CENTRAL COAST REGIONAL DISTRICT

SERVICE DELIVERY AND GOVERNANCE STUDY
FINAL REPORT

APRIL 26, 2017

leftside **partners inc.**

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April 26, 2017

Central Coast Regional District
PO Box 186
Bella Coola, BC, V0T 1C0

ATTENTION: ACTING CHIEF ADMINISTRATIVE OFFICER

Dear Ms. Mikkelson:

RE: CENTRAL COAST REGIONAL DISTRICT SERVICE DELIVERY AND GOVERNANCE STUDY

Attached is the Final Report of the Central Coast Regional District Phase 1 Service
Delivery and Governance Study for the Central Coast Regional District (CCRD). Our
consulting team of Leftside Partners Inc., Defero-West Consulting, and Neilson-Welch
Consulting Inc. (the consultants) was honoured to be awarded the project, and
acknowledges the cooperation and hard work of several CCRD staff and the valuable
contributions from residents in completing the project.

Please feel free to contact me directly if you have any questions or comments, or if you
require any further information.

Sincerely,

LEFTSIDE PARTNERS INC.

Sherry Hurst, M.Pl., RPP, MCIP
Principal

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1.0 PROJECT OVERVIEW

The Central Coast Regional District identified the need for a diagnostic governance and service delivery study. The purpose of the study was to describe and understand the existing services, relationships and governance in the CCRD, as well as residents' opinions and perceptions about those services and governance. The results of the study will help the CCRD determine whether there is the need for future service governance or structure analysis. The CCRD, together with the Ministry of Community, Sport and Cultural Development, identified four themes to focus the Diagnostic Governance and Service Delivery Study – service delivery, organization and cost recovery; electoral area governance and structure; local governance and service relationships; and access to infrastructure and other grant funding.

Key tasks in the study included:
- Describe what services the CCRD provides, how they are delivered and the cost of those services;
- Document the governance structure for regional services;
- Identify the provincial policy and framework regarding regional district and electoral area boundary structure, and including the criteria to make structural changes;
- Identify relationships and cooperation between local governments and service providers in the region;
- Identify how the region accesses and prioritizes infrastructure funding;
- Share information about the region's services, cost recovery mechanisms, collaboration and governance with residents; and,
- Gather opinions and perceptions from residents regarding service delivery and governance concerns and issues.

For those residents who have actively campaigned to identify a restructure study as part of the CCRD's strategic plan, and established a working group that made recommendations on structures and boundaries, stepping back to document the services and governance structures without yet identifying or evaluating specific options may not seem like progress. Indeed, this phase may only confirm what some in the region already know. However, this stage is about clarifying what issues exist today – learning what services are in place and listening to residents' opinions before determining whether alternate approaches to service delivery, governance and cost recovery make sense for a community, electoral area or region.

It is hoped that the information will provide residents and the region with the foundation and tools to assess the strengths and limitations of the existing governance, delivery, coordination and funding of those services. The act of documenting and contemplating the services and governance framework may spark new ideas for cooperation, efficiencies and governance solutions that make sense for the community.

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2.0 COMMUNITY PROFILE

The Central Coast Regional District (CCRD) is one of 28 regional districts in BC. The boundaries of regional districts are vast – the CCRD spans approximately 25,000 km^2 along the coast of BC, north of Mount Waddington and Vancouver Island, and inland east to the Cariboo Region, encompassing communities of Ocean Falls, Denny Island, Oweekeno, Bella Bella, and Bella Coola, and including the Nuxalk, Heiltsuk and Wuikinuxv Nations.

The Central Coast Regional District was created in 1968 under the name of the Ocean Falls Regional District. Five electoral areas were created at that time. When the CCRD was created, the total population of the region was approximately 6,161[1]. In 1972 the regional district office was transferred to Hagensborg, and in 1973 the electoral area configuration was redefined to reflect population and development patterns. Area E was eliminated, and there were only four electoral areas. However in 1975, the present boundary configuration was created and Electoral Area E was established.
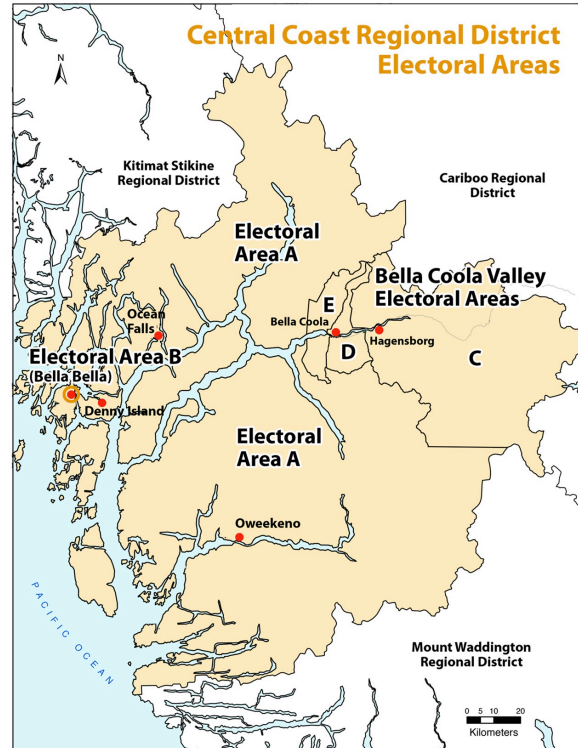
Figure 1: CCRD Electoral Area Map

2.1 COMMUNITIES

Denny Island

Denny Island was originally developed as an anti-submarine bomber reconnaissance unit by the Royal Canadian Air Force in 1941, during World War II. At that time a base was built to accommodate more than 2,000 military personnel. The unit was disbanded in 1944, and the base was subsequently purchased and developed into a full-service marina and fishing resort, known as Shearwater. Services available on Denny Island include a grocery store, liquor store, post office, laundromat, public showers, coffee shop and art gallery/gift shop, hair salon, marina, shipyard, marine/hardware store, fuel dock, restaurant, pub, campground and RV park, rental cabins, bed and breakfasts, a resort and a hotel. There is also a facility for all marine repairs, a paved landing strip and a protected float base. School District 49 (Central Coast) provides classes

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[1] 1966 Census data

[2] MacDonald, Nancy. *Bella Bella, B.C.: The town that solved suicide,* Maclean's Magazine.

from kindergarten to grade 8, and a water taxi provides regular service between Bella Bella and Denny Island. About 75 people live on Denny Island.

Ocean Falls

Ocean Falls is located at the head of Cousins Inlet, west of Bella Coola in the central coast of British Columbia. The community is often proudly referred to as "Home of the Rain People" due to its annual rainfall of 180 to 200 inches. Less than 50 people call Ocean Falls their full-time home, but during summer months the population can rise above 100.

The waterfalls in Ocean Falls once formed the basis for a pulp and paper mill began operation in 1912. The mill became the second largest pulp mill on the BC coast, and the town grew to about 3,500 people, complete with schools, a hospital, swimming pool and hotel. The province acquired the mill in 1973 in an attempt to maintain some operations after closure was announced, but finally shut it down in 1980. The majority of the town's population left with the jobs, but some residents remain. The town still has a post office, tourist accommodation, harbour authority and yacht club, general store, café, gift shop and pub, and local infrastructure and services are provided by the Ocean Falls Improvement District. Ocean Falls can be reached by boat or seaplane. BC Ferries includes a stop at Ocean Falls on its passenger route along the Discovery Coast.

Oweekeno

Oweekeno is home to the Wuikinuxv Nation, and is located on the banks of the Wannock River at the entrance to Owikeno Lake east of Rivers Inlet. About 70 people live on reserve in the Village, which includes a band administration office, a health centre, a K-7 school, and a fire hall. The community also has a newly constructed ceremonial big house used for cultural purposes and as a meeting place for special functions. The Wuikinuxv Nation maintains and operates an airstrip, and there is regular seaplane and water taxi service to Vancouver Island (Port Hardy and Port McNeill).

The key economic activities of the Wuikinuxv Nation include logging, salmon enhancement, commercial fishing and roe-on-kelp, and management of a tree farm license which focuses on harvesting, silviculture and watershed restoration. The Nation is looking to diversify its local economy by developing plans to promote tourism, a run-of-the-river power project and a heli-ski tenure.

Bella Bella

The Heiltsuk Nation lives in the island village of Bella Bella on Campbell Island. Bella Bella is the name given to Heiltsuk Indian Reserve #1 and is the largest of the 23 reserves set aside in 1913 for the exclusive use of the Heiltsuk Nation. The village located on Campbell Island is amalgamated from all Heiltsuk Nation tribes who occupied numerous large winter and spring villages and associated camp sites spread throughout their traditional territory.

Bella Bella is home to a regional airport, BC Ferries terminal, regional hospital, RCMP detachment, public dock, grocery store, post office, fuel station, fish plant, forestry company, freight company, cablevision and telecommunications infrastructure, Canadian Coast Guard Search and Rescue (SAR) facility as well as a number of bed and breakfast establishments, restaurants and small shops. The community has a Band office, community hall, three schools (elementary, secondary, college), day care center and two churches.

Historically the primary industries for the Heiltsuk Nation economy have been forestry and seasonal fisheries including shellfish, ground fish, herring, salmon and other marine resources. However, changes to the fishing industry and economy have altered the focus of the community. The community is rebuilding with an empahsis on ecotourism, aquaculture and forestry. There are development plans for a new guest lodge, restaurant and hostel, renovations for the airport, and a new band store and big house. The Heiltsuk Nation's economic development corporation runs a fuel station, fish plant and freight company, and is taking over a mill yard. Economic development has to be compatible with the Nation's environmental resource management plans, which protects half of the Heiltsuk Nation territory from all industrial activity. The Nation's management plan also protects sacred, medicinal and unique sites from logging, mining, fishing and aquaculture projects.[2] Bella Bella is accessible by air, and has scheduled service to Vancouver and Port Hardy, as well as by boat, including BC Ferries.

Bella Coola Valley

The Bella Coola Valley encompasses the communities of Bella Coola, Hagensborg and rural areas include the Saloompt Valley, Noosatsum and Stuie. As well, the Valley includes the Nuxalk Nation reserve lands, which stretch from Bella Coola along the valley past the Four Mile village area. In addition to being home to the Nuxalk Nation, Norwegian colonists settled in the area in 1800s due in part to the similar geography and scenery to Norway's fjords. The area is home to spectacular scenery of mountains, rivers and ocean, and offers many outdoor recreation opportunities.

The Bella Coola Valley is the only land area within the CCRD accessible by road. Highway 20 extends from Williams Lake, and is paved most of the way, with the exception of the road between Anahim Lake and the base of Heckman's Pass, or "the hill" as it is known locally. The valley can also be accessed by air, with scheduled flights to Vancouver, and by ferry from Port Hardy on Vancouver Island.

The Valley offers a range of services and amenities, including schools, a hospital, library, RCMP detachment, swimming pool, parks, airport, harbour, tourist accommodations,

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[2] MacDonald, Nancy. *Bella Bella, B.C.: The town that solved suicide,* Maclean's Magazine. September 22, 2016.

restaurants and retail stores. While formerly a resource-based community, the economy is changing with a greater emphasis on tourism.

2.2 POPULATION

The 2016 Census estimates that the CCRD has a total population of 3,319 (Figure 2). CCRD is the regional district with the lowest population of all 28 regions in the province. The Northen Rockies regional district is the second smallest at 5,393, which is 1.6 times the population of the CCRD. The next closest is Mount Waddington which is 3.3 times the size, at 11,035.

The 2016 census population of 3,319 reflected an increase of 3.5% over 2011, compared to the provincial average of 5.6% growth during the same period. The increase, however, follows a near 20% decrease between 1996 and 2006, which is due in large part to downturns in the forestry and fisheries industries. The region

Area	2016 Census Population	On-Reserve Population	Total
Area A	203	90	293
Area B		1,019	1,019
Area C	653		653
Area D	399	807	1,206
Area E	148		148
Total	**1,403**	**1,916**	**3,319**

Figure 2: 2016 CCRD Census Population

declined a total of 9.5% over a 20 year period (1991 to 2011), with the largest decreases in electoral areas E and A, but has begun to bounce back, posting positive growth between since 2011 (with the exception of Area B). While the majority of the region was declining, between 1991 and 2011 the population in Area D actually increased, due to the increasing Nuxalk Nation population. The population off-reserve in Area D actually declined 7% over that period, but has begun to show growth in the past five years. The population changes by electoral area are shown in Figures 3 and 4. BC Stats projects that a slow rate of growth will continue for the region, with the 10 and 20 year projections estimated at 3,550 and 3,661, respectively.
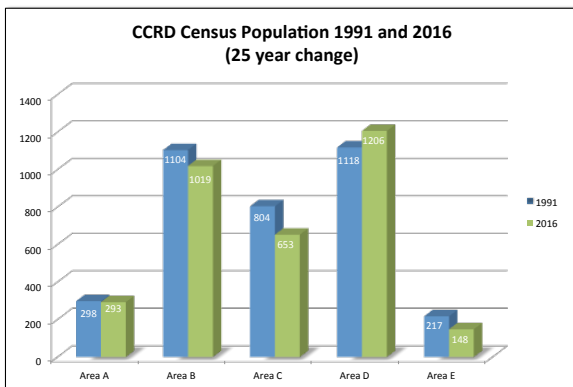

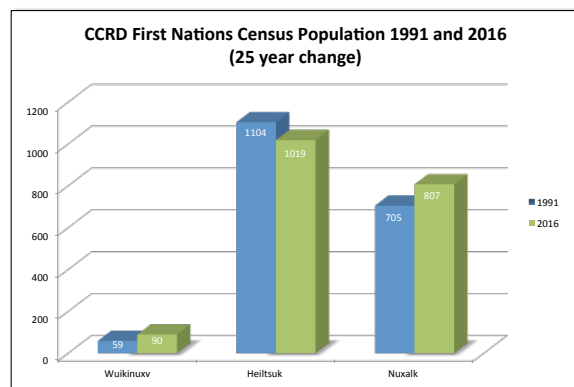**Figure 3: CCRD Census Population 1991 & 2016**

Figure 4: First Nation Population 1991 & 2016

The region's population is generally concentrated in the Bella Coola Valley and in Bella Bella. As of the 2016 Census, the electoral areas ranged significantly in total population from 148 in Area E to 1,206 in Area D. Based on 2016 totals, the CCRD has the highest proportion of population that is First Nations living on reserves of any region (58% of the total).

