encumbrances, floating charges or agreements of any kind except;
 - (i) for the obligations created under this Agreement; or
 - (ii) as agreed among the Joint Venturers from time to time.

Participating Interest

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

Part 3 ACQUISITION

Completion of Agreements

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

Part 4 MANAGEMENT BOARD

Formation and Membership

- 4.1. There will be a Management Board composed of three members. Upon execution of this Agreement and subsequently prior to January 1 every year, each of the Joint Venturers must appoint as member to the Management Board one of its elected officials.
- 4.2. Prior to January 1 each of the Joint Venturers must also appoint one of its elected officials to be an alternate member of the Management Board. An alternate member may attend, but can only vote in place of a member appointed by the same Joint Venturer at any meeting of the Management Board at which the member is unable to attend.

Chair

- 4.3. The Management Board must elect a Chair from among its members on the basis of one vote for each member.

Meetings

- 4.4. During each fiscal year of the Joint Venture, the Management Board will hold at least two meetings at such times and places as the Management Board may determine for the purpose of approving a budget and the annual report. The Chair will call

additional meetings of the Management Board upon the request of any member of the Management Board.

Notice of Meetings

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

Telephone Meetings

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

Quorum

- 4.7. A quorum for each meeting of the Management Board will be three members or alternate members in place of an absent member.

Votes

- 4.8. At all meetings of the Management Board, each member representing:
- (a) Parksville shall have three votes;
 - (b) RDN shall have two votes; and
 - (c) Qualicum Beach shall have one vote.

Voting

- 4.9. Every decision of the Management Board will require a majority of votes cast.
- 4.10. Section 4.8 does not apply to voting for the Chair under Section 4.3 which shall be on the basis of one vote for each member.

Resolutions in Writing and Minutes

- 4.11. The Chair will cause minutes of each meeting of the Management Board to be kept and a copy to be circulated to each member and alternate member. A resolution in writing signed in whole or in counterparts by all of the members of the Management Board in respect of any matter falling within the competence of the Management Board will be effective as if adopted at a meeting. The Chair of the Management

Board will promptly send to the Joint Venturers and each member a copy of any such resolution.

Dispute Resolution

- 4.12. If the Management Board is unable to agree on any matter within its power that has been referred to it after consideration of that matter at two meetings of the Management Board, any of the Joint Venturers may declare a deadlock by notice in writing to the others specifying the matter at issue and the position, with reasons, of the declaring Joint Venturer, all in reasonable detail. If the deadlock is not resolved within 15 Business Days after receipt of such notice, any Joint Venturer may refer the issues to dispute resolution pursuant to the provisions of this Agreement. Each party to the arbitration shall pay costs on the basis determined by the single arbitrator.

Deadlock As to Budget

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

Decisions Binding

- 4.14. Subject to Section 4.16, all decisions of the Management Board made within its power under this Agreement will be binding on the Joint Venturers.

Management Board's Power

- 4.15. In addition to the powers conferred on it by any provision of this Agreement, the Management Board must:
- (a) review, and recommend for the approval of the Joint Venturers, the Budget;
 - (b) review, and make recommendations to the Joint Venturers with respect to (but not to approve) any material agreements to be entered into by the Joint Venture;
 - (c) conduct, direct and supervise the business, affairs and operations of the Joint Venture;
 - (d) give direction to the Management Committee;
 - (e) make recommendations to the Joint Venturers with respect to any amendments to this Agreement;
 - (f) cause to be entered into and amended all agreements which are necessary or appropriate for the day-to-day operation of the Joint Venture, except those

agreements which the Management Board would not have the power to approve under Section 4.16 and, if considered advisable by the Management Board in the interests of the Joint Venture, terminate such agreements;

- (g) initiate technical studies when deemed advisable;
- (h) prepare plans for capital expenditures;
- (i) review and approve the annual and periodic financial statements of the Joint Venture.

Limits on Management Board's Power

4.16. Despite Section 4.14, the Management Board will not have the power, without the approval of each of the Joint Venturers:

- (a) to do anything for which RDN, Parksville or Qualicum Beach requires authorization or approval under the *Local Government Act, Community Charter*, successor legislation or other applicable enactments without the prior confirmation from them that such authorization or approval has been obtained by RDN, Parksville or Qualicum Beach, as applicable;
- (b) to do anything within the legislative discretion of a Joint Venturer;
- (c) to authorize Joint Venture Borrowing or making an annual Budget;
- (d) to authorize any distributions of available cash to the Joint Venturers;
- (e) to authorize adding a new party under Part 14;
- (f) to authorize the disposition of all or any part of the interest of a Joint Venturer in this Agreement.

Powers of the Management Board Chair

4.17. The function of the Management Board Chair will be to carry out the functions and duties prescribed by the Management Board and, if present, to preside at meetings of the Management Board. If the Management Board Chair is absent from a meeting, then his or her alternate member must preside.

Technical Committees

4.18. The Management Board may from time to time establish technical committees, such as a Capital Planning Committee or a Construction Committee, as it considers appropriate in the circumstances. The Management Board may appoint to the technical committees such persons as the Management Board considers appropriate.

Expenses

- 4.19. The members and alternate members of the Management Board will not as such be entitled to be paid any compensation by the Joint Venture and any remuneration that may be paid to them in such capacity by the Joint Venturers by which they have been appointed will not form part of the Operating Costs.

Part 5 MANAGEMENT

Appointment of Management Committee

- 5.1. The Management Committee will be the Chief Administrative Officer of each Joint Venturer plus one other member from each Joint Venturer as appointed by that Joint Venturer's Chief Administrative Officer.

Duties and Functions of the Management Committee

- 5.2. The Management Committee must:
- (a) make recommendations to the Management Board on matters relating to the Joint Venture;
 - (b) prepare and distribute agendas for Management Board meetings;
 - (c) keep minutes of meetings of the Management Board;
 - (d) administer this Agreement and any agreements made by or on behalf of the Joint Venture;
 - (e) make recommendations to the Management Board respecting the making, amending or implementation of agreements made by or on behalf of the Joint Venture;
 - (f) monitor the financial circumstances of the Joint Venture;
 - (g) generally do all things necessary or advisable in connection with the business of the Joint Venture in accordance with this Agreement;
 - (h) do such other acts and things on behalf of the Joint Venture as the Management Board Chair may direct from time to time; and
 - (i) give direction to the Operator.

Limits on Management Committee

- 5.3. None of the powers, authorities or discretions delegated to the Management Committee may encroach on powers, authorities or discretions properly exercisable by the Management Board. The powers, authorities and discretions exercised by

the Management Committee are subject to the direction of and guidelines established by the Management Board and any other restrictions, limitations and approvals set out in this Agreement, including the limitations set out in Section 4.16, and within the constraints of the Budget from time to time.

Management Committee Support

- 5.4. The RDN shall provide, at the cost of the Joint Venture, administrative support to the Management Committee and the Management Board as required by this Agreement.

Liability

- 5.5. The Joint Venturers release the Management Committee members, Management Board members, the Operator and the Joint Venturers' agents of and from any and all loss, costs, damages, expenses and liabilities suffered or incurred by the Joint Venturers or any of them in respect of the matters arising out of or attributable to any negligence of, or breach of the provisions of this Agreement by the Management Committee, Management Board members or Joint Venturers' agents, in connection with the observance and performance of any of the covenants, agreements or duties of the Management Committee, Management Board members, the Operator or Joint Venturers' agents to be observed or performed under this Agreement, except losses, costs, damages, expenses and liabilities caused by the wilful wrongful act of any one or more of the Management Committee, Management Board members, the Operator or Joint Venturers' agents.

Part 6 OPERATIONS

Operations

- 6.1. Subject to this Agreement, the Operator will, on behalf of the Joint Venture, operate, maintain and repair the Bulk Water Supply Facility.
- 6.2. The Operator may, subject to direction from the Management Committee, contract for goods and services on behalf of the Joint Venture in accordance with the Operators purchasing policy and subject to this Agreement.

Part 7 FINANCES

Bank Accounts, Deposits, Disbursement and Investment of Funds

- 7.1. The Operator shall be responsible for recording and preparation of the accounts of the Joint Venture, including but not limited to preparation of accounts receivable and accounts payable, annual budgets and financial reports to the Management Committee, ensuring that the accounts of the Joint Venture are audited annually in accordance with the *Local Government Act*, and investing any surplus funds in the Joint Venture Account in the manner approved by the Management Board from time to time.

- 7.2. The Operator may open and maintain, with the Operator's usual bank or other bank approved by the Management Board, a Joint Venture Account in the name of the Joint Venture. All funds receivable by the Joint Venture may upon receipt be deposited in the Joint Venture Account. Members of the Management Board will have signing authority on the Joint Venture account alone or together with such other persons or the Operator's staff the Management Board approves. Any payment to be made by the Operator on behalf of the Joint Venture will be made out of the Joint Venture Account.
- 7.3. The Operator shall manage the financial affairs of the Joint Venture in accordance with the approved Budget and GAAP.

Cash Requirements

- 7.4. The Joint Venturers will take all reasonable steps to ensure that sufficient funds are available to allow the Joint Venture to complete transactions called for by agreement of the parties under this Agreement. The Operator may request that the Joint Venturers provide cash advances on account of Operating Costs. Otherwise, the Joint Venturers must pay an annual requisition provided for in the Budget by May 31 of each year.

Operating Loans

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

Application of Available Cash

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

Additional Contributions

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

Place of Payments

- 7.8. All payments to be made under this Agreement to the Joint Venture will be made to the Operator.

Cash Contributions

- 7.9. Subject to:

- (a) the terms of Joint Venture Borrowings, including the Operating Loan; and
- (b) the establishment by the Joint Venturers, based on the recommendations of the Management Board taking into account anticipated Joint Venture costs and revenue, of prudent reserves for Operating Costs, Maintenance Costs and Capital Costs,

within 90 days after each fiscal year end of the Joint Venture, Available Cash will be used to:

- (c) pay down Joint Venture Borrowing; or
 - (d) pay Maintenance Costs or Operating Costs.
- 7.10. A party may make a cash advance in respect of the portion of Capital Costs allocated to that party under this Agreement, in which case that party is not liable for Joint Venture Borrowing related to that portion of Capital Costs in respect of which the party made the cash advance.

Capital Cost Apportionment

7.11. The Capital Costs will be apportioned among the parties as set out in Schedule C.

Operating Costs Apportionment

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

Maintenance Costs Apportionment

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

Administrative Costs Apportionment

7.14. The Administrative Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

Part 8 BUDGETS

Fiscal Year

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

Provisional Budgets

- 8.2. On or before December 15th of the year preceding each fiscal year of the Joint Venture, the Management Committee will submit to the Management Board for its review a provisional operating budget (the “provisional Operating Budget”). A provisional maintenance budget (the “provisional Maintenance Budget”) and a provisional capital expenditure budget (the “provisional Capital Budget”). The Management Board must recommend these provisional Budgets for the consideration of the Joint Venturers.

Budget Recommendations

- 8.3. On or before January 31st in each fiscal year of the Joint Venture, the Management Board must recommend to the Joint Venturers an Operating Budget, Maintenance Budget and Capital Budget.

Operating Budget

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

Maintenance Budget

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

Capital Budget

- 8.6. The Capital Budget will set out in reasonable detail all Capital Costs for the next five fiscal years and will indicate the amount of such Capital Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Operations in Conformity with Budgets

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

Approval of Budgets

8.8. Subject to Section 4.15, the Management Board will recommend to the Joint Venturers with or without amendment, the Budgets submitted to it by the Management Committee.

Effect of Approved Budgets

8.9. The Management Committee, as applicable under Part 5, will implement the approved Budgets and carry out all activities and operations of the Joint Venture in accordance therewith. The Management Committee will not, without the approval of the Management Board (who may require the approval of the Joint Venturers under Section 4.15) incur or commit in any fiscal year on behalf of the Joint Venture any expenditure not provided for in the applicable Budgets. Despite the failure of the Management Board to give any approval required, the Operator may incur on behalf of the Joint Venture any Operating Costs or Capital Cost which needs to be incurred at that time in order to prevent loss, damage or injury, or comply with the requirements of any insurer or regulatory authority or law and any such expenditure will form part of Operating Costs.

Part 9 BUDGET, ACCOUNTING AND FINANCIAL REPORTS AND RECORDS

Accounting Books and Records

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

Financial Reports

9.2. The Operator will, upon request from the Management Board, provide the Management Board and Management Committee with unaudited financial statements, reflecting in reasonable detail, but in summary form, the results of operations and financial situation of the Joint Venture for the periods requested.

Location and access to Records

9.3. The Operator will cause all books and records of the Joint Venture to be kept in its offices. The Operator will permit each Joint Venturer, its accountants and other representatives, at the Joint Venturer's own expense and at all reasonable times to examine and make copies of these documents and any documents under the control of the Operator and relating to the Joint Venture.

Budgeting, Accounting and Financial Records Support

- 9.4. The City of Parksville shall provide at the cost of the Joint Venture, budgeting, accounting and financial reporting support to the Management Committee and the Management Board as required by this Agreement.

Part 10 RESTRICTIONS ON DISPOSITON

No Disposition of Participating Interest

- 10.1. A Joint Venturer will not sell, assign, pledge, mortgage or otherwise dispose of its interest in this Agreement and the Joint Venture Assets (referred to in Section 10.7 as a "Share"), except as set out in Sections 10.2 or Part 13.

Right of First Refusal to Purchase Participating Interest

- 10.2. If a Joint Venturer receives a legally binding offer to purchase all or a portion of the Joint Venturer's interest in this Agreement and the Joint Venture Assets, the Joint Venturer will not accept such offer (unless such acceptance is conditional on compliance with this Section 10.2) unless:
- (a) the offer is from another local government;
 - (b) it has delivered to the other Joint Venturers a copy of such offer, which delivery will be deemed to be an irrevocable offer by the first Joint Venturer, to sell to the other Joint Venturers its interest in this Agreement and the Joint Venture Assets on the same terms, and conditions as are set out in this offer, except that such offer shall be deemed to be an offer on the same terms and conditions but for each of the other Joint Venturers to purchase one-half of the offering Joint Venturer's interest, unless otherwise agreed between the other Joint Venturers;
 - (c) the other Joint Venturers have not accepted the offer within 180 days of receipt thereof; and
 - (d) if the other Joint Venturers consent, which consent to not to be unreasonably withheld or delayed, it completes the agreement of purchase and sale pursuant to the offer (which may include terms for payment agreed by the Joint Venturers) within one year after delivery of the offer to the other Joint Venturer and the purchaser enters into an agreement with the other Joint Venturers whereby the purchaser agreed to become a party to this Agreement and to assume and perform all of the obligations of the selling Joint Venturer hereunder.
- 10.3. If one of the other Joint Venturers to whom an offer is delivered under Section 10.2 does not accept the offer within the time required by Section 10.2, the Joint Venturer who delivered the offer under Section 10.2, is deemed to offer to sell to the other remaining Joint Venturer all of the offering Joint Venturer's interest in this Agreement

and the Joint Venture Assets and that other remaining Joint Venturer has a further 90 days in which to accept that offer.

- 10.4. Any agreement of purchase and sale formed as provided in Sections 10.2 and 10.3 that involves the transfer of title to land or an interest in land will be completed on a Land Title Office business day that is not later than one year after the date on which the offer was first delivered to the other Joint Venturers under Section 10.2(a) and that agreement of purchase and sale is subject to all of the following:
- (a) the agreement of purchase and sale formed thereby is an agreement in respect of which time is of the essence;
 - (b) the selling Joint Venturer shall execute and deliver at completion of the agreement such transfers or other instruments of conveyance, in registerable form, as are necessary to transfer and convey to and in favour of the purchasing Joint Venturer all of the right, title and interest of the selling Joint Venturer in and to this Agreement and the Joint Venture Assets and will do all such things and take all such actions as may be necessary to comply with and fulfil the intent of this Agreement and the agreement of purchase and sale;
 - (c) the purchasing Joint Venturer will pay the purchase price for the interest in question and will execute and deliver all such documents and do all such things and take all such actions as may be necessary to fulfil the intent of this Agreement and the agreement of purchase and sale;
 - (d) the interest sold out by the selling Joint Venturer will be transferred free and clear of all financial liens, charges and encumbrances whatsoever.
- 10.5. Without limiting Section 2.6, each of the Joint Venturers hereby irrevocably and conclusively waives the benefits of all provisions of law relating to actions for a partition or sale in lieu of partition or administration of real and personal property including, without limitation, the *Partition of Property Act* (British Columbia) and each of the Joint Venturers agrees with the others that it will not commence any action at law or in equity for a partition or sale in lieu of partition of any real property that forms part of the Joint Venture Assets or seek administration in respect thereof.
- 10.6. A Joint Venturer must not accept an offer under Section 10.2 received less than one year before the end of the Term of this Agreement under section 13.1(c).
- 10.7. A Joint Venturer may not transfer a Share to a party other than a Joint Venturer except in accordance with Section 10.2 or Part 13.
- 10.8. Notwithstanding sections 10.2 and 10.3, in the event that the other Joint Venturers exercise their Right of First Refusal under this part, the terms and conditions will be those as contemplated in Section 10.2 with the exception that the time for payment of the purchase price to the selling Joint Venturer contemplated by the offer to purchase will, at the option of the purchasing Joint Venturer or Joint Venturers, be

extended up to five (5) years; or for such longer term where the assent of the electors has been obtained.

Part 11 LIABILITY OF THE JOINT VENTURE

Liability, Indemnification and Insurance

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

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

Notice of Claims

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

Insurance

- 11.3. The Joint Venturers are public bodies and are insured by the Municipal Insurance Association. Each Joint Venturer will maintain at its sole cost and expense, in good standing for the Term, liability insurance against the third party claims arising from the Joint Venture and operation of the Bulk Water Supply Facility with inclusive limits of not less than Five Million (\$5,000,000.00) Dollars for bodily injury, including death and property damage, and in that event, a Joint Venturer will, on request from another Joint Venturer, provide evidence that such insurance is, at all times during the Term, enforceable and in effect.

Part 12 DEFAULT

Default

- 12.1. The occurrence of any of the following events will be an Event of Default by a Joint Venturer under this Agreement:
- (a) the failure of a Joint Venturer to perform or observe any of its covenants or agreements in this Agreement, if such failure is not cured within 45 days of written notice from the other Joint Venturers specifying such failure; or
 - (b) a Joint Venturer becomes insolvent.

- (c) an administrative commissioner is appointed in respect of a Joint Venturer under section 767 of the *Local Government Act* and is not discharged within 45 days.

Remedies Upon an Event or Default

12.2. Upon the occurrence of an Event of Default by or with respect to a Joint Venturer:

- (a) the defaulting Joint Venturer will forthwith upon the written request of the other Joint Venturers given within 60 days after the Event of Default, sell its Participating Interest to the other Joint Venturers free and clear of all liens, charges and encumbrances other than security for liabilities incurred in accordance with this Agreement in the business of the Joint Venture, for a price equal to the defaulting Joint Venturer's Participating Interest in the net book value of the Joint Venture Assets as at the date of the written request, less 10% of such book value;
- (b) if the Joint Venturers do not agree as to the net book value of the Joint Venture Assets within 10 Business Days after the date of the written request, then at the direction of any of the Joint Venturers, the net book value will be determined by the accountants for the Joint Venture if the accountants have been appointed for the Joint Venture and are willing to accept such engagement, and otherwise by the business valuator appropriately qualified by the Canadian Institute of Chartered Business Valuators selected by the non-defaulting Joint Venturer whose opinion will be binding upon the Joint Venturers and whose fees and disbursements for these services will be borne by the defaulting Joint Venturer;
- (c) the closing date for the sale of the defaulting Joint Venturer's interest will be 120 calendar days after the determination of the purchase price and will be completed by the execution and delivery by the defaulting Joint Venturer (the "Seller") of such transfers, bills of sale, assignments and other conveyancing documents from the seller to the purchasing Joint Venturer (the "Buyer") in such form as reasonably required by the Buyer and by the delivery of possession on the Joint Venture Assets to the Buyer;
- (d) the purchase price will be paid by the Buyer on the Closing Date:
 - (i) by set-off to the extent determined by the Buyer against monies due and owing by the Seller to the Buyer, if any;
 - (ii) by the assumption, to the extent determined by the Buyer, of the Seller's share of the liabilities of the Joint Venture; and
 - (iii) as to any balance by certified cheque or bank draft payable to the Seller's order;
- (e) the obligation of the Buyer to complete the purchase is subject to the condition that all required consents and approvals to the sale have been

obtained but this condition is for the sole benefit of the Buyer and may be waived in whole or in part by the Buyer at any time.

The rights and procedures set forth in this Section 12.2 will be concurrent with and in addition to and without prejudice to any other rights or remedies at law or in equity which any Joint Venturer may have in respect of any Event of Default.

Part 13 TERM, WITHDRAWAL AND TERMINATION

Term

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

- (a) the date when all the Joint Venture Assets have been disposed of and all liabilities and obligations incurred from the business of the Joint Venture have been satisfied;
- (b) the date when a single Joint Venturer acquires the interest of the Joint Venturers in the Joint Venture Assets and the business of the Joint Venture; or
- (c) four years and six months from the date of the making of this Agreement.
- (d) provided that following the time referred to in paragraph (c) the parties may then during the following six months exercise their rights of acquisition under sections 13.4, 13.5, 13.9 or 14.1 of this Agreement and for certainty this Agreement shall remain in force for such time insofar as necessary to permit the transactions to be completed.

Withdrawal

13.2. A party may withdraw from this Agreement with the approval of all parties to the Agreement and, unless otherwise agreed, subject to the following conditions:

- (a) all capital funds provided to the date of the Notice of Withdrawal by the party proposing to withdraw from the Joint Venture are deemed to be Joint Venture Assets;
- (b) the additional Operating Costs arising from the withdrawal of a party under this Agreement must then be assumed by the remaining party or divided between the remaining parties based on the metered flow to the party receiving the supply of water in bulk;
- (c) the additional Maintenance Costs arising from the withdrawal of the party must be assumed by the remaining party or apportioned between the remaining parties as outlined in Part 7;

- (d) the Joint Venture Assets are, on and after the date of the Notice of Withdrawal given by the party withdrawing, solely assets of the remaining Joint Venturer or Joint Venturers.

Actions on Termination

- 13.3. Upon the termination of this Agreement and the Joint Venture, other than pursuant to Section 13.1(b), unless the Joint Venturers otherwise agree, two representatives of each of the Joint Venturers shall meet within 10 business days of the termination and:
- (a) each party shall advise the other parties whether they wish to enter into a new agreement regarding the Joint Venture; and
 - (b) if one party does not wish to enter into a new agreement regarding the Joint Venture then, unless the parties otherwise agree, the end of the participation of a Non Continuing Party in the Joint Venture will be determined under Section 13.4; and
 - (c) If no party wishes to enter into a new agreement regarding the Joint Venture, no party may dispose of its interest in the Joint Venture Assets without first offering such interest to the other parties under section 13.5.

Non Continuing Party

- 13.4. If the parties cannot otherwise agree on the terms and conditions regarding the end of the participation of a Non Continuing Party in the Joint Venture, a Non Continuing Party will, upon the written request of the Continuing Parties given within sixty (60) days after the meeting referred to in Section 13.3 of this Agreement, sell its Participating Interest in the net book value of the Joint Venture Assets to the Continuing Parties on the terms and conditions and in accordance with the procedure in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement unless a longer closing date has been approved by the electors.

Dissolution of Joint Venture – Right of First Refusal

- 13.5. (a) Where none of the parties wish to enter into a new joint venture agreement, each party will decide whether it wishes to dispose of its Participating Interest in the Joint Venture Assets, and advise the other parties of its decision in writing within thirty (30) days of the meeting referred to in Section 13.3 of this Agreement;
- (b) A party wishing to dispose of its Participating Interest must offer to sell its Participating Interest in the Joint Venture Assets to the other parties with such sale to be on the terms and conditions and in accordance with the procedure set out in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement, unless a longer closing date has been approved by the electors.

- (c) Where a party has not advised the other parties of its decision within the time limit referred to in paragraph (a), it will be deemed to have offered to sell its Participating Interest in the net book value of the Joint Venture Assets to the other parties under paragraph (b).

Dispute Resolution on Dissolution

13.6. Terms and conditions of the withdrawal of a Non Continuing Party in circumstances not otherwise addressed in this Agreement may be resolved before a single arbitrator in accordance with the procedure that follows the procedures set out in section 366 of the *Local Government Act*, with necessary changes insofar as they are applicable as follows:

- (a) the terms and conditions for withdrawal must be resolved before a single arbitrator by full arbitration, unless the parties agree to final proposal arbitration;
- (b) the parties will select the arbitrator from a list of arbitrators prepared by the Minister of Community, Sport and Cultural Development (or such other Minister having responsibility for the *Local Government Act*) for the purposes of section 366(3) of the *Local Government Act*, or, if there is no such list, as agreed upon by the parties, or, failing agreement, as appointed by a judge of the British Columbia Supreme Court;
- (c) the arbitrator may conduct the proceedings at the time and in the manner he or she determines;
- (d) the arbitrator must consider any terms and conditions agreed upon by the parties that are to govern the arbitrations;
- (e) the terms and conditions must be resolved by the arbitrator, who is not restricted in his or her decision to submissions made by the parties on the disputed issues;
- (f) the final resolution may establish different terms and conditions for different Non Continuing Parties;
- (g) the arbitrator must give written reasons for the decision; and
- (h) the costs of the arbitration must be borne by the parties as if they were Maintenance Costs under this Agreement.

In reaching his or her decision, the arbitrator must, to the extent practicable, impose terms and conditions that avoid the alienation or transfer of Joint Venture assets from public ownership and for that purpose, ensure that any interest of a party is offered first to the other parties under this Agreement and secondly to another local government before such assets are made available to any other party.

Liquidation

13.7. If no party wishes to continue the Joint Venture, and no party wishes to purchase the interest of the other Joint Venturers under section 13.4 of the Agreement, the Joint Venturers will appoint a liquidator to act on their collective behalf to liquidate the Joint Venture assets. If a liquidator is appointed he or she shall act on behalf of the Joint Venturers to realize the Joint Venture Assets, satisfy all Joint Venture Liabilities and pay the balance of the proceeds of realization to the Joint Venturers in proportion to their Participating Interests. Each of the Joint Venturers will be entitled to bid for and purchase the whole or any part of the Joint Venture Assets on liquidation. Subject to agreement otherwise, liquidation shall be carried out under the procedure of Part 10 of the *Business Corporations Act* (British Columbia) insofar as applicable to a Joint Venture.

Determining Value

13.8. If the parties agree on a sale of the Non Continuing Party's Participation Interest but do not agree as to the net book value of the Joint Venture Assets, such value may be determined in accordance with the procedure set out in Section 12.2(b) and the sale of the Non Continuing Party's Participating Interest will be carried out in accordance with the procedure set out in Sections 12.2(c) to 12.2(e).

Completion of Sale

13.9. If the arbitrator's decision involves the sale of a Non Continuing Party's Participating Interest such sale shall be completed no later than five (5) years from the date of this Agreement unless assent of the electors to such longer term has been obtained.

Survival of Obligations

13.10. The provisions of this Part 13 and all other provisions of this Agreement necessary to give full effect thereto will survive the termination of this Agreement and, despite termination of this Agreement or the Joint Venture; no party will by reason of such termination be relieved of any obligation or liability toward any other party accrued hereunder prior to termination all of which will remain unenforceable until fully satisfied.

Part 14 NEW PARTY

Qualicum Beach

14.1. The parties agree that the Town of Qualicum Beach may become a Joint Venturer under the Englishman River Water Service Joint Venture Agreement dated the 1st day of July, 2016 under the following conditions:

- (a) Qualicum Beach may deliver a Notice in writing that it wishes to become a party in the Englishman River Water Service with not more than a 13.7% Participating Interest that represents Qualicum Beach's actual needs in relation to bulk water supply (the "**Qualicum Beach Participating Interest**");

- (b) the parties shall each appoint a senior representative for a period of 120 days, shall negotiate in good faith for the inclusion of Qualicum Beach where Qualicum Beach agrees to:
 - (i) pay 100% of any infrastructure required to supply the Qualicum Beach Participating Interest;
 - (ii) pay to the Englishman River Water Service Joint Venturers an amount equal to any remaining difference when the total cost for each of the water intake, treatment plant, reservoir capacity and water distribution mains to be paid by Qualicum Beach to supply the Qualicum Beach Participating Interest is subtracted from 13.7% of the actual cost plus any increase in the Consumer Price Index (British Columbia) for each of the water intake, treatment plant, reservoir capacity and water distribution mains to the time of the notice, under Section 14.1(a) to become a party in the Englishman River Water Service agreement; and
 - (iii) pay to the Englishman River Water Service Joint Venturers 13.7% of the actual value plus any increase in the Consumer Price Index (British Columbia) to the time of delivery of the notice under paragraph 14.1(a) of any lands acquired by the Englishman River Water Service Joint Venturers for the purpose of the Englishman River Water Service Joint Venture.
 - (c) the Terms of the Englishman River Water Service Joint Venture Agreement must contain all of the terms and conditions of the Arrowsmith Water Service Joint Venture Agreement except as otherwise determined by the parties and except that each member of Qualicum Beach shall have one (1) vote on the Management Committee and every decision of the Management Board will require seven (7) votes;
 - (d) subject to paragraph (e), if no Agreement has been reached by the parties within the time period referred to in paragraph 14.1(b), the terms of the inclusion of Qualicum Beach may, by agreement of all parties, be submitted to an arbitrator for determination; and
 - (e) if the parties cannot agree on the amounts payable under this section (other than the value of the land which shall be determined under clause 14.1(b)(iii), the amount shall be settled by a single arbitrator under the *Arbitration Act*. The costs of the arbitration, other than each party's own costs, shall be divided equally between the parties and the decision of the arbitrator shall be binding on the parties.
- 14.2. On the completion date referred to in section 14.1(b), the RDN and Parksville will transfer to Qualicum Beach a share in any real property acquired by the Joint Venture as a Tenant in Common equivalent to the Qualicum Beach Participating

Interest in consideration for payment by Qualicum Beach of the amount referred to in section 14.1(b).

Other Party

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

Other Terms and Conditions

- 14.4. Despite Section 14.1, the Joint Venturers may, at any time, make an agreement on behalf of the Joint Venturers to supply water in bulk to a person not a party to the Joint Venture.

Part 15 BOUNDARY ADJUSTMENTS

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

Part 16 GENERAL

Amendments

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

Notices

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

(a) If to RDN:

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Attention: Corporate Officer

(b) if to Parksville:

PO Box 1390
Parksville, BC V9P 2H3

Attention: Director of Administrative Services

(c) if to Qualicum Beach:

Box 130
Qualicum Beach, BC V9K 1S7

Attention: Corporate Administrator

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

Entire Agreement

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

Arbitration

16.4. In the case of a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation thereof which has not been resolved within 45 calendar days of either Joint Venturer giving notice to other Joint Venturer thereof, or in the case of a deadlock as described in Section 4.12, the dispute, disagreement or deadlock will, upon notice from either Joint Venturer to the other Joint Venturer, be referred to a single arbitrator pursuant to the *Arbitration Act* (British Columbia) whose decision will be final and binding.

Enurement

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

Further Assurances

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

Schedules

16.7. The following Schedules are attached to and form part of this Agreement:

- (a) Schedule A – Bulk Water Supply Facility;
- (b) Schedule B – Water Service Areas;
- (c) Schedule C – Capital Cost Apportionment.

Local Government Act and Community Charter

16.8. The obligations of the parties under this Agreement are subject to the requirements of the *Local Government Act* and the *Community Charter* respecting the provision of the Bulk Water Supply services by the Joint Venturers.

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

REGIONAL DISTRICT OF NANAIMO by its)
authorized signatories:)

_____))
Name:)

_____))
Name:)

CITY OF PARKSVILLE by its authorized)
signatories:)

_____))
Name:)

_____))
Name:)

TOWN OF QUALICUM BEACH by its
authorized signatories:

Name:

Name:

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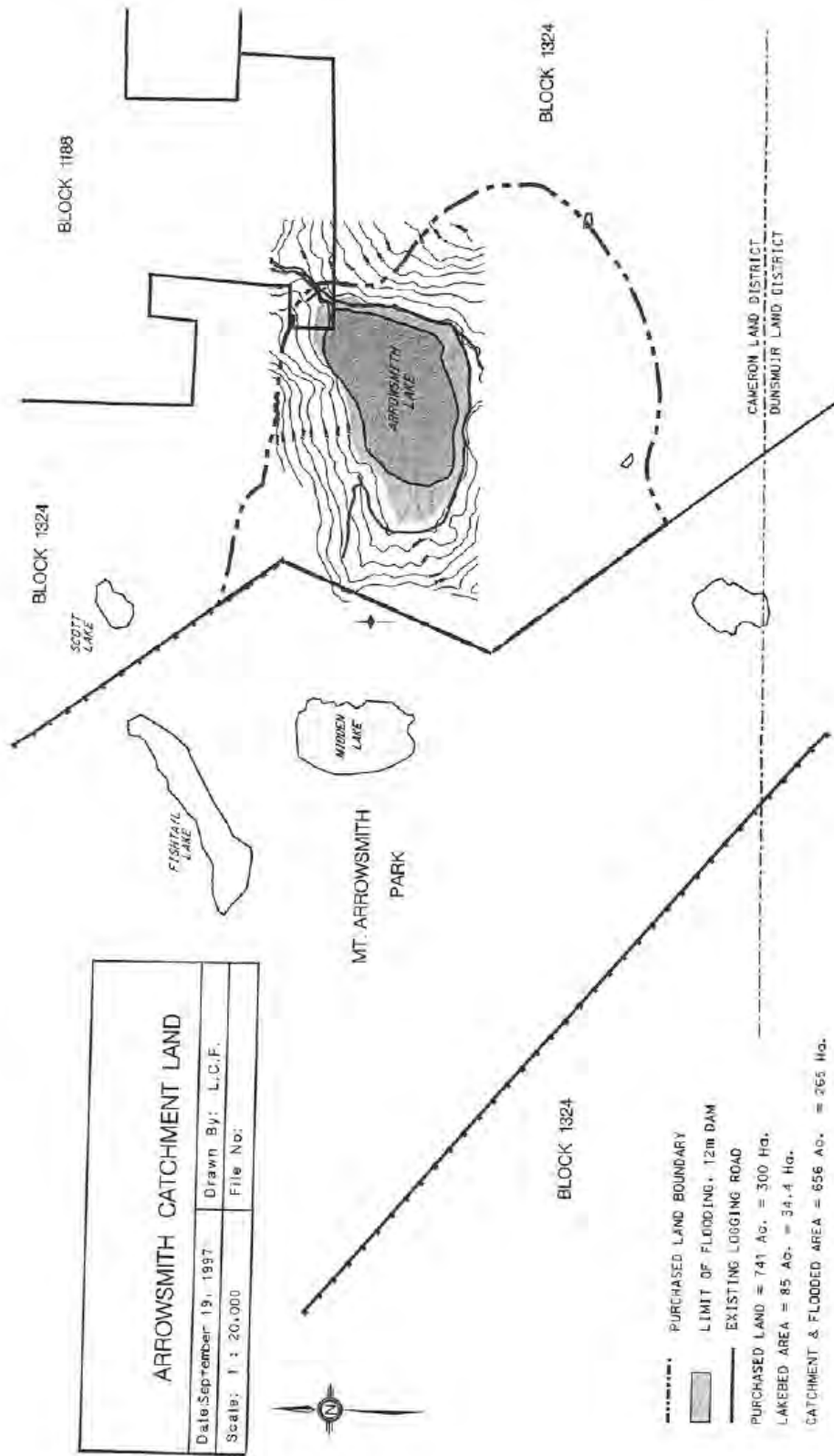
SCHEDULE "A"

Arrowsmith Dam Bulk Water Supply Facility, Description of Current Infrastructure, Provisional Operational Rule and Conditional Water License

1. The three hundred (300) hectares of Arrowsmith Lake Catchment Boundary land surrounding Arrowsmith Lake as shown in Schedule A-1 attached hereto;
2. 12m high concrete dam formally known as Arrowsmith Dam, Location: Lat. 49°13'15.18"N, Long. 124°32'14.24"W, including all control valves, chambers, intake structures, siphon line, outlet structures, security fencing, gates and control weirs as shown in Schedule A-2 attached hereto;
3. Arrowsmith Dam Control Station Building housing: a thermal electric generator, diesel / electric generator, piezometers, diesel fuel tank, propane fuel tanks, propane heater, Supervisory Control and Data Acquisition (SCADA) equipment, batteries, Spread Spectrum Radio control equipment and instrumentation equipment.
4. Arrowsmith Lake radio repeater station including solar panels, batteries, instrumentation and a Spread Spectrum Radio. Location: Lat. 49°13'7.20"N, Long. 124°32'1.18"W.
5. Spread Spectrum Radio equipment stored at Mt. Cokely Communications Station. Location: Lat. 49°14'21.56"N, Long. 124°35'11.74"W.
6. Provisional Operational Rule – Arrowsmith Lake Reservoir and Conditional Water License: 110050.

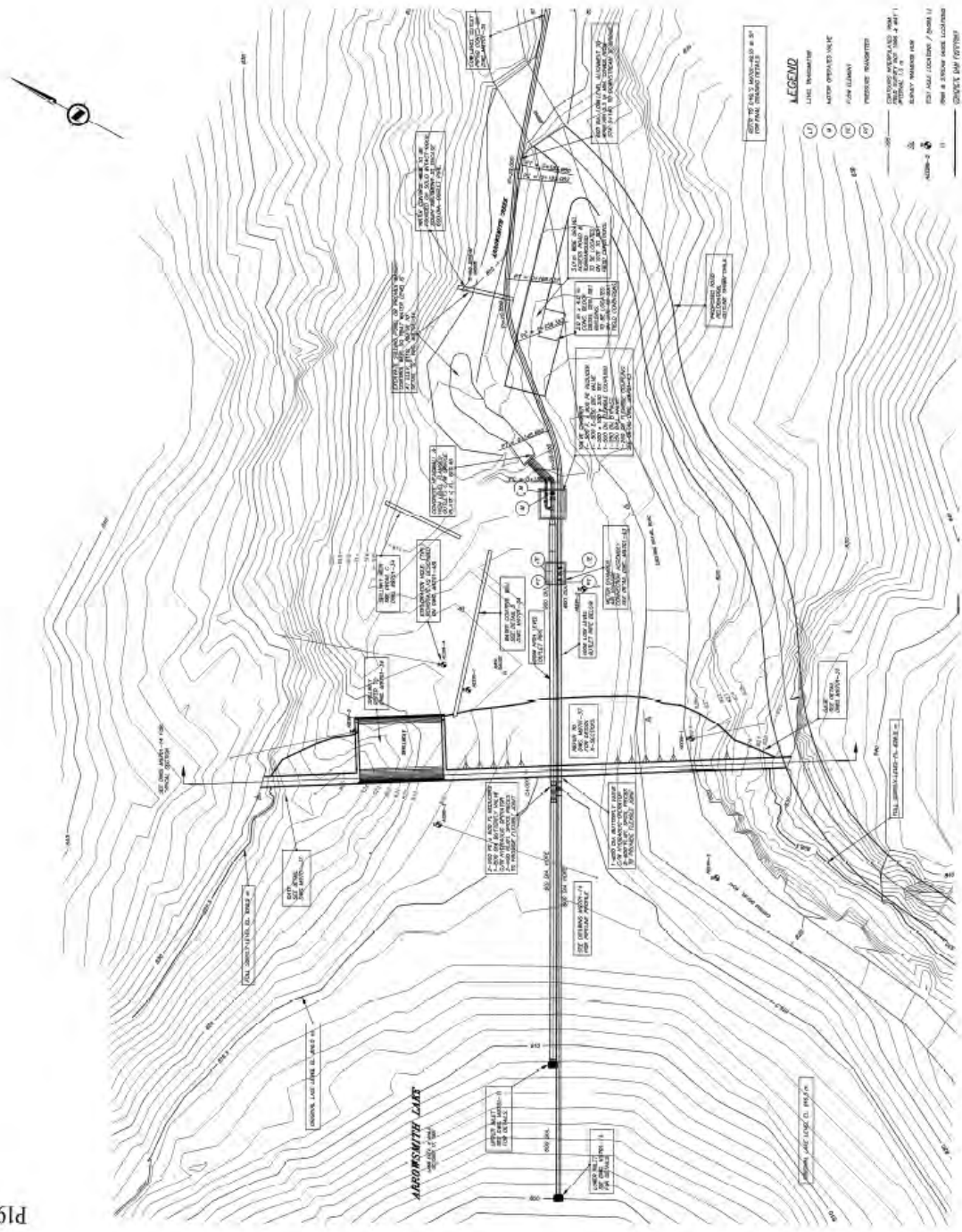
Arrowsmith Dam Bulk Water Supply Facility - Description of Future Capital Works

1. Security cameras and Long Watch video recorder equipment
2. Provincial Dam Safety review requirements including consulting fees, settlement monitoring and dam remedial works.



SCHEDULE A-1

P1932



SCHEDULE A-2

SCHEDULE “B”

WATER SERVICE AREAS

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

- Nanoose Bay Bulk Water Supply Service Establishment Bylaw No. 1049.
- French Creek Bulk Water Supply Service Establishment Bylaw No. 1050.

SCHEDULE "C"

CAPITAL COST APPORTIONMENT

The Arrowsmith Water Service Bulk Water Supply Facility Infrastructure Capital Cost Apportionment

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

Parksville: 63.9%

Qualicum Beach 13.7%

RDN: Nanoose 14.4%

French Creek 8.0%

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

ENGLISHMAN RIVER WATER SERVICE

Joint Venture Agreement

THIS AGREEMENT dated for reference the 1st day of July, 2016,

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

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

(the "**RDN**")

OF THE FIRST PART

AND:

CITY OF PARKSVILLE

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

("Parksville")

OF THE SECOND PART

WHEREAS:

- A. RDN under the *Local Government Act*, and Parksville under the *Community Charter*, each have the power to design, construct, install, own, operate, maintain, repair and replace Englishman River Water Intake and Treatment Facility;
- B. On July 1, 2011, the RDN and Parksville entered into a joint venture agreement under their authority under the *Local Government Act* and *Community Charter* for the purpose of designing, constructing, installing, owning, operating, maintaining, repairing and replacing a water intake and treatment facility on land at the Englishman River known as the "**Englishman River Water Service**";
- C. The 2011 joint venture agreement remains in force until June 30, 2016; and
- D. The RDN and Parksville now wish to enter into a new joint venture agreement for the Englishman River Water Service.

