



CENTRAL COAST REGIONAL DISTRICT
REGULAR BOARD MEETING MINUTES

DATE: July 9, 2015

ATTENTION

These minutes are draft and subject to amendment. Final approval and adoption is by resolution at the next scheduled meeting.

Board Meeting
SEP 10 2015
CCRD ITEM B(a)

REGULAR BOARD MEETING MINUTES July 9, 2015

Due to inclement weather the meeting was held in Bella Coola and not Ocean Falls

In Attendance:	Electoral Area A	Director Cathi McCullagh
	Electoral Area B	Absent with regrets
	Electoral Area C	Vice Chair Alison Sayers
	Electoral Area D	Director Richard Hall
	Electoral Area E	Director Samuel Schooner
	CAO	Darla Blake
	Community Economic Development Officer	Tanis Shedden (portion)
	Local Government Intern	Kyle Mettler (portion)
	Public Works Manager	Ken McIlwain (portion)
	Recording Secretary	Cheryl Waugh

Members of the gallery - none

PART I - INTRODUCTION

1. **Call to Order**

Vice Chair Alison Sayers called the meeting to order at 9:07 a.m.

2. **Adoption of Agenda**

a) (Introduction of late items)

Board Evaluation see item (C)1.

15-07-01 M/S Directors McCullagh/Hall that the agenda be adopted as amended.

CARRIED

3. **Disclosures of Financial Interest**

The Chair reminded Board Members of the requirements of Sections 100(2)(b) and 101(1)(2) and (3) of the Community Charter to disclose any interest during the meeting when the matter is discussed.

4. **Disclosures of Interests Affecting Impartiality**

The Chair reminded Board Members that in the interest of good governance, where there is a perceived interest that may affect their impartiality in consideration of a matter, a declaration should be made.

(A) **IN CAMERA MATTERS**

(a) In Camera Meeting

15-07-02 M/S Directors McCullagh/Hall that the meeting move in camera for consideration of items under s90(1)(a) and 90(2)(b) of the *Community Charter*.

CARRIED

The regular meeting reconvened at 10:30 a.m.

(b) Matters brought out of camera

15-07-03IC M/S Directors McCullagh/Hall that any decision regarding bylaws and budget for the Denny Island Recreation Commission be deferred until the CCRD receives feedback from the Commission and the Chief Financial Officer has had a chance to review proposed Bylaw No. 441 and that any recommendation be deferred until the September 10, 2015 board meeting.

CARRIED

(B) ADOPTION OF MINUTES

a) Regular Board Meeting June 11, 2015

Director McCullagh's name is misspelled on page 13

Resolution #15-06-25 to be amended to read: M/S Directors Kirk/Moody that the Centennial Pool Commission provides a free swim pass, good for one swim, to each elementary school student before school goes to summer break, 2015.

15-07-03 M/S Directors McCullagh/Schooner that the minutes of the Regular Board meeting dated June 11, 2015 be adopted as amended.

CARRIED

PART II- PUBLIC CONSULTATION

1. **Delegations** – There were no delegations

PART III – LOCAL GOVERNANCE

(C) OPERATIONS UPDATES & POLICY MATTERS ARISING

Administrative Services

a) Chief Administrative Officer's Report dated July 2, 2015

15-07-04 M/S Directors McCullagh/Hall that the Chief Administrative Officer's Report dated July 2, 2015 be received.

CARRIED

The CAO reviewed highlights of the report, which included revisiting the matter of wildlife conflict in the Bella Coola Valley. At the June 11, 2015 board meeting, the board asked the CAO to bring the matter to the July meeting so Director Schooner could participate in further discussion.

15-07-05 M/S Directors Schooner/McCullagh that following discussion surrounding wildlife conflicts, the board has created two media statements for communication to the public:
While the CCRD does not currently have a mandate or budget to take initiative regarding human-wildlife conflict in our district, the CCRD supports the work of the Conservation Officer Service (COS) and WildSafe BC in our community through:

- *Creating waste management policies and decisions that take wildlife attractants into account;*
- *Providing links on our website to appropriate provincial agencies such as COS and WildSafe BC.*

In the interest of human and wildlife safety, the CCRD strongly encourages all district residents to manage attractants on their property and to call the RAPP line at 1-877-952-7277 (RAPP) to report problems with wildlife.

CARRIED

- b) Union of BC Municipalities Conference Attendance –September 21-25, 2015 in Vancouver.

15-07-06 M/S Directors McCullagh/Hall that the Board of Directors approves the attendance and travel expenditure to the UBCM Conference to be held at the Vancouver Convention Centre September 21-25, 2015 for Director Alison Sayers and the Chief Administrative Officer.

CARRIED

15-07-07 M/S Directors McCullagh/Hall that the Chief Administrative Officer be authorized to make appointments for the delegates attending the 2015 UBCM Convention including but not limited to the Minister of Community Sport and Cultural Development, the Ministry of Forests, Lands and Natural Resource Operations and BC Ferries.

CARRIED

- c) Proposed Land Use Objectives and Potential Biodiversity, Mining and Tourism Areas/Conservancy – Great Bear Rainforest – (report and attachment) - Ministry of Forests, Lands and Natural Resource Operations.

A letter received from the Ministry of Forests, Lands and Natural Resource Operations informed the CCRD of the public review and comment period for proposed land use objectives and potential new Biodiversity, Mining and Tourism Areas/Conservancy in the Great Bear Rainforest.

Discussion considered the draft document to be unclear, poorly thought out and it appears to protect the rainforest but isn't giving any value to economic activities. Despite what is stated in the content of the document, human well-being hasn't been considered nor have First Nations been consulted. There are concerns about the impact to community forest activities and those who work in the industry. The way forestry licences are structured, it could impact to the point that it won't be feasible to operate.

The consensus of the Board is that the proposed 2015 Great Bear Rainforest Order is a response to conservation groups to mediate issues that are arising now rather than developing a cohesive vision that will provide the basis for a standard of living.

15-07-08 M/S Directors Schooner/Hall that Director Alison Sayers, Director Sam Schooner, Chair Randy Hart of the Economic Development Advisory Committee, CAO Darla Blake and Community Economic Development Officer, Tanis Shedden, be delegated to prepare a submission on behalf of the CCRD expressing concerns on any negative implications to

our region in response to the Proposed Land Use Objectives and Potential Biodiversity, Mining and Tourism Areas/Conservancy – Great Bear Rainforest letter dated June 11, 2015 from the Ministry of Forests, Lands and Natural Resource Operations.

CARRIED

- d) Islands Trust – (report and attachment) Request for 25% reduction in minor route ferry fares.

A news release was received from the Islands Trust asking the province to invest additional money for the next four years to reduce ferry fares on all BC Ferries' minor routes.

The CAO noted that, according to BC Ferries, the *MV Nimpkish* is not part of the minor routes.

15-07-09 M/S Directors McCullagh/Schooner that the Central Coast Regional District supports the request from the Islands Trust to advocate for provincial government investment in reducing ferry fares on minor routes by 25%; and,

That the Chief Administrative Officer writes to Islands Trust, the Mayors and Chairs of Coastal Communities on BC Ferries issues, AVICC and UBCM making them aware that the Nimpkish service from Bella Bella to Ocean Falls, Denny Island and Bella Coola is not considered part of the minor routes according to BC Ferries, and therefore would not benefit from the proposed 25% reduction in fares, should the Province agree; and

That the Central Coast Regional District request that the central coast region's ferry service provided by the *MV Nimpkish* and known as "the Connector" (Route 10S) be included with minor routes proposed for any potential fare reduction of 25%, with the view to assist the negative impacts and extreme socio-economic difficulties being experienced by all central coast communities and their residents who rely on BC Ferries for transportation links.

CARRIED

- e) Peace River Regional District – Order in Council No. 148 regarding removal of lands from the ALR through a recommendation from the ELUC

A copy of a letter to the Minister of Energy and Mines was received from the Peace River Regional District (PRRD) regarding the Order in Council No. 148, which removed lands from the Agricultural Land Reserve (ALR) through a recommendation from the Environment and Land Use Committee (ELUC). The letter outlines the lack of opportunity for the PRRD to respond through the application process.

In discussion, the board felt the province needs to think very carefully about removing lands from the ALR. Without going through proper process it puts all lands in the ALR at risk of being removed and sets precedence. It is important for farmers to keep farming and there is mounting concern with regard to the loss of valuable food producing lands.

The CCRD expects the government to follow protocol regarding public input. Administration was asked to write a letter to the province stating that public input and respect be shown for the legal requirements required to apply for removal of lands from the ALR.

15-07-10 M/S Directors Schooner/McCullagh that the Province of BC be requested to rescind Order in Council No.148 until there has been adequate public input and respect shown for the legal requirements necessary to apply for removal of lands from the ALR.

CARRIED

f) Regional District of Bulkley Nechako – British Columbia Earthquake Preparedness Consultation Report

A copy of a letter to the Attorney General and Minister of Justice was received from the Regional District of Bulkley Nechako (RDBN). In the British Columbia Earthquake Preparedness Consultation Report, released in 2014, it was recommended that the provincial and federal governments increase funding to local governments to support emergency preparedness and response. The RDBN states that any amount of funding from the province will be insufficient to mitigate the time and productivity loss to their region and does not factor minimal, regular staffing levels.

Discussion by the board considered the provincial and federal governments are downloading responsibilities to local government in order to cut budgets to emergency management. Regional Districts are not in a financial position to take on further responsibility for emergency management and the CCRD needs to register an objection that government is not living up to its mandate.

15-07-11 M/S Directors McCullagh/Schooner that administration write a letter similar to the June 25, 2015 letter from the Regional District of Bulkley Nechako with regards to disaster preparedness to state that any increase in funding needs to be directed to Emergency Management BC and not to regional districts as regional districts do not have the resources or expertise to fully deliver emergency services.

CARRIED

Late Item (C) 1. Board Evaluation

A questionnaire developed from discussions held during a previous workshop between the directors and Jill Tolliday of Tolliday Consulting Services was distributed for comment. The board approved the questionnaire and Ms. Tolliday will officially circulate it to the directors and the CAO in September. Once the evaluations have been completed the results will be compiled and presented at the November 2015 board meeting.

15-07-12 M/S Directors McCullagh/Hall that the Central Coast Regional District Board of Directors approves the CCRD Board Evaluation 2015 Questionnaire, and hereby authorizes the Chief Administrative Officer, Darla Blake, to progress the evaluation process with consultant, Ms. Jill Tolliday.

CARRIED

Financial Services

g) Financial Report January – June 2015

The financial report provided an update on the regional district's services to June 30, 2015.

The provincial Strategic Community Investment Fund (SCIF), which in the past several years has averaged between \$200,000 and \$207,700 annually, is going to be reduced in 2016 representing a reduction in the order of \$15,000.

In order to accommodate the grant reduction there will need to be decreases to the budget, including in General Operations and Solid Waste Management. The province has not announced the levels of funding beyond 2016.

- 15-07-13 M/S Directors McCullagh/Schooner that the Financial Report for the period January 01 to June 30, 2015 be received. **CARRIED**

RECESS

RECONVENE

The regular meeting reconvened at 1:11 p.m.

Development Services

- h) Economic Development report dated July 2, 2015

The report provided an update on activities of the Economic Development Advisory Committee, the Economic Development Plan Review and Update and the CEDO's application to the SFU Community Economic Development Certificate program, has been accepted.

- 15-07-14 M/S Director Hall/McCullagh that the Economic Development Report dated July 2, 2015 be received. **CARRIED**

- 15-07-15 M/S Directors McCullagh/Hall that the terms of reference for the Economic Development Advisory Committee be amended to change the number of members at large to three and that a position be opened for a representative from the Bella Coola Harbour Authority. **CARRIED**

- i) Land Use Planning
 - i. Land Use Planning Report dated July 2, 2015

- 15-07-16 M/S Directors Hall/McCullagh that the Land Use Planning Report dated July 2, 2015 be received. **CARRIED**

- ii. Official Community Plan Advisory Committee (OCPAC) regular meeting minutes dated June 16, 2015.

- 15-07-17 M/S Directors McCullagh/Schooner that the Official Community Plan Advisory Committee (OCPAC) regular meeting minutes dated June 16, 2015 be received.

CARRIED

iii. Official Community Plan Advisory Committee 2015 – Terms of Reference

15-07-18 M/S Directors McCullagh/Schooner that the Official Community Plan Advisory Committee 2015 – Terms of Reference be sent back to the OCPAC and that the committee develop a selection process to include the Nuxalk Nation for participation as a member(s) and that a letter be sent directly to the Nuxalk Nation Band Administrator inviting participation.

CARRIED

Public Works

j) Public Works Monthly Report dated July 2, 2015

Public Works Manager Ken McIlwain and Local Government Intern, Kyle Mettler, joined the table to speak to the report.

Much of the recycling program at the Thorsen Creek site was made possible by a stewardship agency known as Multi-Material BC (MMBC) and has been a big success to date.

A new stewardship agency named StewardChoice is about to come onto the scene and may ultimately threaten the CCRD's situation if they undermine MMBC. A letter has been drafted to StewardChoice to provide feedback regarding the CCRD's concerns with their proposed stewardship program.

Tenders are being called for construction of the Walker Island concession building and close on July 23rd. Construction will begin in September after the ball season has finished. A lot of the material will come from the fallen trees at the landfill.

Centennial Pool repairs to the change rooms are substantially complete.

The PWM acknowledged Doug Baker for his volunteer time monitoring garbage levels at Nusatsum Park.

15-07-19 M/S Directors McCullagh/Schooner that the Public Works Department Report dated July 2, 2015 be received.

CARRIED

15-07-20 M/S Directors Schooner/Hall that the Chair of the CCRD Board of Directors sign a letter designed to provide feedback to StewardChoice regarding CCRD concerns with their proposed stewardship plan, and further that this letter be copied to the division of the BC Ministry of Environment responsible for reviewing and approving Stewardship Plans.

CARRIED

15-07-21 M/S Directors Schooner/Hall that a letter of thanks be sent to Doug Baker acknowledging his volunteer time monitoring and managing Nusatsum Park refuse levels.

CARRIED

Leisure Services Commissions

- k) Centennial Pool Commission
 - i. Meeting minutes dated June 24, 2015

15-07-22 M/S Directors Schooner/McCullagh that the Centennial Pool Commission minutes dated June 24, 2015, be received.

CARRIED

Although there was no quorum for this meeting, an email vote was circulated to commissioners regarding the position of the pool manager and it was approved. Nicola Koroluk has stepped down as chair of the pool commission and has taken the position of pool manager for the 2015 season.

Transportation Services

- l) Bella Coola Airport/Denny Island Airport.
 - i. Transportation & Land Use Coordinator's Report – dated July 2, 2015.

15-07-23 M/S Directors McCullagh/Schooner that the Transportation & Land Use Coordinator's Report – dated July 2, 2015 by received.

CARRIED

(D) EXECUTIVE REPORTS

- a) Chair's Report – No Report

Electoral Area Reports

- i. **Area A** – Verbal Report

Director McCullagh described the recent Vancouver Island Regional Library meeting where the VIRL annual report was discussed.

