



ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE

WEDNESDAY, SEPTEMBER 22, 2010 - 3:30 P.M.

CVRD BOARDROOM, 175 INGRAM STREET

AGENDA

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.../2

8. **NEXT MEETING:** October 19, 2010

9. **ADJOURNMENT:**

Distribution:

Director Cossey, Chair
Director Kuhn, Vice-Chair
Director Dorey
Director Duncan
Director Giles
Director Harrison
Director Haywood
Director Iannidinardo
Director Kent
Director Marcotte
Director Morrison

As Well As:

Warren Jones, CAO
Brian Dennison, General Manager, Engineering & Environmental Services
Bob McDonald, Manager, Recycling & Waste Diversion
Dave Leitch, ASCT., Manager, Water Management
Kate Miller, Manager, Regional Environmental Policy
Mark Kueber, Manager, Corporate Services

Agenda Cover Only:

Directors Hutchins, McGonigle, Seymour, Walker
Tom Anderson, General Manager, Planning & Development
Joe Barry, Corporate Secretary

The Full Agenda Package is available on-line at: <http://cvrd.bc.ca/Archive.asp?AMID=50>

Minutes of the regular meeting of the Engineering & Environmental Services Committee held in the CVRD Boardroom, 175 Ingram Street, Duncan, on July 28, 2010 at 3:30 p.m.

PRESENT: Director Kuhn, Acting Chair
Directors Cossey(3:42 p.m.), Dorey, Duncan, Giles,
Iannidinardo, Kent, Marcotte, Morrison and Alternate
Director Burgess

ABSENT: Director Harrison

ALSO

PRESENT: W. Jones, CAO
B. Dennison, P. Eng., General Manager, E & E
D. Leitch, AScT., Manager, Water Management
Jason Adair, Superintendent, Solid Waste Facilities
H. Huffman, Environmental Technologist
Christina Ross, Environmental Assistant
J. Bath, Recording Secretary

**APPROVAL
OF AGENDA**

New Business item NB1 was added to the agenda.

It was moved and seconded that the agenda be approved as amended.

MOTION CARRIED

**ADOPTION
OF MINUTES**

Alternate Director Burgess asked that the June 23rd minutes reflect that he attended as an alternate and that Director Harrison was absent.

It was moved and seconded that the minutes of the June 23, 2010 regular Engineering & Environmental Services Committee meeting be adopted as amended.

MOTION CARRIED

**BUSINESS ARISING
OUT OF MINUTES**

No business arising

DELEGATIONS

No delegations

REPORTS

R1

Douglas Hill Water System Management Bylaws and Utility Transfer Agreement.

It was moved and seconded that:

1. The Board accept the Utility Transfer Agreement between the CVRD and Douglas Hill Water System for CVRD takeover of the water system in Electoral Areas C and D, and further that the Chair and Corporate Secretary be authorized to sign the Utility Transfer Agreement.
2. The following bylaws be forwarded to the Board for consideration of three readings and adoption:
 - .1 CVRD Bylaw No. 3406 – Douglas Hill Water System Management Bylaw, 2010
 - .2 CVRD Bylaw No. 3407 – Douglas Hill Water Capital Reserve Bylaw, 2010
 - .3 CVRD Bylaw No. 3408 – Douglas Hill Water Parcel Tax Bylaw, 2010.

MOTION CARRIED

R2 Lambourn Estates Sewer System Management Amendment Bylaw

It was moved and seconded that "CVRD Bylaw No. 3409 – Lambourn Estates Sewer System Management Amendment Bylaw, 2010" be forwarded to the Board for three readings and adoption.

MOTION CARRIED

R3 Lambourn Estates Sewer System Service Area amendment to include one additional property

It was moved and seconded:

1. That the *Certificate of Sufficiency*, confirming that a sufficient petition, requesting inclusion into the Lambourn Estates Sewer System Service Area, be received.
2. That the boundaries of the Lambourn Estates Sewer System Service Area be amended to include "*PID 006-578-608, Parcel A (DD K20395) Section 4, Range 7, Cowichan District, Plan No. 2454 except that part in Plan 45929*".
3. That "CVRD Bylaw No. 3052 – Lambourn Estates Sewer System Service Establishment Bylaw, 2008", be amended to include *PID 006-578-608, Parcel A (DD K20395) Section 4, Range 7, Cowichan District, Plan No. 2454 except that part in Plan 45929*, and that the amended bylaw be forwarded to the Board for consideration of three readings and adoption.

MOTION CARRIED

R4 Environmental Initiatives Establishment Bylaw No. 3359.

It was moved and seconded:

1. That CVRD Bylaw No. 3359 –Environmental Initiatives Service Establishment Bylaw, 2010 be forwarded to the Board for consideration of three readings, and following provincial and voter approval, be adopted.
2. An Alternate Approval Process be carried out to obtain consent of the voters for establishment of the Environmental Initiatives Service function.

MOTION CARRIED

R5 Shawnigan Lake Water Quality Research Project

It was moved and seconded that the CVRD Chair and Corporate Secretary be authorized to sign a 5-year contract to enter a partnership with Asit Mazumder to undertake a research project for Shawnigan Lake water quality entitled “Climate Impacts and Adaptation for Waterborne Pathogens and Sustainable Clean and Healthy Water for Communities”.

MOTION CARRIED

R6 Cowichan Bay Waterworks Planning Study Grant Application

It was moved and seconded that the Cowichan Valley Regional District approve submission of a Provincial Infrastructure Study Grant Application, on behalf of Cowichan Bay Waterworks District, subject to a higher priority being assigned to CVRD applications.

MOTION CARRIED

R7 Styrofoam recycling options

It was moved and seconded:

- 1) That the CVRD implement collection of Styrofoam for recycling at CVRD depots in the Fall 2010,
- 2) The CVRD offer collection of Styrofoam at no charge, and further
- 3) That the CVRD purchase the XT200 EPS densifier for the purpose of implementing a Styrofoam Recycling Program.

MOTION CARRIED

R8 Shawnigan Lake School Agreement

It was moved and seconded that the Board accept the Partnership Agreement between the Shawnigan Lake School and the CVRD, and further that the Board Chair and Corporate Secretary be authorized to sign the agreement.

MOTION CARRIED

NEW BUSINESS

NB1 Kerry Village Sewer and Water System Capital Reserve Fund Bylaws.

It was moved and seconded:

1. That a capital reserve fund expenditure bylaw be prepared for withdrawal of funds not exceeding \$10,620.00 from the *Kerry Village Sewer System Capital Reserve Fund* to help finance upgrades to the sewer treatment plant, and further that the bylaw be forwarded to the Board for consideration of three readings and adoption.
2. That a capital reserve fund expenditure bylaw be prepared for withdrawal of funds not exceeding \$10,620.00 from the *Kerry Village Water System Capital Reserve Fund* to help finance upgrades to the water treatment plant, and further that the bylaw be forwarded to the Board for consideration of three readings and adoption.

MOTION CARRIED

RESOLVE INTO
IN CAMERA
4:45 p.m.

It was moved and seconded that the meeting be closed to the public in accordance with the Community Charter, Part 4, Division 3, Sections 90 {(1) (g, i, and j)}

MOTION CARRIED

RISE FROM
IN CAMERA
5:26 p.m.

It was moved and seconded that the Committee rise without report.

MOTION CARRIED

ADJOURNMENT

It was moved and seconded that the meeting be adjourned.

MOTION CARRIED

The meeting adjourned at 5:27 .p.m.

Chair

Recording Secretary

Dated: _____



C.V.R.D.

STAFF REPORT

R1

ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE MEETING
OF SEPTEMBER 22, 2010

DATE: September 8, 2010

FILE NO:

Bylaws

FROM: Dave Leitch, ASCT., Manager, Water Management Division

SUBJECT: 2010 Reserve Fund Bylaw – Kerry Village Water System.

Recommendation:

That it be recommended to the Board

1. That CVRD Board Resolution No. 10-421-9-2 be rescinded.
2. That a capital reserve fund expenditure bylaw be prepared for withdrawal of funds not exceeding \$10,257.00 from the *Kerry Village Water System Capital Reserve Fund* to help finance upgrades to the water treatment plant, and further that the bylaw be forwarded to the Board for consideration of three readings and adoption.

Purpose: To rescind resolution No. 10-421-9-2 to prepare a Capital Reserve Fund Expenditure bylaw for the Kerry Village Water System in the amount of \$10,620 and to prepare a new bylaw to accurately reflect the funds available in the Capital Reserve Fund.

Financial Implications: As part of the 2010 approved budget, money from Kerry Village Sewer & Water Systems was identified to be withdrawn from the utilities capital reserve funds to assist in paying for the capital cost of upgrading the above-mentioned works. Without the contribution of these reserve funds, there is insufficient money in the operating budget to complete these capital projects.

Interdepartmental/Agency Implications: Bylaw preparation by Corporate Services staff.

Background:

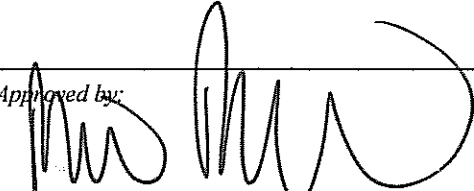
The above noted resolution (No. 10-421-9-2) was adopted by the Board at their meeting of August 11, 2010, but staff have since discovered that there is insufficient funds in the Capital Reserve Fund to cover this amount. Therefore, a new bylaw needs to be prepared to reflect the difference in monies to be withdrawn.

Submitted by,

Dave Leitch, ASCT.
Manager, Water Management Division

DL:jl

Approved by:


Brian Dennison, P. Eng., General Manager,
Engineering & Environment



STAFF REPORT

R2

ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE MEETING OF SEPTEMBER 22, 2010

DATE: September 8, 2010 **FILE NO:** 5280-02-01

FROM: Kathleen Milward, Environmental Technologist

SUBJECT: Monitoring of Residential Wood Burning Emissions

Recommendation: For information only.

Purpose: To provide the Committee with results of a study that took place in January and February 2010 on the monitoring of residential wood burning emissions.

Financial Implications: None at this time.

Interdepartmental/Agency Implications: This was a collaborative project between the Cowichan Valley Regional District, Municipality of North Cowichan, Ministry of Environment, Vancouver Island Health Authority, and the University of Victoria.

Background: From a human health perspective, fine particulate matter (PM2.5) has been identified as the air pollutant of most concern in British Columbia. One of the largest cumulative sources of outdoor fine particulate matter is widely considered to be residential wood burning. PM2.5 (containing particles of 2.5 micrometers in diameter or less) is highly detrimental to human health as it is respirable and able to penetrate deep into the lungs.

The Ministry of Environment currently operates a stationary PM2.5 monitor on Cairnsmore Street in Duncan. In addition to this, Catalyst (Crofton Pulp Mill) operates three stations that measure PM2.5: Crofton Substation, Escarpment Way, and Deykin Avenue. Although these stations provide valuable data on a year-round basis at specific locations, the results are limited in geographic scope. Mobile PM2.5 data is useful for examining relative patterns (or potential "hotspots") in the broader region, where wood smoke tends to settle and accumulate, on a given day or over a number of days. The intent of this study was not only to complement the existing data for a fuller picture, but to serve as an invaluable yard stick to which future improvements in air quality could be compared.

Discussion: A three hour driving route, created to be representative of the CVRD in general, was sampled on ten nights over the course of January and February, 2010, using a mobile Nephelometer (readings were later converted to PM2.5) and associated GPS device.

