



REGIONAL SERVICES COMMITTEE MEETING AGENDA

WEDNESDAY, FEBRUARY 22, 2017
BOARD ROOM
175 INGRAM STREET, DUNCAN, BC

9:30 AM

	<u>PAGE</u>
1. <u>APPROVAL OF AGENDA</u>	
2. <u>ADOPTION OF MINUTES</u>	
M1 Regular Regional Services Committee meeting of January 25, 2017	1
Recommendation That the minutes of the Regular Regional Services Committee meeting of January 25, 2017 be adopted.	
3. <u>BUSINESS ARISING FROM THE MINUTES</u>	
4. <u>DELEGATIONS</u>	
D1 John Baty, Cobble Hill Event Society Re: Vancouver Island Homesteading Fair	5
5. <u>CORRESPONDENCE</u>	
C1 Correspondence Re: Requests to Waive Tipping Fees	7
1. Canadian Mental Health Association Re: Bings Creek Tipping Fee - Warmland House Shelter	
2. Lions Club of Duncan Sassy Lion Thrift Store Re: Free Tipping at Bings Creek	
3. Doug Sanford, Re: Mill Bay Beach Clean-Up	
Recommendation That the requests to waive tipping fees at Bings Creek be referred to staff for review and that a report be prepared for consideration at the March 22, 2016 Regional Services Committee meeting.	
6. <u>INFORMATION</u>	

7. **REPORTS**

- R1 Report from the Manager, Strategic Services Re: 2016 Fourth Quarter Report 11
- Recommendation** For Information.
- R2 Report from the General Manager, Community Services Re: Shunyi District, Beijing Representatives 47
- Recommendation** That it be recommended to the Board that the CVRD explore opportunities for exchange, cooperation, and a potential "sister-city" relationship with government officials from Shunyi District of Beijing, China.
- R3 Report from General Manager, Engineering Services Re: Bings Creek Recycling Centre Solar PV Demonstration Project Completion 49
- Recommendation** For Information.
- R4 Report from the Recycling & Waste Management Division Re: Meade Creek Recycling Facility - Landfill Closure & Recycling Facility Construction - Sub-Committee 65
- Recommendation** That a Meade Creek Capital Project subcommittee be established comprised of Directors Day, Kuhn, and Morrison together with staff from Recycling & Waste Management Division, to monitor the progress of the project, consider project scope change, participate in change management review, and report back to the Regional Services Committee with any recommendations.
- R5 Report from the Recycling & Waste Management Division Re: Meade Creek Temporary Site Lease Agreements 67
- Recommendation** That it be recommended to the Board that a 15 month lease from March 1, 2017 to May 31, 2018 with 1051147 B.C. Ltd., with an option for month-to-month extension, be approved for \$3,800 per month, for the purpose of securing a temporary public drop-off site for the duration of the Meade Creek Upgrades & Landfill Closure Project.
- R6 Report from the Finance Division Re: Cowichan Valley Regional District 2016 Audit 77

Recommendation That it be recommended to the Board that the 2016 Audit Planning Communication Report, as submitted by the audit firm BDO Canada LLP be received.

- R7 Report from the Recycling & Waste Management Division Re: Recycling & Waste Division Short Term Borrowing for 2017 Capital Purchases - Roll Off Hauling Truck and Roll Off Bins 113

Recommendation That it be recommended to the Board that short-term borrowing of up to \$100,000 be approved for the purchase of a replacement Roll Off Hauling Truck, to be paid back over five years as per the Liabilities under Agreement Section 175 of the *Community Charter*; and

That short-term borrowing of up to \$100,000 be approved for the purchase of Roll Off Bins, to be paid back over five years as per the Liabilities under Agreement Section 175 of the *Community Charter*.

- R8 Report from the General Manager, Community Services Re: BC Summer Games 2018 Synchronized Swimming 115

Recommendation That it be recommended to the Board that the City of Nanaimo Council be contacted to request the use of the Nanaimo Aquatic Centre, July 18 to 22, 2018, as a venue for synchronized swimming for the 2018 BC Summer Games.

- R9 Report from the Parks & Trails Division Re: 2016 Parks and Trails Visitation Summary 117

Recommendation For Information.

- R10 Verbal Report from the Manager, Economic Development Division Re: Economic Development Cowichan Update 121

8. **UNFINISHED BUSINESS**

9. **NEW BUSINESS**

- NB1 Report from General Manager, Engineering Services Re: Change in Scope - Ladysmith Bio-Solids Composting Facility 131

Recommendation That the Cowichan Valley Regional District (CVRD) supports amending the scope of work for the UBCM Gas Tax grant (Regionally Significant Project Fund) agreement by changing the location of the Town of Ladysmith bio-solids composting facility to 4142 Thicke Road, Ladysmith, BC.

10. **QUESTION PERIOD**

11. **CLOSED SESSION**

Motion that the meeting be closed to the public in accordance with the *Community Charter* Part 4, Division 3, Section 90, subsections as noted in accordance with each agenda item.

12. **ADJOURNMENT**

The next Regional Services Committee Meeting will be held Wednesday, March 22, 2017 at 9:30 AM, in the Board Room, 175 Ingram Street, Duncan, BC.

Committee Members

Director A. Stone, Chairperson
Director K. Marsh, Chairperson
Director M. Clement
Director K. Davis
Director B. Day

Director M. Dorey
Director S. Furstenau
Director L. Iannidinardo
Director S. Jackson
Director K. Kuhn

Director J. Lefebure
Director M. Marcotte
Director I. Morrison
Director A. Nicholson
Director T. Walker

Minutes of the Regional Services Committee Meeting held on Wednesday, January 25, 2017 in the Board Room, 175 Ingram Street, Duncan BC at 10:31 AM.

PRESENT: Chair A. Stone
Director M. Dorey
Director K. Davis
Director B. Day
Director S. Furstenau <after 10:39 a.m.>
Director L. Iannidinardo
Director K. Kuhn
Director J. Lefebure
Director K. Marsh
Director M. Marcotte
Director I. Morrison
Director A. Nicholson
Director T. Walker
Alternate Director P. Kent
Alternate Director C. Morris

ALSO PRESENT: B. Carruthers, Chief Administrative Officer
J. Barry, Corporate Secretary
M. Kueber, General Manager, Corporate Services
R. Blackwell, General Manager, Planning and Development
T. Waraich, Manager, Recycling & Waste Management
C. Lockrey, Manager, Strategic Services
K. Lawrence, Senior Environmental Analyst
B. Suderman, Planner III
T. Daly, Recording Secretary
P. Turney, Records Technician/Secretary III

ABSENT: Director M. Clement
Director S. Jackson

APPROVAL OF AGENDA

It was moved and seconded that the agenda be approved.

MOTION CARRIED

ADOPTION OF MINUTES

M1 Regular Regional Services Committee meeting of November 23, 2016

It was moved and seconded that the minutes of the Regular Regional Services Committee meeting of November 23, 2016 be adopted.

MOTION CARRIED

REPORTS

R1 Report from the Senior Environmental Technologist, Recycling & Waste Management Re: Meade Creek Loan Authorization Bylaw

It was moved and seconded that it be recommended to the Board that a Loan Authorization Bylaw be prepared that authorizes the borrowing of up to \$1,968,000 for a 20 year term for the Meade Creek Upgrades & Landfill Closure Project in accordance with Sections 2.8 and 2.9 of the CVRD Solid Waste Management Plan.

MOTION CARRIED

R2 Report from the Senior Environmental Analyst, Environmental Services Re: Invasive Plant Management Strategy for the Coastal Service Area

It was moved and seconded that it be recommended to the Board that the Coastal Invasive Species Committee be given \$1,000 to update their 2010 Coastal Invasive Plant Management Strategy with funding sourced equally between the Parks & Trails and Environmental Services budgets.

MOTION CARRIED

R3 Report from Planner III, Community & Regional Planning Re: The Poetry of Place: Place-Making on Vancouver Island

The Planner III, Community & Regional Planning provided a PowerPoint overview of The Poetry of Place: Place-Making on Vancouver Island process.

10:39 a.m. Director Furstenau entered the meeting at 10:39 a.m.

It was moved and seconded that it be recommended to the Board:
1. That the Poetry of Place initiative be endorsed and a detailed program be developed; and
2. That \$10,000 of the 2017 grant-in-aid budget be earmarked for a community-based organization to assist with the community engagement component of the initiative.

MOTION CARRIED

ADJOURNMENT

11:45 a.m. **It was moved and seconded that the meeting be adjourned.**
Director Furstenau was absent at the vote.

MOTION CARRIED

The meeting adjourned at 11:45 a.m.

Chair

Recording Secretary

Dated: _____

Tara Daly

From: noreply@civicplus.com
Sent: Friday, February 03, 2017 6:29 PM
To: Tara Daly; Shannon Carlow
Subject: Online Form Submittal: Regional Services Committee

Regional Services Committee

Request to Appear as a Delegation at the Regional Services Committee

Regional Services Committee meetings are held on the fourth Wednesday of the month at 9:30 a.m. or at the Call of the Chair.

Please Note: Contact information supplied by you and submitted with this form will become part of the public record and will be published in a meeting agenda that is posted online when this matter is before the Regional Services Committee. If you do not wish this contact information disclosed, please contact the FOI Coordinator at 250.746.2507 or 1.800.665.3955 to advise.

Meeting Date 2/22/2017

Contact Information

Contact Name John E Baty

Representing Cobble Hill Event Society

Number Attending 2

Address 1373 Bonner Cres

City Cobble Hill

Province British Columbia

Postal Code V0R 1L2

Telephone Number 2504153106

Reply Email johnbatydebate@gmail.com

Presentation Topic and Nature of Request Vancouver Island Homesteading Fair The Cobble Hill Event Society became incorporated this Spring in order to foster community through events and has already organized and run several different events since June. One of these events has been the first ever ' Vancouver Island Homesteading Fair'. With the support of CVRD funds, we offered an event that involved educational sessions and associated vendors. The event

occurred on the weekend of Sept 17 and 18 and was held on the Farmers' Institute Grounds. It was a great success and has encouraged us to make this an annual event probably on a July date yet to be chosen. We intend to do same again and establish an early spring date to start the season annually on May 6 and 7.

Do you have a PowerPoint presentation? Yes

Email not displaying correctly? [View it in your browser.](#)



Canadian Mental
Health Association
Mental health for all

Association canadienne
pour la santé mentale
La santé mentale pour tous

Warmland House
2579 Lewis Street
Duncan, BC V9L 2Z1
Phone: (250) 715-1132
Fax: (250) 715-1135

www.cowichanvalley.cmha.bc.ca

December 23, 2016

Annual Meeting of Board of Directors
Cowichan Valley Regional District
175 Ingram St
Duncan, BC V9L 1N8



RE: Bings Creek tipping fee – Warmland House Shelter

Dear CVRD Board of Directors;

Warmland House Shelter is requesting a waiver of the tipping fees of Bings Creek Solid Waste Management.

Warmland House is a purpose built facility that contains 30 emergency shelter beds to house homeless people in the Cowichan Valley as well as 24 transitional housing apartments for people who need some assistance transitioning back into the community.

On a daily basis Warmland assists clients in obtaining clothing, toiletries and meals as well as re-integrating back into society with the skills and knowledge they will need to continue to be successful on their own.

As well, Warmland Shelter has an important role within the community in assisting with cleaning up the surrounding areas of disposed unwanted items. These items differ from garbage, furniture, needles, to helping with cleaning up properties around the Cowichan Valley.

We are often called upon by our neighboring businesses in the Cowichan Valley Regional District and School District #79 to assist with the cleaning up of debris, syringes and such left on their property by the homeless and drug addicted population. Often our Outreach team will go to an individual's property at the request of the City or another person to clean up that property, taking away garbage and other disposed of items. We often will see items in the community on the side of the road and will pick these up and dispose of at our own recycling located at the Shelter to be taken to Bings Creek.

We sometimes will hire an individual from the shelter to assist to bring all the disposed of items to the Bings Creek Waste Management site. Having the disposal tipping fee waived would be a great help to us as we are a non-profit organization and we rely on and welcome the ongoing support of our community.

With regards,

David Mitchell
Housing Manager
Warmland House Shelter
Canadian Mental Health Association – Cowichan Valley



Lions Club of Duncan
PO Box 52
Duncan, BC
V9L 3X1

January 13, 2017

Cowichan Valley Regional District
Engineering Services Department
175 Ingram Street
Duncan, B.C. V9L 1N8

Attention: Mr. Joe Berry

Dear Mr. Berry

RE: FREE TIPPING AT BINGS CREEK

The Sassy Lion Thrift Store is managed by the Duncan Lions Club. It has been in operation for over 16 years, greatly adding to the recycling of used clothing, furniture and goods which would ordinarily end up in landfills. Anything that is not used at our store is sent to a recycling centre, however we do end up with goods that we send to the Free Store at Bing's Creek, or it is simply garbage.

We have one paid manager at the store but the rest of the workers in the store volunteer their time on a regular basis. Any profit from the store is used to further Lions Charities. We have in the past donated a large sum of money to the Water Park, Murals for the Centennial Year Celebrations, the local Hospice, and Cops for Cancer. We also help out with medical expenses for families who have children at Canuck Place and Children's Hospital, seniors with hearing aids, miscellaneous medical help and dental care. Our list of donations is endless.

For many years we have been allowed Free Tipping at Bing's Creek for anything that is brought into the store, but should really have been brought to the dump for disposal. We do have a garbage bin at the rear of our store, but it fills up very quickly at times.

We would like to ask if we can continue with Free Tipping, and can assure you it would not be abused, it would only be used by our driver volunteers. The amount of garbage collected per month can vary quite a lot.

We look forward to hearing from you regarding Free Tipping at Bing's Creek.

Yours sincerely,
Richard Obsniuk
Treasurer
SASSY LION THRIFT SHOP SOCIETY



Engineering Services

Received January 24, 2017

Mill Bay Beach Clean-up

Dear Mr. Joe Barry

Clean up of Mill Bay beach is very important to me and many people within the community. We have many families that use and love this beach but it's not the idyllic place it was. Right now there are many pieces of garbage that have been deposited on the beach from within the sunken boats that are in our water. There are old batteries, paint cans, foam mattress, plastic tarps, broken lawn chairs and bags and bags of assorted garbage. There are many styrofoam containers that have been crushed by the waves and many small pieces can be found all along the Mill Bay waterfront. We need to clean up our beach.

I have spoken to Bing Road Dump regarding the old boats on the Mill Bay beach. I was informed that they will take the boats at no cost as long as I make arrangement with you and the set it up is handled by you. They requested all boat pieces be six feet long. Haul the boats to the beach and cut them up in six foot pieces to ensure they meet the requirements.

I have spoken to my son who is involved with the Mill Fire department. He will approach the Fire department but he is certain that there will be no problem getting their assistance. We will need two CVRD garbage container with doors that open in the back to be delivered to Kerr Road. Once full, it will need to be hauled to the Bing Road Dump.

I am not sure if this is possible but I think that if the CVRD was to post a sign on the dock not allowing any boats to be tied up overnight this would go a long way in keeping the beach clean. Most of the derelict boats sunk while tied to the docks. I have hauled some up myself from the bottom and have watched other residents do the same [Just an idea].

I have spoken to many people who live in the Mill Bay community about the clean-up project, everyone is happy to finally get our beach cleaned up.

I would like to move forward on this project sometime in March. At that time I can request assistance from volunteers on a Saturdays or Sunday and we will clean up our beach. Would it be possible to drop off some pictures I have taken of the beach to your office for reference?

Thank you,

Doug Sanford

250 743 7984



STAFF REPORT TO COMMITTEE

DATE OF REPORT January 30, 2017
MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017
FROM: Strategic Services
Office of the CAO
SUBJECT: 2016 Fourth Quarter Report
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to present the 2016 Fourth Quarter Report.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

With the adoption of the Corporate Strategic Plan in April 2016, the CVRD committed to a practice of regular performance reporting to the Board in an effort to identify, measure and communicate out on progress made in relation to the regional and electoral strategic focus areas.

These reports also provide updates on major capital projects as well as statistics on key areas of operations.