- ii. **Area B** – No Report
- iii. **Area C** – No Report
- iv. **Area D** - Verbal Report

Director Hall has had a couple of enquiries from the public about the Hagensborg Water District and would like to know the history of the water districts in the valley so he can better address queries. He is particularly interested in the relationship between the CCRD and the Hagensborg Water District. When the CFO returns, she and the CAO will pull together some history for Director Hall. Director Sayers, as representative for Area C, is also interested in the history of the water districts.

- v. **Area E** – Verbal Report

Director Schooner reported on some of the changes at the Bella Coola Harbour Authority (BCHA). They are in the process of hiring a new manager and during the interim have two part-time workers who are doing a good job. There are a lot of applications and the Terms of Reference are starting to shape up. The last meeting of the BCHA was boisterous but good. Garrett Newkirk is the new chair and Sam Schooner is the vice chair.

(E) BYLAWS AND POLICIES

- a) Policy A-3 – Office Security & File Security, review proposed amendments.

Further revisions were made since the agenda package was developed and an updated version of Policy A-3, with amendments, was circulated for review.

15-07-24 M/S Directors McCullagh/Hall that Policy A-3, Office Security & File Security be approved as amended . **CARRIED**

- b) Policy P-4 – Overnight Camping in Community Parks, review with proposed amendments.

15-07-25 M/S Directors McCullagh/Hall that Policy P-4 – Overnight Camping in Community Parks be approved as amended. **CARRIED**

PART IV– GENERAL BUSINESS

(F) GENERAL CORRESPONDENCE

- a) AVICC – Memo – June 2015 Update to Members
- b) AVICC – Memo – 2015 AVICC AGM & Convention Minutes
- c) AVICC – Memo – Future Years AVICC AGM & Convention Dates
- d) Vancouver Island Regional Library – 2014 Annual Report

15-07-26 M/S Directors McCullagh/Schooner that items (F) a)-d) be received. **CARRIED**

(G) ADJOURNMENT

There being no further business the meeting was adjourned at 2:46 p.m.

Chair

Corporate Officer

9.10 am - ①
9.25 am.

CENTRAL COAST REGIONAL DISTRICT

BYLAW NO. 412
SCHEDULE "C"

DELEGATION to BOARD REQUEST FORM

Date of Application: 12 March 2015 Board Meeting Date: 10 SEPT 2015.

Name of person or group wishing to appear before the Board of Directors: _____

R.C.M.P. Representative
(invitation also to Chief Wally Webber & reps).

Mailing Address: RCMP, Bella Coola B.C. VOT 1C0
Box 1230

Number of people attending: 1 Spokesperson Name: various.

Subject of presentation: 1/4ly update on various RCMP
activities & internal planning underway
for Bella Coola detachment.

Purpose of presentation: information only
 requesting a letter of support
 Other (provide details) _____

Contact person (if different than above): _____

Daytime telephone number: _____

Email address: edward.wells@rcmp-grc.gc.ca

Will you be providing supporting documentation? yes no

If yes: handouts (recommend delivered in advance)
 publication in agenda (one original due by 4:00 pm seven days prior to your appearance date)
 Other (explain) _____

* Delegations will have a maximum of 15 minutes to make their presentation to the Board.

Board Meeting
SEP 10 2015
CCRD ITEM II 1.(a)



CENTRAL COAST REGIONAL DISTRICT

TO: Chair Reg Moody and Board of Directors
FROM: Darla Blake, CAO
**SUBJECT: CHIEF ADMINISTRATIVE OFFICER'S REPORT -
03 September 2015**

RECOMMENDATION - Chief Administrative Officer's Report

THAT the Chief Administrative Officer's Report dated 03 September 2015 be received.

THAT the Central Coast Regional District Board of Directors, determine that no further action be taken with establishing of a Noise Bylaw due to the administrative burden and costs associated with establishing such a bylaw.

STRATEGIC PLANNING

All 2015 Strategic Priorities updates will be included as appropriate under specific activity reports:

1. **Solid Waste Management Plan:**
Public Works Manager's reports
2. **Shearwater Water System:**
Public Works Manager's reports
3. **Asset Management Planning:**
Public Works Manager's reports
4. **Official Community Plan:**
Transportation and Land Use Coordinator's reports
5. **Economic Development Plan:**
Community Economic Development Officer's reports

Board Meeting
SEP 10 2015
CCRD ITEM C(a)

GRANTS

Economic Development Capacity Building Fund – 2014

Final payments have now been received toward the economic development capacity building activities during 2014. These projects included: the airport project to remove trees and re-seed the field at the west end of the runway; and the collaborative economic development meetings held to strategically re-ignite economic development for the region. – This file is now closed.

Community 2 Community Forum Grants

The Fall intake for the 2015/16 regional Community to Community (C2C) Forum is now open. Applications are due by 16 October 2015, and approved forum events must take place before 31 March 2016.

Local governments may apply for up to \$5,000 in matching funding to bring together elected officials from neighbouring communities to discuss common goals and pursue opportunities for joint action.

C2C Forum events can include topics like relationship building, economic development, infrastructure planning, land use and resources, community development and service delivery.

GOVERNANCE MATTERS

BYLAWS: Noise Control Bylaw

Following a number of complaints regarding noise in 2014, the CAO prepared a report for the Board for their June 2014 meeting. Accordingly the Board resolved:

"14-06-11.... That the Central Coast Regional District Board of Directors requests the Chief Administrative Officer investigate the establishment of a Noise Bylaw and report back with recommendations to the Board at its July 10, 2014 meeting.

CARRIED"

The matter was given to our local government intern to investigate and she put forward a report to the March 2015 Board meeting, where the Board resolved:

"15-03-31.... That the report Investigation of Establishing of a Noise Bylaw, dated March 5, 2015 be received and that further discussion on the establishment of a Noise Bylaw be deferred to the September 2015 board meeting.

CARRIED"

September 2015 is now upon us and a decision one way or another needs to be made on whether CCRD wishes to establish a new service for noise control and enforcement.

A copy of the March 2015 report and Policy A-25 Establishment of New Service Areas has been attached for the information of the Board. On review of the information, it is viewed by Administration that while we do have the occasional complaint about noise the costs and resources that would be required to establish and enforce such a bylaw do not warrant the expense to tax payers.

Administration are seeking a final decision from the Board to determine if any further action is to be taken by Administration on the establishment of a new service process for the enforcement of a noise bylaw, given the costs associated with such a bylaw.

Given the administrative capacity issues and costs associated with establishing such a bylaw Administration would recommend to the Board, that no further action be taken regarding the establishment of a Noise Bylaw.

ENVIRONMENTAL SERVICES

See separate Public Works report

LEISURE SERVICES

See separate Public Works report

PROTECTIVE SERVICES

Emergency Management – Sinking of the Pacific Grizzly in Bella Coola Harbour

On 4 August 2015, at 9.30 pm and again at 10.00pm CCRD was notified of the sinking of the Pacific Grizzly vessel in the Bella Coola Harbour resulting in a diesel spill.

EMBC advised the report of the incident to CCRD was for information only, and not a CCRD responsibility. Matters involving the ocean are managed by the Coast Guard and monitored by EMBC in case there is any impact on land.

Both EMBC and the Coast Guard kept CCRD informed of progress regarding the event and clean up.

TRANSPORTATION SERVICES

See separate agenda item.

GENERAL

Improvement Districts and Hagensborg Waterworks District

At the 9 July 2015 Board meeting, Directors Hall and Sayers advised they had received a number of enquiries from constituents about Hagensborg Waterworks District.

Directors were advised that improvement districts are autonomous local governments, separate from the regional district. The improvement districts provide for one or more local services for the benefit of residents in a community.

In the CCRD region improvement districts include the Hagensborg Waterworks District, Noosatsum and Ocean Falls Improvement Districts.

Directors were also advised that any questions asked by constituents related specifically to services provided by an improvement district (in this case the Hagensborg Waterworks District) were outside the jurisdiction of CCRD, therefore directors should encourage such queries be directed to the improvement district trustees and their chair not the Central Coast Regional District.

Both directors expressed an interest in knowing more about the history of improvement districts, funding and more specifically the Hagensborg Waterworks District.

Accordingly:

History of improvement districts in the valley

Improvement districts are autonomous local government bodies responsible for providing one or more local services for the benefit of the residents in a community. They are not "community organizations. They vary considerably in size, from small subdivisions, to urban communities. Improvement districts are usually located in rural areas of the province where there was no alternative form of local governance available, suitable, or desirable for the community. They are similar in structure to a municipality but are more informal and only provide direct services such as waterworks, fire protection or street lighting. There are more than 200 improvement districts operating in the province.

Improvement districts are brought into existence by the provincial government through Cabinet Orders which authorized the passage of a document known as Letters Patent. The Letters Patent contain the name of the improvement district, its boundary and the services which it will provide to the residents within that boundary.

Improvement districts are administered by an elected board of trustees, one of whom has the additional duty of chair. Each trustee is elected for a three-year term by the eligible landowners of the improvement district, during an Annual General Meeting of the improvement district. To be eligible to vote, or to be a candidate for trustee, a person must be eighteen years of age, a Canadian citizen, an owner of land in the improvement district and a B.C. resident for the previous six months.

The improvement district's Letters Patent, applicable sections of the Local Government Act, and other applicable provincial statutes outline the powers that can be exercised by the board of trustees. These powers include the ability to enact and enforce its regulations and charges, to assess and collect taxes, to acquire, hold and dispose of lands, to borrow money and to expropriate lands required to carry out its functions. The board of trustees exercises these powers through the passage of resolutions and bylaws.

16

Although improvement districts are independent public corporations, they are also subject to supervision by the Ministry. All bylaws passed by the board of trustees must be registered with the Inspector of Municipalities and the bylaws are not effective until that approval is granted. In addition, each year the improvement district's audited financial statements and the minutes of its annual general meeting are reviewed and filed with the Ministry.

Improvement districts have the power to finance their operations by assessing and collecting taxes and charges as well as, by borrowing. Improvement districts finance their operations and services through a combination of taxation and/or tolls (user fees).

Taxation in improvement districts is usually done on a parcel tax basis. Tax and toll collection dates can be at any time during the year. Improvement districts levy and collect their taxes and tolls directly from the landowners in their boundaries, except for fire protection and street lighting. In those cases, they have the ability to have the Provincial Surveyor of Taxes levy on their behalf.

As stated earlier in this report, there are three improvement districts within the boundaries of the CCRD: Hagensborg, Noosatsum and Ocean Falls. The Bella Coola Waterworks District was an improvement district until 1992 when the trustees resigned. At that time, the province approached the CCRD, and the regional district agreed to assume responsibility for water, fire and streetlights in the town site. Ocean Falls Improvement District has powers beyond water, fire and streetlights. Their Letters Patent as approved by the province also include provision for cemeteries and other services. Noosatsum Water District provides water (via wells) and fire services. And, finally, there is the Hagensborg Waterworks District which provides water and fire services.

Relationship between the CCRD and the Hagensborg Waterworks District

For this report, a review of the relevant files commencing in 2004, revealed the regional district (CCRD) has an ongoing relationship of supporting the Hagensborg Waterworks District (HWD), particularly through the application and administration of a number of successful infrastructure planning and/or study grants, for HDW water projects.

Correspondence prior to this time is filed in the basement and was not accessed for the purpose of this report.

Respectfully Submitted



Darla Blake
Chief Administrative Officer



ATTACHMENT TO CAO REPORT – SEPTEMBER 2015 BOARD MEETING

CENTRAL COAST REGIONAL DISTRICT

DATE: March 5, 2015
TO: Board Chair Reginald Moody and Board Members
FROM: Krista Ediger, Local Government Management Intern
SUBJECT: Investigation of Establishing of a Noise Bylaw

RECOMMENDATION

That Central Coast Regional District Board of Directors, in accordance with Policy A-25, hold an open public meetings with residents in all Electoral Areas to determine the general acceptance of the proposal of establishing a Noise Bylaw.

Or

That Central Coast Regional District Board of Directors, in accordance with Policy A-25, hold an open public meeting with residents in all Electoral Areas C, D and E (Bella Coola Valley) to determine the general acceptance of the proposal of establishing a Noise Bylaw.

Or

That Central Coast Regional District Board of Directors, determine that no further action be taken with establishing of the Noise Bylaw due to the administrative burden and cost associated with establishing such a bylaw.

And

The Central Coast Regional District Board of Directors, request Administration to further investigate the establishment of Municipal Ticketing Information (MTI) system and report back to the board with recommendations on establishing MTI.

Or

The Central Coast Regional District Board of Directors, determine Administration to further investigate the establishment of Bylaw Adjudication System/Bylaw Notice

Enforcement Ticket (BNE) system and report back to the board with recommendations on establishing Bylaw Adjudication System/BNE.

Or

That Central Coast Regional District Board of Directors, determine that no further action be taken with establishing investigating means of enforcement due to the administrative burden and cost associated with establishing ticketing system for such a bylaw.

STRATEGIC PLAN

Vision Statement

Our vision for the Central Coast Regional District is an inclusive, resilient and sustainable group of communities thriving within a locally influenced, safe, healthy and natural environment.

BACKGROUND

The previous Board at the 12 June 2014 Board meeting considered a request to investigate the establishment of a noise bylaw. The request came to the Board because Administration has received complaints from residents regarding noise in their community, continuing well into the night which prohibits normal sleep for resident in the area, over a significant time from (years).

The Board resolution from the 12 June 2014 Board Meeting was:

- (a) Request to investigate establishment of a noise bylaw

14-06-11

Directors McCullagh/Lande that the Central Coast Regional District Board of Directors requests the Chief Administrative Officer investigate the establishment of a Noise Bylaw and report back with recommendations to the Board at its July 10, 2014 meeting.

M/S

CARRIED

At this time, Central Coast Regional District (CCRD) has no such bylaw or bylaw enforcement offers to enforce any bylaw, even if the CCRD did have a noise control bylaw. However, administration has spoken with the Royal Canadian Mounted Police (RCMP) and has established that they would consider being part of the enforcement process.

Administration since the 12 June 2014 Board meeting, has investigated several other local governments and how they enforce noise violations. From the research there are two ticketing systems to manage violation. These systems are either using the Municipal Ticketing Information (MTI) or the Bylaw Notice Enforcement (BNE).

CONSULTATION

N/A – at this point in them there is not sufficient information to consult. Depending on the Board decision, consultation with the public may be needed.

LEGISLATION /POLICY

Local Government Act Division 3 [Enforcement of Regional District Bylaw]

Local Government Act s724

Community Charter Part 8 – Bylaw Enforcements & Related Matters Division 3 [Ticketing for Bylaw Offences] s264 - 273

*Local Government Bylaw Notice Enforcement Act
Offence Act*

BUDGET/FINANCIAL IMPLICATIONS

Within current approved budget:	N/A
Requires further budget consideration	Yes

RISK MANAGEMENT

Administration has evaluated potential risks with the proposal and assessed these as negligible with no requirements for controls.