According to the 2011 Census[3], the median age of residents in the CCRD is 40, which is slightly less than the provincial average of 41. On Nuxalk Nation reserve lands the median age is significantly lower, at 28, and in Bella Bella, on Heiltsuk Nation reserve lands, the median age is 35. Compared to provincial averages, the CCRD is home to a higher percentage of youth aged 0-18 years of age (26% vs 22%), and a lower percentage of seniors aged 65 and over (13% compared to 22%). Gender is almost evenly split with 1,650 (51% males) and 1,555 (49%) females.

2.3 HOUSING, HOUSEHOLDS, AND INCOME

Single detached housing is the most common type of dwelling in the CCRD, comprising 84% of the housing stock in 2011.[3] The next highest proportion was row housing at about 6%, followed by semi-detached housing at 3.7%. Approximately 40% of all households in the CCRD have three or more persons residing within, while 33% are two-person families, and single-person households make up the remaining 27%. The overall average household size is 2.6 persons. Average household size is 3.3 on Nuxalk Nation reserve, and 3.1 on the Heiltsuk Nation reserve at Bella Bella. Census data indicates that the average annual after-tax income of households in the CCRD is approximately $30,300. This figure is approximately $27,500 less than the provincial average.[3]

2.4 ECONOMY

The CCRD's regional economy was traditionally resource-based (primarily forestry and fisheries), but a significant and sustained downturn in those industries beginning in the late 1990s resulted in hundreds of job losses. The region suffered a 20% decrease in population between the 1996 and 2006 census; related impacts included numerous secondary business closures, declining school enrolments, teacher layoffs, closure and relocation of provincial government offices.

In 2004, the CCRD and Bella Coola Valley Tourism engaged residents in a series of Town Hall Meetings to develop an economic strategy with a focus on tourism. The region subsequently implemented numerous initiatives to support development of tourism, from research to capacity building, infrastructure supports, brand development, focused marketing and local training/education. However, a significant setback was suffered in 2014 when the provincial government cancelled the seasonal (summer) ferry service between Port Hardy on Vancouver Island and Bella Coola. The West Chilcotin Tourism Association commissioned a study showing that the closing led to a drastic decline in

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[3] As at the date of the final report, only population and dwelling data was available for the 2016 Census.

visitors and a loss of $3.9 million in gross tourism revenue in 2014. In the fall of 2016, the provincial government announced that the service would be restored by 2018. Tourism has become a focus and staple of the CCRD economy, not just in Bella Coola, but also Bella Bella, Denny Island and Ocean Falls.

CCRD labour force participation at the time of the 2011 census was 1,460 or 58%. The unemployment rate of 12% was higher than the provincial rate of 7.8%, but was an improvement from 19% in 2006, and 20% in 2001. Unemployment on Nuxalk Nation reserve land was 19.1%, and 21.4% in the Heiltsuk Nation reserve. The top three occupation sectors were sales and service at 19%; education, social, community & government services at 17%; and, trades at 14%.

The industry that employed the largest number of people in 2011 was public administration at 18%; education and health/social services were second at 14.5%. Resources industries (forestry, fisheries and agriculture) employed just 6%. The three largest industries comprise nearly 50% of the labour force.

2.5 SCHOOLS

The CCRD is within School District #49. The School District oversees five public schools within the CCRD, including elementary schools in Bella Coola, Denny Island (higher grades supported by distance education), Noosatsum and Oweekeno. Sir Alexander Mackenzie School in Hagensborg is a grade 6-12 school. Independent schools include the Bella Bella Community School (K-12), Acwsalcta Band School in Bella Coola (K-12), and the Bella Coola Adventist Academy (grades 1-9). Enrollment ranges from just 6 children at the one-room Shearwater Elementary on Denny Island to 207 at the Bella Bella Community School.

2.6 ASSESSED VALUES AND TAXATION

Within unincorporated areas such as CCRD, the province collects property taxes, including the provincial rural tax, which goes toward the provision of policing and roads. The portion of the taxes for regional district services, collected through the provincial surveyor of taxes, is remitted to the CCRD.

The amount of taxes for any given property depends upon the assessed value of the land and improvements, as determined by BC Assessment, combined with the property tax class, and the associated tax rates. Property tax classes are generally a reflection of the use, such as residential, major industry, light industry, business, recreational property. In all unincorporated areas of the province, property taxes for different tax classes have the same ratio set by the Province – regional districts do not have the authority to alter the multiples and, for instance, set higher rates for different property classes such as businesses or industrial properties. In 2016, the tax rate for industry (major and light), was 3.4 times that of the residential class; business taxes are 2.45 times the residential rates. The converted assessment total adds together the assessed

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values (net taxable value of land and improvements) by the tax multiplier to produce a total taxable value for determining the applicable tax rates.

At a total converted assessment of $22,281,366, the CCRD has the lowest assessment base of any regional district (total and converted). The region that is closest in tax base (Mount Waddington) has more than **nine times** the converted assessment total of the CCRD. If the assessment base from Mount Waddington's municipalities is factored out, Mount Waddington still has an electoral area assessment base five times higher than that of the CCRD. Of the 158 electoral areas in the province, only 10 of them have converted assessment less than $10 million; all five of CCRD's electoral areas are on that list. Figures 5 and 6 illustrate the converted assessments for the CCRD's electoral areas,
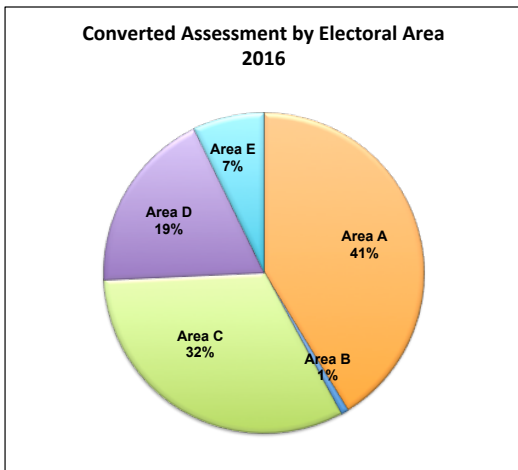
Figure 5: Converted Assessment by EA, 1993
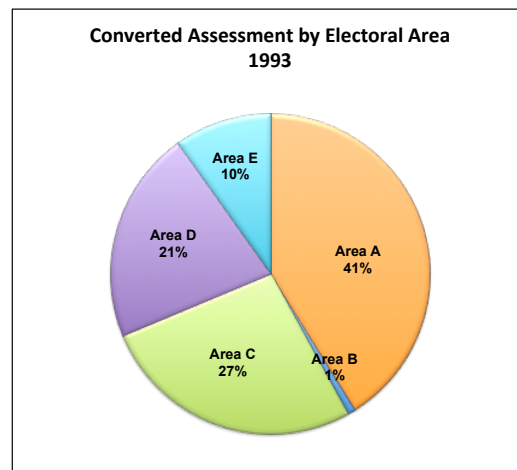
Figure 6: Converted Assessment by EA, 2016

with a comparison from 1993 to demonstrate how values can change over time. While the total assessment amounts have increased, the percentage of each electoral area has remained relatively consistent, with some changes between the Bella Coola Valley electoral areas.

Figure 7 shows the CCRD's 2016 converted assessment by property class. This demonstrates how the majority of the region's assessment base is residential, although this is significantly reduced from 2015, when 70% of the region's tax base was residential. The major change this year is a significant increase in the value of the utilities (in Area A), which represented only 5% of the overall tax base in 2015, but 17% in

Figure 7: CCRD 2016 Converted Assessment by Property Class

2016. Assessed values increased in 2016 in all electoral areas except Area E, which saw a slight reduction. Overall, the CCRD saw an increase in assessed values by 25% over 2015.

Within regional districts the cost of each service is calculated separately, and costs are recovered from those who receive the services. In the CCRD the cost of almost all services are apportioned to users based on assessed values (land and improvements). Water is an exception, as it is recovered through a parcel tax and user fees. Each electoral area receives different services, and each property will have different tax impacts depending on the services received. Assessed values vary, and can be quite different in each electoral area. Figure 8 shows the range of average assessed values by electoral area. Figure 9 is a poster board from the governance forums that includes a sample property tax bill referencing every CCRD service provided in 2016, and the associated tax burden on a home with an assessed value of $150,000. The figure of $150,000 was selected as an example given the considerable range of assessed values in the region.

**Average Assessed Values
(Residential, by Area)**

Area	Value
Area A	$107,000
Area B	$280,000
Area C	$156,000
Area D	$128,000
Area E	$67,000
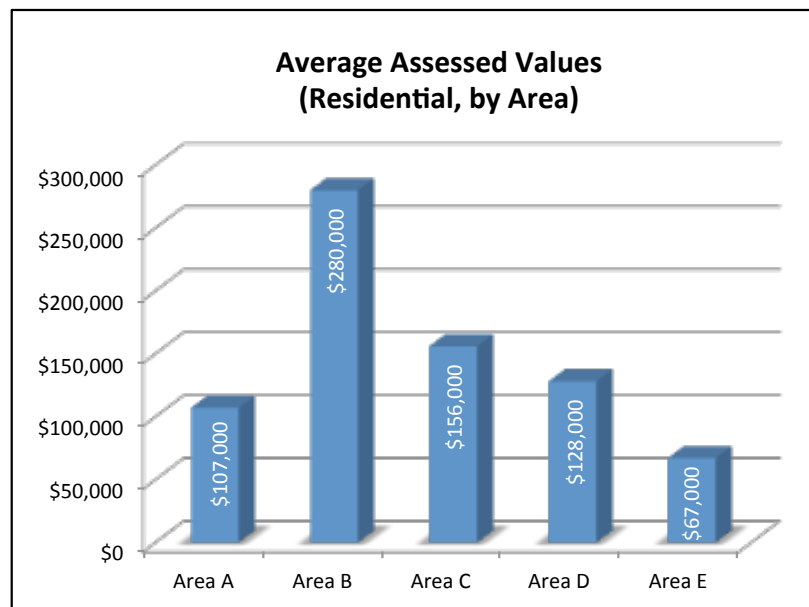
Figure 8: 2016 Average Residential Assessed Values by Electoral Area

CCRD Services	Area A	Area B	Area C	Area D	Area E
Planning & Economic Development					
Electoral Area planning	$25	$25	$25	$25	$25
Economic development	$15	$15	$15	$15	$15
Highway 20 street lighting			$6	$6	$6
House numbering			$1	$1	$1
Parks & Recreation					
Bella Coola parks and recreation			$21	$21	$21
Centennial pool			$62	$62	$62
Denny Island recreation	$7				
General Operations					
Grants-in-aid	$6	$6	$6	$6	$6
General operations	$134	$134	$134	$134	$134
Feasibility studies	$4	$4	$4	$4	$4
Solid Waste					
Garbage and recycling			$110	$110	$110
Fire & Emergency Services					
Emergency planning	$17	$17	$17	$17	$17
Transportation					
Denny Island Airport	$13				
Library					
Library	$37	$37	$37	$37	$37
Electoral Area subtotal	**$258**	**$238**	**$438**	**$438**	**$438**

Area Specific CCRD Services (portions of Area E only)

Bella Coola Townsite services	
Townsite water service	$475
Bella Coola Fire Department	$198
Townsite street lighting	$99
Area Specific subtotal (add to Area E subtotal above)	**$772**

* Area specific costs apply to a portion Area E. The subtotal ($772) is added to the Area subtotal ($438) above.

Figure 9: Sample tax bill for CCRD services on a property with assessed value of $150,000

3.0 SERVICE DELIVERY FRAMEWORK

As part of the study 8 *Service Fact Sheets*, were prepared that detailed the services provided by the CCRD, including the descriptions of the services, service boundaries, decision making processes and governance, collaboration with other providers and the cost recovery for each service (see Appendix A). Rather than repeat that information, this section provides a high level overview of what services are delivered and by whom.

3.1 CENTRAL COAST REGIONAL DISTRICT

Although regional districts generally deliver only those services desired by their residents, there are some functions that are required or mandated in provincial statutes, including:

- general administration and governance for the region as a whole and especially for rural areas;
- long-term capital financing for the regional district itself through the Municipal Finance Authority pursuant to the *Municipal Finance Authority Act*;
- hospital capital financing pursuant to the *Hospital Districts Act*;
- land use planning in rural areas (although the level of planning effort varies considerably between regional districts);
- solid waste management planning pursuant to the *Environmental Management Act*;
- liquid waste management planning pursuant to the *Environmental Management Act*; and
- emergency planning through the *Emergency Programs Act.*

The services provided by the CCRD includes those noted in Figure 10. A distinction can be made between those services that are delivered to the entire region, such as economic development and library service, and those that are more local or sub-regional in nature and delivered to only one electoral area or a group of electoral areas, or to a specific service area within one or more electoral areas. This would include services such as water, street lighting, or fire service. Figure 11 below shows where the various CCRD services are delivered.