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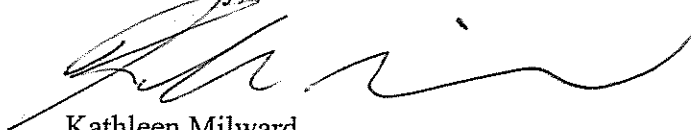
As individual Nephelometer readings are only snap-shots in time and space (15 second averages), they cannot be directly compared to ambient air quality objectives (24 hour averages), and as such are difficult to directly link to corresponding health effects. Although air quality in the Cowichan region is generally good, this study demonstrated that there are certain areas where wood smoke tends to accumulate, settle, and linger. Smoke impacts from wood stoves were observed in every community sampled during the course of our campaign - especially during the month of January. Looking at individual populated areas in terms of elevated readings relative to the rest of the route on any given night: potential hotspots were observed in Duncan (8 out of 10 nights); Shawnigan Lake (6 out of 10); Cobble Hill East side of Hwy 1 (5 out of 10); Hwy 1 South (3 out of 10); Cowichan Bay (3 out of 10); Maple Bay and above Quamichan Lake (2 out of 10); and Mill Bay (1 out of 10). A contributing factor could be that the homes in these areas are generally older and the presence of outdated wood burning appliances is likely. Also, surrounding topography can cause residential wood smoke to drain from higher regions into lower regions and this can add to the effects of burning taking place in the immediate area. During the evening hours, smoke slowly drains downhill through the valley aided by localized land-sea breezes.

Definitively proving any possible health impacts/threats from the broader region mobile data would require extensive sustained monitoring at stationary sites of concern; this is well beyond the reach of this campaign which has already consumed considerable CVRD staff time and resources. To that end, the Ministry of Environment could be approached with a request, based on the results of this study, regarding the possible siting of a new air quality monitoring station, perhaps in the Shawnigan Lake region. CVRD staff efforts could instead be more practically focused on precautionary measures intended to reduce PM2.5 emissions, such as administering successive woodstove exchange programs, and continuing to work on the implementation of a bylaw intended to regulate backyard burning in CVRD Electoral Areas. The results of this study could also possibly be used in support of future air quality related bylaw amendments such as mandating that a wood-burning appliance be upgraded to an EPA-certified model (or removed/rendered inoperable) upon the sale or transfer of a property.

The use of a mobile Nephelometer has provided the CVRD with meaningful spatial PM2.5 information that has reiterated the important community health benefits of facilitating a wood stove exchange program as a concrete effort to reduce PM2.5. The 2010 Provincial Woodstove Exchange Program, administered jointly by the CVRD and the MNC for the entire region, has been highly successful thus far. In addition to four well-attended public education workshops in February, there have been hundreds upon hundreds of interested phone calls. An outcome of 190 uncertified stoves being permanently retired is expected by year end. Further possible wood stove exchange programs could again offer financial incentives to residents to entice them to switch out their older, conventional wood burning appliances in favor of new technology, EPA-certified stoves.

For further information, please read the accompanying report: *Study Summary: Monitoring of Residential Wood Burning Emissions in the Cowichan Valley Regional District*

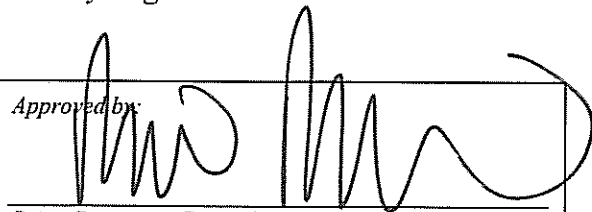
Submitted by,



Kathleen Milward
Environmental Technologist

KM:jlb

Approved by:



Brian Dennison, General Manager,
Engineering & Environmental Services



R3

STAFF REPORT

**ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE MEETING
OF SEPTEMBER, 2010**

DATE: August 26, 2010

FILE NO:

FROM: Mark Kueber, General Manager
Corporate Services Department

BYLAW NO:

SUBJECT: 2011 Engineering & Environment Budgets Discussion

Recommendation:

That direction be provided from the Committee on the 2011 Engineering & Environmental Budgets.

Purpose:

To discuss the 2011 Budget and to provide the Committee an opportunity to give staff direction at the beginning of the Budget process on the Engineering & Environmental budgets.

Background:

During the 2010 Budget preparation it was generally agreed that the Directors would like an opportunity in early September to discuss and provide earlier direction into the 2011 Budget process. The staff will be starting the Budget process soon and are now seeking that direction. To facilitate discussion a number of points are stated below and the Committees comments are appreciated.

1. Committees will be requested to provide direction.
2. Core expenditures used as foundation in determining 2011 Budget.
3. Supplemental new items are reviewed and recommended by Corporate Leadership Team to Board.
4. 1st Budget booklet distributed after surplus and new assessments are known in 2011.
5. Early Budget adoption vs 15 months of Capital.
6. New staff positions being proposed.

In an attempt to clarify timing it has been recommended to the Board that the attached timeline be approved. The Committees comments on the timeline are appreciated.

Submitted by:

Mark Kueber, C.G.A.
General Manager, Corporate Services Department

MK:tk

**R4****STAFF REPORT****ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE MEETING
OF SEPTEMBER 22, 2010**

DATE: September 3, 2010 **FILE NO:** 5600-30-SWW/01
FROM: Louise Knodel-Joy Senior Engineering Technologist, Water Management Division
SUBJECT: Saltair Water System – Cost of Water Delivery

Recommendation: For information purposes only.

Purpose: At the request of Director Dorey, Electoral Area G, a "*Cost Of Water Delivery*" report has been prepared for the Saltair Water System.

Financial Implications: as discussed below.

Interdepartmental/Agency Implications: not applicable at this time.

Background:

The CVRD assumed responsibility for the Saltair Water System in 1986. The system is now comprised of 13 commercial and 720 residential classifications with a total of 831 parcels of land within the system, and continues to supply water to a portion of the Town of Ladysmith's lands. The sole source of water for this system is Stocking Lake, a small body of water in a small watershed. The water license for the lake is also shared with the Town of Ladysmith. Water flows from the lake through a series of pressure reducing valves that reduce line pressure, is disinfected by a liquid chlorine treatment system and UV disinfection and is stored in a 230 000 litre (50,000 gallon) above-grade reservoir. Pressure-reducing valves within the distribution system regulate the water pressure in the service area.

Deficiencies in the system:

The aging water distribution system is mainly composed of 40-year old 100-mm and 150-mm asbestos cement pipes, and exhibits the following limitations: inadequate pipe diameters; fragile pipe materials; insufficient network looping; inefficient locations of pressure reducing valves (PRV). Performance of the distribution system has been substantially impacted by these limitations due to the following system deficiencies: inadequate pressure during peak consumption periods and at the upper end of pressure zones; excessively high pressures at lower end of pressure zones; water main leaks; excessive head loss through pipes and stagnant water in long single-feed lines.

The existing reservoir is undersized and upgrades to the PRV building and control systems are required. Also, under the 2008 Vancouver Island Health Authority 4-3-2-1 Drinking Water Treatment for Surface Water Policy, Saltair may be required to construct a filtration system for its surface water system.

The estimated cost for these capital works is approximately \$5,000,000.

.../2009

Capital Upgrades

Provision has been made in the 2010 capital budget for PRV and control upgrades, construction of a new reservoir and a study into the feasibility of a Micro-Hydro Energy Project at the water treatment building. Filtration system implementation requirements will follow this work if it is deemed to be necessary by the Health Authority.

Upgrades to the water distribution system have been completed in previous years with watermain replacements on Knudsen Road and South Oyster School Road. These upgrades will continue on a phased approach, based on the availability of grants and system revenues.

A water meter/cross connection control program, upgrading 50 water services a year is also in progress; however, this program will take 15 years to complete.

Financial Implications

The Saltair Water System has no debt and approximately \$90,000 in reserve funds. The 2010 proposed capital works will be funded by \$140,000 Gas Tax revenue and an operating surplus that has been carried forward from the previous year's budget.

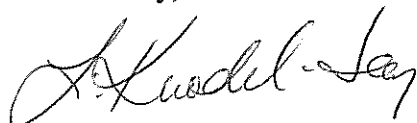
The annual Parcel Tax is \$220 with the discounted user rate for a single-family residential classification being \$190, based on a fee schedule of five steps. At the lowest step, 400 cubic metres of water is allotted per year. At this base rate, customers pay \$410 for 400 m³ or **\$1.025 per cubic metre of water**. In 2009, water overages provided approximately \$72,000 in additional revenue for this water system.

In 2009 the Saltair Water System treated and supplied 300,000 cubic metres of water at an operating cost of \$298,500.00. Including an annual 15% contribution towards reserve funds for future capital projects, the cost to produce this water (without capital expenditures) was \$343,500 for 300,000m³ or **\$1.145 per cubic metre of water**. This means that, without the revenue generated from overages, the water system would be in a deficient budget.

A "full cost accounting system" includes "hard costs" such as operations and maintenance, administration, overhead, reserves, costs of complying with regulations, depreciation, debt servicing and capital costs, as well as "soft costs" such as environmental externalities such as environmental management and source water protection. By utilizing a "full cost accounting system", the actual cost to produce water would be higher than that stated above.

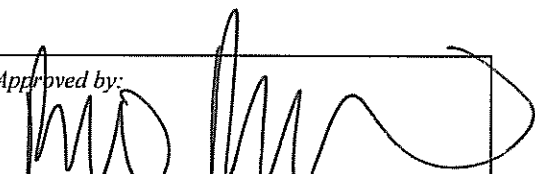
In general, the operating costs of an aging water system are climbing slowly above our base rate budget, and we are not collecting enough revenue for the identified capital replacement projects.

Submitted by,



Louise Knodel-Joy,
Senior Engineering Technologist

Approved by:



Brian Dennison, General Manager,
Engineering and Environmental Services



STAFF REPORT

R5

ENGINEERING AND ENVIRONMENTAL SERVICES COMMITTEE MEETING OF SEPTEMBER 22, 2010

DATE: September 13, 2010 **FILE NO:** Budget 2011
FROM: Joanne Bath, Administrative Coordinator, Engineering & Environmental Services
SUBJECT: Requisition Limit Increase – Youbou Street lighting

Recommendation:

That it be recommended that a bylaw be prepared to amend "CVRD Bylaw No. 2193 – Electoral Area I – Youbou Street Lighting Service Establishment Bylaw, 2001, to increase the maximum requisition to \$21,800, and that the amendment bylaw be forwarded to the Board for consideration of three readings and adoption.

Purpose: To consider increasing the maximum annual requisition limit for the Electoral Area I – Youbou Street Lighting Service.

Financial Implications: The annual cost of providing this service is recovered by requisition of money collected by parcel tax. The total parcel tax requisition for the fiscal year 2010 was \$18,500, which translates to a maximum parcel tax of \$44.15 per property. If the requisition limit is increased to the maximum allowable (<25%) without assent of the voters, it would equate to \$21,800, or \$52.21 per property.

Interdepartmental/Agency Implications: Voter approval may be obtained by the area director consenting, in writing, to adoption of the Bylaw.

Background:

BC Hydro fees have increased steadily since adoption of this bylaw in 2001. The estimated electricity cost for this budget in 2010 is estimated to be \$19,700, which will result in a deficit at year-end. As costs for electricity are expected to continue to rise, it is anticipated that assent of the electorate will be sought in future to further increase the requisition limit.

Submitted by,

Joanne Bath, Administrative Coordinator,
Engineering & Environmental Services Manager

Approved by:
Brian Dennison, Manager, Engineering Services



STAFF REPORT

R6

ENGINEERING AND ENVIRONMENTAL SERVICES COMMITTEE MEETING OF SEPTEMBER 22, 2010

DATE: September 15, 2010 **FILE NO:** 2010 Budget
FROM: Bob McDonald, Division Manager, Recycling & Waste Management
SUBJECT: Mid-Year Budget Status Report

Recommendation: This report is submitted for information purposes only.

Purpose: To provide the Committee with a mid-year report on the status of the Recycling & Waste Management Division budgets, which fall under the direct responsibility of the Engineering & Environmental Services Department.

Financial Implications: Financial update only

Interdepartmental/Agency Implications: None

Background: The following is a brief outline of key aspects of the following Recycling & Waste Management Division budgets:

Budget 520 – Regional budget covering all solid waste management aside from curbside

This is a large budget (i.e. \$10.8 million) and, while there are very minor fluctuations within the budget, all general operating revenues and expenditures are in line with where they should be at this time of year. The most significant variance is the current surplus showing that is expected to be diminished by year end. This is a result of receiving the full annual requisition early in the fiscal year, and long term borrowing funds that have not yet been spent on related projects. This surplus is further compounded by the result of cost-efficient measures that have been implemented in our operations. A nominal surplus may be realized at year end.