DISCUSSION

Before proceeding any further it needs to be established if the regions wish to establish a new service area for noise enforcement through a bylaw. See attached Policy A-25 Establishment of new service areas.

If the Board wishes to proceed with establishing of a Noise Bylaw, it needs to be determined what type of ticketing system the CCRD will use to enforce the bylaw. There are two feasible options to enforce a Noise Control Bylaw. They are:

- 1) Municipal Ticket Information (MTI)
- 2) Bylaw Adjudication System/Bylaw Notice Enforcement Ticket (BNE)

Both the MTI and BNE allow for an Authorize Person set out in the Bylaw in accordance with the *Local Government Act* to issue a ticket. Legislation allows for the Royal Canadian Mounted Police (RCMP) to be named as an Authorized person.

Both systems remove the need to go through the court system to enforce bylaws. If the CCRD does not implement either MTI or BNE but establishes a Noise Bylaw, enforcement will be through the Provincial Court by long form and summary of conviction.

Cost that is associated implementing either MTI or BNE is an IT system. The IT system will be needed for ticketing processing.

Other general information that is needed to be considered for either system is if a staff member along with the RCMP will issue tickets. If this is the case a policy will need to be established. Consideration is needed to decide to include any other existing CCRD Bylaws that can be enforced through tickets, and include them in the ticketing bylaw.

Below is general information about MTI or BNE for consideration.

Municipal Ticketing Information (MTI)

In order for the CCRD to use MTI as a means of enforcing bylaws, a Ticketing Authorization Bylaw also known as a MTI Bylaw must be adopted. The MTI Bylaw will outline key elements on how it will work, identifies which offences are subject to MTI, who can issue the MTI for each offence, and what penalties may be imposed for each offence. A maximum for penalty cannot exceed \$1000 (would need to change the draft "Central Coast Regional District Noise Regulation and Prohibition Bylaw" from \$2000, to \$1000). Penalties are payable to the Regional District and the Regional District collects the revenue from the penalties. MTI must be served in person to the alleged offender. Authorized person does not need to witness violation, but need to have a witness who is willing to testify in court that violation did occur.

MTI issued must be sworn by Authorize Person, and be in complete and prescribed form. If not then the MTI can be considered invalid, and penalty cannot be enforced.

Penalties issued under MTI must be paid in full to the local government within 14 days of receiving the MTI. An incentive such as a reduce fee can be established in the bylaw if the alleged offender pays within the 14 days. A penalty fee for late payment can also be established in the bylaw.

If the alleged offender wishes to dispute MTI, they must do so within the first 14 days by notifying the local government. Further information on how to dispute ticket will be on back of ticket.

If no action is taken by the alleged offender the local government may submit a ticket to the court for consideration of justice, for a Payment Hearing. Court process can be lengthy, time consuming and costly, which leads to some local governments failing to forward the file to the court or withdraw a file from court.

Associated costs with using the MTI can include legal fees for disputes or taking offender to court for unpaid tickets (Payment Hearings). Payment Hearing fees may include, a \$21 fee for filing each certificate, \$50.00 fee for service of summons and \$30.00 fee for service of Commissioner for taking Affidavits. All fees associated with Payment Hearings can be added to claim against offender for cost recovery. There will also be a cost for the tickets, which are issued by the province.

Bylaw Dispute Adjudication/Bylaw Enforcement Notice (BNE) System

Bylaw Dispute Adjudication System allows for locally-based administration and adjudication of bylaw violation disputes. It avoids the need to hire legal counsel, and removes unnecessary attend of witnesses for dispute which helps promote timely resolution of bylaw enforcement disputes. Establishing a bylaw dispute adjudication system is a lengthy process, and a generous amount of time is needed to successfully implement this system.

Bylaw dispute adjudication system initial preparation is more extensive than MTI. The first initial steps that need to be taken by a local government to implement this system are:

- Need to determine if the dispute adjudication system will apply to one or more local governments. If so, determine which local government will be responsible for the day to day administration of the shared process and where the adjudication hearing will be held.
- Provide a Staff Report to Board recommending implementation of Bylaw Dispute Adjudication System
- Forward a copy of Board resolution indicating the intent to establish a Bylaw Dispute Adjudication System to Court Services Branch, Ministry of Attorney General
- Confirm the Bylaw Notice Enforcement Regulation (B.C. Reg. 175 (2004) has been or will be amended to apply the *Local Government Bylaw Notice Enforcement Act* to your local government
- Negotiate agreement between participating local governments, and enact necessary bylaws to enter into the agreement, if required

Bylaw Dispute Adjudication system is enforced by Bylaw Notice Enforcement (BNE) tickets. After the initial steps are completed a Bylaw Notice Enforcement Bylaw needs to be adopted. The BNE bylaw outlines which bylaws are enforced through this system, and the penalty for each offence. BNE bylaw also needs to address early payment discount, late payment surcharge, dispute fees and additional information to appear on ticket (other than what is required by legislation). Once a BNE bylaw is established, any offences outlined in it can only be enforced through this system

If one or more local governments are sharing an Adjudication system, it only applies to the administration process and the adjudication hearings. Each local government maintains independent bylaws, and tickets. For the CCRD, an agreement with another local government would be needed to implement the bylaw adjudication system. The Cariboo Regional District and the City of Williams Lake both use this system. An agreement with one of these local governments is recommended. If possible it would be more suitable to have one of them handle the day to day administration, and to hold adjudications rather than the CCRD. Discussion with these local governments still needs to take place.

The BNE ticket has two main features, a single "front-end" ticket process for initiating enforcement and locally managed "back-end" venue for non-judicial adjudication to hear ticket dispute. The BNE ticket informs the recipient of the alleged bylaw contravention, amount of penalty and how to pay the fine or dispute the allegation. The recipient then has a fix amount of time to action by either paying or disputing. The amount of time is set out by the local government but has to be at least 14 days after Bylaw Notice was received. If person neither pays nor disputes BNE in the allotted time, a late penalty can be applied and penalty will be due and owed to local government immediately. The maximum penalty of a BNE is \$500 (would need to change the draft "Central Coast Regional District Noise Regulation and Prohibition Bylaw" from \$2000, to \$500).

The local government has the option to establish the position of screening officer. The screening officer must be a current staff member and they will help reduce the number of disputes that go to adjudication. This position is optional through legislation, however it is highly recommended. If a person wishes to dispute alleged offence, the screening officer would have a meeting with them to discuss the allegation before it goes to the adjudication process. The screening officer after hearing from the alleged offender may cancel the BNE if they believe allegation didn't occur, if required information is missing from the notice, or any other reasons set out by local government. They also have the authority to enter into compliance agreements. A compliance agreement is where the alleged offender acknowledges contravention of bylaw, set out remedies or conditions on future behavior to be performed in designated time period, and reduces or waives fine at the end of that time period. It is important note that most local governments do not use compliance agreements with noise bylaws. If BNE is not canceled, a compliance agreement is not reached, or alleged offender does not pay the BNE then at this point it would go to the adjudicator system. A screening officer may not be a feasible option for the CCRD.

If alleged offender wishes to dispute BNE and no screening officer is used by the local government, the offender must fill out the back side of the BNE ticket and return it to the local government within 14 days after receiving the notice. Administration will schedule date and time of adjudication, and provide the disputant with at least 14 days written notice of the time, date and location of hearing. The disputant must tell local government if they plan to appear at adjudication hearing in person, by writing, telephone or other electronic means. The adjudication process strictly confirms or cancels the BNE. If adjudication confirms the BNE, a dispute fee of \$25 can be applied to help recover portion of the cost.

Adjudicator who presides over adjudication is selected on a rotational base, and is managed by an outside organization. Local government who's in charge of scheduling must contact organization for an adjudicator.

Costs associated with implementing the bylaw adjudication system is: staff time to draft report to for the Board; drafting of bylaws; and contacting and creating an agreement with another local government.

Ongoing costs will include cost sharing of administration and adjudication fees with other local government. Adjudication fees are based off type of hearing that was requested. These fees are: for a hearing in person it is \$19.44 per each, hearing in writing it is \$12.50 per each, and hearing by telephone is \$16.66 per each. Cancellation fee for adjudication is \$175, if less than 48 hours' notice is not given.

If an agreement is not reached with another local government, the CCRD will have additional costs for an adjudicator. Legislation states that if the adjudicator needs to travel more than 32 km from their place of employment, travel and expense must be covered by the local government.

CONCLUSION

Complaints have been received with respect to noise issues in the valley; currently the CCRD does not have a bylaw and means to enforce a bylaw to cover noise control. The Board needs to decide if the region wishes to establish a new service area for noise enforcement through a bylaw and the means in which to enforce it.

Administration will therefore be recommending the Board of Directors either with accordance with Policy A-25, hold an open public meetings with residents in all electoral areas to determine the general acceptance of the proposal of a Noise Bylaw.

Or

That in accordance with Policy A-25 holds an open public meeting with residents in electoral areas C, D, & E (Bella Coola Valley) to determine the general acceptance of the proposal of a Noise Bylaw

Or

No further action be taken associated with establishing of the Noise bylaw due to administrative burden and cost associated

And

The Central Coast Regional District Board of Directors, request Administration to further investigate the establishment of Municipal Ticketing Information (MTI) system and report back to the board with recommendations on establishing MTI.

Or

The Central Coast Regional District Board of Directors, determine Administration to further investigate the establishment of Bylaw Adjudication System/Bylaw Notice Enforcement Ticket (BNE) system and report back to the board with recommendations on establishing Bylaw Adjudication System/BNE.

Or

That Central Coast Regional District Board of Directors, determine that no further action be taken with establishing investigating means of enforcement due to the administrative burden and cost associated with establishing ticketing system for such a bylaw.

Respectfully submitted

Krista Ediger

Local Government Management Intern

CENTRAL COAST REGIONAL DISTRICT
POLICIES

A-25 – Establishment of New Service Areas

Preamble: It is desirable to have a process for consideration of the establishment of new service areas within the regional district that is consistent with the provisions of the *Local Government Act*.

Policy:

1. The Director of the Electoral Area involved, along with Administrative Staff, should hold an open public meeting with residents within the proposed local area requesting a service or with a proponent group representing residents, to outline the procedure and determine the general acceptance of the proposal.
2. If a proposal is deemed to be generally feasible, the boundaries of the proposed local service area must be clearly established and a map of the proposed local service area is prepared.
3. If there is some question as to the feasibility of a proposal, a feasibility study, engaging consultants, may be necessary. The consideration of such a study is taken by the Director to the Board of Directors.
4. An assessment applicable to the proposed local service area is compiled.
5. It must be established whether to tax the proposed service on the basis of:
 - a) land only;
 - b) improvements only;
 - c) land and improvements.
6. A budget is prepared to determine the capital debt requirement, as well as operational and maintenance costs applicable to the proposed service.
7. Once the method of taxation has been determined and a budget has been prepared, the requisition rate (dollars for \$1,000 of assessed value) for the proposed service is established.
8. With the establishment of the requisition rate, an informational presentation is prepared, showing examples of what the cost to taxpayers would be on:
 - a) a residential property;
 - b) a business property;
 as well as any other information pertinent to the service.

CENTRAL COAST REGIONAL DISTRICT
POLICIES

A-25 – Establishment of New Service Areas – continued – page 2

9. Once the information presentation materials are prepared, or the results of a feasibility study known, another public information meeting is held to discuss all available information. The tone of the meeting should enable the Director, in consultation with administrative staff, to decide whether it would be in the best interests of both the people within the local area and the Central Coast Regional District to recommend to the Board of Directors to proceed with establishment of the proposed service.

Date Adopted: October 13, 2011



CENTRAL COAST REGIONAL DISTRICT

DATE: 03 September 2015

TO: Board Chair Reginald Moody and Board Members

FROM: Chief Administrative Officer, Darla Blake

SUBJECT: **MIABC Voting Delegate**

RECOMMENDATION

THAT Central Coast Regional District Board of Directors hereby appoints Vice Chair Alison Sayers as the Municipal Insurance Association of BC (MIABC) Voting Delegate; and Chair Reg Moody-Humchitt as the Alternate; and,

THAT Administration provides MIABC with the names and email addresses for the director(s) appointed as voting delegate and alternate, no later than Friday 11th September 2015.

BACKGROUND

Chief Administrative Officer, Darla Blake received an email from Municipal Insurance Association of BC, requesting confirmation of voting delegates for the 28th Annual General Meeting of the Subscribers of the Municipal Insurance Association of British Columbia is scheduled to take place at 3 PM on Tuesday, September 22nd at the Mackenzie Room, Fairmont Waterfront Hotel, Vancouver. The MIABC will be hosting a reception following the AGM in the Waterfront Ballroom, Fairmont Waterfront Hotel, Vancouver, until 6pm.

At the AGM there will be three special resolutions to clarify and expand the coverage of the property policy, Termination Clause, General Insurance Agreement and Miscellaneous Property.

This year five Director-at Large positions are up for election for a three year term. Interested candidates should contact Director Deb Kozak Chair of the Nominating Committee, c/o the MIABC office.

In accordance with Article 6.13 of the Reciprocal Agreement, the following CCRD director's names are recorded as a Delegate and Alternate registered with the MIABC to vote CCRD interests: Voting delegate: Chair Reginald Moody-Humchitt and Alternate #1: Catherine McCullagh.

Any change to this information requires a resolution of the Board to be forwarded to the MIABC by September 11th, 2015, along with an e-mail address for the delegate and alternates.



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CONSULTATION

N/A

BUDGET/FINANCIAL IMPLICATIONS

Within current approved budget:	N/A
Requires further budget consideration	N/A

RISK MANAGEMENT

Administration has evaluated potential risks with the proposal and assessed these as negligible with no requirements for controls.

DISCUSSION

CAO Darla Blake advised MIABC that the currently listed voting delegate and alternate are not attending UBCM this year, following the Board decision to send Vice Chair Director Alison Sayers.

MIABC advised, a Board decision is required for any change to the voting delegate names listed. The change to delegate going to the MIABC Annual General Meeting will therefore require a resolution of the Board, appointing a Vice Chair Alison Sayers as the new voting delegate and an alternate needs to also be appointed.

CONCLUSION

MIABC are seeking confirmation of voting delegates attending the 28th Annual General Meeting of the Subscribers of the Municipal Insurance Association of British Columbia. The CCRD directors named as delegates are not attending the UBCM conference this year for CCRD, therefore MIABC need to be informed of the Board approved voting delegate.

It is recommended that the Board of Directors hereby appoints Vice Chair Alison Sayers as the MIABC Voting Delegate and Chair Reg Moody-Humchitt as Alternate and that Administration provide MIABC with the names and email addresses for the director(s) appointed as voting delegate and alternate, no later than Friday 11th September 2015.