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

Part 1 DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement,

- (a) “Administration Cost” means the cost of administering the Joint Venture on a continuing basis. This includes but is not limited to, the costs of Management Committee Support as provided under Section 5.4, Budgeting, Accounting and Financial Records Support as provided under Section 9.4, and audit fees, insurance and licencing fees;
- (b) “Available Cash” means the amount by which cash on hand or on deposit with banks and other financial institutions, Available Credit, and the realizable value of short-term investments not otherwise pledged or required to be maintained as collateral or otherwise committed for the purpose of the Joint Venture, any of which is held by or on behalf of the Joint Venture, exceeds all unpaid cheques issued on and every overdraft in a Joint Venture Account;
- (c) “Budget” means the Operating Budget, Maintenance Budget and Capital Budget;
- (d) “Business Day” means any day except Saturdays, Sundays and statutory holidays in effect in British Columbia;
- (e) “Capital Budget” has the meaning given to it in Section 8.6;
- (f) “Capital Costs” means expenditures incurred or accrued by or on behalf of the Joint Venturers for or in connection with the acquisition or construction of capital assets in accordance with Public Sector Accounting Board Standards for tangible capital assets and includes such costs incurred or accrued since January 1, 1987;
- (g) “Capital Loan” means the several and Limited Recourse borrowings to be entered into by and on behalf of the Joint Venturers, to be secured by, among other things, a first charge on the Englishman River Water Intake and Treatment Facility, and to be applied primarily toward the design, construction, installation and ownership by the Joint Venturers of the Purchased Assets;
- (h) “Community Water Systems” means the water distribution trunks, mains, pumps, valves, appurtenances and related interests in land, held or owned by a municipality or regional district that is a party to this Agreement;
- (i) “Continuing Party” means a party that wishes to acquire the Participating Interest of a Non Continuing Party in the Joint Venture Assets under Section 13.4;
- (j) “Englishman River Water Intake and Treatment Facility” means the bulk water distribution system, reservoir, treatment system, appurtenances and related interests in land described in Schedule A and contemplated under this

Agreement to supply water in bulk to the Community Water Systems and the Water Service Areas;

- (k) “Event of Default” means one of the events described in Section 12.1;
- (l) “GAAP” means the generally accepted accounting principles (including the methods of application of the principles) established by the Canadian Institute of Chartered Accountants;
- (m) “Joint Venture” means the joint venture named Englishman River Water Service formed among RDN and Parksville under this Agreement;
- (n) “Joint Venture Account” means the bank accounts established under Section 7.2 and any other bank accounts established by the Joint Venturers to be used in connection with the Joint Venture;
- (o) “Joint Venture Assets” means all property and assets, present and future, of every nature whatsoever whether real or personal, corporeal or incorporeal, owned or rented by the Joint Venturers or possessed or rented on behalf of the Joint Venturers, including the Purchased Assets, in each case for the purposes of the Joint Venture whether in the name of any of the Joint Venturers or the Joint Venture;
- (p) “Joint Venture Borrowing” means indebtedness, liabilities and obligations incurred on account of funds borrowed by or on behalf of the Joint Venturers;
- (q) “Joint Venture Costs” means the Operating Costs, Maintenance Costs and the Capital Costs;
- (r) “Joint Venturer” means RDN and Parksville including their respective successors and permitted assigns, and “Joint Venturers” means all of them;
- (s) “Limited Recourse” with respect to a loan means that the right of any lender to recover any amounts, indebtedness or damages owing under or in connection with the loan (whether by reason of breach or default under any covenant, term, representation, warranty or other provisions relating to the loan or otherwise) or owing by the borrower at law or in equity or by statute or contract in connection with the loan, will be limited and restricted to the lender’s rights to realize upon the property and assets of the borrower which have been mortgaged, pledged, charged or assigned as security for the loan; except each borrower and its successors and permitted assigns will be liable for and pay to the lender the amount of any losses, liabilities, claims, damages and expenses caused by the fraud (i) committed by that borrower (and not by an agent of that borrower) or (ii) committed by or participated in by one or more persons as officers, council members or directors of that borrower;
- (t) “Maintenance Budget” has the meaning given to it in Section 8.5;
- (u) “Maintenance Costs” means all costs (other than those identified as capital and operating costs) of repairing and maintaining the equipment and capital assets

of the Englishman River Water Service Joint Venture to ensure the service is kept in satisfactory operating condition consistent with industry standards. It includes but is not limited to, testing, parts replacement, repairs, and any directly related materials and labour expenses; and includes such cost incurred and accrued on and after the date of the Englishman River Water Intake Facility commences the supply of water in bulk under this Agreement;

- (v) “Management Board” means the board established under Part 4;
- (w) “Management Committee” means the Management Committee of the Joint Venture appointed under Part 5;
- (x) “Non Continuing Party” means a party that does not wish to continue the Joint Venture after the expiry of the Term referred to in Section 13.3(b) of this Agreement;
- (y) “Operating Budget” has the meaning given to it in Section 8.4;
- (z) “Operating Costs” means all costs (other than those identified as Capital and Maintenance Costs) of operating the Englishman River Water Service Joint Venture on a continuing basis. This includes but is not limited to, monitoring costs, overhead costs, indirect labour, utility services, and directly related materials and labour expenses; and includes such costs incurred or accrued on and after the date the Englishman River Water Intake Facility commences the supply of water in bulk under this Agreement;
- (aa) “Operator” means the City of Parksville;
- (bb) “Participating Interest” means the percentage interest of a Joint Venturer in the Joint Venture Assets and the profits of the Joint Venture, which will initially be as set out in Section 2.9;
- (cc) “Province” means Her Majesty the Queen in Right of the Province of British Columbia;
- (dd) “Water Licence” means the water licence or licences held by the two Joint Venturers and the Town of Qualicum Beach;
- (ee) “Water Service Area” means an area situated in the RDN that is served by a Community Water System and is identified on Schedule B, subject to boundary alterations of the area:
 - i) under the procedures prescribed by applicable enactments; or
 - ii) by agreement of the Joint Venturers.

Interpretation

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

- (a) “Agreement” means this Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions of this Agreement together with all other attachments to it;
- (b) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific terms or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (c) reference to a Part or a Section means the corresponding Part or Section of this Agreement;
- (d) an accounting term not otherwise defined in this Agreement has the meaning assigned to it, and except as otherwise directed in this Agreement, every calculation to be made under this Agreement is to be made in accordance with GAAP;
- (e) except as otherwise expressly provided, all references to currency mean Canadian currency;
- (f) words in the singular include the plural and words importing a corporate entity include individuals and vice-versa;
- (g) reference in this Agreement to a particular numbered paragraph, article or section, or lettered schedule is a reference to the correspondingly numbered paragraph, article, or section, or lettered schedule of this Agreement;
- (h) reference in this Agreement to an enactment is a reference to an enactment as defined in the *Interpretation Act (British Columbia)*, and includes a reference to an enactment of British Columbia, RDN and Parksville, as applicable;
- (i) reference in this Agreement to an enactment is a reference to that enactment as amended, revised, consolidated or replaced; and
- (j) reference in this Agreement to a party is a reference to a party of this Agreement.

Governing Law

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

Headings

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

Severance

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

Water Licence

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

Part 2 JOINT VENTURE

Formation and Purpose

- 2.1 Subject to the terms and conditions of this Agreement, RDN and Parksville continue the Joint Venture for the following purposes:
- (a) to design, construct, install, own, operate, maintain, repair and replace the Englishman River Water Intake and Treatment Facility; and
 - (b) to supply water in bulk to the Community Water Systems and the Water Service Areas.

Englishman River Water Intake and Treatment

- 2.2 On and after the date of this Agreement coming into effect, the parties must with due diligence, and subject to the terms and conditions set out in this Agreement and the Water Licence design, construct, install, own, operate, maintain, repair and replace the Englishman River Water Intake and Treatment Facility as generally described in Schedule A.

Name

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

Dedication of Assets

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

Nature of Obligations

- 2.5 Unless the Joint Venturers otherwise agree, the liabilities and obligations of the Joint

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

Partition

2.6 Except on termination of this Agreement or withdrawal under Part 13, no Joint Venturer will be entitled to demand partition of the Joint Venture or the Joint Venture Assets.

No Partnership

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

Representations and Warranties

2.8 Each Joint Venturer represents and warrants to the other as follows:

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

Participating Interest

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

Part 3 ACQUISITION

Completion of Agreements

3.1 Subject to the approval of the Board of RDN and Council of Parksville, each of the

parties will cooperate fully and take all reasonable steps to negotiate, finalize and execute all agreements, instruments and other documents contemplated by or related to this Agreement.

Part 4 MANAGEMENT BOARD

Formation and Membership

4.1 There will be a Management Board composed of four members, two members from each Joint Venturer, who are the parties' appointees to the Management Board of the Arrowsmith Water Service and their alternates. Upon execution of this Agreement and subsequently prior to January 1 every year, each of the Joint Venturers must appoint as members to the Management Board the elected officials who are the parties' appointees to the Arrowsmith Water Service and their alternates.

Chair

4.2 The Management Board must elect a Chair from among its members on the basis of one vote for each member.

Meetings

4.3 During each fiscal year of the Joint Venture, the Management Board will hold at least two meetings at such times and places as the Management Board may determine for the purpose of approving a budget and the annual report. The Chair will call additional meetings of the Management Board upon the request of any member of the Management Board.

Notice of Meetings

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

Telephone Meetings

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

Quorum

4.6 A quorum for each meeting of the Management Board will be three members.

Votes

4.7 At all meetings of the Management Board, each member representing:

- (a) Parksville shall have three votes; and
- (b) RDN shall have two votes.

Voting

- 4.8 Every decision of the Management Board will require five votes.
- 4.9 Section 4.7 does not apply to voting for the Chair under Section 4.2 which shall be on the basis of one vote for each member.

Resolutions in Writing and Minutes

- 4.10 The Chair will cause minutes of each meeting of the Management Board to be kept and a copy to be circulated to each member and alternate member. A resolution in writing signed in whole or in counterparts by all of the members of the Management Board in respect of any matter falling within the competence of the Management Board will be effective as if adopted at a meeting. The Chair of the Management Board will promptly send to the Joint Venturers and each member a copy of any such resolution.

Dispute Resolution

- 4.11 If the Management Board is unable to agree on any matter within its power that has been referred to it after consideration of that matter at two meetings of the Management Board, any of the Joint Venturers may declare a deadlock by notice in writing to the others specifying the matter at issue and the position, with reasons, of the declaring Joint Venturer, all in reasonable detail. If the deadlock is not resolved within 15 Business Days after receipt of such notice, any Joint Venturer may refer the issues to dispute resolution pursuant to the provisions of this Agreement. Each party to the arbitration shall pay costs on the basis determined by the single arbitrator.

Deadlock As to Budget

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

Decisions Binding

- 4.13 Subject to Section 4.15, all decisions of the Management Board made within its power under this Agreement will be binding on the Joint Venturers.

Management Board's Power

- 4.14 In addition to the powers conferred on it by any provision of this Agreement, the Management Board must:

- (a) review, and recommend for the approval of the Joint Venturers, the Budget;
- (b) review, and make recommendations to the Joint Venturers with respect to (but not to approve) any material agreements to be entered into by the Joint Venture;
- (c) conduct, direct and supervise the business, affairs and operations of the Joint Venture;
- (d) give direction to the Management Committee;
- (e) make recommendations to the Joint Venturers with respect to any amendments to this Agreement;
- (f) cause to be entered into and amended all agreements which are necessary or appropriate for the day-to-day operation of the Joint Venture, except those agreements which the Management Board would not have the power to approve under Section 4.15 and, if considered advisable by the Management Board in the interests of the Joint Venture, terminate such agreements;
- (g) initiate technical studies when deemed advisable;
- (h) prepare plans for capital expenditures;
- (i) review and approve the annual and periodic financial statements of the Joint Venture.

Limits on Management Board's Power

4.15 Despite Section 4.13, the Management Board will not have the power, without the approval of each of the Joint Venturers:

- (a) to do anything for which RDN or Parksville requires authorization or approval under the *Local Government Act, Community Charter*, successor legislation or other applicable enactments without the prior confirmation from them that such authorization or approval has been obtained by RDN or Parksville, as applicable;
- (b) to do anything within the legislative discretion of a Joint Venturer;
- (c) to authorize Joint Venture Borrowing or making an annual Budget;
- (d) to authorize any distributions of available cash to the Joint Venturers;
- (e) to authorize adding a new party under Part 14;
- (f) the disposition of all or any part of the interest of a Joint Venturer in this Agreement.

Powers of the Management Board Chair

4.16 The function of the Management Board Chair will be to carry out the functions and duties prescribed by the Management Board and, if present, to preside at meetings of the Management Board. If the Management Board Chair is absent from a meeting, then his or her alternate member must preside.

Technical Committees

4.17 The Management Board may from time to time establish technical committees, such as a Capital Planning Committee or a Construction Committee, as it considers appropriate in the circumstances. The Management Board may appoint to the technical committees such persons as the Management Board considers appropriate.

Expenses

4.18 The members and alternate members of the Management Board will not as such be entitled to be paid any compensation by the Joint Venture and any remuneration that may be paid to them in such capacity by the Joint Venturers by which they have been appointed will not form part of the Operating Costs.

Part 5 MANAGEMENT

Appointment of Management Committee

5.1 The Management Committee will be the Chief Administrative Officer of each Joint Venturer plus one other member from each Joint Venturer as appointed by that Joint Venturer's Chief Administrative Officer.

Duties and Functions of the Management Committee

5.2 The Management Committee must:

- (a) make recommendations to the Management Board on matters relating to the Joint Venture;
- (b) prepare and distribute agendas for Management Board meetings;
- (c) keep minutes of meetings of the Management Board;
- (d) administer this Agreement and any agreements made by or on behalf of the Joint Venture;
- (e) make recommendations to the Management Board respecting the making, amending or implementation of agreements made by or on behalf of the Joint Venture;
- (f) monitor the financial circumstances of the Joint Venture;
- (g) generally do all things necessary or advisable in connection with the business of the Joint Venture in accordance with this Agreement;

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

Limits on Management Committee

- 5.3 None of the powers, authorities or discretions delegated to the Management Committee may encroach on powers, authorities or discretions properly exercisable by the Management Board. The powers, authorities and discretions exercised by the Management Committee are subject to the direction of and guidelines established by the Management Board and any other restrictions, limitations and approvals set out in this Agreement, including the limitations set out in Section 4.15, and within the constraints of the Budget from time to time.

Management Committee Support

- 5.4 The RDN shall provide, at the cost of the Joint Venture, administrative support to the Management Committee and the Management Board as required by this Agreement.

Liability

- 5.5 The Joint Venturers release the Management Committee members, Management Board members, the Operator and the Joint Venturers' agents of and from any and all loss, costs, damages, expenses and liabilities suffered or incurred by the Joint Venturers or any of them in respect of the matters arising out of or attributable to any negligence of, or breach of the provisions of this Agreement by the Management Committee, Management Board members or Joint Venturers' agents, in connection with the observance and performance of any of the covenants, agreements or duties of the Management Committee, Management Board members, the Operator or Joint Venturers' agents to be observed or performed under this Agreement, except losses, costs, damages, expenses and liabilities caused by the wilful wrongful act of any one or more of the Management Committee, Management Board members, the Operator or Joint Venturers' agents.

Part 6 OPERATIONS

Operations

- 6.1 Subject to this Agreement, the Operator will, on behalf of the Joint Venture, operate, maintain and repair the Englishman River Water Intake and Treatment Facility.
- 6.2 The Operator may, subject to direction from the Management Committee, contract for goods and services on behalf of the Joint Venture in accordance with the Operators purchasing policy and subject to this Agreement.

Part 7 FINANCES

Bank Accounts, Deposits, Disbursement and Investment of Funds

- 7.1 The Operator shall be responsible for recording and preparation of the accounts of the Joint Venture, including but not limited to preparation of accounts receivable and accounts payable, annual budgets and financial reports to the Management Committee, ensuring that the accounts of the Joint Venture are audited annually in accordance with the *Local Government Act*, and investing any surplus funds in the Joint Venture Account in the manner approved by the Management Board from time to time.
- 7.2 The Operator may open and maintain, with the Operator's usual bank or other bank approved by the Management Board, a Joint Venture Account in the name of the Joint Venture. All funds receivable by the Joint Venture may upon receipt be deposited in the Joint Venture Account. Members of the Management Board will have signing authority on the Joint Venture account alone or together with such other persons or the Operator's staff the Management Board approves. Any payment to be made by the Operator on behalf of the Joint Venture will be made out of the Joint Venture Account.
- 7.3 The Operator shall manage the financial affairs of the Joint Venture in accordance with the approved Budget and GAAP.

Cash Requirements

- 7.4 The Joint Venturers will take all reasonable steps to ensure that sufficient funds are available to allow the Joint Venture to complete transactions called for by agreement of the parties under this Agreement. The Operator may request that the Joint Venturers provide cash advances on account of Operating Costs. Otherwise, the Joint Venturers must pay an annual requisition provided for in the Budget by May 31 of each year.

Operating Loans

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

Application of Available Cash

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

Additional Contributions

- 7.7 If an approved Budget contemplates contributions from the Joint Venturers to finance Capital Costs, the Joint Venturers will advance the contemplated contribution to the

Joint Venture promptly upon receipt from the Operator of a request to do so.

Place of Payments

7.8 All payments to be made under this Agreement to the Joint Venture will be made to the Operator.

Cash Contributions

7.9 Subject to:

- (a) the terms of Joint Venture Borrowings, including the Operating Loan; and
- (b) the establishment by the Joint Venturers, based on the recommendations of the Management Board taking into account anticipated Joint Venture costs and revenue, of prudent reserves for Operating Costs, Maintenance Costs and Capital Costs,

within 90 days after each fiscal year end of the Joint Venture, Available Cash will be used to:

- (c) pay down Joint Venture Borrowing; or
- (d) pay Maintenance Costs or Operating Costs.

7.10 A party may make a cash advance in respect of the portion of Capital Costs allocated to that party under this Agreement, in which case that party is not liable for Joint Venture Borrowing related to that portion of Capital Costs in respect of which the party made the cash advance.

Capital Cost Apportionment

7.11 The Capital Costs will be apportioned among the parties as set out in Schedule C.

Operating Costs Apportionment

7.12 The Operating Costs will be apportioned among the parties on the basis of the metered flow to the party receiving the water from the Englishman River Water Intake and Treatment Facility.

Maintenance Costs Apportionment

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

Administrative Costs Apportionment

7.14 The Administrative Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

Approval of Electors

- 7.15 To the extent lawfully possible, the parties shall conduct jointly any process required to obtain the assent of the electors for any loan authorization bylaw and will not borrow funds under the loan bylaw unless approval is obtained to the borrowing within Parkville and the Water Service Area.

Part 8 BUDGETS

Fiscal Year

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

Provisional Budgets

- 8.2 On or before December 15th of the year preceding each fiscal year of the Joint Venture, the Management Committee will submit to the Management Board for its review a provisional operating budget (the “provisional Operating Budget”). A provisional maintenance budget (the “provisional Maintenance Budget”) and a provisional capital expenditure budget (the “provisional Capital Budget”). The Management Board must recommend these provisional Budgets for the consideration of the Joint Venturers.

Budget Recommendations

- 8.3 On or before January 31st in each fiscal year of the Joint Venture, the Management Board must recommend to the Joint Venturers an Operating Budget, Maintenance Budget and Capital Budget.

Operating Budget

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

Maintenance Budget

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

Capital Budget

- 8.6 The Capital Budget will set out in reasonable detail all Capital Costs for the next five

fiscal years and will indicate the amount of such Capital Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Operations in Conformity with Budgets

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

Approval of Budgets

8.8 Subject to Section 4.14, the Management Board will recommend to the Joint Venturers with or without amendment, the Budgets submitted to the Management Board by the Management Committee.

Effect of Approved Budgets

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

Part 9 BUDGET, ACCOUNTING AND FINANCIAL REPORTS AND RECORDS

Accounting Books and Records

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

Financial Reports

9.2 The Operator will, upon request from the Management Board, provide the Management Board and Management Committee with unaudited financial statements, reflecting in reasonable detail, but in summary form, the results of operations and financial situation of the Joint Venture for the periods requested.

Location and access to Records

9.3 The Operator will cause all books and records of the Joint Venture to be kept in its offices. The Operator will permit each Joint Venturer, its accountants and other representatives, at the Joint Venturer's own expense and at all reasonable times to examine and make copies of these documents and any documents under the control of the Operator and relating to the Joint Venture.

Budgeting, Accounting and Financial Records Support

9.4 The City of Parksville shall provide at the cost of the Joint Venture, budgeting, accounting and financial reporting support to the Management Committee and the Management Board as required by this Agreement.

Part 10 RESTRICTIONS ON DISPOSITION

No Disposition of Participating Interest

10.1 A Joint Venturer will not sell, assign, pledge, mortgage or otherwise dispose of its interest in this Agreement and the Joint Venture Assets (referred to in Section 10.6 as a "Share"), except as set out in Sections 10.2 or Part 13.

Right of First Refusal to Purchase Participating Interest

10.2 If a Joint Venturer receives a legally binding offer to purchase all or a portion of the Joint Venturer's interest in this Agreement and the Joint Venture Assets, the Joint Venturer will not accept such offer (unless such acceptance is conditional on compliance with this Section 10.2) unless:

- (a) the offer is from another local government;
- (b) it has delivered to the other Joint Venturers a copy of such offer, which delivery will be deemed to be an irrevocable offer by the first Joint Venturer, to sell to the other Joint Venturers its interest in this Agreement and the Joint Venture Assets on the same terms, and conditions as are set out in that offer;
- (c) the other Joint Venturers have not accepted the offer within 180 days of receipt thereof; and
- (d) if the other Joint Venturers' consent, which consent to not to be unreasonably withheld or delayed, it completes the agreement of purchase and sale pursuant to the offer (which may include terms for payment agreed by the Joint Venturers) within one year after delivery of the offer to the other Joint Venturer and the purchaser enters into an agreement with the other Joint Venturer whereby the purchaser agreed to become a party to this Agreement and to assume and perform all of the obligations of the selling Joint Venturer hereunder.

10.3 Any agreement of purchase and sale formed as provided in Section 10.2 that involves the transfer of title to land or an interest in land will be completed on a Land Title

Office business day that is not later than one year after the date on which the offer was first delivered to the other Joint Venturers under Section 10.2(a) and that agreement of purchase and sale is subject to all of the following:

- (a) the agreement of purchase and sale formed thereby is an agreement in respect of which time is of the essence;
 - (b) the selling Joint Venturer shall execute and deliver at completion of the agreement such transfers or other instruments of conveyance, in registerable form, as are necessary to transfer and convey to and in favour of the purchasing Joint Venturer all of the right, title and interest of the selling Joint Venturer in and to this Agreement and the Joint Venture Assets and will do all such things and take all such actions as may be necessary to comply with and fulfil the intent of this Agreement and the agreement of purchase and sale;
 - (c) the purchasing Joint Venturer will pay the purchase price for the interest in question and will execute and deliver all such documents and do all such things and take all such actions as may be necessary to fulfil the intent of this Agreement and the agreement of purchase and sale;
- 10.4 The interest sold out by the selling Joint Venturer will be transferred free and clear of all financial liens, charges and encumbrances whatsoever. Without limiting Section 2.6, each of the Joint Venturers hereby irrevocably and conclusively waives the benefits of all provisions of law relating to actions for a partition or sale in lieu of partition or administration of real and personal property including, without limitation, the *Partition of Property Act* (British Columbia) and each of the Joint Venturers agrees with the others that it will not commence any action at law or in equity for a partition or sale in lieu of partition of any real property that forms part of the Joint Venture Assets or seek administration in respect thereof.
- 10.5 A Joint Venturer must not accept an offer under Section 10.2 received less than one year before the end of the Term of this Agreement under section 13.1(c).
- 10.6 A Joint Venturer may not transfer a Share to a party other than a Joint Venturer except in accordance with Section 10.2 or Part 13.
- 10.7 Notwithstanding Section 10.2, in the event that the other Joint Venturers exercise their Right of First Refusal under this part, the terms and conditions will be those as contemplated in Section 10.2 with the exception that the time for payment of the purchase price to the selling Joint Venturer contemplated by the offer to purchase will, at the option of the purchasing Joint Venturer or Joint Venturers, be extended up to five (5) years; or for such longer term where the assent of the electors has been obtained.

Part 11 LIABILITY OF THE JOINT VENTURE

Liability, Indemnification and Insurance

- 11.1 If a claim by any third party arising out of the operations of the Joint Venture is made against the Joint Venturers or any of them, each of the Joint Venturers will share the

liability (including interest and legal fees on a solicitor and client basis) for the claim pro rata to its Participating Interest and will indemnify and save harmless the other Joint Venturer against liability for the claim to the extent of its Participating Interest.

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

Notice of Claims

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

Insurance

11.3 The Joint Venturers are public bodies and are insured by the Municipal Insurance Association. Each Joint Venturer will maintain at its sole cost and expense, in good standing for the Term, liability insurance against the third party claims arising from the Joint Venture and operation of the Englishman River Water Intake and Treatment Facility with inclusive limits of not less than Five Million (\$5,000,000.00) Dollars for bodily injury, including death and property damage, and in that event, a Joint Venturer will, on request from another Joint Venturer, provide evidence that such insurance is, at all times during the Term, enforceable and in effect.

Part 12 DEFAULT

Default

12.1 The occurrence of any of the following events will be an Event of Default by a Joint Venturer under this Agreement:

- (a) the failure of a Joint Venturer to perform or observe any of its covenants or agreements in this Agreement, if such failure is not cured within 45 days of written notice from the other Joint Venturers specifying such failure;
- (b) a Joint Venturer becomes insolvent; or
- (c) an administrative commissioner is appointed in respect of a Joint Venturer under section 767 of the *Local Government Act* and is not discharged within 45 days.

Remedies Upon an Event or Default

12.2 Upon the occurrence of an Event of Default by or with respect to a Joint Venturer:

- (a) the defaulting Joint Venturer will forthwith upon the written request of the other Joint Venturers given within 60 days after the Event of Default, sell its

Participating Interest to the other Joint Venturers free and clear of all liens, charges and encumbrances other than security for liabilities incurred in accordance with this Agreement in the business of the Joint Venture, for a price equal to the defaulting Joint Venturer's Participating Interest in the net book value of the Joint Venture Assets as at the date of the written request, less 10% of such book value;

- (b) if the Joint Venturers do not agree as to the net book value of the Joint Venture Assets within 10 Business Days after the date of the written request, then at the direction of any of the Joint Venturers, the net book value will be determined by the accountants for the Joint Venture if the accountants have been appointed for the Joint Venture and are willing to accept such engagement, and otherwise by the business valuator appropriately qualified by the Canadian Institute of Chartered Business Valuators selected by the non-defaulting Joint Venturer, whose opinion will be binding upon the Joint Venturers and whose fees and disbursements for these services will be borne by the defaulting Joint Venturer;
- (c) the closing date for the sale of the defaulting Joint Venturer's interest will be 120 calendar days after the determination of the purchase price and will be completed by the execution and delivery by the defaulting Joint Venturer (the "Seller") of such transfers, bills of sale, assignments and other conveyancing documents from the seller to the purchasing Joint Venturer (the "Buyer") in such form as reasonably required by the Buyer and by the delivery of possession on the Joint Venture Assets to the Buyer;
- (d) the purchase price will be paid by the Buyer on the Closing Date;
 - (i) by set-off to the extent determined by the Buyer against monies due and owing by the Seller to the Buyer, if any;
 - (ii) by the assumption, to the extent determined by the Buyer, of the Seller's share of the liabilities of the Joint Venture; and
 - (iii) as to any balance by certified cheque or bank draft payable to the Seller's order;
- (e) the obligation of the Buyer to complete the purchase is subject to the condition that all required consents and approvals to the sale have been obtained but this condition is for the sole benefit of the Buyer and may be waived in whole or in part by the Buyer at any time.

The rights and procedures set forth in this Section 12.2 will be concurrent with and in addition to and without prejudice to any other rights or remedies at law or in equity which any Joint Venturer may have in respect of any Event of Default.

Part 13 TERM, WITHDRAWAL AND TERMINATION

Term

- 13.1 This Agreement and the Joint Venture will continue in force until the earlier of:
- (a) the date when all the Joint Venture Assets have been disposed of and all liabilities and obligations incurred from the business of the Joint Venture have been satisfied;
 - (b) the date when a single Joint Venturer acquires all of the interest of the other Joint Venturers in the Joint Venture Assets and the business of the Joint Venture; or
 - (c) four years and six months from the date of the making of this Agreement;
 - (d) provided that following the time referred to in paragraph (c) the parties may then during the following six months exercise their rights of acquisition under sections 13.4, 13.5, or 13.9 of this Agreement and for certainty this Agreement shall remain in force for such time insofar as necessary to permit the transactions to be completed.

Withdrawal

- 13.2 A party may withdraw from this Agreement with the approval of all parties to the Agreement and, unless otherwise agreed, subject to the following conditions:
- (a) all capital funds provided to the date of the Notice of Withdrawal by the party proposing to withdraw from the Joint Venture are deemed to be Joint Venture Assets;
 - (b) the additional Operating Costs arising from the withdrawal of a party under this Agreement must then be assumed by the remaining party or divided between the remaining parties based on the metered flow to the party receiving the supply of water in bulk;
 - (c) the additional Maintenance Costs arising from the withdrawal of the party must be assumed by the remaining party or apportioned between the remaining parties as outlined in Part 7;
 - (d) the Joint Venture Assets are, on and after the date of the Notice of Withdrawal given by the party withdrawing, solely assets of the remaining Joint Venturer or Joint Venturers.

Actions on Termination

- 13.3 Upon the termination of this Agreement and the Joint Venture, other than pursuant to Section 13.1(b), unless the Joint Venturers otherwise agree, two representatives of each of the Joint Venturers shall meet within 10 business days of the termination and:
- (a) each party shall advise the other parties whether they wish to enter into a new

agreement regarding the Joint Venture;

- (b) if one party does not wish to enter into a new agreement regarding the Joint Venture then, unless the parties otherwise agree, the end of the participation of a Non Continuing Party in the Joint Venture will be determined under Section 13.4;
- (c) If no party wishes to enter into a new agreement regarding the Joint Venture, and only one party wishes to acquire the Participating Interest of another party or parties in the Joint Venture Assets (the "Continuing Party"), the transfer will be governed by Section 13.4; and
- (d) In all other cases the terms and conditions of the dissolution of the Joint Venture will be governed by Section 13.5.

Non Continuing Party

13.4 If the parties cannot otherwise agree on the terms and conditions regarding the end of the participation of a Non Continuing Party in the Joint Venture, the Non Continuing Party will upon the written request of the Continuing Party given within sixty (60) days after the meeting referred to in Section 13.3, sell its Participating Interest to the Continuing Party on the terms and conditions and in accordance with the procedure in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement unless a longer closing date has been approved by the electors.

Dissolution of Joint Venture – Right of First Refusal

- 13.5 (a) Where none of the parties wish to enter into a new joint venture agreement, each party will decide whether it wishes to dispose of its Participating Interest in the Joint Venture Assets, and advise the other parties of its decision in writing within thirty (30) days of the meeting referred to in Section 13.3 of this Agreement;
- (b) A party wishing to dispose of its Participating Interest must offer to sell its Participating Interest in the Joint Venture Assets to the other parties with such sale to be on the terms and conditions and in accordance with the procedure set out in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement, unless a longer closing date has been approved by the electors.
- (c) Where a party has not advised the other parties of its decision within the time limit referred to in paragraph (a), it will be deemed to have offered to sell its Participating Interest in the net book value of the Joint Venture Assets to the other parties under paragraph (b).

Dispute Resolution on Dissolution

13.6 Terms and conditions of the withdrawal of a Non Continuing Party in circumstances not otherwise addressed in this Agreement may be resolved before a single arbitrator

in accordance with the procedure that follows the procedures set out in section 366 of the *Local Government Act*, with necessary changes insofar as they are applicable as follows:

- (a) the terms and conditions for withdrawal must be resolved before a single arbitrator by full arbitration, unless the parties agree to final proposal arbitration;
- (b) the parties will select the arbitrator from a list of arbitrators prepared by the Minister of Community, Sport and Cultural Development (or such other Minister having responsibility for the *Local Government Act*) for the purposes of section 366(3) of the *Local Government Act*, or, if there is no such list, as agreed upon by the parties, or, failing agreement, as appointed by a judge of the British Columbia Supreme Court;
- (c) the arbitrator may conduct the proceedings at the time and in the manner he or she determines;
- (d) the arbitrator must consider any terms and conditions agreed upon by the parties that are to govern the arbitrations;
- (e) the terms and conditions must be resolved by the arbitrator, who is not restricted in his or her decision to submissions made by the parties on the disputed issues;
- (f) the final resolution may establish different terms and conditions for different Non Continuing Parties;
- (g) the arbitrator must give written reasons for the decision; and
- (h) the costs of the arbitration must be borne by the parties as if they were Maintenance Costs under this Agreement.

In reaching his or her decision, the arbitrator must, to the extent practicable, impose terms and conditions that avoid the alienation or transfer of Joint Venture assets from public ownership and for that purpose, ensure that any interest of a party is offered first to the other parties under this Agreement and secondly to another local government before such assets are made available to any other party.

Liquidation

13.7 If no party wishes to continue the Joint Venture, and no party wishes to purchase the interest of the other Joint Venturer pursuant to Sections 13.3 and 13.4, the Joint Venturers will appoint a liquidator to act on their collective behalf to liquidate the Joint Venture Assets. If a liquidator is appointed he or she shall act on behalf of the Joint Venturers to realize the Joint Venture Assets, satisfy all Joint Venture Liabilities and pay the balance of the proceeds of realization to the Joint Venturers in proportion to their Participating Interests. Each of the Joint Venturers will be entitled to bid for and purchase the whole or any part of the Joint Venture Assets on liquidation. Subject to

requirements of the *Local Government Act* and *Community Charter* and to agreement otherwise, liquidation shall be carried out under the procedure of Part 10 of the *Business Corporations Act* (British Columbia) insofar as applicable to a Joint Venture.

Determining Value

13.8 If the parties agree on a sale of the Non Continuing Party's Participating Interest but do not agree as to the net book value of the Joint Venture Assets, such value may be determined in accordance with the procedure set out in Section 12.2(b) and the sale of the Non Continuing Party's Participating Interest will be carried out in accordance with the procedure set out in Sections 12.2(c) to 12.2(e).

Completion of Sale

13.9 If the arbitrator's decision involves the sale of a Non Continuing Party's Participating Interest such sale shall be completed no later than five (5) years from the date of this Agreement unless assent of the electors to such longer term has been obtained.

Survival of Obligations

13.10 The provisions of this Part 13 and all other provisions of this Agreement necessary to give full effect thereto will survive the termination of this Agreement and, despite termination of this Agreement or the Joint Venture; no party will by reason of such termination be relieved of any obligation or liability toward any other party accrued hereunder prior to termination all of which will remain unenforceable until fully satisfied.

Part 14 NEW PARTY

14.1 A new party other than Qualicum Beach may become a Joint Venturer under this Agreement:

- (a) by entering into an Agreement with the existing Joint Venturers that contains all of the terms and conditions set out in this Agreement; and
- (b) with the unanimous consent of the existing Joint Venturers.

Other Terms and Conditions

14.2 Despite Section 14.1, the Joint Venturers may, at any time, make an agreement on behalf of the Joint Venturers to supply water in bulk to a person not a party to the Joint Venture.

Part 15 BOUNDARY ADJUSTMENTS

15.1 Despite the other provisions of this Agreement, if the area of a municipality is extended into a Water Service Area:

- (a) that portion of the Water Service Area that was situated in the rural area and that has become added to the municipality is hereby deemed to be added to

the Community Water System of that municipality;

- (b) Capital Costs, Operating Costs and Maintenance Costs will be apportioned as between RDN and the extended municipality by taking into account the deletion of water supply volume from the account of RDN and adding of water supply volume to the account of the municipality; and
- (c) the cost of the supply of water in bulk to RDN and to the municipality will be adjusted to reflect the reduction of the Water Service Area and extension of the Community Water System.

Part 16 GENERAL

Amendments

- 16.1 This Agreement may not be modified or amended except by written agreement of all the parties hereto.
- 16.2 The parties acknowledge that at some point in the future the RDN may wish to reallocate water capacity under this Agreement to provide the residents of the service area established under the French Creek Bulk Water Supply Local Service Area Establishment Bylaw No. 1050, 1996 with an opportunity to participate in the design, construction, reconstruction, purchase, operation, maintenance of the Englishman River Water Intake and Treatment Facility within the amount of the Participating Interest of the RDN determined under section 2.9 of this Agreement and that the parties to this Agreement shall execute all necessary amendments, documents, and assurances reasonably required to facilitate the reallocation of the Participating Interest of the RDN.

Notices

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

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Attention: Corporate Officer
 - (b) if to Parksville:

PO Box 1390
Parksville, BC V9P 2H3

Attention: Director of Administrative Services

Any notice or other communication so given will be deemed to have been received at the time of its delivery if delivered by hand, three Business Days after the date of mailing if mailed and at the time the sender receives a confirmation of dispatch if

transmitted by facsimile transmission. Each party will notify the other parties of any change of address.

Entire Agreement

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

Arbitration

16.5 In the case of a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation thereof which has not been resolved within 45 calendar days of either Joint Venturer giving notice to other Joint Venturer thereof, or in the case of a deadlock as described in Section 4.12, the dispute, disagreement or deadlock will, upon notice from either Joint Venturer to the other Joint Venturer, be referred to a single arbitrator pursuant to the *Arbitration Act* (British Columbia) whose decision will be final and binding.

Enurement

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

Further Assurances

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

Schedules

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

- (a) Schedule A – Englishman River Water Intake and Treatment Facility;
- (b) Schedule B – Water Service Areas;
- (c) Schedule C – Capital Cost Apportionment.

Local Government Act and Community Charter

16.9 The obligations of the parties under this Agreement are subject to the requirements of the *Local Government Act* and the *Community Charter* respecting the provision of the Englishman River Water Intake and Treatment services by the Joint Venturers.

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

REGIONAL DISTRICT OF NANAIMO by its)
authorized signatories)

_____)
Name:)

_____)
Name:)

CITY OF PARKSVILLE by its authorized)
Signatories)

_____)
Name:)

_____)
Name:)

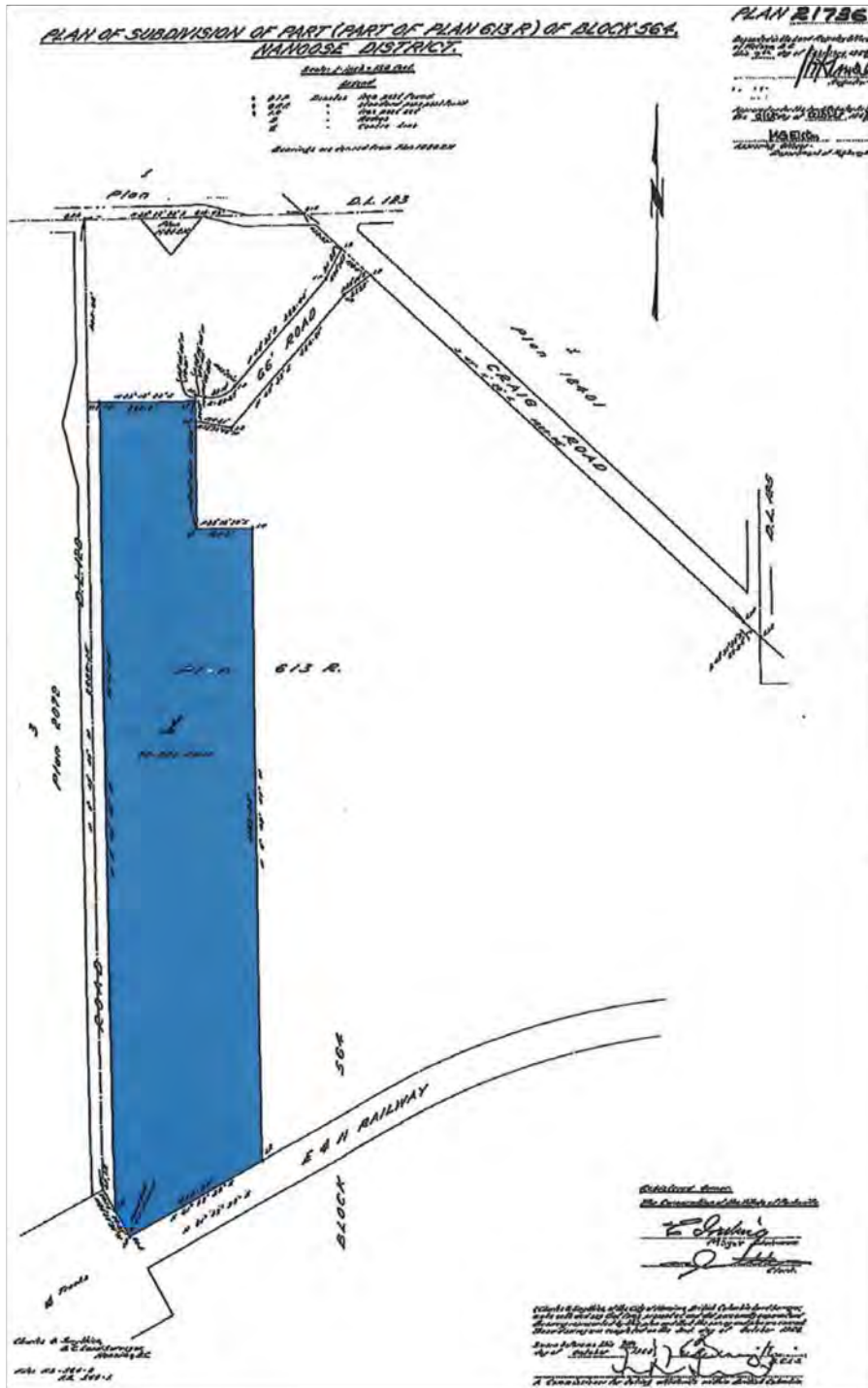
SCHEDULE "A"

DESCRIPTION OF ENGLISHMAN RIVER WATER INTAKE AND TREATMENT FACILITY

Englishman River Water Intake and Treatment Facility - Description of Future Capital Works

1. The 8 hectares parcel of land, legal description; Lot 1, Block 564, Nanoose District Plan 21736 as shown in Schedule A-1 attached hereto;
2. The surface water river bank intake structure located upstream of Highway 19 including trash screens, flow inlet valves, screening, low lift pumps, electrical controls and back flush / overflow piping;
3. Access roads and park remediation works from the treatment facility to the river bank intake structure;
4. The raw water penstock supply main from the river intake structure upstream of Highway 19 to the Water Treatment Facility;
5. Provisional Operational Rule – Arrowsmith Lake Reservoir and Conditional Water License: 110050;
6. The Treatment Facility located on Lot 1, Block 564, Nanoose District Plan 21736 including but not necessarily limited to:
 - Administration office space
 - Lab space and associated equipment
 - Public areas and washrooms
 - Pretreatment building and associated equipment
 - Filtration building and associated equipment
 - Chemical / disinfection building and associated process equipment
 - Pump Station and associated control equipment
 - Dewatering building and associated process equipment
 - Solids storage area and associated process equipment
 - Equalization tanks and associated process equipment
 - Sludge tanks and thickeners
 - Residuals pump station / handling area and associated process equipment
 - Clearwells / distribution pump station and associated control equipment
 - Overflow ponds
 - Facility access road
 - Water meters and general control instrumentation and equipment
 - Centralized Supervisory Control and Data Acquisition (SCADA) for the Water Treatment Facility
 - Centralized SCADA for the distribution system and Aquifer Storage and Recovery (ASR) facility
7. Supply watermains to provide connection from the water treatment facility connecting to the existing Regional District of Nanaimo distribution watermains and the City of Parkville distribution mains.