ANALYSIS

Regular reporting is critical to successfully implementing a strategic plan. The utilization of quarterly reports is an effective, low cost initiative that is intended to assist the Board and staff to enhance organizational performance, identify emerging trends, and assist the Board in high level policy and decision making. Over time these reports may be refined and improved to better measure and communicate key operational issues and strategic initiatives. In Spring 2017, these reports will roll up into the CVRD's Annual Report.

FINANCIAL CONSIDERATIONS

Quarterly reports are prepared using existing resources. The only costs incurred as a result of the preparation of these reports are those related to staff time.

COMMUNICATION CONSIDERATIONS

Quarterly reports are posted on the CVRD website.

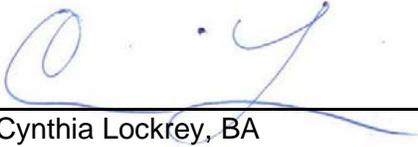
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The production of quarterly reports supports the CVRD's Strategic Focus Areas – Engaging Our Communities and Sound Fiscal Management.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Capital Projects, Water Management, Recycling & Waste Management*)

- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:	Reviewed by:
 <hr/> <p>Cynthia Lockrey, BA Manager</p>	<hr/> <p>Not Applicable Not Applicable</p>  <hr/> <p>Brian Carruthers Chief Administrative Officer</p>

ATTACHMENTS:
Attachment A – 2016 Fourth Quarter Report



COWICHAN
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2016

FOURTH QUARTER REPORT

February 2017



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MESSAGE from the CAO

I am pleased to provide the Board of Directors with the fourth quarter report of 2016.

Highlights of fourth quarter activities include:

- Official opening of the Cowichan River dike system with Cowichan Tribes and City of Duncan
- Adoption of 2017 Financial Plan Bylaw
- Substantial completion of the Utility Services Review
- Application for leave to the Supreme Court of Canada regarding contaminated soil facility in Shawnigan Lake
- Completion of household survey with 600 resident responses
- Completion of web-based watershed maps for public access
- Applications to Clean Water and Wastewater Fund for Shawnigan Lake, Saltair, Mesachie Lake, and Cobble Hill water systems and Mill Bay wastewater system.

As you will see in the following report, staff and the Board have made significant progress in furthering the Board's priorities in the fourth quarter of the year.



Brian Carruthers
Chief Administrative Officer



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Regional Strategic Focus Areas



Strategic Focus Area #1

Excellence in regional land use planning

Goal: Supporting sustainable and coordinated growth and development in the region.

Action	Measure	Target	Q4 status
16 Regional Integrated Planning Strategy (Cowichan 2050)	Completion of a draft policy document	<ul style="list-style-type: none"> • Q1 2017 	The project has been endorsed in the 2017 work plan and is expected to be launched in Q1 of 2017.
	Adoption of Regional Integrated Plan by member municipalities and electoral area directors	<ul style="list-style-type: none"> • Q3 2017 	



Strategic Focus Area #2

Response to climate change

Goal: Ensuring the impacts of climate change are understood and appropriate strategies and policies are developed to mitigate and adapt to a changing climate.

Action	Measure	Target	Q4 status
17 Climate Change Risk Assessment	Establish working group	Q2 2016	Complete
	Complete risk assessment	Q3 2017	Phase 1. Integrated technical team is now in place. Baseline Climate Projections Report to Board in process to complete by March 2017 Youbou Torrent Flow and Risk assessment grant application approved and will be used as a test case for steep slope and watershed stability impacts on downslope communities. Six funding proposals submitted to National Disaster Mitigation Program for detailed engineering impacts of major risks through out the region, four approved (sea level rise, flooding, storm water, dam safety assessments) to move to second tier approval at federal level.
Climate Change Adaptation Strategy	Complete Climate Change Adaptation Strategy	Q2 2018	Background materials, review of best available management information in process and ongoing. Request of Province to participate on Provincial Climate Adaptation working group.
GHG Reduction Strategy	Authorize Strategic Energy Management Plan	Q1 2016	Complete
	Complete Greenhouse Gas Reduction Strategy	Q4 2016	(CVRD facilities) Preliminary greenhouse gas inventory complete. Strategy under development. Annual CARIP reporting to Province in process.



Strategic Focus Area #3

Sound fiscal management Goal: Striving for the highest degree of value, transparency and accountability in the management of the CVRD’s resources.

Action	Measure	Target	Q4 status
Service delivery reviews	Develop priorities for future service delivery reviews	Q3 2016	Complete. Process referred to priority based budget.
	Complete external review of water and sewer utilities	Q4 2016	Work underway. Executive Summary report received on December 16. Final report expected Q1 2017.
Asset Management Plan	Collect and compile sufficient asset data	Q4 2016 – 25% Q4 2017 – 50% Q4 2018– 75%	Q4 2016 target achieved. Ongoing work to compile data
	Complete infrastructure condition assessments	Q4 2016 – 20% Q4 2017 – 40% Q4 2018– 75%	Preliminary condition assessment completed. Developed framework and budgets to complete comprehensive condition assessments
	Develop asset management strategies and plans	Q4 2017 – 20% Q4 2018– 50%	No update

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Strategic Focus Area #3

Sound fiscal management Goal: Striving for the highest degree of value, transparency and accountability in the management of the CVRD's resources.

Action	Measure	Target	Q4 status
Corporate performance measurement	Complete 2014-2018 Strategic Plan	Q1 2016	Approved by Board
	Initiate quarterly reporting	Q2 2016	Complete
	Complete 2016 Annual Report	Q2 2017	No update
Budget transparency	Refine the annual budget calendar	Q1 2016	Completed Q2
	Initiate a trial priority based budget process with solid waste function	Q1 – Q4 2016	Parks and Trails Division identified for priority based budget process in 2017.
	Develop budget public engagement strategy	Q2 2016	Four public budget open houses in Q4 in South Cowichan, central, west and north sub-regions. Attendance averaged five to 10 residents per meeting.

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Strategic Focus Area #4

Protection of water resources

Goal: Working in partnership with other stakeholders to better understand and protect the region's water resources and promote sustainable water use.

Action	Measure	Target	Q4 status
20 Watershed Management Plans	Complete draft watershed analysis/characterization	Q1 2016	Complete and secondary analysis in process in line with the development of unique watershed plans.
	Contribute to prioritization of watershed management planning	Q4 2016	Web-based watershed maps, both internal and external, are ready to launch in January 2017.
	Complete value/risk assessment	Q2 2017	Standardized regional watershed management plan framework developed and in process. Draft reports for input from key collaborators (meeting in December cancelled due to weather).
	Consideration of values/risks in land use planning processes and decisions and develop environmental recommendations	Q4 2017	Draft framework developed for input by key collaborators As above risk assessment framework currently being developed. Climate change based projections currently being integrated to mapping data for detailed impact assessments. Background discussions with other local governments on Best Management Practices ongoing.



Strategic Focus Area #4

Protection of water resources

Goal: Working in partnership with other stakeholders to better understand and protect the region's water resources and promote sustainable water use.

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Action	Measure	Target	Q4 status
Cowichan Lake water storage	Support efforts to increase water storage on Cowichan Lake	2016	Terms of Reference for flows analysis complete. Meetings held with Provincial and Federal agencies to explore funding opportunities for flows analysis and engineering. Application for funding submitted to Clean Water and Wastewater Fund. Drone data capture and mapping completed for Cowichan Lake shoreline zone to provide a more useful tool for public outreach and discussion. Q2 2017 will develop a web based platform for communication purposes
	Work with Province and others to develop financial and legal frameworks for drought management and response plans	2016	Ongoing discussions with Forest Lands Natural Resource Operations re water resources and communications, ongoing work with Ministry of Agriculture. Input provided to the Province on local government policy and legal framework requirements. Public Safety updating wildfire and urban fire impact mapping.
	Undertake process for creation of a service establishment bylaw as necessary	2016-2017	Communication with relevant stakeholders regarding communication program completed. Outreach and input to AAP development will begin in January 2017.



Strategic Focus Area #5

Engaging our communities

Goal: Enhancing the CVRD's engagement with residents and our communities and ensuring opportunities for local input to decision-making.

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Action	Measure	Target	Q4 status
Formalize First Nations relationships	Hold community-to-community forum with Lake Cowichan First Nations	Q1 2016	Protocol signed April 29. Ongoing meetings
	Hold community-to-community forum with Ditidaht First Nations	Q2 2016	No progress
	Finalize framework for engagement protocols with First Nations	Q3 2016	Under development pending further discussions with First Nations partners
Community engagement policy/guidelines	Develop AAP policy and procedures	Q1 2016	Completed Q2
	Complete community engagement guidelines	Q3 2016	Under development. Workshop planned for Q2 2017
Enhancing communications capacity and tools	Implement Manager of Strategic Services position	Q1 2016	Complete
	Develop and deliver appropriate training	Q1 – Q3 2016	Staff survey to be conducted in Q2 2017 to identify future training needs.
	Establish communications calendar	Q2 2016	Complete



Strategic Focus Area #5

Engaging our communities

Goal: Enhancing the CVRD’s engagement with residents and our communities and ensuring opportunities for local input to decision-making.

Action	Measure	Target	Q4 status
Commission roles and structure review	Proposed Commission bylaw amendments presented to the Board	Q3 2016	Report and bylaw prepared to be presented in Q12017 with focus on Parks Commissions
23 Conduct regular household surveys in 2016 and 2018	Develop and distribute household surveys	Q2 2016	Survey completed Q3. Report to be presented to Board in January 2017
		Q2 2018	2018 survey will reflect 2016 survey



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Electoral Strategic Focus Areas



Strategic Focus Area #1

Responsive Official Community Planning Goal: Enhancing the capacity for OCP reviews and updates as well as harmonizing language for common land use objectives and policies, where possible while respecting the character and aspirations of each community.

Action	Measure	Target	Q4 status
Gap analysis of existing OCPs and zoning bylaws	Review zoning bylaw general regulations for the electoral areas against best practice. Propose a priority list for identified amendment	Q2 2017	No update
25 Bylaw amendments as required	Adopt for Areas B, E and F three comprehensive zoning bylaw amendments	Q4 2017	No update
Develop a trial format for an accelerated review of Area F OCP	Complete OCP draft for Electoral Area F	Q4 2016	First draft complete. Will be presented in Q1 2017
	Adopt new Area F OCP	Q3 2017	
Develop five-year OCP review strategy	Present a proposed five-year strategy to EASC	Q4 2016	The process has been delayed
Conduct a review of Area I OCP	Complete OCP draft for Electoral Area I	Q4 2017	No update
	Adopt new Area I OCP	Q1 2018	



Strategic Focus Area #2

Proactive approach to bylaw compliance

Goal: Enhance public awareness of relevant regulatory bylaws in order to reduce the number of infractions and mitigate costs of pursuing enforcement and remediation.

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Action	Measure	Target	Q4 status
Develop a welcome/information letter program for all new property owners in electoral areas	Develop format for each electoral area	Q2 2016	Complete
	Distribute letter to all new property owners	Q3 2016	Complete. First letters mailed in Q4
Initiate targeted information campaigns for problematic enforcement issues	Research best practices for enforcement campaigns	Q3 2016	Marketing strategy developed for 2017 dog licence campaign to increase compliance.
Identify gaps in current enforcement powers and authorities and advocate for enhanced enforcement authority	Review current deficiencies in enforcement powers and authorities	Q4 2016	No progress
	Revise/meet CVRD regulatory bylaws as necessary	Q4 2017	
	Submit appropriate resolutions/recommendations to UBCM, AVICC and Province	Ongoing	



Strategic Focus Area #3

Electoral area director development

Goal: Develop Director’s knowledge and capacity to fulfill their range of responsibilities as an elected official and community representative

Action	Measure	Target	Q4 status
Establish 12 month lunch and learn calendar	Complete calendar and have endorsed by EASC	Q1 2016	Three lunch and learns held in Q4
Professional development on public engagement and facilitation tools	Recommendations for appropriate professional development opportunities provided to EASC	Q3 2016	Workshop to be held in Q1 2017

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Strategic Focus Area #4

Engaged communities

Goal: Support and empower volunteer involvement to ensure rewarding and beneficial relationships for the CVRD and its volunteers

Action	Measure	Target	Q4 status
Develop strategy and guidelines for use of volunteers in CVRD functions	Research volunteer delivery programs offered by other local governments	Q2 2016	Delayed
	Identify range of possible volunteer opportunities and administrative support requirements	Q4 2016	Delayed
	Present draft strategy and guidelines to EASC	Q2 2017	

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Strategic Focus Area #5

Road safety/pedestrian pathways

Goal: Improve pedestrian/cycling safety on rural roads by developing a network of on-roadway and off-roadway pedestrian pathways and trail linkages

Action	Measure	Target	Q4 status
Develop inventory of critical pedestrian pathway requirements	Identify key roadside pathway community connections between Electoral Areas, member municipalities and adjacent regions	Q2 2016	In progress. CVRD staff continues to meet with Ministry staff to evolve the concept
29 Lobby AVICC for increased participation of MOTI in developing rural pedestrian pathways in highway RoWs	Attend Association of Vancouver Island and Coastal Communities (AVICC) workshop at annual convention as well as Minister meetings at annual conventions	Q2-Q3 2016	Complete



REPORT Capital Projects

Q4 2016 status update

Project	Tasks	Status
Cowichan Lake Recreation	Replace arena dehumidifier.	<ul style="list-style-type: none"> • Project completed.
Island Savings Centre	Parking lot pavement project.	<ul style="list-style-type: none"> • Project completed.
Island Savings Centre	Construction of an ice melt pit.	<ul style="list-style-type: none"> • Project completed. As well as the north end exterior wall cladding project.
Island Savings Centre	Replace wooden floor in multi-purpose hall.	<ul style="list-style-type: none"> • Project deferred to 2017 to confirm the donation and suitability.
CVRD Head Office	Property improvements for previously demolished house at 148-1 st Street.	<ul style="list-style-type: none"> • Project is on hold. Options being reconsidered in 2017. Conceptual design for an extended parking lot completed and discussion with the City of Duncan regarding the Development permit application has taken place.
Norn Oyster Fire Department	Land purchase and new fire hall build.	<ul style="list-style-type: none"> • Work underway. BC Ministry of Transportation and Infrastructure rezoning application in progress. Fire hall design, development & construction under review.
Youbou Fire Department	Fire truck purchase.	<ul style="list-style-type: none"> • Work underway. Contract awarded & construction commenced with delivery expected by April 2017.

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REPORT Capital Projects

Q4 2016 status update

Project	Tasks	Status
Kerry Park Upgrades <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-left: 10px;">31</div>	Design and complete phase one and two of facility upgrades.	<ul style="list-style-type: none"> • Majority of the upgrades completed including: • Front entrance, canopy and walkway improvements. • Replacement of flat roof at front of facility. • Replacement of arena sports flooring. • Replacement of interior ceiling including new LED energy efficient lighting for the Denis Mclean room, lounge and hallway. • New exterior facility cladding and insulation project, except for final paint application will be completed in spring 2017. • Replacement of floor finishes and HVAC upgrade projects are delayed to 2017.
Lambourn Wastewater Plant Upgrades	Complete the Lambourn wastewater treatment plant upgrade.	<ul style="list-style-type: none"> • 100% complete
3 Stream Upgrades at Bings Creek	Complete design preparation for the new three stream operation at Bings Creek Waste Solid Waste Management Complex.	<ul style="list-style-type: none"> • Work is underway. • Due to severe weather conditions, concrete pouring was postponed in December 2016. Approximately 50% of the project was completed by December 31, 2016. • Weather permitting, aim to complete the project by mid February 2017.