Respectfully submitted



Darla Blake
Chief Administrative Officer



CENTRAL COAST REGIONAL DISTRICT

DATE: 3 September 2015

TO: Board Chair Reginald Moody and Board Members

FROM: Chief Administrative Officer, Darla Blake

SUBJECT: **Hagensborg Waterworks District - IPGP Application for an Asset Management Plan**

RECOMMENDATION

THAT, the CCRD supports the application by the Hagensborg Waterworks District (HWD) for an Infrastructure Planning Grant to complete an Asset Management Plan, and further CCRD agrees to apply on behalf of the HWD to the Ministry of Community Sport and Cultural Development for the said Infrastructure Planning Grant funding.

STRATEGIC PLAN

The CCRD Integrated Strategic Plan 2015 – 2019 identifies one of its mandated services as attempting to influence, through advocacy, federal and/or provincial governments for the benefit of central coast residents.

Goal 3 – An Enhanced and Strengthened Region

Objective and Strategy:

- 3.3.2 Continually strengthen intergovernmental relationships
- 3.3.3 To collaborate with community-based organizations for mutual benefit

BACKGROUND

The purpose of this report is to provide information to the CCRD board of directors, for decision making, on whether to support and apply on behalf of the Hagensborg Waterworks District (HWD) for an Infrastructure Planning Grant application so they can complete an Asset Management Plan.

The purpose of Infrastructure Planning Grants is to assist local governments to develop sustainable infrastructure that will improve public health and safety, protect the natural environment and strengthen local and regional economies.

The CCRD have supported Infrastructure Planning Grant applications from the Hagensborg Waterworks District in the past, with the latest approval being in February 2013 where the board resolved:

Board Meeting
 SEP 10 2015
 CCRD ITEM C(6)

“13-02-04....that the CCRD supports the application by the Hagensborg Waterworks District to the Ministry of Community and Rural Development for an Infrastructure Planning Grant to undertake a Multi-source Feasibility Study.”

CONSULTATION

This would not be applicable for CCRD to undertake any consultation on this issue.

BUDGET/FINANCIAL IMPLICATIONS

Within current approved budget:	No
Requires further budget consideration	Yes

RISK MANAGEMENT

Administration has evaluated potential risks with the proposal and assessed these as negligible with no requirements for controls.

The identified negligible risks to CCRD are the potential for more than expected cost associated with any time and resources required to support and administer the Hagensborg Waterworks District application and the grant processes.

The biggest risk to Hagensborg Waterworks District is if they do not meet all the requirements for the funding and reporting this will result in the Province not paying out on the grant application – therefore HWD bearing all cost of completing their Asset Management Plan.

DISCUSSION

The CCRD board of directors is being asked to support an application from the Hagensborg Waterworks District for Infrastructure Planning Grant for Asset Management Plan funding, and to apply on behalf of HWD, to the Ministry of Community Sport and Cultural Development.

The Infrastructure Planning Grant Program is only available to municipalities or regional districts, not improvement districts (even though they are a local government). The regional district can submit an application on behalf of an improvement district, along with the decision of the regional district board supporting the project.

In accordance with our CCRD Integrated Strategic Plan 2015-2019 as part of our identified mandate services, CCRD has stated they will attempt to influence, through advocacy, federal and/or provincial governments for the benefit of central coast residents.

Goal 3 of the CCRD Integrated Strategic Plan 2015-2019 states we want to have an enhanced and strengthened region. CCRD believes this can be achieved through continually strengthening our intergovernmental relationships and collaborating with community-based organizations for mutual benefit. In this instance, it would be collaborating with another local government for the benefit of our residents residing in the Hagensborg Waterworks District.

Should the province approve the grant application, CCRD Administration must take on the responsibility for ensuring the reporting requirements are met prior to any claim for the funding goes to the Province – this is because the application is actually a CCRD application (on behalf). As such, there will be a cost to the region through administration time and resources, which will need to be absorbed through the Administration budget.

CONCLUSION

The Hagensborg Waterworks District is requesting the CCRD Board of Directors support and applies on behalf of the improvement district to the Ministry of Community Sport and Cultural Development for an Infrastructure Planning Grant, to complete an Asset Management Plan.

Under the funding program, an improvement district must have the support of the regional district who applies on behalf of the improvement district for the grant funding.

In accordance with our CCRD Integrated Strategic Plan (ISP) 2015-2019, the request by the HWD falls within the parameters of the identified mandate services to influence, through advocacy, and reflected in Goal 3 of the ISP, with respect to strengthening intergovernmental relationships and collaborating for the benefit of our residents.

Administration would therefore recommend that the CCRD supports the application by the Hagensborg Waterworks District (HWD) for an Infrastructure Planning Grant to complete an Asset Management Plan, and further CCRD agrees to apply on behalf of the HWD to the Ministry of Community Sport and Cultural Development for the said Infrastructure Planning Grant funding.

Respectfully submitted

Darla Blake
Chief Administrative Officer

RECEIVED

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SEP 03 2015



HAGENSBOURG WATERWORKS DISTRICT,

Box 25, Hagensborg, B.C. V0T 1H0 Ph: 250 982 2777 Email: admin@hwwdistrict.ca

Central Coast Regional District

CCRD Board of Directors
Box 185,
Bella Coola, B.C.
V0T 1C0

September 3, 2015

Enclosed please find our application for funding under the Infrastructure Planning Grant Program, together with the supporting documents to complete an Asset Management Plan.

Note that the following motions were made at a meeting of the Trustees on July 30, 2015:

MOTION by Trustee Dunsworth and seconded by Trustee Bryfogle, to apply for the grant to fund the Asset Management Plan through CCRD as soon as possible. Carried unanimously.

MOTION by Trustee Mikkelson, and seconded by Trustee Dunsworth to approve the budget as outlined, subject to grant funding availability. Carried unanimously.

Thank you for your attention to this matter. Please call or email if you have any questions or require any further information.

Regards,

A handwritten signature in black ink that reads "Rosemary Smart".

Rosemary Smart, CAO

CC: Chris Matthews, HWD Chair
Ken Dunsworth, HWD Vice Chair

Board Meeting

SEP 10 2015

CCRD ITEM _____



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

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

		For Administrative Use Only	
A. Applicant Information			
Legal Name of Applicant: Hagensborg Waterworks District			
Address: P.O. Box 25			
Town/City: Hagensborg, B.C.		Postal Code: V0T 1H0	
Phone No: 250-982-2777	Fax No:-	Email Address: admin@hwwdistrict.ca	
Primary Contact Name: Rosemary Smart			
Title of Primary Contact: Corporate Administrative Officer			

B. Project Description

Project Title: Asset Management Plan
<p>Brief Project Description (less than 200 words):</p> <p>For some years the Trustees have recognized the need for better long term planning to secure sustainability through sound financial management, which will in turn guide the establishment of fair tolls, taxes and fees. A fairly comprehensive long term financial plan was developed in 2011, with some very real projections (gap analysis) if the financial picture doesn't change. The next step is a comprehensive Asset Management Plan (AMP).</p> <p>Much of the District's infrastructure is at or nearing the end of its expected useful life. Most of the fire departments equipment is visible & determining the condition of it relatively simple. Determining the condition of pipes, buried under 6 feet of dirt for 50 years in an accurate, cost efficient method will be challenging.</p> <p>The initial step will be to compile, as accurately as possible, the asset inventory of the district, the age and expected usable life of the asset, and the projected cost to replace it, providing a building block in long term financial planning, Infrastructure planning, and Capital Budgets. This will not only translate into fair and reasonable rates to the tax base but will provide foundational documentation for grant applications, demonstrating sustainability.</p>

C. Project Information

<p>1. What are the main objectives of the project?</p> <p>This Asset Management Plan will be a holistic document, serving both as a strategic, and a tactical guide. The Plan will ensure that the management of the District's infrastructure follows sound management practices in a way the community can afford, together with the vision and principles mandated by the community. The AMP will accommodate government standards and regulations.</p> <p>The AMP will address the seven key questions of asset management as outlined within the National</p>
--



Guide for Sustainable Municipal Infrastructure: What does the District own and where is it? (Inventory); What is it worth? (valuation / replacement cost); What is its condition / remaining service life? (function & performance); What needs to be done? (maintenance, rehab, replace / capital & operating Plans); When do you need to do it? (risk analysis / capital and operating Plans); How much will it cost? and How do you ensure sustainability? (short- and long-term financial plan)

2. What is the estimated total cost of the project?
Total Estimated cost \$11,000

3. What is the estimated completion date of the project?
Five months from start date - Start date guided by funding

4. If multiple applications are being submitted, this project is ranked as priority _____ out of _____ applications.

5. The project will be completed by:
 Local government staff Consultant Other (please specify): Volunteers re community engagement & data

6. a) Will the project enhance environmental protection? Yes No
 b) If yes, describe: Establishing a guide for asset replacement and maintenance will reduce waste of assets (replacing before they needed) through planning, monitoring and regular maintenance

7. a) Will the project improve public health and safety? Yes No
 b) If yes, describe:

8. a) Does the project support any community sustainability goals? Yes No
 b) If yes, describe: The community has been devastated with economic downturns dating back to the 1990s, resulting in out-migration of high paying jobs leaving an aging tax base on fixed income. Delivery of critical services in an affordable manner, with sound financial planning will help establish fair and reasonable rates ensuring sustainability.

9. a) Does the project support the development or implementation of any long-term plans? e.g. Regional Growth Strategy, Liquid Waste Management Plan Yes No
 b) If yes, describe: At a strategic level the Asset Management Plan will identify trends and issues the community faces when dealing with infrastructure and services on a sustainable basis, for today and for future generations. At a tactical level the Plan will develop an implementation process to be applied to the needs, identification, and prioritization of renewal, rehabilitation and maintenance activities, producing a 10 year plan, including growth projections, to ensure the best overall health and performance of the IDs infrastructure, ensuring no asset is replaced while it still has useful life. This tactical process will in turn influence and direct the District's short term (3 – 5 year) infrastructure program

10. a) Does the project use any innovative technologies or approaches? Yes No
 b) If yes, describe:

11. a) Will the project be developed in partnership with any organizations? Yes No



b) If yes, list the partners and describe their role in this project:

12. a) Will (has) this project receive(d) any funding or in-kind contributions from a third party? Yes No

b) If yes, list the parties and describe the contributions:

13. a) Will there be any public consultation and/or participation? Yes No

b) If yes, describe: : It is best practice to include public engagement processes to assist in setting levels of service. As infrastructure costs increase dramatically in the future, it is essential that the public not only be consulted but also be educated and ultimately make choices with respect to the service levels that they wish to pay for. It all comes down to public expectations, which should be realistic and ultimately be tied to a level of service and a cost. The committee will conduct at least one round table discussion with business leaders in the community. Additionally, information bulletins will be posted on the district's website with short survey's to determine community priorities.

14. a) What is the population of the community? 430

b) What is the estimated population that will be served by this project? 430

15. This application should be submitted with any supporting documentation that may help with the assessment process (e.g. terms of reference, consultant's proposal, letters of support). If applicable, please list the supporting documentation that will be submitted with the application.

Cover letter incl. Motions to create an Asset Management Plan & Budget

Terms of Reference

CityWide Proposal

16. Does the Ministry have permission to share the information contained in this application with the Federation of Canadian Municipalities' Green Municipal Fund?
 Yes No

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

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

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



To complete the application process applicants must complete, print, sign and mail this Certification Form to the Ministry of Community, Sport and Cultural Development. This form is designed to be filled in electronically using word processing software. A separate Certification Form must be submitted for each project.

Applicants should be aware that information collected is subject to provincial freedom of information legislation.

For Administrative Use Only

Applicant Certification

Legal Name of Applicant: Hagensborg Waterworks District	
Project Title: Asset Management Plan	
Date Application Form was submitted: September 03, 2015	
<i>I certify that the information contained in the Application Form for the above noted project is to the best of my knowledge, correct and complete and has been submitted with council/board concurrence.</i>	
Project Manager Signature: (e.g. Engineer, Planner)	
	Date: Sept 03, 2015
Print Name: Chris Matthews	Title: Chair
Financial Officer Signature: (as per S 149 Community Charter)	
	Date: Sept 03, 2015
Print Name: Rosemary Smart	Title: CFO

Please email the signed Certification Form in portable document format (PDF) to: Infra@gov.bc.ca

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

If you have any questions, please contact by Phone: 250 387-4060 Fax: 250 387-7972 or Email: Infra@gov.bc.ca

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9/3/15
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(chris.matthews034@gmail.com)
IP: 154.20.140.117



9/3/15
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Viewed by Chris Matthews (chris.matthews034@gmail.com)
IP: 207.228.78.173



9/3/15
14:34:12 UTC

Signed by Chris Matthews (chris.matthews034@gmail.com)
IP: 207.228.78.173



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The document has been completed.

HAGENSBORG WATERWORKS DISTRICT

Asset Management

Terms of Reference

Rosemary Smart, CAO/CFO
Wes Abel, Bookkeeper

7-30-2015



BACKGROUND

Hagensborg Waterworks and Fire Protection District, an Improvement District (ID) in the province of BC, owns \$2.3M worth of infrastructure providing two key services to the community of Hagensborg.

1. Delivery of water to the communities homes, businesses, farms and gardens
2. Water to the hydrant for the fire department, as well as the equipment to provide fire protection to the same homes, businesses and farms.

The community's prosperity, economic development, competitiveness, image, and the individual members overall quality of life are inherently tied to the performance of its infrastructure.

For some years the Trustees have recognized the need for better long term planning to secure sustainability through sound financial management, which will in turn guide the establishment of fair tolls, taxes and fees. A fairly comprehensive long term financial plan was developed in 2011, with some very real projections (gap analysis) if the financial picture doesn't change. The next step is a comprehensive Asset Management Plan (AMP).

The AMP will provide a building block in long term financial planning, Infrastructure planning, and Capital Budgets. The AMP will influence Bylaws and rates as well as standards and policies. Regulations must and will be recognized and accommodated.

OBJECTIVES

This Asset Management Plan will be a holistic document, serving both as a strategic, and a tactical guide. The Plan will ensure that the management of the District's infrastructure follows sound management practices in a way the community can afford, together with the vision and principles mandated by the community. The AMP must also be able to accommodate government standards and regulations.

At a strategic level the AMP will identify trends and issues the community faces when dealing with infrastructure and services on a sustainable basis, for today and for future generations.

At a tactical level the Plan will develop an implementation process to be applied to the needs identification and prioritization of renewal, rehabilitation and maintenance activities, producing a 10 year plan, including growth projections, to ensure the best overall health and performance of the IDs infrastructure, ensuring no asset is replaced while it still has useful life.

This tactical process will in turn influence and direct the District's short term (3 – 5 year) infrastructure program.

The AMP will be based on the seven key questions of asset management as outlined within the [National Guide for Sustainable Municipal Infrastructure](#):

- What does the District own and where is it? (Inventory)
- What is it worth? (valuation / replacement cost)
- What is its condition / remaining service life? (function & performance)
- What needs to be done? (maintenance, rehab, replace / capital & operating Plans)
- When do you need to do it? (risk analysis / capital and operating Plans)
- How much will it cost? (short/long-term financial plan)
- How do you ensure sustainability? (short- and long-term financial plan)

ISSUES

Much of the District’s infrastructure is at or nearing the end of its expected useful life. Most of the fire departments equipment is visible and determining the condition of it relatively simple. Determining the condition of assets buried under 6 feet of dirt for 50 years in a cost efficient, and accurate method will be challenging.