8. Radio control equipment and housing to provide all wireless communications to all Intake, Treatment and distribution metering and connection points for SCADA monitoring.
9. Aquifer Storage and Recovery facility including all pumps, wells, control buildings, valves, distribution piping, land and supply main piping.



SCHEDULE A-1

SCHEDULE “B”

WATER SERVICE AREAS

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

- Nanoose Bay Bulk Water Supply Service Establishment Bylaw No. 1049.

SCHEDULE "C"

CAPITAL COST APPORTIONMENT

The Englishman River Water Intake and Treatment Facility Capital Cost Apportionment

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

Parksville: 74%

Electoral Area E – Nanoose: 26%

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



RDN REPORT		
CAO APPROVAL		
EAP		
CoW	✓	
MAY 31 2016		
RHD		
BOARD		

STAFF REPORT

TO: Randy Alexander
General Manager,
Regional & Community Utilities

DATE: May 25, 2016

FROM: Mike Donnelly
Manager, Water & Utility Services

MEETING: CoW, June 14, 2016

FILE: 5600-07

SUBJECT: Support Letter - Georgia Basin Inter-Regional Education Initiative

RECOMMENDATION

That the Board directs staff to provide a letter supporting the Partnership for Water Sustainability in BC in their request to the Province for a 5-year funding commitment towards the Georgia Basin Inter-Regional Education Initiative.

PURPOSE

To seek approval from the Board for a letter of support for the continuation of the Inter-Regional Education Initiative related to rainwater management and watershed health being coordinated through The Partnership for Water Sustainability in BC (the Partnership).

BACKGROUND

The Georgia Basin Inter-Regional Educational Initiative (IREI) is led by the Partnership. Five regional districts are collaborating with the Partnership in the IREI including the Nanaimo Region, Capital Region, Cowichan Valley Region, Comox Valley Region and Metro Vancouver. In March and April of 2015, all five Regional District Boards passed resolutions supporting inter-regional collaboration under the umbrella of the Partnership.

A joint application for a capacity-building grant for the IREI was made to UBCM in 2015 by the Partnership and the Cowichan Valley Regional District, on behalf of the five regional districts participating in the IREI including the Regional District of Nanaimo. The application was unsuccessful in receiving 2016 funding. In response the Partnership has requested a letter of support from the participating Regional District of Nanaimo Boards, supporting the Partnership’s request to the Province for a 5-year funding commitment towards the IREI for 2017-2021. A draft letter of support is attached for reference.

GEORGIA BASIN INTER-REGIONAL EDUCATION INITIATIVE (IREI)

Launched in 2012, IREI provides local governments with a mechanism to collaborate, share outcomes and cross-pollinate experience. The IREI program:

- Helps the Regional District of Nanaimo and its members better deliver on regulatory commitments and actions identified in the ‘rainwater component’ of the Liquid Waste Management Plan;
- Builds local government capacity through professional development;

- Enables local governments to leverage resources for common activities such as education, research and policy development.

The focus of the IREI work plan is to promote integration of service, natural asset and financial sustainability through an asset management process to achieve healthy watersheds. Local government capacity is built through inter-regional working sessions, cross-fertilization of experience, and deliverables (documentation of process and outcomes). IREI deliverables include, Beyond the Guidebook Primer Series, Watershed Case Profile Series, and the Water Balance Workshop Series.

ALTERNATIVES

1. A letter to the Partnership supporting their request to the Province for a 5-year funding commitment towards the Georgia Basin Inter-Regional Education Initiative.
2. That the Board provide alternative direction.

FINANCIAL IMPLICATIONS

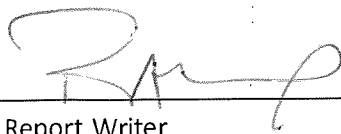
There are no financial implications associated with the recommendation.

STRATEGIC PLAN IMPLICATIONS

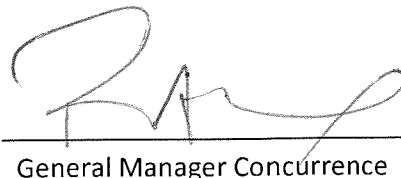
The Board strategic plan supports partnering with other levels of government to achieve common goals and to enhance environmental protection.

SUMMARY/CONCLUSIONS

It is recommended that the Board direct staff to provide a letter to the Partnership For Water Sustainability supporting their request to the Province for a 5-year funding commitment towards the Georgia Basin Inter-Regional Education Initiative.



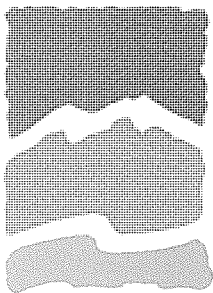
Report Writer



General Manager Concurrence



CAO Concurrence



REGIONAL
DISTRICT
OF NANAIMO

May 31, 2016

Kim Stephens
Executive Director
Partnership for Water Sustainability in British Columbia
1010 Cowan Point Drive
Bowen Island, BC V0N 1G2

Re: Partnership for Water Sustainability

I am writing on the direction of the Regional District of Nanaimo (RDN) Board in support of the request of the Partnership for Water Sustainability (the Partnership) for provincial support and funding of its 2017 to 2021 activities.

The RDN has been an active partner in the Partnership for over 10 years. The partnership supports and enhances the efforts of the RDN and other local and regional governments across BC, in achieving our water sustainability goals.

The Partnership's "Inter Regional Education Initiative" (IREI) brings together 5 Regional Boards in the Georgia Basin (Regional District of Nanaimo, Capital Regional District, Cowichan Valley Regional District, Comox Valley Regional District; Metro Vancouver) for shared learning on the issues and challenges related to water management and land use planning. This program is effectively demonstrating how to align regional and local actions with the provincial policy, program and regulatory framework.

The next phase of the IREI program will focus on opportunities to integrate watershed systems thinking into asset management, in support of the Province's "Asset Management for Sustainable Service Delivery" initiative.

Sincerely,

6300 Hammond Bay Rd.
Nanaimo, B.C.
V9T 6N2

Ph: (250)390-4111
Toll Free: 1-877-607-4111
Fax: (250)390-4163

RDN Website: www.rdn.bc.ca

Randy Alexander
General Manager
Regional & Community Utilities

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE ELECTORAL AREA 'A' PARKS, RECREATION AND
CULTURE COMMISSION REGULAR MEETING
HELD WEDNESDAY, MAY 18, 2016
7:00PM

(CEDAR HERITAGE CENTRE)

Attendance: Alec McPherson, RDN Director, Chair
Jim Fiddick
John O'Connor
Kerri-Lynne Wilson
Bernard White
Patti Grand

Staff: Dean Banman, Manager of Recreation Services
Hannah King, Superintendent of Recreation Program Services
Ann-Marie Harvey, Recording Secretary

Regrets: Angela Davies
Graham Gidden
Andrew Thornton

CALL TO ORDER

Chair McPherson called the meeting to order at 7:08pm.

DELEGATIONS/PRESENTATION

None

MINUTES

MOVED Commissioner Wilson, SECONDED Commissioner Grand that the Minutes of the Regular Electoral Area 'A' Parks, Recreation and Culture Commission meeting held April 20, 2016 be adopted.

CARRIED

BUSINESS ARISING FROM THE MINUTES

None

REPORTS

Recreation

Community Works Fund for Snuneymuxw Sport Court

Mr. Banman gave a summary of the report and answered questions from the Commissioners about the agreement.

Commissioners agreed that they would like to visit the site where the sport court work will be done. Mr. Banman will contact Snuneymuxw to arrange a time for the Commissioners to visit the site as a group.

MOVED Commissioner White, SECONDED Commissioner Wilson that the Regional District of Nanaimo Board enter into the Contribution Agreement as provided in Attachment I that provides up to \$300,000 in Electoral Area 'A' Community Works Funds to Snuneymuxw First Nation for use in the capital upgrade of the lacrosse box (sport court) located on Nanaimo River I.R. #4 in exchange for community use access as per the terms of the Agreement.

CARRIED

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NONE

NEW BUSINESS

Canada 150

Chair McPherson mentioned that Sheila Gourlay of Cedar School and Community Enhancement Society (CSCES) asked him about the Cedar Heritage Centre creating a museum type area in the centre with all the heritage information that is stored away and the possibility of funding for that. He noted that Community Works Funds could be a possibility or could be a good project for Canada 150 grants and he will tell Ms. Gourlay that they can make an application for a grant to be considered.

COMMISSIONER ROUND TABLE

None

ADJOURNMENT

MOVED Commissioner O'Connor that the meeting be adjourned at 8:05pm.

CARRIED

Chair

TO: Tom Osborne
General Manager of Recreation and Parks

DATE: May 11, 2016

FROM: Dean Banman
Manager of Recreation Services

MEETING: Special Meeting Electoral Area 'A'
PRC Commission, May 18, 2016

FILE:

SUBJECT: Contribution Agreement- Community Works Funds for Snuneymuxw Sport Court

RECOMMENDATION

That the Regional District of Nanaimo enter into the Contribution Agreement as provided in Attachment I that provides up to \$300,000 in Electoral Area 'A' Community Works Funds to Snuneymuxw First Nation for use in the capital upgrade of the lacrosse box (sport court) located on Nanaimo River I.R. #4 in exchange for community use access as per the terms of the Agreement.

PURPOSE

To review providing funds through an agreement to upgrade and replace an existing lacrosse box (sport court) that is owned and managed by Snuneymuxw First Nation (SFN) to then be made available to the Electoral Area 'A' for community use.

BACKGROUND

Since 2010 the non-profit organization Cedar Ballhockey Challenge Association has organized a very successful fundraising event known as the Cedar Ballhockey Challenge. The Association was formed with the purpose of fundraising for recreation facilities in Electoral Area 'A'. One of the larger fundraising events hosted by the Association is the July annual ballhockey tournament. The tournament consists of four divisions which include a children's division and attracts over 200 players. Up to 2013 this event was held at North Cedar Intermediate School. Upon closure of the school the Association was forced to find an alternative site. SFN council very generously offered the use of their lacrosse box on reserve #4.

During the same time period elected officials from both the RDN and SFN realized an opportunity to collaborate on enhancing recreation facilities for both SFN and Electoral Area 'A' residents. The results of discussions have materialized into the attached proposed agreement that would see the RDN fund the majority of this project and SFN over a ten year term allowing and enhancing the ability of the larger community to access the sport court.

In January 2015, the RDN Board approved up to \$120,000 from EA 'A' CWF funding subject to a long term community use agreement be established. Since that time the design and costing of the project has been refined in collaboration with SFN's project engineer, Chief Wesley, and Electoral Area 'A' Director McPherson. Through this process it was determined that funding assistance in the amount of \$300,000 through the Electoral Area 'A' Community Works funds would be required in order to advance the project.

A Contribution Agreement (Attachment I) has now been developed and is ready for SFN Council and RDN Board approval. The Agreement will provide funding for the majority of capital funding for the sport court upgrade and in exchange the facility is accessible to the entire community under the terms provided in the Agreement. As provided for in the Agreement, SFN is responsible for the project's construction and long term management of the facility.

ALTERNATIVES

1. That the Regional District of Nanaimo enter into the Contribution Agreement as provided in Attachment I that provides up to \$300,000 in Electoral Area 'A' Community Works Funds to Snuneymuxw First Nation for use in the capital upgrade of the lacrosse box (sport court) located on Nanaimo River I.R. #4 in exchange for community use access as per the terms of the Agreement.
2. That the Agreement not be approved as attached and alternative direction be provided.

FINANCIAL IMPLICATIONS

Both the project funding and partnership with Snuneymuxw are authorized under the Community Works Funds eligibility criteria. The entire amount would be provided solely through Electoral Area 'A' Community Works funds which has a projected 2016 yearend balance of \$1,462,176. Any expenses related to annual and/or ongoing maintenance would continue to be the responsibility of SFN.

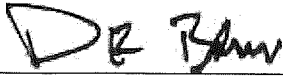
STRATEGIC PLAN IMPLICATIONS

Establishing a community partnership and enhancing recreation facilities is consistent with the strategic priorities of service and organizational effectiveness as well as relationship building. By developing more compact, complete communities and a neighbourhood form that provides opportunities for a gathering place for community relationships to develop and strengthen.

SUMMARY

In January 2015, the RDN Board approved up to \$120,000 from EA 'A' CWF funding subject to a long term community use agreement be established. Since that time the design and costing of the project has been refined in collaboration with SFN's project engineer, Chief Wesley, and Electoral Area 'A' Director McPherson. Through this process it was determined that funding assistance in the amount of \$300,000 through the Electoral Area 'A' Community Works funds would be required in order to advance the project.

A Contribution Agreement (Attachment I) has now been developed and is ready for SFN Council and RDN Board approval. The Agreement will provide funding for the majority of capital funding for the sport court upgrade and in exchange the facility will be accessible to the entire community under the terms provided in the Agreement. As provided for in the Agreement, SFN will be responsible for the project's construction and long term management of the facility.



Report Writer



General Manager Concurrence



A/CAO Concurrence

ATTACHMENT I

Contribution Agreement re Use of Community Works Funds

This Agreement dated effective the _____ day of _____, 2016.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(herein called the "RDN")

OF THE FIRST PART

AND:

SNUNEYMUXW FIRST NATION

668 Centre Street
Nanaimo, BC V9R 4Z4

(herein called "SFN")

OF THE SECOND PART

WHEREAS:

- A. The Regional Board of the RDN has entered into a Community Works Fund ("**CWF**") Agreement (the "**CWF Agreement**") with the Union of British Columbia Municipalities ("**UBCM**") to enable the RDN to build and revitalize public infrastructure that supports productivity, economic growth, a clean environment and strong cities and communities, and to benefit from the CWF in accordance with the terms and conditions of the Administrative Agreement on the Federal Gas Tax Fund in British Columbia dated April 1, 2014 between Canada, British Columbia, and the UBCM (the "**Administrative Agreement**");
- B. The CWF Agreement contemplates that Local Governments will enter into Contracts with Third Parties for the implementation of Eligible Projects;
- C. The RDN has been advised by UBCM that an entity such as SFN may be considered a Third Party pursuant to the CWF Agreement, and the RDN may enter into Contracts with Third Parties to supply Eligible Projects, provided that all requirements of the CWF Agreement are met;
- D. If CWF funding is used for an Eligible Project that results in the development of Infrastructure on lands owned by SFN, the RDN remains the Ultimate Recipient of the CWF funding and must fulfill its commitments to the UBCM under the CWF Agreement in relation to the Eligible Project;
- E. There is an existing recreational facility in the form of a lacrosse box and sport court (the "**Sport Court**") located on Nanaimo River IR #4 (the "**Reserve**").

- F. SFN and the RDN agree that upgrades to the Sport Court are needed in order that both the SFN community and the residents of Electoral "A" may use and benefit from the Sport Court.
- G. The RDN has indicated support for the upgrade of the Sport Court by SFN as an Eligible Project through a formal resolution of its Board of Directors, and wishes to enter into an agreement (the "**Contribution Agreement**") between the RDN and SFN stipulating the contribution amount and defining the work and content of the Eligible Project;
- H. The RDN and SFN must comply at all times with the terms and conditions of the CWF Agreement in respect of the use of the CWF for the Eligible Project;
- I. The RDN respectfully recognizes that the Sport Court is located on SFN's Reserve within SFN's traditional territory, and the RDN commits to working with SFN and ensuring the entire RDN Electoral Area 'A' recognizes and respects the Reserve and SFN's traditional territory and opportunity to use the Sport Court upon completion.

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto in consideration of the monies to be paid by the RDN to SFN as hereinafter set forth and of the premises and the mutual covenants hereinafter contained the parties hereto agree as follows:

1. The following Schedules, originating in whole or part from the Administrative Agreement, and appended to the CWF Agreement, are attached to and form part of this Contribution Agreement:

Schedule A – Definitions
 Schedule B – Eligible Project Categories
 Schedule C – Eligible and Ineligible Expenditures

Capitalized terms not otherwise defined in this Contribution Agreement have the meanings as defined in the above Schedule A.

2. (a) Subject to the terms and conditions of this Contribution Agreement, the RDN shall provide up to \$300,000 of the funds received through the CWF Agreement (the "**Contribution**") to SFN for the purpose of renewing and/or enhancing the Sport Court, including without limitation:
- (i) removal and replacement of the existing asphalt playing surface, perimeter boards, perimeter screening, penalty boxes and players benches;
 - (ii) the addition of fixtures and hardware, including but not limited to, site signage, tennis post sleeves, basketball hoops and additional "bounce" or play surfaces attached or immediately adjacent to the sport court; and
 - (iii) other sport court Infrastructure, including but not limited to, underground utilities, footings, conduit, etc. that includes or allows for the future addition of sport court lighting, sport court covering or other Infrastructure that will increase the utilization of the Sport Court by the communities and increasing and improving its capacity to offer cultural, recreational and tourism related events and activities in the community.

(together the “**Project**”).

- (b) The RDN shall pay the Contribution, or portions thereof, to the SFN within 30 days of receipt from the SFN of a quote or an invoice for an Eligible Expenditure, prepared by a licensed contractor or qualified professional, and delivered to the RDN before the date referred to in paragraph 2(f).
 - (c) The SFN shall ensure that the entirety of the Contribution amount provided pursuant to section 2(b) is paid or disbursed in respect of the Eligible Expenditure within 120 days of receipt of the Contribution or any portion thereof.
 - (d) In the event that the SFN does not spend the Contribution or any portion thereof on an Eligible Expenditure for the Project within 120 days of receipt of such amount from the RDN, as required under section 2(c), the SFN shall immediately return the Unspent Funds to the RDN.
 - (e) The RDN shall be not obliged to make any payment under this Contribution Agreement more than one year after Project Completion, after which date the payment obligations of the RDN in respect of the Contribution shall be terminated.
3. The term of this Contribution Agreement shall be from the date of execution until the day that is 10 years after Project Completion (the “Term”).
 4. Subject to this Contribution Agreement, SFN may spend the Contribution for the purposes of the Project only on those expenditures that constitute Eligible Expenditures, as described at Schedule C.
 5. The SFN shall:
 - (a) ensure that the Project is conducted in a safe and efficient manner to a standard that is equal to or higher than if the Project were to be conducted by RDN directly;
 - (b) implement effective improvements with sufficient capacity to meet the anticipated needs of the SFN and RDN Electoral Area ‘A’ communities individually and collectively;
 - (c) obtain and maintain in force all approvals, certificates and permits required by any government authority in connection with the construction and operation of the Project;
 - (d) where applicable comply with all relevant policies and procedures of the Government of Canada – Indigenous and Northern Affairs’ *Tendering Policy on Federally Funded Capital Projects for First Nations on Reserve*;
 - (e) ensure that all components of the Project are operated in accordance with any and all instructions provided by the Project designer, installer, manufacturer or other qualified professional, and maintained in good working condition;

- (f) assume all responsibility related to the proper operation and routine maintenance of all aspects of the Sport Court upon completion of the Project;
 - (g) maintain and operate the Sport Court in a manner equal to or greater than the operation and maintenance standards reasonably expected of facilities of a similar nature within the RDN; and
 - (h) provide advance notice to RDN and the community when the Sport Court will not be available to the general public due to cultural or ceremonial reasons.
6. Notwithstanding sections 4(e), 4(f) and 4(g), SFN shall not be responsible for any repairs, maintenance, upgrades or other work arising directly or indirectly as a result of the negligence or wilful misconduct of the RDN, its elected and appointed officers and employees, servants or agents.
 7. SFN shall take out and maintain at its own cost, for the Term of this Contribution Agreement, general liability insurance in an amount not less than \$5,000,000.00 dollars inclusive per occurrence covering losses for bodily injury and death, property damage and unlicensed vehicle and attached equipment operations and SFN shall furnish certificates of the insurance to the RDN prior to payment of the Contribution by the RDN.
 8. SFN shall indemnify, release and save harmless the RDN, its elected and appointed officers and employees, and the Government of Canada, British Columbia and UBCM and any of its officers, servants, employees or agents, from and against any and all claims, suits, demands, actions, causes of action, damages, costs, fees, fines, and penalties whatsoever, including legal fees and liability, that SFN has or may have or that a Third Party or any person has or may have, caused by or arising from the Contribution or the implementation of the Project by SFN, including liability arising out of any claim, allegation or determination that the RDN has breached the CWF Agreement by transferring the Contribution to SFN pursuant to this Contribution Agreement, including without limitation any obligation to repay funds to UBCM or Canada pursuant to the CWF Agreement or the Administrative Agreement, except to the extent to which such claims or losses relate to the negligence or wilful misconduct of an officer, servant, employee, or agent of the RDN, Canada, British Columbia or the UBCM in the performance of his or her duties.
 9. Nothing in this Contribution Agreement shall be interpreted as creating an agency, joint venture, principal-agent, or partnership relationship between the RDN, UBCM or Canada and SFN, nor an employment relationship between RDN, UBCM or Canada and SFN and its employees or volunteers.
 10. Nothing in this Contribution Agreement shall be deemed to convey or confer on the RDN any title, fee, estate or other right "in rem" on the Reserve.
 11. SFN warrants and represents to the RDN that it has sufficient legal authority to carry out the Project as contemplated by this Contribution Agreement, with the intention that the RDN will rely upon such warranty and representation.
 12. SFN acknowledges and agrees that it has been provided with copies of the Administrative Agreement and the CWF Agreement and that SFN has reviewed those agreements and is aware of the terms and conditions contained therein.

13. The RDN represents and warrants that UBCM considers SFN to be a Third Party pursuant to the CWF Agreement, and the parties acknowledge and agree that this Contribution Agreement constitutes a Contract between SFN and the RDN pursuant to the CWF Agreement.
14. SFN acknowledges that the RDN retains responsibility for the use of the Contribution under the CWF Agreement and reporting on the use of funds received under the CWF Agreement. SFN therefore, as the owner of the funded assets acquired with the Contribution, shall during the Term of this Contribution Agreement and at its cost:
 - (a) maintain all administrative, corporate and accounting records related to the receipt and expenditure of all the Contribution (the "**Records**") in accordance with generally accepted accounting principles, and retain these records for at least six (6) years following completion of the Project;
 - (b) provide access to all Records to RDN, UBCM or Canada auditors upon request by the RDN;
 - (c) spend the Contribution only on Eligible Expenditures of Eligible Projects as defined in the CWF Agreement;
 - (d) ensure that any Contract or agreement with a Third Party in relation to the Project shall:
 - (i) ensure that SFN remains in compliance with all requirements of this Contribution Agreement;
 - (ii) contain terms that oblige such Third Party to comply with the terms and conditions of this Contribution Agreement; and
 - (iii) not cause the RDN to be out of compliance with the CWF Agreement;
 - (e) where the RDN has contributed funds for the Project in the previous calendar year, report to the RDN and provide to the RDN on or before March 31 of each year all other information necessary or useful to permit the RDN to fulfill its reporting requirements to UBCM required under section 6 of the CWF Agreement and section 9 of Schedule A of the Administrative Agreement; and
 - (f) provide further information, documentation and reports upon request by RDN, acting reasonably.
15. SFN acknowledges that the RDN will rely upon information provided to RDN under section 11 of this Contribution Agreement to fulfill its commitments to UBCM pursuant to the CWF Agreement, including to complete reporting in relation to the Project and Eligible Expenditures.
16. SFN will not alter the agreed use of the Contribution for the Project without the written agreement of the RDN, which may be withheld in the sole and complete discretion of the RDN.

17. SFN shall retain ownership of and title to the Project, including all materials, components, devices and equipment acquired with the use of the Contribution, as long as SFN retains ownership of the improvements benefitting from the Project.
18. If SFN disposes of the Project or any interest in the Project through the sale, lease, encumbrance or other disposal of an asset resulting from the Project (the "**Disposition**") within five (5) years of the date of completion and the Disposition is made to, or granted in favour of, a person or entity other than the RDN or a person or entity approved in writing by the RDN, acting reasonably, SFN shall pay any revenue generated or arising from such Disposition to the RDN to be invested by the RDN into other Eligible Projects in accordance with section 6.1(H) of the CWF Agreement.
19. Notwithstanding the preceding, if the Disposition is made for the purpose of obtaining a mortgage for further improvements and enhancements or work otherwise related to the Sport Court or related Infrastructure, SFN shall not be required to pay any of the proceeds of the mortgage to the RDN.
20. Access to the Sport Court
- (a) During the Term of this Contribution Agreement, SFN shall permit reasonable access to the general public to use the **Sport Court** during such hours and at such rates as are available to the general public at similar facilities within the RDN that are used for similar purposes, except that SFN may, at its sole discretion, restrict access to the Sport Court and related area for cultural or ceremonial purposes and where such restrictions are necessary, SFN shall provide reasonable advance written notice to the RDN and the public of the closure.
- (b) SFN may at its sole discretion set the policies for use of and access to the Sport Court, including charging and collection of user fees.
- (c) After the expiry of the Term of this Contribution Agreement, SFN may continue to permit access to the Sport Court by the general public at its sole discretion.
- (d) If, during the Term, the RDN receives complaints from the general public that reasonable access is not permitted (the "Complaint"), contrary to section 20(a) of this Contribution Agreement, the RDN shall provide written notice to SFN of the Complaint. SFN must, within five (5) business days of receiving such written notice of the Complaint, provide access to the general public in accordance with this Contribution Agreement.

21. Default

If either Party is in default of any of its obligations under this Contribution Agreement and, upon receiving written notice of the default from the other Party, fails to correct the default or to take steps to correct the default within ten (10) business days of having received the notice, or such other time as the Parties may agree in writing, the other Party may provide ninety (90) days written notice to the defaulting Party to terminate the Contribution Agreement.

- 22. If this Contribution Agreement is terminated within the first five (5) years of the Term due to an uncorrected default of SFN, then SFN will reimburse the RDN for the full amount of the Contribution, to be invested by the RDN into other Eligible Projects in the complete discretion of the RDN.
- 23. If the Contribution Agreement is terminated within the second five (5) years of the Term due to an uncorrected default of SFN, then SFN will reimburse the RDN a prorated amount of the Contribution calculated as 1/10th of the Contribution amount for each year remaining in the Term.
- 24. If the Contribution Agreement is terminated at any time during the Term due to an uncorrected default of the RDN, then SFN will not be required to reimburse the RDN for any amount of the Contribution that has been paid by the RDN to SFN up to and including the date of early termination of this Contribution Agreement and SFN will be released from all other of its obligations under this Contribution Agreement.

25. Notices

- (a) Each notice sent pursuant to this Contribution Agreement ("**Notice**") shall be in writing and shall be sent to the relevant Party at the relevant address, facsimile number or e-mail address set out below. Each such Notice may be sent by registered mail, by commercial courier, by facsimile transmission, or by electronic mail.
- (b) The Contact Information for the parties is:

RDN	SFN
<i>[incl. email address – ensure long-standing address for contracts of long duration]</i>	

- (c) Each Notice sent by electronic mail ("**E-Mail Notice**") must show the e-mail address of the sender, the name or e-mail address of the recipient, and the date and time of transmission, must be fully accessible by the recipient, and unless receipt is acknowledged, must be followed within twenty-four (24) hours by a true copy of such Notice, including all addressing and transmission details, delivered (including by commercial courier) or sent by facsimile transmission.
- (d) Subject to sections 24(a) through 24(c) each Notice shall be deemed to have been given or made at the following times:

- (i) if delivered to the address (including by commercial courier), on the day the Notice is delivered;
 - (ii) if sent by registered mail, seven (7) days following the date of such mailing by sender;
 - (iii) if sent by facsimile transmission, on the date the Notice is sent by facsimile transmission; or
 - (iv) if sent by electronic mail, on the date the E-Mail Notice is sent electronically by e-mail by the sender.
- (e) If a Notice is delivered, sent by facsimile transmission or sent by electronic mail after 4:00 p.m., or if the date of deemed receipt of a Notice falls upon a day that is not a Business Day, then the Notice shall be deemed to have been given or made on the next Business Day following.
- (f) Notice given by facsimile transmission in accordance with the terms of this section 24 will only be deemed to be received by the recipient if the sender's facsimile machine generates written confirmation indicating that the facsimile transmission was sent.
- (g) If normal mail service, facsimile or electronic mail is interrupted by strike, slow down, force majeure or other cause beyond the control of the parties, then a Notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the Notice shall utilize any other such services which have not been so interrupted or shall personally deliver such Notice in order to ensure prompt receipt thereof.
- (h) Each Party shall provide Notice to the other Party of any change of address, facsimile number, or e-mail address of such Party within a reasonable time of such change.
26. SFN shall take all reasonable steps to ensure that no act or omission of SFN causes the RDN not to be in compliance with all terms and conditions of the CWF Agreement, and, without limiting the foregoing, SFN shall:
- (a) take no action that would place the RDN in breach of any provision of the CWF Agreement;
 - (b) comply, where applicable, with all requirements of the Local Government contained at section 6.1 of the CWF Agreement; and
 - (c) upon receiving written notice from the RDN of an amendment to the CWF Agreement made under section 10 of the CWF Agreement, take all required actions and execute all documents as may be applicable and reasonably required to comply with SFN's obligations under this section.
27. This Agreement has been executed on behalf of SFN and the RDN by those officers indicated below and each person signing the agreement represents and warrants that they are duly authorized and have the legal capacity to execute the Agreement.

28. Compliance with Laws

The SFN shall comply with all statutes, regulations and bylaws applicable to the Project, any requirements of the SFN's insurers and underwriters and all other applicable orders, codes and requirements related to or arising from the Project.

29. Taxes and Charges

SFN shall pay all taxes, charges, levies, duties, licenses, permits and assessments of every nature due and payable with respect to or arising as a result of this Agreement and the Project.

30. Oral Agreements

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 this Agreement, and none of the provisions of this 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.

31. Non-Waiver

Any failure by the RDN 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 RDN at any time to avail itself of such remedies as it may have for any breach of such terms or conditions. No provision in this Agreement, which imposes or may be deemed to impose extra or specific responsibilities or liabilities on SFN shall restrict the general or other responsibilities or liabilities of SFN in any way.

32. No Derogation from Statutory Powers

Nothing contained or implied herein shall prejudice or affect the rights and powers of the RDN in the exercise of its functions under any public or private statute, bylaw, order or regulation, all of which may be fully and effectively exercised in relation to this Agreement as if this Agreement had not been executed and this Agreement shall be subject to and consistent with the statutory restrictions imposed on the RDN under the *Local Government Act*, R.S.B.C., 1996, c. 323 and the *Community Charter*, S.B.C., 2003, c. 26.

33. Liability

SFN shall not, at any time, hold the RDN responsible for any claims or losses of any kind that SFN or its successors may suffer in relation to any matter related to the RDN's supply of oral or written information to SFN or the carrying out of the RDN's responsibilities under this Agreement and SFN waives for itself and its successors the right to sue the RDN in tort for any loss, including economic loss, damage, cost or expense arising from or connected with any error, omission or misrepresentation occurring in the supply of oral or written information to SFN or the carrying out of the

RDN's responsibilities under this Contribution Agreement, except to the extent to which such claims or losses relate to the negligence or willful misconduct of an officer, employee, or agent of the RDN in the performance of his or her duties.

34. Further Assurances

The parties hereto shall execute such further and other documents and do such further and other things as might be necessary to carry out and give effect to this Agreement.

35. Survival

Except as otherwise provided under this Contribution Agreement, all of SFN's obligations under this Agreement that are for the benefit of the RDN, Canada or UBCM shall survive early termination of this Agreement.

36. Severance

If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement.

37. Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of the Agreement and contains all of the representations, warranties, covenants and agreements of the respective parties and may not be amended or modified except by an instrument in writing executed by all parties. This Agreement supersedes all prior agreements, memoranda and negotiations between the parties.

38. Binding Effect

The Agreement shall enure to the benefit of and be binding upon the parties and their successors, executors, administrators, and permitted assigns.

39. Extended Meanings

Words importing the singular number include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders.

40. Headings

Headings have been inserted for ease of reference and shall not be used in interpreting this Agreement.

41. No Assignment

(a) Neither party may assign any right or entitlement granted under this Contribution Agreement to any person.

(b) For greater clarity, any access rights granted to the general public in respect of the Sport Court as contemplated by this Contribution Agreement will not be considered or deemed an assignment hereunder.

42. Time

Time is of the essence in this Agreement.

43. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by fax transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto:

SNUNEYMUXW FIRST NATION, by its)
 authorized signatories:)
)
 _____)
 Name)
)
 _____)
 Name)

REGIONAL DISTRICT OF NANAIMO, by its)
 authorized signatories:)
)
 _____)
 Chief Administrative Officer)
)
 _____)
 Jacqueline R. Hill, Manager, Administrative)
 Services)

SCHEDULE A - DEFINITIONS

"Administrative Agreement" means the Administrative Agreement on the Federal Gas Tax Fund in British Columbia.

"Annual Report" means the duly completed annual report to be prepared and delivered by UBCM to Canada and British Columbia, as described in Schedule D (Reporting and Audits).

"Asset Management" (AM) includes planning processes, approaches or plans that support integrated, lifecycle approaches to effective stewardship of infrastructure assets in order to maximize benefits and manage risk. AM is further described in Schedule F (Asset Management) of the Agreement, and can include:

- an inventory of assets;
- the condition of assets;
- level of service;
- risk assessment;
- a cost analysis;
- community priority setting;
- long-term financial planning.

"Base Amount" means an amount established over a time-period, reflecting non-federal investments in Infrastructure and against which GTF investments will be measured to ensure that GTF investments are incremental.

"Chief Financial Officer" means in the case of a municipality, the officer assigned financial administration responsibility under S. 149 of the *Community Charter*, and in the case of a Regional District, the officer assigned financial administration responsibility under S. 199 of the *Local Government Act*, R.S.B.C. 1996, c.323.

"Communications Protocol" means the protocol by which all communications activities related to GTF funding will be delivered as described in Schedule E (Communications Protocol).

"Community Works Fund" means the fund provided from the Federal gas tax revenues to be dispersed to local governments based on a percentage of the per capita allocation for local spending priorities in accordance with the terms and conditions set out in the Agreement.

"Community Works Fund Agreement" means this Agreement made between UBCM and Local Government.

"Contract" means an agreement between an Ultimate Recipient and a Third Party whereby the latter agrees to supply a product or service to an Eligible Project in return for financial consideration.

"Eligible Expenditures" means those expenditures described as eligible in Schedule C (Eligible and Ineligible Expenditures).

"Eligible Projects" means projects as described in Schedule B (Eligible Project Categories).

"First Agreement" means the agreement for the transfer of federal gas tax revenues entered into on September 19, 2005 by the Government of Canada, British Columbia and UBCM, with an expiry date of March 31, 2019, as amended.

"First Community Works Fund Agreement" means the agreement entered between UBCM and Local Government in order to administer the Community Works Fund under the First Agreement.

"Funding Agreement" means an agreement between UBCM and an Ultimate Recipient setting out the terms and conditions of the GTF funding to be provided to the Ultimate Recipient as entered under the First Agreement or the Agreement.

"GTF" means the Gas Tax Fund, a program established by the Government of Canada setting out the terms and conditions for the administration of funding that may be provided by Canada to recipients under section 161 of the *Keeping Canada's Economy and Jobs Growing Act*, S.C. 2011, c. 24 as amended by section 233 of the *Economic Action Plan 2013 Act*, No. 1, S.C. 2013, c. 33, or any other source of funding as determined by Canada.

"Ineligible Expenditures" means those expenditures described as ineligible in Schedule C (Eligible and Ineligible Expenditures).

"Infrastructure" means municipal or regional, publicly or privately owned tangible capital assets in British Columbia primarily for public use or benefit.

"Local Government" means a municipality as defined in the *Community Charter* [S.B.C. 2003] Chapter 26, a regional district as defined in the *Local Government Act* [R.S.B.C. 1996] Chapter 323, and the City of Vancouver as continued under the *Vancouver Charter* [SBC 1953] Chapter 55.

"Outcomes Report" means the report to be delivered by March 31, 2018 and again by March 31, 2023 by UBCM to Canada and British Columbia which reports on how GTF investments are supporting progress towards achieving the program benefits, more specifically described in Schedule D (Reporting and Audits).

"Partnership Committee" means the Committee required to be established by the Agreement to govern the implementation of the Agreement and further described in Annex C of the Agreement.

"Party" means Canada, British Columbia or UBCM when referred to individually and collectively referred to as "Parties".

“Project Completion” means the date on which the parties confirm in writing that the work described in section 2(a) has been completed to the reasonable satisfaction of both parties.

“Third Party” means any person or legal entity, other than Canada, British Columbia, UBCM or an Ultimate Recipient, who participates in the implementation of an Eligible Project by means of a Contract.

“Ultimate Recipient” means a Local Government.

“Unspent Funds” means Funds (as defined by the First Agreement) that have not been spent towards an Eligible Project (as defined under the First Agreement) prior to the effective date of the Agreement.

SCHEDULE B – ELIGIBLE PROJECT CATEGORIES

Eligible Projects include investments in Infrastructure for its construction, renewal or material enhancement in each of the following categories:

- A. Local roads, bridges- roads, bridges and active transportation infrastructure (active transportation refers to investments that support active methods of travel. This can include: cycling lanes and paths, sidewalks, hiking and walking trails).
- B. Highways – highway infrastructure.
- C. Short-sea shipping – infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean.
- D. Short-line rail – railway related infrastructure for carriage of passengers or freight.
- E. Regional and local airports – airport-related infrastructure (excludes the National Airport System).
- F. Broadband connectivity – infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities.
- G. Public transit – infrastructure that supports a shared passenger transport system which is available for public use.
- H. Drinking water – infrastructure that supports drinking water conservation, collection, treatment and distribution systems.
- I. Wastewater – infrastructure that supports wastewater and storm water collection, treatment and management systems.
- J. Solid waste – infrastructure that supports solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage.
- K. Community energy systems – infrastructure that generates or increases the efficient usage of energy.
- L. Brownfield Redevelopment – remediation or decontamination and redevelopment of a brownfield site within Local Governments boundaries, where the redevelopment includes:
 - the construction of public infrastructure as identified in the context of any other eligible project category under the GTF, and/or;
 - the construction of Local Government public parks and publicly-owned social housing.

- M. Sport Infrastructure – amateur sport infrastructure (excludes facilities, including arenas, which would be used as the home of professional sports teams or major junior hockey teams (e.g. Western Hockey League).
- N. Recreational infrastructure – recreational facilities or networks.
- O. Cultural infrastructure – infrastructure that supports arts, humanities, and heritage.
- P. Tourism infrastructure – infrastructure that attract travelers for recreation, leisure, business or other purposes.
- Q. Disaster mitigation – infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters.

Eligible Projects also include:

- R. Capacity building – includes investments related to strengthening the ability of Local Governments to develop long-term planning practices.

Note: Investments in health infrastructure (hospitals, convalescent and senior centres) are not eligible.

SCHEDULE C- ELIGIBLE AND INELIGIBLE EXPENDITURES

1. ELIGIBLE EXPENDITURES

1.1 Eligible Expenditures of Ultimate Recipients will be limited to the following:

- A. the expenditures associated with acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by Generally Accepted Accounting Principles (GAAP), and any related debt financing charges specifically identified with that asset;
- B. for capacity building category only, the expenditures related to strengthening the ability of Local Governments to improve local and regional planning including capital investment plans, integrated community sustainability plans, life-cycle cost assessments, and Asset Management Plans. The expenditures could include developing and implementing:
 - studies, strategies, or systems related to asset management, which may include software acquisition and implementation;;
 - training directly related to asset management planning;; and,
 - long-term infrastructure plans.
- C. the expenditures directly associated with joint communication activities and with federal project signage for GTF-funded projects.

1.2 Employee and Equipment Costs: The incremental costs of the Ultimate Recipient's employees or leasing of equipment may be included as Eligible Expenditures under the following conditions:

- the Ultimate Recipient is able to demonstrate that it is not economically feasible to tender a contract;;
- the employee or equipment is engaged directly in respect of the work that would have been the subject of the contract;; and
- the arrangement is approved in advance and in writing by UBCM.

1.3 Administration expenses of UBCM related to program delivery and implementation of this Agreement, in accordance with Section 9 (Use and Recording of Funds by UBCM) of Annex B (Terms and Conditions).

2. INELIGIBLE EXPENDITURES

The following are deemed Ineligible Expenditures:

- A. project expenditures incurred before April 1, 2005;;
- B. project expenditures incurred before April 1, 2014 for the following investment categories:

- highways;;
- regional and local airports;;
- short-line rail;;
- short-sea shipping;;
- disaster mitigation;;
- broadband connectivity;;
- brownfield redevelopment;;
- cultural infrastructure;;
- tourism infrastructure;;
- sport infrastructure;; and
- recreational infrastructure.

- C. the cost of leasing of equipment by the Ultimate Recipient, any overhead costs, including salaries and other employment benefits of any employees of the Ultimate Recipient, its direct or indirect operating or administrative costs of Ultimate Recipients, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with Eligible Expenditures above;;
- D. taxes for which the Ultimate Recipient is eligible for a tax rebate and all other costs eligible for rebates;;
- E. purchase of land or any interest therein, and related costs;;
- F. legal fees;; and
- G. routine repair and maintenance costs.