Budget 515 – Curbside Collection for Electoral Areas only

General operating expenditures are slightly lower (10-15%) than forecast in 2010 due to the slow economic recovery/consumer expenditures in 2010. As the amount of garbage (and associated disposal cost) is estimated during the budget cycle and rates are then fixed, receiving less garbage throughout the year may result in a small surplus that will be directed to an expanded curbside program (and costs) in 2011.

Submitted by,

Bob McDonald, Manager
Recycling & Waste Management Division

Approved:

Brian Dennison, P. Eng., General Manager,
Engineering and Environmental Services



STAFF REPORT

R7

ENGINEERING AND ENVIRONMENTAL SERVICES COMMITTEE MEETING OF SEPTEMBER 22, 2010

DATE: September 15, 2010 **FILE NO:** 2010 Budget
FROM: Dave Leitch, ASCT, Division Manager, Water Management
SUBJECT: Mid-Year Budget Status Report

Recommendation: This report is submitted for information purposes only.

Purpose: To provide the Committee with an interim report as of July 31 on the status of the Water Management Division budget which fall under the direct responsibility of the Engineering and Environment Department.

Financial Implications: Update only

Interdepartmental/Agency Implications: None

Background:

Commitments were made in 2009 year to bring interim reports to the various committees or commissions outlining the current status of the Departmental budgets. The following is a brief outline of key aspects of the following Water Management Division budgets.

Douglas Hill Water

Takeover of this water system is scheduled for November 1, 2010. Planned upgrades for the system in 2011 include installation of a new water treatment building and related controls. Capital project expenses will be funded through borrowing and gas-tax funding.

Lambourn Water, Sewer and Lanes Road Drainage

General operating expenditures are in line with where they should be at this time of year. 2009 budget deficits resulting from poor infrastructure at take-over, have carried through the 2010 budgets. Capital upgrades to the water and sewer systems are underway. The upgrades are funded through a combination of grant funding, service area borrowing, and multi partner developer contributions. The sewer treatment plant is operational but deficiencies are being evaluated. Construction of the water treatment plant is now underway. Lanes Road Drainage system budget is in line with expectations.

Arbutus Mountain Water, Sewer, Drainage and Street lighting

General operating expenditures are in line with where they should be at this time of year. Tree damage to the reservoir is being recovered by an insurance claim for the water budget. Capital works modifications are underway for the sewage treatment plant. These modifications will be 100% funded by the developer through a \$200,000.00 cash holdback held by the CVRD. Excessive operation and maintenance costs due to these deficiencies will also be funded by the developer.

Fern Ridge Water

General operating expenditures are in line with where they should be at this time of year. There are no major capital works or expenditures in the system this year. Two additional properties have been included in the service area in 2010.

Bald Mountain (Woodland Shores) Water, Sewer and Drainage

Construction of this new development is complete and has been transferred to the CVRD. At this time, we have incurred low operating expenses as there are no homes being occupied.

Satellite Park Water

General operating expenditures are in line with where they should be at this time of year. Capital upgrades to the water system are underway and approximately 90% complete. The upgrades are funded through a combination of grant funding, service area borrowing, reserve funds and operating revenue. Project expenditures are anticipated to be 10% over budget and staff are reviewing funding options to make up the anticipated shortfall.

Dogwood Ridge Water

Takeover of this water system occurred in January of 2010. Planned upgrades for the system in 2010 include construction of a new 50,000 gallon steel water reservoir, installation of a new water treatment plant, well improvements and distribution piping. Funding will be provided by Federal/Provincial Infrastructure grant, gas tax funding, borrowing and reserve funds. The project is 50% complete.

Arbutus Ridge Water, Sewer and Drainage

Takeover of these utility systems occurred in April 2010. General operating expenditures are in line with where they should be at this time of year. Capital upgrade projects will start in 2011.

Mesachie Lake Water and Sewer

General operating expenditures are in line with where they should be at this time of year. In order to fund a request from the Vancouver Island Health Authority to prepare a well protection plan for the water system before the end of the year, a transfer from reserve of \$11,000.00 is required. Capital upgrades to the sewer system have not begun as we continue to wait for notice on a provincial grant or from development to help fund this upgrades. Gas tax funding has been committed in the amount \$352,000 towards the costs of the upgrades.

Saltair Water

General operating expenditures are in line at this time of year, with the exception of watermain breaks exceeding normal expectations. The operating budget has sufficient funds to cover these costs. Design is proceeding for PRV and control upgrades, and installation of a new reservoir and investigation of a Micro-Hydro Energy Project. Funding for this work includes approximately \$140,000.00 in gas tax and current funds.

Youbou Water and Sewer

General operating expenditures are in line with where they should be at this time of year. The remaining portion of the Youbou capital project, including the PRV station, is scheduled for completion by early 2011.

Honeymoon Bay Water

General operating expenditures are in line with where they should be at this time of year. Capital upgrades, including a new reservoir, water treatment plant, and well system for the water system was completed in 2009. A watermain extension to Sutton Creek was completed in 2010. A metering and backflow prevention program is now underway and is funded by remaining gas tax funding and short term borrowing.

Cherry Point Water

General operating expenditures are in line with where they should be at this time of year. 2010 capital upgrades to the well monitoring controls of \$5,000 is proposed and will be funded through reserve funds.

Shawnigan Lake Water and Sewer

General operating expenditures are in line with where they should be at this time of year. Operating reserves of \$50,000.00 will not be required for water system capital works, as water connection fees have provided surplus funds. Upgrades proposed include Shawnigan Lake School well tie-in and MacFarlane pumpstation upgrades. Funding is provided by short term borrowing, gas tax and current funds.

Kerry Village Water and Sewer

General operating expenditures are in line with where they should be at this time of year. Capital upgrades to construct a new sewage treatment plant, disposal field and upgrade the water treatment building are underway and are 60% complete. Kerry Village sewer system has received a Towns for Tomorrow grant in the amount of \$400,000 which will make up 80% of the service areas contribution to the project.

Cowichan Bay Sewer and Drainage

General operating expenditures are in line with where they should be at this time of year. Capital upgrades to remediate inflow and infiltration problems are planned. Funding of \$150,000 is available from a combination of connection charges and current revenue.

Eagle Heights Sewer

General operating expenditures are in line with where they should be at this time of year. 2010 capital upgrades to the Christopher Road pump station (pump hoist and equipment) are proposed at an estimated cost of \$60,000, which will be funded through anticipated connection fee revenue.

Brulette Sewer

Takeover of this water system occurred in April of 2010. Current costs are in line with the anticipated budget. Planned upgrades for the system include electrical and instrumentation upgrades for 2010.

Sentinel Ridge Sewer, Drainage and Street lighting

General operating expenditures are in line with where they should be at this time of year. There are capital works upgrades planned for the sewage treatment plant in 2011, which will be 100% funded by the developers.

Twin Cedars Sewer, Drainage and Street lighting

General operating expenditures are in line with where they should be. There are no major capital works or expenditures in the system this year.

Cobble Hill Sewer and Drainage

General operating expenditures are in line with where they should be at this time of year. Capital upgrades to the sewage treatment plant are ongoing and are expected to be complete and on budget in 2010. The upgrade costs are funded by gas tax and borrowing.

Maple Hills Sewer

General operating expenditures are in line with where they should be at this time of year. Insurance and short term borrowing has covered costs from the 2008/09 major failure in the treatment plant.

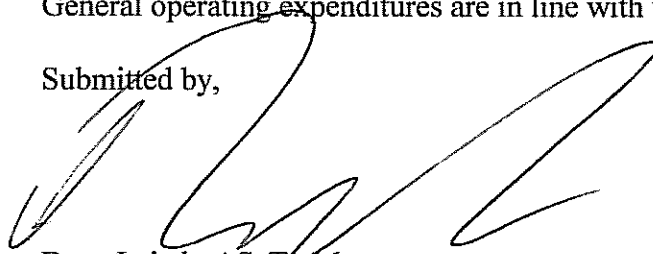
Wilmot Drainage

General operating expenditures are in line with where they should be at this time of year.

Shawnigan East Drainage

General operating expenditures are in line with where they should be at this time of year.

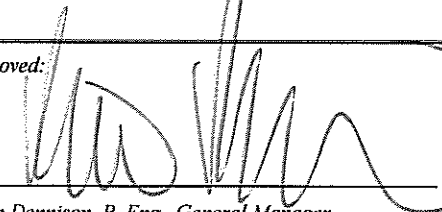
Submitted by,



Dave Leitch, ASCT., Manager
Water Management Division
Engineering & Environment Services

DL/LKJ:jlb

Approved:



Brian Dennison, P. Eng., General Manager
Engineering and Environmental Services



STAFF REPORT

R8

ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE MEETING OF SEPTEMBER 22, 2010

DATE: September 2, 2010

FILE NO: 2240-20-BPS

FROM: Dave Leitch, ASCT, Division Manager, Water Management

SUBJECT: Utility Transfer Agreement for the Brulette Sewer System

Recommendation:

That the Board accept the Utility Transfer Agreement between the CVRD and Jim and Karen Taggart for CVRD takeover of the sewer system for the Brulette Sewer System in Electoral Area A, and further that the Chair and Corporate Secretary be authorized to sign the Utility Transfer Agreement.

Purpose: To review the Utility Transfer agreement for CVRD takeover of the Brulette Sewer System.

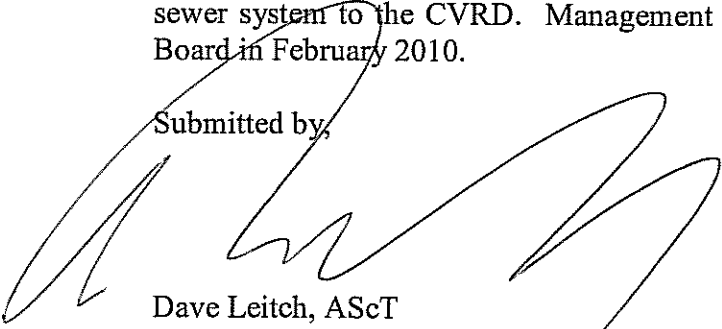
Financial Implications: Not applicable

Interdepartmental/Agency Implications: Not applicable

Background:

Establishment Bylaws have been adopted for the above utilities, and staff has now prepared the "Utility Transfer Agreement" for the Board's consideration, which transfers all assets of the sewer system to the CVRD. Management bylaws for this system were adopted by the CVRD Board in February 2010.

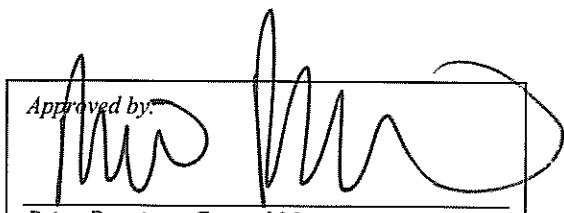
Submitted by,



Dave Leitch, ASCT
Division Manager, Water Management
Engineering and Environmental Services

DL/LKJ:jlb

Approved by:



Brian Dennison, General Manager,
Engineering & Environmental Services

UTILITY TRANSFER AGREEMENT

THIS AGREEMENT dated for reference the 31st day of August, 2010.