Determining the age of assets will require mining financial information over the 50 years that the Improvement District has existed. Determining the age and value alone is not enough, however.

The AMP will establish a reasonable rate of savings for replacement over the expected life time of the existing assets. This rate must be applicable to any new assets added.

METHODOLOGY

Inventory Data: Infrastructure inventory data sources will be obtained to the highest level of detail available. Sources could include:

- The Districts financial accounting records
- The recall of current and former Trustees, the Fire Chief, the Maintenance and Emergency Response contractors
- Engineers reports, schematics, drawings and plans.

Key inventory data such as asset type, install date, physical description, location, replacement cost, and expected useful life will be loaded into a suite of software products, possibly from CityWide (see Asset Management Team, Software – below).

Deterioration Models: Research will determine current trends in deterioration analysis and appropriate models will be elected. Information will be compiled from industry publications and manuals and designated best practice applications. Ultimately high level deterioration models will be produced for each asset group.

Financial Data: Financial information will be obtained from the improvement district financial records. Key information will include current spending on capital and maintenance for each department (Waterworks/Fire Department), capital and operations budgets, and the cost of high level field activities and works (maintenance, rehabilitation, replacement). All information will be loaded into the software showing actual investment requirements versus current spending levels for each asset group.

Asset Rating and Criteria: To rate the overall health of each asset category a combination of available information and staff expertise will be used. Key information will include asset condition data, growth projections, and inspection/maintenance reports. Each asset category will be rated using 3 primary categories:

- Condition and Performance
- Capacity versus Need
- Funding versus Need

Condition and Performance: What is the condition of the asset today and how well does it perform its function. A possible guideline may be:

- A = Excellent: No noticeable defects. Some wear may be visible.
- B = Good: Only minor deterioration is evident.

- C = Fair: Some deterioration evident, function not significantly affected.
- D = Poor: Serious deterioration. Function is inadequate.
- F = Failed: No longer functional. General or complete failure.

Capacity versus Need: What was the design capacity of the asset versus the needed capacity today to meet current demand? A suggested guideline may be:

- A = Systems that can support > 100% of demand
- B = Systems that can support 90 - 99% of demand
- C = Systems that can support 80 - 89% of demand
- D = Systems that can support 70 - 79% of demand
- F = Systems that can support less than 70% of demand

Public Engagement and Levels of Service: It is best practice to include public engagement processes to assist in setting levels of service. As infrastructure costs increase dramatically in the future, it is essential that the public not only be consulted but also be educated and ultimately make choices with respect to the service levels that they wish to pay for. It all comes down to public expectations, which should be realistic and ultimately be tied to a level of service and a cost.

ASSET MANAGEMENT TEAM, BOOTS ON THE GROUND AND TOOLS

An AMP is a living document. Creating it is only the beginning. In order to ensure the Plan is useful and easy to keep current it is critical that simple, easy to use software is brought into the Plan.

Project Coordinator: Rosemary Smart, CAO will take the lead in the project.

Team:

- Charles Bryfogle, trustee, will provide board oversight and volunteer where needed for interviewing, tracking, reports, and research.
- Wes Abel, book keeper will provide all data available from the district's financial records
- Volunteers including current & former Trustees and others to be identified

Software: The District's current book keeping system is Quick Books Premier Editions 2014

The CAO has identified City Wide Software Solutions as a possible supplier of the suite of software for the management and financial planning.

Note: Should City Wide's proposal be approved, the plan will be built and developed hand in hand with a data load of IDs infrastructure information into software program. The software will ultimately contain the IDs asset base, valuation information, life cycle activity predictions, costs for activities, sustainability analysis, project prioritization parameters, key performance indicators and targets, a 10 year asset management strategy, and the financial plan to deliver the infrastructure budget.

The software and plan will be synchronized and evolve together, allowing for ease of updates, modeling, scenario building, and annual reporting of performance measures and results. This will allow for continuous improvement of the plan and its projections.

On a go forward basis the data and analysis that has been loaded within the applications can be downloaded into Excel/Spreadsheet format such that the district can manage their AMP on an annual or biannual basis if they so desire. An opportunity will be provided to the ID to view the features and functionality of the software's fully integrated applications (i.e. Tangible Assets, Capital Planning & Analysis, GIS and Works).

- does the maintenance contractor perform work as they patrol, or log work for future follow up?
- what types of activities are included?
- is an analysis of available options for asset maintenance used? If so, how? (ie: Who does the maintenance on the fire truck and how are they chosen?)
- Are the life cycle costs of these options compared as part of the analysis? If so, how? (ie: Using services from X to maintain the fire truck will ensure annual certification, using the cheaper services from Y may mean questions around certification)
- Are relevant direct and indirect costs and benefits of options included in the options analysis?
- Do we have preventative maintenance programs? If so, what types of activities are included?
- Do we have capital rehabilitation programs in place? If so, what types of activities are included?
- What types of activities are used for capital asset replacement or renewal? (ie: repair when broken or upgrade/service before breaking)
- Do we have a project prioritization methodology in place?
- Do we have a risk management model in place to assist with project prioritization?
- Do we explore project coordination possibilities (ie: ensuring water service during maintenance work)?
- Do we have a plan and project listing in place for future growth requirements? (ie: subdivision development such as happened on Phoenix Road, expanded fire hall to hold two trucks)
- Are opportunities for collaboration and partnerships with other local governments explored?
- Is alternative financing and procurement possible?
- Describe how our procurement methods ensure the most efficient allocation of resources.
- Give an overview of the risks associated with our strategy and any actions that will be taken in response. Examples of risk include:
 - Legislative requirements
 - Remaining life of assets
 - Improvement district image
 - Cultural or historical significance
 - Environmental impacts
 - Safety
 - Impact on development
 - Aging population on fixed income
 - Changing demographic

Phase 4 – Developing a Financial Strategy

In order to demonstrate that all financial opportunities and strategies have been considered in developing the financing strategy we will need to:

- Demonstrate that we have integrated the strategy results with our financial plan. Quantify in terms of replacement costs and incorporate into our long term budgets.
- Demonstrate that we have considered all available infrastructure financing tools including:
 - Tax revenue, user fees, reserves, debt, development charges, reallocated resources
 - Grants
 - Others: partnerships, procurement methods
- Develop a financial forecast that includes:
 - best practice is to model entire lifecycle (50+ years) but minimum requirement is 10 years

CityWide states, "In most cases the need for multiple software vendors and software modules, as well as the associated annual costs for maintenance and support can be eliminated. Cost savings such as efficiency gains and error reduction can be applied towards the capital costs associated with the acquisition and annual licensing of the CityWide applications."

The biggest challenge in working with CityWide is ensuring the AMP is simple, clear, easily updatable, and affordable over the long term.

WORK PLAN

Kick-off Meeting

- Introduce team members, and software team
- Assign roles and responsibilities
- Review implementation process and supporting documents
- Identify milestones and resource requirements

Phase 1 – Collecting the Data

- Compile inventory for each department
- Identify as closely as possible the original cost, the length of expected useful life, and maintenance demands
- Identify expected replacement cost of asset and if necessary, installment of asset
- Identify the current condition of the assets (1 – 10 rating or good/fair/poor, etc) consistent with provincial and industry requirements
- Compile assumptions

Phase 2 – Determining Performance Analysis

- Define levels of services through performance measures, targets and timeframes to achieve targets if they are not already being achieved (ie: sufficient fire flow, domestic water pressure, clear water)
- Identify external trends or issues that may affect expected levels of service or the ID's ability to meet them (ie: purification, primary fire truck replacement).
- Show current performance relative to targets (ie: clear water delivered XX% of the time, adequate fire flow in XX% of the system).
- Support by documentation of which performance measures are associated with which assets, current performance and expected performance over the planning period as well as all assumptions.
- Identify how the community's goals rely on infrastructure.
- Determine levels of service for individual assets are clearly defined through performance measures and targets.

Phase 3 - Develop the Implementation Strategy (the Action)

The strategy is the set of planned actions that will enable the assets to provide the desired levels of service in a sustainable way, while managing risk, at the lowest cost. This section of the AMP summarizes planned actions by answering the following questions for each asset category:

- Do we have a planned asset maintenance program? If so,

- 2 years of actual history that includes non-infrastructure solutions (ie: contracting maintenance) renewal, rehabilitation, replacement, disposal, necessary growth, revenues, funding, financing
- clear documentation of key assumptions: asset life factors, basis of replacement cost, growth projections, revenue/financing parameters
- Document significant alternative scenarios that were considered when developing our AMP.
- Include a plan for managing the impacts of any resulting funding shortfalls that may happen including annual shortfall during phase-in to full funding and the cumulative shortfall once annual requirements met
- Demonstrate revising service levels has been considered and all asset management and financial strategies have been considered. For example a zero debt policy may be challenged, user fees will be expected to reflect the cost of service.

PROJECT SCHEDULE	Month 1	Month 2	Month 3	Month 4	Month 5
Kickoff Meeting					
Phase 1 - Collecting the Data					
Phase 2 - Performance Analysis					
Phase 3 - Implementation Strategy					
Phase 4 - Financial Strategy					

Budget: Preliminary budget approved to a maximum of \$9,500 t \$11,500 not including annual costs.

Description of Work	Price (\$)
Phase 1 – Develop the State of Infrastructure Report	\$3,500.00
Phase 2 – Desired Level of Service	\$1,800.00
Phase 3 – Asset Management Strategy	\$3,200.00
Phase 4 – Financial Strategy	\$2,500.00
Project Cost	\$11,000.00
Annual Software Costs	\$1,000.00

Annual Assessment of Performance

The plan will be built and developed hand in hand with a data load of IDs infrastructure information into CityWide's patented software. The software will ultimately contain the IDs asset base, valuation information, life cycle activity predictions, costs for activities, sustainability analysis, project prioritization parameters, key performance indicators and targets, a 10 year asset management strategy, and the financial plan to deliver the infrastructure budget.

The software and plan will be synchronized, will evolve together, and therefore will allow for ease of updates, modeling and scenario building, and annual reporting of performance measures and results. This will allow for continuous improvement of the plan and its projections.

On a go forward basis the data and analysis that has been loaded within the applications can be downloaded into Excel/Spreadsheet format such that the community can manage their AM Plan on an annual basis if they so desire. An opportunity will be provided to the ID to view the features and functionality of the software's fully integrated applications (i.e. Tangible Assets, Capital Planning & Analysis, GIS and Works). In most cases the need for multiple software vendors and software modules, as well as the associated annual costs for maintenance and support can be eliminated. Cost savings such as efficiency gains and error reduction can be applied towards the capital costs associated with the acquisition of the CityWide applications.

PHASE 1 – DEVELOP THE STATE OF THE INFRASTRUCTURE REPORT (SOTI)

Objective

To identify, through an infrastructure life cycle analysis, the current state of the improvement district's infrastructure and the projected state if current funding levels and management practices remain status quo.

The approach was based on key industry "State of the Infrastructure documents":

- Canadian Infrastructure Report Card
- City of Hamilton's State of the Infrastructure reports.

The above reports and many others were based on principles within key industry best practices such as:

- The National Guide for Sustainable Municipal Infrastructure (Canada)
- The International Infrastructure Management Manual (Australia / New Zealand)
- American Society of Civil Engineering Manuals (U.S.A)

The report will be based on the seven key questions of asset management as outlined within the National Guide for Sustainable Municipal Infrastructure:

- What do you own and where is it? (Inventory)
- What is it worth? (valuation / replacement cost)
- What is its condition / remaining service life? (function & performance)
- What needs to be done? (maintenance, rehab, replace / capital & operating Plans)
- When do you need to do it? (risk analysis / capital and operating Plans)
- How much will it cost? (short/long-term financial plan)
- How do you ensure sustainability? (short- and long-term financial plan)

Inventory Data

Infrastructure inventory data sources will be obtained from the Improvement District to the highest level of detail available. Sources could include: PSAB (Public Sector Accounting Board's) asset registry, asset management systems / databases, GIS (Geographic Information System), access or excel files, schematics, engineering drawings and plans. Key inventory data such as asset type, install date, class, physical description, location, replacement cost, and expected useful life will be loaded into the suite of software products.

PROJECT APPROACH

Importance of Infrastructure

Improvement Districts throughout B.C., large and small, own a diverse portfolio of infrastructure assets that in turn provide a diverse number of services to their citizens. The infrastructure, in essence, is a conduit for the various public services the Improvement Districts provides:

- The water pipes supply a clean drinking water service
- Firefighting equipment to provide an added level of safety
- Street lights to enhance community living
- Garbage trucks to remove household waste to a safe location for disposal

A community's prosperity, economic development, competitiveness, image, and overall quality of life are inherently tied to the performance of its infrastructure.

The Asset Management Plan

An asset management plan (AM Plan) will be a key component of an Improvement Districts tool chest providing sustainability through sound financial planning. The AM Plan will provide a building block in Long Term Financial Planning, Infrastructure planning, and Capital Budgets. The AM Plan will influence Bylaws, standards and policies. Regulations will be recognized and accommodated.

Purpose of the Asset Management Plan

This Asset Management Plan will serve as both a strategic document and a tactical document, ensuring the management of the Improvement District's (IDs) infrastructure follows sound asset management practices and principles.

At a strategic level, within the *State of the Infrastructure* section, the AM Plan will identify trends and issues the community will face when dealing with infrastructure and services on a sustainable basis, for today and for future generations.

At a tactical level, within the *Asset Management Strategy / Tactical Framework* section, the Plan will develop an implementation process to be applied to the needs identification and prioritization of renewal, rehabilitation and maintenance activities, producing a 10 year plan, including growth projections, to ensure the best overall health and performance of the IDs infrastructure.

This tactical process will in turn influence and direct the short term (3 – 5 year) infrastructure program of the ID.

The implementation of the above components will be realized through a sound financial planning process, as described within the *Financial Strategy and Plan* section of this report.

Scope

This Asset Management plan will cover at a minimum, the IDs water distribution system, waste water collection systems, and fire protection equipment as required within federal and provincial guidelines. The plan will be structured in such a fashion to enable inclusion of all other infrastructure assets that the ID is responsible for.

Development of Individual Asset Management Plans

It is recognized that IDs throughout B.C. will be at different stages of data and information availability for their infrastructure. As such, a gap analysis will be completed to determine what is available, and to what level of detail an asset management plan, as described above, can be developed. From this analysis, an approach will be customized and tailored for each improvement district, and in certain cases will produce a multi-year timeline to develop their asset management plan.

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B.C. Improvement Districts

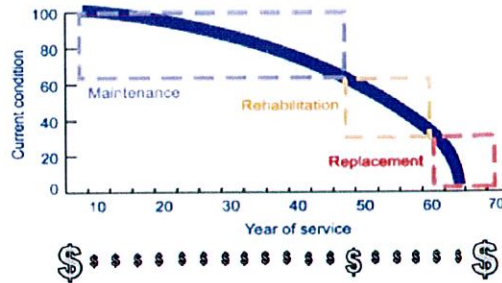
Development of an Asset Management Plan

Pilot Program

June 16, 2015

Deterioration Models

Research will determine current trends in deterioration analysis and appropriate models will be elected. Information will be compiled from industry publications and manuals and designated best practice applications. Ultimately high level deterioration models will be produced for each asset group.