CCRD SERVICE	ELECTORAL AREA				
	A	B	C	D	E
Airport	★		★	★	★
Economic Development	★	★	★	★	★
Electoral Area Administration	★	★	★	★	★
Electoral Area Planning			★	★	★
Emergency Planning	★	★	★	★	★
Fire Protection					★
General Government	★	★	★	★	★
Grant-in-aid	★	★	★	★	★
House Numbering			★	★	★
Library	★	★	★	★	★
Parks			★	★	★
Pool			★	★	★
Recreation	★		★	★	★
Refuse Disposal			★	★	★
Solid Waste Management Plan	★	★	★	★	★
Street Lighting			★	★	★
Transit			★	★	★
Water System					★

Figure 10: CCRD Services

Central Coast Regional District Electoral Areas

Kitimat Stikine Regional District

Electoral Area A

BELLA COOLA TOWNSITE (PORTION OF AREA E)
- Water
- Fire protection
- Street lights

Bella Coola Valley Electoral Areas

Ocean Falls

Bella Coola

Hagensborg

Electoral Area B (Bella Bella)

Denny Island

Electoral Area A

AREA A
- Denny Island recreation
- Denny Island airport

AREA C, D & E
- Parks and recreation
- Centennial Pool
- Solid waste management
- Highway 20 street lighting
- House numbering

Oweekeno

PACIFIC OCEAN

Mount Waddington Regional District

0 5 10   20
Kilometers

REGION WIDE SERVICES

(ALL ELECTORAL AREAS)
- Grants-in-aid
- Feasibility studies
- Economic development
- Land use planning
- Emergency management
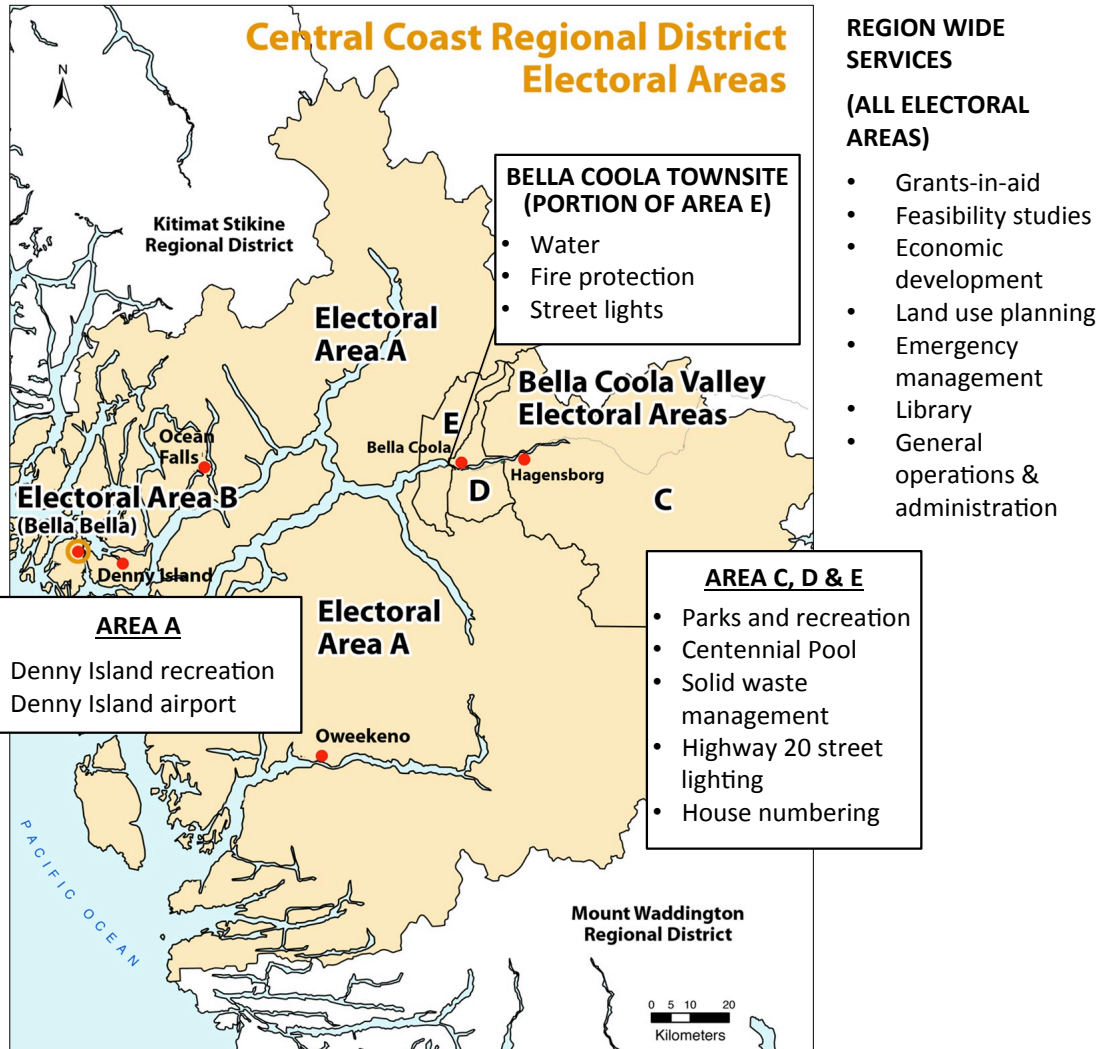- Library
- General operations & administration

Figure 11: CCRD Services by Area

3.2 OTHER SERVICE PROVIDERS

As detailed in the *Fact Sheets*, there are multiple service providers within the Central Coast Area. The other jurisdictions that provide services include three First Nations, three improvement districts in the Bella Coola Valley (Hagensborg and Noosatsum), and in Ocean Falls, as well as the provincial and federal government.

LOCAL GOVERNMENTS	WATER	SEWER	AIRPORTS	FIRE PROTECTION	LAND USE PLANNING	SOLID WASTE	ECON. D'VLPMT	PARKS & REC.
Central Coast Regional District	✔		✔	✔	✔	✔	✔	✔
Nuxalk First Nation	✔	✔		✔	✔	✔	✔	✔
Heiltsuk First Nation	✔	✔	✔	✔	✔	✔	✔	✔
Wuikinuxv First Nation	✔		✔	✔	✔	✔	✔	✔
Ocean Falls Improvement District	✔	✔		✔		✔		✔
Hagensborg Waterworks District	✔			✔				
Noosatsum Waterworks District	✔			✔				

Figure 12: Local Government Service Providers

First Nations
The three First Nations within the region – Nuxalk, Wuikinuxv and Heiltsuk – each deliver a range of services to their communities, located primarily on reserve lands. Services are governed by Band Councils elected by each Band membership. The Council is generally responsible for the day to day management of the Band, and administers services funded primarily through the federal government, including public and capital works, housing, health and wellness, social services as well as fisheries, forestry and land and marine use planning. In addition to the elected Band Councils, the Bands also have a traditional government of hereditary chiefs that is relied upon for guidance and leadership. The Heiltsuk Tribal Council has 1 Chief and 11 Councillors, the Nuxalk Nation Council has 1 Chief and 12 Councillors, and the Wuikinuxv Nation Council has a Chief and 2 Councillors.

Improvement Districts
Within the CCRD there are three improvement districts. Improvement districts are empowered to provide specific local services such as water and fire protection and typically provide only one or two services. Services are generally financed through taxation or user fees. Every improvement district is governed by a board of elected trustees (elected by area property owners within the service area), one of whom acts as the board chair. Improvement districts receive their authority from the *Local Government Act* and operate independent of the regional district. The three improvement districts within the CCRD are:
- Hagensborg Waterworks District
- Noosatsum Waterworks District and
- Ocean Falls Improvement District.

Ocean Falls Improvement District is an anomaly, not only in the CCRD but also the province, in that it provides a long list of services to its residents, including:
- Water
- Sanitary & storm sewer
- Fire protection
- Emergency response
- Parks and recreation
- Cemetery
- Garbage collection & disposal
- Street lighting

Provincial Government
In the CCRD, the provincial government (through the Ministry of Transportation and Infrastructure) is responsible for the provision of roads and highways, as well as approval of subdivisions in unincorporated areas of the province (land not within municipalities). The province also oversees ferry services through BC Ferries, provides policing services (delivered through the RCMP), and delivers health services through Vancouver Coastal Health.

The Province is also responsible for education services, which are delivered by School District #49. The School District has its own board of education comprised of 5 trustees that provide public oversight of education, finance, facility management, human resources, and policy. Other than the board of trustees, provincial services are not governed by locally elected bodies, but rather are overseen by the provincial government. The Central Coast region is part of the North Coast electoral district that elects one member to the provincial legislative assembly. The representative from the North Coast is one of 85 members of the legislative assembly.

Other relevant provincial services and bodies include the Agricultural Land Commission, which regulates the use of land contained within the Agricultural Land Reserve. The Bella Coola Valley has ALR land along the Bella Coola River (approximately 46 km^2).
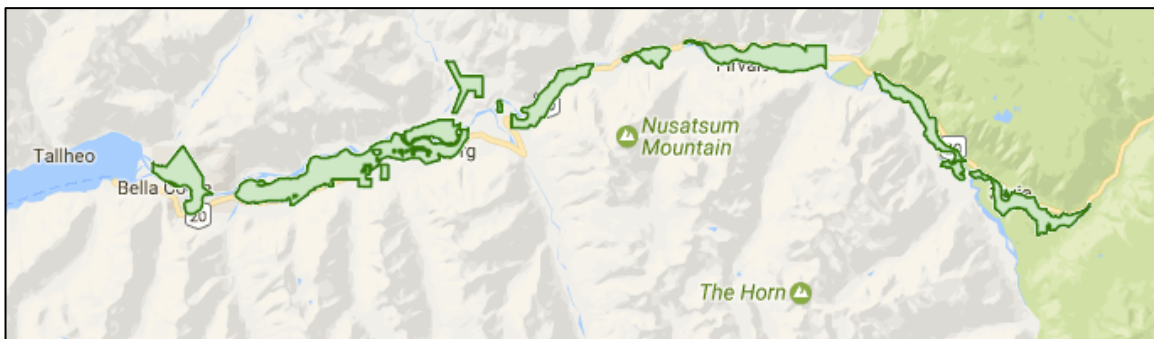

Figure 13: Agricultural Land Reserve areas in the Bella Coola Valley

Vancouver Coastal Health
Vancouver Coastal Health is the health authority responsible for delivering health care programs and services (paid for through the Province). That mandate involves a wide range of services from implementing drinking water quality regulations, prevention and health promotion, mental health, substance abuse, public health and residential care, just to name a few. There are two hospitals in the region – R. W. Large Memorial Hospital in Bella Bella and Bella Coola General Hospital in Bella Coola.

Federal Government
The federal government does not provide many direct services to the Central Coast, but it does regulate the Bella Coola airport, which is a Transport Canada certified airport, and provides services such as Coast Guard and fisheries (hatcheries and fisheries officers) for the Pacific Ocean, which is an area of federal responsibility. Through the department of Indigenous and Northern Affairs Canada, the federal government provides funding for, and oversees services to First Nation reserves, including the Nuxalk, Wuikinuxv and Heiltsuk Nations. The Central Coast region is part of a broader federal riding of Skeena-Bulkley Valley that extends north to the boundary of BC and Yukon. The representative elected from the Skeena-Bulkley Valley riding is one of 338 members of parliament in Canada's House of Commons.

4.0 ENGAGEMENT PROCESS & RESULTS

4.1 FACT SHEETS

To effectively engage stakeholders, partners and the public in identifying issues related to the four key themes requires an understanding of how local government services are delivered, decisions made, and costs recovered. To that end, two series of *Fact Sheets* (Service Fact Sheets and Regional Fact Sheets) were completed and are available on the CCRD's website. *Fact Sheets* provide details for each service including a description of the service and where it is provided, who delivers the service, who makes decisions, what it cost (including impact on a typical residence) and how those costs are recovered. The 8 Service *Fact Sheets* included:

- General operations
- Solid waste
- Planning and economic development
- Water
- Parks and recreation
- Fire and emergency services
- Library
- Transportation

Figure 14: Regional Series Fact Sheets

A "Regional series" of *Fact Sheets* was also prepared (Appendix B). This series included sheets on broader topics, including:

- Regional district governance
- Regional cooperation
- Electoral area boundaries
- Local government structure
- Regional district grants.