BETWEEN:

JAMES ANDREW TAGGART and KAREN LYNN TAGGART,
10- 912 Brulette Place
RR 2, Mill Bay, B.C. V0R 2P2

(hereinafter referred to as the "Owners")

OF THE FIRST PART

AND:

COWICHAN VALLEY REGIONAL DISTRICT
175 Ingram Street, Duncan, British Columbia, V9L 1N8

(hereinafter referred to as the "Regional District")

OF THE SECOND

PART

WHEREAS:

- A. The Owners own and operate a sewer utility (the "Sewer Utility") under the Ministry of Environment Registration number RE16692, RE17108 and three Vancouver Island Health Permits (the "Permit") that collects and treats sewage from all and singular parcels of land and premises on lands described as:

Strata Lots 1-20, Section 4, Range 8, Shawnigan Land District, Plan VIS4140
Strata Lots 1-36, Section 4, Range 8, Shawnigan Land District, Plan VIS5497
Lot 1, Section 4, Range 8, Shawnigan Land District, Plan VIP 73512
Lot B, Section 4, Range 8, Shawnigan Land District, Plan VIP 73775
Lot 1, Section 4, Range 8, Shawnigan Land District, Plan VIP 73380
Plan 43001W, Section 4, Range 8, Shawnigan Land District

(hereinafter referred to as the "Lands");

and that disposes of sewage effluent on lands described as:

| | |
|-----------------|--|
| PID 025-422-260 | Lot B, Section 4, Range 8, Shawnigan Land District, Plan VIP 73775 ("Lot B") |
| PID 025-328-093 | Lot 1, Section 4, Range 8, Shawnigan Land District, Plan VIP 73380 ("Lot 1") |
| PID 001-618-644 | Section 4, Range 8, Shawnigan District, except those parts in Parcel "B", (DD 45704-I), 677-R, 6193, 28487, 33309, VIP51948, VIP64077, VIP73380, VIP73512 and VIP73775 ("Remainder Section 4") |

(hereinafter collectively referred to as the "Disposal Lands");

- B. The Regional District may, by bylaw, and pursuant to subsection 796 of the *Local Government Act*, establish and operate any service that the Board considers necessary or desirable for all or part of the Regional District;
- C. The Regional District has the power under section 176(1)(d) of the *Local Government Act* to acquire, hold, manage and dispose of land, improvements, personal property or other property and any interest or right in or with respect to that property;
- D. The Owners have agreed to allow the Regional District to take over the above referred to Sewer Utility and the Regional District desires to do so on the terms and conditions hereinafter appearing;
- E. In order to authorize its operation of the Sewer Utility, the Regional District Board has adopted Bylaw 3296 – Brulette Place Sewer System Service Establishment Bylaw, 2009, and Bylaw 3297, Brulette Place Sewer System Service Loan Authorization Bylaw, 2009, and has amended those bylaws to add Lot 1, Section 4, Range 8, Shawnigan District, Plan VIP73512 to the service area under those bylaws (collectively, the "Brulette Place Sewer System Bylaws").
- F. The Owners have agreed to transfer the works and infrastructure comprising the Sewer Utility by means of a Contract of Sale of Goods attached as Schedule "C" to this Agreement, a Statutory Right of Way attached hereto as Schedule "B" to this Agreement, and a Section 219 (*Land Title Act*) covenant attached hereto as Schedule "D" to this Agreement.

NOW THIS AGREEMENT WITNESSES that in consideration of the covenants hereinafter provided, the parties covenant and agree each with the other as follows:

1.0 INTERPRETATION

1.1 In this Agreement,

"Discharge Easement / Covenant" means the easement and restrictive covenant in the form attached as Schedule "F" that the Owners shall register against the title to Lot B, on or before the Completion Date, for the benefit of Remainder Section 4 and the lands legally described as Lot 1, Section 4, Range 8, Shawnigan District, Plan VIP73512 (hereafter referred to as "Lot 1, Plan VIP73512").

"Existing Easements and Covenants" means the easements and covenants over the Disposal Lands that are listed in Schedule "E" to this Agreement.

"Existing Financial Charges" means the charges of a financial nature that are registered against title to the Disposal Lands and that are listed in Schedule "E" to this Agreement.

"Section 219 Covenant" means the covenant pursuant to section 219 of the *Land Title Act* to be registered over Lot B in the form attached as Schedule "D" to this Agreement that the Owners have agreed to grant to the Regional District as of the Completion Date.

"Sewer Utility" includes all the sewer system works as more particularly described in Schedule "A" to this Agreement.

"Right of Way" means the Statutory Right of Way in the form attached as Schedule "B" which the Owners have agreed to grant to the Regional District over such portion of the Disposal Lands as is necessary for the operation of the Utility on the Completion Date.

"Utility" means, collectively, the Sewer Utility, together with all other rights and interests being conveyed to the Regional District under this Agreement.

"Works" means any system of operative utility service and all appurtenant equipment and works installed and constructed by the Owners and employed by or in connection with the Sewer Utility, and more particularly described in Schedule "A" to this Agreement.

2.0 PURCHASE PRICE

- 2.1 The purchase price for the Utility shall be the sum of **TEN DOLLARS (\$10.00)** payable by the Regional District to the Owners on the Completion Date as herein defined.

3.0 COMPLETION DATE

- 3.1 The completion date shall be that date which is ninety (90) days from the date of execution of this Agreement (the "**Completion Date**").

4.0 TRANSFER OF INTEREST

- 4.1 As of the Completion Date, the Owners agree to sell, assign and transfer to the Regional District all of their right, title and interest in the Utility, including:
- (a) the Works, and for that purpose the Owners further agree to enter into, prior to the Completion Date, a Contract of Sale of Goods (Absolute) with respect to the Works in the form attached hereto as Schedule "C"; and
 - (b) the right to enter on and use that portion of the Disposal Lands that is necessary for the purpose of the Regional District's ownership and operation of the Utility, and for that purpose the Owners agree to grant to the Regional District on the Completion Date the Right of Way over the Disposal Lands in priority to any charge of a financial nature including but not limited to the Existing Financial Charges (it being understood and agreed that following the transfer of that portion of the Disposal Lands to the Regional District as required under the Section 219 Covenant referred to in section 4.2, that the said Right of Way shall be discharged from the portion of the Disposal Lands that is not required for the operation of the

Sewer Utility). Prior to the Completion Date the parties shall have prepared a Right of Way Plan for registration for the purpose of defining the area of the Disposal Lands required for the operation of the Utility.

- 4.2 As of the Completion Date the Owners agree to grant to the Regional District the Section 219 Covenant over Lot B for the purpose of securing the obligation of the Owners to transfer the fee simple interest in and to that portion of Lot B that is required for the Regional District's operation of the Sewer Utility, such transfer to occur prior to any development or subdivision of the Disposal Lands, and such Section 219 Covenant to be registered in priority to any charge of a financial nature including but not limited to the Existing Financial Charges.
- 4.3 For certainty, the Section 219 Covenant and Right of Way shall be registered over the title to Lot B subsequent in priority to the Discharge Easement / Covenant.
- 5.0 REPRESENTATIONS AND WARRANTIES OF OWNERS / FUTURE DEVELOPMENT OF DISPOSAL LANDS**
- 5.1 The Owners represent and warrant to the Regional District as follows, with the intent that the Regional District shall rely on the representations and warranties in entering into this Agreement and in concluding the purchase and sale contemplated by this Agreement:
- (a) the Owners are the sole legal and beneficial owners of the Sewer Utility, and are the sole legal and beneficial owners of the Disposal Lands in priority to all financial charges except for the Existing Financial Charges;
 - (b) this Agreement constitutes a legal, valid and binding obligation of the Owners enforceable against the Owners in accordance with its terms;
 - (c) neither the execution and delivery of this Agreement, nor the completion of the transaction contemplated by this Agreement will give any person the right to remove the Works, or any part thereof;
 - (d) subject to the Existing Easements and Covenants, the Owners own and possess and have a good marketable title to the Works free and clear of all mortgages, liens, charges, pledges, security interest, encumbrance or other claims;
 - (e) the Owners have no indebtedness to any person, firm or corporation which might by operation of law or otherwise now or hereafter constitute a lien, charge or encumbrance upon the Works.
- 5.2 The Regional District acknowledges that under the terms of this Agreement and in particular under the terms of the Discharge Easement / Covenant to be registered on or before the Completion Date, sufficient ground discharge capacity in Lot B shall be reserved for the benefit Remainder Section 4 and Lot 1 Plan VIP73512 (the "benefiting lands") to provide for the treatment and disposal of sewage discharge from all self-contained dwelling units constructed upon the benefiting lands, provided the number of self-contained dwelling units on the

benefiting lands does not exceed that permitted under the zoning bylaw of the Cowichan Valley Regional District that applies to the benefiting lands as of the date of this Agreement, and that under the terms of this Agreement the Regional District shall acquire its interest in and its right to use Lot B subject to those reserved rights.

- 5.3 (a) Nothing contained or implied under this Agreement shall relieve the Owners of the requirements of any statute or regulation, including but not limited the bylaws of the Regional District that apply to the development of the benefiting lands, or that apply to the connection of any development on the benefiting lands to the Utility as operated under the authority of the Brulette Place Sewer System Bylaws, and further including any requirement that the Owners contribute to the construction of any sewage treatment and disposal works or services on Lot B or elsewhere that may be necessary for the development of the benefiting lands. Nothing contained or implied in this Agreement shall prejudice or affect the rights and powers of the Regional District in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Disposal Lands as if this Agreement had not been executed and delivered by the Owners.
- (b) The Regional District acknowledges that it accepts the transfer of the Utility "as is, where is" and specifically without limiting the generality of the foregoing, acknowledges that the Owners have made no representation or warranty as to any litigation or administrative or governmental proceeding or inquiry pending, or to the knowledge of the Owners, threatened against or relating to the Utility or the Works or any part thereof, or whether the Owners have any knowledge of or have any reasonable grounds to believe that there is any basis for such action, proceeding or enquiry.

6.0 CONDITIONS PRECEDENT

- 6.1 The obligation of the Regional District to complete the purchase of the Sewer Utility under this Agreement is subject to the following condition being fulfilled on or before the Completion Date:
- (a) the Regional District being granted by the Owners, Strata Plan VIS5497 and by the Owners, Strata Plan VIS4140 such statutory rights of way over the common property within each of the aforesaid strata plans as the Regional District, in its sole discretion, considers to be necessary for the effective operation of the Utility.
- 6.2 The obligation of the Owners to complete the sale of the Sewer Utility under this Agreement is subject to the following conditions being fulfilled on or before the Completion Date:
- (a) the Owners being granted discharges of the Existing Easements and Covenants by all registered owners of those charges and by all persons with an interest in those charges, in a form that may be registered in the Land Title Office.

7.0 INDEMNITY

7.1 The Owners covenant to save harmless and indemnify the Regional District from and against:

(a) any indebtedness or liability to any person, firm or corporation which might by operation of law or otherwise now or hereafter constitute a lien, charge, mortgage, security interest or encumbrance upon any of the Works, save and except any such indebtedness or liability created or caused by the Regional District; and

(b) any and all actions, suits, proceedings, demands, assessments, judgments, costs and legal and other expenses arising out of or from the ownership or operation of the Sewer Utility by the Owners.

7.2 Until the transfer to the Regional District of the fee simple interest of that portion of the Disposal Lands required for the operation of the Utility, as required under the terms of the Section 219 Covenant, the Regional District agrees to be responsible for payment of any parcel tax levied under the Brulette Place Sewer System Bylaws against any portion of the Disposal Lands that is actually used and occupied by the Regional District for the purpose of the Utility, and for certainty the Owners shall be responsible for the payment of any portion of said parcel tax levied against the portion of the Disposal Lands not required for the purpose of the Utility or that are not deemed unserviceable by the Regional District, and for any and all other property taxes levied against the Disposal Lands by any other taxing authority having jurisdiction.

8.0 SURVIVAL OF WARRANTIES

8.1 All representations, warranties, covenants and agreements made by the Owners in this Agreement or under this Agreement shall, unless otherwise expressly stated, survive closing and any investigation at any time made by or on behalf of the Regional District shall continue in full force and effect for the benefit of the Regional District.

9.0 FURTHER ASSURANCES

9.1 The parties shall execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

10.0 TERMINOLOGY

10.1 Wherever the singular or the masculine are used in this Agreement, they shall be construed as meaning the plural or the feminine or the body corporate or politic where the context or parties require.

11.0 BINDING AGREEMENT

11.1 This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

12.0 HEADINGS

12.1 The headings in this Agreement are inserted for convenience and reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

IN WITNESS WHEREOF the parties hereto have set their hands and seals of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

Address

Occupation

James Andrew Taggart

Karen Lynn Taggart

(as to both signatures)

**COWICHAN VALLEY REGIONAL
DISTRICT**
by its authorized signatories

Gerry Giles, Chair

Joe Barry, Corporate Secretary

Schedule "A"

SEWER SYSTEM

Collection: All appurtenant pipes, pumps, fittings, valves, treatment and disposal works installed and constructed by the Owners upon the Disposal Lands or elsewhere and employed by or in connection with the Sewer Utility.