REPORTS ENGINEERING SERVICES



REPORT Capital Projects

Q4 2016 status update

Project	Tasks	Status
Meade Creek Transfer Station Upgrades	Complete the design of the Meade Creek transfer station upgrades and closure plan.	<ul style="list-style-type: none"> • Work is underway. • Draft Detailed Design was completed by December 31, 2016. • Public consultation through website and Open Houses will be completed by January 31, 2017. • Tender Package to be completed by March 31, 2017.
Shawnigan Lake North Water Metering	Complete the Shawnigan Lake North water metering project.	<ul style="list-style-type: none"> • Work underway. 89% of services located. • Contract for 152 meter installations being prepared and Tendered.
Burnham Park Water System Upgrades	Design and construct the Burnham Park Water System upgrades.	<ul style="list-style-type: none"> • Work underway. Crown lease application, and design for treatment building. Q1 2018
Sediment Removal and Long Term Management Plan	Complete development of long term Sediment Management Plan for Cowichan River, develop removal locations and test methodology.	<ul style="list-style-type: none"> • Complete. Additional removal undertaken by Cowichan Tribes in Summer of 2016 as per plan • Year 2 of monitoring program completed. Year 3 monitoring and compensation program in development. Ongoing program to be facilitated by Environmental Services under Diking Authority.
Cowichan River Dikes	Complete diking network above on both sides of river to Allenby Road Bridge.	<ul style="list-style-type: none"> • Complete – ongoing program to be facilitated by Environmental Services under Diking Authority.

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REPORTS ENGINEERING SERVICES





REPORT Capital Projects

Q4 2016 status update

Project	Tasks	Status
Saltair Water System	4-3-2-1 Treatment Upgrade	<ul style="list-style-type: none"> Work underway. In Q4 : Investigation of ground water alternative and/or combining with Ladysmith's treatment system
Shawnigan Lake North Water	4-3-2-1 Treatment Upgrade	<ul style="list-style-type: none"> Work underway. In Q4: Investigation of groundwater alternatives.
Youbou Water System	Tie-in Well No. 4	<ul style="list-style-type: none"> Work underway. Contract documents being prepared.
Saltair Water System	Annual distribution system replacement/upgrade	<ul style="list-style-type: none"> Work underway. Negotiating Right-of-Way. Design work started for 2017 portion.

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REPORTS Utilities

Summary Water Sample Results: October 1 – December 31

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Water System	Sample Frequency	No. of Sample Locations	Parameter Exceeded	Total Count (MAC CDWG = <1)	NOTES
Arbutus Mountain Estates	Weekly	5	None	< 1	
Arbutus Ridge	2 samples/weekly	6	None	< 1	
Bald Mountain	Weekly	7	None	<1	
Burnum	Weekly	2	None	< 1	
Carlton	Weekly	3	None	< 1	
Cherry Point	Weekly	4	Total coliform	13	Re-sample <1
Dogwood Ridge	Weekly	2	None	< 1	
Douglas Hill	Weekly	3	Total Coliform	18	
Fern Ridge	Weekly	2	None	< 1	
Honeymoon Bay	Weekly	4	None	<1	
Kerry Village	Weekly	3	None	< 1	
Lambourn Estates	Weekly	4	None	< 1	
Mesachie Lake	Weekly	3	Total coliform	1	Re-sample <1
Saltair Water	2 samples/weekly	9	Total coliform	24	1, re-sample < 1
Satellite Park	Weekly	3	None	< 1	
Shawnigan Lake North	2 samples/weekly	8	None	< 1	
Shellwood	Weekly	4	None	< 1	
Youbou	2 samples/weekly	7	Total coliform	1	Re-sample <1
Woodley Range	Weekly	5	None	< 1	

* <1 = LESS THAN 1

REPORTS ENGINEERING SERVICES



REPORTS Utilities

Summary Water Sample Results: October 1 – December 31

Boil Water Advisories

WATER SYSTEM	ADVISORY TYPE	DATE OF ADVISORY	REASON FOR ADVISORY
Boil Advisories for Q4 2016			
None			



REPORTS Utilities

Significant Operational Issues: October 1 – December 31

WATER SYSTEM	SIGNIFICANT OPERATIONAL ISSUE	RESOLUTION/ TIMELINE
Lambourn Estates	<ul style="list-style-type: none"> Water quality issues (High Manganese levels). 	Ongoing
Shawnigan Lake North	<ul style="list-style-type: none"> Out of compliance with 4-3-2-1 surface water source standards. 	Completion in 2019
Woodley Range	<ul style="list-style-type: none"> Insufficient water supply during dry seasons, requiring bulk water delivery when production wells run dry due to no rain. 	Ongoing
Saltair Water	<ul style="list-style-type: none"> Out of compliance with 4-3-2-1 surface water standards 	Q2 2018. We are planning to apply for an extension.

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REPORTS Utilities

Significant Operational Issues: October 1 – December 31

SEWER SYSTEM	SIGNIFICANT OPERATIONAL ISSUE	RESOLUTION TIMELINE
Arbutus Ridge	<ul style="list-style-type: none"> Wastewater breakout occurring on Fairway 2 & 3. Temporary repairs completed; Major upgrade needed. 	Consultation complete. Consent by petition Q1 2017
Cowichan Bay/Eagle Heights	<ul style="list-style-type: none"> Insufficient wet weather capacity in collection system; swabbing forcemain for I/I reduction 	Swabbing complete. Trial procedures for infiltration and inflow reduction being investigated.
Kerry Village	<ul style="list-style-type: none"> No monitoring well - triggering MoE advisory 	Complete
Lambourn Estates	<ul style="list-style-type: none"> No equalization storage capacity at WWTP to deal with wet weather flows 	Work underway
Shawnigan Beach Estates	<ul style="list-style-type: none"> Insufficient wet weather capacity due to inflow and infiltration problems 	Ongoing
Mesachie Lake Sewer	<ul style="list-style-type: none"> Chronic system failures. Replacement required. 	Ongoing

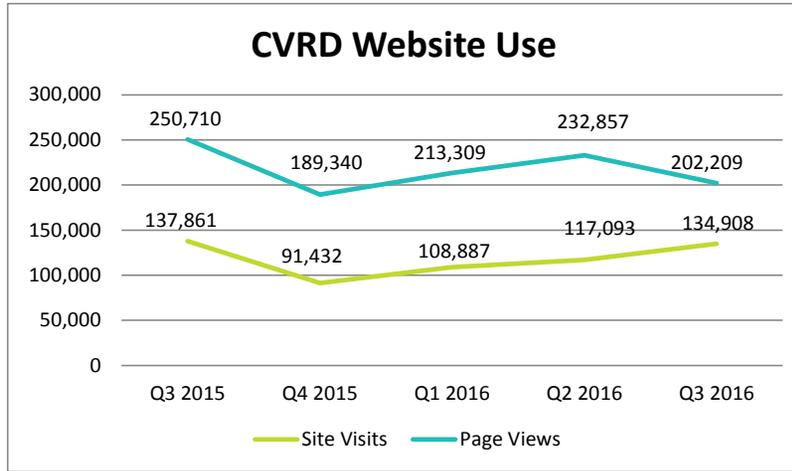
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REPORTS ENGINEERING SERVICES

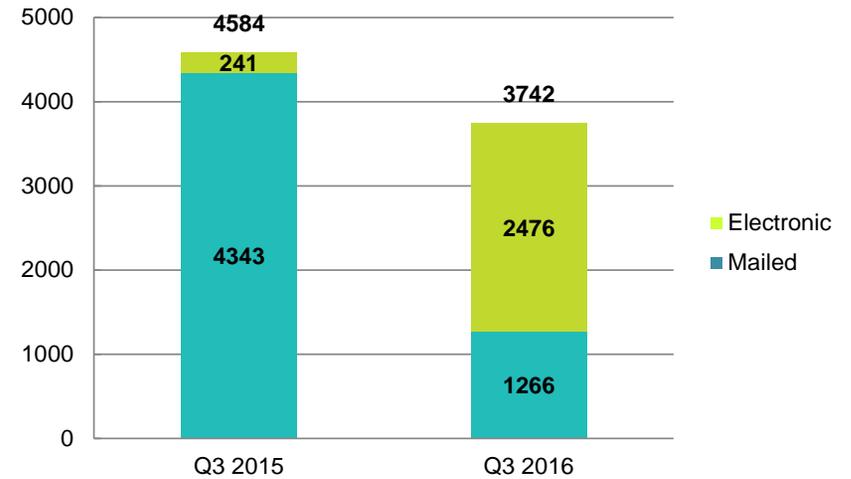


REPORT Corporate Services

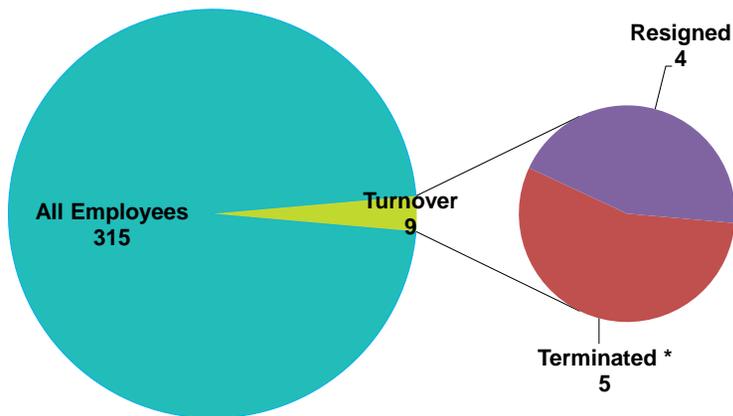
Q4 Operating Statistics



of Invoices Processed

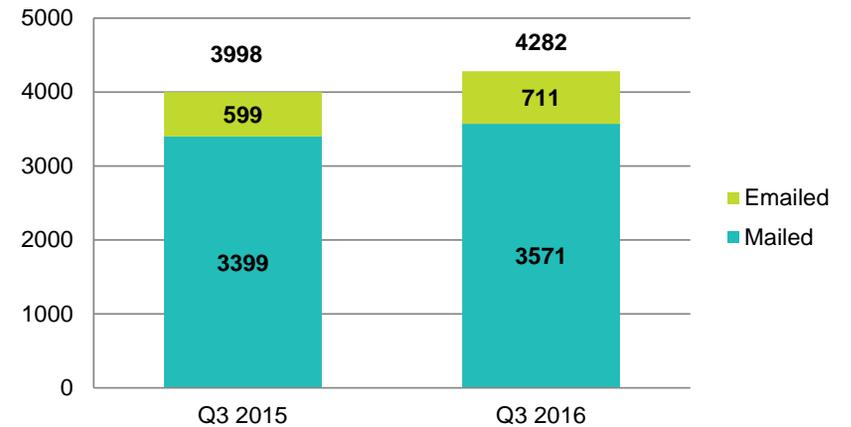


Quarterly Turnover Stats July 1, 2016 - Sept 30, 2016



*Mostly casuals who were unavailable to work

of Utility Bills Sent





REPORTS Public Safety

Quarter 4 Incidents by Fire Department

Departments	Alarms	Burn Complaints	Rescue	Hydro Lines	Medical Aid	Hazmat-Gas/Fuel Leak	MVI	Mutual Aid	Assistance	Structure Fire	Wildland Fire	Other Fire	Total
Malahat VFD	2	3		1	8		11			2		2	29
Mesachie Lake VFD					2			1					3
North Oyster VFD	6	3		3	15		13	1	6	1		2	50
Youbou VFD		1		1	12		1	2	3	2			22
Sahtlam VFD	1			5	6		10	1	1	1			25
Honeymoon Bay VFD				1	9					1			11
Total	9	7		11	52		35	5	10	7		4	140
Quarter 4 Emergency Program Reports													

Emergency Social Services Incidents: 11 Call-Outs Involving 32 Residents

Emergency Preparedness Presentations: 8 Presentations Reaching 207 Participants

FireSmart Workshops: 0 Workshops Reaching 0 Participants

Rapid Damage Assessment Workshops: 1 Workshops Reaching 21 Participants

Emergency Management Training: 3 Courses Reaching 108 Participants

REPORTS COMMUNITY SERVICES



REPORT Arts & Culture

Key Indicators and Statistics

Measure	Q1 2016	Q2 2016	Q3 2016	Q4 2016
# of patrons attend Cowichan Performing Arts Centre (CPAC) shows	15,480	17,440		16,268
# Volunteer hours	1139.75	1277.75		1107.75
# of days the Cowichan Performing Arts Centre is booked	Performance 52 Rehearsal Hall 21 Total = 73	Performance 49 Rehearsal Hall 4 Total = 53		Performance 38 Rehearsal Hall 12 Total = 50

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REPORT Cowichan Lake Recreation

Key Indicators and Statistics

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Measure	Q1 2016	Q2 2016	Q3 2016	Q4 2016
# of registered program users	479	296	311	265
# Drop in program users	1738	983	746	1503
# of users served by the recreation access/ assistance program	4	2	2	6
# of programs targeting ages 0 - 18 / # participants	27 / 148	22 / 91	75 / 281	20 / 116
# of programs targeting adults & seniors / # participants	47 / 217	23 / 157	33 / 154	31 / 164
# of recreation programs run	61	33	93	34
# of ice arena hours booked	662	298	398	775
# of arena dry floor hours booked	Not applicable	20.5	38	n/a
# curling ice hours booked	132.45	329.25 Dry Floor	161	78



REPORT Island Savings Centre

Key Indicators and Statistics

Measure	Q1 2016	Q2 2016	Q3 2016	Q4 2016
# of visitors	Not available	Not available	Not available	Not available
# of registered program users	1391	631	1055	1111
# Drop in program users	4304	275	1098	4780
# of users served by the recreation access/ assistance program	3	0	5	
# of programs targeting ages 0 – 18 / # participants	30/369	18/321	40/368	21/292
# of programs targeting adults & seniors / # participants	62/1022	34/310	16/687	71/819
# of recreation programs delivered	92	52	56	92
# of ice arena hours booked	954	63	484	895
# of arena dry floor hours booked	Not applicable	294	75	Not applicable
# multi-purpose hall hours booked	813	416	187	461

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REPORT South Cowichan Recreation

Key Indicators and Statistics

Measure	Q1 2016	Q2 2016	Q3 2016	Q4 2016
# of visitors	N/A	N/A	N/A	N/A
# of registered program users	1,595	859	1,097	475
# Drop in program visits	7,137	3,273	2,193	6163
# of users served by the recreation access/ assistance program	9	1	2	0
# of programs targeting ages 0-18 / # participants	93/1210	55/632	136/899	57/250
# of programs targeting 19+ / # participants	45/291	42/65	54/144	59/275
# of recreation programs run	138	97	110	64
# of ice arena hours booked	1114.5	N/A	479	1247
# of arena dry floor hours booked	NA	159	10	N/A
# curling ice hours booked	372	N/A	61.5	535
# curling dry floor hours booked	NA	224	109	N/A

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REPORTS Development Services

Q4 Summary of Applications and Referrals

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Electoral Area										
	A	B	C	D	E	F	G	H	I	Total
Rezoning and/or Official Community Plan Amendments	1		1			1		1		4
Temporary Use Permits										0
Development Permits	4	2		8	1	1	1	1	1	19
Development Permits - Signage		1		2						3
Development Variance Permits		1						1		2
ALR Applications										0
Subdivision Referrals					2	2	1	2		7
Lots Proposed (Includes Remainder)					4	4	4	4		16
Crown Referrals		2			1	2		1	1	7
Total Applications & Referrals	5	6	1	10	8	10	6	10	2	58