The intention was to share information with residents on how services and local government work, so they could make informed suggestions regarding what, if anything, is in need of change. Both series of *Fact Sheets* were available online, and hard copies were also
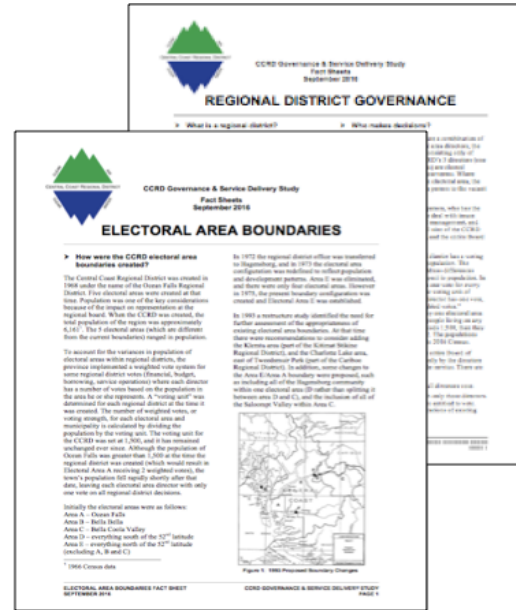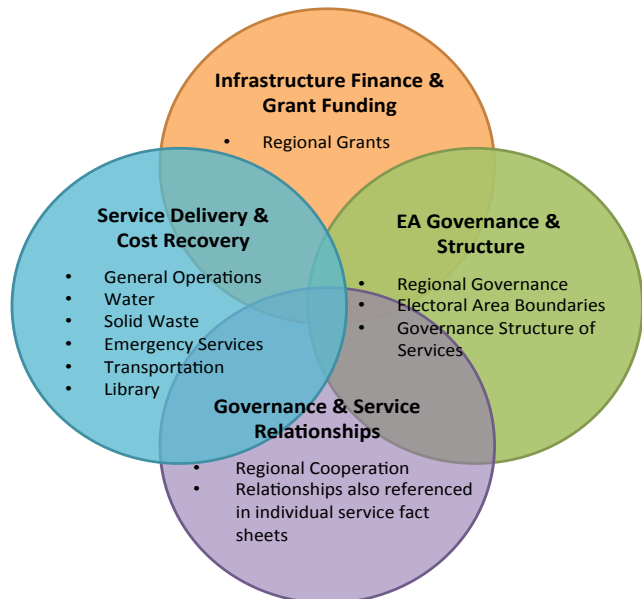

Figure 15: Fact Sheets by study theme

available in the CCRD office as well as the library in Bella Coola. A hard copy of all *Fact Sheets* was sent to Ocean Falls, and provided to the Central Coast Chamber of Commerce on Denny Island. Figure 14 demonstrates how the *Fact Sheets* relate to the four study themes.

4.2 COMMUNITY CONVERSATION OPEN HOUSES

To build on the information provided through the *Fact Sheets*, two 'Community Conversation' open house events were planned – one in the Bella Coola Valley and the other on Denny Island. A newsletter was produced (Appendix C) advertising both the events and the survey. The community conversation open house events included poster boards explaining generally how the CCRD governance works, what services the regional district provides, and what services cost (see copies of the engagement boards in Appendix D). Hard copies of the survey and the *Fact Sheets* were on hand, and consultants were there to answer questions, talk to residents, and lead roundtable discussions with residents on topics related to services, governance and cooperation. Approximately 30 people attended the two meetings.

Roundtable discussions at the open houses followed the study themes, including:

Service Delivery & Cost Recovery
- What services are working well in your community?
- What service issues are there in your community?
- What do you think would help to resolve those issues? (How could things be done differently to address those concerns?)

Electoral Area Governance & Structure
- What part of the regional district system governance is working well?
- How could the system be improved?

Governance & Service Relationships
- Where do you think cooperation is working well? (examples?)
- What opportunities are there for governments to cooperate and work together that you think would benefit your community?

4.3 SURVEY

The survey that coincided with the community conversations explored the themes of services, governance structure and governance and service relationships through a variety of questions, including open-ended questions seeking ideas or suggestions on how services, governance and relationships could be improved (see Survey in Appendix E). The survey could be filled out online or in hard copy, and was completed by 50 people. The results of the survey are summarized in the attached Appendix F, and some of the results have been highlighted throughout this report.

4.4 COMMUNITY FEEDBACK

Feedback received through the community engagement – interviews with community stakeholders and local governments, the open house conversations with residents, and survey results, has informed the content of this report. In addition, some of the primary themes that emerged from discussions have been highlighted below, grouped by report theme.

Service Delivery & Cost Recovery
The three services where residents indicated lower rates of satisfaction were emergency planning, economic development and land use planning. These services were referenced not only in the survey, but also in the open house and stakeholder consultation.

Emergency Planning
- Outer coast residents identified the need for greater communication, planning and preparedness for emergencies;
- Denny Island residents indicated that there are no resources for emergency preparedness coordination or training on the Island, and no representative on Denny Island;
- Bella Coola Valley residents identified the need for an emergency call centre.

Economic Development
- Varied opinions regarding the value of this service were voiced (i.e. range from "we don't need this service" to "this should be the region's primary focus");
- Residents registered differing opinions on what the focus of this service should be, and its role (i.e. what businesses the CCRD is hoping to attract and whether those businesses would benefit the community);
- Several residents identified the need for jobs in the region;
- Residents voiced concern for the region's small tax base;
- Some residents noted the need for beautification of Bella Coola townsite.

Land Use Planning
- Concern was noted from Outer Coast residents that they have no OCP or land use plans, and are not receiving any community planning or land use regulation services, and therefore should not be paying toward this service (or should be getting some planning service);
- Need for an updated OCP and land use plan for the Valley was identified;
- The desire to include Nuxalk Nation in the upcoming OCP was noted;

While many different services were referenced, the following represents some of the main issues raised by multiple residents. Figure 16 represents a word cloud of the top three issues identified by residents in the survey (larger words reflect more references).

Airport

- Residents identified the management of the airport as an issue, citing a lack of technical knowledge within the CCRD to manage and operate an airport (i.e. to help respond to Transport Canada issues);
- Some residents indicated that there are broad area benefits from the Bella Coola airport, and costs should be recovered from a wide area;
- Residents identified a need to resurrect an advisory committee for the airport.

Solid waste

- The expansion of Thorsen Creek landfill and potential for environmental impacts on the adjacent creek was identified as a concern;
- Desire for waste management and recycling on Denny Island;
- Need for better waste reduction and broader public support for recycling.

Figure 16: Word cloud of top community issues

Recreation

- Need for new pool/recreation centre;
- Access to wilderness (trails – Denny Island);
- Recreation is an issue for Nuxalk and Wuikinuxv Nations – finding opportunities to keep youth active.

Water

- Requests for CCRD to take over management and operation of Hagensborg Waterworks improvement district were made by multiple residents;
- Consolidation of water services in the Bella Coola Valley was identified as a need;
- The inability of improvement districts to borrow or apply for grants was noted as a concern;
- Ocean Falls identified a need for assistance on all infrastructure (including water).

Roads

- Need for better maintenance of roads in Ocean Falls.

Transportation
- More frequent ferry service was identified as a priority;
- Improved infrastructure for air service (floatplane ramp) in Ocean Falls;
- Increases in flights was identified;
- Improvements to the hill;
- Bus service to Williams Lake was proposed as a desired service.

Cellular Service/Internet
- Poor quality of cellular and internet service, and no service where needed (i.e. the road to Anahim Lake) was identified by many residents;
- Need for consistent cellular and internet service to attract and have businesses was noted;
- Lack of understanding who should be providing it or how to improve the service was identified.

In addition to specific services, residents noted a desire to limit property taxes, and concern about the low tax base in the region and lack of funding for improvement districts.

Electoral Area Governance and Structure
Resident comments included:
- Need to change the region's electoral area boundaries;
- Need for First Nations direct representation on the Board;
- Lack of representation for Area A communities;
- At large election of multiple directors in Bella Coola Valley was suggested;
- Several residents referenced the past restructure study (and how if recommendations were followed representation would be improved);
- Multiple residents referenced the potential of having some areas of the region join with Mount Waddington regional district due to connections with Port Hardy and Vancouver Island;
- Area A is too large.

Governance and Service Relationships
Comments included:
- Need for improved communication between CCRD and residents;
- Greater engagement of residents in CCRD;
- Residents in areas of the region feeling alienated from CCRD;
- Lack of communication or presence of the CCRD (Area A);
- Desire for higher level of cooperation and cost sharing of services with Nuxalk Nation;
- Protocol agreement with First Nations;
- Closer relations with all First Nations, highlighting common issues and finding opportunities to work together;

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- Increased collaboration with other local governments (improvement districts);
- Relationship between Denny Island residents and CCRD;
- Higher level of community focus on CCRD strategic priorities needed;
- Perceived "valley-centric" approach by CCRD;
- Need ways to counter the reluctance of community to run for election, as well as volunteer or speak out

Service, governance and relationship issues and concerns also differed by area. The following provides a synopsis of key issues identified through feedback from specific communities in the region.

Ocean Falls

Ocean Falls greatest identified need is for basic infrastructure repairs, upgrades and maintenance. The town's remaining residents are challenged to sustain infrastructure that was initially built for a town of approximately 3,500 people. Maintaining the hard infrastructure, such as water, sewer and roads are priorities, but residents indicated that significant work is also needed to downsize these services to a manageable size for the current population, and bring services into line with health and environmental requirements. The water system has been on a boil water notice since 2002 for insufficient water treatment. The area has the benefit of an industrial taxpayer (Boralex hydroelectric dam), but is not able to adequately fund services. There is a strong sentiment from residents that the province has never lived up to its responsibility of decommissioning or adequately downsizing the services when it closed the mill in 1980, which would have enabled the town to sustain operations with its reduced population. There is also the sentiment that the tax base of Ocean Falls generates more tax revenues for the CCRD than the services that the town is receiving.

Given that the town's services are run by an improvement district, the OFID has limited access to grants, borrowing or other funding opportunities. The former OFID administrator has spoken with the CCRD CAO regarding the potential for converting the OFID's services to regional district services. Residents referenced a lack of government support (CCRD or province) in helping the improvement district address its needs.

Denny Island

From a service perspective, the community expressed concern with the emergency management service they receive from the CCRD (need for training, communication, more comprehensive plan), and disappointment with a "heavy-handed" approach to the management of the recreation service over the past few years, limiting its scope and reducing local control. Residents identified additional services that they would like to be provided by the CCRD, including water, fire protection and recycling. Several services on Denny Island are provided by Shearwater Resort and Marina, such as recycling and water, and residents and representatives from the Resort seem eager to establish them as services of the CCRD. The Denny Island water system and the Shearwater staff

housing water system have both been on boil water notice for insufficient water treatment since 2002 and 2011 respectively.

Denny Island residents indicated concern about the relationship between the community and the CCRD, and the lack of representation on the Board. Notably, the open house scheduled on Denny Island occurred less than a week after the CCRD Board appointed a director from the Wuikinuxv Nation as the Electoral Area A director. A candidate from Denny Island declared an intention to run for electoral area director by email, but the original paperwork did not reach the CCRD office by the deadline. In the absence of any candidates, the CCRD Board appointed a member of the Wuikinuxv Nation as the director. Accordingly, frustration from many of the community members at the meeting was high, and many indicated feeling ignored, exasperated and disenfranchised.

> *"There is no mechanism for representing this area. We have no presence, communication or representation. Disconnect is a great understatement."*
>
> *- Denny Island resident*

Bella Coola Valley

Land use planning and economic development were two prominent services identified in the Bella Coola Valley as needing improvement. Residents are concerned about tourism as the key economic focus, and the value of those jobs and how they contribute to the community. The need to combine efforts together with the Nuxalk Nation on many services, including economic development and land use planning, was reiterated. Many expressed the desire for electoral boundaries that balance population, provide opportunities for First Nations to be represented directly on the Board, and represent residents of the electoral area who do not live on the Nuxalk Nation reserve. Residents noted concerns about the airport, particularly given that there is no longer an airport commission. Some people referenced Centennial Pool, which is at the end of its life, and the need for facilities for youth in the community. Other services noted were the need for a call centre to help coordinate emergency response by the four different fire departments in the area, as well as ambulance. Several residents stated their preference for the CCRD to assume responsibility for the Hagensborg Waterworks Improvement District, which has been on a boil water notice since 1992 for non compliance with potable water quality standards. The waterworks district is in need of financing, and challenges ahead include upgrading the lengthy and aging infrastructure. Others noted the need for collaborating with the improvement districts in decisions that impact water servicing, and to assist the improvement districts in obtaining funding.

As noted, these concerns and perceptions are identified by residents, and are not the consultants' assessment of the issues. It is worth noting that the CCRD is already aware of many of the issues, and several issues are captured in the CCRD's strategic plan, including the following:

- Emergency management - maintaining an Emergency Executive Committee (EEC) and completing a review and update of emergency management plans;

- Land use planning - provide land use planning & implementation that is responsive to the community including a comprehensive review of planning;

- Economic development - prepare and implement a multiyear economic development strategy and economic development plan;

- Solid waste - complete a review and update of the Solid Waste Management Plan, and ensure the Thorsen Creek Landfill life cycle is optimized;

- Airport - complete a long-term development plan for the Bella Coola Airport, inclusive of capital and operating budgets; and advocate with aviation authorities such as Transport Canada in order to ensure sustainability;

- Denny Island water - complete a feasibility study of Shearwater Water;

- Transportation - lobby senior governments and their crown agencies for continuous maintenance, improvements and scheduling of regional transportation infrastructure; ensure all coastal ferries remain operative and meet our region's requirements; and strongly advocate our region's position on roadways and highways with applicable authorities and agencies;

- Communication - continually develop our external communication and understanding of our organization;

- Relationships - continually strengthen intergovernmental relationships; continually liaise with all First Nations within the district; collaborate with community-based organizations for mutual benefit; and,

- Governance - foster effective governance, and continue to evaluate and analyze restructuring of boundary adjustments of electoral areas.

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5.0 EA GOVERNANCE & STRUCTURE

This section describes the structure and the governance of the CCRD, provides an understanding of the types of changes to regional district and electoral area structure that are possible under the provincial legislative and policy framework, including key criteria underlying each of these changes, and how those criteria relate to the current situation within the CCRD. As part of the *Fact Sheets*, two *Regional Fact Sheet* were prepared – one that looked specifically at Electoral Area Boundaries, and another that provided an overview of how regional governance works (see Appendix B). This section builds and expands upon the information contained within those *Fact Sheets*.