Sewage Treatment Plant: All equipment, structures and fittings associated with the sewage treatment plant installed and constructed by the Owners on the Disposal Lands and employed by or in connection with the Sewer Utility, and located on the Disposal Lands.

Disposal Field: All appurtenant pipes, equipment, structures, and fittings associated with the disposal field installed and constructed by the Owners and employed by or in connection with the Sewer Utility, and located on the Disposal Lands.

Schedule "B"

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

PAGE 1 OF 10 PAGES

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

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

STAPLES MCDANNOLD STEWART

Barristers & Solicitors

2nd Floor, 837 Burdett Avenue

Victoria

BC V8W 1B3

Tel: (250) 380-7744

Fax: (250) 380-3008

File: 130 257/PJ/or

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

Deduct LTO Fees? YES ☒

SEE SCHEDULE

STC? YES ☐

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

SEE SCHEDULE

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

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

(b) ☒ Express Charge Terms Annexed as Part 2

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

5. TRANSFEROR(S):

SEE SCHEDULE

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

COWICHAN VALLEY REGIONAL DISTRICT

175 INGRAM STREET

DUNCAN

V9L 1N8

BRITISH COLUMBIA

CANADA

7. ADDITIONAL OR MODIFIED TERMS:

N/A

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

Officer Signature(s)

Execution Date

| Y | M | D |
|---|---|---|
| | | |

Transferor(s) Signature(s)

KAREN LYNN TAGGART

JAMES ANDREW TAGGART

(as to both signatures)

OFFICER CERTIFICATION:

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

026

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 10 pages

Officer Signature(s)

Execution Date

Y M D

Transferor / Borrower / Party Signature(s)

As to Priority
COAST CAPITAL SAVINGS CREDIT
UNION, by its authorized signatory(ies)

(as to both signatures)

OFFICER CERTIFICATION:

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

027

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 of 10 pages

Officer Signature(s)

Execution Date

Y M D

Transferor / Borrower / Party Signature(s)

COWICHAN VALLEY REGIONAL
DISTRICT, by its authorized
signatory(ies)

Gerry Giles, Chair

Joe Barry, Corporate Secretary

(as to both signatures)

OFFICER CERTIFICATION:

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

028

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 10 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

025-422-260 LOT B, SECTION 4, RANGE 8, SHAWNIGAN DISTRICT, PLAN VIP73775

STC? YES ☐2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

025-328-093 LOT 1, SECTION 4, RANGE 8, SHAWNIGAN DISTRICT, PLAN VIP73380

STC? YES ☐2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]001-618-644 SECTION 4, RANGE 8, SHAWNIGAN DISTRICT, EXCEPT THOSE PARTS IN
PARCEL "B" (DD45704-I), 677-R, 6193, 28487, 33309, VIP51948, VIP64077,
VIP73380, VIP73512 AND VIP73775STC? YES ☐

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 of 10 pages

NATURE OF INTEREST

Statutory Right of Way

CHARGE NO.

ADDITIONAL INFORMATION

Entire Document; except page 10, paragraph 5.1

Statutory Right of Way over part shown on Plan
EPP _____

NATURE OF INTEREST

Priority Agreement

CHARGE NO.

ADDITIONAL INFORMATION

Granting the Statutory Right of Way with one
registration number less than this Priority
Agreement priority over Mortgage EM58328; page
10, paragraph 5.1

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 6 of 10 pages

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

5. TRANSFEROR(S):

KAREN LYNN TAGGART AND JAMES ANDREW TAGGART

COAST CAPITAL SAVINGS CREDIT UNION (FORMERLY PACIFIC COAST SAVINGS CREDIT UNION) (AS TO PRIORITY)

TERMS OF INSTRUMENT - PART 2

WHEREAS:

- A. The Transferors are the registered owner in fee simple of the following land in the Province of British Columbia:

PID 025-422-260

Lot B, Section 4, Range 8, Shawnigan District, Plan VIP73775

PID 025-328-093

Lot 1, Section 4, Range 8, Shawnigan District, Plan VIP73380

PID 001-618-644

Section 4, Range 8, Shawnigan District, Except those Parts in Parcel "B", (DD 45704-I), 677-R, 6193, 28487, 33309, VIP51948, VIP64077, VIP73380, VIP73512 and VIP73775

(the "Lands")

- B. The Transferee is the Cowichan Valley Regional District;
- C. This Right of Way is necessary for the operation and maintenance of the Transferee's undertaking as described in Recital D;
- D. To facilitate the installation of a system of sewerage works including all related pipes, pumps, valves, fittings, facilities, equipment, power lines, wires, utility poles, pumps, buildings, kiosks, treatment and disposal works, and appurtenants (the "Works"), the Transferors have agreed to permit the construction by the Transferee of the Works on the Lands and to grant for that purpose the Right of Way in Section 1.1.

NOW THEREFORE, in consideration of the sum of One (\$1.00) Dollar of lawful money of Canada, now paid by the Transferee to the Transferors (the receipt and sufficiency of which is now acknowledged by the Transferors), and in consideration of the covenants and conditions agreed to be observed and performed by the parties and for other valuable consideration:

1.0 THE TRANSFERORS:

- 1.1 grants, conveys, confirms and transfers, in perpetuity, to the Transferee the full, free and uninterrupted right, license, liberty, privilege, easement, permission and right of way to lay down, install, erect, construct, entrench, operate, maintain, repair, inspect, alter, remove, replace, bury, cleanse, string, and otherwise establish one or more systems of Works upon, over, under and across that part of the Lands outlined in bold on Plan EPP _____, a copy of which is attached as Schedule A to this Agreement (the "Right of Way");

032

- 1.2 covenants and agrees to and with the Transferee that the Transferee shall:
- (a) for itself and its agents, workers, contractors and all other licensees of the Transferee;
 - (b) together with machinery, vehicles, equipment, and materials;
 - (c) upon, over, under and across the Right of Way;
 - (d) as may be necessary, useful, or convenient for the purposes in section 1.1; and
 - (e) in connection with the operations of the Transferee in relation to the Works or other works of the Transferee on adjacent land;

be entitled at all times to enter, use, pass and repass, labour, construct, erect, install, dig, carry away soil or other surface or subsurface materials, and clear of all trees, growth, buildings or obstructions now or hereafter in existence upon, over, under and across the Right of Way;

- 1.3 transfers, assigns and conveys to the Transferee all right, title and interest in and to any Works that the Transferee, or the Transferors have prior to this Agreement established or constructed or maintained or operated within the Right of Way or in relation to any similar Works previously constructed by any party whatsoever within the Right of Way;
- 1.4 grants unto the Transferee the license, permission, easement and Right of Way to lay down, install, erect, construct, operate, maintain, repair, inspect, alter, remove, replace, cleanse, string, and otherwise establish one or more temporary systems of works upon the Lands of the Transferors, in the event of a breakdown or malfunction of the Works;

2.0 THE TRANSFERORS COVENANT:

- 2.1 not, and not to permit any other person, to erect, place, install or maintain any building, structure, addition to a building or structure, mobile home, paved driveway or patio, pipe, wire or other conduit on, over or under any portion of the Right of Way within 3 metres of the Works;
- 2.2 not to do anything that in any way interferes with or damages or prevents access to or is likely to cause harm to the Works installed in or upon the Right of Way;
- 2.3 not to do or knowingly permit to be done any act or thing which will interfere with or injure the Works and in particular, without limitation, will not carry out any blasting on the Right of Way without the consent in writing of the Transferee, and consent shall not be unreasonably withheld;
- 2.4 not to substantially add to or diminish the soil cover over any of the Works installed in the Right of Way and in particular, without limitation, will not construct open drains or ditches along or across any of the Works installed in the Right of Way without the consent of the Transferee, and consent shall not be unreasonably withheld;

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- 2.5 from time to time and at all times at the reasonable request and at the cost of the Transferee to do and execute or cause to be made, done or executed any further and other lawful acts, deeds, things, devices, conveyances and assurances in law required to ensure the Transferee of its rights under this Agreement;

3.0 THE TRANSFEE COVENANTS:

- 3.1 not to bury any debris or rubbish of any kind in excavations or backfill on the Right of Way, and to remove shoring and similar temporary structures as backfilling proceeds;
- 3.2 to thoroughly clean all lands to which it has had access under this Agreement of all rubbish and construction debris created or placed on the Right of Way by the Transferee and to leave such lands in a neat and clean condition;
- 3.3 as soon as weather and soil conditions permit, and as often as it may exercise this right of entry to the Right of Way, to replace the surface soil as nearly as may be reasonably possible to the same condition as it was prior to the entry, in order to restore the natural drainage to the Lands. This shall not require the Transferee to restore any trees or other surface growth, but the Transferee shall leave the Lands in a condition which will not inhibit natural regeneration of that growth;
- 3.4 as far as reasonably possible, to carry out all work in a proper and workmanlike manner so as to do as little injury to the Lands as possible;
- 3.5 to make good at its own expense damage or disturbance which may be caused to the Lands in the exercise by the Transferee of its rights under this Agreement except as permitted under this Agreement;
- 3.6 as far as reasonably possible, to restore any fences, lawns or flower beds, at its cost as nearly as may be reasonably possible to the same condition that they were in prior to any entry by the Transferee upon the Lands;
- 3.7 to indemnify and save harmless the Transferor from and against any and all claims, losses, damages, actions, causes of action and costs of any kind caused by or resulting from the negligence of the Transferee, and its directors, officers, employees, agents and contractors, in respect of the exercise of its rights under this Agreement, or in respect of any breach of this Agreement on the part of the Transferee or its directors, officers, employees, agents or contractors.

4.0 THE PARTIES COVENANT TO AND AGREE WITH EACH OTHER, as follows:

- 4.1 In spite of any rule of law or equity to the contrary, the Works brought on to, set, constructed, laid, erected in, upon or under the Right of Way by the Transferee shall at all times remain the property of the Transferee, even if the Works are annexed or affixed to the freehold, and the Works shall at any time and from time to time be removable in whole or in part by the Transferee;
- 4.2 In the event that the Transferee abandons the Works or any part of them, the Transferee shall, if requested by the Transferors, remove the Works so abandoned and

the Transferee shall deliver to the Transferor a discharge of the Right of Way in registerable form from that part of the Lands over which the Works have been abandoned and if so abandoned the Works, or part thereof, in the event the Transferors do not require the removal, shall become the property of the Transferors;

- 4.3 No part of the title in fee simple to the Lands of the Transferors shall pass to or be vested in the Transferee under or by virtue of this Agreement, and the Transferors may fully use and enjoy all of the Lands of the Transferors subject only to the rights and restrictions in this Agreement;
- 4.4 The Transferors acknowledge that (a) these Covenants are enforceable against the Transferors and their successors in title, but (b) the Transferors are not personally liable for breach of these Covenants after the Transferors have ceased to be the owner of the Lands;
- 4.5 If at the date hereof the Transferors are not the sole registered owner of the Lands of the Transferors, this Agreement shall nevertheless bind the Transferors to the full extent of their interest therein, and if they acquire a greater or the entire interest in fee simple, this Agreement shall likewise extend to such after-acquired interests;
- 4.6 Where the expression "Transferors" includes more than one person, all covenants made by the Transferors shall be construed as being several as well as joint with respect to all persons constituting the Transferors;
- 4.7 This Agreement shall continue to benefit and be binding upon the Transferors and Transferee, and their respective heirs, administrators, executors, successors and permitted assigns, as the case may be;
- 4.8 Gender specific terms include both genders and corporations, and the singular and plural forms are interchangeable, according to the context;

5.0 PRIORITY AGREEMENT

- 5.1 Capital Coast Savings Credit Union (formerly Pacific Coast Savings Credit Union), as the registered holder of a charge by way of a Mortgage against the within described property, which said charge is registered in the Land Title Office at Victoria, British Columbia, under number EM58328, for and in consideration of the sum of One Dollar (\$1.00) paid by the Transferee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Transferee, its successors and assigns, that the within Right of Way shall be an encumbrance upon the within described property in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

The Transferors and Transferee acknowledge that this Agreement has been duly executed and delivered by the parties executing Forms C, D and E (pages 1, 2 and 3) attached hereto.