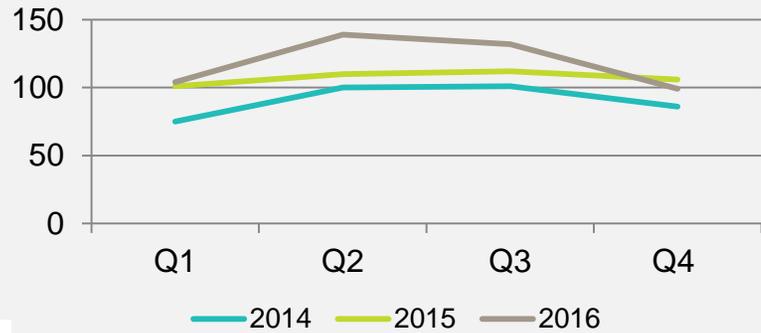
REPORTS PLANNING & DEVELOPMENT



REPORTS Building Inspection

Q4 Summary of Key Statistics

Building Permits Issued

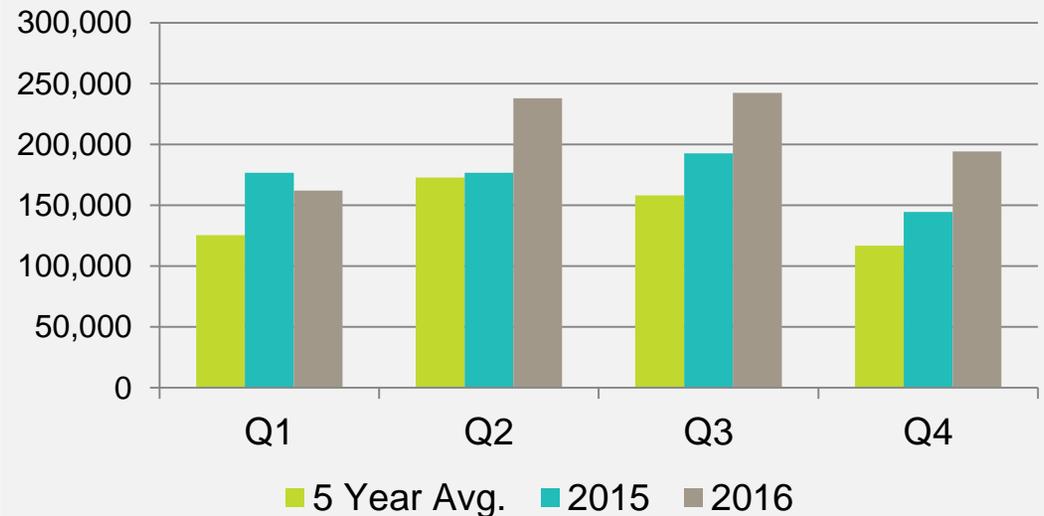


Summary	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	YTD
Residential permit values	11,753,253	13,691,115	17,780,855	18,881,833	15,858,891	66,212,694
Commercial permit values	364,750	422,340	948,280	87,000	511,000	1,968,620
Industrial permit values	145,000	316,350	1,889,378	3,550,000	0	5,755,728
Institutional permit values	121,280	431,720	1,350,000	0	0	1,781,720
Agricultural permit values	47,600	354,200	627,500	161,480	89,200	1,232,380
Total	12,431,883	15,215,725	22,596,013	22,680,313	16,459,091	76,951,142

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Electoral Area	# of Permits	Construction Value (\$)	Permit Fees (\$)
A	24	4,027,750	43,382
B	15	2,792,290	31,221
C	11	1,423,961	16,389
D	19	3,264,730	37,776
E	5	178,200	1,270
F	2	224,080	2,529
G	5	1,189,950	24,756
H	10	1,953,110	21,341
I	8	14,050,20	15,501
Totals	99	15,054,071	194,165

Building Permit Revenue





REPORTS Bylaw Enforcement

Q4 Summary of Complaint Files

Electoral Area										
	A	B	C	D	E	F	G	H	I	Total
Dog - Vicious	4	1	2			1				8
DPA		2							1	3
Building	1	1	1		1					4
Liquor License			1							1
Noise			1		1					2
Parks	1			6	2				1	10
Unsightly										0
Waste	2	6		3		1	1	2		15
Fireworks					1					1
Zoning	1	2		1						4
Total New Complaint Files	9	12	5	10	5	2	1	2	2	48

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STAFF REPORT TO COMMITTEE

DATE OF REPORT January 31, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: General Manager
Community Services Department

SUBJECT: Shunyi District, Beijing Representatives

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is for the Committee to consider the establishment of formal cooperation with the Shunyi District of Beijing, China.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the CVRD explore opportunities for exchange, cooperation, and a potential “sister-city” relationship with government officials from the Shunyi District of Beijing, China.

BACKGROUND

Mr. Ray Zhang is the current chairperson of the Cowichan Capitals Junior A Hockey Club, with business interests in the Shunyi District of Beijing. Mr. Zhang approached CVRD Chair Lefebure and staff to inquire if the CVRD would explore opportunities for exchange and cooperation with the Shunyi District. The main focus of the exchange and opportunities for the District would be for winter sports, especially hockey, as Beijing prepares to host the 2022 Winter Olympic Games.

The Shunyi District is approximately 30 km to the northeast of the core of Beijing. The permanent resident population of the District is 1.04 million. Growth areas are projected to be technology, education, health care, international exchange and services, and advanced industries. A new hospital and university campus are currently under construction. The Beijing Capital International Airport is in the centre of the District, and aviation related enterprises have increased rapidly in the area.

ANALYSIS

The CVRD chairperson has invited approximately seven government officials to visit the Cowichan Region, for a half day to full day visit, in March, April, or May, 2017. Anticipated officials include:

- Wang Gang, Senior Advisor, Shunyi District People’s Government
- Yu Changlei, Director, Shunyi District Development and Reform Commission
- Hu Xiaobing, Director, Shunyi District Commission of Economy and Information Technology
- Yang Weidong, Director, Beijing Shunyi Municipal Commission of Urban Planning
- Ouyang Huazhou, Director, Shunyi District Office of Foreign and Overseas Chinese Affairs
- Huang Zhe, Official, Shunyi District People’s Government General Office
- Zhao HongFeng, Chairman, Shunyi ZhongGuanChun Science and Technology Co. Ltd.

The Cowichan Region would be part of an eight day North America visit, with other stops anticipated to be Vancouver and San Francisco. As the focus for Cowichan is on winter sports, especially hockey, recreation facilities will be included on the tour. Our Economic Development

Division will be promoting local business opportunities.

FINANCIAL CONSIDERATIONS

Travel and accommodation costs for the visit will be borne by the Shunyi District officials. It is anticipated that the CVRD will have expenses for a formal luncheon. Protocol may also dictate Cowichan gifts for the visitors.

Any other financial expectations regarding opportunities for cooperation will be brought to the Board for consideration at a later date.

COMMUNICATION CONSIDERATIONS

A news release would be distributed just prior to the visit.

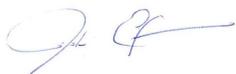
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



John Elzinga
General Manager

Reviewed by:

Not Applicable
Not Applicable

Not Applicable
Not Applicable



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 3, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: General Manager
Engineering Services Department

SUBJECT: Bings Creek Recycling Centre Solar PV Demonstration Project
Completion

FILE: 0540-20-RSC/05

PURPOSE/INTRODUCTION

The purpose of this report is to inform the Regional Services Committee of the completion of the Bings Creek Solar Photovoltaic (PV) Demonstration Project.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

In January 2017, the Cowichan Valley Regional District (CVRD) completed the installation of a 23 kilowatt (kW) solar PV demonstration system at Bings Creek Recycling Centre. The electricity generated by the system will be consumed on site. However, the system is considered grid-tied and is participating in BC Hydro's Net-Metering Program, where any excess electricity generated is credited to the account and then applied against future electricity use. The solar PV demonstration project system details are summarized in Table 1.0.

Table 1.0 Bings Creek Solar PV System Details

System Capacity (Nominal DC Power)	23 kW
Number of Panels	88
Estimated First Year Annual Energy Production	28, 500 kWh
Estimated Lifetime	30+ years

ANALYSIS

This project contributes towards meeting the target set in the 2014 Strategic Energy Management Plan of a 25% corporate energy reduction below 2012 levels by 2018.

The solar PV demonstration project also meets the following objectives outlined in the 2013 Corporate Strategic Plan:

- Lead by example;
- An efficient, high performance organization; and
- Community infrastructure planned for current and future generations.

This project also supports the following corporate actions identified in the 2012 Corporate GHG Inventory & Emissions Reduction Plan:

- Commit to building the most energy efficient and environmentally friendly facilities using a

- certified standard; and
- Require an evaluation of alternative energy sources for new construction and major renovations.

FINANCIAL CONSIDERATIONS

The final cost of the project was approximately \$72,000, of which a \$24,000 grant was obtained from the province's Community Energy Leadership Program and the remaining \$48,000 was acquired through short-term borrowing. The financial performance over the 30+ year life of the system is shown in Table 2.0.

Table 2.0 Financial Performance Summary of Bings Creek Solar PV Demonstration Project

Total Installed Cost	\$72,000
Community Energy Leadership Program Funding	\$24,000
Total Cost to CVRD	\$48,000
Estimated First Year Annual Savings	\$3,100
Simple Payback (includes grant)	15.5 years
Estimated Lifetime	30+ years
Cumulative Cash Flow (after 30 years)	\$152,000
Installed cost per watt	\$3.09/watt
30 year after tax ROI	6.69%
Levelized Cost of Electricity	\$0.094/kWh
Annual Greenhouse Gas Reduction	0.30 tCO ₂ e

COMMUNICATION CONSIDERATIONS

There is an on-site monitoring system that displays a running total of all kilowatt hours (kWhs) produced by the system that can easily be viewed by anyone at the Bings Creek site. A fact sheet has also been developed which will be available to customers and linked to the CVRD website (Attachment A). It is also expected that the system will be incorporated into site tours. An opening ceremony is planned for 10:30am on March 1, 2017, at which time a press release will also be published.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

This project supports the regional strategic focus areas of 2.2 Climate Change Adaptation Strategy and 2.3 GHG Reduction Strategy.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Austin Tokarek, B. Sc., CEA
Asset Coordinator

Select DM Name Here
Select DM Title Here



Hamid Hatami, P. Eng.
General Manager

ATTACHMENTS:

- Attachment A – Bings Creek Solar PV Demonstration Project Fact Sheet
- Attachment B – Bings Solar PV Installation Photos



For More Information Contact

Austin Tokarek,
Asset Coordinator

Email atokarek@cvrld.bc.ca
Phone 250.746.2504
Toll Free 1.800.665.3955

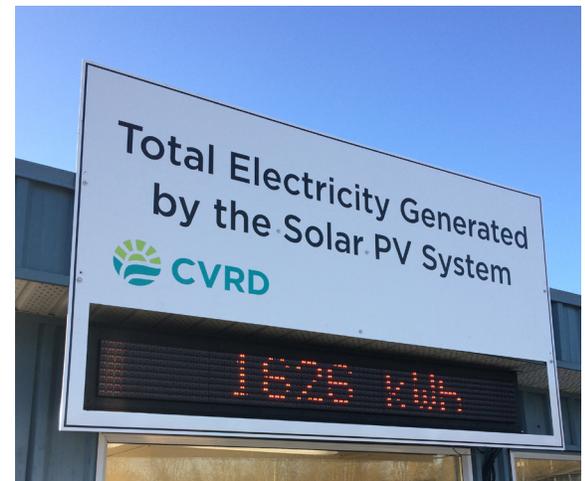
BINGS CREEK RECYCLING CENTRE

Solar PV Demonstration Project

Background

In December 2016, the Cowichan Valley Regional District (CVRD) installed a 23 kW solar photovoltaic (PV) demonstration system at Bings Creek Recycling Centre. The electricity generated by the system will be consumed on site. However, the system is considered grid-tied and is participating in BC Hydro's Net-Metering Program, where any excess electricity generated is credited to the account and then applied against future electricity use.

Solar PV is a proven and reliable renewable energy technology that converts energy from the sun into useful low carbon electricity. The technology is continuously improving and is currently close to being considered having reached grid parity. This means that over the life of the system electricity can be generated for the same \$/kWh rate currently offered by utility companies from conventional electricity production (i.e Hydro-Electric Dams or Gas Plants).



The CVRD gratefully acknowledges the financial support of the Province of British Columbia.



Performance Details

System Capacity (Nominal DC Power)	23 kW
Number of Panels	88
Estimated First Year Annual Energy Production	28,500 kWh
Estimated First Year Annual Savings	\$3,100
Estimated Lifetime	30+ years
Levelized Cost of Electricity	\$0.094/kWh
Annual Greenhouse Gas Reduction	0.30 tCO ₂ e
Total Installed Cost	\$72,000
Community Energy Leadership Program Funding	\$24,000
Installed cost per watt	\$3.09/watt



Bings Creek Recycling Centre Solar PV Demonstration Project

Table 1.0 Bings Creek Solar PV System Details

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Installed cost per watt	\$3.09/watt
30 year after tax ROI	6.69%
Levelized Cost of Electricity	\$0.094/kWh
Annual Greenhouse Gas Reduction	0.30 tCO₂e

Solid Waste Management



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R3





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R3







09

Lessons Learned: Watch out for the birds!



Next Steps: Meades Creek?





Any questions?

**Bings Creek Solar Opening Ceremony
March 1, 2017 @ 10:30am**



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 7, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: Recycling & Waste Management Division
Engineering Services Department

SUBJECT: Meade Creek Recycling Centre - Landfill Closure & Recycling Facility
Construction – Sub-Committee

FILE: 0540-50-RSC/05

PURPOSE/INTRODUCTION

The purpose of this report is to propose forming a sub-committee for Meade Creek capital project during the construction phase. The sub-committee will:

- be informed on the progress of the project on a regular basis,
- be involved in the project scope change,
- participate in change management review, and
- make recommendations to the Regional Services Committee.

RECOMMENDED RESOLUTION

That a Meade Creek Capital Project subcommittee be established comprised of Directors Day, Kuhn, and Morrison together with staff from Recycling & Waste Management Division, to monitor the progress of the project, consider project scope change, participate in change management review, and report back to the Regional Services Committee with any recommendations.

BACKGROUND

The Meade Creek Recycling Centre is one of the three recycling facilities owned and operated by the Cowichan Valley Regional District (CVRD). The depot directly serves approximately 6,595 residents in Lake Cowichan, Youbou and Honeymoon Bay, and also forms a key part of the CVRD's network of regional Recycling Centres which collectively serve more than 80,000 residents. The site was operated as a garbage incinerator from the 1970's to approximately 1998, when the incinerator was decommissioned and the site converted to a recycling drop-off depot. Approximately 15,000 m³ of old incinerator ash is still stockpiled on the site.

Currently, the project is in the design process, which includes the development of site closure plan, preparation of design & drawings (internal roads, buildings, stormwater management, and site servicing), public consultation, and the preparation of construction tender package.

The design and tender package preparation is at 80% completion. Staff anticipates starting the construction phase in April 2017.

ANALYSIS

The sub-committee will oversee the Meade Creek capital project to improve the transparency and efficiency of the project during the construction phase.

FINANCIAL CONSIDERATIONS

N/A

COMMUNICATION CONSIDERATIONS

The communications from the sub-committee will be to the Regional Services Committee.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The Meade Creek capital project supports the CVRD’s Regional Strategic Focus Area 3, Action 3.2.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Hamid Hatami, P. Eng.
General Manager

Not Applicable
Not Applicable

Not Applicable
Not Applicable

ATTACHMENTS:

- Attachment A – N/A
- Attachment B – N/A



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 7, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: Recycling & Waste Management Division
Engineering Services Department

SUBJECT: Meade Creek Temporary Site Lease Agreement

FILE: 0540-50-RSC/05

PURPOSE/INTRODUCTION

The purpose of this report is to obtain approval for lease of a temporary drop-off site near the Meade Creek Recycling Centre, while planned upgrades and landfill closure are underway.

RECOMMENDED RESOLUTION

That it be recommended to the Board that a 14 month lease from March 1, 2017 to May 31, 2018 with 1051147 B.C. Ltd., with an option for month-to-month extension, be approved for \$3,800 per month, for the purpose of securing a temporary public drop-off site for the duration of the Meade Creek Upgrades & Landfill Closure Project.

BACKGROUND

Upgrades to the Meade Creek Recycling Centre to close an incinerator ash landfill and upgrade the onsite recycling depot are outstanding commitments of the CVRD Solid Waste Management Plan. Landfill closure is also required by the BC Ministry of Environment. Design work is currently underway, with construction anticipated to begin, (pending loan authorization) during the second quarter of 2017.

ANALYSIS

Construction activities will require that the Meade Creek Recycling Centre be closed to the public for an estimated 12-18 months. As there are no other drop-off facilities in the area, a temporary site should be secured to allow public drop-off of basic materials while the main site is closed. This approach worked well during the 2013-2014 upgrades to the Peerless Road Recycling Centre. The desirable site will be in close proximity to the existing depot and will have services including office space, scale, power and communications, and a gated yard.

The nearest property suited for recycling and waste management operations has been located, about 800m away from Meade Creek Recycling Center, at the old Johel Brothers site on North Shore Road, now owned by B.C. Ltd. Company 1051147 (the "Company"). The site includes an office, a fenced and gated yard, and public parking. The Company has offered the site to the CVRD at a rate of \$3,800 per month (excluding utilities). For reference, previously, the CVRD paid \$3,500 per month (excluding utilities) for the temporary site near Peerless Road, which did not include a gated yard.