5.1 CCRD BOUNDARY STRUCTURE

The CCRD is comprised of five electoral areas. Its internal electoral area boundaries have evolved since its creation in 1968 under the name of the Ocean Falls Regional District. Changes have been made in attempts to balance population. A 1993 restructure study recommended further boundary changes, and contemplated changes to the region's boundary with neighbouring regional districts. While those changes were not implemented, many residents have expressed an interest in exploring new boundary configurations, and the potential impacts altered boundaries would have on the region.

Figure 17: CCRD Electoral Area Map

The drawing of electoral area boundaries is not an exact science. There is no one criterion that determines where the boundaries are placed. Instead, the following criteria are taken into consideration:

Criteria

- *Community identity* – encompassing whole communities that share an identity.

- *Population* – where possible, effort is made to balance representation on the Regional Board so that the directors represent a similar number of people, and no one area has a disproportionate amount of the population.

- *Assessment base* – the assessment base of electoral areas is considered, given that some services are delivered within an electoral area and costs allocated to those in the electoral area on the basis of assessed values. The tax base needs to be able to support the services that are delivered to the electoral area.
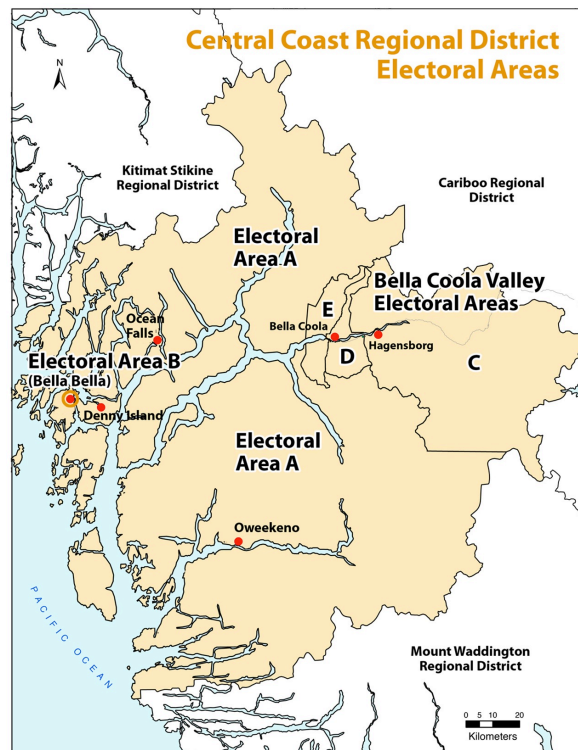
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- *Jurisdictions* – the overlaps in jurisdictions and roles in servicing residents are considered, and how the boundaries might affect the ability to collaborate, make decisions or deliver services.

- *Services* – ideally service areas are contained within one electoral area – not only for the provision of regional district services, but also improvement districts or other service providers. This helps the cooperation and administration between jurisdictions and service providers.

- *Land area* – while there is not necessarily a need to ensure consistency in land area among electoral areas, it can be an indicator of the remoteness of the population, or the number of separate communities contained within each area. A large electoral area with several dispersed communities can be difficult for one electoral director to represent, particularly if transportation between the communities is a challenge.

- *Geography and transportation corridors* – the geography of the region, including watersheds, physical characteristics such as mountain ranges, and the resulting transportation corridors and linkages between areas is another consideration when determining appropriate boundaries. Just because two communities are located close to each other, if the means of access are quite different, or if there is a physical barrier such as a mountain range or water crossing, it can hamper servicing and community connections. For instance, both the Heiltsuk and Wuikinuxv Nations are socially linked to the Vancouver Island communities of Port Hardy and Port McNeill, due in part to the ferry and plane service connection between the two, as well as the relationship between the First Nations. Where possible, it is also preferable to contain whole watershed within electoral areas.

CCRD Context
Based on the criteria above, Figure 18 on the following page highlights some of the characteristics of the CCRD's five electoral areas, followed by a broader consideration of the region's electoral areas and structure using the same criteria identified above.

Community Identity
The electoral area boundary between Area C and D cuts through the community of Hagensborg, rather than having the community represented by one director that represents the concerns and community as a whole. Similarly, the boundary between Area D and E is split so that the Nuxalk Nation reserve lands are grouped in one electoral area. While this keeps the Nuxalk Nation community together, the Bella Coola community is split by the Nuxalk Nation reserve land boundary, cutting the Bella Coola townsite in two.

	Area A	Area B	Area C	Area D	Area E
Communities within the area	Ocean Falls, Denny Island, Oweekeno	Bella Bella	Hagensborg, Saloompt, Nusatsum, Firvale, Stuie	Hagensborg, Four Mile	Bella Coola (townsite)
Total population (2016)	293	1,019	653	1,206	148
First Nations population (on reserve)	90	1,019		807	
Converted assessment	$9,189,693	$182,457	$7,178,756	$4,135,482	$1,594,978
Land Area (km²)	19,825	28	3,975	305	360
Other governments	• Wuikinuxv Nation • Ocean Falls Improvement District	• Heiltsuk Nation	• Hagensborg Waterworks Improvement District • Noosatsum Improvement District	• Hagensborg Waterworks Improvement District • Nuxalk Nation	
Services	• services are contained within Area A and do not cross boundaries (aside from region-wide services provided to all electoral areas)	• services are contained within Area B and do not cross boundaries (aside from region-wide services provided to all electoral areas)	• some CCRD services are provided to all of Areas C, D and E (recreation, solid waste) • Hagensborg Waterworks Improvement District straddles areas C and D	• some CCRD services are provided to Areas C, D and E (recreation, solid waste, highway street lighting) • Hagensborg Waterworks Improvement District straddles areas C and D	• some CCRD services are provided to Areas C, D and E (recreation, solid waste, highway street lighting) • water services in Area E are connected to Nuxalk Nation water supply (in Area D)
Transportation links	• water taxi (Denny Island to Bella Bella) • Denny Island airport (charter only) • seaplane from Ocean Falls & Oweekeno • scheduled seaplane from Oweekeno to Port Hardy • BC Ferry (services Port Hardy, Bella Bella, Klemtu, Prince Rupert, Bella Coola, Ocean Falls, Denny Island) – service limited in fall/winter/spring, and more frequent in summer	• water taxi (Denny Island) • scheduled airline service to Port Hardy and Vancouver • charter airplane service	• Highway 20 link to Bella Coola and Anahim Lake • scheduled airport service to Vancouver • charter flights to Bella Bella, Denny Island or Ocean Falls	• Highway 20 link to Areas D, E, and Bella Coola • airport service to Vancouver, Anahim Lake • charter flights to Bella Bella, Denny Island or Ocean Falls	• Highway 20 link to Areas D, E, and Bella Coola • airport service to Vancouver, Anahim Lake • charter flights to Bella Bella, Denny Island or Ocean Falls

Figure 18: CCRD Electoral Area Characteristics

Population

The differences in population creates an imbalance with respect to the representation per capita: Area D's director is responsible for representing 1,206 people, which is more than eight times the population of Area E, 4 times the population of Area A, and close to twice the population of Area C. While population cannot be expected to equal, areas should strive for balance so residents feel they are being equally represented.

Assessment Base

With respect to tax base, there is a significant discrepancy between the assessed values in the region. Area A has the highest converted assessment values, representing 41% of the total for the region, including 48% of the business assessed values, and 91% of the light industry. Area B represents 1% of the assessed values, because the electoral area is

	Area A	Area B	Area C	Area D	Area E	Total
Total Converted Asssessment	$9,189,693	$182,457	$7,178,756	$4,135,482	$1,594,978	$22,281,366
% of total	41%	1%	32%	19%	7%	100%
Residential Converted Assessment	$3,527,320	$111,690	$6,208,198	$3,385,423	$617,425	$13,850,056
Business Converted Assessment	$1,722,521	$13,122	$426,349	$518,015	$942,319	$3,622,326
Light Industry Converted Assessment	$530,672		$23,800	$26,588	$3,944	$585,004

Figure 19: CCRD Converted Assessment

primarily made up of Heiltsuk Nation reserve lands on Campbell Island, which are not taxable. Area E represents a low tax base (7% of the total region), but 50% of the Bella Coola Valley's business tax base.

The low overall tax base of the region (lowest of any region in the province) makes it challenging to afford to deliver services. When regional services are apportioned and recovered based on converted assessment, the electoral areas that have greater tax base contribute more dollars to the service, even though they may not be receiving a higher level, greater benefit or consuming more of the service. For services like planning, for instance, Area A is contributing the greatest amount to the service, while receiving very little service for those funds. In this way, discrepancy between electoral area assessment values, and the mechanism by which a service is recovered, can combine to create what is perceived by some to be an unfair situation. Virtually all the CCRD's services are recovered using converted assessment (land and improvements), and it is generally considered to be an equitable means of cost distribution in part because higher value properties are an expression of ability to pay.

Related to the differential in tax base is the fact that First Nations reserve lands are not assessed, and are not levied any property taxes. There is therefore a significant population and land area within Electoral Area D and B that is not taxable. In some cases residents living on-reserve are not "using" regional district services, as most services are provided by their Nation. It is unique, however, to have an electoral area that is comprised almost exclusively of a First Nation reserve, making it difficult to attribute any of the region's costs to that electoral area, unless through agreement directly with the Heiltsuk Nation. While few services are provided to Area B by the region, the amount of taxes recovered

What did residents say?

The survey asked residents to rate the statement:

My electoral area is adequately represented under the current CCRD governance structure (e.g. 5 electoral areas, each represented by 1 area director elected by voters).

- 53% of overall respondents indicated *somewhat disagree* or *strongly disagree*

- 100% of Ocean Falls respondents *somewhat disagree* or *strongly disagree*

- 67% of Denny Island respondents *strongly disagree*

- Bella Coola Valley respondents were split, with 45% *somewhat disagree* or *strongly disagree* and 40% *somewhat agree* or *strongly agree*

No opinion 6%
Strongly agree 19%
Strongly disagree 41%
Somewhat agree 9%
Neutral 13%
Somewhat disagree 12%
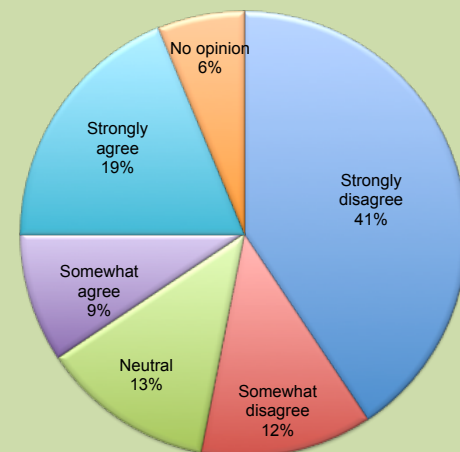
from the area do not even cover the costs of travel and attendance at board meetings by the electoral Area B director.

The Nuxalk Nation made financial contributions that amounted to 4% of the CCRD's total revenues (property tax represents 27%) in 2016. Translated into taxes, without those contributions, the properties in Area C, D, and E would pay an extra $120 on a house assessed at $150,000. Put differently, the financial contribution translates into an additional $3.17 million in converted assessed values, which is twice the assessment for all of Area E. While the contributions are based on an agreement for solid waste service in particular, the agreement and financial contribution illustrate the fact that property taxes are not the only way that contributions are made, and the assertion that First Nations are not "property taxpayers" does not mean they are not financially contributing to regional services.

Jurisdictions

Every electoral area within the CCRD, with the exception of Area E, includes some other form of local government within its boundaries. In some cases this creates a scenario where more than one jurisdiction is delivering the same service (as in Area D, where both the improvement district and Nuxalk Nation provide water and fire protection to different parts of the electoral area). Even though the service boundaries do not overlap, in the absence of effective collaboration and cooperation, the result can be

> _"Foster effective governance" is one of the objectives in the CCRD's Integrated Strategic Plan (2015-2019), including a strategy of "Continuing to evaluate and analyze restructuring of boundary adjustments of electoral areas."_

inefficient and create extra costs for residents. Within the CCRD, some collaboration occurs at the staff level, particularly between those who deliver and maintain the service, such as between fire chiefs and fire fighters of different departments, or with those who inspect and maintain water pipes. Communication and collaboration is often more challenging at the political level, such as between trustees of the improvement districts and CCRD Board members, or First Nations council members. The need for governments to communicate can often create a barrier in itself. While efforts have been made, there are no forums currently established to encourage frequent communication and collaboration, other than the Regional Board itself, nor is there any protocol agreement to acknowledge the need for collaboration, communication and regular dialogue.

Another aspect to having local government jurisdictions within an electoral area is that it can provide a form of representation and voice for a community that might not otherwise have that opportunity. For instance, within Area A, there are three separate communities – Oweekeno, Ocean Falls and Denny Island. The first two have their own local government with elected representatives –the

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Wuikinuxv Nation has a Band Council and Ocean Falls has its OFID Board of Trustees. Denny Island, however, has no local government presence. The community does have a recreation commission and an airport commission, and has established a Chamber of Commerce. These committees have helped to provide the community with a voice, but not the same as having local control and representation over services.

The fact that there is not only another jurisdiction within Electoral Area B, but that the electoral area boundary has created an electoral area that is almost exclusively comprised of Heiltsuk Nation reserve lands represents another unique aspect of the CCRD's boundary structure. On the one hand, the *Local Government Act* does not recognize First Nations (aside from Treaty First Nations) as local governments with a representative on the Board. However, for the Heiltsuk Nation, because electoral Area B is comprised almost exclusively of Heiltsuk Nation reserve lands, the electoral area representative from Area B has always been a member of the Heiltsuk Nation. In the past, when no director was elected, a representative from the Heiltsuk Tribal Council has been appointed to the CCRD Board. Yet if the Nuxalk and Wuikinuxv Nations want a representative from their Band Council on the CCRD Board, those Council members must run for election as an electoral area director and represent not only their Nation, but the broader electoral area.