Financial Data

Financial information will be obtained from the improvement district. Key information will include current spending on capital and maintenance for each asset program, capital and operations budgets, and also the cost of high level field activities and works (maintenance, rehabilitation, replacement). All information will be loaded into the software whereby a gap analysis will be produced showing actual investment requirements versus current spending levels for each asset group.

Asset Rating and Criteria

To rate the overall health of each asset category a combination of available information and staff expertise will be used. Key information will include asset condition data and indexes, growth projections, transportation master plans, water / waste water master plans, and staff surveys and interviews. Each asset category will be rated using 3 primary categories:

- Condition and Performance
- Capacity versus Need
- Funding versus Need

Condition and Performance. What is the condition of the asset today and how well does it perform its function. Below is a suggested guideline – this can be tailored to suit individual needs as required.

- A = Excellent: No noticeable defects. Some wear may be visible.
- B = Good: Only minor deterioration is evident.
- C = Fair: Some deterioration evident, function not significantly affected.
- D = Poor: Serious deterioration. Function is inadequate.
- F = Failed: No longer functional. General or complete failure.

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Capacity versus Need. What was the design capacity of the asset versus the needed capacity today to meet current demand? Below is a suggested guideline – this can be tailored to suit individual needs as required.

- A = Systems that can support > 100% of demand
- B = Systems that can support 90 - 99% of demand
- C = Systems that can support 80 - 89% of demand
- D = Systems that can support 70 - 79% of demand
- F = Systems that can support less than 70% of demand

Funding versus Need. To be based on the actual investment requirements to properly maintain, rehabilitate and replace the asset at the right time versus current spending levels for each asset group. Below is a suggested guideline – this can be tailored to suit individual needs as required.

- A = 90 to 100% of need
- B = 80 to 89% of need
- C = 70 to 79% of need
- D = 41 to 69% of need
- F = under 40% of need

Infrastructure Report Card

The categories above will be based on a simple A – F scale and an average of the three ratings will be applied to one overall blended rating for each asset category. The outputs for all improvement district assets will be consolidated within the software to produce one overall Infrastructure Report card showing current condition and future projections for all Municipality Infrastructure. See example below.

Hamilton Public Works Report Card 2009

ASSET GROUP	2009 RATING	TREND
Water	B+	→
Wastewater	B-	→
Storm Water	C-	↓
Roads and Traffic	D-	↓
Central Fleet	C	↓
Corporate Facilities	C-	↓
Parks & Open Spaces	C-	↑
Public Transit	B+	↑
Waste Management	B-	↓
Forestry	C-	↓
Cemetery	C	→

A = Excellent B = Good C = Fair D = Poor F = Fail

PHASE 2 – DESIRED LEVELS OF SERVICE

Objective

Desired Levels of Service provide the basis for the life cycle management strategies and tactical implementation processes identified within the asset management plan. They support the organization's strategic goals and are based on customer expectations, statutory requirements, standards and the financial capacity of the improvement district to deliver those levels of service. A defined level of service is tracked through performance measures which supply targets and timeframes to establish progress.

Levels of Service are used:

- to inform customers of the proposed type and level of service to be offered;
- to identify the costs and benefits of the services offered;
- to assess suitability, affordability and equity of the services offered;
- as a measure of the effectiveness of the asset management plan
- as a focus for the AM strategies developed to deliver the required level of service

Levels of service are often based on:

- Community Expectations
- Strategic and Corporate Goals
- Legislative Requirements
- Design Standards and Codes of Practice

Key Performance Indicators

Performance measures or key performance indicators (KPIs) that track levels of service should be specific, measurable, achievable, relevant, and time-bound (SMART). Many good performance measures can be established and tracked through the suite of software products. In this way, through automation, results can be reviewed on an annual basis and adjustments can be made to the overall asset management plan, including the desired level of service targets.

In establishing measures a good rule of thumb to remember is that maintenance activities ensure the performance of an asset and prevent premature aging, whereas rehab activities extend the life of an asset and replacement activities, by definition, renew the life of an asset. In addition, these activities are constrained by resource availability (finances, labour, etc) and strategic plan objectives. Therefore performance measures should not just be established for operating and maintenance activities, but also for the strategic, financial, tactical (overall asset health) levels of the asset management program as shown in the examples below.

As a note, a caution should be raised over developing too many performance indicators that may result in data overload and lack of clarity. It is better to develop a select few that focus in on the targets of the asset management plan.

Examples of Performance Measures

For each individual improvement district these measures have to be explored in more detail and tailored to suit their individual needs.

Strategic Indicators:

- Percentage of reinvestment vs. value of asset category
- Completion of strategic plan objectives (related to infrastructure)

Financial Indicators:

- Annual revenues vs. annual expenditures
- Total cost of borrowing vs. Total cost of service
- Annualized depreciation (replacement value) vs. annualized expenditures
- Lost revenue from system outages

- Rationales for Reserves:
 - Reduce the amount of debt needed for capital expenditures thereby reducing interest charges the District would pay.
 - Positive reserve balances allow for better long term planning for major expenditures and reduce fluctuations in the tax rate.
 - As reserves grow, can provide enough funds to invest in order to earn interest income. Those incomes can be used as a revenue source to maintain taxes at an acceptable rate of growth.
- Rationales for Debt:
 - Significant infrastructure need due to both growth and replacement
 - Inability to pay for the infrastructure within a short period of time (<2 years)
 - Pay for the cost of services as the benefits flow over the life of the infrastructure (e.g. paying down a mortgage)

Asset Health Indicators:

- % of network rehabbed / reconstructed annually
- Annual overall condition index vs. desired condition index
- Annual adjustment in condition index (up or down)
- Annual number of large system outages
- % of asset value spent on ops and maintenance annually

Operational Indicators:

- number of water main breaks per Km of pipe network
- % of network inspected
- % of pipes flushed and cleaned annually
- % of hydrants flow tested annually
- Cost of material for pot hole patching annually
- Water main breaks will be repaired within x number of hours
- Customer requests will have a 24 hr. response time.
- Legislated requirements will be met.

Benchmarking Initiatives

There are a number of industry benchmarking initiatives underway within B.C. and Canada. For instance, OMBI (Ontario Municipal Benchmarking Initiative) and MPMP (Municipal Performance Measurement Program). Performance measures within these programs can serve as a resource in developing internal measures for the improvement district. It is understood, however, that these programs provide comparison information and targets between service providers and may not be ideal for an internal asset management plan.

Public Engagement and Levels of Service

It is a growing trend and best practice within the asset management industry to include public engagement processes to assist in setting levels of service. As infrastructure costs increase dramatically in the future, it is essential that the public not only be consulted but also be educated and ultimately make choices with respect to the service levels that they wish to pay for. It all comes down to public expectations, which should be realistic and ultimately be tied to a level of service and a cost. (See diagram below).



PHASE 3 – ASSET MANAGEMENT STRATEGY

Objective

The asset management strategy is a developed process of planned actions that will enable the improvement district's infrastructure assets to provide the desired level of service in a sustainable way, while managing risk and benefit, at the lowest life cycle cost. At a tactical level, it will develop an implementation plan to be applied to the needs identification and prioritization of renewal, rehabilitation and maintenance activities, including growth projections, to produce a 10 year plan, to ensure the best overall health and performance of the improvement district infrastructure.

This tactical process will in turn influence and direct the short term, 3 – 5 year infrastructure program and budget of the improvement district.

The details within the asset management strategy are tied to the sustainable life cycle projections from the State of the Infrastructure and established service levels from the *Desired Levels of Service* sections of this plan.

Priorities for the Asset Management Strategy

- Ensure sustainability of existing infrastructure
- Focus on options for each asset class to obtain the total lowest cost
- Focus on growth and demand projections
- Prioritize projects based on risk and benefit analysis.

Non Infrastructure Solutions and Requirements

Information will be obtained from improvement district staff and/or officers regarding the state of their current asset management practices. A high level gap analysis will be conducted to establish if key actions, studies, or policies are missing that could potentially extend the life of assets or lower total asset program costs in the future. Items such as linking the asset management plan to the strategic plan is one is in place, growth and demand management studies, master plans, better integrated infrastructure planning and land use planning , public consultation on levels of service, etc. In addition a review of infrastructure condition assessment programs should take place with options to gather key data moving forward. Such items can then be recommended to be programmed, with associated funding, into the short and long term budgets as required.

Life Cycle Management Review

For each asset category a best practice industry review will be undertaken to determine the optimal life cycle activities and options available, to ensure the long term viability of the IDs infrastructure while achieving the lowest total cost.

The following will be reviewed:

- Ongoing Maintenance activities and costs
- Renewal / Replacement activities, service thresholds and costs
- Rehabilitation activities, service thresholds and costs
- Disposal activities and costs

This information will be entered into the software to enable a life cycle projection analysis. For each asset category the system will determine which components will require work in which timeframe, the type of activity that should be undertaken, and the cost for the work. This analysis will also have the options to discount costs and/or add inflation and will provide an overall asset need projection for each category.

Growth and Demand

Typically the local regional district will have specific plans associated with population growth. It is essential that the asset management strategy should address not only the existing infrastructure, but must include the impact of projected growth on defined project schedules and funding

requirements. Projects would include the funding of the construction of new infrastructure, and/or the expansion of existing infrastructure to meet new demands. These will be included in the short and long term budgets as required.

Other Future Trends

For any single asset category there may be specific items that negatively or positively affect the future asset grade projection within the *State of the Infrastructure* report card. Such items could be lack of maintenance resources, extent of back log, effects of climate change, significant funding from grants not being made accessible, etc. These items must also be accounted for and brought forward as recommended adjustments to the short and long term budget.

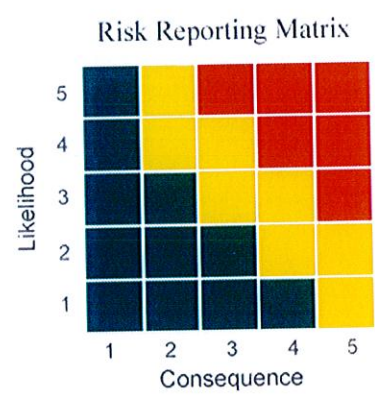
Project Prioritization

The above techniques and processes will supply a significant listing of potential projects. Typically infrastructure needs exceed available resources and therefore project prioritization parameters must be developed to ensure the right projects come forward into the budget through a combination of risk and benefit analysis.

Risk / Criticality Assessment

Risk within the Infrastructure industry is often defined as the probability (likelihood) of failure multiplied by the consequence of that failure. Risk can never be eliminated but can be managed. The probability of failure can be analysed through a combination of current condition and life cycle projection information, however, the consequence of failure still needs to be determined. A good method to use is a triple bottom line approach, whereby, the social, environmental, and economic impacts of an asset's failure are quantified.

As part of the asset management strategy a risk matrix will be developed and a risk score will be applied to infrastructure components within the software system to aid in project prioritization.



Benefit Factors

Another important factor in project prioritization is the project's overall benefit to the corporation. Typically the **Municipality**, within the strategic plan, will allocate resources, ensuring alignment to strategic priorities and objectives. For instance, downtown revitalization, waterfront development, or addressing storm flooding issues may be strategic priorities. These projects should therefore be prioritized within the asset management strategy and plan. Other types of project benefits may be simple. For instance, with all else being equal, the road with a higher traffic volume will be reconstructed before the road with a lower traffic volume. A benefit matrix will be developed and benefit scores will also be applied to infrastructure components within the CityWide software system to aid in project prioritization.

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PHASE 4 – FINANCIAL STRATEGY

Objective

To develop a financial strategy and plan that fully integrates to the asset management strategy and asset management plan, including expenditures and revenue forecasts for the delivery of the 10 year infrastructure budget.

Yearly expenditures forecasts will be broken down as per the asset management strategy:

- Non infrastructure projects
- Maintenance activities
- Renewal / Rehab projects
- Replacement projects
- Disposal projects
- Growth related projects

The financial strategy and plan will include:

- A breakdown of yearly revenues by confirmed source
- Key assumptions and alternate scenarios where appropriate
- Identifies any funding shortfall relative to financial requirements that cannot be eliminated by revising service levels, asset management and/or financial strategies.
- Discusses the impact of shortfalls and how the impact will be managed.

PROJECT WORK PLAN (ASSET MANAGEMENT PLAN)

The proceeding work schedule and implementation process is an example of what has been utilized by our organization over the last 7 years with more than 250 local government clients.

Kick-off Meeting

- Identify senior levels of contact within the improvement district and other key stakeholders
- Identification of roles and responsibilities, owners, timelines and data requirements
- Introduce Public Sector Digest senior team
- Review PSD implementation process and supporting documents
- Milestones and Resource Requirements

Phase 1 – Develop the State of the Infrastructure Report (SOTI)

The process used to cover this section involves loading the improvement district's infrastructure data into the CityWide Tangible Assets (CWTA) software solution. This process typically involves reviewing existing data and commenting on accuracy and completeness, which includes;

- What asset categories are covered by your AMP?
- Asset Information (i.e. name, description, location, department, function, original cost, useful life, in-service date)
- Additional Asset Information (i.e. risk, lifecycle events, and user-defined attributes like length, diameter, square metres)
- What year was the investment made, what was the historical cost and what would be the replacement cost at end of life?
- What is the current condition of each asset (i.e. 1-10 rating, good/fair/poor, etc.)? Condition based assessments must be consistent with Provincial requirements (i.e. bridge analysis reports must be conducted every two years by qualified staff).
- Is GIS/mapping information available?
- How and when will the above asset information be updated? Best practice AMP's include a data verification policy and a condition assessment policy that sets out when and how asset information will be verified and when and how assets will be assessed to determine their condition.
- What assumptions were used to compile the above asset information?

Phase 2 – Desired Levels of Services

This section will include the following;

- Define levels of services through performance measures, targets and timeframes to achieve targets if they are not already being achieved.
- Discuss any external trends or issues that may affect expected levels of service or the ID's ability to meet them.
- Shows current performance relative to targets.
- This section is supported by documentation of which performance measures are associated with which assets, current performance and expected performance over the planning period as well as all assumptions.
- Does the ID understand how its goals rely on infrastructure?
- Are levels of service for individual assets clearly defined through performance measures and targets?
- Examples for roads:
 - Policy will link user expectations for asset condition (clean water), performance (water flows clear) and availability (no shut downs) with system management and investment strategies.