FINANCIAL CONSIDERATIONS

Lease costs will be \$3,800 per month. If the lease begins on March 1, 2017, the total annual cost in 2017 will be \$38,000. Up to \$42,000 has been included in the 2017 solid waste management budget (Function 520) for lease costs. Utilities such as hydro and communications will be paid by the CVRD; these are included in the 2017 operating budgets under Function 520. Lease and utility costs will also be included in the 2018 budget as required.

COMMUNICATION CONSIDERATIONS

External communications with the site owner will be required in order to finalize the agreements. The location of the temporary site will be communicated to the public through site signage and local advertising once the temporary site’s opening date is known.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The resolution supports the CVRD’s outstanding Solid Waste Management Plan commitment to complete landfill closure and site upgrades at Meade Creek.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Capital Projects, Water Management, Recycling & Waste Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Harmony Huffman
Senior Environmental Technologist



Tauseef Waraich
Manager



Hamid Hatami, P. Eng.
General Manager

ATTACHMENTS:

Attachment A – Meade Creek Draft Temporary Lease Agreement

LEASE AGREEMENT

This Lease Agreement made as of the ___day of _____, 2017.

BETWEEN:

1051147 B.C Ltd.
1202 Fort Street
Victoria, BC V8V 3L2

(the "**Landlord**")

AND:

Cowichan Valley Regional District
175 Ingram Street
Duncan, BC V9L 1N8

(the "**Tenant**")

WHEREAS the Tenant intends to carry out upgrades to the Meade Creek Recycling Centre located at 8855 Youbou Road, Electoral Area I Youbou / Meade Creek, BC (the "Meade Creek Recycling Centre"), which will require temporary closure of that facility;

AND WHEREAS the Tenant is seeking a temporary site to locate a temporary garbage and recycling drop-off facility for the duration of construction of the improvements to the Meade Creek Recycling Centre;

AND WHEREAS the Landlord is the registered owner of the following lands situated at 8800 North Shore Road, Electoral Area I Youbou / Meade Creek, BC:

PID 009-994-645
Lot 1, Block 488, Cowichan Lake District, Plan 46316

PID 018-831-281
Lot 3, Block 488, Cowichan Lake District, Plan 59057

(the "**Lands**")

AND WHEREAS the Landlord has agreed to lease to the Tenant that portion of the Lands and the Building outlined in bold solid line on the sketch plan attached to this Agreement as Schedule "A" (the "Premises"), for use as a temporary residential garbage and recycling drop-off facility for the duration of construction of the improvements to the Meade Creek Recycling Centre.

NOW THEREFORE in consideration of the rents, covenants and agreements of the Tenant and the Landlord in this Lease, the Tenant and the Landlord agree as follows:

1. Premises:

The Landlord leases to the Tenant the Premises, subject to the terms and conditions

stated in this Lease. For certainty, the Tenant's right to exclusive occupation and use of the Premises includes the Building within the area outlined in bold solid line on Schedule A (the "Building").

2. Rent:

Rent shall be due and payable on the first day of the Term, and on the first day of each month thereafter, in the amount of \$3,800 (three thousand, eight hundred dollars) plus Goods and Services Tax, as applicable, until the end of the Term. Utilities including hydro and telephone/communications services shall be paid by the Tenant for the duration of the Term.

If the first day of the Term falls on a day other than the first day of the month, the rent for that month shall be pro-rated according to the following formula:

$$(\$3,800 / \text{number of days in month}) \times \text{number of days remaining in month} = \text{pro-rated lease payment}$$

3. Term:

The term of this Lease will commence on March 1, 2017 and terminate on May 31, 2018.

4. Use:

The Tenant may use the Premises for the purpose of operating a public solid waste and recycling drop-off collection depot and related activities.

5. Alterations:

The Tenant may construct, upgrade, add to or alter buildings and other improvements on the Premises as the Tenant considers necessary for the purposes of the use permitted under section 4, all at the Tenant's sole cost. Such work may include but is not necessarily limited to the installation of electrical and communications services, exterior lighting, signage, expansion of the existing work pad, including ground levelling around the existing work pad, and the installation of three or more lock-block bays.

6. Insurance:

- (a) The Tenant shall take out and maintain during the Term a policy of commercial general liability insurance against claims for bodily injury, death or property damage arising out of the use and occupancy of the Premises by the Tenant in the amount of not less than Five Million Dollars (\$5,000,000.00) per single occurrence, naming the Landlord as an additional insured party thereto, and shall provide the Landlord with a certified copy of such policy or policies.
- (b) The Landlord shall take out and maintain during the Term all risks (including flood and earthquake) property insurance over the Building and the Scale, in an amount equal at all times to the full replacement value thereof. The Landlord hereby releases the Tenant, and those for whom the Tenant is in law responsible, from all damages as a result of occurrences that the Landlord is required to insure against under this Lease and all such property loss policies.

shall contain a waiver of any subrogation rights that the Landlord's insurers may have against the Tenant and those for whom the Tenant is in law responsible.

7. Maintenance and Repair:

The Tenant shall clean, maintain and repair the interior of the Building that is within the area outlined in bold solid line on Schedule A, at all times to a reasonable standard of repair and maintenance, reasonable wear and tear excepted. The Tenant shall also maintain the exterior portion of the Premises in a reasonable condition, commensurate with the use of the Premises as a public solid waste and recycling drop-off collection depot.

8. Damage or Destruction

- (a) In the event that the Building is damaged or destroyed by fire, or by any of the perils insured against by the Landlord under paragraph 6(b) of this Lease, the Landlord will repair such damage and will apply the proceeds of the insurance under section 6(b) for that purpose, provided that if the Premises or a substantial portion thereof are not capable of being used for the purpose intended under this Lease during the period of such repairs, the rent payable by the Tenant shall abate during the period of repair.
- (b) In the event of damage or destruction to the Building which, in the opinion of a qualified professional retained by the Landlord, cannot be repaired with reasonable diligence within ninety (90) days of the date of such damage or destruction, then the Tenant may terminate this Lease by providing thirty (30) days written notice of termination to the Landlord.

9. Compliance with Legal Requirements:

The Tenant shall comply promptly at its own expense with all statutes, regulations, bylaws and other legal requirements of all federal, provincial or local authorities, that apply to the Tenant's use and occupation of the Premises, and all notices issued under such statutes, regulations, bylaws and other legal requirements that are served upon the Landlord or the Tenant.

9. Environmental Matters:

- (a) In this Lease:

"Contaminants" means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, lead, asbestos, asbestos-containing materials, hazardous, corrosive, or toxic substances, hazardous waste, waste, polychlorinated biphenyls ("PCBs"), PCB-containing equipment or materials, pesticides, defoliants, fungi, including mould and spores arising from fungi, or any other solid, liquid, gas, vapour, odour, heat, sound, vibration, radiation, or combination of any of them, which is now or hereafter prohibited, controlled, or regulated under Environmental Laws; and

"Environmental Laws" means any statutes, laws, regulations, orders, bylaws, standards, guidelines, protocols, criteria, permits, code of practice, and other lawful requirements of any government authority having jurisdiction over the Land now or hereafter in force

relating in any way to the environment, environmental assessment, health, occupational health and safety, protection of any form of plant or animal life or transportation of dangerous goods, including the principles of common law and equity.

- (b) The Tenant shall strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the Tenant's use and occupancy of the Premises.
- (c) The Tenant shall not be responsible for the remediation, cleanup or removal of any Contaminants that are present in, on or under the Premises as of the date the Tenant takes possession of the Premises under this Lease, or any Contaminants that migrate to or are released onto the Premises other than by the Tenant or as a direct result of the Tenant's use of the Premises.

10. Fixtures

Unless the Tenant, upon notice from the Landlord, removes them, all buildings, structures or improvements constructed, placed or installed on the Premises by the Tenant, save and except for moveable business fixtures of the Tenant, shall, at the termination or expiry of this Lease, become the sole property of the Landlord at no cost to the Landlord.

11. Quiet Enjoyment

The Landlord covenants with the Tenant for quiet enjoyment.

12. Termination:

The Tenant may terminate this Agreement prior to the end of the Term by giving sixty (60) days' written notice of termination to the Landlord.

13. Assignment:

The Tenant shall not assign nor sublet, licence, sub-licence or grant any other right or interest in the Premises without prior written consent of the Landlord.

14. Extension:

Prior to the expiration of the Term, the Tenant may by written notice to the Landlord extend the Term for a period not to exceed twenty-four (24) months, on the same terms and conditions as under this Lease, in the event that the completion of construction of improvements to the Meade Creek Recycling Centre has been delayed.

15. Notices:

Any notice, request, demand and communication required to be given under this Agreement shall be deemed to be sufficiently given if delivered in writing, by hand, fax, email or prepaid registered mail to the party to which it is to be given as follows:

- a) If to the Tenant:

Cowichan Valley Regional District

Engineering Services Department

175 Ingram Street

Duncan, BC, V9L 1N8

Ph: 250 746-2530

Fax: 250 746-2543

Email: es@cvrd.bc.ca

b) If to the Landlord:

1051147 B.C Ltd.

1202 Fort Street

Victoria, BC V8V 3L2

with a copy to:

MacNutt Enterprises Ltd.

1820 Schoolhouse Rd

Nanaimo, BC V9X 1T4

Ph: 250-714-1112

Email: jentamadsen@gmail.com

16. Time of the Essence:

Time is of the essence of this Lease.

17. Binding Effect:

This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, administrators and permitted assignees.

18. Amendment:

The parties hereto may by agreement amend the terms of this Lease, such amendment to be evidenced in writing and executed by both parties.

19. Law Applicable:

This Lease shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

20. Registration:

Despite section 5 of the *Property Law Act*, the Landlord is not obligated to deliver this Lease to the Tenant in registrable form. The Tenant may, at its own expense, present to the Landlord for execution an instrument rendering this Lease registrable and register the same.

21. Interpretation:

When the singular or neuter are used in this Lease they include the plural or the

feminine or the masculine or the body politic or corporate where the context or the parties require.

All provisions of this Lease are to be construed as covenants and agreements as though the words importing covenants and agreements were used in each separate paragraph.

DRAFT

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

Cowichan Valley Regional District
by its authorized signatories

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Jon Lefebure, Chair

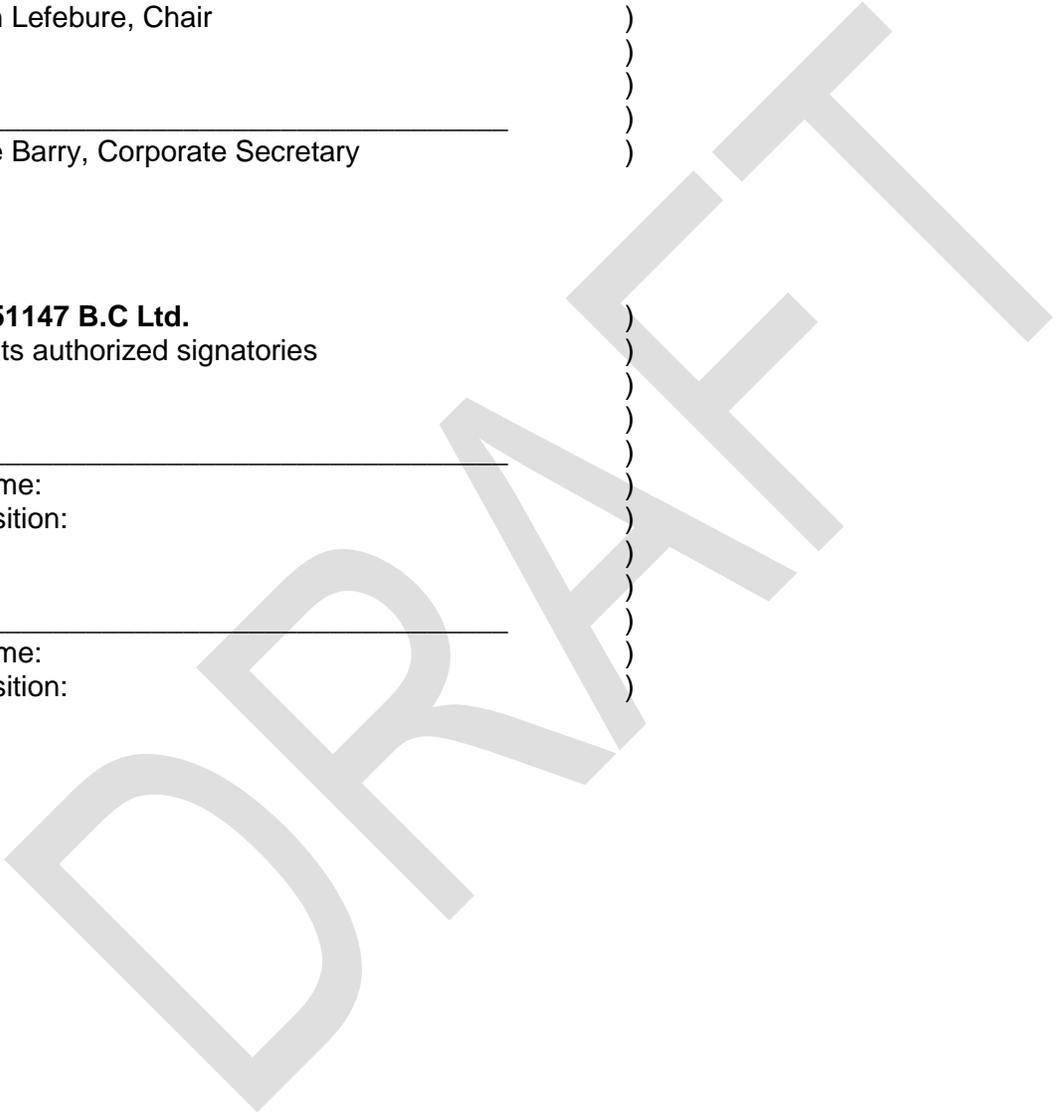
Joe Barry, Corporate Secretary

1051147 B.C Ltd.
by its authorized signatories

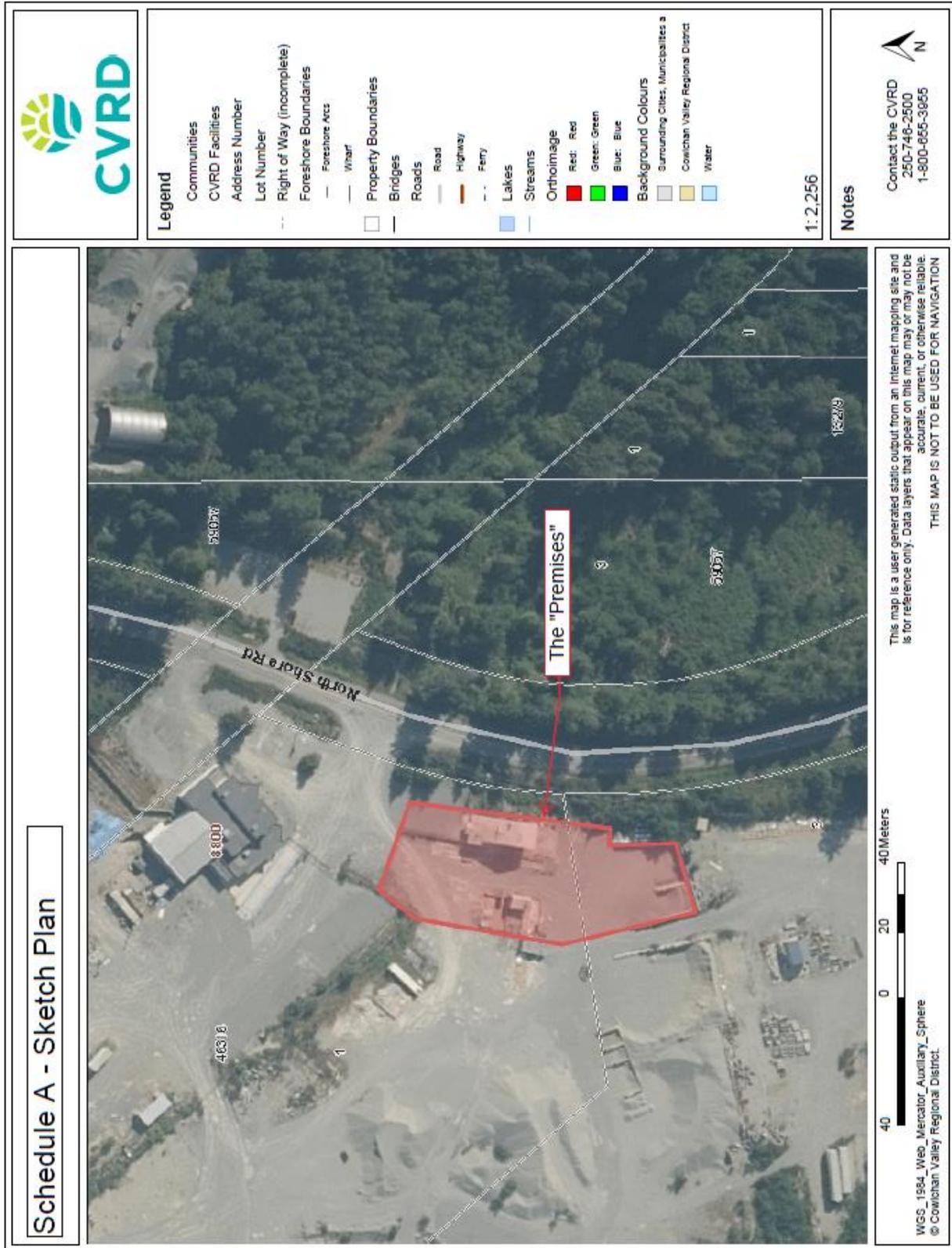
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Position:



SCHEDULE "A" – SKETCH PLAN





STAFF REPORT TO COMMITTEE

DATE OF REPORT February 8, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: Finance Division
Corporate Services Department

SUBJECT: Cowichan Valley Regional District 2016 Audit

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to present to the Committee the 2016 BDO Canada LLP audit plan.