END OF DOCUMENT

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Schedule "C"

CONTRACT OF SALE OF GOODS (ABSOLUTE)

THIS CONTRACT dated as of the _____ day of _____, 2010

and made IN PURSUANCE OF THE *SALE OF GOODS ACT*

BETWEEN:

JAMES and KAREN TAGGART,
10- 912 Brulette Place
RR 2, Mill Bay, B.C. V0R 2P2

(hereinafter called the "**Seller**")

AND:

OF THE FIRST PART

COWICHAN VALLEY REGIONAL DISTRICT
175 Ingram Street
Duncan, British Columbia, V9L 1N8

(hereinafter called the "**Buyer**")

OF THE SECOND PART

WHEREAS:

- A. The Seller is possessed of the goods and specific goods hereinafter described; and
- B. The Seller has agreed with the Buyer for the absolute sale to him of the same upon the terms and conditions and for the consideration hereinafter set forth.

NOW THIS INDENTURE WITNESSETH:

In consideration of the sum of TEN (\$10.00) DOLLARS of lawful money of Canada, and other good and valuable consideration, paid by the Buyer to the Seller the Seller at or before the sealing and delivery of this Contract, the receipt whereof the Seller hereby acknowledges, the Seller hereby sells, assigns, transfers and sets over all and singular the goods and specific goods (hereafter collectively called the said "goods"), hereinafter described in Schedule "A" attached hereto and all the right, title, interest, property, claim and demand of the

Seller thereto and therein, unto the Buyer, to and for his sole and only use forever.

1. The Seller hereby covenants, promises and agrees to and with the Buyer:
 - (a) that all of the said goods are now in the possession of the Seller as defined in the *Sale of Goods Act*;
 - (b) the Seller is now rightfully and absolutely possessed and entitled to the said goods hereby sold and assigned, and to all and every part of them;
 - (c) that the Seller now has good right to sell and assign the said goods unto the Buyer in the manner aforesaid and according to the true intent and meaning of this Contract;
 - (d) that subject to the Existing Easements and Covenants, as delivered under the Utility Transfer Agreement between the parties, the goods are free and clear of all charges and encumbrances of every nature and kind whatsoever;
 - (e) that the Seller will indemnify and save harmless the Buyer from all and all charges and encumbrances not so set forth and described in Article "A" attached hereto.
 - (f) that the Buyer shall and may from time to time, and at all times hereafter, peaceably and quietly have, hold, possess and enjoy the said goods hereby sold and assigned and all and every part of them, to and for its own use and benefit without any manner of hindrance, interruption, molestation, claim or demand whatsoever of, from or by him, the Seller, or any person whomsoever;
 - (g) that the Seller shall and will from time to time, and at all times hereafter, upon every reasonable request of the Buyer, but at the expense of the Buyer, make, do and execute, or cause or procure to be made, done and executed, all such further acts, deeds and assurances for the more effectual assignment and assurance of the said hereby sold and assigned goods unto the Buyer, in the manner aforesaid and according to the true intent and meaning of this Contract, as shall be reasonably required by the Buyer.
2. The parties to this Agreement hereby covenant and agree as follows:
 - (a) that all of the said goods hereby sold are sold on an as is, where is basis and that the Seller makes no representations or warranties to the Buyer of any nature whatsoever regarding the conditions of the said goods;
 - (b) that the Buyer shall pay any and all taxes, duties, rates and charges that may be imposed by any federal, provincial, state or local government as a result of this sale, and that the Buyer will

indemnify and save the Seller harmless from any and all liability for any such tax, duty, rate or charge.

3. This contract shall be governed by the laws of the Province of British Columbia.

IN WITNESS WHEREOF the parties hereto have set their hand and seal as for the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

Address

Occupation

James Andrew Taggart

Karen Lynn Taggart

COWICHAN VALLEY REGIONAL DISTRICT
by its authorized signatories

Gerry Giles, Chair

Joe Barry, Corporate Secretary

**Schedule "A" to
Contract of Sale of Goods**

SEWER SYSTEM

Collection: All appurtenant pipes, pumps, fittings, valves, treatment and disposal works installed and constructed by the Owners upon the Disposal Lands or elsewhere and employed by or in connection with the Sewer Utility.

Sewage Treatment Plant: All equipment, structures and fittings associated with the sewage treatment plant installed and constructed by the Owners on the Disposal Lands and employed by or in connection with the Sewer Utility, and located on the Disposal Lands.

Disposal Field: All appurtenant pipes, equipment, structures, and fittings associated with the disposal field installed and constructed by the Owners and employed by or in connection with the Sewer Utility, and located on the Disposal Lands.

LAND TITLE ACT

FORM C (Section 233) CHARGE

GENERAL INSTRUMENT - PART 1 Province of British Columbia

PAGE 1 OF 9 PAGES

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

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

STAPLES McDANNOLD STEWART

Barristers & Solicitors

2nd Floor, 837 Burdett Avenue

Victoria

BC V8W 1B3

Tel: (250) 380-7744

Fax: (250) 380-3008

File: 130 257 PJ/cr

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

025-422-260

LOT B, SECTION 4, RANGE 8, SHAWNIGAN DISTRICT, PLAN VIP73775

Deduct LTSA Fees? Yes ☒STC? YES ☐

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

SEE SCHEDULE

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

(a) ☐ Filed Standard Charge Terms D.F. No.(b) ☒ Express Charge Terms Annexed as Part 2

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

5. TRANSFEROR(S):

SEE SCHEDULE

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

COWICHAN VALLEY REGIONAL DISTRICT

175 INGRAM STREET

DUNCAN

V9L 1N8

BC

CANADA

7. ADDITIONAL OR MODIFIED TERMS:

N/A

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

Officer Signature(s)

Execution Date

Transferor(s) Signature(s)

| Y | M | D |
|---|---|---|
| | | |

Karen Lynn Taggart

James Andrew Taggart

(as to both signatures)

OFFICER CERTIFICATION:

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

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LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 OF 9 PAGES

Officer Signature(s)

Execution Date

Y

M

D

Transferor / Borrower / Party Signature(s)

(As to priority)

COAST CAPITAL SAVINGS CREDIT
UNION, by its authorized signatories

(as to both signatures)

OFFICER CERTIFICATION:

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

041

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 OF 9 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Y M D

COWICHAN VALLEY REGIONAL
DISTRICT, by its authorized signatories

Gerry Giles, Chair

Joe Barry, Corporate Secretary

(as to both signatures)

OFFICER CERTIFICATION:

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

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LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 9 PAGES

NATURE OF INTEREST
Covenant

CHARGE NO.

ADDITIONAL INFORMATION

Section 219; Entire Document except page 10,
paragraph 20NATURE OF INTEREST
Priority Agreement

CHARGE NO.

ADDITIONAL INFORMATION

Granting the Covenant with one registration
number less than this Priority Agreement priority
over Mortgage EM58326; page 10, paragraph 20

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 9 PAGES

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

5. TRANSFERORS:

KAREN LYNN TAGGART AND JAMES ANDREW TAGGART

COAST CAPITAL SAVINGS CREDIT UNION (FORMERLY PACIFIC COAST SAVINGS CREDIT UNION) (AS TO PRIORITY)

TERMS OF INSTRUMENT - PART 2

W H E R E A S:

- A. The Transferor is the registered owner in fee-simple of those lands and premises located within the Cowichan Valley Regional District, in the Province of British Columbia, more particularly described as:

PID 025-422-260

Lot B, Section 4, Range 8, Shawnigan District, Plan VIP73775

(hereinafter referred to as the "Lands")

- B. The Transferee is the Cowichan Valley Regional District;
- C. The Transferor acknowledges that it is in the public interest that the development and use of the Lands be limited and wishes to grant this covenant to the Transferee;
- D. Section 219 of the *Land Title Act* provides that a covenant, whether of negative or positive nature, in respect of the use of land or the use of a building on or to be erected on land, and that land is to be built on or subdivided except in accordance with the covenant, may be granted in favour of the Transferee and may be registered as a charge against the title to the Lands.

NOW THEREFORE THIS AGREEMENT WITNESSES that under Section 219 of the *Land Title Act*, and in consideration of the premises and the mutual covenants and agreements contained herein, and the sum of ONE (\$1.00) DOLLAR of lawful money of Canada now paid to the Transferor by the Transferee (the receipt and sufficiency of which is hereby acknowledged), and for other good and valuable consideration the parties covenant and agree each with the other as follows:

1. The Transferor covenants and agrees with the Transferee that it shall not construct any building on the Lands or subdivide the Lands except in strict accordance with this Agreement.
2. The Transferor covenants and agree that its shall not subdivide or develop the Lands or any part of the Lands unless the Transferor first subdivides from the Lands that portion of the Lands required for the Transferee's sewage treatment plant and disposal field (the "Sewage Treatment Parcel"), and further until the Transferor transfers the fee simple interest in the Sewage Treatment Parcel to the Transferee, all at the sole cost and expense of the Transferor, and all in accordance with the terms and conditions of this Agreement. The size and configuration of the Sewage Treatment Parcel shall be determined by the Transferee after obtaining one or more reports from a qualified hydro-geologist, professional engineer or other professional consultant with expertise in

the design and operation of sewage treatment facilities, as to the required area and configuration of the Sewage Treatment Parcel, given the sewage treatment requirements of the service established under the Transferee's *Bylaw 3296 - Brulette Place Sewer System Service Establishment Bylaw, 2009*, which for the purposes of the Transferee's determination hereunder shall include the sewage treatment requirements of the development of the Lands in accordance with the approved plan of subdivision, including but not limited to the lands that are legally described as PID 001-618-644, Section 4, Range 8, Shawnigan District, except those Parts in Parcel "B" (DD45704-I), 677-R, 6193, 28487, 33309, VIP51948, VIP64077, VIP73380, VIP73512 and VIP73775.

3. The Transferor shall be solely responsible for the cost of subdividing the Lands as required to create the Sewage Treatment Parcel as a separate parcel that is capable of being transferred to the Transferee, and for certainty the cost of subdivision includes the cost of surveying the Lands, plan preparation, and the cost of preparing and registering at the Land Title Office all required plans and transfers.
4. The Sewage Treatment Parcel must be created by subdivision and transferred to the Transferee prior to or concurrently with the earlier of:
 - (a) registration of a subdivision plan for the Lands or any part of the Lands;
 - (b) the issuance of a building permit for any development or construction on the Lands; and
 - (c) the issuance of a development permit for any development of the Lands, or for any alteration of the Lands.
5. The Sewage Treatment Parcel shall be transferred to the Transferee free and clear of any rights of way, covenants, easements, financial charges or encumbrances, or other liens, charges or encumbrances of any kind, other than charges that are approved in advance and in writing by the Transferee in its sole discretion.
6. The Transferor shall indemnify and save harmless the Transferee from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which anyone has or may have against the Transferee or which the Transferee incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with:
 - (a) the breach of any covenant in this Agreement;
 - (b) the use of the Lands contemplated under this Agreement; and
 - (c) restrictions or requirements under this Agreement.
7. The Transferor hereby releases and forever discharges the Transferee of and from any claims, causes of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Transferor can or may have against the Transferee for any loss or damage or injury, including economic loss, that the Transferor may sustain or suffer arising out of or connected with:

- (a) the breach of any covenant in this Agreement;
 - (b) the use of the Lands contemplated under this Agreement; and
 - (c) restrictions or requirements under this Agreement.
8. At the Transferor's expense, the Transferor must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands.
9. Nothing contained or implied in this Agreement shall prejudice or affect the rights and powers of the Transferee in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Lands as if the Agreement had not been executed and delivered by the Transferor.
10. Time is of the essence of this Agreement.
11. The Transferor covenants and agrees for itself, its heirs, executors, successors and assigns, that it will at all times perform and observe the requirements and restrictions set out in this Agreement and they shall be binding upon the Transferor as personal covenants only during the period of its respective ownership of any interest in the Lands.
12. It is mutually understood, acknowledged and agreed by the parties hereto that the Transferee has made no representations, covenants, warranties, guarantees, promises or agreements (oral or otherwise) with the Transferor other than those contained in this Agreement.
13. The waiver by a party of any breach of this Agreement or failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar, and no waiver shall be effective unless it is in writing signed by both parties.
14. Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.
15. No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
16. The restrictions and covenants herein contained shall be covenants running with the Lands and shall be perpetual, and shall continue to bind all of the Lands when subdivided, and shall be registered in the Victoria Land Title Office pursuant to section 219 of the *Land Title Act* as covenants in favour of the Transferee as a first charge against the Lands.
17. The Transferor agrees to execute all other documents and provide all other assurances necessary to give effect to the covenants contained in this Agreement.