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE DISTRICT 69 RECREATION COMMISSION
REGULAR MEETING
HELD THURSDAY MAY 19, 2016
2:00PM
(OCEANSIDE PLACE)**

Attendance: Julian Fell, RDN Board
Reg Nosworthy, Electoral Area 'F'
Bill Veenhof, Director, Electoral Area 'H' (representative)
Gordon Wiebe, Electoral Area 'E'
Al Grier, Councillor, City of Parksville
Neil Horner, Councillor, Town of Qualicum Beach
Ted Malyk, Electoral Area 'G'

Staff: Tom Osborne, General Manager of Recreation and Parks
Dean Banman, Manager of Recreation Services
Ann-Marie Harvey, Recording Secretary
Mike Chestnut, Superintendent of Aquatic Services

Regrets: Julie Austin, School District 69 Trustee

CALL TO ORDER

Chair Fell called the meeting to order at 2:00pm and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

DELEGATIONS/ PRESENTATION

None

MINUTES

MOVED Commissioner Veenhof, SECONDED Commissioner Grier that the Minutes of the Regular District 69 Recreation Commission meeting held March 31, 2016 be adopted.

CARRIED

MOVED Commissioner Veenhof, SECONDED Commissioner Nosworthy that the Minutes of the Regular District 69 Recreation Commission Grants Sub-Committee meeting held May 9, 2016.

CARRIED

BUSINESS ARISING FROM THE MINUTES

Grant Application Review

MOVED Commissioner Veenhof, SECONDED Commissioner Nosworthy that the Grant Application Review be received.

CARRIED

Grants

MOVED Commissioner Nosworthy, SECONDED Commissioner Veenhof that the Board approve the following District 69 Youth Recreation Grant applications:

Youth Organization	2016
Bard to Broadway - Performing Arts Education Series	1,590
Bard to Broadway - Summer Youth Theatre Workshop	380
Errington War Memorial Hall Association- World Music Youth Camp	1,050
District 69 Family Resource Association - youth sports/music program	2,400
District 69 Family Resource Association - 4-days summer camp activity	563
Kwalikum Secondary School - Dry Grad	1,200
Ravensong Breakers Aquatic Club- equipment	2,200
Total	9,383

CARRIED

MOVED Commissioner Horner, SECONDED Commissioner Nosworthy that the Board approve the following District 69 Community Recreation Grant applications:

Community Organization	2016
Arrowsmith Community Recreation Association - Coombs Candy Walk	1,000
Bow Horne Bay Community Club - Fall Fair children's activity	1,200
Corcan Meadowood Residents' Association - Halloween event	1,200
Corcan Meadowood Residents' Association - Canada Day event	800
Family Resource Association - Special Needs Family Retreat	1,200
Kidfest Society- event rentals	1,200
Nanoose Bay Activities and Recreation Society and Arrowsmith Community Recreation Association – Pickle ball equipment	576
Parksville Qualicum Pickle ball Club - equipment	1,000
Qualicum Beach Community Education and Wellness Society - Root Bag program	800
Qualicum Beach Elementary School PAC - play space	1,200
Tri-Athletics Society - pool rental	1,200
Vancouver Island Opera	1,500
Total	12,876

CARRIED

COMMUNICATIONS/CORRESPONDENCE

MOVED Commissioner Veenhof, SECONDED Commissioner Grier that the following correspondence be received:

- J. Primeau, Errington Elementary School to RDN Parks and Recreation, **RE: Indoor Skatepark**
- D. Banman RDN to J. Primeau, Errington Elementary School **RE: Indoor Skatepark**
- A. Spencer, Errington Elementary School to RDN Parks and Recreation, **RE: Leisure Activities for Youth**
- D. Banman, RDN to A. Spencer, Errington Elementary School **RE: Leisure Activities for Youth**
- G. Amendt, Errington Elementary School to RDN Parks and Recreation, **RE: Roller Rink at OP**
- D. Banman RDN to G. Amendt, Errington Elementary School **RE: Roller Rink at OP**
- A. Grecht, Errington Elementary School to RDN Parks and Recreation, **RE: Rentable Bikes**
- D. Banman RDN to A. Grecht, Errington Elementary School **RE: Rentable Bikes**
- A. Mcvey, Pool User to D. Banman, RDN **RE: Expansion of Ravensong Pool**
- M. Cree, QB Resident to D. Banman, RDN **RE: Swimming Facilities Health Issue**
- S. Lawrence, Pool User to D. Banman, RDN **RE: Ravensong Pool Expansion**
- D. Duncan, Pool User to D. Banman, RDN **RE: Ravensong Pool Expansion**
- D. Archer, Pool User to D. Banman, RDN **RE: Upgrade to Pool**
- D. Mudry, Pool User to D. Banman, RDN **RE: Ravensong Pool Expansion**
- G. Hay, Pool User to D. Banman, RDN **RE: Ravensong Pool Expansion**
- M. Albert, Pool User to D. Banman, RDN **RE: Reasons for Another Pool and/or a Sport Complex**
- C. Levesque, Parksville & Dist. Rock and Gem Club to RDN **RE: Grant Thank You**
- D. Vincent, ETRA to D69 Recreation Commission, **RE: Thank You**

CARRIED

UNFINISHED BUSINESS

None

REPORTS

Monthly Update – Oceanside Place – March 2016

Monthly Update – Oceanside Place – April 2016

Mr. Banman gave an overview of the Monthly Updates of Oceanside Place, noting that the dry floor is getting good use with Pickleball and a successful Taekwondo tournament.

Monthly Update – Ravensong Aquatic Centre – March 2016

Monthly Update – Ravensong Aquatic Centre – April 2016

Mr. Banman and Mr. Chestnut gave an overview of the Monthly Update of Ravensong Aquatic Centre, noting that the Island Challenge started its 6-10week run and the CEAP program through School District 69 is providing some good, new staff.

Monthly Update – Northern Recreation Program Services – March 2016

Monthly Update – Northern Recreation Program Services – April 2016

Mr. Banman gave an overview of the Monthly Updates for the Northern Recreation Programs, noting some full Spring break programs that are offered as the community needs. He mentioned the Extreme Certification Week offered to youth during Spring break to prepare them for upcoming employment in the community.

Monthly Update of Community and Regional Parks and Trails Projects – March 2016

Monthly Update of Community and Regional Parks and Trails Projects – April 2016

Mr. Osborne gave a summary of the Monthly Update of Community and Regional Parks and Trails Projects in the D69 area.

MOVED Commissioner Veenhof, SECONDED Commissioner Nosworthy that the reports be received.

CARRIED

Recreation Services 2016 Master Plan for the Oceanside Area (District 69) Report

MOVED Commissioner Horner, SECONDED Commissioner Grier that the Board approve the Terms of Reference to undertake a Recreation Services Master Plan for the Oceanside Area (District 69) shown in *Appendix I* and a Request for Proposals be issued for project consultant services.

CARRIED

Ravensong Aquatic Centre Expansion Update Report

MOVED Commissioner Veenhof, SECONDED Commissioner Grier that the Ravensong Aquatic Centre Expansion Update report be received as information and that the Board direct staff to develop a timeline, budget and process that includes stakeholder input, public consultation, facility amenity refinements, and District 69 Recreation Commission review for the potential expansion of the aquatic facility.

CARRIED

3:25 – Commissioner Grier left the meeting

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

Commissioner Veenhof spoke of his concern about people being misinformed about the direction of the pool expansion and that communication to the public be released after the Ravensong Aquatic Centre Expansion Update Report goes to the Board.

NEW BUSINESS

None

COMMISSIONER ROUNDTABLE

Commissioner Nosworthy noted the Blue pages for an update to the ACRA activates and the one of their coordinators has taken on another part time job of the MacMillan Arts Centre General Manager. He showed an article about the basketball program during Youth Week and it was a great success.

ADJOURNMENT

MOVED Commissioner Veenhof that the meeting be adjourned at 3:47 pm.

CARRIED

Chair

TO: Tom Osborne
General Manager of Recreation and Parks

DATE: May 4, 2016

MEETING: May 19, 2016 D69 Recreation
Commission

FROM: Dean Banman
Manager of Recreation Services

FILE:

SUBJECT: Ravensong Aquatic Centre Expansion Update

RECOMMENDATION

That the Ravensong Aquatic Centre Expansion Update report be received as information and staff be directed to develop a timeline, budget and process that includes stakeholder input, public consultation, facility amenity refinements, and District 69 Recreation Commission review for the potential expansion of the aquatic facility.

PURPOSE

To provide the District 69 Recreation Commission and RDN Board an update on past direction and work completed on the possibility of expanding Ravensong Aquatic Centre.

BACKGROUND

The 2006 - 2016 RDN Recreation Services Master Plan for Oceanside identified a need to review alternatives for expanding aquatic services to the communities of District 69 (Oceanside) due to usage demand pressures.

Increased usage of Ravensong Aquatic Centre (RAC) continued and in 2009 the District 69 Recreation Commission and RDN Board responded by directing staff to retain an architect and determine cost estimates and options for an expansion of the existing facility. The results of this 2010 report can be found within *Attachment 1*. The report consisted of four main sections; 1) comments on existing space and capacity 2) expansion options 3) additional amenities proposed 4) costing.

The report identified the lack of dry floor space such as multi-purpose room, fitness area along with aquatic limitations of deck space, water features, change rooms and support spaces such as storage, mechanical and administrative. Two expansion options were proposed. One retained the existing entry location and the other shifted the entry towards the east. Additional amenities and changes included wellness/fitness space, increase size of change rooms and various tank configurations. Costing for both options in 2009 were listed to be \$6,420,271 to \$7,073, 236 respectively.

Unfortunately at the same time as this expansion feasibility was being considered major deficiencies were identified with the main structure and systems of the existing facility that required priority attention. With the assistance of \$1 million dollars in federal grant funding, a \$4.8 million remediation of

the existing facility was completed in 2010. As this remediation projected include no significant expansion capacity of the facility, the demand for additional pool space was not met and usage continued at near capacity levels.

Although no specific resolution was established, it was understood within the community that no expansion of the facility would be pursued until both the original 1995 and 2010 remediation debt payments were completed. The original debt was paid off in 2015 and debt repayment of the 2010 remediation project will be completed in 2016. Up until the adoption of the 2016 Five Year Financial Plan, previous Financial Plans included the provision of the expansion of the facility as noted further in this report.

Over the years various delegations have appeared before the D69 Recreation Commission regarding the pool expansion and in May 2012 the District 69 Recreation Commission and RDN Board passed the following resolution:

“That staff provide an assessment of the issues and report on the short term accommodations within the existing facility.”

The staff report and recommendations of *Attachment II* were provided in 2013 and endorsed by both District 69 Recreation Commission and RDN Board. As noted all alternatives and recommendations were considered short term as the limitations of facility space was still a main factor in the ability to alleviate the concerns brought to the commission by delegations. Recognizing this, the approaching completion dates of debt repayments and the cost estimates for expansion completed in 2009 were now somewhat outdated, the D69 commission and RDN Board in March 2013 passed the following resolution;

“That staff be directed to meet with Hughes Condon Marler Architects (HCMA) and obtain a quote for the firm’s services to determine the project and operational cost of the work for the years 2015 – 2020 and in preparation for the 2014 Annual Budget and Five Year Financial Plan discussion.”

The completed HCMA 2013 update and staff report are included as *Attachment I*. It provides the requested update to HCMA’s 2010 report in addition projected annual operating budgets based on an expanded facility. A summary of the 2013 report’s financial considerations is provided under Financial Implications of this staff report.

In December, 2013 the resolution below was approved by the Regional Board:

“That the Five Year Financial Plan for the Ravensong Aquatic Centre be amended to include the potential expansion of the facility in 2018.”

As part of the adoption process for the 2016 Annual Budget and Five Year Financial Plan the resolution below was approved by the Regional Board in February 2016:

“That the Financial Plan not assume an expansion of the pool and that funds for Ravensong be lowered to maintenance levels and a reserve contribution after the current loan is paid off.”

In April 2016, the Regional Board then approved the following resolution as recommended by the District 69 Recreation Commission:

“That staff brings forward a report on the current state of the expansion of the Ravensong Aquatic Centre and that any further action engages the District 69 Recreation Commission.”

ALTERNATIVES

1. That the Ravensong Aquatic Centre Expansion Update report be received as information and staff be directed to develop a timeline, budget and process that includes stakeholder input, public consultation, facility amenity refinements, and District 69 Recreation Commission review for the potential expansion of the aquatic facility.
2. That the Ravensong Aquatic Centre Expansion Update report be received as information and alternative direction be provided on the potential expansion of the aquatic facility.

FINANCIAL IMPLICATIONS

The Ravensong Aquatic Centre was constructed in 1995 with final payment on the original building debt completed in 2015. Currently the annual debt payment required for the 2010 remediation work is \$698,000 and will be completed in 2016.

Attachment I provides options of expansion to Ravensong Aquatic Centre that range from \$7.2 million to \$7.8 million (2013).

Regional District of Nanaimo District 69 Swimming Pool Service Bylaw #899 provides the ability to annually fund RAC with contributions through tax requisition. The maximum requisition under the bylaw is the greater of \$770,000 or \$0.434 per \$1,000 of net taxable value land/improvements. Currently the requisition for RAC is \$0.33 per \$1,000. The 2013 land and improvement values on contributing members showed that the maximum dollar value for contributions under the bylaw would be \$3.2 million annually. The staff report forming part of *Attachment I* shows the requisition to pay for both debt and annual operating of an expanded facility would continue to be under the maximum amount under Bylaw #899 (\$3.2 million dollars).

Of note is the 2013 HCMA report identifying that although the facility would expand by 80% in built space and 60% in water area, operating expenses were projected to increase on average only 30%. Although staff concurred with a number of financials provided by the consultant, some significant edits were made in the completion of the 2014 five year financial plan. The anticipated revenues from admissions, wellness centre rentals and aquatic lessons were reduced to more conservative estimates. In addition increases to expenses, specifically wage benefits were increased. The affect these changes had were a projected increase in the operating deficit depending on the year, of 35% to 46%. A detailed RDN 2014 - 2023 financial plan is presented on page 65 of *Attachment I*.

More analysis and the development of a business plan is required that factors design input from both the community, Commission and RDN Board. Specific strategies related to cost, volume and profit of both the revenue and expense sources will have to be considered. It is still realistic to assume that no increase in maximum allowable tax requisitions under Bylaw #899 is required.

A borrowing bylaw via referendum would still need to occur to obtain electoral consent if the Board desires to begin expansion or new building construction prior to reserve amounts being reached that would finance the entire capital project.

The 2014 and 2015 Five Year Financial Plans did budget for the need to reflect a level of support for community engagement to complete a referendum should one be required. Depending on the costs of a standalone referendum vs. one held concurrently with an election, the extent of community engagement in the design process, and the public information exchange required leading up to a referendum, a dollar amount of \$200,000 was budgeted for and available as early as 2016 and 2017. This amount included professional fees for the completion of final architectural design options and costing.

Future Debt for Expansion, Reserve Fund Use and Projected Annual Operating Costs of an Expanded Ravensong Aquatic Centre

As detailed in *Attachment I* the RDN Board in 2013 approved that the existing principal and interest amounts budgeted annually for debt repayment be maintained and put into reserve once the 2015 and 2016 maturity dates occurred. This in effect would have kept the annual post borrowing tax requisition from contributing members the same as when debt payments were being made. It was shown that with transfers to reserves in combination with the existing annual funding amounts allowed under Bylaw #899 there was an opportunity to save prior to 2018 for capital costs of an expansion as well as operate the pool on an annual basis within the existing allowed fund amounts.

During the approval of the current Five Year Financial Plan the Board elected to reduce the tax requisition as the original and remediation debt payments ended rather than contribute equal amounts to reserves for a possible expansion of Ravensong Aquatic Centre. The approximate \$505,000 amount planned in 2014 for contribution to reserves for pool expansion was amended in the 2016 Five Year Financial Plan reducing annual tax requisition by the same amount.

Deferral of Expansion to 2019 or Later

Between 2009 and 2013 projected costs of the expansion rose between \$752,000 and \$785,000 (10.5% - 12.25%). Estimates of a 28% - 31% increase in the 2013 expansion cost estimates (\$7.2 million to \$7.8 million (2013) are projected if expansion should occur in the year 2019 or later.

Future interest rates and construction costs are difficult to determine but a possibility may arise where interest rates increase faster than construction costs and deferring the expansion would not be prudent. It is also possible the opposite may occur when deferring and saving resulting in borrowing less would be more cost effective. Based on estimates calculated using an amortization table on the Municipal Finance Authority (MFA) website, and order of magnitude cost estimates provided by the consultants in 2013, it may be possible that as much as \$90,000 could be saved annually in debt charges by saving through contributions to reserves vs. financing the construction through debt. However, these savings may be offset by construction inflation costs associated with waiting additional years to construct.

STRATEGIC PLAN IMPLICATIONS

The considerations of expansion to Ravensong Aquatic Centre relate to the existing strategic plan within the priorities of Service and Organizational Excellence, Relationships and Economic Health.

The process and requirement to preserve capital assets align with the RDN Board's wish to provide recreation services as a core service and manage capital assets along with the will to plan for the changing needs of the communities within Oceanside. Providing community amenities that attract a broad scope of demographics would increase the diversification of Oceanside and possibly increase economic viability. This increase in a community asset would incur a cost and impact local general tax payers.

SUMMARY

Since 2006 the District 69 Recreation Commission and RDN Board have recognized the increasing usage at Ravensong Aquatic Centre combined with the physical limitations the facility made expansion a possible necessity. In 2009 the architectural firm Hughes Condon, Marler (HCMA) was retained to provide design and cost options for an expansion to Ravensong Aquatic Centre.

Significant remediation in 2010 of the existing structural and mechanical systems added additional debt to the aquatic function's already existing 1995 construction debt payment schedule. This led to no formal pursuit of expansion options. At the time however it was realized that both debt payments would be retired within six years and direction from the community, District 69 Recreation Commission and RDN Board would continue to make the discussion on expansion a topic.

Since 2012 a number of delegations and formal resolutions have directed efforts in both short term and long term solutions. Below in chronological order is a summary of these resolutions.

May, 2012:

"That staff provide an assessment of the issues and report on the short term accommodations within the existing facility."

March, 2013:

"That staff be directed to meet with Hughes Condon Marler Architects (HCMA) and obtain a quote for the firm's services to determine the project and operational cost of the work for the years 2015 – 2020 and in preparation for the 2014 Annual Budget and Five Year Financial Plan discussion".

December, 2013:

"That the Five Year Financial Plan for the Ravensong Aquatic Centre be amended to include the potential expansion of the facility in 2018."

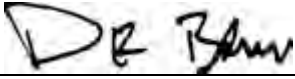
February, 2016:

"That the Financial Plan not assume an expansion of the pool and that funds for Ravensong be lowered to maintenance levels and a reserve contribution after the current loan is paid off."

April, 2016:

"That staff brings forward a report on the current state of the expansion of the Ravensong Aquatic Centre and that any further action engages the District 69 Recreation Commission."

This report and attachments provide a detailed summary of findings and work that is a result of the above resolutions.



Report Writer



General Manager Concurrence



CAO Concurrence

ATTACHMENT 1

Ravensong Aquatic Centre 2013 Update on Expansion Costs

Pages 1-65



RDN REG & PARKS	
MGR & P	CAO
MGR Parks	MGR Rec
Arena	Aquatics
NOV 21 2013	
Parks	Rec
POSAC	Commission <input checked="" type="checkbox"/>
Director	Other
D69 Rec Comm	

MEMORANDUM

TO: Tom Osborne
General Manager of Recreation and Parks

DATE: November 18, 2013

FROM: Dean Banman
Manager of Recreation Services

FILE:

SUBJECT: Ravensong Aquatic Centre 2013 Update on Expansion Costs

PURPOSE

To provide the District 69 Recreation Commission and Regional Board an update on facility expansion cost and related operational cost estimates for the Ravensong Aquatic Centre.

BACKGROUND

In 2006 the *RDN Recreation Services Master Plan for Oceanside* identified the need to review further expansion opportunities of Ravensong Aquatic Centre in order to meet the aquatic service needs of local residents. Since that time, as seen through pool usage data and comments from facility users, the popularity or demand for more aquatic programming and space has steadily increased. Over the past few years the District 69 Recreation Commission has received delegations formally requesting a new or expanded facility.

In response to the above, in 2009 the Regional District procured the services of Hughes Condon Marler Architects (HCMA) to provide cost estimates and options for an expansion to Ravensong Aquatic Centre. Unfortunately this work was done just prior to the realization that the existing facility was in need of a significant remediation work. This remediation and upgrade project took priority over the initiatives related to expansion and was completed in December 2010 at a cost of \$4.8 million dollars.

The remediation project was not intended to add any additional wet or dry aquatic space and as a result the demand for expansion continued. In May of 2012 a delegation of Ravensong Aquatic Centre users appeared before the District 69 Recreation Commission requesting attention and priority is given to the overcrowding and lack of certain amenities at the facility. Specifically a request for additional amenities and pool space via facility expansion or by the construction of another aquatic facility was formally put forward by the group.

Recognizing the continued demand and that the cost estimates on expansion options contained in the 2009 HCMA report were now somewhat outdated, in March of 2013 the Board passed the following resolution:

“That staff be directed to meet with Hughes Condon Marler Architects (HCMA) and obtain a quote for the firm’s services to determine the project and operational cost of the work for the years 2015 – 2020 and in preparation for the 2014 Annual Budget and Five Year Financial Plan discussion”.

Recognizing the implications an expansion would have on future long term financial plans and the current work being done on the 2014 annual budget and five year financial plan, staff contracted HCMA to carry out updating the capital cost estimates on a future expansion of Ravensong Aquatic Centre as well as pro forma work on operating revenues and expenses related to an expanded facility.

The completed HCMA 2013 Cost Estimate Update report is included as *Appendix I*.

ALTERNATIVES

- 1) That the Five Year Financial Plan for the Ravensong Aquatic Centre be amended to include the potential expansion of the facility in 2018.
- 2) That the Five Year Financial Plan for the Ravensong Aquatic Centre be amended to include the potential expansion of the facility later than 2018.
- 3) That alternative direction be provided.

FINANCIAL IMPLICATIONS

Existing Debt

The Ravensong Aquatic Centre was constructed in 1995 with final payment on the original building to be completed in 2015. Currently the annual debt payment on this original construction amounts to approximately \$367,000 per year. The required remediation work that was carried out in 2010 amounted to \$4.8 million worth of capital work. The current annual debt on this work is \$698,000 and is scheduled to be completed in 2016.

Table I shows the debt payment on the original construction of the Ravensong Aquatic Centre and the separate debt payment on the remediation work completed in 2010 will both be completed by 2015 and 2016 respectively.

Table I

Ravensong Aquatic Centre	2013	2014	2015	2016	2017
Capital Financing Charges	\$1,066,150	\$1,066,150	\$1,066,150	\$697,506	0

Appendix I provides options of expansion to Ravensong Aquatic Centre that range from \$7.2 million to \$7.8 million (2013). Staff have determined at this stage that the \$7.2 million option should be used in this financial review.

Future Debt for Expansion and Reserve Fund Use

As noted in the following sections, there is the possibility that the tax requisition could continue at similar levels currently in place after 2016 and be used to finance new debt or build reserves for an expansion of the facility. Although the change on the tax requisition would be within the existing amount established under Bylaw #899, the action of taking on new debt would require electoral consent by way of referendum.

The Five Year Financial Plan will need to reflect a level of support for community engagement to complete a referendum should borrowing for expansion be considered. Depending on the costs of a standalone referendum, the extent of community engagement in the design process, and the public information exchange required leading up to a referendum, a dollar amount would be established to carry these projects out, currently estimated at \$200,000 which could be accessed in either 2016 or 2017.

Table II shows the balances accrued to the Capital Reserve Account. The reserve funds could be used for the above referendum related costs and other preliminary professional or consulting work that may be required.

Table II

Ravensong Aquatic Centre	2013	2014	2015	2016	2017
Capital Reserve Balance	\$102,900	\$104,111	\$105,334	\$234,334	\$1,120,609

Funding for both capital expansion and increases in net annual operating costs needs to be considered when deciding on an expansion to Ravensong Aquatic Centre. Bylaws have been established that control the maximum amount of requisition available to operate and construct the pool service function. Although these bylaws can be amended if required to accommodate an expansion of the facility, changes to annual operating budgets need to be compared with both existing and maximum tax requisition levels.

Bylaw #1464 was established in 2005 and gives the authority to set aside funds to provide for major maintenance, upgrades and replacement of aquatic equipment and facilities. This fund currently has \$101,885 available and increases further in 2016. The large increase beginning in 2016 is a result of the debt payment for the original construction being completed in 2015.

Bylaw #899 provides the ability to annually fund RAC with contributions through tax requisition. The maximum requisition under the bylaw is the greater of \$770,000 or \$0.434 per \$1,000 of net taxable value land/improvements. Currently the requisition for RAC is \$0.33 per \$1,000. At existing land and improvement values on contributing members the current maximum dollar value for contributions under the bylaw is \$3.2 million.

As shown in *Apendix III* the current five year financial plan identifies \$2.5 million to \$2.7 million required in future requisitions to fund Ravensong in its current structure. Also included in *Apendix III* is a pro forma financial plan out to the year 2023 showing the impact on the tax requisition of an expansion at a cost adjusted to inflation in 2018 of \$9.4 million (\$7.4 million borrowing and \$2 million reserves). It shows the requisition to pay for both debt and annual operating continues to be under the maximum amount under Bylaw #899 of \$3.2 million dollars annually.

The pro formas provided in the consultant's report and expanded on here with the information detailed in *Apendix III* show an anticipated increase in both operating revenues and costs associated with expansion. Of note is the consultant's anticipation that although the facility would expand by 80% in built space and 60% in water area, operating expenses are projected to increase on average 30%.

Although staff concurs with a number of financials provided by the consultant, some significant edits have been made in *Appendix III* by staff. The anticipated revenues from admissions, wellness centre rentals and aquatic lessons have been reduced to more conservative estimates. In addition increases to expenses, specifically wage benefits have been increased. The affect these changes have is an increase in the projected operating deficit depending on the year, of 35% to 46% compared to the pro forma provided by the consultant. *Appendix III* also provides for reference the preliminary five year financial plan for Ravensong Aquatic Centre. More analysis and the draft of a business plan which would outline specific strategies related to cost, volume and profit of both the revenue and expense sources would be required at a date closer to final decision on the project.

Deferral of Expansion to 2019 or Later

Consideration may be given to keeping the requisition after 2016 at existing levels with the surplus funds going to reserves annually. In effect lowering the borrowing cost by saving funds internally and delaying expansion until reserves have been accumulated. On page 6 of *Appendix I* the consultant comments on related escalation allowances. It is their opinion that construction costs have been relatively flat since 2008 and will continue this trend until 2014 at which time it is anticipated that the market will make provisions for this period by increases from 2015 and beyond at rates higher than inflation and range from 3%-8% compounded depending on the year from 2015 to 2020.

The consultants anticipates an expansion scheduled for 2018 will cost 28% to 31% more than the 2013 estimates provided. The financial impact of deferring expansion can be seen in the footnote on pages 8 and 11 of the consultant's report. The projected costs of the expansion as shown on pages 8 and 11 are between \$752,000 and \$785,000 (10.5% - 12.25%) higher when compared to the identical options estimated in 2009.

Future interest rates and construction costs are hard to determine but a possibility may arise where interest rates increase faster than construction costs and deferring the expansion would not be prudent. It is also possible the opposite may occur when deferring the pool and borrowing less would be more cost effective. Based on estimates calculated using an amortization table on the Municipal Finance Authority (MFA) website, and order of magnitude cost estimates provided by the consultants, it may be possible that as much as \$90,000 could be saved annually in debt charges by saving through contributions to reserves vs. financing the construction through debt. However, these savings may be offset by construction inflation costs associated with waiting additional years to construct.

STRATEGIC PLAN IMPLICATIONS

An action in the 2013 – 2015 Board Strategic Plan is to review and implement applicable recommendations from recreation service master plans and studies of which this report is undertaking from the 2006 *RDN Recreation Services Master Plan for Oceanside*.

The service function related to aquatic services within the RDN and specifically District 69 was created through the regional federation model where services that have an impact regionally are paid for by members collaboratively. This concept continues to prove beneficial as the members of a service function obtain the benefit of economies of scale when large capital type projects such as recreation facilities are needed for their communities.

Many of the District 69 communities who would contribute to the expansion of aquatics are projected to have population growth higher than the annualized rate of 2%. The growth in anticipated demand in aquatic services likely would not be met with the existing footprint of Ravensong Aquatic Centre.

SUMMARY

Between 2013 and 2016 on average \$900,000 per year is being used in the form of two debt repayments for the original construction in 1995 of Ravensong Aquatic Centre and the remediation project in 2010 (*Table I*). Beginning in 2017 both debt payments will be completed and annual capital reserve contributions under existing requisition levels will amount to almost \$1.5 million dollars. If the community desire is willing, there may be an opportunity at that time to consider the expansion of Ravensong Aquatic Centre or the construction of an additional aquatic facility within the existing levels authorized under the bylaw.

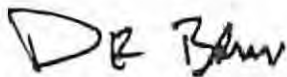
Since being identified in the 2006 recreation master plan the need for additional pool space has been warranted. As recently as 2012 a delegation appeared before the District 69 Recreation Commission formally asking for additional amenities as well as an increase to the existing space. Admission and registration levels for aquatic programs show that the facility is currently at high capacity for many if not all prime time hours.

Appendix I and the updated expansion and annual operating costs outlined in *Appendix III* show the options and implications in expanding Ravensong Aquatic Centre. Succinctly it would be possible to expand the facility sometime after 2016 at existing requisition levels and operate the expanded facility within the existing tax requisition bylaw funding levels.

As the current demand for aquatic services in District 69 is near maximum capacity and construction inflation costs to expand the facility may outstrip any potential saving of deferring construction beyond 2018, it is recommended that the Five Year Financial Plan for the Ravensong Aquatic Centre be amended to include the potential expansion of the facility in 2018.

RECOMMENDATIONS

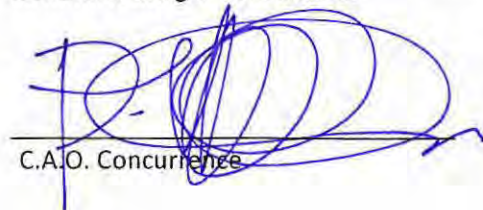
- 1) That the staff report and HCMA 2013 Cost Estimate Update be received as information.
- 2) That the Five Year Financial Plan for the Ravensong Aquatic Centre be amended to include the potential expansion of the facility in 2018.



Report Writer



General Manager Concurrence



C.A.O. Concurrence

APPENDIX I

**Hughes Condon Marler Architects (HCMA)
2013 Cost Estimate Update**

November 2013

APPENDIX 1

Ravensong Aquatic Centre

Expansion Feasibility Review Report

November 14, 2013

2013 Cost Estimate Update



General Manager of Recreation and Parks
Regional District of Nanaimo
Oceanside Place - 830 West Island Highway
Parksville, BC V9P 2X4

November 14, 2013

Attention: Tom Osborne, General Manager of Recreation and Parks

RE: 0919 RAVENSONG AQUATIC CENTRE RENOVATIONS – FACILITY EXPANSION REPORT UPDATE

HCMA is pleased to present this 2013 update to our 2010 Facility Expansion Report.

In August 2013 the RDN engaged HCMA, together with Advicas Consultant Group Ltd. (Advicas) and David Hewko Planning and Project Management (DHP+PM) to complete the following:

- 1) An update to the capital cost section of the original 2009/2010 report (Section V) to support budget planning:
 - a. Update of the OM cost estimate included in the 2010 to current values (2013/2014)
 - b. Escalation of above current-day values to the year 2020, the likely year in which the capital costs would be included into the RDN capital plan if the project proceeds
- 2) A separate report on Operating Cost impact that will assist the RDN with developing a business case:
 - a. Review of three years of past annual detailed financial reports provided by the client to define historical pro-rated labour, energy use, O/M (routine operating and maintenance costs), custodial, security, management and other operating overheads specific to this facility
 - b. Quantifying existing and proposed areas, bather loads and fitness centre capacity to determine unit denominators for costs, staffing thresholds and revenues
 - c. Review historical utilization data provided by the client to inform projected future demand and revenues
 - d. Prepare a 5-year pro forma spreadsheet itemizing projected operating costs for the blended new and existing facility (projected three years out and can subsequently be further indexed for escalation should completion of expansion be deferred)
 - e. The 5-year pro-forma would also include estimated new revenue break-even targets based on a series of optional scenarios of participation and on current rates and charges

0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT 2013 COST UPDATE
November 14, 2013

This update is to be read in conjunction with the original 2010 HCMA expansion feasibility report, providing an updated Section V – Order of Magnitude Cost Implications with current observations. It furthermore includes an updated Section VI – Test Facility Plans with current 2013 dollar values, commentary on the completed post-expansion facility complete with a report on implications to operating cost and revenue projections (bound separately).

Yours truly,
Hughes Condon Marler : Architects

Carl-Jan Rupp, Architect AIBC, OAA, SAA, MRAIC, LEED® Accredited Professional
Principal

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V COST IMPLICATIONS

V.a Costs per Area and Component

The following section provides conceptual information on the projected costs for the proposed master planning options. Construction unit rate costs have been applied to each component expansion area in the development of an overall construction cost. A percentage allowance has been included for soft costs to give an overall Project Cost. These costs have been reviewed by a Professional Quantity Surveyor.

The unit rate costs are based on current 2013 market price levels, assuming that all work will be bid in the open market and tendered in a single phase. It is recognized that the building will, to some degree, remain in operation during construction although it is assumed that the District's priority would be to accommodate all contractor needs to minimize costs.

In all cases the estimates are based upon our assessment of fair value for the work to be carried out. We define fair value as the amount a prudent contractor, taking into account all aspects of the project, would quote for the work. We expect our estimate to be in the middle of the bid range to ensure that funding for the work remains adequate for the duration of the project.

Wellness Centre:

We estimate the wellness centre component to require a construction cost of \$235/sf, which includes allowances for the necessary washrooms and some office/support spaces. This is based on an overall wellness centre area of around 420m² (4500sf). With 'economies of scale' a larger area would attract a lower construction unit rate cost, and conversely a smaller area a higher unit rate.

Should the wellness centre be considered as a second storey addition to the existing building, we estimate the construction costs to increase by another \$225,000.00 to accommodate the fixed costs of adding an elevator and 2 sets of stairs, as well as the additional renovation costs associated with this scenario. It should be recognized that this solution may attract a higher level of risk due to unknown costs associated with upgrading the existing structure for new building code criteria subsequent to the one in place at time of original construction. This option would however allow the construction of a significantly larger wellness centre.

Change Rooms:

The change rooms are estimated at a construction cost of about \$450/sf newly constructed or about \$330/sf if built in renovated existing space (such as current lobby/admin area in approach #2)

Pool Expansion:

The leisure pool natatorium expansion is estimated at about \$485/sf, which includes the required mechanical equipment and space for a leisure pool with some lap capacity. This represents a modest approach to the selection of play features, and the price could go up should additional or costly play features be selected.

The leisure pool expansion cost makes allowance for a water slide access stairs. The additional cost of a slide, excluded from the expansion cost, can vary widely dependent upon configuration and slide distance. As a guide an appropriate cost allowance would be in the order of \$200,000 for slide, supports and foundation.

Multi-Purpose Room:

The MP Room is estimated at a construction costs slightly above the wellness centre at around \$285/sf

Lobby Space:

A new Lobby is estimated at around \$270/sf for a new and transparent lobby complete with washrooms and seating opportunities. Adding a small portion of lobby to the existing is estimated at about \$205/sf

V.b Cost Estimate Assumptions and Commentary on Escalation Allowances

The **Hard Construction Costs** are at current 2013 market price levels and reflect middle of the bid range price levels.

It is common knowledge that Vancouver Island was not immune to the major market downturn and saw a major correction in market price levels during the latter part of 2008 and early 2009. A further downward correction occurred in Spring 2010 driven by pressure on pricing levels from mainland contractors pursuing work on the Island.

While there has been varying opinion on timing for a resurgence in the construction market, to date this has not occurred. In effect the correction saw the market reverting to 2006/2007 price levels which have held through to 2013. We expect price levels to tentatively move up in 2014 and gain a level of momentum in future years. The projected increase will absorb a correction on the 2008 – 2014 'flat' market condition with typical mean annual increases beyond. We recommend the Client make provision for the following increases through to 2020:

- 2014 – 2%
- 2015 – 5%
- 2016 – 6%
- 2017 – 8%
- 2018 – 7%
- 2019 – 4%
- 2020 – 3%

On August 26, 2011 HST was defeated through public referendum. British Columbia returned to Provincial Sales Tax and Goods and Services Tax on April 1, 2013.

7% Provincial Sales Tax has been included in the estimate

The **Soft Costs** percentage applied to the above estimate summary provide for design and management fees, loose furnishings and equipment, construction contingency, development cost charges, miscellaneous Owner insurance, legal and administration expenses. In general the following items are excluded from the estimate:

- *Financing costs*
- *Work carried out in contract phases*
- *Out of hours working*
- *Project Manager*
- *Clerk of Works*
- *Referendum costs if applicable*
- *Opening costs*
- *Goods and services tax*

VI TEST FACILITY PLANS

The following pages describe 2 possible options that can be derived from above components. These plans are illustrative in nature, intended to show two of the possible many configurations of above component options. The 2 distinct plans highlight the 2 site planning approaches; we have kept the actual facility comparable in size and choice of wellness area and pool layout. Both approaches respect existing site constraints, including the current property boundaries defined by lease agreement with the Township of Qualicum.

VI.a Approach #1 – retention of existing entry point, single level facility with leisure pool expansion

This option is comparable to the previous 2006 feasibility study in the location and size of Wellness Centre, Multi-Purpose Room, Entry and Universal Change Room.



- Room Legend
- Administration
 - Control / Reception
 - Corridor
 - Entry Lobby

 - Mechanical and Storage
 - Men's Change Room

 - New MP Room
 - Staff Area
 - Universal (Family) Change Room
 - Wellness Centre
 - Wellness Support Spaces
 - Women's Change Room

SKETCH PLAN OF OVERALL FACILITY APPROACH #1 – NOT TO SCALE

EXISTING FACILITY AREA:	1605M2 / 17270SF
NEW ADDITIONAL AREA:	1285M2 / 13830SF
NEW TOTAL FACILITY AREA:	2890M2 / 31100SF

We have prepared the following **Order of Magnitude Project Cost Summary** for this approach, updated to 2013 dollar values:

Component	New or Reno	Description	Area m2	Area sf	Cost per m2	Cost per sf	
Hard Construction Costs							
Pool + Pool Mechanical	New	Pool Hall + Mechanical	600	6458	\$5,221	\$485	\$3,132,600
Universal Change Rooms	New	family style change rooms	160	1722	\$4,844	\$450	\$775,040
Control Area	Reno	existing desk, expand and renovate	26	280	\$1,400	\$130	\$36,400
Entry Lobby	New	Simple vestibule/lobby space renovate existing showers into staff change rooms	22	237	\$2,207	\$205	\$48,554
Staff Area	Reno	existing desk, expand and renovate	40	431	\$2,422	\$225	\$96,880
Wellness Centre	New	mostly large open fitness centre, with some smaller office and washroom areas	420	4521	\$2,530	\$235	\$1,062,600
Multi-Purpose Room	New	large MP room	105	1130	\$3,068	\$285	\$322,140
Sprinkler Upgrade							\$200,000

Note: All Construction Costs include 7% PST

Order of Magnitude Hard Construction Cost

\$5,674,214

Soft Costs

Design & Management Fees; Loose Furnishings & Equipment; Construction Contingency; Development Cost Charges; Owner Administration Costs; Other Legal Costs

} 27%

Total Soft Costs

\$1,532,038

Project Cost

\$7,206,252

For comparison: in 2010 the OM project cost for this Approach was estimated at \$6,420,271 +HST (12%)

+ GST (5%)



VI.b Approach #2 – reversal of the entry location

The main difference between this test plan and the previous plan is the reversal of the entry location. The result is an improved overall organization of the facilities relationship between the entry, the pool hall and the MP room. The illustrative perspective sketch below indicates this new entry situation with views to the expanded pool.



SKETCH PLAN OF OVERALL FACILITY APPROACH #2 – NOT TO SCALE



SKETCH PERSPECTIVE OF POSSIBLE EXPANSION

Room Legend

- Administration
- Control / Reception
- Corridor
- Entry Lobby

- Mechanical and Storage
- Men's Change Room

- New MP Room
- Staff Area
- Universal (F family) Change Room
- Wellness Centre
- Wellness Support Spaces
- Women's Change Room



Above: Enlarged sketch indicating the idea of an inviting and transparent new entry and lobby to the Ravensong Aquatic Centre

Below: The wellness centre



0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT 2013 COST UPDATE
 November 14, 2013

This approach raises the project costs, because we are now constructing some spaces new that were previously unaffected (administration offices, facility main lobby with washrooms). At the same time some of the square foot costs are a bit lower (such as the Universal Change Rooms) because they are now being constructed in a renovated area. We have prepared the following **Order of Magnitude Project Cost Summary** for this approach:

Component	New or Reno	Description	Area m2	Area sf	Cost per m2	Cost per sf	
Hard Construction Costs							
Pool + Pool Mechanical	New	Pool Hall	600	6458	\$5,221	\$485	\$3,132,600
Universal Change Rooms	Reno	family style change rooms	153	1647	\$3,552	\$330	\$543,456
Adminstration Area	New	replacement of Admin existing desk, expand and renovate	87	936	\$2,422	\$225	\$210,714
Control Area	New		35	377	\$2,422	\$225	\$84,770
Entry Lobby	New	new lobby space, new wc's, seating, lots of glazing	155	1668	\$2,906	\$270	\$450,430
Staff Area	Reno	renovate existing showers into staff change rooms	67	721	\$2,314	\$215	\$155,038
Wellness Centre	New	mostly large open fitness centre, with some smaller office and washroom areas	420	4521	\$2,530	\$235	\$1,062,600
Multi-Purpose Room	New	large MP room	105	1130	\$3,068	\$285	\$322,140
Sprinkler Upgrade							\$200,000
<i>Note: All Construction Costs include 7% PST</i>				Order of Magnitude Hard Construction Cost			\$6,161,748
Soft Costs							
<i>Design & Management Fees; Loose Furnishings & Equipment; Construction Contingency; Development Cost Charges; Owner Administration Costs; Other Legal Costs</i>				} 27%			
				Total Soft Costs			\$1,663,672

Project Cost **\$7,825,420**

For comparison: in 2010 the OM project cost for this Approach was estimated at \$7,073,236 +HST (12%)

+ GST (5%)

VI.c Commentary on Facility Vision

Approach #1 offers the lower capital cost investment.