Having an electoral area that is almost exclusively a First Nations community has created a precedent in this region, and provides representation for one First Nation without having a similar form of representation for the other Nations in the region. By having its own electoral area, the Heiltsuk Nation is treated, for representation purposes, almost as though it is a Treaty First Nation in the *Local Government Act*, with a treaty first nation director (similar to a municipal director if the region had municipalities within its borders). While there is no

What did residents say?

The survey asked residents to rate the statement:

CCRD committees or commissions involve the community in governance and service delivery. More committees and/or commissions should be created in the CCRD to advise on services.

- 44% of overall respondents indicated *somewhat agree* or *strongly agree*

- 22% of respondents indicated *somewhat disagree* or *strongly disagree*

- 50% of Bella Coola Valley respondents, and 50% of Denny Island respondents indicated *somewhat agree* or *strongly agree*
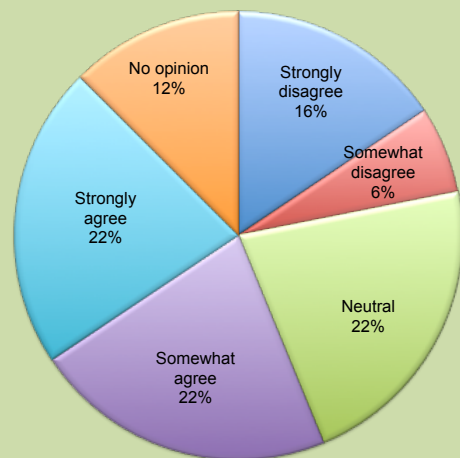
treaty imminent for the First Nations within the CCRD (the Wuikinuxv Nation Agreement-in-Principle was approved by community members at its Annual General Assembly in July 2013), the provisions in the *Local Government Act* may provide some guidance or options that could be explored for the CCRD Board.

Services
The boundaries for CCRD services generally correspond to the Bella Coola Valley (Electoral Areas C, D, and E). In addition, some services are provided to Denny Island, and others are provided region-wide. Within the Bella Coola Valley some services (water, fire, streetlights) are limited to the Bella Coola townsite (Area E), and a streetlight service along Highway 20 that extends from Area E and into D and C. The Hagensborg waterworks district (not a CCRD service) boundaries straddle Area C and D.

Land Area
Land area can have a significant impact on the representation of an electoral area, but often only in combination with other factors. While it seems extreme on the one hand to have an electoral area of 19,825 km^2, if that electoral area has three or four communities that are concentrated, or linked by a road, then the size may not be unreasonable and may not limit a director's ability to know his or her constituents. However, if those communities are dispersed and remote, with few transportation routes between them, it becomes very difficult for a director to attend meetings, be present at community functions throughout the Area, or get to know and understand his or her constituents in order to represent the entire electoral area well. This concern is magnified when compared to the relatively small electoral areas (less than 360 km^2) that are well connected by roads in other parts of the CCRD.

Geography and Transportation
Ideally boundaries take into account geographic features, such as mountain ranges and watersheds, as well as the transportation links between communities within an electoral area. The lack of transportation routes connecting the dispersed communities of Ocean Falls, Denny Island and Oweekeno in Area A is one of the challenges in representing this this electoral area. Limited funds of $1800 annually are provided to facilitate travel for the electoral area director to attend community functions and meet constituents in other Area A communities. Within the CCRD not only do some of the transportation links not connect communities with others in their electoral area, some of the transportation (and social) links between the CCRD communities are with other regional districts, including links between Oweekeno and Port Hardy and Port McNeill (water taxi, seaplane), Bella Bella and Port Hardy (scheduled flights, ferry), and Bella Bella and Klemtu (ferry). Notably communication between communities in Area A can also be difficult given the rural nature and lack of reliable internet and cellular service infrastructure. The current boundaries of Areas C, D and E also divide the Bella Coola watershed, and do not follow watershed sub-basin lines.

5.2 CCRD GOVERNANCE

As noted in the *Fact Sheets*, the CCRD is governed by a Board of Directors. The Board has five electoral area representatives on it. In every regional district, there is a weighted voting system that assigns voting strength on the basis of population. In the CCRD, each jurisdiction has one vote for every 1,500 residents. As per the *Local Government Act,* certain decisions involve weighted votes, such as budget, borrowing money, acquiring property, or when participants within a service are making decisions on administrative or operational decisions. However, because none of the electoral areas has a population that exceeds this total, each electoral area has one equal vote on the Board regardless of the issue or topic.

Committees and Commissions
As part of the governing structure, for the delivery of some services, the Board receives advice from committees and commissions that are created to involve local residents in providing guidance to the Board regarding the operation and delivery of the

Figure 20: CCRD Board of Directors

service. The CCRD has the following committees and commissions:

- Economic Development Advisory Committee
- Denny Island Recreation Commission
- Denny Island Airport Commission
- Centennial Pool Commission
- Emergency Executive Committee (does not meet in practice)

Of the committees, only the Economic Development Advisory Committee brings together multiple jurisdictions. Other than the economic development committee, there are no others that facilitate collaboration between service providers and jurisdictions that provide the same service, such as water or recreation. Given the importance of water to residents, which is confirmed by the survey results, and the challenges ahead with respect to service delivery, water quality and treatment, and financing maintenance and replacement of aging infrastructure, collaborating between water providers and sharing strategies and resources should be a priority for all service providers. This type of collaboration – between service providers and governments, both on narrow service delivery issues, as well as broader issues – appears to be lacking within the CCRD. This is particularly crucial in the Bella Coola Valley, but identifying common interests in outlying areas may also help to unite what seem like remote and unconnected communities.
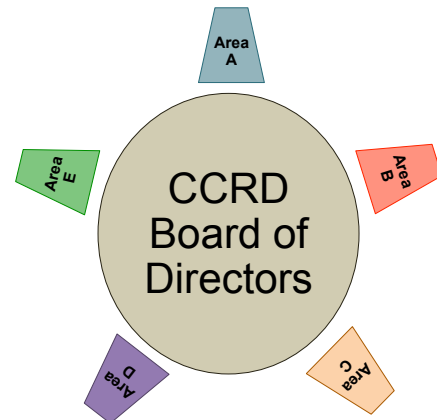
Another aspect of committees and commissions is the role of involving a broader perspective from the community than might otherwise be provided from one electoral area director. In a regional district system, often those who make decisions on services are not necessarily those who receive or benefit from them. There are many situations

Type	Role/Power	Membership	Elected or Appointed?	How Created	CCRD Example	LGA
Advisory Committee	• Advisory role only • No delegated power	Elected or non-elected officials	Appointed	Approved by Board	Economic Development Advisory Committee	
Standing Committee	• Generally deals with broad topics • Can be delegated authority for decision-making	Elected or non-elected officials, provided that at least one member is a regional director	Appointed	Approved by Board chair. Delegation of any board authority may only be done by bylaw adopted by at least 2/3 of votes cast.	n/a	Section 218 (2)
Commission	• Can be advisory, but generally delegated authority for operation of services	Elected or non-elected officials	Appointed	Approved by Board. Delegation of any board authority may only be done by bylaw adopted by at least 2/3 of votes cast.	Denny Island Recreation Commission, Centennial Pool Commission, Airport Commission	Section 263
Local Community Commission	• Delegated responsibilities and powers through delegation bylaw. • Can operate or administer services, or can have purely advisory role	4 elected commissioners plus electoral area director	Elected	Bylaw must be approved by referendum (residents within the LCC area). Delegation of authority may only be through a bylaw adopted by at least 2/3 of the votes cast.	n/a	Sections 243 – 245

Figure 21: Comparison on Committees and Commissions

where the entire Board votes, regardless of whether any particular Board member receives or pays into that service. For instance, the *Local Government Act* requires that all Board members vote on financial matters including the budget, and all Board members vote on issues where are a service is provided to only one area (such as water to Electoral Area E), because decisions cannot be made by only one electoral director. Commissions and committees can therefore provide essential input from those who actually receive or benefit from a service. Figure 21 provides an overview of the various committees and commissions possible in the *Local Government Act*.

5.3 PROVINCIAL FRAMEWORK FOR STRUCTURE CHANGES

At the local level there are some changes that can be made to regional district governance by the local governments themselves; other structural changes must be made by the province. Structural changes approved by the province are guided by the *Local Government Act* and include:

- extensions or reductions to the outer boundaries of the region (between 2 or more regions, including amalgamation of 2 regional districts, or the creation of new regional districts);
- the creation of and/or changes to the boundary of a municipality or electoral area within the region;
- conversion or transfer of an improvement district (which is also a local government) and its services to a regional district;
- creation of a Local Community Commission (an elected body referenced in the *Local Government Act*); and,
- changes to the "voting unit" of a region, which determines weighted voting on some service decisions.

How are structural changes made?
The approval process for a structural change depends upon the type of change:

- Boundary changes require approval of Cabinet and are typically implemented through an Order in Council to amend the Letters Patent.

- Improvement District conversions also require a Cabinet order to dissolve the improvement district and transfer authority to the regional district. The establishment of the service at the regional district requires a referendum or petition process unless the Cabinet order specifically exempts the regional district from that process. An exemption is typically only made if there is good public consultation and the affected residents strongly support the conversion.

- Local community commissions can be created by bylaw, but that bylaw must receive approval through a referendum, as well as approval from the Inspector of Municipalities.

- The process for changing the voting unit involves an amendment to the Letters Patent, which requires a Minister's recommendation and subsequent approval of an Order in Council by Cabinet. A request for a change would be accompanied with a Board resolution, rationale and impact analysis.

Why are restructures initiated?
Regional districts consider changing their structure for a variety of reasons. The most common restructures are when a municipality expands its boundaries to encompass portions of electoral areas on the fringe of the municipality. These type of extensions are often done to respond to rapid growth in fringe areas, desire for major infrastructure or urban services (sewer and water) in outlying areas, and to ensure

developed fringe areas are paying toward services provided by a municipality. The creation of new municipalities within a region is also an option for similar reasons, such as responding to a desire for greater local representation, greater level and number of services, and local control over services such as roads and policing.

Boundaries
Requests to redraw electoral area or external regional boundaries are less frequent. Occasionally where there is an imbalance between electoral areas in terms of population, or where existing boundaries no longer correspond to how services are shared or delivered, regional districts can request that the boundaries be redrawn. Given that each electoral area is represented by one director on the regional board, changes are sometimes needed to ensure the representation remains balanced between electoral areas, and one director is not representing a much larger community. The CCRD adjusted its electoral boundaries in 1973 (changed to only 4 electoral areas) and again in 1975 (created electoral area E) in response to changes in population and development patterns (for further discussion of the CCRD boundaries see the *Electoral Area Boundaries Fact Sheet in Appendix B*).

Boundary changes are not limited to internal or electoral area boundaries. Entire regions can also be amalgamated or split in two – either creating a larger local government to share services and costs, provide economies of scale and more effective growth management, or establishing smaller regions with improved access to government.

Improvement Districts
Improvement Districts are restructured through conversion or transfer to regional district or municipal services. Transfer to a municipality typically occurs as part of a municipal boundary expansion. Conversion to a regional district service is a decision improvement district trustees make for a variety of reasons. Some of the typical reasons referenced in the Province's conversion guide include:

- difficulty in finding volunteers to serve as a trustees;
- limited financial resources;
- challenge meeting residents' service level and cost expectations;
- limited resources and financial tools to deal with aging infrastructure and increasing provincial regulations;
- liability concerns (particularly with respect to water supply and quality issues);
- difficulty and/or expense in obtaining insurance; and,
- development pressures.

Local Community Commissions
Restructuring to create a local community commission is not common. A local community commission is a specific type of commission, referenced in the *Local Government Act*, established by bylaw to oversee and administer services to a community within an electoral area. Unlike other commissions or committees

established by regional districts, an LCC is elected by the community at the same time as local government elections. The Electoral Area director also sits on the LCC. The elected aspect is the primary difference between a local community commission and any other type of commission or committee. The election process can provide a legitimacy to a commission that may not otherwise command the same level of respect from the community or Board. By delegating decision-making authority for one or more services to an LCC, a regional board can ensure that local matters receive greater attention and facilitate local input and control. The bylaw to create an LCC must be approved by the electors in the community through a referendum, as well as by the Inspector of Municipalities.

Voting Unit Review

As noted earlier, each electoral area in a regional district has a voting strength on the board based on population (see the *Regional District Governance Fact* Sheet in Appendix B). The voting strength is intended to address differences between electoral areas with respect to population. In the CCRD the voting unit of 1,500 persons means that each director has one vote, and therefore there are no weighted votes. However, if the population of any one electoral area (which includes populations of people living on any First Nations reserve lands) exceeds 1,500, then they will receive a weighted vote of 2. The populations will be updated subsequent to the 2016 Census.

Regional districts can request that the voting unit (i.e. 1,500 persons) for their region be re-evaluated. In most cases the voting unit was established many years prior (often left untouched since the region was established), and no longer reflects the population of the region. Higher growth areas typically need an increase in the voting unit, but refinements to areas that have experienced reduced populations can allow weighted votes to better reflect the relative population concentrations within the region's electoral areas.