Phase 3 – Asset Management Strategy (AMS)

The AM strategy is the set of planned actions that will enable the assets to provide the desired levels of service in a sustainable way, while managing risk, at the lowest cost. This section of the AMP summarizes planned actions by answering the following questions for each asset category:

- Does the improvement district have a maintenance patrol? If so, do they perform work as they patrol, or log work for future follow up?
- For the above what types of work maintenance activities are performed on site, or logged for follow up work?
- Does the improvement district have planned maintenance programs? If so, what types of activities are included?
- Does the improvement district have preventative maintenance programs? If so, what types of activities are included?
- Does the improvement district have capital rehabilitation programs in place? If so, what types of activities are included?
- What types of activities are used for capital asset replacement or renewal?
- As part of your maintenance program, is an analysis of available options used? If so, how?
- As part of your capital program is an analysis of available options used? If so, how?
- Are the life cycle costs of these options compared as part of the analysis? If so, how?
- Are relevant direct and indirect costs and benefits of options included in the options analysis?
- Can you provide a unit cost table for the various maintenance, rehab, and renewal activities used?
- Does the improvement district have a project prioritization methodology in place?
- Does the improvement district have a risk management model in place to assist with project prioritization?
- Does the improvement district explore project coordination possibilities (e.g. roads, sewer, water, traffic needs)?
- Does the improvement district have a plan and project listing in place for future growth requirements?
- Are opportunities for collaboration and partnerships with other local governments explored?
- Is alternative financing and procurement considered when possible?
- Describe how your procurement methods ensure the most efficient allocation of resources.

- Give an overview of the risks associated with your AM strategy and any actions that will be taken in response. Examples of risk include:
 - Legislative requirements
 - Remaining life of assets
 - Improvement district image
 - Cultural or historical significance
 - Environmental impacts
 - Safety
 - Impact on development

Phase 4 – Financial Strategy

The process used to cover this section involves loading the improvement district's financial data into *Capital Planning and Analysis* (CWCPA) software solution. This process typically involves providing the following information in order to demonstrate that all financial opportunities and strategies have been considered in developing the financing strategy:

- Demonstrate that you have integrated the AM Strategy results with your Financial Plan (FP):
- Have your asset requirements been quantified in terms of replacement costs?
- Have those results been incorporated into your long term budgets?
- Demonstrate that you have considered all available infrastructure financing tools such as the following:
 - Local Government: tax revenue, user fees, reserves, debt, development charges, reallocated resources
 - Senior governments: Gas Tax, available grants
 - Others: partnerships, leading edge procurement methods
- Develop a financial forecast that includes the following:
 - best practice is to model entire lifecycle (50+ years) but minimum requirement is 10 years
 - must include at least 2 years of actual history. Details to include: non-infrastructure solutions, maintenance, renewal, rehabilitation, replacement, disposal, necessary growth, revenues, funding, financing
 - clear documentation of key assumptions: asset life factors, basis of replacement cost, growth projections, revenue/financing parameters
- Document significant alternative scenarios that were considered when developing your AMP.
- Include a plan for managing the impacts of any resulting funding shortfall.
 - two shortfalls to consider are the annual shortfall during phase-in to full funding and the cumulative shortfall even once annual requirements met
- Requirement to demonstrate:
 - revising service levels has been considered
 - all asset management and financial strategies have been considered. For example a zero debt policy may be challenged, user fees will be expected to reflect the cost of service

Financial Data Requirement

- PSD uses a working template that is shared between the Client and PSD to collect all the necessary historical data. The data, once agreed upon, is then transferred into our CPA.
- 2-3 years of historical budgets
- Debt issued each year including cost of capital and debenture terms
- Approved usage of reserves
- Year-end reserve balances
- Total Tax Revenue
- Determine ID's policy for use of reserves and debt (future)

PUBLIC SECTOR DIGEST

- Determine all non-tax based revenue sources (i.e. Federal/Provincial gas tax, user fees, and development charges)
- Identify borrowing limit
- Identify policy for future debt issuance
- Identify performance measures to assess financial sustainability
- Identify Future capital projects

<u>PROJECT SCHEDULE</u>	Month 1	Month 2	Month 3	Month 4	Month 5
Kickoff Meeting	█				
Phase 1 - Develop SOTI Report	█	█			
Phase 2 - Desired Levels of Service		█			
Phase 3 - Asset Management Strategy			█	█	
Phase 4 - Financial Strategy				█	█



Office of the Chair
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Toll free: 1-800-331-6007
www.comoxvalleyrd.ca

File: 4710-01

July 10, 2015

Sent via email only: regmoody1964@gmail.com

Chair Reginald Moody-Humchitt
Central Coast Regional District
PO Box 186
Bella Coola, BC, V0T 1C0

RECEIVED

JUL 10 2015

Central Coast Regional District

Dear Chair Moody-Humchitt:

Re: Support - British Columbia Conservation Tax Incentive Program proposal

At its June 30, 2015 meeting the Comox Valley Regional District board of directors approved a motion to submit the following resolution to Union of BC Municipalities (UBCM) as a Comox Valley Regional District sponsored resolution:

WHEREAS the Islands Trust has successfully implemented a Natural Area Protection Tax Exemption Program (NAPTEP) which provides 65% property tax relief for landowners who enter into a conservation covenant to protect important natural features on their property;

AND WHEREAS the NAPTEP complements provincial and local programs and policies and does not result in any loss of tax revenue nor any significant additional costs;

AND WHEREAS regional districts and municipalities may wish to support and encourage landowners to preserve natural areas for current and future environmental benefits:

THEREFORE BE IT RESOLVED that the Ministry of Community, Sport and Cultural Development be requested to grant local governments the authority to implement a conservation tax incentive program modeled on the NAPTEP.

Comox Valley Regional District (CVRD) staff were recently approached by the Land Trust Alliance of BC with a request to sponsor the above-noted resolution to the UBCM in support of a province-wide conservation tax incentive program (CTIP), modelled after the Islands Trust natural areas protection tax exemption program (NAPTEP). The Land Trust Alliance of BC's proposal is attached.

If the resolution is endorsed by UBCM, the province would be asked to amend the *Local Government Act* to grant local governments the authority to implement a CTIP program in their area. NAPTEP applies only to residential (class 1) land and only to the covenant (natural, undeveloped) area of a parcel. The program offers 65 per cent land tax exemption for land with an Islands Trust fund covenant.

Impact on regional district resources would have to be determined on a case-by-case basis, should this program be enabled.

Board Meeting
SEP 10 2015
CCRD ITEM C(d)

If approved by UBCM, the conservation covenants will provide a tool to enhance conservation of natural areas on private land through voluntary means and financial incentives would offset start-up costs which are borne by the landowners involved.

In light of the above and in the interest of protecting and restoring sensitive natural areas, the Comox Valley Regional District respectfully request your support for the above-noted resolution at UBCM in September.

Sincerely,



Bruce Jolliffe
Chair

Enclosure: Proposal for BC Conservation Tax Incentive Program

cc: Ms. Darla Blake, Chief Administrative Officer

Proposal for a B.C. Conservation Tax Incentive Program

Draft Background Paper, April 15, 2015

Land Trust Alliance of BC

1. Natural Areas Protection Tax Exemption Program

1.1 History

In the early 1990's property values and assessments rose dramatically in B.C.'s Gulf Islands, triggering an increase in subdivisions and logging. Due to concerns about the impact of development on important ecological areas, locally elected trustees advocated for provincial legislation which would allow local governments to provide an incentive for landowners to voluntarily leave their properties in a natural state rather than developing or logging them to pay property taxes.

At the time the policy of the Islands Trust (a federation of local Gulf Islands governments) supported the use of property tax incentives to promote natural area conservation. As the concept of a conservation tax incentive program progressed it was felt that legislative changes allowing such incentives in the Islands Trust area only would be simpler than province-wide adoption.

The Natural Areas Protection Tax Exemption Program (NAPTEP) was instituted through amendments to the Islands Trust Act in 2000 and the Act's regulations in 2002. Launched initially in the Islands Trust areas overlapping with the Capital and Sunshine Coast Regional Districts, NAPTEP expanded between 2008 and 2011 to include the Islands Trust areas of the Nanaimo, Cowichan Valley, Comox Valley and Powell River regional districts. The only Islands Trust areas not yet approved for NAPTEP participation are the Municipality of Bowen Island and two other small islands in the Greater Vancouver Regional District.

1.2 Features of NAPTEP

NAPTEP is a fully voluntary program offered by the Island Trust and Island Trust Fund (ITF – a conservation land trust for the Gulf Islands) – voluntary in terms of both regional district and municipal participation and in terms of landowner enrolment. All NAPTEP covenants are held by the ITF Board. NAPTEP covenants follow a standard “template” required by BC Assessment. This means that a few covenants which do not fit this template have been processed outside the scope of NAPTEP.

NAPTEP offers 65% tax exemption on land which is protected by a conservation covenant. Qualifying land must have special features such as undisturbed natural areas that are good examples of important ecosystems, habitat for rare native plants or plant communities, critical habitat for native animal species or special geological features.

NAPTEP covenants apply to natural areas and generally are not placed on developed portions of a parcel, such as homes, other buildings and roads. NAPTEP reduces only the land portion of property taxes, not parcel taxes or tax on improvements. Land with a NAPTEP covenant receives a Natural Area Exemption Certificate which is forwarded to BC Assessment and reduces annual taxes payable. NAPTEP covenants do not entail a requirement for public access to the protected land.

There is no minimum or maximum size for conservation covenants. However it is unlikely that owners of small parcels or land with low assessed value will apply to NAPTEP since the potential tax reduction benefits may not outweigh the costs of entering the program. Typically, landowners would be seeking to recover application costs in a few years.

Land approved under the NAPTEP program is classed as residential (BC Assessment class 1). However placement of a covenant on a parcel may lower the assessed value of land which could otherwise be developed since those development opportunities are foregone. Lands subject to other tax exemptions, such as Private Managed Forest Land (BC Assessment class 7) and agricultural land (class 9), are not eligible for NAPTEP. Also, land in the Agricultural Land Reserve (ALR) cannot have a restrictive covenant applied to it without special approval. Conservation covenants are therefore not applied to ALR land. Land enrolled under NAPTEP may qualify for the federal Ecological Gifts (EcoGift) program and charitable gift receipt. The EcoGift program gives private land owners a non-refundable income tax credit and an exemption from capital gains tax.

Landowners applying for NAPTEP are responsible for payment of covenant initiation costs, which include a \$450 ITF application fee, a legal land survey, baseline ecological survey, legal and tax advice and registry of the covenant with BC Land Titles. Total initiation costs are estimated to range from \$2500 to \$12,000, a significant cost for any landowner considering a covenant as permanent protection for their property. In some cases supplementary funding can be arranged to assist landowners with these initiation costs. The ITF is responsible for ongoing costs of monitoring and enforcement of the covenant.

Conservation covenants are permanent, remaining with the land title even if the land is sold. NAPTEP benefits are also permanent and will therefore help to balance the lowered development potential of the land for the initial and future owners of the land. However, if a landowner breaches the conditions of the covenant, the NAPTEP certificate may be revoked and past tax reduction benefits may be fully recovered. It should be noted that other, more equitable, exit provisions could be adopted. For example, the Private Managed Forest Land program uses a full benefit recovery approach (similar to NAPTEP) for land which has been enrolled for up to five years. After five years the exit fee is reduced and after fifteen years the land is no longer subject to an exit fee.

NAPTEP Stories

A landowner in the northern Gulf Islands felt motivated to protect his property which provides an important natural corridor between a provincial park and an area of coastal bluffs and Garry Oak habitat. After learning about NAPTEP he decided to proceed with negotiation of a covenant on approximately 85% of his 13.5 acre property. During the ecological assessment and communication with ITF he learned more about the restoration of a mature, healthy forest. Although he was able to take advantage of some favourable prices for the ecological survey and legal advice, his direct costs still amounted to approximately \$5000 for the initiation of the covenant. He estimates that his property taxes have been reduced by "a few hundred dollars per year", leaving him with a payback period of 6 - 8 years. Despite his relatively small covenant size and small annual tax savings, the landowner says that he is happy to have the covenant in place and happy that he is dealing with a land trust which takes the covenant seriously and supports his conservation goals. He reports that he has had very positive feedback from neighbours, although none have yet followed his lead. He agrees that a larger tax exemption might be critical for some landowners for whom a shorter payback period is more important.

A landowner family in the southern Gulf Islands was similarly motivated by a strong desire to protect 1.2 acres of Garry Oak meadow on his 4.2 acre property. The covenant, established in 2011, is held by the Islands Trust Fund and the local island conservancy. The cost of developing the covenant included the ITF fee, land survey, ecological assessment and registration with Land Titles and cost a total of about \$3400. In this case, a local endowment fund was available to offset approximately 75% of the covenant initiation costs, leaving them with over \$800 in out of pocket expense. Because the property and covenant area are small, the NAPTEP tax exemption saving is about \$200 per year. This small tax saving would not, by itself, be sufficient to justify the covenant on a strictly financial basis. The landowners' motivation for establishing a conservation covenant was clearly their love of the natural character of their property and the availability of the local endowment fund.

Conservation covenants require annual monitoring, communication between the covenant holder and landowner, and possible enforcement and even occasional resolution of legal issues. The degree of monitoring and other management required is usually related to the amount of detail and complexity in the covenant. Covenant management may also involve assistance to the landowner to maintain the identified ecological values (eg. invasive species removal).

Monitoring and management of covenants is the responsibility of the covenant holder, usually a conservation organization. In some cases endowment funds are set aside to offset the annual monitoring and management costs. In other cases landowners are required to pay an annual amount to cover, at least partially, these annual costs.

While these considerations apply regardless of whether or not a tax exemption program is in place, they have a considerable impact on the readiness of land owners and land trusts or others to put conservation covenants in place and, thus, the level of demand for a tax exemption program.

1.3 NAPTEP Enrolment

While there is considerable land potentially eligible for protection under an IT covenant and tax exemption under NAPTEP, only a small amount has so far been enrolled. The following table shows the level of participation in the NAPTEP by year and regional districts. After ten years of implementation in the Capital RD (Saltspring, North Pender and Galiano islands) there are 20 participating properties with total covenant area of just over 62 ha. The RD of Nanaimo (Gabriola Island) and the Comox Valley RD (Hornby Island) have had shorter periods of participation and, so far, lower levels of usage. There have been no NAPTEP covenants approved yet in the ITF area covered by the Cowichan Valley, Sunshine Coast or Powell River RDs.

Land Enrolled in the ITF Natural Area Protection Tax Exemption Program

No. of parcels and (ha.)

Year	Capital RD		RD of Nanaimo		Comox Valley RD	
	NAPTEP	Non-NAPTEP	NAPTEP	Non-NAPTEP	NAPTEP	Non-NAPTEP
2005-06*	4 (31.2)	2				
2006-07	2 (10)	0				
2007-08	4 (8.3)	0				
2008-09**	5 (7.2)	0				
2009-10	2 (2.9)	0	1 (7.4)	0		
2010-11***	0	0	1 (2.1)	1		
2011-12	1 (0.8)	2	0	0		
2012-13	1 (0.9)	0	0	0	1 (4.7)	0
2013-14	0	1	0	0	0	0
2014-15	1 (0.8)	1	0	0	0	0
Total	20 (62.1)	6	2 (9.5)	1	1 (4.7)	0

* 2005 - NAPTEP launched in Capital RD

** 2008 - NAPTEP launched in RD of Nanaimo

*** 2010 - NAPTEP launched in Comox Valley RD

Source: Islands Trust Fund

Prior to the initiation of NAPTEP, the ITF had a total of 34 conservation covenants on both private and public land. Since NAPTEP came into effect in the Capital RD there have been about 2 NAPTEP covenants per year and less than one non-NAPTEP covenant per year.