At approximately \$600,000.00 (2013 dollar value) premium over Approach #1, Approach #2 offers patrons a more significant transformation in how the new, expanded facility is experienced. It should also be noted that Approach #2 is slightly more compatible with the 2010 renovations / expansions that took place. In particular it will be more difficult to fit the Multi-Purpose Room between the Ravensong pool and the adjacent Civic Centre as planned in Approach #1.

However, either approach will provide Qualicum Beach with an attractive and comprehensive facility of over 31,000 sf (over 2850m²) at an overall replacement value (excluding land) in the range of approximately \$14,000,000.00 - \$17,000,000.00 if constructed in 2013.

VI.d Operating Cost and Revenue Implications

A separate report has been developed and appended to this report update that explores the operational cost implications related to the expansion of the facility with a leisure pool component and the wellness component:

HCMA retained David Hewko Planning + Program Management (DHP+PM) to examine the **operating cost and revenue implications** of one of the options developed for the RDN in the feasibility study, Approach #1. DHP+PM was asked to prepare a pro forma summary of operating expenses and potential revenues over a 6 year time period.

In order to prepare for creating cost and revenue projections, DHP+PM began with the analysis of historical financial budgets, labour and wage summaries, historical utilization, operating schedule and program offerings. Area take-offs of existing, proposed renovation and proposed new expansion areas were prepared for the purpose of creating unit values that could be compared with other like-facilities in the province.

The important finding is that **despite an 80% increase in built space and 60% increase in water area, the operating deficit should only increase by between 25% and 50% depending on the year.** The addition of the Wellness Centre in large part offsets the additional deficit of the newly added aquatic component, but isn't significant enough to reduce the overall pool deficit aside from minor economies of scale.

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Hughes Condon Marler : Architects





**Ravensong Aquatic and Fitness Centre
REGIONAL DISTRICT OF NANAIMO**

Post-Expansion Operating Budget Analysis - Final Report

October, 2013

1.0 Introduction

In 2009 Hughes Condon Marler: Architects have prepared a feasibility study to examine options for the redevelopment and expansion of the Ravensong Aquatic Centre in the town of Qualicum Beach, B.C.

The report offered a number of ideas and solutions for the expansion of the aquatics component as well as the addition of new 'dryland' spaces including a wellness centre or fitness centre, and a multi-purpose room.

In July of 2013 HCMA retained David Hewko Planning + Program Management to examine the operating cost and revenue implications of one of the options developed for the RDN in the feasibility study, Approach #1. DHP+PM is a Victoria-based sport and recreation programming consulting firm with 26 years experience and has prepared numerous operating plans for new and re-positioned facilities.

DHP+PM was asked to prepare a pro forma summary of operating expenses and potential revenues for a period extending to the year 2020. This presumes the expansion and renovation is completed by 2015 to create a six-year window.

In order to prepare for creating cost and revenue projections, DHP+PM began with the analysis of historical financial budgets, labour and wage summaries, historical utilization, operating schedule and program offerings.

Based on the concept diagram on the cover, DHP+PM prepared it's own area take-offs of existing, proposed renovation and proposed new expansion areas for the purpose of creating unit values that could be compared with other like-facilities in the province.

Acknowledgment: Image used on cover and in report extracted for HCMA Ravensong Aquatic Centre Expansion Feasibility Study Report



2.0 Current Operating Profile

According to the RDN website for Ravensong Aquatic Centre, the facility operates 88.5 hours per week, 49 weeks per year for a total of 4,337 annual operating hours. This differs from 3,940 annual hours stated in the business plans. The higher number was presumed to be more current and more accurate.

The facility currently operates from 6:00 AM to 9:30PM or 10:00 PM four days per week with an earlier closing Fridays and later opening and early closing on weekends. The website promotes facility rentals that would presumably occur outside of normal hours of operation.

According to the business plans, the aquatic facility is approximately 97% booked and programmed each year, which is exceptional when compared to other pool facilities across the province.

The facility currently has an annual budget of \$1.9 million operates at about a 32% cost recovery in 2011 The average annual operating budget for aquatic facilities of this type and scale in B.C. should be in the range of \$700,000 to \$2.0 million.

Cost recovery has declines since 2006 (43%) at a rate of 2% each year, excepting for the anomaly of the 2010 retrofit shutdown. This could be attributed to increasing utility costs, achieving maximum capacity with programs and deferred maintenance in previous years The business plan summaries indicate that currently there are about 96,000 annual admissions to the facility.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Early Bird 6-9am Pool shared (lane details online)	Early Bird 6-9:30am Pool shared (lane details online)	Early Bird 6-9am Pool shared (lane details online)	Early Bird 6-9:30am Pool shared (lane details online)	Early Bird 6-9am Pool shared (lane details online)	Early Bird 7-9am Pool shared (lane details online)
	Aquafit Deep & Shallow 9-10 am	Aquafit Shallow 9:30-10:30am	Aquafit Deep & Shallow 9-10 am	Aquafit Shallow 9:30-10:30am	Aquafit Deep & Shallow 9-10 am	Swim Lessons 9am-12 noon
Family Swim 10am-12 noon Adults must be with a child	Nifty Fifties 10-11am	Arthritic Swim 10:30-11:30am	Nifty Fifties 10-11am	Arthritic Swim 10:30-11:30am	Nifty Fifties 10-11am	
Noon Lengths 12-1:30pm	Noon Lengths 11am-12pm (4 lanes) Adults Only 12-1:30pm	Noon Lengths 11:30-12pm (4 lanes) Adults Only 12-1:30pm	Noon Lengths 11am-12pm (4 lanes) Adults Only 12-1:30pm	Noon Lengths 11:30-12pm (4 lanes) Adults Only 12-1:30pm	Noon Lengths 11am-12pm (4 lanes) Adults Only 12-1:30pm	Noon Lengths 12-1:30pm
Everyone Welcome 1:30-5:00pm	Afternoon Lengths* 2:30-3:30pm	Open Lane Swim 1:30-2:30 New for the FALL	Afternoon Lengths* 2:00-3:30pm	Open Lane Swim 1:30-2:30 New for the FALL	Afternoon Lengths* & Special Olympics 2:15-4:30pm	Everyone Welcome 1:30-5:00pm
Aqua Zumba sign up! 5-6pm	Swim Lessons 3:00-6:30pm	Afternoon Lengths* & MS Group 2:30-3:30pm	Swim Lessons 3:00-6:30pm	Afternoon Lengths* & MS Group 2:30-3:30pm		Rent the Pool 5-6pm
	Everyone Welcome 6:30-8pm	Swim Lessons 3:30-7:30pm	Everyone Welcome 6:30-8pm	Swim Lessons 3:30-7:30pm		
Everyone Welcome 6-8pm	Masters 8-9pm	Aquafit & Widths 7:30-8:30pm	Masters 8-9pm	Aquafit & Widths 7:30-8:30pm	Teen Swim 7-9pm (13-18 yrs old only)	Everyone Welcome 6-8pm
Adult Swim 8-9pm	Adult Swim 9-10pm	Adult Swim 8:30-9:30pm	Adult Swim 9-10pm	Adult Swim 8:30-9:30pm		Adult Swim 8-9pm
Leisure Pool Times - Saturday to Thursday the last hour of the day is Adult Only						
10am-5pm (10am-12noon - Families only) 6-9pm	6am-1:30pm Parent & Tot* 9-1pm 2:30-3:00pm 6:30-10pm	6-9am 11:30am-2:30pm Parent & Tot* 11:30- 1pm 2:30-3:30pm 7:30-9:30pm	6am-1:30pm Parent and Tot* 9- 1pm 2:00-3:00pm 6:30-10pm	6-9am 11:30am-2:30pm Parent and Tot* 11:30-1pm 2:30-3:30pm 7:30-9:30pm	6am-1:30pm Parent and Tot* 9- 1pm 2:15-6:30pm	7-9am 12:30-5pm 6-9pm
Sauna/Steam Room & Whirlpool Times - Saturday to Thursday the last hour of the day is Adult Only						
10am-5pm (10am-12noon - Families only) 6-9pm	6am-1:30pm 2:30-10pm	6am-3:30pm 4:30-9:30pm	6am-1:30pm 2-10pm	6am-3:30pm 4:30-9:30pm	6am-1:30pm 2:15-6:30pm	7-9am 12-5pm 6-9pm

3.0 Expansion of Aquatics

Approach #1, the concept option being evaluated includes a leisure pool tank with a deeper, rectangular portion that could be used for aqua-size and rehab therapy programming. The concept plan also suggests a zero-beach entry and a moving water lazy river that could be used for therapeutic resistance. Other amenities such as a waterslide may be considered in the future.

In terms of utilization, leisure pools and 25-metre program tanks are used in entirely different ways. Program pools offer a more reliable and predictable stream of revenue, as much of the usage is pre-registered program bookings or swim lessons (both consecutive week commitments). Lane swimmers too tend to be dedicated and consist users providing scheduled swim times are consistent.

Leisure water success depends on a number of factors including a potential for regeneration of the primary market over time, the young families demographic (affordable entry-level housing). In some locations, leisure water also depends on tourism traffic. Novelty and periodic change is important to the continued interest and attendance with leisure pools.

Bather load defined by BC Health Act is calculated as 1 person per 10 SF of water area shallower than 5-feet. Based on existing water areas of 4,462 SF and the addition of 2,915 SF, bather load increases from 446 to 739. The act requires 1 lifeguard on duty for every 100 bathers and never less than 1 lifeguard plus 1 other staff trained in the pool plan. Currently the pool averages 2.5 guards on shift reflecting higher peak-period demands and lower troughs. With the 60% increase in water area and bather load, the need for lifeguards will also increase to an anticipated average of 4.0 lifeguards.

Program lanes tend to be practically limited to a maximum of about six swimmers per lane at a time or 36 total in the program tank. Leisure water will experience a much higher density of use and consequently, higher revenues per square foot of water area can be expected.



4.0 Addition of Fitness

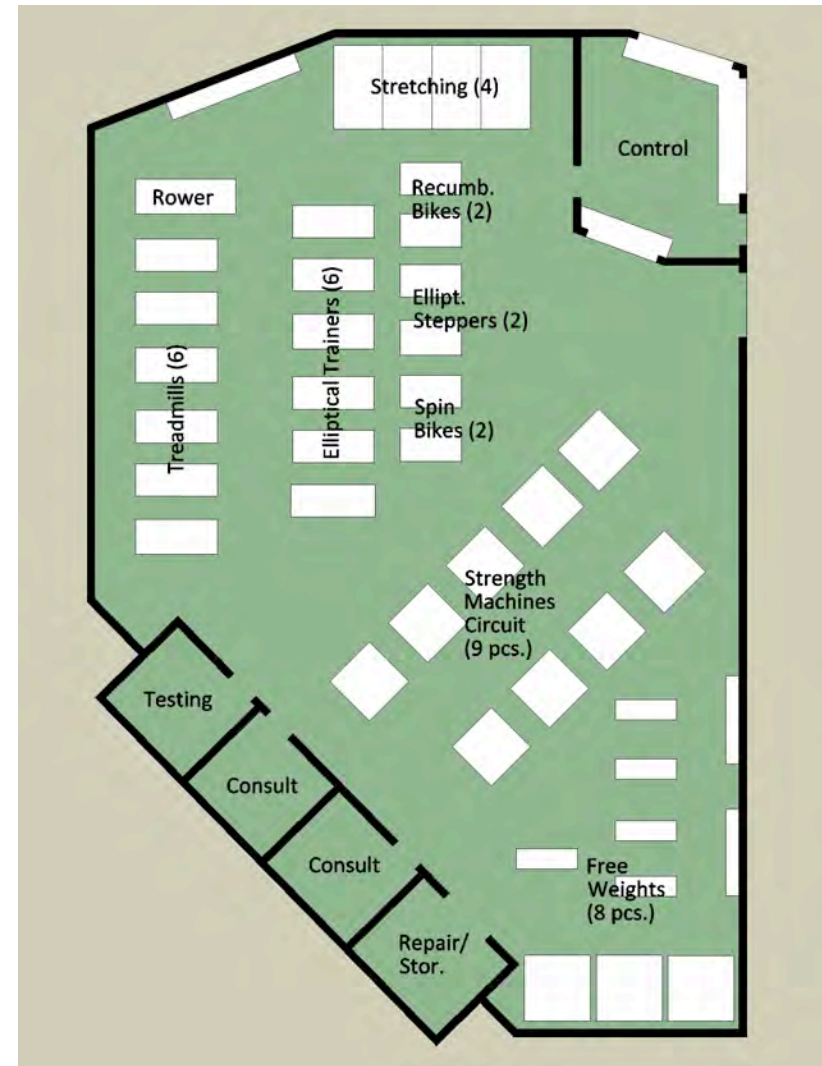
The introduction of a Wellness or Fitness Centre and a multi-purpose studio to the Ravensong facility will significantly improve overall cost recovery as these two components are the least expensive to operate and yield the highest net revenue, that can be used to reduce the operating deficit of the aquatics component. Fitness is the most densely utilized aspect of a recreation centre, and used consistently throughout the entire operating day.

A fitness centre requires very little in the way of staffing, often passive supervision from the main control desk is sufficient. The space itself is inexpensive relatively low-ceiling, short-span space with low energy consumption compared to a pool or arena. Movement classes in the studio require staff instruction and in most cases the space must support 20 users, the typical break-even threshold for cost recovery.

A key success factor will be environmental quality including the day-lighting and air handling system should never be compromised. A regular fitness user typically attends three times per week for 60-90 minutes or about 150-200 hours per year of their valuable and scarce free time. The quality of the experience is important to attracting and retaining clientele.

The Wellness Centre at 4,000 SF (enclosed spaces excluded) should support between 40-45 activity stations depending on layout and desired density. Based on current recreation trends and popularity, roughly half of stations should be cardio machines, with the balance divided between a strength machines circuit (minimum 9-10 stations), free weights and stretching including balls, TRX, etc.). The test layout to the right demonstrates a suggested layout for the equipment.

The multi-purpose studio should have a sprung wood floor and mirrors on one wall. The space should be available as additional stretching, balls and TRX space when not otherwise booked. A storage space should be included for tables and chairs for evening/weekend rentals as a meeting space.



5.0 The Pro Forma

The Pro Forma summary table on the following page illustrates projects revenues and operating costs for current (2012 column) and projected (2015-2020) years. The operating costs estimates are based on historical hard costs, extrapolated for larger building size or other threshold factors discussed herein. Revenues are based on comparative data informing extrapolation of current pool utilization or comparative data from similar facilities for the new 'dryland' components, the Wellness Centre and the multi-purpose room.

The bottom line number in each column projects the net revenue or operating deficit to be expected. Negative values are indicated in parenthesis and in each case an operating shortfall will require subsidization. The important finding is that despite an 80% increase in built space and 60% increase in water area, the operating deficit should only increase by between 25% and 50% depending on the year. This can be attributed to modest economies of scale on the aquatics side, plus the addition of positive cash flows generated by the Wellness Centre and multi-purpose studio.

The Wellness Centre if targets are met could generate revenues of about \$60 / SF per year while the pools generate a similar \$60 / SF. Wellness Centre pro-rated operating costs are about \$40 / SF for a net positive cash flow of about \$20 / SF. Conversely, the pro-rated operating costs for the pools is about \$175 / SF so the net revenue is a negative -\$115/SF.

The addition of the Wellness Centre in large part offsets the additional deficit of the newly added aquatic component, but isn't significant enough to reduce the overall pool deficit aside from minor economies of scale.

An explanation of all assumptions and estimates can be found on the page following the Pro Forma spreadsheet. A caveat: the pro forma represents a 'best estimate' of future costs and revenues. The estimate is subject to changing variables and circumstances and there is no guarantee of outcome.

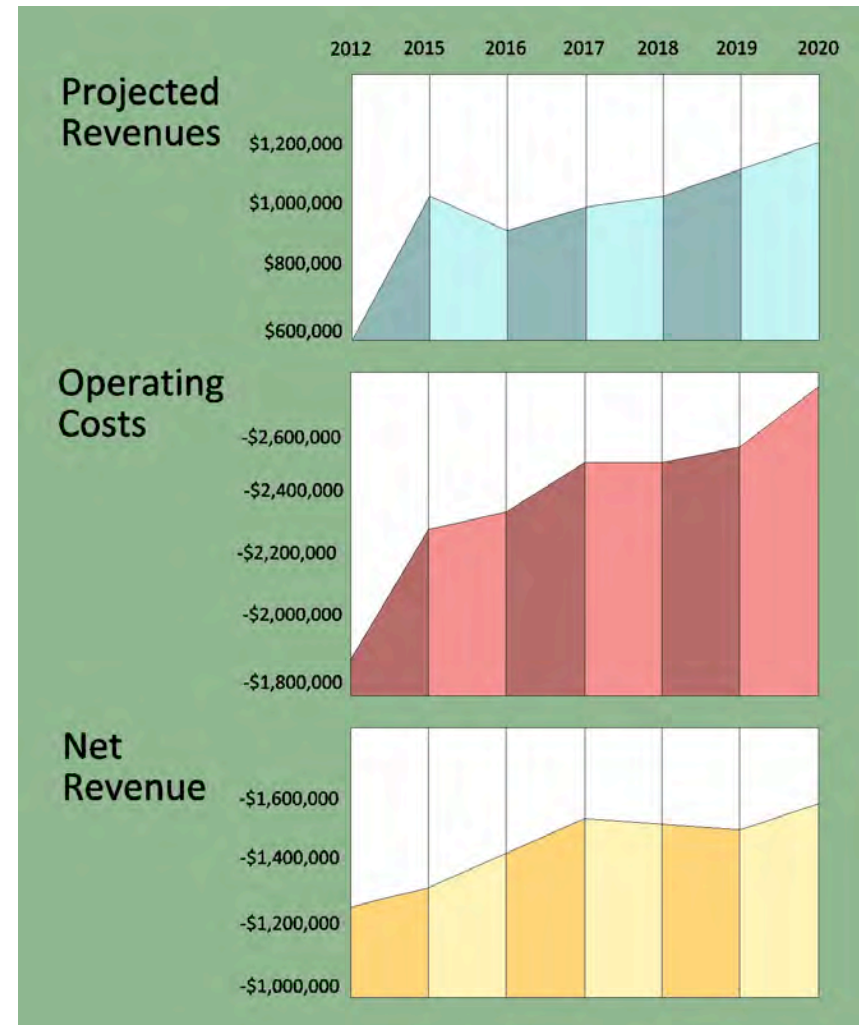


Figure 1. RAVENSONG POOL EXPANSION - PRO FORMA

Line		2012	2015	2016	2017	2018	2019	2020
1	Areas							
	Pools and Deck SF	8460	13520	13520	13520	13520	13520	13520
2	Wellness Centre SF	0	4520	4520	4520	4520	4520	4520
3	Multi-Purpose SF	0	1130	1130	1130	1130	1130	1130
4	Locker Rooms SF	2500	4220	4220	4220	4220	4220	4220
5	Other SF	6310	7710	7710	7710	7710	7710	7710
6	Totals	17270	31100	31100	31100	31100	31100	31100
7	Variables							
	Annual Operating Hours	4337	4337	4337	4337	4337	4337	4337
8	Combined Pools Bather Load	446	736	736	736	736	736	736
9	Annual Pool Admissions	96,000	135,000	108,000	115,000	122,000	128,000	135,000
10	Wellness and Fitness Admissions	n/a	70,000	74,000	78,000	82,000	86,000	90,000
11	Revenues							
	Pool Admissions	\$260,000	\$390,000	\$317,000	\$341,000	\$367,000	\$392,000	\$419,000
12	Swimming Lessons and Aquafit	\$195,000	\$244,000	\$198,000	\$213,000	\$230,000	\$246,000	\$262,000
13	Wellness Admissions	n/a	\$208,000	\$224,000	\$241,000	\$258,000	\$276,000	\$293,000
14	Rentals	\$85,000	\$111,000	\$115,000	\$118,000	\$122,000	\$126,000	\$130,000
15	Misc. Income	\$45,000	\$65,000	\$68,000	\$70,000	\$73,000	\$75,000	\$78,000
16	Total	\$585,000	\$1,018,000	\$922,000	\$983,000	\$1,050,000	\$1,115,000	\$1,182,000
	Operating Costs							
17	Labour							
	Administration	\$140,000	\$140,000	\$140,000	\$150,000	\$150,000	\$150,000	\$157,000
18	Management	\$140,000	\$140,000	\$140,000	\$150,000	\$150,000	\$150,000	\$157,000
19	Administrative Staff	\$175,000	\$175,000	\$175,000	\$188,000	\$188,000	\$188,000	\$196,000
20	Operating Staff and Mgmt.	\$190,000	\$190,000	\$190,000	\$205,000	\$205,000	\$205,000	\$214,000
21	Lifeguards	\$353,000	\$568,000	\$568,000	\$593,000	\$593,000	\$593,000	\$620,000
22	Program and Teaching Staff	\$130,000	\$130,000	\$130,000	\$140,000	\$140,000	\$140,000	\$146,000
23	Fitness Instructors (new)	\$0	\$63,000	\$63,000	\$68,000	\$68,000	\$68,000	\$71,000
24	Benefits	\$240,000	\$245,000	\$245,000	\$263,000	\$263,000	\$263,000	\$275,000
25	Energy							
	Electricity	\$185,000	\$178,000	\$198,000	\$214,000	\$232,000	\$255,000	\$280,000
26	Heat / Fuel	\$70,000	\$137,000	\$143,000	\$150,000	\$157,000	\$165,000	\$173,000
27	Overheads							
	Pool Chemicals	\$40,000	\$64,000	\$65,000	\$66,000	\$67,000	\$68,000	\$69,000
28	Water and Sewer	\$15,000	\$24,000	\$24,000	\$25,000	\$25,000	\$26,000	\$26,000
29	Program Costs	\$20,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000
30	Insurance	\$10,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000	\$17,000
31	Office Supplies and Overheads	\$25,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
32	Communications	\$15,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
33	Cost of Goods Sold	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
34	Custodial Supplies	\$15,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000
35	Maintenance and Repairs	\$115,000	\$70,000	\$80,000	\$90,000	\$100,000	\$110,000	\$120,000
36	Marketing	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
37	Fitness Equip. Replacement	n/a	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
38	Grants	\$20,000	\$20,000	\$21,000	\$21,000	\$21,000	\$21,000	\$22,000
39	Lifecycle	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	Total	\$1,840,000	\$2,321,000	\$2,359,000	\$2,501,000	\$2,537,000	\$2,580,000	\$2,705,000
41	Net Revenue	(\$1,255,000)	(\$1,303,000)	(\$1,437,000)	(\$1,518,000)	(\$1,487,000)	(\$1,465,000)	(\$1,523,000)

Explanatory notes, assumptions and factors:

Lines 1-6	Existing and expanded building areas in square feet.	Line 13	Demand and revenues for the Wellness Centre are based on a target usage of 12 persons per every operating hour, eventually increasing to 16/hour. This also includes participants in movement classes (target 20 per hour) offered 3-5 times per day. Wellness or fitness centre alone target is 8 users / hour increasing to 10. Pool and wellness centre estimates assume a spillover effect and both figures and assumptions reduced to avoid double-counting.
Line 7	Annual operating hours based on the current posted website schedule. Business plan reports indicate the pool is typically 97% booked or programmed.		
Line 8	Bather load as calculated by B.C. Health Act: 10 / SF per bather for all water less than 5-feet in depth. The act requires 1 lifeguard per 100 bathers, though actual load is always lower than the maximum.	Line 14	Multi-Purpose Room outside rentals estimated at 3 hours per day at \$30/hour added to current rental revenue number. Fitness movement classes not treated as a rental.
Line 9-10	Current pool and projected pool and wellness centre attendance projections. The pool addition will generate a significant increase in attendance of about 40% during its 'honeymoon period' before a fall-off of about 20% and increasing by 5% a year thereafter. Conversely, the Wellness Centre will begin at a lower rate and increase about 5% per year as the regular user-base increases.	Line 16	Revenue does not include tax requisition, surplus carry-overs or transfers - only monies collected from operations.
Line 11	Pool revenues projected to increase by 50% in 2015 (40% plus consumer price index or CPI increases). In 2016 pool revenues will likely decline 20% less CPI and thereafter increase by 6.5% (5% plus CPI).	Lines 17-24	Current staff costs as per RDN business plan. Only additional lifeguards and the addition of fitness instructors increases the labour compliment. All other positions remain unchanged as workload incrementally or negligibly change. Assumed wage increases of 5% were inserted for years 2017 and 2020 (1.5% increase annualized).
Line 11-12	Facility revenues currently recover 32% of operating costs. This is a decline from a recovery rate of 43% in 2006. Higher past recovery attributable to past deferred maintenance and lower energy costs.	Line 22	Lifeguard labour currently averages 2.5 lifeguards per operating hour, increased to 4.0 lifeguards per operating hour with the additional pool.
Line 12	Swim lessons will increase less by only 25% owing to no new lanes being added, but some programs removed to new pool. 2016 will decline by 18% and increase annually 6.5%/year.	Line 23	Wellness Centre is passively monitored by Admission Control desk therefore no staff added specifically for the fitness centre. Movement classes instructors are a new added cost (up to 6/hours per day). Personal trainers would offer services on a fee-for-service basis to the client.

Line 24-25	Energy costs according to the USEA and the CNEB are projected to increase faster than CPI over the next decade. BC Hydro projected 8-10% increases annually owing to world energy demand and infrastructure costs. China's demand alone projected to drive oil from \$110 / barrel to \$130/barrel by 2020. Current electrical and other energy costs estimated at \$5/SF and \$4/SF respectively and increasing annually 10% and 5% respectively. From 2012 to 2015 allowing for increase in area of 80%, electricity costs increase by 110% and fuel by 95%.	Line 39	Lifecycle, minor capital expenditures or a building systems replacement are not included in this estimate.
Lines 26-37	Overheads such as pool chemicals, water and custodial supplies projected to area proportional increase in 2015, the assumed year of opening of the new expansion. Most costs increased for consumer price index (CPI) escalation of 1.5% annually, with some line items offset by economies of scale. Some fixed overhead items such as marketing remain constant even as the facility increases in size by almost 80%.	Line 40	Total expenditures does not include debt servicing cost charges and transfers. Total operating costs will increase by almost 20% when the expansion is opened largely owing to increase pool labour costs but also energy and overheads to support 80% more floor area. Each operating year thereafter projected to increase by about 5% per year.
Line 30	Insurance assumed to increase 50% at time of facility expansion plus escalated at rate of CPI over time.	Line 41	Net Revenue, a negative value, is the shortfall of revenues to operating costs requiring additional external funding. Net revenue is calculated on revenues, less tax requisition, surpluses and transfers and does not include debt-servicing costs. Despite the facility increasing by 80% in size, the deficit may actually decline in the first year and is only expected to increase by about 5% in subsequent years.
Line 35	Maintenance budget actually assumed to decline in 2015 as building issues addressed during expansion. Budget increases by \$10,000 each year thereafter.		
Line 37	Allowance made to replace or add one piece of fitness centre equipment each year at an average cost of \$8,000. Cardio equipment will cost well over average, while some strength machines and free weights equipment will cost below average.		
Line 38	Grants given by Ravensong assumed indexed to CPI to reflect increased admission charges.		

APPENDIX II

**Hughes Condon Marler Architects (HCMA)
Ravensong Aquatic Centre Expansion Study**

February 2010

Ravensong Aquatic Centre

Expansion Feasibility Review Report

February 15, 2010



General Manager of Recreation and Parks
Regional District of Nanaimo
Oceanside Place - 830 West Island Highway
Parksville, BC V9P 2X4

15 February 2010

Attention: Tom Osborne, General Manager of Recreation and Parks

RE: 0919 RAVENSONG AQUATIC CENTRE RENOVATIONS – FACILITY EXPANSION REPORT

HCMA is pleased to present this summary of facility expansion considerations and options at Ravensong Aquatic Centre. Hughes Condon Marler : Architects has become familiar with your facility through our involvement with the remedial and upgrade project which will take place in 2010 and has been summarized in an earlier report dated September 21, 2009. In the summer of 2009, HCMA hosted a workshop with key stakeholders and staff to obtain input on future facility expansion opportunities. Background information reviewed and referenced includes the *"Recreation Services Masterplan for Oceanside"* (PERC, 2006) and the *"Ravensong Aquatic Centre – Proposed Additions Feasibility Study Report"* (CJP 2007).

Yours truly,
Hughes Condon Marler : Architects

Darryl Condon, MAIBC, OAA, AAA, FRAIC, LEED® Accredited Professional
Principal

0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT
February 15, 2010

Ravensong Aquatic Centre as seen from parking lot:



Aerial Photograph of Ravensong Aquatic Centre:



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0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT
February 15, 2010**I – BACKGROUND AND EXECUTIVE SUMMARY****BACKGROUND**

Hughes Condon Marler : Architects have been retained by the Regional District of Nanaimo to review opportunities for future expansion at the Ravensong Aquatic Facility in the Town of Qualicum Beach, BC. This scope was part of Phase 1 of the Ravensong Aquatic Centre – Remediation and Upgrade Project, which has since proceeded into Phase 2 – Implementation, with construction work to be completed in 2010.

On June 24, 2009 HCMA met with RDN staff, management and select stakeholders to obtain input on the existing facility as well as hopes and thoughts for possible future additions and expansions. In particular HCMA was asked to expand on the “*Ravensong Aquatic Centre – Proposed Additions Feasibility Study Report*” prepared by CJP in 2006 and 2007 which was developed under time constraints and without much stakeholder involvement. At the time of HCMA’s engagement, the expansion was still considered to be an Option that would be presented to the general public in form of a referendum. In the Fall of 2009, facing significant costs to upgrade and remediate the existing facility, the Regional District made the decision to focus on the remedial work first and not proceed with an expansion at this time. This report summarizes the review of expansion options as they had occurred prior to this decision. The focus of these options shifted more towards a long-term master-planning exercise as it became clear that the expansion was postponed indefinitely into the future.

It should be noted that the separation of the necessary remedial work from the potential expansion options eliminated the potential for “synergies” between the two projects, which the original RFP call had identified to be identified and quantified as part of Phase 1.

REPORT OUTLINE

The result of this study is not one proposed design for the expansion of the Ravensong Aquatic Facility. It is rather an exploration and description of various options that inform the masterplanning process. As such it took one step back from the previous feasibility study and widened the exploration of building options and components. In Section II, this report first describes the feedback received as part of a workshop to which stakeholders and staff were invited. Mostly this served to further identify the needs and perceived shortcomings of the existing facility. Section III briefly identifies two distinct approaches to structuring and organizing the relationship between the entry, the pool hall, the change rooms and the wellness centre. Section IV proceeds to describe what are called “components”, functional units of areas that are programmatically related, such as the wellness centre, the pool hall and the change room block. Finally we have identified Order of Magnitude costs that are to be expected for these expansion spaces. These costs are based on a dollar per square foot assignment and should serve merely for master planning purposes. Additional cost estimates would be required as any proposed design for the expansion gets further developed.

EXECUTIVE SUMMARY

This study concurs with major portions of the expansion recommendations found in the Recreation Services Masterplan. It also deems certain aspects of the previous feasibility study prepared by CJP in 2007 as a viable solution. At the same time, this study identifies additional opportunities to provide more floor space for the wellness component if deemed beneficial. We have also presented an alternative approach to structuring your expansion, which relocates the entrance, in order to provide an improved relationship between the entry lobby and the pool hall.

II EXISTING FACILITY

INTRODUCTION

The existing facility (Ravensong Aquatic Centre, RAC) was constructed in 1995 with an approximate floor area of 1700 m². It is a single storey building of non-combustible construction and un-sprinklered. It contains a single pool hall with a 25m, 6 lane lap pool with fixed entry stairs and a 1 meter diving board (currently at a temperature of 84°F), a 25 person hot tub (102°F) and a 77m² leisure/teach pool 94°F. Past additions and enhancements to the facility include a new sauna and steam room (2004) and a new water/play feature (“the whale, 2005).

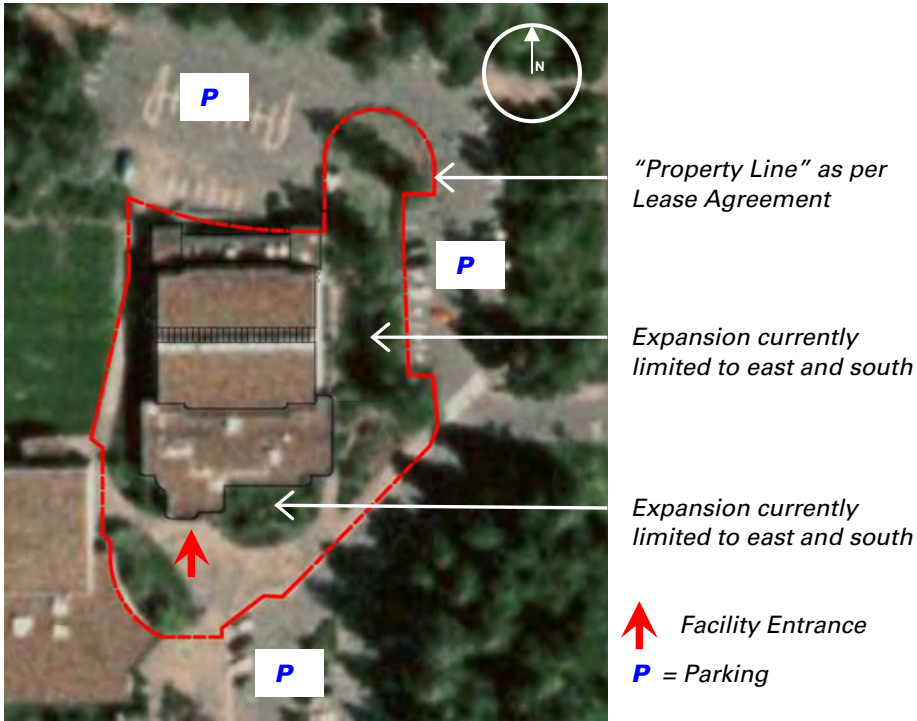
The pool hall is characterized by its vast amounts of natural light with expanses of curtain walls facing the east and west, upper level windows on the north and south walls, as well as a large skylight that stretches the entire length of the pool hall from east to west. The building is a combination of concrete masonry unit, concrete and steel construction. The pool deck and pool tanks are ceramic tile.

II.a CONSTRAINTS

SITE

RAC is located on land that has been leased from the Town of Qualicum Beach. It is abutted by parking lot to the north (with service access to the mechanical support spaces), a treed and landscaped buffer between the eastern curtain wall facade and a parking lot, a landscaped area and the main circulation walkway to the entry to the south and open fields as well as a fenced outdoors patio to the west. The property lines that form part of the current lease agreement limit possible expansion significantly, leaving possible expansion areas to the east and to the south. Expanding in other directions would require a renegotiation of the lease agreement with the Town of Qualicum Beach.

The main entry is at the south-west corner of the facility, set back from the drop off area and parking lot by about 25 meters. The entry is located underneath a canopy overhang, providing shelter from the elements at the entry doors, but also somewhat concealing the entry doors from direct view from the points of arrival to the site.



BUILDING CODE CONSIDERATIONS

The facility is classified as Group A, Division 3, one storey, increased area, non-combustible construction. This classification limits the floor area to 2400m² if facing 1 street, 3000 m² if facing 2 streets or 3600m² if facing 3 streets. Once the addition has occurred it is possible that the facility will face 3 streets, most likely it will face “2 streets”, which means that the new facility will likely exceed the maximum area permitted.

Contrary to the previous feasibility study, we recommend providing sprinkler protection for the entire facility, rather than separating parts of the building from the remainder with a 2 hour fire wall.

This approach significantly increases patron safety in case of a fire emergency situation and may have positive impacts for the owner on the insurance coverage of the building. Additionally taking this approach provides increased opportunities for transparencies inside the facility and keeps open the possibility for future additions and multi-level expansion.

We have recently completed a sprinkler protection to a similar aquatic facility in Saanich that is larger than your facility, and the mechanical costs for sprinkler installation totalled less than \$100,000.00, with an additional \$75,000.00 allowance to make good and refinish ceilings after installation.

II.b IDENTIFIED SHORTCOMINGS

As a starting point, it was our intention to better understand the current shortcomings of the facility, either perceived or real, as well as its strengths. These shortcomings and strengths were grouped into technical and programmatic issues; the technical shortcomings largely to be addressed in the remedial project, leaving the programmatic issues to be considered as part of this study.

Technical

There have been a number of deficiencies with the existing structure, envelope and mechanical systems identified, the majority of which will be addressed through a major remediation project in 2010. These are described in detail in a separate report by HCMA, dated September 21, 2009.

Programmatic

Programmatic and functional shortcomings are by nature somewhat harder to identify; items may be quite obvious based on current use patterns and experience, others may be more anecdotal and based on comparison with other facilities. The majority of these were identified by stakeholders at the workshop.

Overall facility

- Wellness Component.
 - o The lack of a fitness centre with program offerings such as weights and cardio equipment as well as opportunities for offering physiotherapy and other health and wellness programs has been identified and formed the starting point for previous studies on the expansion of this facility. Already the original design in 1995 had this component as part of the project, but it was removed from the project and not built as a cost savings measure.



Example: Fitness Centre added to Sungod Aquatic Centre (Delta) in 2001 at 5000 sf. Note that this facility is now (2010) being doubled in size to keep up with patron demand.

- Multi-Purpose Space / Birthday Room
 - o Currently the facility does not have Multi-Purpose (MP) space. A Multi-Purpose Room is usually included in similar facilities, providing additional programming options for aquatic and non-aquatic programs and training. If positioned appropriately, such Multi-Purpose space also provides opportunities for patrons to host birthday parties at the facility. It should be

noted that the neighbouring Civic Centre has numerous MP spaces available, but the lack of an MP room has been identified as a shortcoming and the addition of one MP room to RAC is desired and was included in the previous study.



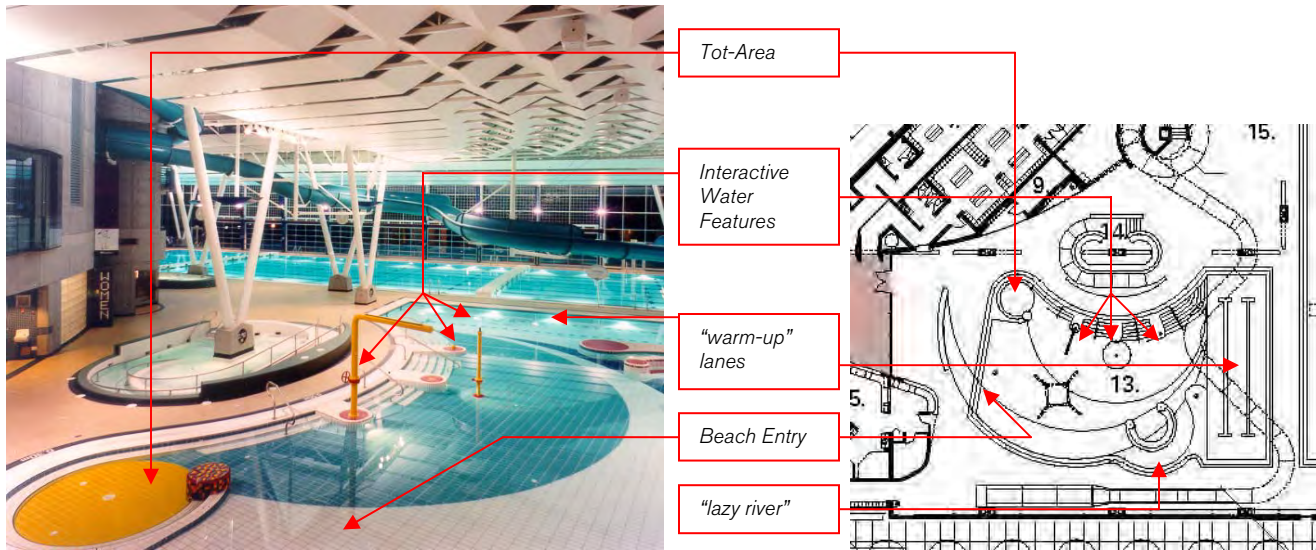
Example: A Multi-Purpose / Aerobic Studio located at Port Moody Recreation Complex

- The lack of bicycle facilities (covered and secured bicycle parking, bicycle storage) was identified as a shortcoming of this facility.

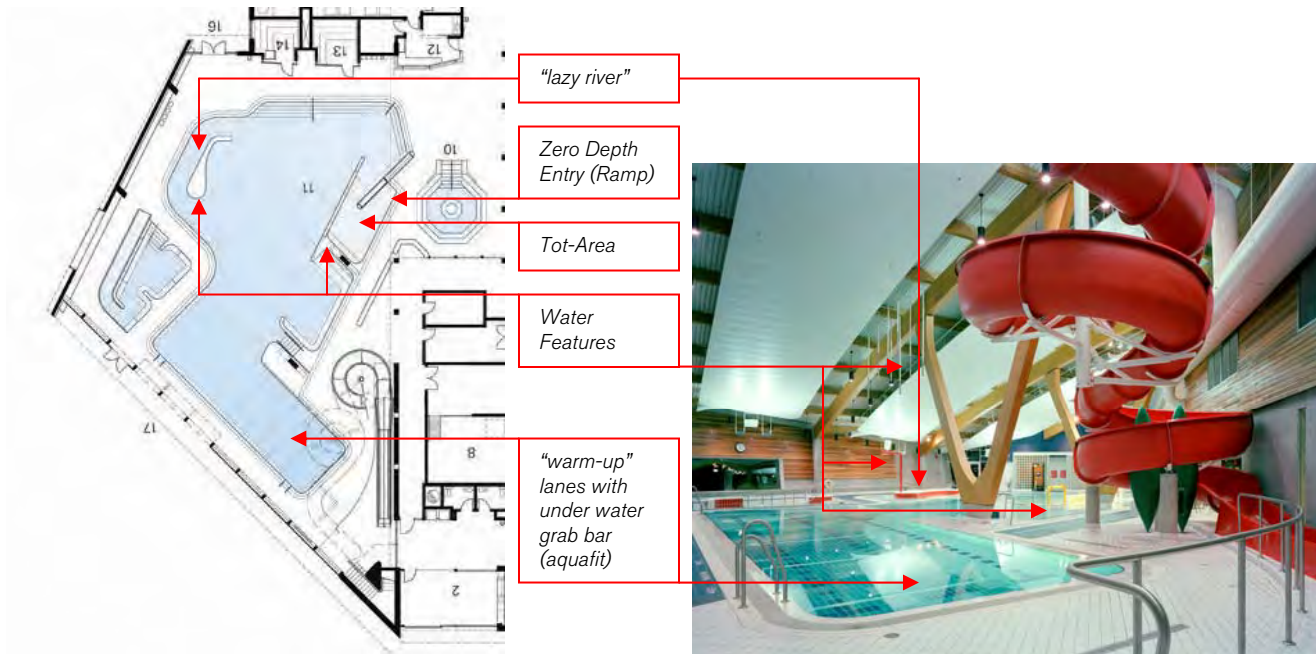
Aquatic Component

- The aquatic component is the backbone of this community facility and is popular for its strength in programming offers and staffing. It is felt that the patrons have learned to live with some of the shortcomings listed below and adjusted their attendance patterns and schedules to suit, but that addressing the shortcomings would likely lead to an increase in use by the community of this “pool next door”.
- Pool Tanks – configuration, uses and temperatures
 - o The facility is a multi-tank facility, but the need to use the main tank for lane/lap swimming schedules as well as aquasize/exercise programs leads to scheduling challenges similar to single tank facilities, and most importantly the water temperature is a compromise, too warm for the lane swimmers and too cold for some aquasize patrons.
 - o The leisure / teach pool is relatively small compared to most leisure tanks in newer facilities. Its shape is simple in plan and it has a single slope floor ranging in depth from 0m to about .9 meters. It is well used for leisure, toddler and therapeutic purposes, but has limitations in its use as a teach pool and can not accommodate any aquafit type programs.