6.0 RELATIONSHIPS

This report was intended to describe the level of cooperation and collaboration among representatives of the individual electoral areas, the CCRD Board and improvement districts, as well as community trust, and the impact trust and relationships have on the ability to service and govern the region. The section builds on the *Regional Cooperation Fact Sheet* in Appendix B.

6.1 EXISTING COOPERATION

The following cooperation and collaboration was noted between the individual electoral areas, First Nations governments, CCRD, and improvement districts.

Boards, commissions and committees
- CCRD Board – brings directors elected or appointed from each electoral area together monthly to discuss regional and local issues and services. Notably the current composition of the Board brings together residents from three different First Nations, one of whom is a Band Council member. No improvement district trustees are represented on the Board.

- The CCRD has an Economic Development Advisory Committee that provides recommendations and advice to the CCRD Board on economic development matters. That committee has a voting membership of 10 people, including 1 CCRD Board director, 1 representative from each of the Heiltsuk and Nuxalk Nations, 1 representative from each community of Ocean Falls and Denny Island, a member of the Bella Coola Harbour Authority and 4 members at large. Some positions are currently vacant.

- School District 49 (Central Coast) Board of Trustees provides a forum for bringing together representatives from the Outer Coast and the Bella Coola Valley, and based on the current trustees, brings together a representative from one of the region's First Nations (Wuikinuxv Nation) with representatives from Denny Island and the Bella Coola Valley. The Board is comprised of 5 Trustees: 3 elected at large within the Bella Coola Valley and 2 elected at large within the District's Coastal Communities at Oweekeno and Denny Island. The Board meets once per month at the School Board office in Hagensborg.

- Wuikinuxv Kitasoo Tribal Council (WKNTC), involves both Wuikinuxv and Nuxalk Nation members. The WKNTC is a non-profit community economic development organization and alliance serving the Nations. The role of WKNTC is to provide advisory and program services to band members in the areas of community planning, band government, technical services, financial management and economic development. The executive directors of the WKNTC are the elected Chiefs of the member Nations, and every council member is a director of the WKNTC. The head office is located in Bella Coola and there is a satellite office in

Vancouver. The society has been involved with Nuxalk Nation Economic Strategic Plan, the Land and Resource Management Plan, broadband project, and a community technology planning project.

- BC Ferries has advisory committees, including the North and Central Coast Advisory Committee, which has representatives form Haida Gwaii, Prince Rupert, Central Coast and Port Hardy. The Central Coast currently has four representatives on the committee servicing 3-year terms, including residents from Ocean Falls, Denny Island, Bella Bella and Bella Coola.

- The Central Coast Marine Plan was completed in 2015 after a three year collaborative process with the Heiltsuk, Kitasoo, Nuxalk and Wuikinuxv Nations and provincial government. The purpose of the plan was to identify acceptable marine uses while protecting marine ecosystems. The creation of the plan involved an advisory committee that included First Nations and the Central Coast Regional District.

- Ministry of Transportation and Infrastructure Regional Transportation Advisory Committee provides for inter-regional cooperation to advise on regional transportation priorities. The advisory committee for the Cariboo includes representatives from Cariboo RD, Fraser Fort George RD, Central Coast RD and a portion of the Bulkley Nechako RD.

- Bella Coola Valley Tourism Association – CCRD staff attend the BCVTA meetings. The association cooperates with the neighbouring tourism associations (West Chilcotin and Cariboo Chilcotin Coast), as well as with the Nuxalk Nation Development Corporation.

- In the past Community to Community Forums, funded through the Union of BC Municipalities, have brought the Regional District together with the First Nations in the region to discuss various issues, and at one time were held annually.

From the list it appears there are few formal organizations or ongoing opportunities that facilitate frequent and ongoing communication and cooperation between the local governments, including First Nations, the CCRD and improvement districts in the region. Other than the CCRD Board, the majority of opportunities are related to a specific service or focus, such as economic development or education. Most opportunities represent initiatives of other agencies. Despite the absence of formal mechanisms that bring together the various governments and service providers, the region does have some examples of past and ongoing collaboration and cooperation, including:

- Mutual aid agreement between four Bella Coola Valley fire departments including sharing of manpower and equipment;

- Water agreement between the Nuxalk Nation and the CCRD. The Nuxalk Nation provides the supply to the Bella Coola Waterworks system;

leftside partners inc.

- Agreement signed in 2014 between Nuxalk Nation and CCRD to cooperate on solid waste services, including a financial contribution of approximately $100,000;

- Joint use agreement between the CCRD and School District 49 to share facilities, including Sir Alexander MacKenzie Secondary School.

In addition, examples collected of informal collaboration include:

- informal training sessions with all four Bella Coola Valley fire departments;

- the sharing of the same water maintenance contractor (Nuxalk Nation and CCRD share a contractor, and both Noosatsum and Hagensborg Wateworks use a common contractor at times);

- programming at the Centennial pool, including times sent aside specifically for the Nuxalk Nation's Acwsalcta school.

Aside from those referenced above, during the course of the study there was little other evidence of cooperation:
- Between and across electoral areas
- Between First Nations communities
- Between the CCRD and First Nations
- Between the CCRD and Improvement Districts

In particular, it was not clear if or how CCRD administration is communicating with First Nations band administrations, and whether there was any relationship between the CCRD Board and the Band Councils or the Hereditary chiefs of the three First Nations.
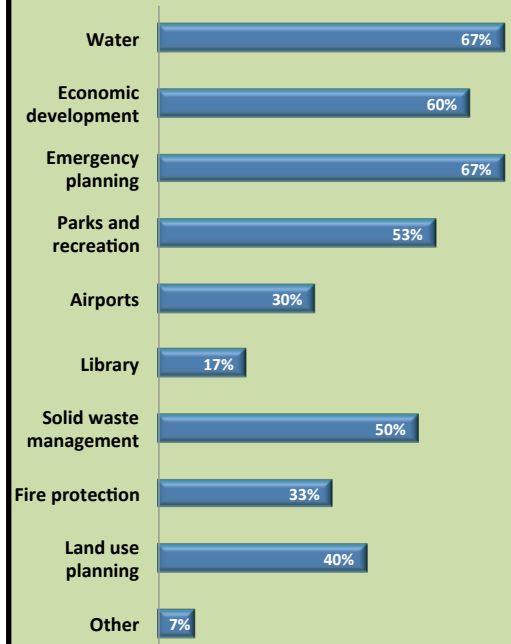
Trust and Relationships
Due in part to the physical separation, and exacerbated by the fragmented forms of local governments and service providers, cooperation and collaboration requires extra time, cost and effort. To

What did residents say?

The survey asked residents:

For which existing services, if any, would you like to see greater collaboration?.

- Water, emergency planning, economic development and parks and recreation topped the list

- Respondents indicated that the top reasons for wanting increased collaboration were

  - Access to funding
  - Improved relationships
  - Increased efficiency

Service	%
Water	67%
Economic development	60%
Emergency planning	67%
Parks and recreation	53%
Airports	30%
Library	17%
Solid waste management	50%
Fire protection	33%
Land use planning	40%
Other	7%

justify the time and effort, most organizations must be able to see the potential benefits that cooperation and collaboration will bring. In the short span of this study, it appeared that the level of trust varied between the local governments that would provide the motivation to invest the time and effort in collaboration. Residents from some outer coast communities voiced considerable frustration and exasperation with the relationship with CCRD, and cited a lack of communication. Other residents expressed a lack of confidence in the CCRD, and in the expertise available to manage and deliver certain services.

Brief discussions held with some Nuxalk Nation Council members suggested a cautious relationship. Council members acknowledged a limited understanding of what the CCRD does, opportunities to work together, or even why they would pursue joint services. Certainly some individuals (and Board members) can see the possibilities, and there are some very notable exceptions of champions of a collaborative approach. However, this view doesn't seem to have extended to the broader community or its leaders. There also appears to be a limited connection at the administrative level between staff at the First Nations and CCRD, as well as between the CCRD and improvement districts.

Relationship Impacts
It is difficult to assess the impact relationships (or lack of relationships) have on the community. Certainly the disconnect makes it challenging to renew relationships and build cooperation moving forward, and makes achieving servicing agreements and cost-sharing arrangements that might better serve the region difficult. This can also impact the participation on committees or commissions, or engagement on projects. The costs are therefore social and financial. Each local government or jurisdiction has different borrowing authority and access to grant opportunities. Strategic investments in infrastructure or equipment may therefore be best explored through collaboration, to take advantage of the available funding opportunities. These opportunities will not be available if the various communities and local governments cannot see the value in collaborating.

6.2 COLLABORATION OPPORTUNITIES

The CCRD's integrated strategic plan (2015-2019) includes the following objectives and strategies related to collaboration and communication:
- Continually strengthen intergovernmental relationships
- Continually liaise with all First Nations in the District
- Collaborate with community-based organizations for mutual benefit

The CCRD has several opportunities to work together in the years ahead, including specific projects that are planned for 2017, as well as broader opportunities to work together on services and governance. Some of those opportunities are highlighted below.

Projects

While ongoing cooperation and collaboration is ideal, relationship building can also happen on a project-by-project basis. Three projects that the CCRD has identified for the upcoming year represent a significant opportunity to bring together all levels of government.

Official Community Plan

An official community plan offers an opportunity like no other policy document to bring together the Nation, the CCRD, the two improvement districts and residents of the three Valley electoral areas.

- water and servicing go hand in hand with land use, so the involvement of Noosatsum and Hagensborg Waterworks improvement districts as well as the Nuxalk Nation will be key players with respect to infrastructure.

- the Nuxalk Nation lands are an integral part of the Valley, and understanding the Nuxalk Nation's vision for the lands, including those in Bella Coola, such as the hotel and restaurant currently under construction, will impact land uses elsewhere and must be incorporated into the overall vision for the community.

- often the value in creating or updating an OCP is not just in the resulting document, which guides the community, but in the engagement process that brings together community members and reaches out to involve residents in determining not just what they are now, but what the community wants to be. The exercises and workshops that are typically involved in the journey to create the document can be a vehicle to unite communities and bring together groups that don't have many occasions to collaborate.

Economic Development Strategy

The creation of a strategy can also be an important opportunity to collaborate and connect with all the electoral areas, and the First Nations communities, tourism association and other community groups. Currently the Heiltsuk, Nuxalk and Wuikinuxv Nations each have their own economic development corporations that are pursuing opportunities to assist their Nations in building capacity and strengthening their economy. This is one service that is being provided by multiple agencies, and where coordination can help to identify and pool resources. Building economic capacity by sharing resources, supporting the development of skills and strengths that already exist in the community, helps create a climate for local business development. The strategy, and the process to create it, can help share knowledge across the region regarding the capacity that already exists, and identify key projects that will help attract businesses to the region.

Airport Plan

The airport plan for Bella Coola is an opportunity to bring together, in particular, the Valley community including the Nuxalk Nation. The Nuxalk Nation has identified the importance of this link to their community, and this may be an example of a service

that could be shared through an advisory committee with representation from the Nuxalk Nation, or through a joint commission.

Committees and Commissions
The use of committees and commissions to govern services was referenced in the previous section. These same committees and commissions that are created to address representation and structural issues, can also be used to facilitate relationship building, cooperation and collaboration. There appears to be significant support from the community on having the region's First Nations represented both at the CCRD Board (albeit preferable to have First Nations and electoral area representation), so including First Nations on various committees or commissions is also an option to involve representatives more often. Notably, there has to be interest in and perceived benefit for the First Nations and/or improvement districts, in order to facilitate participation.

Services and Cost Sharing
Anytime the same service is offered by multiple providers, there are always opportunities for cooperation and collaboration. Collaboration could be limited to sharing ideas or processes, or may be broader, with sharing of expertise, training, equipment or purchasing. Other efficiencies may be gained from having one provider to supply multiple communities. The benefits can include relationship building, sharing knowledge, and reducing costs.

The fact that regional districts and First Nations have access to different funding pools should be viewed as a benefit by both the First Nations communities and the CCRD. There may be ways to combine funds from federal, provincial and local sources to share in the provision of facilities or services for all. The CCRD has a very limited tax base, and to undertake any ambitious infrastructure or capital projects, they will need to work in partnership with the First Nations in the region. The lack of relationship between the CCRD and the Nuxalk Nation, despite the representatives on the Board, appears to be a significant barrier to sharing more services. Additional Community to Community Forums may be a way to focus discussions on specific infrastructure opportunities.

Relationships with improvement districts are equally important. Despite the fact that the province no longer creates improvement districts, and has for years now had a policy encouraging the eventual dissolution of all improvement districts, currently improvement districts play a significant role in servicing areas of the Central Coast. Improved communications and collaboration can provide both the regional district and improvement districts with a better understanding of opportunities to partner and create efficiencies.

6.3 RELATIONSHIP WITH CITIZENS

While the intention is to primarily address the cooperation and collaboration between the governments, many issues throughout the study process pointed to a desire from

residents for improved communication between the CCRD and its citizens. Communication with residents, particularly when so many are located in remote areas, is one of the biggest challenges for regional districts, and the CCRD is no exception.

Fostering an understanding of regional districts, what they do and how they are governed is a challenge for every regional district. There are always misconceptions of what regional districts do, what services they provide (and what services they do not), and what taxes are paid to whom. In addition, the physical location of the office is removed from many areas. The lack of physical access to staff can exacerbate the feeling of being remote from the local government, and hamper the ability to engage residents and promote a greater understanding of the regional role.

Efforts need to be made to connect through discussions, informal updates or coffee-chats with directors or whatever outreach activities are appropriate for reaching the individual communities. Informing residents about the services they receive, and ensuring they are aware of the opportunities to provide feedback or comment on or about their services is key to establishing trust. One of the CCRD's strategic objectives is to "Continually develop our external communication and understanding of our organization," which indicates that the region is aware of the need to communicate and has identified it as a priority.