RECOMMENDED RESOLUTION

That the 2016 Audit Planning Communication Report, as submitted by the audit firm BDO Canada LLP be received.

BACKGROUND

During 2016, BDO Canada LLP was appointed as the CVRD auditor for a five year term. This document is presented annually and covers the audit for the Cowichan Valley Regional District for the period January 1, 2016 to December 31, 2016.

ANALYSIS

Attached is the 2016 Audit Planning Communication, prepared by BDO, to assist the Board and Management in understanding the audit approach and states that in the Auditor's opinion they are independent from the Regional District. This is an attempt to ensure that the Board has an understanding of the important issue and decisions that are made during the Audit and Financial Statement preparation process. The Audit Plan also explains the terms under which the firm was hired and what is expected of them.

FINANCIAL CONSIDERATIONS

The annual audit fee is budgeted under Finance in Function 100, General Government.

COMMUNICATION CONSIDERATIONS

Once the Audit Plan has been received and a motion made at the Board, a copy of this motion will be distributed to the Auditor to confirm the Board's receipt of the Audit Plan.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The Regional Board exercises their independent authority relating to the external auditor by receiving and reviewing the annual Audit Planning Communication which is consistent with the Sound Fiscal Management Focus Area of the Corporate Strategic Plan.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)

- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

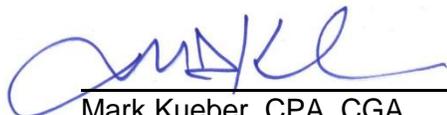
Prepared by:

Reviewed by:



Sharon Moss, CPA, CGA
Manager

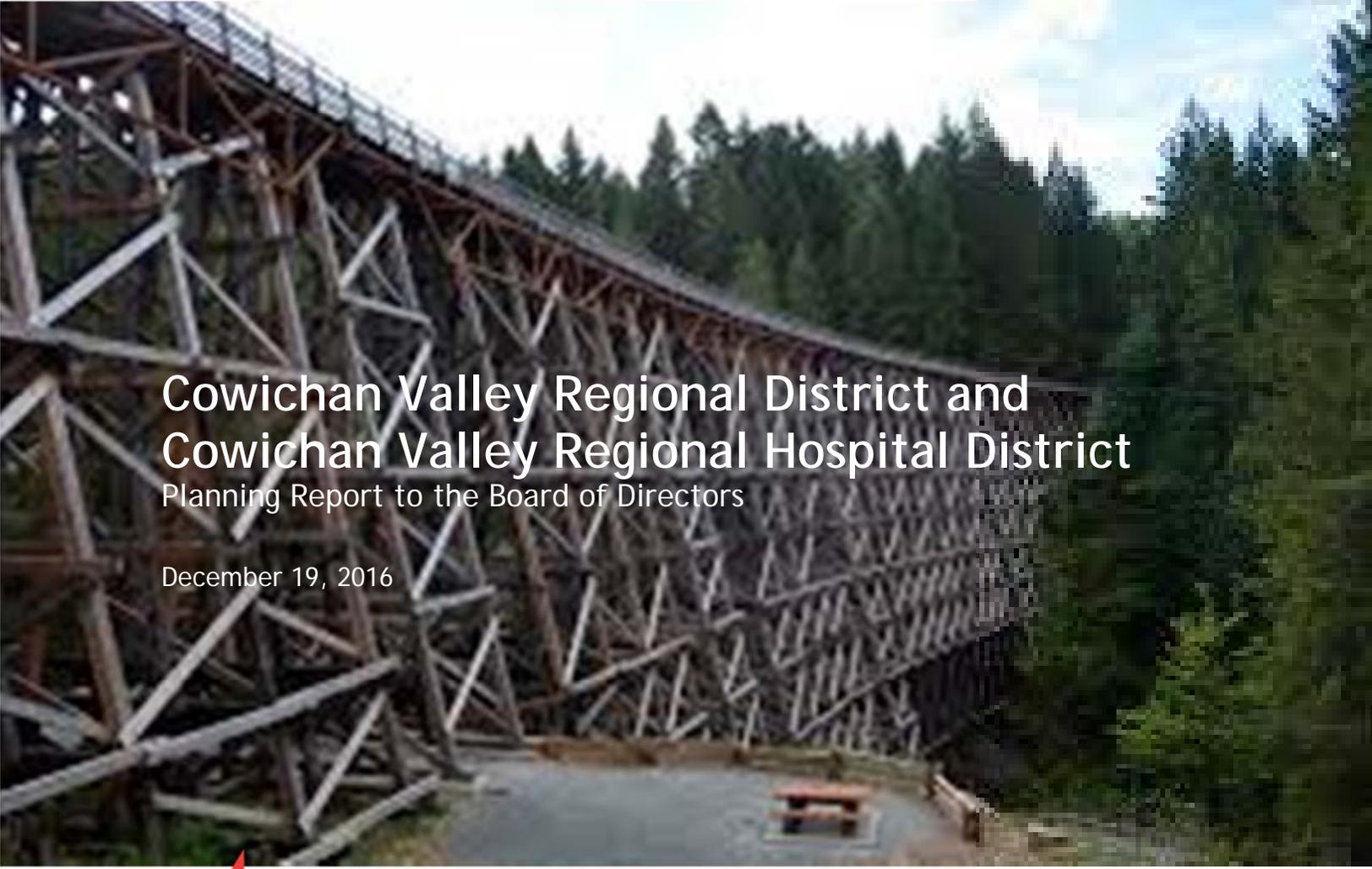
Not Applicable
Not Applicable



Mark Kueber, CPA, CGA
General Manager

ATTACHMENTS:

Attachment A – 2016 BDO Audit Planning Report



Cowichan Valley Regional District and
Cowichan Valley Regional Hospital District
Planning Report to the Board of Directors

December 19, 2016





Tel: 604 688 5421
 Fax: 604 688 5132
 vancouver@bdo.ca
 www.bdo.ca

BDO Canada LLP
 600 Cathedral Place
 925 West Georgia Street
 Vancouver BC V6C 3L2 Canada

Direct Line: 604-443-4716
 E-mail: bcox@bdo.ca

December 19

Board of Directors
 Cowichan Valley Regional District and Cowichan Valley Regional Hospital District
 175 Ingram Street
 Duncan, BC V9L 1N8

Dear Members of the Board of Directors:

We are pleased to present our audit plan for the audit of the financial statements of the Cowichan Valley Regional District and Cowichan Valley Regional Hospital District (the "Regional District" and "Hospital District") for the year ended December 31, 2016.

Our report is designed to highlight and explain key issues which we believe to be relevant to the audits including audit risks, the nature, extent and timing of our audit work and the terms of our engagement. The audit planning report forms a significant part of our overall communication strategy with the Board of Directors and is designed to promote effective two-way communication throughout the audit process. It is important that we maintain effective two-way communication with the Board of Directors throughout the entire audit process so that we may both share timely information. The audit process will conclude with a Board of Directors meeting and the preparation of our final report to the Board of Directors.

This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

The Board of Directors plays an important part in the audit planning process and we look forward to meeting with you to discuss our audit plan as well as any other matters that you consider appropriate.

Yours truly,

Bill Cox, FCPA, FCA
 Partner through a corporation
 BDO Canada LLP
 Chartered Professional Accountants

BC/mkn



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EXECUTIVE SUMMARY

ENGAGEMENT LETTER

The terms and conditions of our engagement are included in the most recent engagement letter for the Regional District, dated December 19, 2016, and for the Hospital District, dated December 19, 2016.

RESPONSIBILITIES

It is important for the Board of Directors (the "Board") to understand the responsibilities that rest with the external auditor and the responsibilities of those charged with governance. BDO's responsibilities are outlined within the engagement letters. The oversight and financial reporting responsibilities of the Board as they pertain to the annual audit are summarized below.

- Oversee the work of the external auditor engaged for the purpose of issuing independent auditor's reports.
- Report on all non-audit services to be provided to the Regional District and Hospital District by the external auditor.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters, if any.
- Refer to Appendix E for full details on the responsibilities of the Board.

ENGAGEMENT OBJECTIVES

- Express an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in its net debt, and cash flows of the Regional District and Hospital District in accordance with Public Sector Accounting Standards ("PSAS").
- Present significant findings to the Board including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit. See Appendix K for prior year's management letter.
- Consult regarding accounting, indirect taxes and reporting matters as requested throughout the year.
- Read the other information included in the Regional District's and Hospital District's Annual Reports to identify material inconsistencies, if any, with the audited financial statements.



AUDIT STRATEGY

Changes in auditing standards now require auditors to document all significant manual and computer systems. Building on this, we plan to focus much of our review of transaction streams using “tests of controls” (compliance procedures) in combination with analytical review and testing. Balances will be tested using a combination of compliance procedures and substantive procedures (such as analysis of data and obtaining direct evidence as to the validity of the items).

Refer to Appendix B for a high level overview of our audit strategy.

MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

For purposes of our audit, for the Regional District, we have set preliminary materiality at \$1,100,000 and preliminary performance materiality at \$825,000. For the Hospital District, we have set preliminary materiality at \$159,000 and preliminary performance materiality at \$119,250.

Our materiality calculation is based on the Regional District’s and Hospital District’s prior year results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to the Board as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Board, other than those which we determine to be “clearly trivial” i.e. less than \$55,000 for the Regional District and \$7,950 for the Hospital District. Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We encourage management to correct any misstatements identified throughout the audit process.

RISKS AND PLANNED AUDIT RESPONSES

Based on our knowledge of the Regional District’s and Hospital District’s operations, our past experience, and knowledge gained from management and the Board, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following key risks and whether there are any other areas of concern that the Board has identified.



RISKS AND PLANNED AUDIT RESPONSES (CONTINUED)

	Audit Risk	Proposed Audit Approach
Management Override of Internal Controls	The Regional District's and Hospital District's current internal control systems could be subject to an override of existing controls by management resulting in unauthorized transactions or unauthorized adjustments to the accounting records.	Review of significant transactions recorded in the various ledgers for unusual or non-recurring adjustments not addressed by other audit procedures.

Other areas that may be considered higher risk are as follows:

	Audit Risk	Proposed Audit Approach
Cash and Investments	<p>Cash planning and investment management are important aspects of good financial controls.</p> <p>Due to its nature, cash and investments are almost always considered to be a risk area in any audit.</p>	<p>Our planned audit procedures include review of reconciliations, substantive testing of transactions and confirmations of end of period balances.</p> <p>We will also review reports on return and investment strategies.</p>
Staff Salaries	A significant single type of expenditure that covers many employees and departments. As a Regional District and Hospital District, this figure is often of particular interest to financial statement users (ratepayers).	<p>Application of computer audit testing to analyze all payroll transactions in the year is a key step to identify unusual payroll relationships for testing.</p> <p>We will also perform systems testing, tests of controls and analytical review of staff salary and levels.</p>
Tangible Capital Assets and Accumulated Amortization	Estimates will need to be re-evaluated on the tangible capital assets, which include the land site for the new hospital, to determine if they are still accurate. This involves a high level of estimation and coordination of the finance department with other departments.	<p>We will perform test of controls for appropriate authorization of purchases combined with substantive testing of additions and disposals in the year and amortization calculations.</p> <p>Useful lives of existing assets will be reviewed for changes in estimates, if applicable.</p> <p>Repairs and maintenance ledgers will also be reviewed for possible capital items that have been expensed.</p>



	Audit Risk	Proposed Audit Approach
Deferred Revenue and Government Grants	There is a risk of government grants not being recorded accurately on the financial statements.	Our planned audit procedures include review of agreements from funding agencies, review of government transfers, and review of expenditures relating to grants and government transfers.
Landfill Closure and Post Closure Liability	There is a risk that the landfill closure and post closure liabilities are not identified, estimated and disclosed correctly.	We will review the engineering reports as well as the inputs used by the engineers to estimate the liability.
Contaminated Sites	Due to the complexity of this standard, there is a risk that not all of the contaminated sites are identified, estimated and disclosed correctly.	We will discuss the contaminated sites liability with financial management staff and corroborate our findings with other departments. As well, we will review the valuation of any contaminated sites identified.

FRAUD RISK

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board on an annual basis. We have prepared the following comments to facilitate this discussion.

Required Discussion	BDO Response	Question to the Board
Details of existing oversight processes with regards to fraud.	Through our planning process, and based on prior years' audits, we have developed an understanding of your oversight processes including: <ul style="list-style-type: none"> • Annual Board of Directors meeting with management to discuss fraud; • Discussions at regular Board of Directors meetings and our attendance at some of those meetings; • Review of related party transactions; and • Consideration of tone at the top. 	Are there any new processes or changes in existing processes relating to fraud that we should be aware of?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the Regional District and Hospital District?

Refer to Appendix F for our considerations of possible fraud and illegal activities during the performance of our audit.



FINAL ENGAGEMENT REPORTING

As part of our final reporting to the Board, we will provide a communications package to support the Board in discharging their responsibilities. This communication will include any identified significant deficiencies in internal controls. See Appendix H for a comprehensive list of communication requirements throughout the audit.