Below are some examples of a Leisure pool tanks as part of a multi-tank facilities: Any proposed leisure tank should add water features, “lazy-river”, zero depth entry (ramp or “beach entry” and additional warm-up/leisure swim lanes. A new tot area is optional, since the existing leisure tank at RAC provides this functionality. Slides are very popular attractions as part of leisure pools and the inclusion of a slide should be considered, even though the Recreation Services Masterplan correctly identifies high operational (staffing) costs associated with slides.



Above Example: Walnut Grove Aquatic Centre Leisure Pool Tank. Note: Several additional water features were "roughed in" at time of construction allowing the pool to add features over the years to provide new attractions.



Above Example: West Vancouver Aquatic Centre Leisure Pool Tank

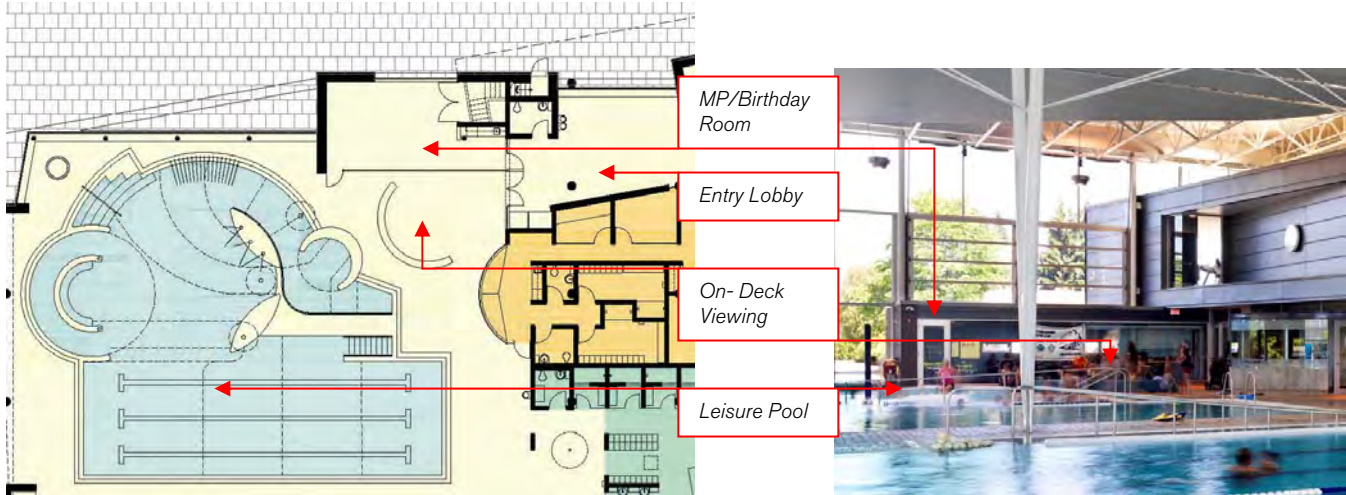
- Pool Decks

- o The pool deck areas are very restricted in general, and some areas even pose safety concerns
- o The very narrow pool deck between the tot/leisure pool and the deep end of the main pool requires lifeguarding care. This is compounded by the significant slopes in the deck due to the flush gutter detail. There are no deck drains between the two pools.
- o Available deck area at the entries to the change rooms is very minimal, additionally constricted by the addition of glass-block screens on the deck to restrict sightlines into the change rooms after sets of doors have been removed.

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- There is minimal “on deck viewing area” where the existing glazed entry lobby provides viewing into the pool hall

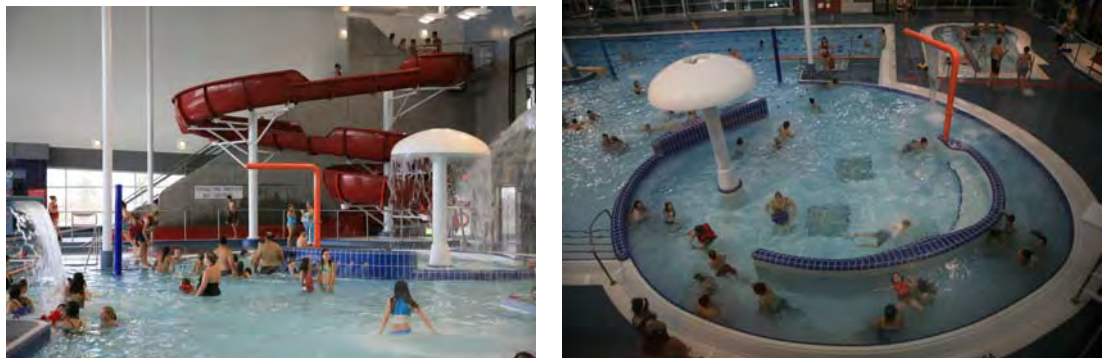
Below is an example of a facility with a lobby/birthday room and on-deck viewing arrangement that provides sufficient and varied viewing opportunities for non-swimming public (for instance parents). The RAC expansion should attempt to significantly increase available pool deck, including on-deck viewing area in proximity to the leisure pool.



Above Example: Chimo Pool (Coquitlam)

- Water / Pool Features

- The addition of the “whale” in 2005 has provided one of the few water features within this facility. Others include the 1m diving board and a portable tot slide located at the shallow end of the lap pool. Additional features to increase the leisure aspect of the facility and the attraction to youth and children (slide, play-features, climbing features etc.) was mentioned as desirable by stakeholders.



*Above: some examples of a leisure pool that provides a multitude of water play features, some of which can be controlled interactively by patrons.
Below some additional water play feature illustrations: climbing wall, water curtains, squirters and jets, flowrider®, waterslide*



- Change Rooms
 - o The need to expand available change rooms has been previously identified and formed part of the previous expansion feasibility study. At the stakeholder workshop it was re-confirmed that the change rooms in general, but the family change rooms in particular are experienced as crowded and tight.
 - o Only three family change rooms are provided in the facility, which was not uncommon in the past, but differs significantly from what patrons have come to expect in recent years.
 - o Staff change/shower facilities were not included in the original facility and the staff areas adjacent the current family change rooms are not very generous.
- Support Spaces
 - o A shortage of storage space in the pool as well as in the administrative areas was repeatedly mentioned in the stakeholder workshop. The available storage rooms on the north side of the pool hall are furthermore constrained by their use as mechanical rooms.
 - o The existing mechanical room provides sufficient space for planned upgrades to the mechanical system, but there is no capacity to consider an expansion of the facility without also expanding the mechanical support spaces.

II.c OTHER STAKEHOLDER FEEDBACK

50 meter Pool

- The suggestion to add a new 50 meter lap pool was brought forward by a swim club at the stakeholder workshop. The Recreation Services Masterplan addressed this request, noting that the costs associated with the building and operating of a 50m tank is very high, and that a leisure pool with some additional lap capacity will serve the needs of this community at this time.

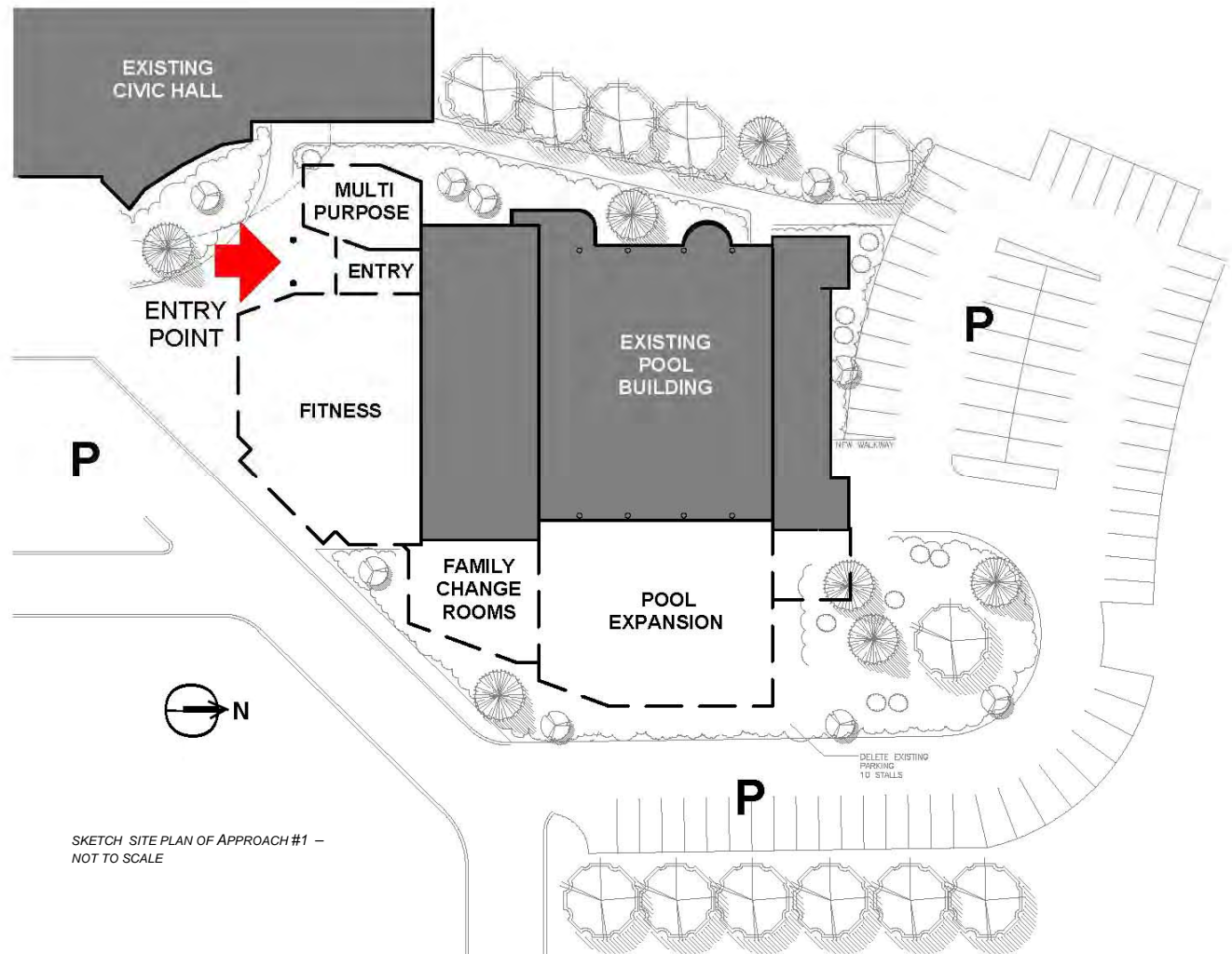
Expansion building type and technology

- The high costs of constructing a 50 meter pool mentioned in the Recreation Services masterplan were questioned by an attendant at the stakeholder workshop. It is our opinion that reducing these costs by building an outdoor pool, or a air-supported ("bubble") style addition (as suggested) are not feasible and furthermore that this site lacks available land to easily expand the facility with a 50 meter pool. The existing facility is already an efficient steel and masonry building, lending itself to a fairly economical expansion when using the same construction technology, providing a seamlessly experience when transitioning from the existing pool hall into the new pool hall. Employing pre-engineered systems or air-supported technologies will have little economic savings, but are associated with significant technical challenges when physically attached to conventional steel buildings due to very differing structural requirements, sway tolerances and structural movement.

III EXPANSION OPTIONS – SITE PLANNING

Following a site analysis, we have identified 2 fundamental approaches to structuring the arrangement of expansion components at and around this facility. Approach #1 accepts the existing front entrance at its current general location, Approach #2 relocates the main entry to the east, changing the fundamental relationship between the entry and the pool deck. Both approaches have advantages and disadvantages. Following are 2 simplified site plan sketches that indicate the 2 site planning approaches

III.a Approach #1 – Retaining existing Entry location



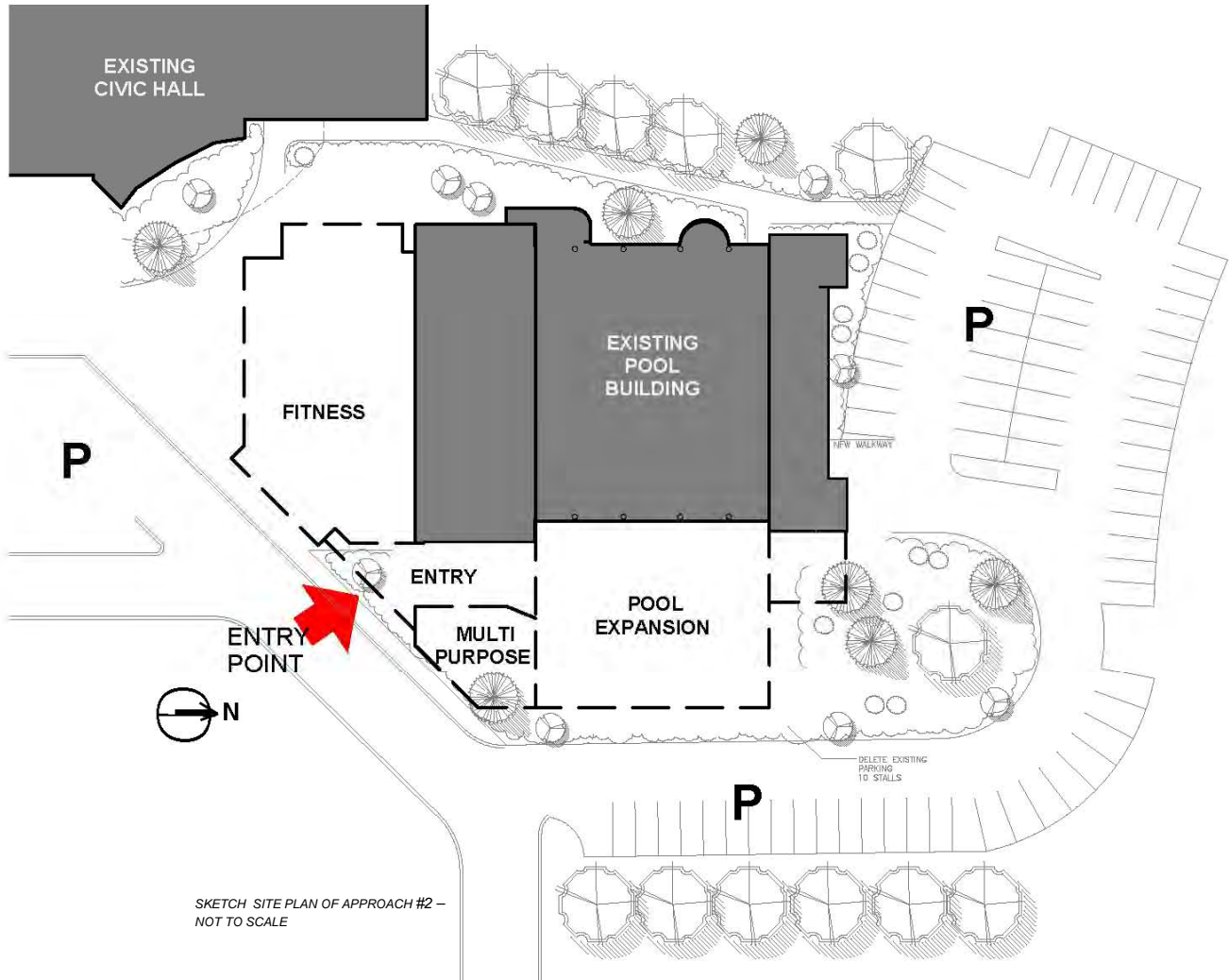
Retaining the existing entry location has the following advantages:

- + retention of existing areas saves some cost compared to new construction of lobby and entry combined with renovating existing areas to suit new uses.
- + familiarity of current patrons
- + proximity of RAC entrance to Civic Centre Entrance

Disadvantages:

- limited expansion options to the south
- once new south expansion has been constructed, the main entry becomes “buried” or concealed from most views on site
- entry is very removed from northern and eastern parking lots

III.b Approach #2 – “Reversal” – the facility entry is shifted to the east



Relocating the entry location has the following advantages:

- + Possibility to design a new spatial relationship between the entry / entry lobby, the expanded pool hall and the MP room
- + Possibility to create a visible, transparent and inviting entry situation that addresses public as it arrives by public transport or automobile from Jones Street
- + larger expansion to the south is possible

Disadvantages:

- increased cost because more areas are newly constructed and renovated
- the entry loses its immediate relationship to the Civic Centre

The following pages explore in more detail options that present themselves for the major expansion components. Some options are feasible with approach #1, some with approach #2 and some would work independently of the entry point to the facility.

IV EXPANSION SCOPE – COMPONENT DESCRIPTIONS

THE STARTING POINT – EXPANSION COMPONENTS:

- WELLNESS/FITNESS
- AQUATIC CENTRE: POOL
- AQUATIC CENTRE: CHANGE ROOMS

Wellness Component: One of the major components to be added to the facility is the Health and Wellness Centre (Fitness Centre), which would include aerobic and cardio exercise equipment, free weights and associated space for a physiotherapist or other health and wellness offerings. This is a component that was already included in the original facility design, but not constructed as a cost saving measure. The size is identified in the Recreation Services Masterplan at a minimum of 2500 square feet (230 m²), noting that most current facilities have significantly more space for this component (typically 5000 sf (465m²) to 10000sf (930m²))

We concur with previous recommendations to give priority to this component and that the size should be expanded if possible, which was also indicated in the CJP study, where the wellness Centre was sized at about 360 m² (3900sf)

The stakeholder workshop was less conclusive around the priority of this space over an expansion of the aquatic space. As was pointed out, there are several other (commercial) opportunities available in the community to visit these types of fitness facilities, but there is only one public swimming pool. Since most current users are patrons of the swimming pool, it is the shortcomings of the swimming pool that are noticed most, not the absence of a wellness centre.



Above: Fitness and Wellness Centres benefit greatly from a visual connection to the outdoors, to other programmatic activities (pool) or even both at the same time.

Please refer to Section IV.a for additional explorations of some options for adding this component to the existing facility.



Above: Fitness and Wellness Centres can be located on the second storey. They can also add visual supervision to exterior public spaces, as here in West Vancouver.

Aquatic Expansion Component: The second major expansion component identified in the Recreation Services Masterplan is the expansion of the pool itself. The Masterplan indicates that the expansion of this existing facility will provide the required additional swimming pool capacity for this community more economically than building another separate facility elsewhere in the Regional District. The Recreation Services Masterplan furthermore concludes that a leisure oriented expansion with up to 4 lanes of additional lap swimming and a lazy river type feature, which serves both leisure and therapeutic needs is appropriate. Generally we concur with this assessment, and believe that the addition of one additional tank with some lap swimming capacity, areas that can serve for aquasize programs, a zero entry beach/ramp access and has an array of leisure oriented features would allow the main lap pool to be lowered in temperature, decreasing conflicts between various users and significantly increasing programming opportunities. The leisure pool would be placed such that aquasize patrons may be able to be in both pools for the same program. In our opinion the 2007 expansion proposal, which included a 6 lane 25 meter pool with a lazy river, is not a feasible solution. Typically lap pools are not very compatible with lazy-river features, and we believe it more important to create a new pool tank that caters to the leisure and aquafit user in its temperature, not to lap swimming.

A waterslide and some diving capacity (3 meter platform or board) was brought up at the workshop as further desirable additions, but would be largely dependent on available funds and the size of expansion.



Above: Free-form leisure pool tanks with some lap/lane capacity have proven very popular and typically include seating opportunities, various water play features (sprays and jets in the pool, on the pool deck and suspended from the ceiling), easy entry (zero-depth beach or ramp), a lazy river, a vortex or bubble pit as well as water surface area that accommodates aquatic programs and lessons. The actual shape and configuration of a leisure pool is best designed with significant staff and stakeholder involvement to ensure it suits the actual needs of the specific facility. (Image 1: Chimo Aquatic Centre, Coquitlam, Image 2: West Vancouver Aquatic Centre)

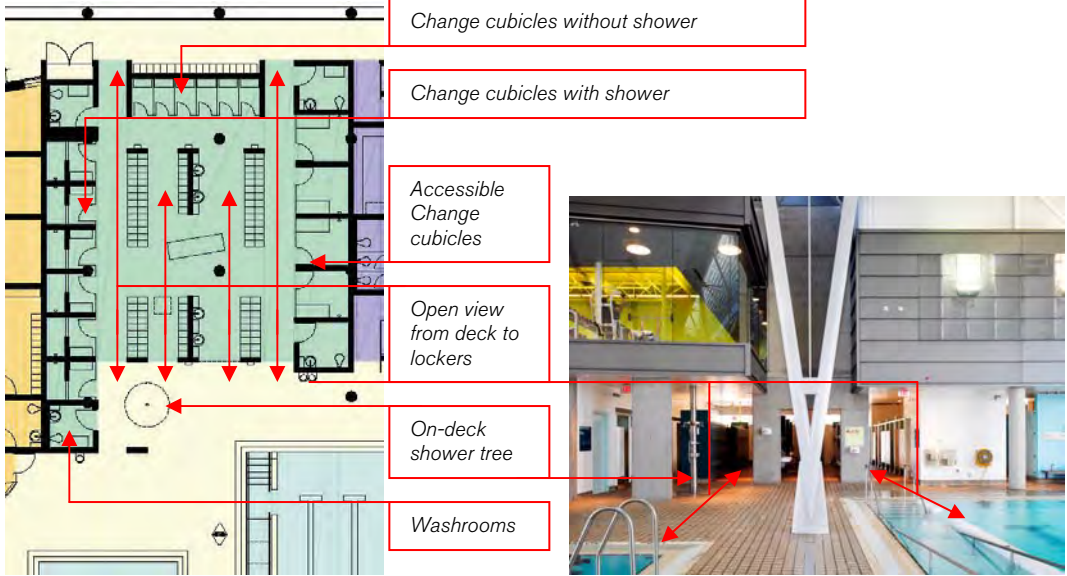
Please refer to Section IV.b for additional explorations of some options for adding this component to the existing facility.

Staff Areas: The existing facility lacks a pool staff room and dedicated staff change areas. It is important that this shortcoming be addressed as part of any expansion to the facility. Options include renovating the existing family change rooms for this purpose or providing new aquatic staff and control spaces as part of a larger addition. These options have been included in the Change Room Option explorations (III.c).

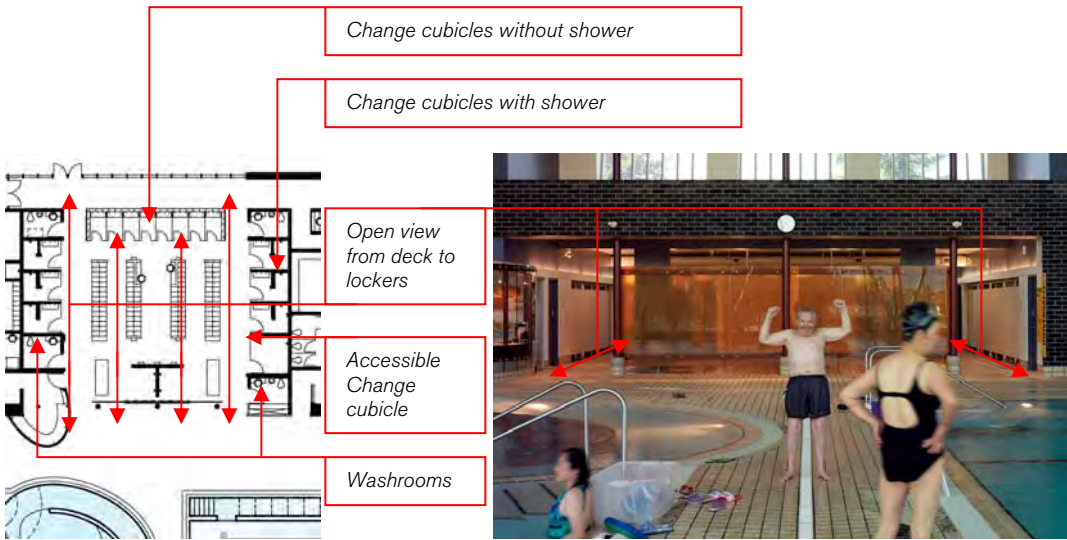
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Change Room Component: As identified in Recreation Services Masterplan and as apparent through current trends in aquatic facility design, the expansion of change room facilities is necessary. One reason is the possible pool hall expansion, but we have also witnessed changes in patron behaviour and expectations since this pool was originally constructed. The tendency to add Universal Change Rooms (Family Change room style) is increasing, as they offer increased patron satisfaction by offering various degrees of privacy and they have been found to increase the locker room security. Even without a significant pool expansion, the shortage of “family” oriented change rooms may need to be addressed in the future.

Universal Change Rooms are what we call change rooms that are designed to accommodate a multitude of users and can be seen as the next generation of “Family Change Rooms”. They are characterized by their openness and inclusiveness, the provision of change cubicles with showers, change cubicles without showers, clear sightlines between the pool deck and the locker areas and ample on-deck showers.



Above: Plan and Image of Universal Change Room at Chimo Aquatic Centre, showing the open view from the pool deck to the lockers and the deck shower tree.



Above: Plan and Image of Universal Change Room at Killarney Community Pool, showing the view from the pool deck to the lockers.

IV.a FITNESS / WELLNESS COMPONENT - OPTIONS

The objective of this component is to add a wellness centre, which includes space for fitness and exercise equipment as well as support spaces including physiotherapy space, offices and washrooms. The provision of a Multi-Purpose room is also part of this expansion scope. The options below review three possible approaches to locating and organizing this expansion.

Options

IV.a.1 Fitness Option 1 – As per earlier feasibility study

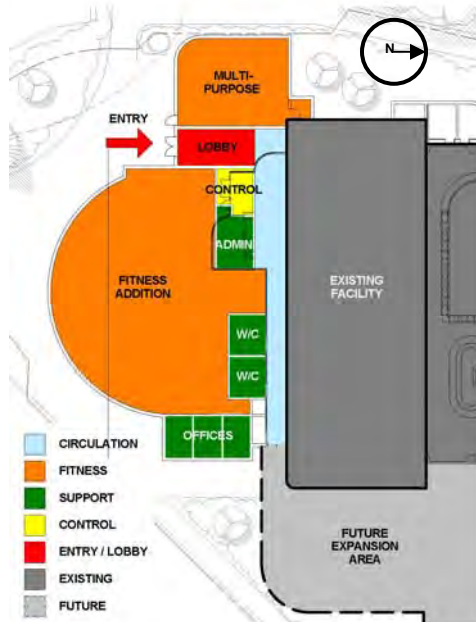
This first Option has already been explored as part of a previous feasibility study (CJP, 2007).

Advantages:

- + follows the originally intended facility layout, taking advantage of the current control /reception desk and entry point
- + single level facility, no requirement for elevator and stairs

Disadvantages:

- site constraints limit the maximum possible space available for wellness centre
- the entrance remains somewhat concealed behind the wellness centre
- the Multi-Purpose Room encroaches into the public space between the Civic Centre and RAC, leading to some awkward spaces
- no improvements to the relationship between the entry lobby and the pool & pool deck, as additional entry lobby space is added away from the pool deck

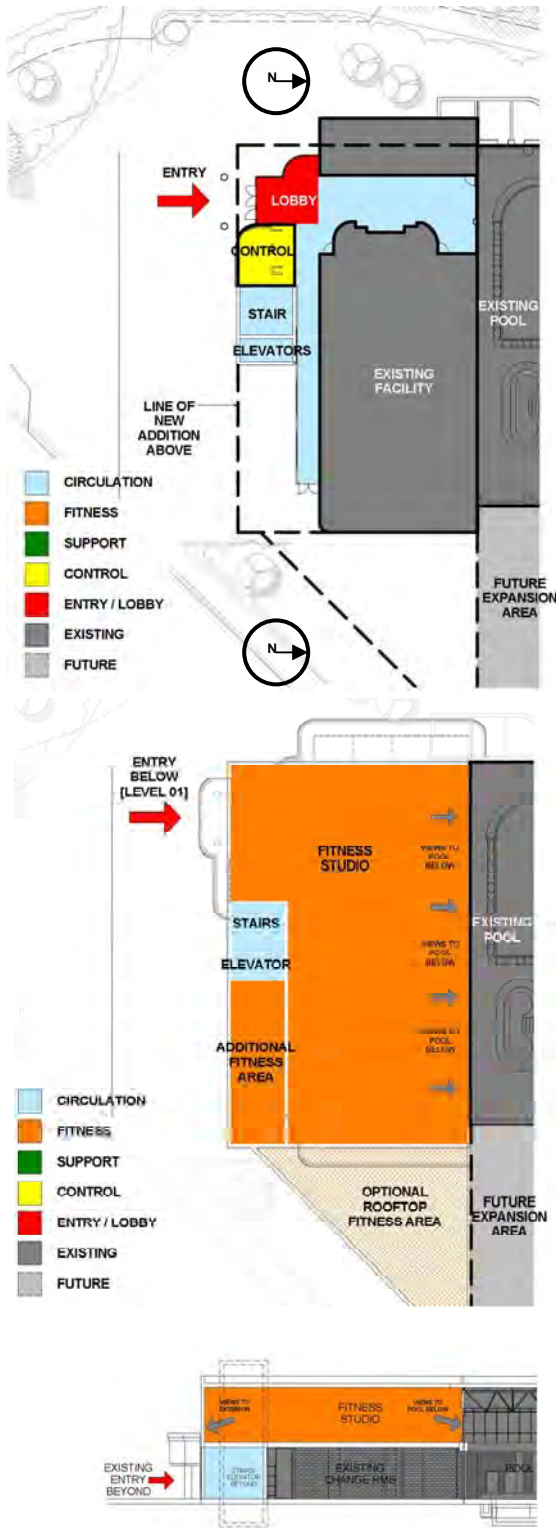


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**IV.a.2 Fitness Option 2 - Two storey option,
Placement of Fitness above the existing change rooms**

This second option explores the opportunity to place the fitness / wellness centre on the second level above the existing change rooms.



Advantages:

- + much larger footprint available for the wellness centre (up to 10000 sf)
- + “densification” rather than “sprawl” – intrinsically sustainable approach
- + Wellness centre can take advantage of potential views into the pool hall and to the exterior
- + There is opportunity for outdoor deck space associated with the wellness centre
- + Existing Entry point remains at same location
- + Entry vestibule and canopy (existing location) remains visible from drop-off drive aisle and parking lot

Disadvantages:

- significant structural work is likely to ensure the existing masonry structure can support the new second floor level
- code implications of a 2-level facility (fire rating of the floor, sprinkler protection of the facility, accessibility requirements)
- building over existing building comes at a cost premium due to vertical circulation and code/structural upgrades
- multi-level facility: requirement for an elevator to provide the necessary connection between the 2 levels
- staffing implications of multi-level facility



Upper level fitness centres overlooking activities in pool halls add to the attractiveness and liveliness of recreation facilities. (Sample image: Legends Centre, Oshawa)

IV.a.3 Fitness Option 3 (relocated entry to facility)

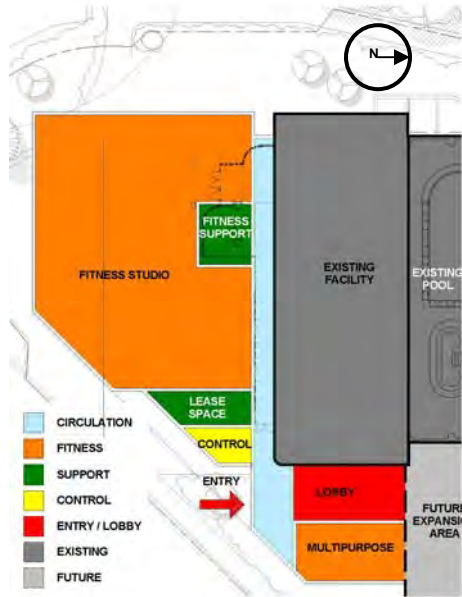
This third option explores the fitness expansion to the south with general site planning approach #2, which relocated the entry to the east of the facility. This wellness centre option corresponds with Change Room Option 2.

Advantages:

- + the relocation of the entry allows the wellness centre to occupy a larger footprint (up to 5800 sf – 530m²) on one level, more if designed as a 2 storey addition
- + the entry is not located behind (to the west) of the wellness centre anymore, allowing the footprint to take on a more rational shape
- + the entry has moved into a prominent and visible location and can be designed in conjunction with a new lobby, a new Multi-Purpose room adjacent the pool hall expansion
- + It is possible to design the wellness centre addition to accommodate a future second level if additional area may be required in the future

Disadvantages:

- more areas are newly constructed (Lobby), which in turn means higher capital costs
- wellness centre addition is only feasible if pool hall also gets expanded, otherwise the new lobby and MP-room location does not work



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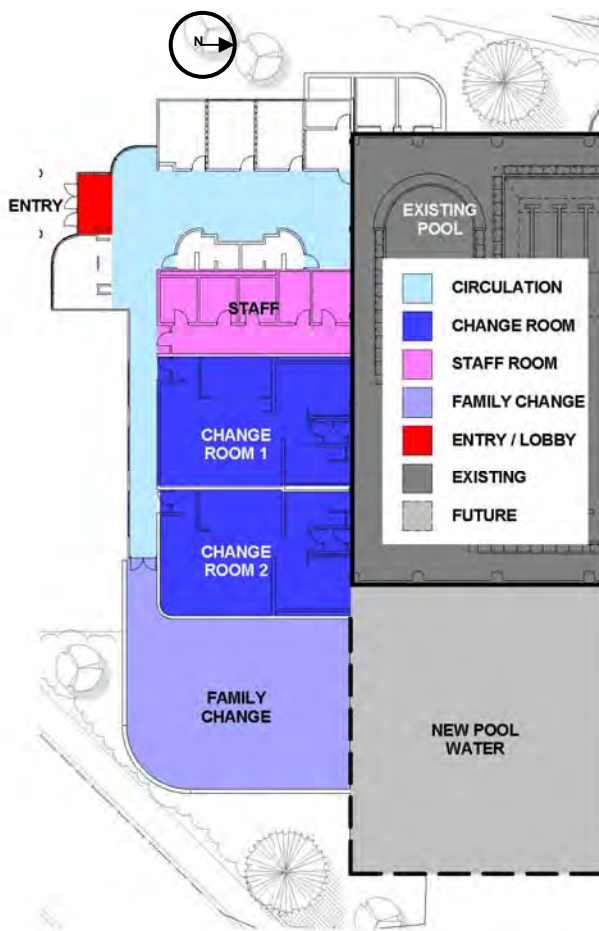
IV.b CHANGE ROOM CONFIGURATION OPTIONS

The objective of the Change Room Expansion is to add additional family change room capacity (Universal Change Room) to serve the existing and expanded pool hall. The second objective is to provide additional staff changing facilities, which are currently missing from the facility. Should the expansion design enter into the next phase, it will be necessary to liaise early with the Health Authority Having Jurisdiction (VIHA) to ensure that the change rooms in the new configuration will be acceptable for the expanded facility. This comment stems from past experience, whereby some of the changing facilities (such as showers) that are part of family change rooms have been excluded from the fixture count. This has the potential of placing the operator in the position of having to not only add family change capacity, but also additional men’s and women’s change room capacity to meet the requirements for the increased bather load.

The three options below further illustrate the two general approaches to placing the entry to the expanded facility, Option 1 assumes retaining the existing entry location and adds a Universal Change Room as newly constructed space to the east. Option 2 on the other hand suggests the renovation of existing space into a Universal Change Room and instead constructs a new entry lobby and entry. Option 2 and 3 differ in the placement of the Universal Change Room, Multi-Purpose room and Staff Room.

Options

IV.b.1 Change Room Option 1 – As per earlier feasibility study



Advantages:

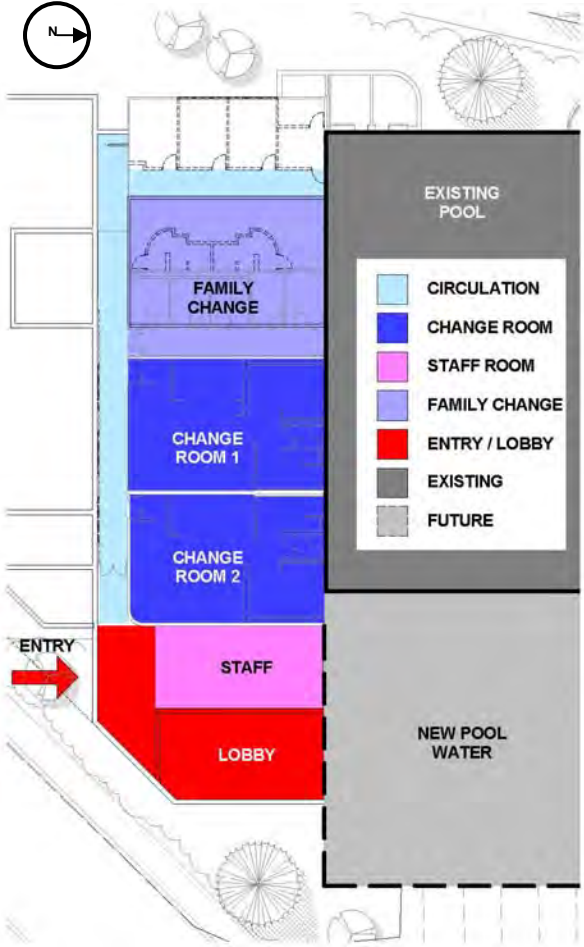
- + lower capital cost through retention of existing admin spaces, reception desk entry lobby and public washrooms
- + ability to create a nice and open relationship between the new Universal Change Room and the leisure oriented new pool tank
- + direct relationship between “family change rooms” and new family oriented zero-beach entry leisure pool

Disadvantages:

- Entry and entry lobby (existing) has no visual connection to the new pool features and leisure tank
- no increase of on-deck (in pool environment) public viewing area adjacent entry lobby
- The new Universal Change Room is separated from the existing teach/tot pool and whale
- the new addition facing drop-off drive aisle is a change room, and as such has by necessity a fairly solid, closed appearance
- In connection with a fitness expansion to the south (III.a option 1), the entry becomes concealed from the parking lot views

IV.b.2 Change Room Option 2 – “Reversal” – relocated entry

In this reversal option, the entry is relocated. The existing family change room is expanded into the former lobby space and to the east a new staff area and a new lobby is constructed. The Multi-Purpose Room remains part of the wellness expansion to the south or up on the second level.



SKETCH PLAN – NOT TO SCALE

Advantages:

- + Ability to combine a new pool staff area with a new reception desk in a new entry lobby that affords views and access to the new expanded pool and pool deck.
- + the newly constructed area (Lobby and Entry) can be designed in a transparent and inviting manner, allowing for transparencies and views into the pool with new pool features
- + Entry is very prominent and visible to newly arriving patrons (drop-off aisle)
- + Opportunity to create on-deck viewing as part of the expanded pool hall, which is directly accessible from the new lobby
- + the expanded Family Change Room (Universal Change Room) remains closely associated with the existing teach/tot pool.

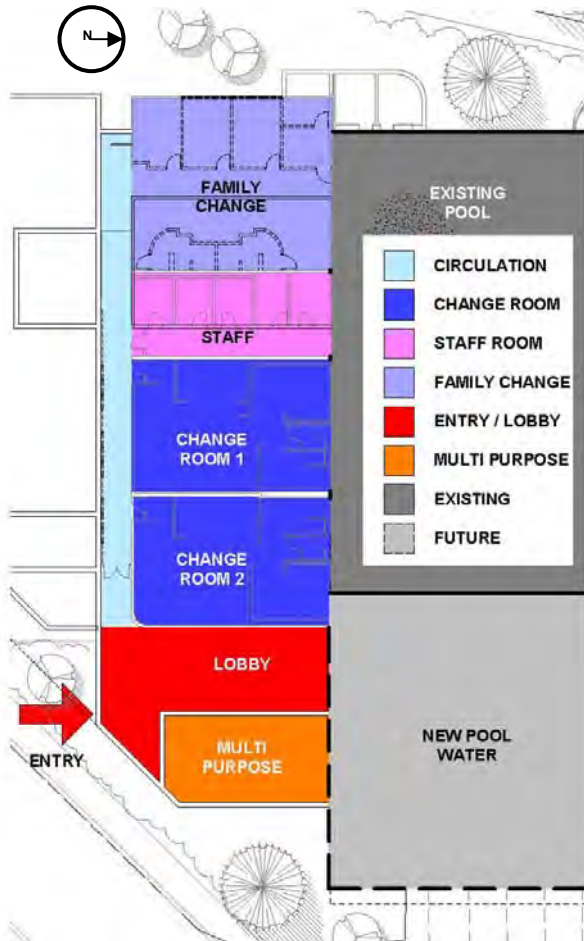
Disadvantages:

- additional corridor space required to access administration offices (currently lobby serves this function)



IV.b.3 Change Room Option 3 – “Reversal” – relocated entry

In this reversal option, the entry is also relocated. Additionally the administration offices are relocated into the wellness expansion (to the south or up onto second level) and the Universal Change Room is relocated and expanded into the former lobby and admin areas. The existing family change room is renovated into staff area. A new lobby and Multi-Purpose space is constructed to the east.