ITF has indicated that older covenants can transition into the NAPTEP if they meet all eligibility criteria. To date only one such transition of an older covenant into the program has taken place although there have been a few other indications of interest.

It would appear that the level of usage or enrolment in the NAPTEP is holding relatively constant in the ITF area at 2 – 3 covenants per year. The modest level of NAPTEP enrolment reflects the fact that NAPTEP provides a fairly small financial incentive to landowners considering a conservation covenant. NAPTEP is not being used for tax avoidance purposes. However it is likely a positive influence on landowners who would otherwise be undecided about the overall benefits and costs of long-term conservation of their land.

It appears that for large properties which could potentially realize a greater benefit from a NAPTEP tax saving, there may be offsetting subdivision or other development potential which reduces landowners interest in participation. For small properties the tax saving potential is also small and may not be enough to outweigh the covenant initiation costs, some of which are fixed regardless of parcel size. Covenants are most likely where landowners have a clear conservation orientation or where there are offsetting sources of funding. In addition to these factors, possible expansion of a conservation tax incentive program to other areas of the province could be affected by the willingness of regional districts and municipalities to participate in the program.

The capacity of land trusts or local governments to initiate conservation covenants and make the commitment to their ongoing monitoring and management is also likely to be a limiting factor for land enrolment in a province-wide tax exemption program. Many land trusts operate with limited human and financial resources and are therefore unlikely to be able to handle the start-up or ongoing monitoring of more than a small number of covenants each year.

The expected impact of a NAPTEP-like, province-wide tax incentive program is therefore that there will be a modest increase in the number of conservation covenants. Those landowners who are positively inclined and have valuable natural areas may wish to proceed with a covenant if the costs and benefits can be shifted slightly in their favour. A province-wide tax incentive program is not going to result in a large influx of properties nor in a disruption of tax revenues or shifting of tax incidence.

1.4 NAPTEP Financing

Two facts stand out with respect to the financing of NAPTEP tax exemptions. First, there is no loss of provincial or local tax income and no requirement for the province to compensate local governments for reduced tax. Instead, the NAPTEP program involves a tax shift from a small number of participating landowners to a large number of non-participating properties. And, second, the amount of tax shifting is very small.

In simple terms, property taxes are based on assessed values (the tax base) and tax (or mill) rates. Actual taxes payable are subject to both changes in the tax base and changes in revenue requirements for such things as schools, hospitals and local services. From a government revenue perspective, the 65% NAPTEP tax exemption is offset by both land development and other changes in assessments elsewhere and by shifting taxes to other taxpayers in the jurisdiction. This is the same as effect of the agricultural, heritage property and other tax exemptions. It should also be noted that the cost of administering the NAPTEP program is minimal. BC Assessment enters the tax exemption certificate into its records and shows the exemption on the landowner's annual assessment notice.

Calculation of actual tax shifting is rather complex and has only been done on a hypothetical basis for regional districts and areas considering participation with ITF in the NAPTEP program. Within these areas different tax categories are pooled differently. For example, the effect of a tax exemption on school, police and provincial rural taxes affects the provincial tax pool for these taxes and would be imperceptible. The effect of a tax exemption on regional hospital, parks and recreation, fire protection and other regional and local services would be slightly larger but would not affect taxpayers in other parts of the province. Also, mill rates vary by taxing authority and property classification.

The level of participation in NAPTEP was discussed above. The ITF calculated tax shifts for landowners in one island local trust.¹ Based on a 1% participation rate in NAPTEP, the resulting tax shift, or additional tax payable by non-NAPTEP properties, was estimated to be \$0.03 per year per landowner in the Cowichan Valley Regional district and \$0.04 per landowner in one of the island local trust areas. If the participation rate was 5%, these tax shift values would rise to \$0.14 and \$0.22 per landowner respectively. Another calculation of the tax shift impacts on provincial, regional district and IT area landowners ranged from \$0.01 to \$0.45 per year per taxpayer, based on a 1% participation rate in the NAPTEP program and \$0.07 to \$2.25 with a 5% participation rate.²

It appears that, in comparison to land acquisition costs, a voluntary tax exemption program such as NAPTEP offers a highly cost-effective means of protecting some of the most valuable, privately-owned natural areas in areas where such protection is often critical. Tax shifting to non-participating landowners is very small, likely to be offset by many other changes affecting tax rates, and very reasonable in comparison to the increased amenity values and positive impact on other property values which will result from conservation of natural areas. From a local government and provincial perspective, such a tax exemption program has no direct cost and minimal administrative requirements.

¹ Islands Trust Fund, "Hypothetical Tax Shift Due to Implementation of the Natural Area Protection Tax Exemption Program (NAPTEP) in the Thetis Island Local Trust Area (Cowichan Valley Regional District)," August 2008, unpublished.

² Islands Trust Fund, "Technical Report: Hypothetical Tax Shift Due to the Implementation of the Natural Area Protection Tax Exemption Program (NAPTEP)," May 2005, unpublished.

2. Conservation Incentive Programs in Other Jurisdictions

2.1 Nova Scotia

Nova Scotia promotes the conservation of natural areas on private land through a Conservation Property Tax Exemption Program (CPTEP) which began in 2009. The province has made a commitment to protect 12% of its land by 2015. However 75% of Nova Scotia land and 95% of its coast is privately owned, so protection of privately owned land is very important.

The CPTEP exempts landowners from 100% of property tax on qualifying conservation properties and it provides a grant from the province to municipalities in lieu of taxes on those properties. The program also eliminates "change of use" taxes which can be levied as a result of property becoming protected.

Qualifying conservation properties are those which are subject to a conservation easement (covenant) that is primarily dedicated to the protection of native biodiversity and natural processes. Industrial and commercial use is prohibited on conservation properties, including forestry, agriculture and quarrying. Qualifying conservation properties also include land held for the protection of native biodiversity and natural processes by an eligible body such as a land trust, municipality or provincial or federal government agency.

No application process is required for the CPTEP; government agencies and land trusts identify qualifying land. Once identified the tax exemption is provided year after year unless a change of use occurs. However if a change of use takes place a change of use tax of 20% of the fair market value of the property is charged.

2.2 Ontario

The Province of Ontario recognizes that many of its most significant natural areas are privately owned and that it is important to encourage responsible stewardship of these lands and the protection of their outstanding natural heritage features. The Ontario Conservation Land Tax Incentive Program (CLTIP) replaced an earlier tax reduction (rebate) program in 1998. CLTIP is a voluntary program which provides an incentive for landowners to protect conservation lands by offering 100% property tax exemption.

Eligible conservation land include provincially significant wetlands, provincially significant areas of natural and scientific interest, habitat of a regulated species, or designated parts of the Niagara Escarpment. In 2004 the Ontario government added a Community Conservation Land category, consisting of land owned by charitable conservation organizations and conservation authorities, where these meet eligibility criteria and are

maintained to preserve natural heritage and biodiversity objectives. Eligible land parcels must be ½ acre or larger.

Eligibility for CLTIP is not dependent on land being covered by a conservation covenants / easement. Continued participation in the CLTIP requires annual applications. The Ontario Ministry of Natural Resources is responsible decisions on qualification for CLTIP and for ongoing land use monitoring. Land use activities which are detrimental to the values for which CLTIP eligibility was granted can result in loss of tax exemption.

Like B.C., Ontario has a Managed Forest Tax Incentive Program and a Farm Property Class Tax Rate Program which promote preservation and sound management of forest and agricultural land. In contract, the CLTIP is for land which is preserved in a natural state and forest and agricultural products are not produced.

Although the provincial government does not directly compensate municipalities for revenue losses resulting from tax-exempt conservation lands, when calculating transfer payments to municipalities to assist with social costs, it takes into account that CLTIP properties do not directly generate municipal revenues.

2.3 United States

U.S. federal legislation allows donors of conservation easements to deduct a portion of the value of the easement from their income tax. In 2006 the income tax deduction limit was raised from 30% to 50% of the easement’s appraised value, with a limit of 100% for qualifying farmers and ranchers. That program was not extended in 2014 but work is continuing to seek extension of the enhanced program in 2015. A number of states also have programs allowing personal and corporate income tax deduction for conservation easement donation.

In addition some states have property tax reduction programs. For example, in 2008 Florida, which does not have state income tax, exempted land under permanent conservation easement from state property tax. Minimum parcel limits and qualifying land feature criteria apply and there is a re-capture mechanism for back taxes when the land is taken out of conservation. Maryland has a program under which a landowner pays no property tax for 15 years on land that is subject to a donated environmental trust easement. The tax credit does not apply to any residential improvements, or to a minimum of one acre around these improvements. At the end of the 15-year period unimproved land under donated easement will be assessed at the highest agricultural rate.

An “open space” tax program in San Juan County in Washington State was taken into account in developing B.C.’s NAPTEP in the late 1990’s. The Open Space Taxation Act, enacted in 1970, allows property owners to have their open space, farm and agricultural, and timberlands valued at their current use rather than their “highest and best use” value.

The program does not distinguish between preserved natural areas and those producing forest and agricultural products.

3. Complementary Activities and Support

BC has protected over 14 million ha., or 14% of the provincial land base, in a network of parks, conservancies, ecological reserves, recreational and other protected areas. In March 2015 an additional 1500 ha. was added to provincial parks, increasing recreational opportunities and protection natural areas. More than half this land was added through acquisition of private land.

While private land makes up only about five percent of the land base in the province, much of this private land is concentrated in scarce, important and heavily developed ecological zones. Non-government organizations play an important part in the conservation of privately owned natural areas. As of 2013, BC NGOs held a total of close to 300,000 ha. in various forms of ownership and land interest, including close to 20,000 ha. in conservation covenants and other registered interests. These non-government land conservation efforts are a valuable and cost effective complement to the provincial government's protected areas program.

Regional districts and municipalities support the protection of ecologically important natural areas and corridors and the watershed, habitat, climate change mitigation and other benefits which they provide. Official documents such as regional growth strategies invariably recognize the vital importance of natural area protection and often refer to the need for innovative tools and incentives in order to meet their objectives.

While many private land owners are conservation-minded and want to practice good land stewardship, financial pressures from rising land values and assessments create incentives toward development, disturbance, fragmentation and exploitation of local resources. Many of the benefits of natural area conservation are "public" in nature and do not result in direct financial pay-back for landowners. Property tax reduction may be an important tool to correct this "conservation disincentive."

B.C. Government

The B.C. Government's "Protecting Vulnerable Species: Five-Year Plan for Species at Risk in British Columbia" states that:

"A high proportion of B.C.'s species at risk occur in naturally productive areas that are also attractive for human settlement and consist primarily of private lands. Individuals and conservation groups whose efforts are primarily focussed on private lands make a big contribution to voluntary protection and recovery of species at risk. Tools such as incentives and funding inspire, encourage and reward voluntary efforts to protect and manage species at risk. If local

governments, conservation partners, First Nations, private landowners and industry have these tools, they will be able to contribute more fully to species-at-risk conservation.”

The report also makes the recommendation to “Explore and recommend new ways (including incentives and possible project funding) to promote voluntary protection of species at risk (by 2015).”³

Union of B.C. Municipalities (UBCM) and Local Governments

In 2011 the RD of Sunshine Coast brought to the UBCM meeting a resolution, also endorsed by the Association of Vancouver Island and Coastal Communities, regarding NAPTEP. The following resolution was unanimously approved:

THEREFORE BE IT RESOLVED that the Ministry of Community, Sport & Cultural Development be requested to grant local governments the authority to implement natural area protection tax exemption programs.

The province’s response to this resolution was:

This is the first time that regional districts have expressed an interest in having the authority to offer a Natural Area Protection Tax Exemption Program; as such this is not an area that is currently under consideration for legislative review. The Province would be willing to work with regional district representatives to consider questions such as the priority of legislative change for regional districts and applicability of the Natural Area Protection Tax Exemption modeled on the Islands Trust to regional districts and the success of the Islands Trust Natural Area Protection Tax Exemption Program.

In addition to local government support for this resolution through UBCM, a number of regional districts have, in keeping with provincial NAPTEP legislation, agreed to participate in the NAPTEP. As noted above, the Capital RD and Sunshine Coast RD joined the program in 2005, RD of Nanaimo and Cowichan Valley RD joined in 2008, Comox Valley RD in 2010, and Powell River RD in 2011.

Federation of B.C. Naturalists (BC Nature)

Also in 2011 BC Nature passed the following resolution:

BE IT RESOLVED that BC Nature urge the Union of BC Municipalities, municipalities and the Provincial Government to enact legislation to provide property tax incentives to those private land owners who wish to protect their land and its features by covenant from future development.

³ Government of British Columbia, “Protecting Vulnerable Species: Five-Year Plan for Species at Risk in British Columbia,” 2014, p. 30-31

4. Recommendations

Provincial Tax Incentive Program

Based on the 10-year experience which ITF has had in the implementation of NAPTEP, it is recommended that a BC-wide property tax exemption program should be enabled through amendment of the necessary provincial legislation. The main features of the program would be:

- the program title could be titled a “Conservation Tax Incentive Program” (CTIP) to distinguish it from the existing NAPTEP
- fully voluntary participation by local governments, landowners and land trusts
- 100% annual property tax exemption for land with a qualifying conservation covenant⁴
- Exit fees for land withdrawn from a CTIP should be defined on a basis similar to the Private Managed Forest Land Program: full recovery of tax exemption benefits up to 5 years, then a declining recovery rate and no recovery after 15 years.

It is proposed that if a CTIP program is adopted on a province-wide basis it should fully replace the NAPTEP in the ITF area.

Process Leading to Adoption and Beyond

The following steps are proposed to lead to provincial adoption of a CTIP:

- Awareness building and solicitation of support from selected local governments, land trusts and concerned provincial agencies
- Presentation of a resolution to the UBCM convention in September 2015
- Awareness building and solicitation of support for provincial action. This may include further analyses, briefing material, drafting of legislation and a proposal for inclusion in the 2016 legislative agenda.

⁴ The negotiations around the initiation of the NAPTEP resulted in a reduction of the exemption rate to 65%, in part due to concerns that the program should not result in an influx of landowners seeking to avoid property taxes. The relatively low level of NAPTEP participation to date indicates that this has not been the cases and suggests that a higher tax exemption rate might increase the protection of important natural areas which would otherwise continue to be lost to development.

- Passage of the necessary provincial legislative amendments in 2016.

Beyond legislative approval there will need to be a process for awareness building, training for concerned local governments and land trusts and, likely, step-by-step implementation in regional districts and municipalities which have taken the necessary actions to adopt the program in their areas.