OTHER MATTERS

Timing	<p>The following schedule has been agreed to with management:</p> <ul style="list-style-type: none"> • Interim audit fieldwork - November 1-3, 2016 • Year end audit fieldwork - April 4-15, 2017 • Review of draft financial statements with the Board - to be determined (April 2017) • Finalization of financial statements - Immediately subsequent to approval by the Board
Independence	<p>Our annual independence letter has been included as Appendix G.</p>
Management Representations	<p>As part of our audit finalization we will obtain written representation from management, a copy of these representations will be included as part of our final report.</p>
New Accounting Standards	<p>Refer to Appendix J for changes in standards. "Contaminated Sites" is in effect for this fiscal year (2016). The most significant standards on the horizon is "Financial Instruments" (effective for 2019).</p>



APPENDIX A - Your BDO Engagement Team

Name	Title	E-mail	Phone
Bill Cox, FCPA, FCA	Engagement Partner	bcox@bdo.ca	604.443.4716
Eddy Adra, CPA, CA, CISA	Audit Senior Manager	eadra@bdo.ca	604.443.4734
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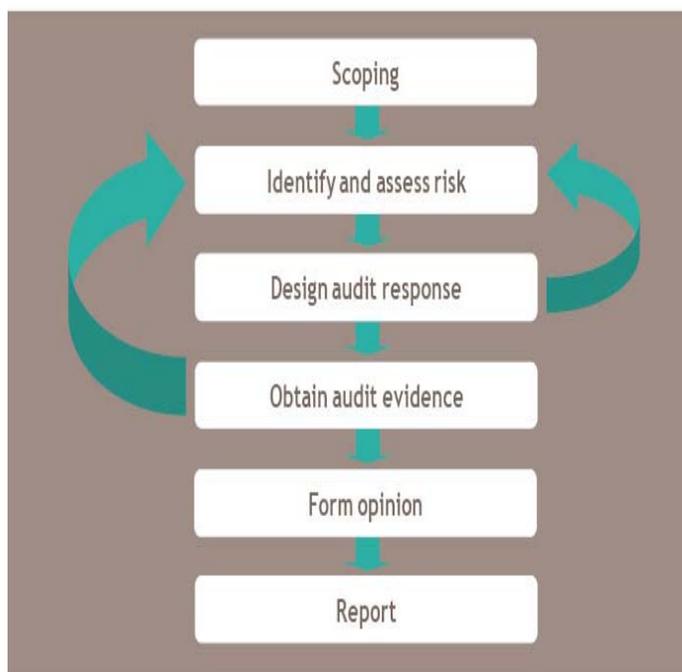
APPENDIX B - Audit Strategy

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Regional District and the Hospital District.

We will perform a risk-based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Board.

To assess risk accurately, we need to gain a detailed understanding of the Regional District's and Hospital District's operations and the environment it operates in. This allows us to identify, assess and respond to the risks of material misstatement.

To identify, assess and respond to risk, we obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the financial statements. We then determine whether adequate accounting records have been maintained and assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.



Based on our risk assessment, we design an appropriate audit strategy to obtain sufficient assurance to enable us to report on the financial statements.

We choose audit procedures that we believe are the most effective and efficient to reduce audit risk to an acceptably low level. The procedures are a combination of testing the operating effectiveness of internal controls, substantive analytical procedures and other tests of detailed transactions.

Having planned our audit, we will perform audit procedures maintaining an appropriate degree of professional skepticism, in order to collect evidence to support our audit opinion.

APPENDIX C - Management Responsibilities

All facets of the Regional District's and Hospital District's internal controls including those governing the accounting records, systems and financial statements will be impacted by the organization's complexity, the nature of risks, and the related laws, regulations, or stakeholder requirements. It is management's responsibility to determine the level of internal control required to respond reasonably to the Regional District's and Hospital District's risks.

The preparation of the Regional District's and Hospital District's financial statements including all disclosures in accordance with Canadian public sector accounting standards is the responsibility of management. Among other things, management is responsible for:

1. Designing and implementing internal controls over financial reporting to enable the preparation of financial statements that are free of material misstatements;
2. Informing the Regional District's and Hospital District's auditors of any deficiencies in design or operation of internal controls;
3. Updating the Regional District's and Hospital District's auditors for any material change in the Regional District's and Hospital District's internal controls including if the individuals responsible for the controls that have changed;
4. Identifying and complying with any laws, regulations, and/or agreements which apply to the Regional District and Hospital District;
5. Recording any adjustments required to the financial statements to correct material misstatements;
6. Safeguarding of assets;
7. Providing the auditor with all financial records, and related data which may be related to the recognition, measurement and or disclosure of transactions in the financial statements;
8. Providing accurate copies of all minutes of the regular and closed meetings of the Board;
9. Providing timely, accurate information as requested for the completion of the audit;
10. Allowing unrestricted access to persons or information as requested as part of the audit; and
11. Notifying the auditor of any circumstances which arise between the date the audit work is completed and the approval date of the financial statements.

Representation Letter

We will make specific inquiries of the Regional District's and Hospital District's management about the representations embodied in the financial statements and internal control over financial reporting. During the completion of our audit documentation, we will require management to confirm in writing certain representations in accordance with Canadian generally accepted auditing standards. These representations are to be provided to us in the form of a representations letter which will be provided as near as practicable to, but not after the date of our auditor's report on the financial statements.

APPENDIX D - Circumstances Affecting Timing and Fees

Our professional fee for the audit is based on careful consideration of the time required to complete the required work. Circumstances may arise during the engagement which could significantly impact the targeted completion dates and or the extent of work required to complete the audit. As a result, additional fees may be necessary. Such circumstances include, but are not limited to, the following:

Significant Issues

1. Changes in the design or function of internal controls can impact the audit and result in additional substantive testing;
2. Significant number of proposed adjustments which are identified during the audit work;
3. Significant changes are required to the format or information contained in the financial statements;
4. New issues resulting from changes to:
 - a. Accounting standards, policies or practices
 - b. Special events or transactions which were not contemplated in the original budget
 - c. The financial reporting process or systems involved
 - d. Accounting personnel or availability of accounting personnel
 - e. The requirement to include specialists in the audit work
5. Changes to the scope of the audit.

Audit Execution

1. Audit schedules are not provided in a timely manner, are not mathematically correct, or do not agree to the underlying accounting records.
2. There are significant delays in responding to our requests for information or responses require significant further investigation.
3. The quality of the supporting information for the audit work has deteriorated from our previous experience.
4. A complete working paper package is not provided on the agreed upon date.
5. There is a limitation of access to the financial staff required to complete the audit.



APPENDIX E - Board Responsibilities

General Responsibilities

It is the Board's responsibility to provide oversight of the financial reporting process. This includes management's preparation of the financial statements, monitoring of the Regional District's and Hospital District's internal controls, overseeing the work of the external auditor, facilitating the resolution of disagreements between management and the auditor, as well as the final review of the financial statements and other annual reporting.

Significant Audit Findings

Based on the work we perform, any significant identified deficiencies in internal control will be reported to you in writing. The purpose of our audit is to express an opinion on the financial statements. While our audit includes a consideration of the internal control structure of the Regional District and Hospital District, our work is focused on those controls relevant to financial reporting. As such, our work was not designed to provide an opinion on the effectiveness of the internal controls.

We will communicate our views regarding any significant qualitative aspects of the Regional District's and Hospital District's accounting practices. This would include the selection and application of accounting policies, estimates and financial statement disclosure. If during our audit we feel that the selected policies, estimates or disclosures are not appropriate for the Regional District and Hospital District under its reporting framework, we will communicate these matters to the Board.

In addition, we will communicate:

- Any significant difficulties which arose during the audit;
- Any reasons identified which may cause doubt as to the Regional District's and Hospital District's ability to continue as a going concern;
- The written representations we will request from management;
- Any identified unadjusted misstatements; and
- Any identified or suspected fraudulent activities.

APPENDIX F - Auditor's Considerations of Possible Fraud and Illegal Activities

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- Identifying and assessing the risks of material misstatement due to fraud;
- Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion, as well as sophisticated and carefully organized schemes designed to conceal it.

During the audit, we will perform risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the Regional District and Hospital District's internal control system, to obtain information for use in identifying the risks of material misstatement due to fraud and make inquiries of management regarding:

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud in the Regional District and Hospital District, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the Regional District and Hospital District; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behaviour.

In response to our risk assessment and our inquiries of management, we will perform procedures to address the assessed risks, which may include:

- Inquiring of management, the Board and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Performing disaggregated analytical procedures and considering unusual or unexpected relationships identified in the planning of our audit;
- Incorporating an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Performing additional required procedures to address the risk of management's override of controls including:
 - Testing internal controls designed to prevent and detect fraud;
 - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
 - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
 - Evaluating the business rationale for significant unusual transactions.



APPENDIX G - Independence Letter

Direct Line: 604-443-4716
E-mail: bcox@bdo.ca

December 19, 2016

Board of Directors
Cowichan Valley Regional District and Cowichan Valley Regional Hospital District
175 Ingram Street
Duncan, BC V9L 1N8

Dear Members of the Board of Directors:

We have been engaged to audit the financial statements of the Cowichan Valley Regional District and Cowichan Valley Regional Hospital District (the "Regional District" and "Hospital District") for the year ended December 31, 2016.

Canadian generally accepted auditing standards (GAAS) no longer require that we communicate formally to you in regard to independence matters, however we consider it to be a good practice. As such, we are reporting to you regarding all relationships between the Regional District and Hospital District (and its related entities) and our firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of British Columbia and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We are not aware of any relationships between the Regional District and Hospital District and our firm that, in our professional judgment, may reasonably be through to bear on our independence.

We hereby confirm that we are independent with respect to the Regional District and Hospital District within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of the date of this letter.

This letter is intended solely for the use of the Board and management and should not be used for any other purposes.

Yours truly,

Bill Cox, FCPA, FCA
Partner through a corporation
BDO Canada LLP
Chartered Professional Accountants

BC/mkn



APPENDIX H - Communication Requirements

Required Communication	Audit Planning Letter	Audit Results Letter	Communication Completed
1. Our responsibilities under Canadian GAAS			Y
2. Our audit strategy and audit scope			Y
3. Fraud risk factors			Y
4. Going concern matters			N
5. Significant estimates or judgments			N
6. Audit adjustments			N
7. Unadjusted misstatements			N
8. Omitted disclosures			N
9. Disagreements with Management			N
10. Consultations with other accountants or experts			N
11. Major issues discussed with Management in regards to retention			N
12. Significant difficulties encountered during the audit			N
13. Significant deficiencies in internal control			N
14. Material written communication between BDO and Management			N
15. Any relationships which may affect our independence			Y
16. Any illegal acts identified during the audit			N
17. Any fraud or possible fraudulent acts identified during the audit			N
18. Significant transactions with related parties not consistent with ordinary business			N
19. Non-compliance with laws or regulations identified during the audit			N
20. Limitations of scope over our audit, if any			N
21. Written representations made by Management			N
22. Any modifications to our opinion, if required			N



APPENDIX I – Resources and Services

OTHER BDO SERVICES

<p>Advisory</p>	<p>As Canada’s leading financial advisory firm, BDO helps organizations and their management teams effectively assess, develop and manage strategic initiatives, such as:</p> <p>Asset Reserve Policies - Asset reserves seem to be on everyone’s agenda these days. Municipalities and Regional Districts across the country are asking themselves if they have enough money for infrastructure, how much they have, how much they will need and so on. BDO is excited to host interactive workshops on Managing Asset Reserves.</p> <p>Internal Control Assessments - BDO has been engaged by many clients to perform a review and assessment of current processes and key internal controls over financial reporting (ICFR), as well as the structure of accounting/finance departments. The engagements include identification of gaps in control, as well as assessment of the current governance and reporting structure of the accounting/finance department.</p> <p>Visit the following link to find out more:</p> <p>http://www.bdo.ca/en/Services/Advisory/Financial-Advisory/pages/default.aspx</p>
<p>Indirect Tax</p>	<p>Government Entities operating in Canada are impacted by commodity taxes in some way or another. These include GST/HST, QST, PST, various employer taxes, and unless managed properly, can have a significant impact on your organization’s bottom line. The rules for Government Entities can be especially confusing, and as a result many organizations end up paying more for indirect tax than they need to.</p> <p>Government Entities must keep on top of changes to ensure they are taking advantage of the maximum refund opportunities. At BDO, we have helped a number of organizations of all sizes with refund opportunities, which can reduce costs for the organization and improve overall financial health.</p> <p>For more information, please visit the following link:</p> <p>http://www.bdo.ca/en/Services/Tax/Indirect-Tax/pages/default.aspx</p>
<p>Solutions</p>	<p>BDO Solutions provides accounting software management tools need to run a better operation. Our expert team understands the complex reporting requirements government entities must adhere to, as well as the limited resources they have to address these needs. Spend more time serving your constituents, better manage budgets, allocate time and resources more effectively and improve your ability to focus on the work that really matters to your organization.</p> <p>For more information, please visit the following link:</p> <p>http://www.bdosolutions.com/ca/</p>



Outsourcing

Our dedicated team of professional bookkeepers across Canada combined with our powerful Microsoft cloud technology platform can provide you and your organization with a world class bookkeeping solution that gives you anytime access to your financial information. Our BDO Client Portal provides you with access to comprehensive business management functionality and enables you to make proactive and informed decisions for your organization.

Visit the link below to find out how we can create a customized bookkeeping solution for your organization:

<http://www.bdo.ca/en/Services/Outsourcing/Bookkeeping/pages/default.aspx>

Succession Planning

Having a strong strategic plan, such as a succession plan for key employees and strategic planning for the Board of Directors, is critical to an organization's success. With our succession planning services, we can help your organization with:

- Planning for a change in leadership
- Setting a strategic direction for the Board of Directors
- Develop a strategic business plan for operations
- Aligning all three groups of stakeholders (the Board, employees and rate payers) and enhancing communication

For more information, please visit the following link:

<http://www.bdo.ca/en/Services/Advisory/Business-Transition/pages/default.aspx>

BDO PUBLICATIONS

BDO's national and international accounting and assurance department issues publications on the transition and application of Public Sector Accounting Standards. In addition, we offer a wide array of publications on Accounting Standards for Private Enterprises (ASPE), International Financial Reporting Standards (IFRS), and Accounting Standards for Not-for-Profit Organizations (ASNPO).

For additional information on PSAS, including links to archived publications and model financial statements, refer to the link below:

<http://www.bdo.ca/en/library/services/assurance-and-accounting/pages/default.aspx>.

MYPDR

Class is in session! Meeting Your Professional Development Requirements (MYPDR) is an educational program designed to support our clients, contacts and alumni in achieving their ongoing professional development requirements.

Through the MYPDR program, we are committed to providing timely, relevant topics that can support you in meeting your ongoing professional development needs. For more information on the MYPDR program or to register, please visit <http://www.cvent.com/d/34qxp>.

APPENDIX J - Changes in Accounting Standards With Potential to Impact the Regional District and Hospital District

The following summarizes the status of new standards and the changes to existing standards as of the fall of 2016. The Appendix also reviews Exposure Drafts, Consultation Papers, Statements of Principles, projects and Post Implementation Reviews that provide information on the future direction of CPA Public Sector Accounting Handbook.

NEW STANDARDS - PSAS (NOT YET EFFECTIVE)

Amendments to the Introduction

PSAB amended the introduction to Public Sector Accounting Standards to clarify the applicability of the CPA PSA Handbook for various public sector entities. A government component, for example a provincial Ministry, that prepares standalone statements, would be directed to use PSAB effective on or after January 1, 2017.

Section PS 1201, Financial Statement Presentation

This Section revises and replaces Financial Statement Presentation, Section PS 1200. The following changes have been made to the Section:

- Remeasurement gains and losses are reported in a new statement;
- Other comprehensive income that can arise when a government includes results of government business enterprises and government business partnerships in its summary financial statements is reported in the statement of remeasurement gains and losses; and
- The accumulated surplus or deficit is presented as the total of the accumulated operating surplus or deficit and the accumulated remeasurement gains and losses.

Part of this standard will not have much of an impact until Section PS 3450 - Financial Instruments has been adopted.

The standard is effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements are effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end, this means that 2020 is the first year that the standard must be followed. However, we are expecting that the Standard will be further deferred. Earlier adoption is permitted.



Section PS 2200, Related Party Disclosures

This new Section defines a related party and establishes disclosures required for related party transactions.

A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include individuals that are members of key management personnel and close family members.

- Disclosure of key management personnel compensation arrangements, expense allowances and other similar payments routinely paid in exchange for services rendered is not required.
- Two entities that have a member of key management personnel in common may be related depending upon that individual's ability to affect the policies of both entities in their mutual dealings.
- Disclosure is only required when transactions and events between related parties have or could have a material financial effect on the financial statements.
- Determining which related party transactions to disclose is a matter of judgment based on the assessment of certain factors.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

Section PS 2601, Foreign Currency Translation

This Section revises and replaces *PS 2600, Foreign Currency Translation*. The following changes have been made to the Section:

- The definition of currency risk is amended to conform to the definition in *PS 3450, Financial Instruments*;
- The exception to the measurement of items on initial recognition that applies when synthetic instrument accounting is used is removed;
- At each financial statement date subsequent to initial recognition, non-monetary items denominated in a foreign currency that are included in the fair value category in accordance with Section PS 3450 are adjusted to reflect the exchange rate at that date;
- The deferral and amortization of foreign exchange gains and losses relating to long-term foreign currency denominated monetary items is discontinued;
- Until the period of settlement, exchange gains and losses are recognized in the statement of remeasurement gains and losses rather than the statement of operations; and
- Hedge accounting and the presentation of items as synthetic instruments are removed.