SKETCH PLAN – NOT TO SCALE

Advantages:

- + Ability to combine a new entry lobby that affords views and access to the new expanded pool and pool deck with the Multi-Purpose Room
- + the newly constructed area (Lobby and Entry) can be designed in a transparent and inviting manner, allowing for transparencies and views into the pool with new pool features
- + Entry is very prominent and visible to newly arriving patrons (drop-off aisle)
- + the Multi-Purpose space can be built adjacent the pool deck, increasing programming opportunities (training, birthdays)
- + Opportunity to create on-deck viewing as part of the expanded pool hall, which is directly accessible from the new lobby
- + the expanded Family Change Room (Universal Change Room) remains closely associated with the existing teach/tot pool.

Disadvantages:

- higher capital investment compared to Option 1, because more areas are renovated or newly constructed (lobby, admin)

IV.c POOL TANK EXPANSION OPTIONS

The starting point for the pool tank expansion is the Recreation Services Masterplan, which identified the need to find additional lane capacity and additional leisure attractiveness. Below are a few conceptual approaches to adding water surface to this facility. Refined recommendations on the actual amount of water and the features to be included would follow a more thorough stakeholder and staff consultation process.

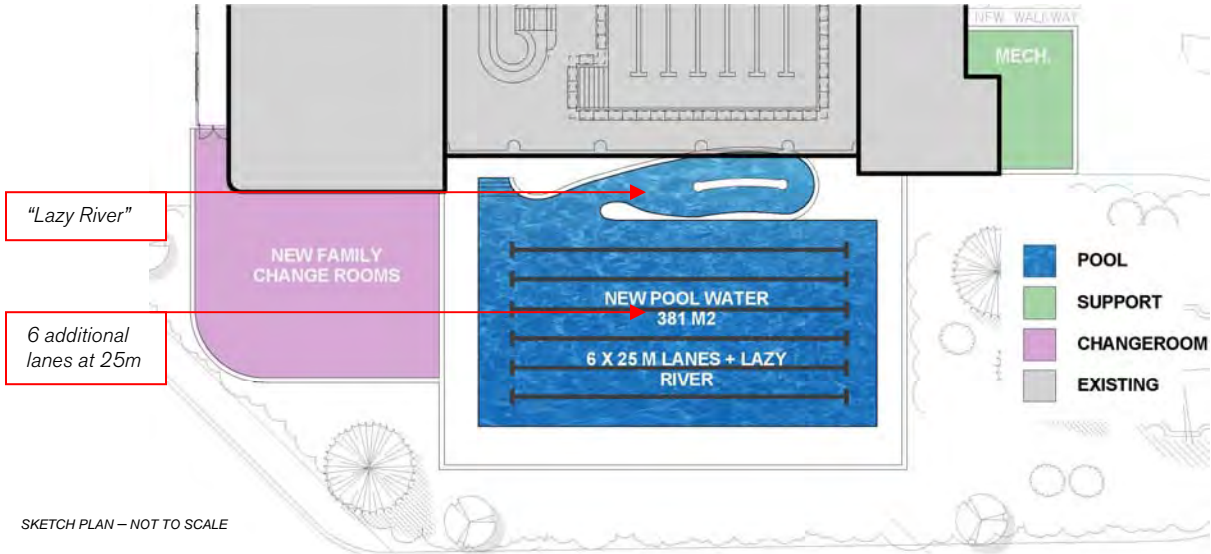
The limited staff and stakeholder consultation already completed as part of this project have confirmed our assessment that the first option, which is the proposal included in the last feasibility study, is not very practical.

We believe that it is possible to focus the additional pool tank on leisure and aquasize uses, allowing the existing lap pool to be programmed more efficiently, essentially increasing the lap/lane capacity without building another lap pool.

The leisure pool would include some additional lanes (warmer water), which serve multiple purposes and further alleviate the congestion in the lane pool (colder water).

Given the site constraints, we propose that the warm-up lanes as part of the leisure pool are not full 25 meters in length.

IV.c.1 Option 1 – 25 meter lap pool with lazy river (from CJP study, 2007)



This Option 1 was the expansion proposed in the 2007 feasibility study by CJP. While it follows the recommendations of the recreation services masterplan in providing additional lane water and a lazy river, it is our opinion that this configuration has some significant drawbacks. The first drawback is that this solution repeats some of the shortcomings of the existing building by not providing sufficient deck space. Deck space is important, not only to provide the necessary circulation space, but also as programmable space, (space used for programming such as lessons and training). A freeform pool allows the shape of the pool to react to the adjacent requirements, providing more deck space where desired and useful.

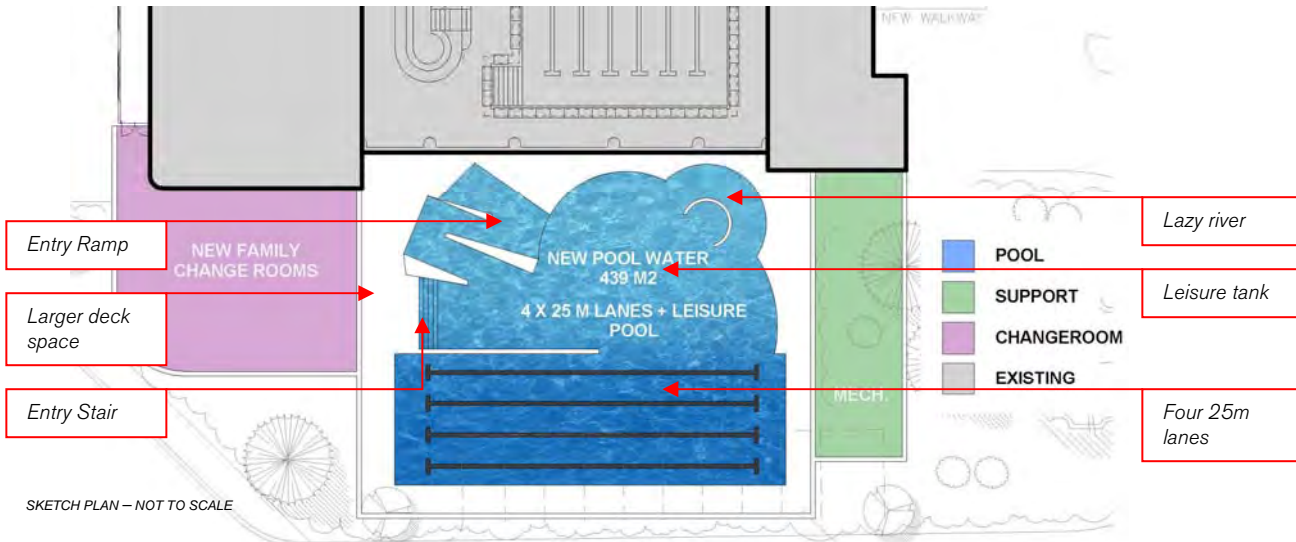
Furthermore we are not aware of a successful combination of a lap pool with a lazy river, since the water temperatures desired for these two uses differs significantly and the lazy river water movement is likely to interfere with any serious use of the laps.

We also believe that it is important to provide zero-depth entry opportunities into any newly constructed pool tank (ramp or beach).



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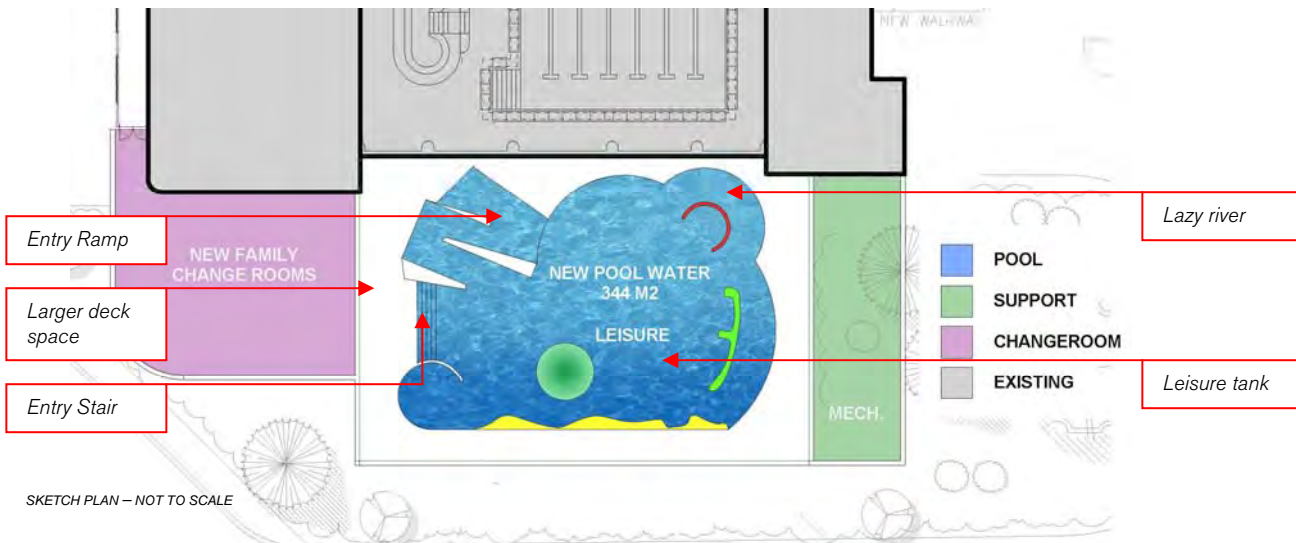
IV.c.2 Option 2 – 4 lanes 25 meter lap pool combined with leisure features



Option 2 indicates that it is possible to provide 4 lanes of additional lap pool capacity and combine this with a more freeform leisure pool shape. This would allow the inclusion of a ramp entry (can also serve as play area for toddlers), a lazy river and additional pool deck adjacent the change room (or entrance lobby as in Approach #2).

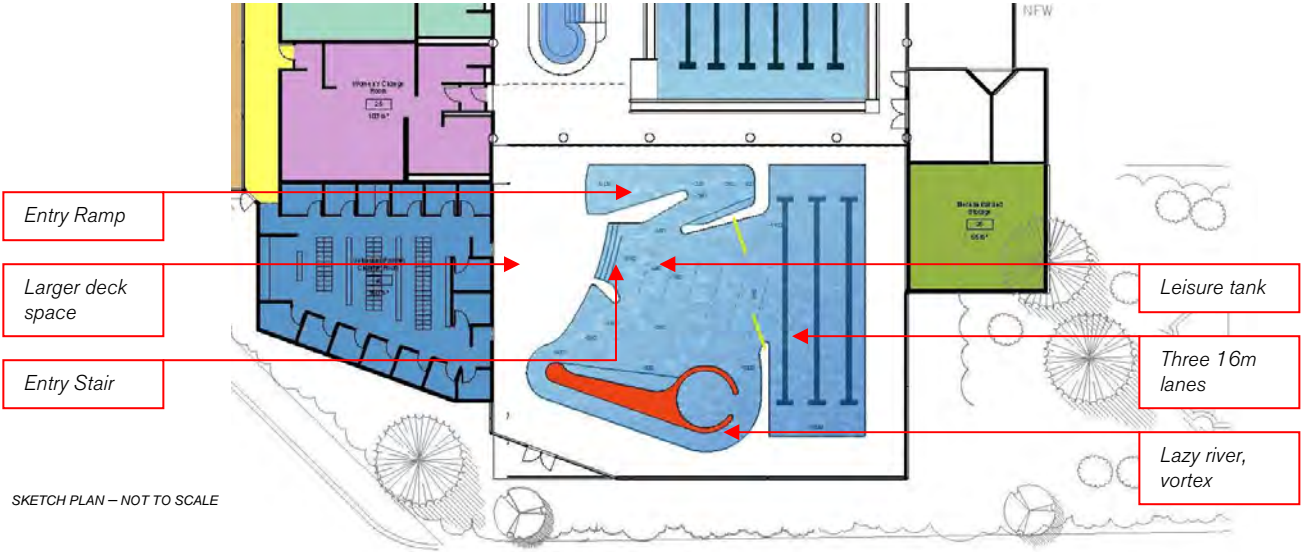
The water temperature would cater to the leisure user, which means that the lap usage would be not intended for serious lap swimming.

IV.c.3 Option 3 – dedicated Leisure Pool



It is not uncommon to find a leisure pool tank that completely caters to the leisure user with a free form tank. This would allow more freedom in the selection of water play features. It is however our experience and preference to include some warm-up lap swimming capacity in all leisure pools.

IV.c.4 Option 4 – Leisure Pool with shorter warm-up lanes



SKETCH PLAN – NOT TO SCALE

This option indicates the provision of some warm-up lane capacity (3 lanes at 16 meters), but a focus on the leisure aspect of the pool tank. A very generous pool deck area is associated with the change rooms (or entry lobby in Approach #2). A zero-depth entry ramp turns into a tot play area before entering a generously sized body of water that ranges in depth from 600mm to 1200mm. The warm-up lanes (depth from 1000mm to 1200mm) are located such that it is possible to have aquasize programs take place in the shallow end of the main pool and in the warmer leisure pool at the same time.

0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT
February 15, 2010

V COST IMPLICATIONS

The following section provides some information on the cost implications for above component options. Construction costs per square foot (square meter) have been estimated based on past project experience and review of the expansion scope by a Professional Quantity Surveyor. It should be noted that these costs represent estimated hard construction cost dollar values in today's local construction market (2009/2010) and are intended to be the mid-range of expected bid responses were the project to be competitively tendered today. They factor in the nature of renovation or new construction applicable to the individual components.

Wellness Centre:

We estimate the wellness centre component to require a construction cost of \$225/sf, which includes allowances for the necessary washrooms and some office/support spaces. This is based on an overall wellness centre area of around 420m² (4500sf) and would decrease for a larger area and may increase if the wellness centre was to be constructed as a smaller area.

Should the wellness centre be considered as a second storey addition to the existing building, we estimate the construction costs to increase by another \$75/sf to accommodate the fixed costs of adding an elevator and 2 sets of stairs, as well as the additional renovation costs associated with this scenario. This option would however allow the construction of a significantly larger wellness centre.

Change Rooms:

The change rooms are estimated at a construction cost of about \$405/sf newly constructed or about \$315/sf if built in renovated existing space (such as current lobby/admin area in approach #2)

Pool Expansion:

The leisure pool expansion is estimated at about \$430/sf, which includes the required mechanical equipment and space for a leisure pool with some lap capacity. This represents a modest approach to the selection of play features, and the price could go up should additional or costly play features be selected.

The addition of a slide would add about another \$150,000-200,000 dollars to this component.

Multi-Purpose Room:

The MP Room is estimated at a construction costs slightly above the wellness centre at around \$240/sf (if mostly exterior envelope, as in Approach #1) or \$230/sf if it is constructed in conjunction with new Lobby space (Approach #2)

Lobby Space:

A new Lobby is estimated at around \$300/sf for a new and transparent lobby complete with washrooms and seating opportunities. Adding a small portion of lobby to the existing is estimated at about \$230/sf

VI TEST FACILITY PLANS

The following pages describe 2 possible options that can be derived from above components. These plans are illustrative in nature, intended to show two of the possible many configurations of above component options. The 2 distinct plans highlight the 2 site planning approaches, we have kept the actual facility comparable in size and choice of wellness area and pool layout.

VI.a Approach #1 - retention of existing entry point, single level facility with leisure pool expansion

This option is comparable to the previous feasibility study in the location and size of Wellness Centre, Multi-Purpose Room, Entry and Universal Change Room.



SKETCH PLAN OF OVERALL FACILITY
APPROACH #1 - NOT TO SCALE

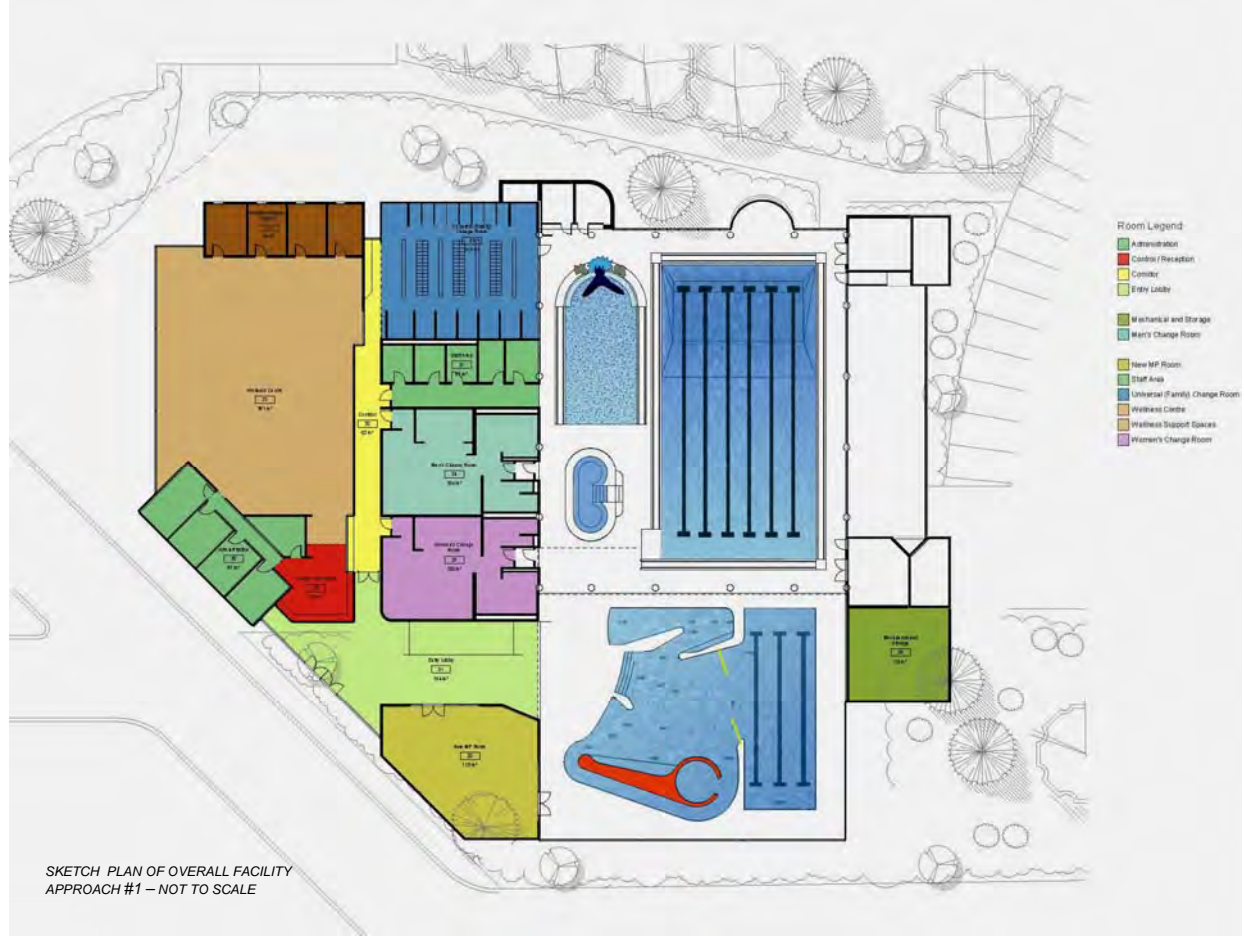
0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT
February 15, 2010

We have assigned a very preliminary **Order of Magnitude Project Cost** as follows to this option. Again, it is important to recognize that these figures, though vetted by a professional Quantity Surveyor, remain very preliminary. They represent estimated hard construction cost dollar values in today’s local construction market (2009/2010) and are intended to be the mid-range of expected bid responses were the project to be competitively tendered today. We are witnessing a strong spread of bid results in the current market, which means that lower (and higher) bid results are to be expected. An additional 25% cost has been added to the estimated hard construction costs to obtain an estimated Project Cost. These numbers do not include the applicable HST (12%).

Component	New or Reno	Description	Area m2	Area sf	Cost per m2	Cost per sf	
Pool + Pool Mechanical	New	Pool Hall + Mechanical	600	6458	\$4,628	\$430	\$2,777,086
Universal Change Rooms	New	family style change rooms	160	1722	\$4,359	\$405	\$697,501
Control Area	Reno	existing desk, expand and renovate	26	280	\$1,938	\$180	\$50,375
Entry Lobby	New	Simple vestibule/lobby space renovate existing showers into staff change rooms	22	237	\$2,207	\$205	\$48,545
Staff Area	Reno	mostly large open fitness centre, with some smaller office and washroom areas	40	431	\$2,422	\$225	\$96,875
Wellness Centre	New	large MP room	420	4521	\$2,368	\$220	\$994,584
Multi-Purpose Room	New		105	1130	\$2,583	\$240	\$271,250
Sprinkler Upgrade							\$200,000
Order of Magnitude Construction Cost							\$5,136,217
Project Cost (multiplier 25%) Plus HST (12%)							\$6,420,271

VI.b Approach #2 – reversal of the entry location

The main difference between this test plan and the previous plan is the reversal of the entry location. The result is an improved overall organization of the facilities relationship between the entry, the pool hall and the MP room. The illustrative perspective sketch below indicates this new entry situation with views to the expanded pool.



SKETCH PERSPECTIVE OF POSSIBLE EXPANSION

0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT
February 15, 2010



Above: Enlarged sketch indicating the idea of an inviting and transparent new entry and lobby to the Ravensong Aquatic Centre

Below: The wellness centre



This approach raises the project costs, because we are now constructing some spaces new that were previously unaffected (administration offices, facility main lobby with washrooms). At the same time some of the square foot costs are a bit lower (such as the Universal Change Rooms) because they are now being constructed in a renovated area, not completely new construction. Again, it is important to recognize that these figures, though vetted by a professional Quantity Surveyor, remain very preliminary. They represent estimated hard construction cost dollar values in today's local construction market (2009/2010) and are intended to be the mid-range of expected bid responses were the project to be competitively tendered today. We are witnessing a strong spread of bid results in the current market, which means that lower (and higher) bid results are to be expected. An additional 25% cost has been added to the estimated hard construction costs to obtain an estimated Project Cost. These numbers do not include the applicable HST (12%).

Component	New or Reno	Description	Area m2	Area sf	Cost per m2	Cost per sf	
Pool + Pool Mechanical	New	Pool Hall	600	6458	\$4,628	\$430	\$2,777,086
Universal Change Rooms	Reno	family style change rooms	153	1647	\$3,391	\$315	\$518,766
Administration Area	New	replacement of Admin existing desk, expand and renovate	87	936	\$2,422	\$225	\$210,703
Control Area	New	new lobby space, new wc's, seating, lots of glazing	35	377	\$2,422	\$225	\$84,766
Entry Lobby	New	renovate existing showers into staff change rooms	155	1668	\$2,906	\$270	\$450,469
Staff Area	Reno	mostly large open fitness centre, with some smaller office and washroom areas	67	721	\$2,422	\$225	\$162,266
Wellness Centre	New	large MP room	420	4521	\$2,368	\$220	\$994,584
Multi-Purpose Room	New		105	1130	\$2,476	\$230	\$259,948
Sprinkler Upgrade							\$200,000
Order of Magnitude Construction Cost							\$5,658,589
Project Cost (multiplier 25%) Plus HST (12%)							\$7,073,236



0919 RAVENSONG AQUATIC CENTRE EXPANSION – FEASIBILITY REVIEW REPORT
February 15, 2010

VII REFERENCES

The following reference material was instrumental in the preparation of this report. The Regional District has these reports on file and we have thus not attached them again as an Appendix.

1) Regional District of Nanaimo - Recreation Services Masterplan for Oceanside, Final Report June 2006, Professional Environmental Recreation Consultants Ltd. with Sensus Research Inc. (PERC, 2006) [also available on RDN Website]

2) Ravensong Aquatic Centre – Proposed Additions Feasibility Study Report, January 2007, CJP Architects Ltd.

3) Ravensong Aquatic Centre, Renovations – Phase I / Summary Report, September 21, 2009, Hughes Condon Marler Architects

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Hughes Condon Marler : Architects



APPENDIX III

RDN Adjusted Pro Forma & Five Year Financial Plan 2018 Expansion

November 2013

	2014 Proposed	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tax Requisition	\$(2,487,877)	\$(2,550,074)	\$(2,601,075)	\$(2,653,097)	\$(2,706,159)	\$(2,760,282)	\$(2,815,488)	\$(2,871,797)	\$(2,929,233)	\$(2,987,818)
Operating Revenue	(583,295)	(600,516)	(618,255)	(636,526)	(655,344)	(918,240)	(945,510)	(973,598)	(1,002,530)	(1,032,329)
Total Operating Revenues	(3,071,172)	(3,150,590)	(3,219,330)	(3,289,623)	(3,361,503)	(3,678,522)	(3,760,998)	(3,845,395)	(3,931,763)	(4,020,147)
Operating Expenses	2,086,256	2,119,417	2,135,953	2,172,028	2,194,251	2,815,405	2,864,310	2,897,425	2,938,377	2,989,616
Transfer to Reserves	360	360	160,360	1,075,360	1,010,473	153,360	152,360	200,360	250,360	300,360
Total Operating Expenditures	2,086,616	2,119,777	2,296,313	3,247,388	3,204,724	2,968,765	3,016,670	3,097,785	3,188,737	3,289,976
Operating (surplus) deficit	(984,556)	(1,030,813)	(923,017)	(42,235)	(156,779)	(709,757)	(744,328)	(747,610)	(743,026)	(730,171)
Capital Asset Expenditure										
Capital - Expansion	-	-	-	200,000	9,400,000	-	-	-	-	-
Capital - Other	22,825	20,050	132,700	34,000	131,850	25,000	25,000	25,000	25,000	25,000
New Borrowing	-	-	-	-	(7,400,000)	-	-	-	-	-
Reserve Fund				(200,000)	(2,000,000)					
Total Capital funded from Operations	22,825	20,050	132,700	34,000	131,850	25,000	25,000	25,000	25,000	25,000
Capital Financing Charges										
Debt Principal and Interest	1,066,150	1,066,150	697,506	-	-	692,505	692,505	692,505	692,505	692,505
Total Capital Financing Charges	1,066,150	1,066,150	697,506	-	-	692,505	692,505	692,505	692,505	692,505
Net (surplus)/deficit for the year	104,419	55,387	(92,811)	(8,235)	(24,929)	7,748	(26,823)	(30,105)	(25,521)	(12,666)
Add: Prior Year (surplus)/deficit	(165,018)	(60,599)	(5,212)	(98,023)	(106,258)	(131,187)	(123,439)	(150,262)	(180,367)	(205,888)
Surplus applied to future year	\$(60,599)	\$(5,212.00)	\$(98,023)	\$(106,258)	\$(131,187)	\$(123,439)	\$(150,262)	\$(180,367)	\$(205,888)	\$(218,554)

ATTACHMENT II

RAVENSONG AQUATIC CENTRE NEEDS ASSESSMENT

PAGES 1-12

TO: Tom Osborne
General Manager, Recreation and Parks

DATE: May 2, 2013

FROM: Dean Banman
Manager of Recreation Services

FILE:

SUBJECT: Ravensong Aquatic Centre Needs Assessment - Implementation

PURPOSE

To provide the District 69 Recreation Commission and RDN Board a final report on implementing recommendations from the Ravensong Aquatic Centre needs assessment.

BACKGROUND

In May of 2012 the District 60 Recreation Commission at their regular meeting recommended the following resolution to the RDN Board in respect to the further evaluation and review of the comments and suggestions submitted by the community during the Ravensong Aquatic Centre needs assessment survey. At the June regular meeting of the Board it was passed by resolution;

“That staff provide an assessment of the issues and report on the short term accommodations within the existing facility.”

The staff report attached as *Appendix A* was in response to the above resolution and at the February 2013 regular meeting the commission directed staff to continue the pursuit and final details involved in preparing for the implementation of short term strategies outlined in *Appendix A*. This report now in front of the Board provides further details on the implementation of specific changes to the Ravensong Aquatic Centre schedule that attempt to address items identified in the needs assessment survey. Before the Board, via this report, staff is seeking direction on whether or not to implement the facility schedule changes as outlined.

Table 1 provides a summary of the recommended changes and other information/ impact relevant to the challenges identified in the Ravensong Aquatic Needs Assessment Survey.

Table 1 – Summary of Changes to Existing Ravensong Aquatic Centre Schedule

BENEFIT AND IMPACT OF CHANGE

1. Extend access to Steam and Sauna by ½ hour from current 1:00pm closure, to 1:30pm closure, Monday through Friday September to June.

Benefit:

Creates an additional 2.5 hours per week of additional access to steam and sauna rooms.

Impact:

- The additional ½ hour has no impact on other programming or usage.
- Requires an additional ½ hour of staff time for a Lifeguard. Projected additional expense per season is \$3,000.
- No additional revenue is anticipated.

2. Add additional Deep Water Aquafit class on Tuesday and Thursday mornings from 9:30am-10:30am.

Benefit:

Adds two additional water based Aquafit classes.

Impact:

- Requires an additional instructor. The projected expense for wages per season is \$2,400. The number of Aquafit qualified instructors anticipated to be on staff in the fall of 2013 is not adequate to guarantee classes will not require periodic cancellations. Staff will continue efforts to recruit additional staff and research the possibility of additional instructor(s).
- There may be a need to use RDN staff as instructors requiring a 4 hour shift allotment to teach a 1 hour class. The additional 3 hours will create a redundancy of staff for that period of time. It is anticipated that patrons accessing the session will be current pass holders so additional revenue will likely be insignificant.
- Additional classes running concurrent with existing Shallow Water Aquafit will put additional strain on change room space.
- Four to six long time regular users of the Width Swim will be displaced as the new classes require the cancellation of the existing Width Swim. These participants are typically using this swim while spouses or partner participate in the Shallow Aquafit class. There is currently no other morning width swimming would be available for displaced users.

3. Increase Adult Only Noon Length Swim duration by ½ hour Monday through Friday.

Benefit

Creates an additional 2.5 hours of lap swimming and increases the usability of the session for patrons.

Impact:

- Requires an additional ½ hour of staff time for a Lifeguard. Projected additional expense per season is \$2,400.
- No additional revenue is anticipated, majority of patrons are pass holders.
- Due to school lessons requiring this time from January through June the additional Adult Only Noon Length Swim will be limited to the September through December period.

4. Add a Zumba Water Fit class on Sundays.

This pilot program is currently underway as a registered program. The program has been well received and will be continued in the fall programming schedule.

Benefit :

Creates an additional water based exercise option.

Impact:

- Requires an additional instructor with a projected additional expense per season is \$1,500.
- Eliminates time slot previously held for private bookings.
- As a registered program all attendance will be additional revenue. The current program of 27 registrants has program revenue totaling \$1,700.

5. Add a Seniors (65+) Swim Tuesdays and Thursdays from 1:30-2:30 from September to December.

Benefit:

Creates a Senior's (65+) swim option for patrons.

Impact:

- The addition of the Senior's Swim does not displace any current programming.
- Requires an additional hour of staff time for a Lifeguard. Projected additional expense per season is \$2,000. Based on the trial program in 2012 revenue generation from adding a Senior's Swim will be minimal as the majority of those accessing the program will likely be existing pass holders.
- Due to school lessons requiring this time from January through June the additional Senior's Swim will be limited to the September through December period.

ALTERNATIVES

- 1) That RDN staff implement the following changes to the Ravensong Aquatic Centre schedule;
 - a. Add additional Deep Water Aquafit classes on Tuesday and Thursday mornings from 9:30am-10:30am.
 - b. Increase Adult Only Noon Length swim duration by ½ hour Monday through Friday.

- c. Extend access to Steam and Sauna by ½ hour from current 1:00pm closure, to 1:30pm closure, Monday through Friday September to June.
- d. Add a Zumba water fit class on Sundays.
- e. Add a Seniors (65+) Swim Tuesdays and Thursdays from 1:30-2:30 from September to December.

2) That the Regional District of Nanaimo not pursue alternative one and provide staff with alternate direction.

FINANCIAL IMPLICATIONS

As identified in Table 1 four of the five options will increase annual program expenses at Ravensong by a total projected amount of \$10,000 and provide no additional sources of revenue. Only option four of adding an additional Zumba Water Fit registered program is anticipated to bring in additional aquatic program revenue.

Staff anticipates that the changes recommended will allow existing patrons who pay a membership fee for unlimited use more options. Activity will increase due to more frequent use of the facility but not revenue. Table 1 identifies specifically the expenses incurred in implementing the recommendations. While too early in the 2013 budget to be definitive on the ability to absorb the additional expense, historically the operating budget would be able to accommodate the additional expenses without any significant impact on operating or capital budgets.

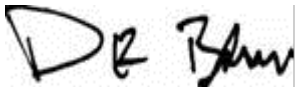
SUMMARY

Since May of 2012 the RDN has been identifying the current and long term demands on the Ravensong Aquatic Centre. Through public consultation the District 69 Recreation Commission and RDN Board have been presented with the findings of community feedback and a summary of the needs categorized as those that can only be addressed through long term planning and investment (expansion or new construction) and short term options (changes to existing schedule) to help mitigate existing user concerns.

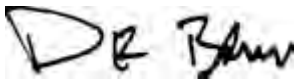
The staff report from February 2013 attached as Appendix A provides detail to the specific items identified and evaluated from the needs assessment. The recommendations outlined were endorsed by the Board earlier in 2013. Staff have recommended five changes to the existing schedule outlined within the recommendations below that are meant to on a perhaps short term but immediate basis address some of the user's requests. The implementation of some of the recommendations will compound some issues identified by the public. Specifically the increase of class size and use during public times allows more options for pool use but adds to the public discomfort of congested change rooms and pool space.

RECOMMENDATIONS

- 1) That RDN staff implement the following changes to the Ravensong Aquatic Centre schedule;
 - a. Add additional Deep Water Aquafit classes on Tuesday and Thursday mornings from 9:30am-10:30am.
 - b. Increase Adult Only Noon Length swim duration by ½ hour Monday through Friday.
 - c. Extend access to Steam and Sauna by ½ hour from current 1:00pm closure, to 1:30pm closure, Monday through Friday September to June.
 - d. Add a Zumba water fit class on Sundays.
 - e. Add a Seniors (65+) Swim Tuesdays and Thursdays from 1:30pm -2:30pm from September to December.

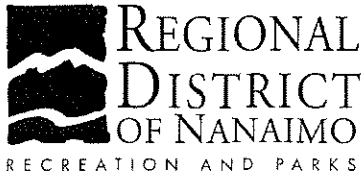


Report Writer



A/General Manager Concurrence

C.A.O. Concurrence



RDN REC & PARKS	
GM R & P	CAO /A
MGR Parks	MGR Rec DS
Arena	Aquatics
FEB 14 2013	
Parks	Rec
POSAC	Commission ✓
Director	Other
D69 Rec Commission - FEB 21/13	

MEMORANDUM

TO: Tom Osborne
General Manager of Recreation and Parks

DATE: February 14, 2013

FROM: Dean Banman
Manager of Recreation Services

FILE:

SUBJECT: Ravensong Aquatic Centre Needs Assessment

PURPOSE

To provide District 69 Recreation Commission and Regional Board a final report on the 2012 Community Needs Assessment that was undertaken for the Ravensong Aquatic Centre.

BACKGROUND

At the May 17, 2012 regular meeting of the District 69 Recreation Commission, a delegation presented information and made requests related to the programming and overcrowding of the Ravensong Aquatic Centre. Specifically the delegation felt that the issues brought forward (overcrowding and need for additional amenities) could be addressed by the construction of another aquatic facility or the expansion of Aquatic Centre. The delegation requested consideration be given to the addition of a therapeutic pool, a fitness facility, change room expansion or an additional 50m pool. The delegation spoke to the needs of the entire Oceanside community and the benefit the requested changes would bring to many residents.

Staff provided further information that confirmed during certain times the facility is extremely busy and includes the times that the delegation and many others choose to use the facility. During the Commission Meeting, short and long terms needs of the facility and community were discussed with the following resolution being passed:

“That staff provide an assessment of the issues and report on the short term accommodations within the existing facility.”

The assessment requested by Commission was then delivered in two parts. Part one included the creation of a needs assessment survey that was made available to the public both online and in hard copy format. This survey was available from June 2012 until September 2012 with various notices, information circulars and two press releases encouraging the community to participate. Part two of the assessment includes the review of the survey with recommendations to the Commission by way of this report.

A summary of the common themes identified in the assessment are provided below:

Survey: 151 total respondents

1. Respondent Demographic - Majority of respondents were living in a household with no children and are over 50 years of age.
2. Satisfaction with Existing Programs – Program satisfaction levels are medium to high. Main concerns revolve around session lengths (lap swims too short, not enough training time), more aquafit times with smaller class size, and a greater variety of fitness classes.
3. Facility – expansion required to increase lane and leisure space, larger dressing rooms and a weight/exercise room.
4. Program – increase the number of programs offered in the areas of; aquafit, lane swims and water based exercise programs.
5. Aquafit Satisfaction – 28 % of respondents supported limiting class size. 37% did not support limiting class size. The ideal class size identified for shallow aquafit fell in between 30-50 participants. For deep the majority identified 20-30.
6. Senior Swim – This was not a specific question of the survey, however citizen advocacy for a senior only swim was instigated post survey release and those supporting a senior only swim expressed this in the comments section. Comments indicated a desire to see a senior only (over 65) swim up to 3 times per week in a morning (pre noon) time slot.

Provided below are staff comments to the issues identified within the survey as well as additional information related to Ravensong use and short term accommodations.

Program Time and Space Allocation

In order for additional aquatic exercise classes or public swims to be introduced to help reduce current class size congestion, the following factors and issues will have to be considered, reviewed and implemented:

- Patrons will self-regulate their attendance patterns thus “thinning out” current class size or alternatively the RDN imposes class size limitations or changes the drop-in format to a registration process. (Note -Majority of respondents were not supportive to limiting class size.)
- The RDN will need to recruit and retain enough qualified instructors to deliver any new programs.
- That District 69 Recreation Commission will need to support reducing other existing programs to accommodate new or expansion of existing classes.

- Reducing the Early Bird lane swim Monday, Wednesday and Friday from 6:00am-9:30am to 6:00am-8:30am and adding three one hour Shallow Aquafit classes on Monday 8:30-9:30am, Wednesdays and Fridays may be possible. However the assessment included some feedback that more lane swimming needs to be added or the lengths of time changed. Currently adult lane swimming accounts for 32% of the total amount of use at Ravensong.
- Although irregular and interrupted by school swim lessons or programs throughout the year, there is daytime pool space available for new programs Monday thru Friday from approximately 1:00pm–2:30pm. Most recently this time was utilized for the Senior Swim that was added in September and completed in December 2012.
- Some programming changes are possible to increase the availability of the popular Aquafit program. Eliminating the deep water pool space used for width swimming on Tuesdays and Thursdays 9:30am – 10:30am would create more space for approximately 16 more participants. Patrons currently attending the width swim would need to find alternative times or join into the Aquafit session. The increase in class size during this time although possible within the main pool tank, adds to the existing problem of overcrowded change rooms. The increase in congestion in the change and shower facilities during the already busy times will be increased as more patrons attend. Increase facility demand for instructor led programs also creates staffing challenges. Certified instructors living within the community are difficult to recruit while bringing those qualified from larger community such as Nanaimo typically results in additional expenses for items such as higher hourly pay, paid travel time and/or mileage expenses.
- Adding an additional half hour to the Adult Only Noon swim (currently 12:00pm-1:00pm Mon-Fri) to 1:30pm is a possibility September through December. However to continue this January through June period would require reducing the School Learn to Swim program by 50%.
- Extended access to Sauna and Steam rooms following Adult Only Noon Swims is easily accomplished. The current schedule closes the steam and sauna at 1pm. Staff recommends changing the closure to 1:30pm. RDN will incur an additional ½ hour of labor cost to implement this change.
- A senior only (65 +) swim was implemented in the fall of 2012 on a trial basis on Wednesdays from 1:00pm-2:00pm. The average attendance was 6 patrons. The option of extending this program or other senior based aquatic activity into the winter and spring schedule is not an option in 2013 as school lessons are already pre booked at this time. Due to limited facility availability to fit a Senior Only swim into the schedule on a regular basis would require another program to be reduced or cancelled.
- There may be an opportunity to re-brand some of the existing swims to make them more attractive or relevant to a wider user base. One example is the Arthritic Swim. Although popular in its existing format, the Tuesdays and Thursdays Arthritic Swim which uses all 6 lanes possibly could be combined with another compatible program that can meet existing and new user needs. It may be possible for some high demand time slots to be rotated on a regular basis through various aquatic programs. An ages 65 and over swim once a month may be possible while the remaining times are used by another activity.

- Staff will continue to evaluate the facility schedule and when possible alter programming that reflects a balance of community needs. As identified in the survey, comments from past delegations/users and a review of the facility scheduling shows this balance is becoming more difficult.

Facility Expansion

An increase in the usage demand on Ravensong Aquatic Centre was last identified in 2009. At that time the RDN contracted Hughes Condon Marler Architects (HCMA) and Venture Pacific Construction Management (VPCM) to provide an order of magnitude study and expansion options for Ravensong Aquatic Centre.

This study was completed in February of 2010 and is attached as *Appendix II*. Many if not all the needs identified by patrons in 2009 are still current today. The design options identified in *Appendix I* address the issues conveyed in the recent needs assessment.

The timing of the study was unfortunate as it coincided with the detection that the main infrastructure of the facility itself was compromised and required significant remediation to the mechanical systems and building envelope. The Regional Board on January 26, 2010 at their Regular Meeting passed the following resolution:

“That staff be directed not to proceed further with the Ravensong Aquatic Centre expansion review at this time and that user groups be advised accordingly.”

This resolution then placed the remediation work as a priority and deferred any further work on expansion of the facility. The remediation work was completed in December of 2010.

ALTERNATIVES

- 1) That RDN staff be directed to implement changes to the Ravensong Aquatic Centre schedule and to reallocate program space where possible to meet the needs identified through the Ravensong Aquatic Centre Assessment Survey, and in preparation for the 2014 Annual Budget and Five Year Financial Plan discussion, staff be directed to meet with Hughes Condon Marler Architects (HCMA) and obtain a quote on their services to determine the project and operational cost of the work outlined in Appendix II for the years 2015 -2020.
- 2) That no changes to the Ravensong Aquatic Centre schedule and program space be made at this time and alternative direction be provided.