7.0 INFRASTRUCTRE AND GRANT FUNDING

As part of the analysis on services and governance, this report was also intended to document the regional district's processes for funding and prioritizing infrastructure, as well as identify current infrastructure and grant funding access and opportunities, and any barriers to accessing grant funding.

7.1 ASSET MANAGEMENT

Asset management is a process that combines information about the region's physical infrastructure and assets, including condition and age, with financial information, so informed decisions can be made about budgeting, upgrades and maintenance, and the region can understand the trade-offs between risks, costs and services. Asset management helps to ensure assets are maintained over time, and replacement and upgrade costs are spread over time to minimize spikes in user fees and taxes. The maintenance of infrastructure prevents environmental disasters and health impacts from failing infrastructure, and guards against service disruptions to the community. Asset management has been a major focus area for local governments in recent years, with strong encouragement from the province, and considerable funding support.

The regional district undertook an asset management process in 2016, working toward developing an asset management plan (as identified in the CCRD Integrated Strategic Plan) that answers the questions about what the CCRD owns, the cost to replace what they own, and how much money needs to be invested annually to maintain the assets. The plan involved condition assessments of infrastructure assets ranging from the water system, buildings, pool, airports, parks improvements (baseball diamond), fire trucks and public works vehicles, estimating remaining useful life and replacement values. Other steps in the process are to review the resulting asset management investment plan, consider iterations and scenarios, and identify gaps.

The asset management investment plan will assist in long-term infrastructure planning, prioritizing infrastructure funding for the CCRD's assets, and will provide valuable input to both the strategic planning and budgeting processes. To continue to be relevant, asset management plans need to be updated regularly with information (i.e. update condition assessments, refine estimates of replacement costs and replacement timelines).

7.2 PRIORITIES

While asset management is a good tool for prioritizing, there are often other aspects that go into determining priorities for funding and investment. The CCRD's integrated strategic planning process helps to identify key community and Board priorities, makes those priorities public, and budgets for the work accordingly. The strategic plan identifies key goals, objectives and strategies, as well as a "parked" list or wish list. The

region has a 2015 – 2019 strategic plan that identifies the following service and infrastructure priorities:

- emergency management
- land use planning
- economic development (program funding, strategy and plan)
- solid waste management
- Thorsen Creek landfill
- Long term development plan for Bella Coola airport
- Asset management plan (almost complete)
- Feasibility studies for Townsite waste water and Shearwater water system
- Explore potential of increase library service (library for Area A)

The strategic plan provides guidance to the CCRD for allocating existing grant funds, such as the Community Works Fund (gas tax), and identifies projects to focus staff efforts in seeking grants. In addition, the CCRD has a policy on the allocation of Community Works Funds that helps to prioritize projects further. The policy, which was adopted in 2013 (but reviewed in June 2016), states that money from the Community Works Fund shall be expended or allocated:

1. First, by satisfying the requirements of the Gas Tax Agreement by fulfilling the regional district´s commitment to Capacity Building, Integrated Sustainability Planning and Capital Investment Planning.

2. Second, by providing funding for eligible projects according to the regional district´s strategic priorities as determined by the board of directors. Where a conflict is found to exist, the funds shall first be allocated to functions and services already established by the regional district, and then to those functions and services under consideration for establishment.

While the plan helps to set priorities, it is worth noting that sometimes grant funds become available for a specific project not on the region's priority list. At other times, grant criteria may change, making certain priority projects ineligible, but offering opportunities for other projects. Similarly, opportunities for cost-sharing initiatives with other governments can be proposed that may not be on the strategic plan. Those types of opportunities must be weighed by the CCRD Board against other priorities, and consider criteria such as the impacts on other projects, resources, geographic distribution of funds, areas of the greatest need, etc.

7.3 BARRIERS AND CONSIDERATIONS

The CCRD receives both conditional and unconditional grants or transfers from the provincial government that assist in the cost of providing services to the region. Grants made up 23% of the region's revenues in 2016 (see Figure 22). Several of the funding opportunities are referenced in the *Regional Grants Fact Sheet (see Appendix B).*

During the public engagement process, several residents and CCRD staff indicated that the region is at a disadvantage for grant funding, due to the fact the region does not encompass any municipalities. To be clear, the lack of municipalities does not affect the region's chances in securing infrastructure funds or accessing any of the provincial government grant programs. While municipalities have access to different provincial funds, including the small communities grants and traffic fine revenue sharing grants, these funds are transferred to municipalities to assist with specific costs of operating municipalities, many of which are not applicable for regional districts, such as the maintenance of roads. So while incorporating an area of the CCRD would then enable the small communities grant of about $350,000 (based on other small municipalities), those costs would likely not offset the additional costs incurred by the municipality. In other words, while the costs and benefits of incorporation involves a much more extensive analysis, typically road costs far outweigh the costs of any provincial grants available to a newly incorporated municipality. When additional costs are factored, the additional grants available to municipalities do therefore not add <u>net revenues</u> to the region.

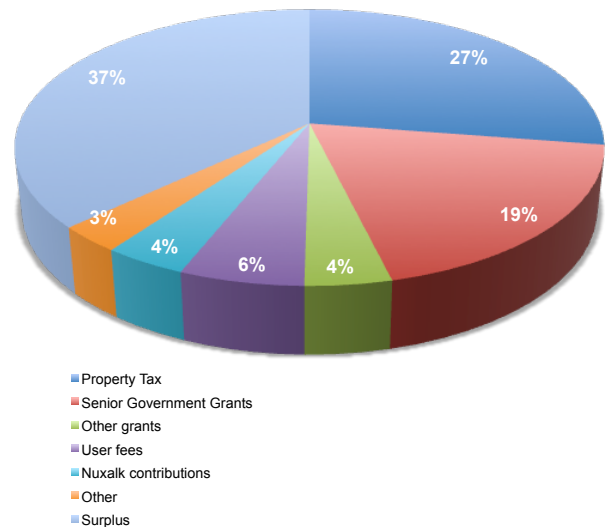**CCRD Revenues Sources 2016 (Budget)**

Figure 22: CCRD 2016 Budgeted Revenue Sources

While the lack of municipalities is not a barrier to funding, there are some keys to securing grant funds that may provide challenges for the CCRD. These barriers and considerations are highlighted below:

- Staff time in seeking out grants and grant writing;

- Need to provide matching funds – the applicant contribution depends on the grant, but generally a local government contribution is required and demonstrates commitment. Gas tax projects can provide up to 100% of costs, but most federal and provincial programs require 33% contributions. Building Canada Funds more recently have only required a 17% contribution from local governments);

- Reporting requirements – when grants are awarded, many come with significant reporting requirements that take staff time and resources. These requirements can be even more burdensome when the grant is awarded to a partnership of local governments (i.e. First Nations and CCRD partnership);

- Several grants require that projects be "shovel ready" which often requires that cost estimates and design work is already completed;

- Grants often require various master plans to be completed in advance (transportation, solid waste management, water master plan, water conservation plan, liquid waste management plan, etc.) prior to funds being awarded;

- Many grants have greater chances of success where First Nations or community groups are either partners or demonstrate support for the project. Demonstration of First Nations support is even more critical for CCRD projects given that First Nations living on reserves represent 60% of the population of the region.

- Senior governments are reluctant to fund projects that are beyond a community's capacity to operate and maintain over the long-term. Given the region's limited tax base, the region needs to ensure projects are of a reasonable scale, and affordable to residents.

- Having a low population may be somewhat of a disadvantage, as funders often want to know that the grants will benefit a significant population. This factor makes it even more important to partner with First Nations as a key to securing grant funds.

- Federal funds for First Nations typically only apply to infrastructure located on reserves. Provincial funds are more flexible in funding projects that are located on reserve, as long as benefits are provided to the community beyond the reserves.

- Projects that combine multiple uses are often favoured rather than single-purpose facilities.

- Improvement districts are not eligible for provincial grant funding (as per provincial policy). Grant applications on behalf of improvement districts can be made by regional districts but often require that the infrastructure be transferred to the regional district as a condition.

- Some grants only enable one application from a local government, rather than multiple applications that would benefit different systems or communities within a large region. This requires the regional district to prioritize projects.

The following provides an overview of the current conditional and unconditional provincial grants available to the region.

Unconditional Grants
Regional District Basic Grant
- All Regional Districts receive a Regional District Basic grant from the provincial government on an annual basis, to support the cost of operations. This is

calculated primarily based on BC Stats population estimates, with the largest amounts allocated to the least populated regions. Two population amounts go into the calculation of the grant – total population in the region, and the population in the electoral areas (unincorporated areas).

- CCRD was one of five regional districts in the province that received the highest amount possible in 2016 ($197,645).

- Qualifying municipalities receive a similar (operational) grant known as the Small Community Grant. The grants are transferred directly to the municipality with no input or involvement by regional districts.

Community Works (Gas Tax)
- A portion of the federal Gas Tax program (Community Works Fund) is delivered to all municipalities and regional districts. The grant is meant to support local projects that align with reduction of greenhouse gas emissions, cleaner air and water, and fall into one of several eligible project categories.

- Each local government receives a "floor amount" ($50,000 in the first year of the agreement, and $50,000 plus an indexed amount in each subsequent year of the agreement) plus an amount calculated based on population using Census data.

Conditional (application-based) Grants
- Infrastructure grants are primarily funded by the federal and/or provincial governments, usually in partnership with local governments.

- The largest federal/provincial/local partnership program is currently the Building Canada Fund. The local (applicant) portion varies depending on the level of federal funding; maximum is 1/3 of eligible project costs.

- The largest federal infrastructure program is the Strategic Priorities Fund, an application-based portion of the Gas Tax Fund. SPF is entirely federally funded, and local governments can apply for up to 100% of eligible costs. Grants are awarded on a competitive basis.

- All local governments are eligible to apply to federal and/or provincial infrastructure funding programs for local governments, including regional districts. Non-profits, private sector entities, First Nations Band Councils are also sometimes eligible; Improvement districts are only eligible for the Building Canada Small Communities fund if the application was made by the local government in which the project was located AND (if funding was approved), ownership of the infrastructure & assets were transferred to the local government.

- In the last round of Building Canada, regional districts could submit multiple applications, one for each community within their area ("community" defined as

a settlement area within a regional district electoral area or an established or proposed service area).

- First Nations communities are eligible for additional federal programs (e.g. First Nation Infrastructure Fund and Capital Facilities & Maintenance Program, both administered by INAC). The FNIF is part of the Building Canada program, funding projects that fall within the current eligibility categories.

8.0 NEXT STEPS

This report, together with the *Fact Sheets*, was intended to provide information on what services the CCRD provides, how those services are delivered and paid for, and governed, and to identify what the perceived issues are with those services and structures. While this study is not intended to analyze any options, some of the key findings are included for the Board to consider as it evaluates whether to proceed with any further phases of a governance or restructure study.

8.1 STRUCTURE

Regional districts were designed as a form of government that was intended to be a federation. In most regional districts it is a federation of municipalities and rural areas, where each municipality and electoral area is, in effect, a shareholder and has a seat on the board of directors. The system was created in part to facilitate cooperation between local governments – the municipalities and the region – and to serve both the interests of its municipal members and electoral areas.

One of the CCRD's unique characteristics is its absence of municipalities. Some might assume that this would mean that the CCRD is therefore not a federation like other regional districts. However, although it does not have municipalities, the CCRD has three First Nation governments. The regional framework can therefore still act as a federation, and could be used to facilitate cooperation and relationships between these existing governments, as regional districts were intended.

To fulfill this role would require a restructure of the CCRD Board. A restructure analysis could evaluate options to recognize the importance of the First Nations in the region and the sovereignty of their local governments, as well as respecting the need for representation from those who need their local government to provide local services. These changes are not new – a past restructure study from more than 20 years ago identified similar issues. To determine solutions, alternatives must be explored, and the impacts on services, finances and representation evaluated. Public consultation and evaluation of options would be required, including consultation with other regional districts, and with the province to determine what options are legally possible (i.e. changes to First Nations representation). Residents of the region appear eager to contemplate changes, and move forward with a new structure.

8.2 GOVERNANCE

In addition to structural changes, the feedback from the community also suggests that changes to service governance could be examined – including advisory committees or commissions, or other structures that would formalize collaboration between First Nations and the CCRD and encourage efficiencies and cooperation on services. The

feasibility of a local community commission could also be considered to determine whether it would make any sense as a means to combine service committees or commissions, provide more community input and local control in various areas of the region, including Bella Coola Valley or Denny Island. While the Board already has the authority to pursue these arrangements, the need for these changes could depend upon any redrawing of the regional boundaries and the resulting structure, and should be considered in the context of any proposed restructure options.

8.3 RELATIONSHIPS

The CCRD is at a disadvantage with respect to funding services, due in part to its low tax base and population. Servicing the region's residents will require concerted efforts to work together with the district's First Nations to make services affordable. Examples of cooperation and successful partnerships exist, and should be celebrated and publicized so all residents can learn about the benefits of collaboration for their community. The CCRD should continue to create formal mechanisms to encourage cooperation and take advantage of any opportunities to build relationships through formal and informal collaboration with First Nations at all levels – Band Council, hereditary chiefs and band administration.

While the conclusions of this report suggest there is significant work ahead, it is worth noting that many of the service, governance and communication issues identified in this study are ones that have already been acknowledged and noted by the CCRD in their strategic plan as goals to pursue – including infrastructure and service needs, as well as the imperative of improved communications and collaboration.