18. If any part of this Agreement is found to be illegal or unenforceable, that part will be considered separate and severable and the remaining parts will not be affected thereby and will be enforceable to the fullest extent permitted by law.
19. This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.
20. Coast Capital Savings Credit Union (formerly Pacific Coast Savings Credit Union), the registered holder of a charge by way of a Mortgage against the within described property, which said Charge is registered in the Land Title Office at Victoria, British Columbia, under number EM58328, for and in consideration of the sum of One (\$1.00) Dollar paid by the Transferee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Transferee, its successors and assigns, that the within section 219 Covenant shall be an encumbrance upon the Lands in priority to the Charge in the same manner and to the same effect as if it had been dated and registered prior to the Charge.

The Transferor and Transferee acknowledge that this Agreement has been duly executed and delivered by the parties executing Forms C and D (pages 1 and 2) attached hereto.

SCHEDULE E

1. PID 001-618-644

(a) Existing Easements and Covenants

Covenant EK105802

Covenant EK105804 [NTD: Covenant prohibits removal of soil within 50' of sewage disposal field – CVRD will have to confirm with VIHA whether this can be discharged]

Easement EP67610

Covenant EP67611

Covenant ET85575

Easement ET23528

Easement ET61598

Easement ET106737

Easement EW31380

Easement EW31384

(b) Existing Financial Charges

Mortgage EM58328

2. PID 025-422-260

(a) Existing Easements and Covenants

Covenant EK105802

Easement EW31380

Easement EW31384

(b) Existing Financial Charges

Mortgage EM58328

3. PID 025-328-093

(a) Existing Easements and Covenants

Easement EK105801

Covenant EK105802

Covenant EK105804

Easement EP67610

Covenant EP67611

Easement ET106737

(b) Existing Financial Charges

Mortgage EM58328

LAND TITLE ACT

FORM C (Section 233) CHARGE

GENERAL INSTRUMENT - PART 1 Province of British Columbia

PAGE 1 OF 8 PAGES

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

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

STAPLES MCDANNOLD STEWART

Barristers & Solicitors

2nd Floor, 837 Burdett Avenue

Victoria

BC V8W 1B3

Tel: (250) 380-7744

Fax: (250) 380-3008

File: 130 257/PJ/lg

Deduct LTO Fees? YES ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
-
- [PID] [LEGAL DESCRIPTION]

SEE SCHEDULE

STC? YES ☐

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

SEE SCHEDULE

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

(a) ☐ Filed Standard Charge Terms D.F. No.(b) ☒ Express Charge Terms Annexed as Part 2

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

5. TRANSFEROR(S):

SEE SCHEDULE

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

KAREN LYNN TAGGART, HOMEMAKER

JAMES ANDREW TAGGART, BUSINESSMAN

10 - 912 BRULETTE PLACE, R.R. #2

MILL BAY

BRITISH COLUMBIA

AS JOINT TENANTS

VOR 2P2

CANADA

7. ADDITIONAL OR MODIFIED TERMS:

N/A

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

Officer Signature(s)

Execution Date

Transferor(s) Signature(s)

| Y | M | D |
|----|---|---|
| 10 | | |

KAREN LYNN TAGGART

JAMES ANDREW TAGGART

(as to both signatures)

OFFICER CERTIFICATION:

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

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LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 8 pages

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Y M D

As to Priority
COAST CAPITAL SAVINGS CREDIT
UNION, by its authorized signatory(ies)

(as to both signatures)

OFFICER CERTIFICATION:

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

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LAND TITLE ACT
FORM E

SCHEDULE

PAGE 3 OF 8 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

025-422-260 LOT B, SECTION 4, RANGE 8, SHAWNIGAN DISTRICT, PLAN VIP73775

STC? YES ☐2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]STC? YES ☐2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]STC? YES ☐

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 of 8 pages

| NATURE OF INTEREST | CHARGE NO. | ADDITIONAL INFORMATION |
|--------------------|------------|--|
| Easement | | Entire document, except Article 2.0, page 7; in favour of the Dominant Tenement Lands: PID 001-618-644 Section 4, Range 8, Shawnigan District, except those parts in Parcel "B", (DD 45704-I), 677-R, 6193, 28487, 33309, VIP51948, VIP64077, VIP73380, VIP73512 and VIP73775; PID 025-382 667 Lot 1, Sec. 4, Range 8, Shawnigan District, Plan VIP73512 |

| NATURE OF INTEREST | CHARGE NO. | ADDITIONAL INFORMATION |
|--------------------|------------|--|
| Covenant | | Entire document, except Article 1.0, page 6; in favour of the Dominant Tenement Lands: PID 001-618-644 Section 4, Range 8, Shawnigan District, except those parts in Parcel "B", (DD 45704-I), 677-R, 6193, 28487, 33309, VIP51948, VIP64077, VIP73380, VIP73512 and VIP73775; PID 025-382 667 Lot 1, Sec. 4, Range 8, Shawnigan District, Plan VIP73512 |

| NATURE OF INTEREST | CHARGE NO. | ADDITIONAL INFORMATION |
|--------------------|------------|---|
| Priority Agreement | | Granting the Easement with two registration numbers less than this Priority Agreement priority over Mortgage EM58328; page 8, Article 5.0 |

| NATURE OF INTEREST | CHARGE NO. | ADDITIONAL INFORMATION |
|--------------------|------------|---|
| Priority Agreement | | Granting the Covenant with two registration numbers less than this Priority Agreement priority over Mortgage EM58328; page 8, Article 5.0 |

| NATURE OF INTEREST | CHARGE NO. | ADDITIONAL INFORMATION |
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| NATURE OF INTEREST | CHARGE NO. | ADDITIONAL INFORMATION |
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LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 of 8 pages

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

5. TRANSFEROR(S):

KAREN LYNN TAGGART AND JAMES ANDREW TAGGART

COAST CAPITAL SAVINGS CREDIT UNION (FORMERLY PACIFIC COAST SAVINGS CREDIT UNION) (AS TO PRIORITY)

TERMS OF INSTRUMENT - PART 2

W H E R E A S:

- A. The Transferors are the registered owners in fee simple of the following land in the Province of British Columbia:

P.I.D. 025-422-260

Lot B, Section 4, Range 8, Shawnigan District, Plan VIP73775

(the "Servient Tenement Lands")

- B. The Transferees are the registered owners in fee simple of the following lands in the Province of British Columbia:

P.I.D. 001-618-644

Section 4, Range 8, Shawnigan District, except those parts in Parcel "B", (DD 45704-I), 677-R, 6193, 28487, 33309, VIP51948, VIP64077, VIP73380, VIP73512 and VIP73775

P.I.D. 025-382-667

Lot 1, Section 4, Range 8, Shawnigan District, Plan VIP73512

(the "Dominant Tenement Lands")

- C. The Transferors have agreed to grant an easement and restrictive covenant to and for the benefit of the owners of the Dominant Tenement Lands and to register that easement and restrictive covenant against the title to the Servient Tenement Lands.

NOW THEREFORE, in consideration of the sum of One (\$1.00) Dollar of lawful money of Canada, now paid by the Transferees to the Transferors (the receipt and sufficiency of which is now acknowledged by the Transferors), and in consideration of the covenants and conditions agreed to be observed and performed by the parties and for other valuable consideration:

1.0 GRANT OF EASEMENT

- 1.1 The Transferors hereby grant, convey, confirm and transfer, in perpetuity, to the owners of the Dominant Tenement Lands the full, free and uninterrupted right, license, liberty, privilege, easement, permission and right of way to use the ground discharge capacity of the soil lying within the Servient Tenement Lands for the purpose of treating and disposing of domestic sewage from all self-contained residential dwellings that are constructed upon the Dominant Tenement Lands, provided the number of self-contained dwelling units does not exceed the number permitted under the zoning bylaw of the Cowichan Valley Regional District that applies to the Dominant Tenement Lands as of the date of this Agreement.

- 1.2 The Transferees shall comply with all applicable statutes and regulations in respect of the Transferees' use of the Servient Tenement Lands for the purposes referred to in section 1.1.
- 1.3 The Transferees shall not construct any works or facilities on the Servient Tenement Lands for the purposes referred to in section 1.1 of this Agreement without first obtaining the written approval of the Transferors, not to be unreasonably withheld.
- 1.4 The Transferees shall indemnify and save harmless the Transferors from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which anyone has or may have against the Transferors or which the Transferors incur as a result of any loss or damage or injury, including economic loss, arising out of or connected with the Transferees' use of the Servient Tenement Lands for the purposes referred to herein.

2.0 RESTRICTIVE COVENANT

- 2.1 The Transferors hereby covenant and agree for the benefit of the Dominant Tenement Lands that they shall not use the Servient Tenement Lands for any purpose, including but not limited to for the construction, development or operation of any sewage disposal works or facilities, that will interfere with the right of the owner of the Dominant Tenement Lands to use the Servient Tenement Lands for the purposes referred to in section 1.1 of this Agreement.

3.0 DISCHARGE OF EASEMENT AND RESTRICTIVE COVENANT

- 3.1 The Transferees covenant that upon the connection of any self-contained residential dwelling units on the Dominant Tenement Lands to the sewage treatment works operated by the Cowichan Valley Regional District under Cowichan Valley Regional District Bylaw 3296 – Brulette Place Sewer System Service Establishment Bylaw, 2009, the Transferees shall provide to the Transferors an executed discharge of this easement and restrictive covenant in a form suitable for registration in the Land Title Office.

4.0 GENERAL PROVISIONS

- 4.1 No part of the title in fee simple to the Servient Tenement Land shall pass to or be vested in the Transferees under or by virtue of this Agreement, and the Transferors may fully use and enjoy all of the Servient Tenement Lands subject only to the rights and restrictions in this Agreement.
- 4.2 The Transferors acknowledge that:
 - (a) the covenants contained in this Agreement are enforceable against the Transferors and their successors in title, but
 - (b) the Transferors are not personally liable for breach of this Agreement after the Transferors have ceased to be the owners of the Servient Tenement Land.
- 4.3 If at the date hereof the Transferors are not the sole registered owners of the Servient Tenement Lands, this Agreement shall nevertheless bind the Transferors to the full

extent of their interest therein, and if they acquire a greater or the entire interest in fee simple, this Agreement shall likewise extend to such after-acquired interests.

- 4.4 Where the expression "Transferor" includes more than one person, all covenants made by the Transferor shall be construed as being several as well as joint with respect to all persons constituting the Transferor.
- 4.5 This Agreement shall continue to benefit and be binding upon the Transferors and Transferees, and their respective heirs, administrators, executors, successors and permitted assigns, as the case may be.
- 4.6 Gender specific terms include both genders and corporations, and the singular and plural forms are interchangeable, according to the context.

5.0 PRIORITY AGREEMENT

- 5.1 Capital Coast Savings Credit Union (formerly Pacific Coast Savings Credit Union), as the registered holder of a charge by way of a Mortgage against the within described property, which said charge is registered in the Land Title Office at Victoria, British Columbia, under number EM58328, for and in consideration of the sum of One Dollar (\$1.00) paid by the Transferee to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Transferee, its successors and assigns, that the within Right of Way shall be an encumbrance upon the within described property in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

The Transferor and Transferee acknowledge that this Agreement has been duly executed and delivered by the parties executing Forms C and D (pages 1, 2 and 3) attached hereto.