FINANCIAL IMPLICATIONS

It is likely that any changes to the existing facility schedule as identified earlier in the report would have little impact on the financial operations of Ravensong. In fact the curtailment or elimination of programming for schools and or parents and tots during the week and the addition of the more popular aquafit or adult based programs likely would increase facility program revenue. However this change would negatively affect the activity choices of individuals who would no longer have access to the facility at the existing time. If they are

unable to adjust to scheduling changes there is a possibility that they would need to forgo or reduce their use of the facility.

Appendix II provides options of expansion to Ravensong Aquatic Centre that range from \$6.4 million to \$7.1 million. It should be noted that the order of magnitude costs provided in Appendix II, although reviewed by a Professional Qualified Surveyor, are preliminary and based on values from the (2009/2010) construction market.

The Ravensong Aquatic Centre was constructed in 1995 with final payment on the original building to be completed in 2015. Currently the annual debt payment on this original construction amounts to \$367,000 per year. The required remediation work that was carried out in 2010 amounted to \$4.8 million worth of capital work. The current annual debt on this work is \$698,000 and is scheduled to be completed in 2016. In short and shown in Table I the debt payment on the original construction of the Ravensong Aquatic Centre and the separate debt payment on the remediation work completed in 2010 will both be completed by 2015 and 2016 respectively. The Ravensong Aquatic Centre five year capital plan reserve amounts are outlined in Table II and identifies the capital reserve balances within the 2013 – 2017 Five Year Financial Plan.

Table I

Ravensong Aquatic Centre	2013	2014	2015	2016	2017
Capital Financing Charges	1,066,150	1,066,150	1,066,150	697,505	0

Table II

Ravensong Aquatic Centre	2013	2014	2015	2016	2017
Capital Reserve Balance	101,885	101,885	101,885	351,385	1,421,885

SUMMARY

In May of 2012 a delegation of Ravensong Aquatic Centre users appeared before the District 69 Recreation Commission requesting attention and priority be given to the overcrowding and lack of certain amenities at the facility. Specifically a request for additional amenities and pool space via facility expansion or by the construction of another aquatic facility was requested.

At this same meeting and later endorsed by the Regional Board staff were given the direction to undertake a needs assessment within existing resources to collect and review community comments related to the facility's use and program needs . This assessment was completed between June and September of 2012 with the results summarized within this report and combined with further comments provided by staff.

Short term accommodations are possible to address some of the issues identified in the assessment survey. However due to the existing high usage of the facility, these changes would come at the expense of other patrons. Pool space would need to be reallocated from one program/user to another. Reallocation could be in the form of restricting the existing use to smaller confines (space) of the facility resulting in more crowding. Another alternative would be to moving or cancel some of the existing programs that although have healthy attendance

figures would make way for the more popular programs that cater to the older adult demographic of the community.

Staff continue to reevaluate the programming and scheduling at Ravensong and weigh any impact that may result from changes to the existing format. With very little available viable program space, changes essentially mean the reduction or discontinuation of existing programs and as such will have a negative impact on certain segments of our community currently being served.

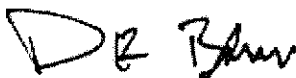
The majority of assessment respondent issues are related to the limitations (pool space, amenities, program variety and overcrowding) of the existing facility. Expansion would resolve the vast majority if not all of the respondent issues.

Between 2013 and 2016 on average \$900,000 per year is being used in the form of two debt repayments for the original facility construction in 1995 and the remediation project in 2010 (see Table II) . Beginning in 2017 both debt payments will be completed and capital reserves will amount to \$1,421,885. If the community desire is willing, there may be an opportunity at that time to consider the expansion of Ravensong Aquatic Centre or the construction of an additional aquatic facility.

It is recommended that staff review further and make schedule and program adjustment to accommodate needs identified in the 2012 Assessment Survey and to begin preparation work for an expansion review of the facility to address the longer term requirements of the Ravensong Aquatic Centre.

RECOMMENDATIONS

- 1) That staff be directed to implement changes to the Ravensong Aquatic Centre schedule and to reallocate program space, where possible, to meet the needs identified through the 2012 Ravensong Aquatic Centre Assessment Survey.
- 2) That direct staff to meet with Hughes Condon Marler Architects (HCMA) and obtain a quote for the firm's services to determine the project and operational cost of the work outlined in Appendix II for the years 2015 -2020 and in preparation for the 2014 Annual Budget and Five Year Financial Plan discussion.



Report Writer

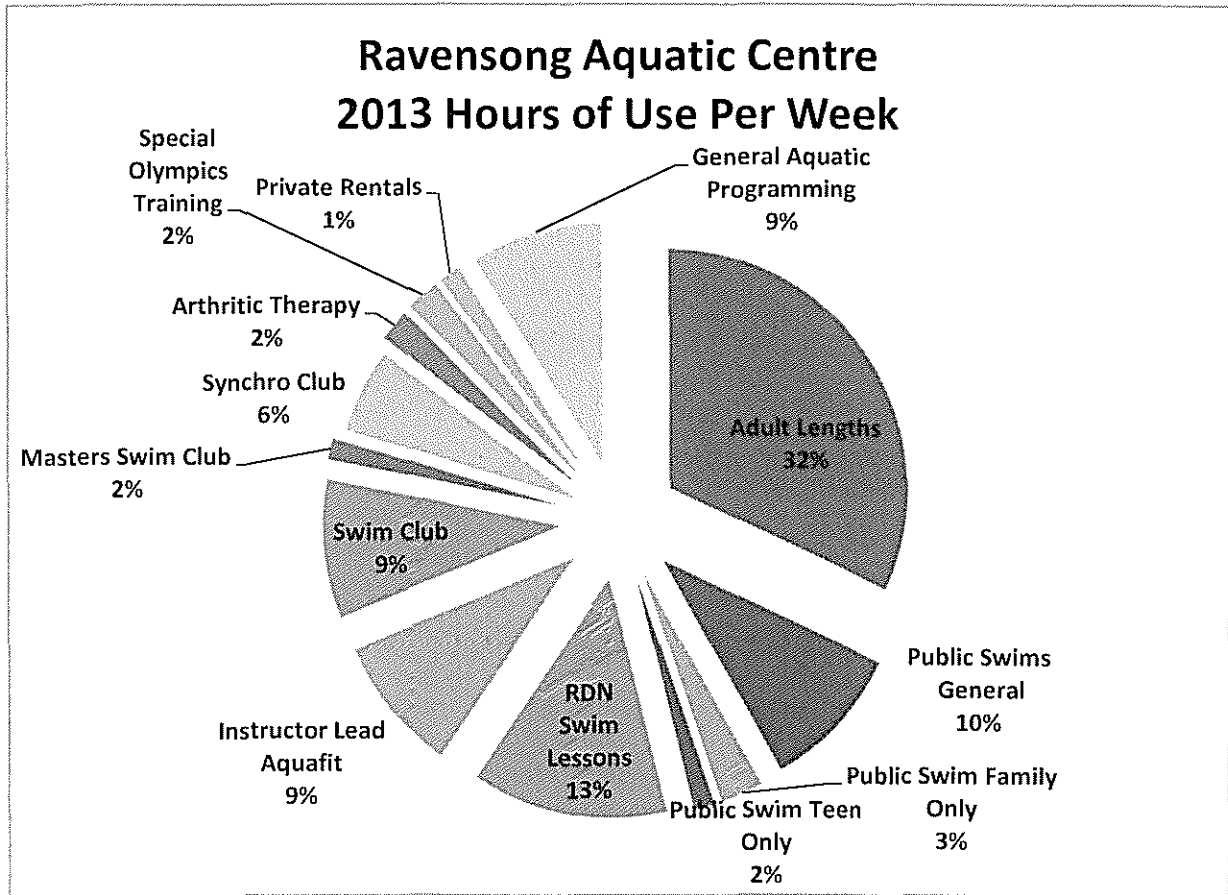


General Manager Concurrence



Acting / C.A.O. Concurrence

APPENDIX I



APPENDIX II

REFER TO PAGE 31 OF ATTACHEMENT I

**Hughes Condon Marler Architects (HCMA)
Ravensong Aquatic Centre Expansion Study**

February 2010

TO: Tom Osborne
General Manager of Recreation and Parks

DATE: May 5, 2016

MEETING: May 19, 2016 D69 Recreation
Commission meeting

FROM: Dean Banman
Manager of Recreation Services

FILE:

SUBJECT: Recreation Services 2016 Master Plan for the Oceanside Area (District 69)

RECOMMENDATION

That the Terms of Reference to undertake a Recreation Services Master Plan for the Oceanside Area (District 69) shown in *Appendix I* be approved and a Request for Proposals be issued for project consultant services.

PURPOSE

To prepare a Recreation Services Master Plan (RSMP) that will define the future direction, philosophy, policies, priorities, and actions for the Regional District of Nanaimo's (RDN) provision of recreation services (aquatic, arena, recreation programs) in District 69, commonly referred to Oceanside. The RSMP is a strategic plan to provide the basic framework that will shape and guide RDN recreation services in Oceanside for the next ten years (2017-2027).

BACKGROUND

The current recreation services master plan for District 69 was completed in 2006. Key recommendations from this plan were categorized into four areas (Recreation Facilities, Parks and Open Space, Recreation Services and Marketing, Administration). A summary of findings and recommendations can be found in *Attachment I*.

The Recreation Services Master Plan identified and explored specific issues pertaining to the delivery of recreation services to the residents of District 69. The key items included a base on which to plan leisure services, issues regarding facilities, staffing, program development and administration. A number of initiatives identified in the 2006 Master Plan have been implemented including, but not limited to, the following:

- Preparation of concept drawings and costing for the possible expansion of the Ravensong Aquatic Centre.
- Improved use of School District 69 facility space, including leased space within the Qualicum Commons (Former Qualicum Beach Elementary School).
- Secured a service agreement with Arrowsmith Community Recreation Association for the provision of recreation services in Electoral Area 'F'.
- Provision of local recreation programs in Electoral Area 'H' through a RDN Recreation Programmer
- Increased funding assistance through grants in aid, the Community Works program and Electoral Area Community parks functions for capital improvements to community halls in the Electoral Areas.
- Initiation and review of advancing an outdoor sports complex with track and field amenities
- Improved support and implementation of arts, heritage and cultural services

- Implementation of a five year Youth Services Plan
- Continued improvement of providing paths for pedestrian and cycling use in unused road allowance in the rural communities and worked with the Ministry of Transportation and Infrastructure on road shoulder improvements in denser pedestrian use areas.
- Improved collaboration with local health organizations and provincial ministry in program development around health promotion and disease prevention.
- Restructured staffing to meet recreation services demands

A renewed master plan process is now due and up for public and Board input and review. Significant changes that have taken place over the last ten years both to the communities of Oceanside and with the provision of recreation services. Census figures show Oceanside continues to have the largest population in Canada of residents over the age of 65 while the small town feel and affordability continue to attract younger demographics to certain areas of the District. In addition all levels of government continue to recognize community recreation services as core contributors to a healthy community. It is now time for the Regional District to revisit and prepare for the future delivery of community services by the Recreation and Parks Department.

Based on the community's vision and feedback related to both existing and possible future services provided in terms of community needs and expectations, the Recreation Services Master Plan (RSMP) is a strategic initiative that will be used to provide guidance, direction and recommendations to the RDN Board, District 69 Recreation Commission and the Recreation and Parks Department through to the Year 2027. The RSMP will reference and link to other existing relevant RDN planning documents and strategies.

The RSMP is to address role of RDN Recreation Services in the Oceanside area and provide recommendations in relation to the following areas:

- Current and future demands for recreation services and facilities in District 69 with specific emphasis on;
 - i. Ravensong Aquatic Centre expansion feasibility and demand
 - ii. The demand and feasibility for an outdoor multi - sport complex in the Oceanside area
 - iii. The current and future demand for District 69 Community Arena to operate as a curling club
 - iv. Possible alternative uses for the District 69 Community Arena
- Population growth in the area and changing demographics and psychographics
- Department's role in health promotion and disease prevention
- Evolution of existing and establishment of partnerships with other community organizations and local first nations
- Economic generation and tourism benefits and opportunities
- Department's role in inclusive, therapeutic and adapted programming
- Department's role in addressing community social issues
- Department's role in providing sport, physical activity, arts and culture
- Various recreation service delivery methods (direct programming, community development) currently in place in District 69 and more specifically the effective and efficiency of the supplemental recreation services being provided in Electoral Areas 'E', 'F' and 'H'.
- Current portfolios of service delivery related to District 69 recreation program services

The process of developing the RSMP and all stages to completion will be through by a sub-committee of the District 69 Recreation Commission, referred to as the Recreation Services Master Plan Advisory Committee. Invitations to have representation on the RSMP sub-committee will be extended to the First Nation communities of Qualicum and Snaw-Naw-As. Membership will include department staff to be determined by the General

Manager, Recreation and Parks. The committee will consist of four Commission members of which one will be the Director representing the Regional Board. This Committee will:

- Review proposals for a Project Consultant
- Review preliminary data and findings
- Review draft reports
- Attend scheduled community engagement and dialogue sessions when required
- Provide recommendations to the District 69 Recreation Commission and RDN Board on the RSMP

Time Line

2016

May	RSMP Terms of Reference reviewed by District 69 Recreation Commission
June	RSMP Terms of Reference considered by the RDN Board
July	RFP for Project Consultant issued
August-September	Review and awarding of RFP
September - October	Consultant's project work underway; Review of resources and inventory work commences
October - December	Meeting with Recreation Services Master Plan Advisory Committee, partners, stakeholder groups and staff begins

2017

January-March	Consultant's work continues; Meeting with Recreation Services Master Plan Advisory Committee, partners, stakeholder groups and staff; Development of Draft RSMP
April	Community engagement and feedback on Oceanside recreation services
May	Completion of Draft RSMP
June	Community dialogue on Draft RSMP
July	Completion of RSMP
September	RSMP presented to D69 Recreation Commission
October	RSMP presented and received by RDN Board

Note: The schedule may be revised based on timelines proposed by selected the Project Consultant in consultation with the Recreation Services Master Plan Advisory Committee.

ALTERNATIVES

1. That the Terms of Reference to undertake a Recreation Services Master Plan for the Oceanside Area (District 69) shown in *Appendix I* be approved and a Request for Proposals be issued for project consultant services.
2. That the Terms of Reference for the Recreation Services Master Plan for the Oceanside Area (District 69) not be approved and staff be provided with alternate direction.

FINANCIAL IMPLICATIONS

The 2016 annual budgets and five year financial plans for Oceanside Place and Ravensong Aquatic Centre each have 1/3 portion of the RSMP total project budget of \$60,000. The 1/3 portion for Northern Community Recreation Services of \$20,000 has been divided equally over the years 2016 and 2017 and allocated within the current five year financial plan as well.

Staff have reviewed a number of recent and current master plan reviews similar in scope from other communities for cost comparisons. From these reviews and discussions with staff from these communities, the budgeted amount aligns with the scope of the services in the Terms of Reference.

Administrative assistance, technical support, liaison and communication will be coordinated by the Manager of Recreation Services and will involve other Department staff as required within existing budgeted amounts and the Five Year Financial Plan.

STRATEGIC PLAN IMPLICATIONS

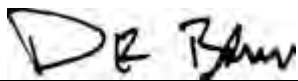
The undertaking of an update to the existing District 69 Recreation Services Master Plan aligns with a number of the RDN Board 2016 -2020 strategic priorities. Engaging in meaningful dialogue with user groups, partners and the community at large will provide the master plan review with thorough feedback on which strategic department objectives can be developed.

The updated master plan will allow for a continued pursuit of organizational excellence and improvement by benchmarking existing services with those from outside organizations.

SUMMARY

The current recreation services master plan for District 69 was completed in 2006 and is now up for renewal. The Recreation Services Master Plan (RSMP) is a strategic initiative that is used to provide guidance, direction and recommendations to the RDN Board, District 69 Recreation Commission and the Recreation and Parks Department regarding the delivery of recreation services in Oceanside.

The Terms of Reference for the updated master plan for District 69 recreation services have been prepared with the purpose to assess the current and future demand for recreation services and related facilities and to provide guidance and direction to the Regional District on these services for next ten years (2017 – 2027).



Report Writer



General Manager Concurrence



CAO Concurrence

APPENDIX I

REGIONAL DISTRICT OF NANAIMO

RECREATION SERVICES MASTER PLAN FOR OCEANSIDE

TERMS OF REFERENCE

MAY 2016

PURPOSE

To prepare a Recreation Services Master Plan (RSMP) that will help guide the future (2017-2027) direction, philosophy, policies, priorities, and actions for the Regional District of Nanaimo's (RDN) provision of recreation services (aquatic, arena, recreation programs) in District 69, commonly referred to Oceanside.

The Recreation Services Master Plan (RSMP) will be a strategic living document that will be used to provide guidance, direction and recommendations to the RDN Board, District 69 Recreation Commission and the Recreation and Parks Department regarding the delivery of recreation services in Oceanside.

The RSMP will be based on the community's vision and feedback related to both existing and possible future services provided in terms of community needs and expectations. The RSMP will reference and link to other existing relevant RDN planning documents and strategies. The RSMP will provide comment, feedback and if required recommended changes to the department's existing provision of recreation services. The comments, feedback and recommendations provided will include input from District 69 communities, partners, user groups, stakeholders, staff (RDN and other local government) and the advisory committee. In addition relevant reference to research findings and recommendations produced by academic, provincial, federal and international governing bodies that align with local government provision of recreation services will be made. Examples of such are provided under Section II of Resources. The RSMP will need to review the current philosophy, mission and vision of the Department, its operating guidelines for service delivery, as well as areas pertaining to administration, budgets, facilities, programming, staffing, interdepartmental management and other related community services.

BACKGROUND

As the result of recreation services study in 1983 the Regional District of Nanaimo established the District 69 Recreation Function in 1984 including the District 69 Recreation Commission and the District 69 Recreation Department. This recreation service function was established to serve a broad range of individuals and families residing throughout the District 69 communities of Parksville and Qualicum Beach and the four outlying Electoral Areas E, F, G, and H.

After operating for approximately ten years the Commission undertook a Recreation Services Master Plan process in 1994. The Master Plan was designed to provide guidance for a period of five years for the delivery of recreation services. At that time the services included the District 69 Arena and non-facility based programming and community services. The Ravensong Aquatic Centre was under construction and having not been completed, was not included as part of the Master Plan process. In 1999, a Recreation Facilities Plan was adopted to augment and support the 1995 recreation services plan in relation to recreation facility development.

In July 2006 the current recreation master plan for District 69 was completed. Key recommendations from this plan were categorized into four areas (Recreation Facilities, Parks and Open Space, Recreation Services and Marketing, Administration) A summary of findings and recommendations can be found in *Attachment I*.

The Recreation Services Master Plan identified and explored specific issues pertaining to the delivery of recreation services to the residents of District 69. The key items included a base on which to plan leisure services, issues regarding facilities, staffing, program development and administration.

A number of initiatives identified in the 2006 Master Plan have been implemented including, but not limited to, the following:

- Preparation of concept drawings and costing for the possible expansion of the Ravensong Aquatic Centre.
- Improved use of School District 69 facility space, including leased space within the Qualicum Commons (Former Qualicum Beach Elementary School).
- Secured a service agreement with Arrowsmith Community Recreation Association for the provision of recreation services in Electoral Area 'F'.
- Provision of local recreation programs in Electoral Area 'H' through a RDN Recreation Programmer
- Increased funding assistance through grants in aid, the Community Works program and Electoral Area Community parks functions for community halls capital improvements in the Electoral Areas.
- Initiation and review of advancing an outdoor sports complex with track and field amenities
- Improved support and implementation of arts, heritage and cultural services
- Implementation of a five year Youth Services Plan
- Continued improvement of providing paths for pedestrian and cycling use in unused road allowance in the rural communities and worked with the Ministry of Transportation and Infrastructure on road shoulder improvements in denser pedestrian use areas.
- Improved collaboration with local health organizations and the related ministry in program development around health promotion and disease prevention.
- Restructured staffing to meet recreation services demands

A renewed master plan process is now due and up for public and Board review. Considering the significant changes that have taken place over the last five to ten years both to the communities of Oceanside and the provision of recreation services being more recognized by all levels of government as a core service it is time for the Regional District to revisit and prepare for the future delivery of community services by the department.

RECREATION SERVICES MASTER PLAN – SCOPE OF WORK and DELIVERABLES

In particular, the RSMP will address with both analysis and recommendation the following areas:

SCOPE OF WORK

1. Role of RDN Recreation Services in Oceanside in relation to:
 - Current and future demands for recreation services and facilities in District 69 with specific emphasis on;
 - i. Ravensong Aquatic Centre expansion feasibility and demand
 - ii. The demand and feasibility for an outdoor multi - sport complex in the Oceanside area
 - iii. The current and future demand for District 69 Community Arena to operate as a curling club
 - iv. Possible alternative uses for the District 69 Community Arena
 - Population growth in the area and changing demographics and psychographics
 - Department's role in health promotion and disease prevention

- Evolution of existing and establishment of partnerships with other community organizations and local first nations
- Economic generation and tourism benefits and opportunities
- Department's role in inclusive, therapeutic and adapted programming
- Department's role in addressing community social issues
- Department's role in providing sport, physical activity, arts and culture
- Various recreation service delivery methods (direct programming, community development) currently in place in D69 and more specifically the effective and efficiency of the supplemental recreation services being provided in Electoral Area 'E', 'F' and 'H'.
- Current portfolios of service delivery related to District 69 recreation program services

DELIVERABLES

- Ensure community support for the Master Plan recommendations by providing for extensive public involvement in the process.
- Review of the current program delivery system including and consider any changes necessary, if any, to enhance the system.
- Development of a clear and concise vision statement for the provision of recreation services in District 69.
- Review of provision and delivery of recreation services to all age groups
- Review and inventory of all public community recreation facilities and sports fields and determine the need for more arenas, indoor multi-use, aquatic and sports field facilities and amenities.
- Review of centralization versus decentralization of Department services.
- Determine the relationship between Department recreation services and those provided by other organizations and the private sector.
- Review the provision of inclusive recreation services as well as the Financial Access Program.
- Examine the relationship between programming in recreation services to services being provided in the RDN Parks area, and explore opportunities for integration.
- Determine priority strategies objectives and key performance indicators to measure success regarding short term and long term operations and trends for recreation services and facilities.
- Based on the vision, mandate, emerging trends, and community input, develop a Recreation Services Master Plan that meets existing and future needs of the Recreation function, and includes setting out recommendations for future service and funding provisions.
- Prioritized set of recommendations (calendar years and costs for financial and asset planning purposes).
- Provide funding alternatives for all recommendations requiring changes to existing five year financial plans.
- Through review of leading indicators, community engagement and best practice examples
- Provide a document that can adapt to change but be consistent in direction

PROJECT MANAGEMENT

Through a Request for Proposal (RFP) process, a Project Consultant will be retained to develop the RSMP.

The process of developing the RSMP and all stages to completion will be done by a sub-committee of the District 69 Recreation Commission referred to as the Recreation Services Master Plan Advisory Committee. Invitations to have representation on the RSMP sub-committee will be extended to the First Nation communities of Qualicum First and Snaw-Naw-As. Membership will include department staff to be determined by the General Manager, Recreation and Parks. The committee will consist of four Commission members of which one will be the Director representing the Regional Board. This Committee will:

- Review proposals for a Project Consultant
- Review preliminary data and findings
- Review draft reports
- Attend scheduled community engagement and dialogue sessions when required
- Provide recommendations to the District 69 Recreation Commission and RDN Board on the RSMP process

RSMP will be coordinated by the Manager of Recreation Services and will involve other Department staff as required.

LEVEL OF EFFORT AND BUDGET

The RDN has allocated approximately \$60,000 for completion of the RSMP, to include all fees, expenses, sub-contractors, consultation, and applicable taxes.

Evaluation

Proposals will be reviewed and evaluated by RDN and TNT staff and rated as follows:

Max. Score Criteria

- | | |
|-----------|--|
| 5 | • credentials and references are strong; |
| 5 | • experience is relevant and extensive; |
| 5 | • the draft work program presented reflects the objectives and deliverables |
| 5 | • presents an appropriate mix of team members and sub-consultants; |
| 5 | • presents a comprehensive public consultation strategy based on the RDN’s Public Consultation/Communication Framework Policy No. A1.23; |
| 5 | • fee breakdown supports the work program presented & the total fee provides good value. |
| 30 | Total |

PUBLIC CONSULTATION PROGRAM

The Regional District of Nanaimo’s Public Consultation Policy A1.23 measures (Attachment II) a successful project as one that provides for meaningful and on-going public involvement. The success of the public process component of the RSMP will be achieved through meeting the following goals:

- Ensuring that the style of consultation is inclusive
- Providing meaningful opportunities for public input and participation
- Making all relevant information about the planning process readily available to the public
- Presenting information to the public in a clear, understandable and concise form
- Making available for review all public input gained during the planning process
- Accurately and objectively recording and assessing public input

A key role of the Consultant in compiling the RSMP is to develop, lead and interpret a region-wide community input process that contributes to the project’s objectives.

The public input process must use a varied approach to obtaining input in order to maximize participation and must include, but is not limited to the following:

- Consultation with the Master Plan Advisory Committee and staff of the RDN Recreation and Parks Department.

- Interviews with Oceanside community sport and recreation organizations including; Oceanside Minor Hockey, Parksville Golden Oldies Sports Association, Sandy Shores Figure Skating Club, Parksville and District Curling Club, Nanoose Bay Recreation and Activities Society, Oceanside Community Arts Council, District 69 Sports Association, Oceanside Youth Soccer Society, Oceanside Minor Baseball, Oceanside Minor Softball, Ravensong Breakers Swim Club, Ravensong Water Dancers synchronized swim team, Society of Organized Services, Arrowsmith Community Recreation Association and others as determined by the RSMP Advisory Committee. Staff at the municipalities of Qualicum Beach and Parksville, Qualicum and Snaw-Naw-As First Nations along with other government and agencies.
- A statistically valid public survey
- A minimum of four District wide community engagement sessions to solicit views, comments and opinions on recreation services within District 69, and to present the draft RSMP to the District 69 Recreation Commission and receive comments prior to the preparation of the final document.
- Utilization of information technologies

PROJECT CONSULTANT REQUEST FOR PROPOSAL (RFP)

Through the RFP process, Project Consultant proposals must outline a consultation process that:

- Will not direct or control the scope of the project.
- Will facilitate a broad range of input through a continuum of questioning from very general matters to very detailed issues.
- Will account for different stakeholder knowledge levels in regards to the delivery of Recreation services.
- Will utilize a varied approach to obtain input from a wide range of Regional District residents.
- Will obtain detailed and accurate input that will yield data that can be analyzed.

The Consultant's proposal is to include:

- Proposed methodology and table of contents for the RSMP. A work program detailing stages, timing, and deliverables. This work program will detail all phases, including research, public involvement and plan development.
- Information as to the qualifications, ability and past experience of the company with similar projects, including references of other Recreation Services Master Plan projects the consultant has completed, preferably in a Regional District setting.
- A list of the personnel who will work on the project, their individual experience specifically related to recreation service planning process and what their role will be.
- A list of sub-consultants, including their company and staff experience specifically related to their role.
- A schedule that includes the fee structure and the upper limits of the project cost. This fee structure must include an outline of fees for at least the following:
 - a) Sub-consultants
 - b) Draft Plan
 - c) All Disbursements
 - d) Hourly rate schedule of personnel assigned to the project and man-hour requirements for each
 - e) All applicable taxes
 - f) All other fees associated with the project

The Expected Outcome of the Recreation Services Master Plan:

The Project Consultant is expected to provide an updated Recreation Services Master Plan that links to and builds upon the 2007 -2016 Recreation Services Master Plan. The updated RSMP must deliver a prioritized set of recommendations based on input from regional residents and stakeholder groups, governments and agencies and research that will provide the Regional District with guidelines for planning, decision-making, and management of recreation services and resources in the Oceanside area over the next 10 years (2017 – 2027).

The Consultant will provide a complete electronic copy of the RSMP, including any appended materials, as well as 12 presentation quality copies. The Recreation Services Master Plan and any supporting reports or materials provided will become the property of, and for the sole use of, the Regional District of Nanaimo.

SCHEDULE

The following is the proposed schedule for the development of the RSMP:

Time Line

2016

May	RSMP Terms of Reference reviewed by District 69 Recreation Commission
June	RSMP Terms of Reference considered by the Regional Board
July	RFP for Project Consultant issued
August/September	Review and awarding of RFP
September – October	Consultant’s project work underway; Review of resources and inventory work commences.
October – December	Meeting with Recreation Services Master Plan Advisory Committee, stakeholder groups and staff begins.

2017

January-March	Consultant’s work continues; Meeting with Recreation Services Master Plan Advisory Committee, partners, stakeholder groups and staff; Development of Draft RSMP.
April	Community engagement and feedback on Oceanside recreation services
May	Completion of Draft RSMP
June	Community dialogue on Draft RSMP
July	Completion of RSMP
September	RSMP presented to D69 Recreation Commission
October	RSMP presented and received by RDN Board

Note: The schedule may be revised based on timelines proposed by selected Project Consultant in consultation with the Recreation Services Master Plan Advisory Committee.

RESOURCES

- i. The Regional District will have available to the Project Consultant the following resource information:
 - Recreation Services Master Plan (2006)
 - Youth Recreation Strategic Plan (2011-2016)
 - IPSOS Public Affairs - Citizen Satisfaction Survey (2014)
 - School District 69 Qualicum enrolment and projection figures (most recent)

- Current Official Community Plans for Electoral Area’s E, F, G and H and the municipalities of Parksville and Qualicum Beach
 - Current RDN five year Financial Plan (2016-2021)
 - RDN Operational and Efficiency Review (2015)
 - RDN Strategic Plan (2016 -2020)
 - District 69 Sports Field and Recreation Services Agreement (2011-2025)
 - District 69 Sport Fields/Courts Booking Agency Agreements (2011 - 2020)
 - Regional Parks and Trail Plan (2005-2015)
 - Community Parks and Trails Strategy - Electoral Areas E, F, G and H (2014)
 - Community Contact Information
- II. The Regional District expects comment and reference to the following documents and work done by the following organizations and others relevant to the guidance and provision of recreation services within District 69 and development of the RSMP.
- Pathways to Wellbeing 2015 (Canadian Parks and Recreation Association / Interprovincial Sport and Recreation Council)
 - Social Determinants of Health (World Health Organization)
 - Ottawa Charter for Health Promotion (World Health Organization)
 - Truth and Reconciliation Committee (Commission of Canada)
 - Island Health Healthy Communities Initiative
 - BC Healthy Communities
 - National Recreation Summit 2011
 - Canadian Sport Policy 2012
 - Connecting Canadians with Nature 2014 (Canadian Parks Council)
 - Canada’s Public Policy Forum – Report on the National Recreation Roundtable
 - UBCM Healthy Community Committee
 - British Columbia Parks and Recreation Association
 - Canadian Parks and Recreation Association
 - National Recreation and Parks Association (U.S.A.)

ATTACHMENT I

2006 Recreation Services Master Plan - Key Findings and Recommendations

Recreation Facilities

- Defining "centralized" facilities for the Department and the community.
- Continue with plans to develop a wellness centre at Ravensong Aquatic Centre and to future explore expansion opportunities of Ravensong Aquatic Centre including additional pool space.
- Further explore the current demand for facility usage in municipal and school district facilities and consider the need for a multi-purpose centralized facility if the supply cannot meet the demand.
- Provide assistance to Electoral Areas with respect to enhanced resources regarding localized facility maintenance and "decentralized" recreation programming.
- Support the Cultural Coalition in preparing a feasibility study for a centralized arts facility.

Parks and Open Space

- Explore future potential for a major sports complex in the Oceanside area including track and field.
- Continue with trail development throughout Oceanside as a key linkage for recreational pursuits.
- Collaborate with key partners including the municipalities and the school district to consider potential areas of cooperation with respect to Sports field development and maintenance.
- Explore opportunities to enhance parks as youth friendly by providing facilities and amenities that are attractive to youth throughout the Oceanside area.

Recreation Services and Marketing

- Establish formal processes and evaluative criteria for measuring the quality of program services and customer satisfaction.
- Continue to provide the Financial Access Program and enhance the Department's program by implementing the Canadian Parks and Recreation's "Everybody Gets To Play" program and principles.
- Explore opportunities to further enhance accessible and affordable program opportunities within existing community facilities throughout Oceanside, especially in the Electoral Areas.
- Review and enhance the Department's Marketing Plan and find ways to market more affectively to all residents of Oceanside including the ongoing development of the RDN website and on-line registration.
- Focus on health and wellness related programming in terms of the overall benefits to the residents of Oceanside, including the development of programs pertaining to the outdoors and parks, such as gardening and home landscaping.

Administration

- Develop ice and pool allocation policies and processes.
- Develop a partnership strategy for the Department with respect to working with other organizations.
- Explore a partnership agreement with the School District including joint use, potential joint developments, and program partnerships.
- Explore staffing requirements for recreation and parks services, and develop new staffing structures as necessary.
- Develop a formal process for ongoing demographic and trends analysis.
- Develop a community development strategy in relation to community needs and direct programming services.
- Continue to seek Commission and Board support regarding the allocation of operating surpluses to a facility development and repair reserve fund.

ATTACHMENT II

REGIONAL DISTRICT OF NANAIMO

P O L I C Y

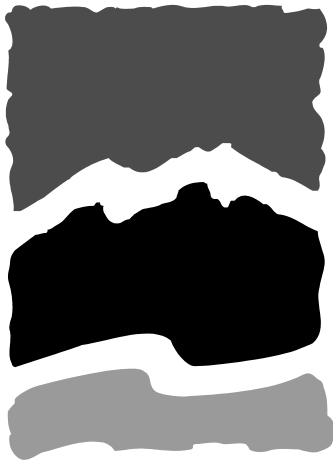
SUBJECT: <i>Public Consultation/Communication Framework</i>	POLICY NO: A1.23
	CROSS REF.:
EFFECTIVE DATE: October 10, 2000	APPROVED BY: BOARD
REVISION DATE: June 2, 2008	PAGE: 1 OF 5

PURPOSE

To establish a process to ensure a consistent, comprehensive and cost effective corporate approach to public consultation and communication initiatives.

POLICY

The guidelines for the public consultation/communication process are as outlined in the attached framework forming part of this policy as Appendix 1.



REGIONAL
DISTRICT
OF NANAIMO

**A COORDINATED
PUBLIC
CONSULTATION/COMMUNICATION
FRAMEWORK
2008**

1. Introduction

The Regional District of Nanaimo recognizes that citizens who live with the impacts of RDN plans, policies, programs or projects expect to share in the decision-making process. Better decisions are made through a collaborative approach, and the success of any public consultation process can be directly linked to the amount of information the community has about the issues. The evolving challenge is to find tools and techniques that define our **community voice** and meet the need of the broader public. Keeping the public informed is challenging, and requires a wide range of approaches in order to be successful.

This coordinated framework ensures a consistent, comprehensive and cost-effective corporate approach to public consultation and communication initiatives.

2. Definitions

* There are three generally recognized methods of public involvement:

- v **Public Communication** enables government to get information out to the public. This is generally a one-way flow of information from government to the public. Types of public communication include advertisements, publication of reports, newspaper inserts, press releases, news conferences, or websites.
- v **Public Consultation** enables government to ask for public input on policy issues. This is generally a one-way flow of information from the public to government. Types of public consultation include public meetings, public opinion polls, public hearings, focus groups, referenda, or meetings with stakeholders.
- v **Public Participation** allows for interactions among the public and between the public and the government. Information is exchanged between parties, and there is some degree of deliberation involving representatives from both parties. Types of public participation include citizens' panels, citizens' dialogues, web-based peer networking or scenario workshops.

* Sources: *IAP2 Participation Toolbox (2005b)*, *Primer on Public Involvement (Health Council of Canada, July 2006)*.

3. Why a coordinated Framework?

All RDN departments are involved in public communication, consultation and participation initiatives. These initiatives range from informing and educating to consulting and joint planning.

To enhance this high level of public communication and consultation, we need a coordinated framework to create and/or maintain consistent methods to provide opportunities for public involvement.

4. Guiding Principles

Developing process:

1. The objectives of every consultation process will be clearly established and the process will be designed and implemented with this objective in mind.
2. Communication with the public will begin at the earliest stages of the policy, planning, program or project. Public consultation and public participation will be incorporated in a timely manner as the policy, planning, program or project is implemented.

Conducting the process:

1. Anyone likely to be affected by a decision shall have opportunities for input into that decision.
2. The consultation process shall allow for a meaningful level of involvement.
3. All positions and input received will be considered; not all input can and will be accommodated.
4. The process shall recognize and take into account the different characteristics and abilities of the community.
5. The process shall recognize interdepartmental issues and concerns, and shall involve and coordinate internal staff resources as necessary or appropriate.
6. The integrity of broad public involvement must be paramount to the process and must not be superseded by any individual or interest group.
7. The RDN shall provide feedback, in a timely manner, about how public input has been utilized in Board decisions, and how the public will be affected.
8. An evaluation component shall be built in to the process to allow those involved to learn from past experiences and to ensure the proper use of resources.

5. Keeping the Public Informed

The ongoing success of any consultation process largely depends upon public awareness of the issue at hand. To improve general awareness, the Regional District will consider a range of public communication initiatives.

1. Newspaper columns;
2. Radio and newspaper advertising and/or newspaper inserts;
3. News conferences/media events
4. Press releases
5. The Regional Perspectives Newsletter and Electoral Area Updates;
6. Periodic publications of a specific nature generated by individual departments advising the public of current projects or initiatives they are undertaking, e.g. landfill siting, Regional Growth Management Plan updates, Emergency Preparedness, etc;
7. Brochures informing residents of specific processes or policies, e.g. building permit process, recreation program information, parks information, etc;
8. Mall/library/community centre displays;
9. An events calendar and a *Highlights* section, as well as regular Board agendas and minutes;
10. Web-based peer networking tools;
11. On-line surveys;
12. On-line photo pages/displays;
13. On-line opportunities for the public to contribute questions and comments about specific Regional District initiatives;
14. Town hall or community meetings (held in communities as needed);
15. Public workshops.

6. Public Consultation Strategic Plan Format

- to be completed for each process

1. Goals/Objectives

- o What is the purpose of the process?
- o What issues or decisions need to be considered?
- o What level of consultation/participation is required? (information, education, consulting, joint planning)

2. Methodology,

- o What community group(s) will assist with/participate in the consultation process
- o What level of public involvement is needed (public communication, public consultation, public participation or all three)?
- o What other departments need to be involved?
- o What information does the community need to provide informed input?
- o How will information be provided?
- o How will feedback or input be received?

3. Tools and Tasks

- o What techniques fit with the community characteristics or culture involved? i.e. advisory committees, focus groups, newsletters, surveys?
- o How will feedback be provided during the process?
- o How will feedback be provided to the community on how their input was considered in the decision?

4. Outcomes and Products

- o What are the desired outcomes of the process?
- o How will the results be used?

5. Schedule

- o Will holidays have an impact?
- o How much lead time will people need to participate well?
- o What timetables do interested groups and parties already work on?
- o When does the decision need to be made?

6. Resources

- o Who is the team leader?
- o How much staff time will be needed?
- o Which departments need to be involved?
- o Has Corporate Communications been notified of this initiative?

7. Budget

- o What will the cost be of mailings, rooms, newsletters, etc?

8. Monitoring and evaluation

- o How will the process be evaluated?

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE GRANTS-IN-AID ADVISORY COMMITTEE MEETING
OF THE REGIONAL DISTRICT OF NANAIMO HELD ON
THURSDAY, MAY 19, 2016 AT 1:30 PM IN THE
RDN COMMITTEE ROOM**

In Attendance:

M. Young	Chairperson
L. Mathews	Citizen Advisory Member
J. O'Connor	Citizen Advisory Member
E. Yewchin	Citizen Advisory Member

Regrets:

M. Lefebvre	Director, District 69
B. Erickson	Citizen Advisory Member

Also in Attendance:

J. Hill	Mgr. Administrative Services
C. Golding	Recording Secretary

CALL TO ORDER

The Chairperson called the meeting to order.

MINUTES

Minutes of the Grants-in-Aid Advisory Committee meeting held Wednesday, October 21, 2015.

MOVED E. Yewchin, SECONDED J. O'Connor, that the minutes of the Grants-in-Aid Advisory Committee meeting held Wednesday, October 21, 2015, be adopted.

CARRIED

CORRESPONDENCE

Christian Bates, Canadian Red Cross, re withdrawal of grant application for Fall 2015.

MOVED J. O'Connor, SECONDED E. Yewchin, that the correspondence from Christian Bates, Canadian Red Cross, regarding withdrawal of grant application for Fall 2015 be received.

CARRIED

District 68 Grant Approvals

Funds available: \$4,679.00

MOVED J. O'Connor, SECONDED E. Yewchin, that the Board award District 68 Grants-in-Aid funds as follows:

Gabriola Arts Council – rental of a tent, theatre lighting, sound equipment, port-a-potties, marketing, distribution and advertising for the Gabriola Theatre Festival.	\$0.00
Gabriola Community Hall Association – to purchase 2 sets of Carpet Bowling equipment.	\$0.00
Gabriola Rod, Gun and Conservation Club – sound abatement materials for the Club's Tait Road Range.	\$2,398.46
Scouts Canada Camp Caillet – purchase of an Automatic Defibrillator (AED) and mounting case.	\$2,280.54
Total	\$4679.00

CARRIED

District 69 Grant Approvals

Funds available: \$13,338.00

MOVED J. O'Connor, SECONDED E. Yewchin, that the Board award District 69 Grants-in-Aid funds as follows:

Corcan-Meadowood Residents Association – four sets of 8 solar / battery powered walkway lights and 4 solar / battery / hand crank operated lanterns.	\$761.52
Errington Co-operative Preschool – replacement crafting supplies, outdoor equipment.	\$950.00
Lighthouse Community Centre Society – interior hall lighting, 10 tables and 60 chairs for the hall, dolly's for chair storage, photocell and lamps for exterior lighting.	\$4,900.00
Oceanside Stroke Recovery Society – aphasia software upgrade for 4 computers.	\$2,000.00
Royal Canadian Legion, Branch 211 Ladies Auxiliary – replacement of dishwasher in Legion kitchen.	\$4,726.48
Total	\$13,338.00

CARRIED

ADJOURNMENT

MOVED L. Mathews, SECONDED J. O'Connor, that this meeting be adjourned.

CARRIED

TIME: 2:43 PM

CHAIRPERSON