C.V.R.D.

STAFF REPORT

R9

ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE MEETING
OF SEPTEMBER 22, 2010

DATE: September 13, 2010 FILE NO: Bylaws
FROM: Dave Leitch, ASCT., Manager, Sewer Management Division
SUBJECT: 2010 Reserve Fund Bylaws.

Recommendation:

That the following recommendations be forwarded to the Board:

1. That a capital reserve fund expenditure bylaw be prepared for withdrawal of funds not exceeding \$15,000.00 from the *Youbou Sewer System Capital Reserve Fund* to help finance sewer pump station control upgrades and further that the bylaw be forwarded to the Board for consideration of three readings and adoption.
2. That a capital reserve fund expenditure bylaw be prepared for withdrawal of funds not exceeding \$5,000.00 from the *Cherry Point Water System Capital Reserve Fund* to help finance well head monitoring controls and further that the bylaw be forwarded to the Board for consideration of three readings and adoption.
3. That a capital reserve fund expenditure bylaw be prepared for withdrawal of funds not exceeding \$11,000.00 from the *Mesachie Lake Water System Capital Reserve Fund* to help finance preparation of a well protection plan and further that the bylaw be forwarded to the Board for consideration of three readings and adoption.

Purpose: To consider withdrawal of funds from the above noted Capital Reserve Funds.

Financial Implications:

As part of the 2010 approved budget, monies from the Cherry Point Water System, Mesachie Lake Water System and Youbou Sewer System were identified to be withdrawn from capital reserve funds to assist in paying for the capital cost of the above-mentioned works. Without the contribution of these reserve funds, there is insufficient money in the operating budget to complete these capital projects.

Interdepartmental/Agency Implications: Bylaw preparation by Corporate Services staff.

Background:

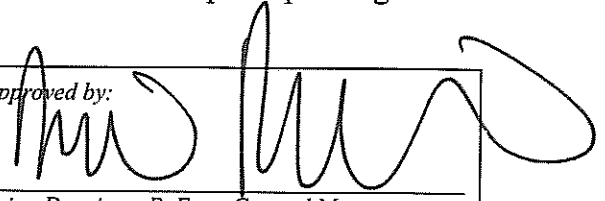
1. Youbou Sewer System Upgrades – the sewer treatment plant requires upgrades to the monitoring controls. Cost of this work will be funded by reserve funds.
2. Cherry Point Water System upgrades - well head monitoring controls are required. Cost of this work will be funded by reserve funds.

3. Mesachie Lake Water System - as part of the 2009 Vancouver Island Health Authority annual review of the Mesachie Lake Water System, a Well Protection Plan was identified as a requirement. Cost of this plan will be funded by reserve funds and surplus operating funds.

Submitted by,


Dave Leitch, ASCT.
Manager, Sewer Management Division

Approved by:


Brian Dennison, P. Eng., General Manager,
Engineering & Environment

LKJ:jlb

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**STAFF REPORT****ENGINEERING AND ENVIRONMENT SERVICES COMMITTEE
OF SEPTEMBER 22, 2010**

DATE: September 15, 2010 **FILE NO:** 5280-20-KOK/FLD

FROM: Kate Miller, Manager, Regional Environmental Policy Division

SUBJECT: Cowichan-Koksilah Integrated Flood Management Plan Emergency Management BC applications and Memorandum of Understanding.

Recommendation:

- 1. That the Regional Board support the refined Tier 2 and Tier 3 funding applications to Emergency Management BC (EMBC) currently being developed by CVRD.**
- 2. That the Regional Board support the recommended development of the Draft 4 Cowichan Valley Flood Protection Memorandum of Understanding (MOU).**

Purpose:

To update the Board on the refined EMBC funding applications and further, to brief the Board and receive their input on the Flood Protection MOU.

Financial Implications:

As per the staff report of August 25, 2010, the funding for the application process is currently being covered by the Environmental Policy Division's program resources; the continuation of the strategic integrated flood planning is anticipated to be covered by a future Gas Tax program.

The current EMBC funding program will cover two thirds of the infrastructure and program cost being applied for Tier 2 applications and one third for the Tier 3 applications. The MOU currently being developed and attached for discussion purposes describes a funding model that attributes costs apportioned based on benefits. The exact ratio of benefits and costs will vary by program and proposed works. The MOU sets out a framework for the future refinement of this financial and benefit model both for the immediate EMBC application program but also for longer term works and programming as well as ongoing maintenance of flood protection works.

The current series of funding applications going forward on behalf of the CVRD will clearly state, that should the applications be approved by the funding agencies, that the affected organizations will have to undergo internal funding mechanisms to support their combined portion of the funding requirements. In the case of the CVRD, this will require an AAP process to support the development for an associated flood protection service area; in the case of Cowichan Tribes financial support from Indian and Northern Affairs. Both the City of Duncan and North Cowichan have existing taxation mechanisms to contribute at this time.

Interdepartmental/Agency Implications:

As previously noted, the lower Cowichan and Koksilah River systems and the combined estuaries are a complex of jurisdictional boundaries and regulatory bodies including: two regional district electoral areas, Cowichan Tribes Reserve #1, the entire City of Duncan and three distinct portions the Municipality of North Cowichan. All local governments and Cowichan Tribes affected by the flooding issues in the lower Cowichan Koksilah area are currently working together as an integrated team in the development of the proposals.

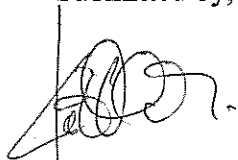
The development of the MOU as a fundamental component to the long term management of this issue is seen as an important component of the integrated flood management planning process and is an important step to long term interdepartmental and organizational relationships. The DRAFT form of the MOU has been reviewed by the City of Duncan and will be discussed by Cowichan Tribes on September 16th and 21st, 2010. It is attached here as a backgrounder and will be redistributed prior to the meeting with any additional comments and modifications.

Background:

The September 2009 Integrated Flood Management Report and subsequent studies have demonstrated that none of the infrastructure on the floodplain is up to provincial standards and that the historically projected flood levels are higher than previously calculated. This information and the flood events of 2009 and early 2010 have demonstrated the need to immediately explore ways in which the affected communities can be effectively protected. The current grant applications and the formulation of the MOU are steps towards protecting the affected communities.

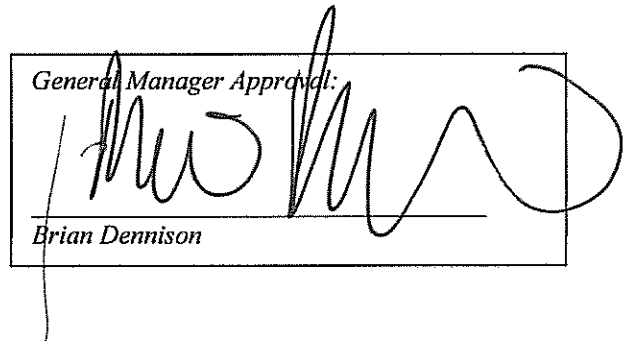
A verbal presentation will be provided regarding the proposed components of the CVRD EMBC applications.

Submitted by,



Kate Miller, Manager
Regional Environmental Policy Division
/df

General Manager Approval:



Brian Dennison

**COWICHAN VALLEY FLOOD PROTECTION
MEMORANDUM OF UNDERSTANDING**

THIS MEMORANDUM OF UNDERSTANDING is made effective the 14th day of September, 2010

BETWEEN:

THE COWICHAN TRIBES
of Duncan, British Columbia

AND:

THE CITY OF DUNCAN
of Duncan, British Columbia

AND:

THE COWICHAN VALLEY REGIONAL DISTRICT
of Duncan, British Columbia

AND:

THE DISTRICT OF NORTH COWICHAN
of Duncan, British Columbia

WHEREAS the Parties are signatories to the Cowichan Valley Bridge Building Protocol Agreement that outlines a mutual relationship focused on the social and economic development of the Cowichan Valley.

AND WHEREAS the Parties wish to build on that agreement by entering into a further Memorandum of Understanding to guide integrated flood management that will protect the health and well-being of all the citizens of the Cowichan Valley including the environmental and fisheries values of the region.

AND WHEREAS the Parties recognize that any work on the floodplain affects properties and interests elsewhere within the region, it is therefore critical that prior to undertaking engineering studies and projects, an integrated management approach is developed that considers the benefits and costs to the various communities.

THEREFORE BE IT RESOLVED THAT the Cowichan Tribes, the City of Duncan, the Cowichan Valley Regional District and the District of North Cowichan wish to recognize their commitments to an ongoing long-term Integrated Flood Management Program. The specifics of this agreement are:

1. Approach

DRAFT 4- September 10, 2010

The Parties will be guided by a long term, sustainable and achievable Integrated Flood Management Plan. The Plan will be a living document revised from time to time as required and based on the most up to date information available and include local, traditional and scientific knowledge.

2. Goals

The following Goals will guide the actions and relationship of the Parties.

- a. Flood risk to all communities on the floodplain will be reduced, while protecting aquatic and riparian habitat and addressing the cultural values of the rivers.
- b. Innovative methods of flood hazard management that minimize short and long-term economic, environmental and social costs will be promoted. Where possible flood protection activities will result in increases to the environmental and social capital of the region.
- c. Integrated flood management will be valued and sustained by all communities and stakeholders over the long term

3. Strategies

The Parties agree to the following strategies to achieve their goals:

- a. Return the rivers to a more naturalized state we should define what we mean here).
- b. Sustain the natural state of the existing floodplain.
- c. Site future development in areas with low flood hazard and low habitat sensitivity and work together to solve the challenges of land availability for housing development.
- d. Ensure new or upgraded flood protection structures do not adversely increase the overall flood hazard.
- e. Decrease the vulnerability to people, areas of development and habitat.
- f. Mitigate impacts of high flows on the main-stem of the river by facilitating flow through off-channel habitat.
- g. Create accessible and sustainable tools for flood management.
- h. Promote basin-wide planning initiatives.
- i. Monitor and maintain flood management projects.

4. Process

The Parties agree to work together to implement integrated flood management based on the following:

- a. The work will be carried out on an integrated team basis.
- b. The CVRD shall take the lead on all matters related to the MOU.
- c. The Parties will participate in bi-monthly meetings and other meetings as may from time to time be required.
- d. The Parties will assign a lead person to attend the meetings as well as an alternate.
- e. Decisions will be reached by consensus with all parties having access to all information in a timely and transparent manner.
- f. Contracts and decisions which have financial ramifications will follow agreed upon purchasing and tendering policies

DRAFT 4- September 10, 2010

- g. The Partners will seek to cost share the development of an Integrated Flood Management Plan recognizing the shared benefit of a healthy functioning watershed and floodplain.
- h. The Parties will seek to cost share Integrated Flood Management Plan including projects based on the degree of flood protection benefit and related benefits.
- i. From time to time the Parties will seek third party funding for flood management projects. Applications will be agreed to by all of the Parties.
- j. The Parties will jointly release public reports on flood management activities and progress on an annual basis.
- k. The above process may be amended by the Parties on a consensus basis.

5. Decisions

The Chief Administrative Officer (CAO) for each party will be responsible for overseeing implementation of this MOU. Should the CAOs be unable to reach agreement on an issue the dispute will be jointly referred to:

- a. Chief, Cowichan Tribes
- b. Mayor, City of Duncan
- c. Mayor, District of North Cowichan
- d. Chair, Cowichan Valley Regional District

6. Communication

Communication for the purpose of this MOU shall be sent to the following offices:

- a. Chief and GM, Cowichan Tribes
- b. Mayor and CAO, City of Duncan
- c. Mayor and CAO, District of North Cowichan
- d. Chair and CAO, Cowichan Valley Regional District

7. Termination

This MOU is intended as a long term commitment to process and outcomes. If problems arise the parties will seek mediation as a first step. Each Party shall retain the right to withdraw from this agreement by providing the other parties with thirty (90) days written notice.

As evidenced by their agreement to the above terms, the Parties have executed this agreement as set out below.

Agreed to the _____

signatures