The new requirements are to be applied at the same time as *PS 3450, Financial Instruments*, and are effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements have been delayed and are now effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end this means 2020 is the first year that the standard must be followed. However, we expect that the standard will be further deferred. Earlier adoption is permitted.



Section PS 3041, Portfolio Investments

This Section revises and replaces Section *PS 3040, Portfolio Investments*. The following changes have been made:

- The scope is expanded to include interests in pooled investment funds;
- Definitions are conformed to those in *PS 3450, Financial Instruments*;
- The requirement to apply the cost method is removed, as the recognition and measurement requirements within Section PS 3450 apply, other than to the initial recognition of an investment with significant concessionary terms; and
- Other terms and requirements are conformed to Section PS 3450, including use of the effective interest method.

This Section is to be applied for government organizations are effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements are effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end, this means that 2020 is the first year that the standard must be followed. Earlier adoption is permitted.

Section PS 3420, Inter-Entity Transactions

This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The main features are:

- Inter-entity transactions involving the transfer of assets or liabilities should be recognized by both a provider and a recipient at carrying amount, exchange amount or fair value depending on the particular circumstances of each case.
- Inter-entity transactions in the normal course of operations or under a policy of cost allocation and recovery should be recognized on a gross basis at the exchange amount.
- A recipient may recognize unallocated costs as a revenue and expense at carrying amount, fair value or another amount based on existing policy, accountability structure or budget practice depending on the particular circumstances of each case.
- Information about inter-entity transactions would be disclosed in accordance with the new Section on related party disclosures.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

Section PS 3210, Assets

This new Section provides additional guidance on the definition of assets and establishes general disclosure standards for assets. Disclosure of types of assets that are not recognized is required.

However, this standard does not address intangible assets which are still not recognized under the PSAB accounting framework.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

Section PS 3320, Contingent Assets

This new Section defines and establishes disclosure standards on contingent assets. Disclosure about contingent assets is required when the occurrence of the confirming future event is likely.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a



December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

Section PS 3380, Contractual Rights

This new Section defines and establishes disclosure standards on contractual rights. Disclosure about contractual rights is required including the description about their nature and extent and the timing.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

Section PS 3430, Restructuring Transactions

This Section addresses a problem area for public sector accounting. In the past there was no Canadian standard that addressed acquisition of services and service areas, therefore, accountants looked to the US and international standards for guidance.

This new Section defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities, that does not involve an exchange of consideration based primarily on the fair value of the individual assets and liabilities transferred.

- The net effect of the restructuring transaction should be recognized as a revenue or expense by the entities involved.
- A recipient should recognize individual assets and liabilities received in a restructuring transaction at their carrying amount with applicable adjustments at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- A transferor and a recipient should disclose sufficient information to enable users to assess the nature and financial effects of a restructuring transaction on their financial position and operations.

This Section applies to restructuring transactions occurring in fiscal years beginning on or after April 1, 2018. For entities with a December year, end this means that 2019 is the first year that the standard must be followed. Earlier adoption is permitted.

Section PS 3450, Financial Instruments

PSAB approved amendments to *Section PS 3450, Financial Instruments*, to align the reporting of income on externally restricted assets that are financial instruments with the requirements in Section PS 3100, Restricted Assets and Revenues. The amendments clarify the application of Section PS 3100 (paragraphs PS 3100.11 - .12) when accounting for:

- A change in the fair value of a financial asset in the fair value category that is externally restricted;
- Income attributable to a financial instrument that is externally restricted; or
- A gain or loss associated with a financial instrument that is externally restricted.

These amendments recognize the importance of the nature of restrictions and the terms of contractual agreements in reporting such transactions and events when externally restricted assets and income are involved.

This new Section, although not as demanding as the private sector section, establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.



The main features of the new Section are:

- Items within the scope of the Section are assigned to one of two measurement categories: fair value, or cost or amortized cost;
- Almost all derivatives, including embedded derivatives that are not closely related to the host contract, are measured at fair value;
- Fair value measurement also applies to portfolio investments in equity instruments that are quoted in an active market;
- Other financial assets and financial liabilities are generally measured at cost or amortized cost;
- Until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses;
- Budget-to-actual comparisons are not required within the statement of remeasurement gains and losses;
- When the reporting entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category;
- New requirements clarify when financial liabilities are derecognized;
- The offsetting of a financial liability and a financial asset is prohibited in absence of a legally enforceable right to set off the recognized amounts and an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously; and
- New disclosure requirements of items reported on and the nature and extent of risks arising from financial instruments.

The new requirements are to be applied at the same time as *PS 2601, Foreign Currency Translation* and for government organizations are effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements have been delayed, mainly due to concerns of the senior government, and are effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end this means 2020 is the first year that the standard must be followed. However, we expect that this Standard will be further deferred. Earlier adoption is permitted. This Standard should be adopted with prospective application except for an accounting policy related to embedded derivatives within contracts, which can be applied retroactively or prospectively.

Note also the exposure draft “Financial Instruments: Transition” (discussed below) that proposed clarification of some detailed aspects of the Financial Instruments standard.

EXPOSURE DRAFTS - PSAS

Financial Instruments: Transition (Closed for comment)

This exposure draft deals with technical details related to the standard by providing two amendments and a few clarifications.

The first amendment proposed definitively states that unless a contractual right or contractual obligation underlies a receivable or a payable, the Financial Instruments standard does not apply. There must be a contract for there to be a financial instrument.

The second amendment removes a correct, but redundant, paragraph that notes the Financial Instrument Standard does not apply to a receivable under a lease.

Clarifications are made in areas related to transfer of collateral pursuant to a credit risk management mechanism in a derivative contract, treatment of unamortized discounts or premiums related to debt buy-backs, associated unamortized discount or premium on initial adoption, and derivatives not recognized or recorded at fair value on initial adoption.



These detailed technical changes will likely have most impact to senior governments and it is not expected that many local governments will be affected.

PSAB has deferred considering amendments proposed in the October 2014 Exposure Draft until a later date.

Withdrawal of Disclosure of Related Party Transactions by Not-for-Profit Organizations, Section PS 4260 (Closed for comment)

In January 2016, PSAB proposed, subject to comments received following exposure, to withdraw Section PS 4260 from the CPA Canada Public Sector Accounting Handbook and to add a transitional provision to Section PS 2200, Related Party Disclosures. PSAB is currently deliberating comments received on its Exposure Draft and final Handbook material is expected to be approved later in the fall of 2016.

CONSULTATION PAPERS - PSAB

Concepts Underlying Financial Performance

This project considers the concepts underlying the measure of financial performance. It may result in amendments to the conceptual framework and could also affect Section PS 1201, Financial Statement Presentation. Three different consultation papers have been issued on this project with the last one, Conceptual Framework Fundamentals and the Reporting Model, having closed for comment on August 31, 2015. In the third consultation paper, there has been about face on concepts stated in the second consultation in regards to having financial statements that did not clearly articulate. Main features of this consultation paper suggest removing the Statement of Remeasurement Gains and Losses, separating capital grants and other unusual items out of the main revenue and expenses to a separate category (below the net result of services) on the Statement of Operations, revisions of assets and liabilities definitions, required use of historical cost except in rare cases and allows the use of an amended approved budget if the government has changed. PSAB is deliberating comments received.

INVITATIONS TO COMMENT - PSAB

2013-2016 Strategic Plan: Proposed one-year Extension to the Term of the Plan

PSAB proposes to extend the term of its existing three-year strategic plan by one year. By this proposal, the broad policy objectives set out in PSAB's 2013-2016 Strategic Plan would continue to guide the Board in carrying out its standard-setting mandate until March 2017.

PSAB intends to publish a draft 2017-2020 strategic plan to obtain input through comment letters and consultations with interested parties. After analyzing the input received, PSAB will develop any necessary modifications to the draft 2017-2020 strategic plan and review a revised draft with the Accounting Standards Oversight Council in October 2016. The Board expects to approve the final 2017-2020 strategic plan in December 2016.



STATEMENTS OF PRINCIPLES - PSAB

Asset Retirement Obligations (Exposure Draft is being developed)

In 2014, PSAB issued a Statement of Principles called "Retirement Obligations". This caused some confusion to readers as the title sounded as if it might relate to employee retirement obligations. To clarify the project is now called Asset Retirement Obligations. This statement of principles proposes a new section on retirement obligations associated with tangible capital assets controlled by a public sector entity. The statement includes retirement obligations associated with tangible capital assets resulting from legal, constructive and equitable obligations which include post-retirement operation, maintenance and monitoring. Retirement costs would increase the carrying amount of the related tangible capital asset or a component thereof and would be expensed in a rational and systematic manner. The subsequent remeasurement of the liability can result in either a change in the carrying amount of the related tangible assets or a component thereof, or an expense, depending on the nature of the remeasurement or whether the asset remains in productive use. Often the best method with which to estimate the liability is a present value technique.

In June 2016, PSAB received an update on the project and considered the inclusion of solid waste closure and post-closure costs within the scope of the project. An exposure draft is currently being developed and is to be approved in December 2016.

Revenue (Exposure Draft is being developed)

In this Statement of Principles, PSAB proposes to focus on two areas of revenue which are exchange and unilateral (non-exchange) transactions with the presence of performance obligations being the distinguishing feature. Developments in this area will be worth following as there could be significant changes from current practice.

Performance obligations are enforceable promises to provide goods or services. Revenue from an exchange transaction is recognized as the performance obligation is satisfied whereas unilateral transactions are recognized when there is the authority and past event that gives rise to a claim of economic recourses. Examples of unilateral revenue are fines and business licenses. In these examples the payer receives no direct economic benefit in return. However, some revenues (for example, dog licenses) will not be as clear cut. Using the dog license example, there could be a question about whether a service is provided, as most local governments would have a dog catcher, a response for barking dogs, and would fund the local SPCA. A question arises as to whether these services are provided to the person paying the license or the public at large.

The goal of this project is to enhance consistency of revenue recognition among public sector entities. An exposure draft is currently being developed and is to be approved in December 2016.

PROJECTS - PSAB

Employment Benefits

PSAB approved an Employment Benefits project. The objective is to review Section PS 3250, Retirement Benefits, and Section PS 3255, Post-employment Benefits, Compensated Absences and Termination Benefits. Key issues include, but are not limited to, deferral of experience gains and losses, discount rate, shared risk plans, multi-employer defined benefit plans and vested sick leave benefits.



Impairment of Non-Financial Assets

PSAB approved an Impairment of Non-Financial Assets project. The objective of the project is to issue a standard that address the impairment of tangible capital assets that have service potential. The objective is to define impairment as well as providing guidance on assessment, recognition, measurement and disclosure of impairment losses. PSAB has deferred this project until a later date.

Public Private Partnerships

PSAB approved a project proposal to develop a standard on public private partnerships as it was identified as a priority in PSAB's 2014 Project Priority Survey. A statement of principles is being developed and is expected to be completed in December 2016.

POST IMPLEMENTATION REVIEW - PSAB

Government Transfers

PSAB conducted its first post-implementation review to determine whether the standard, Section PS 3410, Government Transfers, has been implemented and achieved the intended objectives. The review provided PSAB with insightful information about how the standard was received across Canada. After considerable deliberation, PSAB concluded that the standard meets its original public interest objectives. This means that no further guidance is expected.

STATUS OF CURRENT PROJECTS - PSAB

Standards for public sector organizations	2016	2016	2017	2017
	Q3	Q4	Q1	Q2
Asset Retirement Obligations			Exposure Draft	
Concepts Underlying Financial Performance				
Employment Benefits		Invitation to Comment		
Financial Instruments - Subsequent Issues				
PSAB Strategic Initiative				Strategic Plan
Public Private Initiative			Statement of Principles	
Revenue			Exposure Draft	
Impairment of Non-Financial Assets	Project Deferred			
PSA Handbook Terminology	Project Deferred			



NEW STANDARDS - AUDITING AND ASSURANCE STANDARDS BOARD (AASB)

CSRS 4460, Reports on Supplementary Matters Arising from an Audit or Review Engagement

This new Related Services Standard establishes the various types of information reported to a third party (for example, regulators or funding bodies). It is common in this sector for funders, regulators, or other governments to require specific reporting from the auditor or accountant (known as “derivative reports”). This standard requires the auditor or accountant to expand the level of work required in many cases. Many of the existing types of reports requested by funders, regulators or other governments would not be able to be signed under these new proposals. Instead, a more fully explained report using standard wording would be issued in its place.

This standard is effective for reports dated on or after April 1, 2016.

CSAE 3000 Attestation Engagement other than Audits or Reviews of Historical Financial Information and CSAE 3001 Direct Engagements

CSAE 3000 and CSAE 3001 replaces *Sections 5025 Standards for Assurance Engagements Other than Audits of Financial Statements and Other Historical Financial Information, Section 5030 Quality Control Procedures for Assurance Engagement Other than Audits of Financial Statements and Other Historical Financial Information, Section 5049 Use of Specialists in Assurance Engagements Other than Audits of Financial Statements and Other Historical Financial Information and Section 5050 Using the Work of Internal Audit in Assurance Engagements Other than Audits of Financial Statements and Other Historical Financial Information*. CSAE 3000 is adopted from ISAE 3000 however the Canadian Standards have some differences including:

- narrowing the scope of CSAE 3000 to address attestation engagements only;
- references to relevant ethical requirements; and
- terminology.

Canadian Standard on Assurance Engagements (“CSAE”) 3001 is based on CSAE 3000 but is revised, as necessary, to reflect the differences between attestation engagements and direct engagements. CSAE 3000 and 3001 are effective for attestation engagements where the assurance report is dated on or after June 30, 2017.

EXPOSURE DRAFTS - AASB

Reports on Compliance with Agreements, Statutes and Regulations (Closed for comment)

The AASB issued an exposure draft that proposes to issue a *CSAE 3530 Reports on Compliance with Agreements, Statutes and Regulations*, which would replace *5800, Special Reports – Introduction, 5815, Special Reports – Audit Reports on Compliance with Agreements, Statutes and Regulations, 8600 Reviews of Compliance with Agreements and Regulations*. The standard would not be a “standalone” section, but rather provide additional requirements and application material to assist practitioners in the application of CSAE 3000 or CSAE 3001.

The AASB is deliberating comments received on its Exposure Draft and a Re-Exposure draft will be developed.



Association / Use of the Practitioner's Communication or Name (Closed for comment)

In March 2015, the AASB issued an exposure draft for comments with CSOA 5000 replacing *Section 5020, Association*, which addressed the following issues:

- which circumstances would be scoped into the proposed standard and in which circumstances the practitioner would refer to other standards;
- how the practitioner's consent to the use of the practitioner's name or report is defined; and
- what the practitioner's responsibilities would be when information on which the practitioner reported is issued in more than one language.

In March 2016, the AASB issued a re-exposure draft to outline changes to the scope of the proposed CSOA 5000 to improve the understandability and clarity of the requirements of this CSOA in response to stakeholders' comments. One of the proposed changes is to rename the standard from "Association" to "Use of the Practitioner's Communication or Name" to avoid giving the impression that proposed CSOA 5000 deals with all aspects of association.

The AASB is deliberating comments received on its Re-Exposure Draft and final handbook material is expected to be approved later in the fall of 2016.

PROJECTS - AASB

Agreed-Upon Procedures

An invitation to comment is being developed on this project to update *Section 9100, Reports on the Results of Applying Specified Auditing Procedures to Financial Information Other than Financial Statements*. The project will address:

- whether an umbrella standard is needed for agreed-upon procedures engagements;
- whether the concept that an agreed-upon procedures engagement does not result in the provision of assurance is still appropriate;
- whether a practitioner should be required to use professional judgment when determining or modifying the procedures to be performed;
- whether the practitioner should apply materiality to design procedures or assess factual findings; and
- the form and content of the practitioner's report.

It is expected that the invitation to comment document will be approved later in the fall of 2016.

Future-Oriented Financial Information

A project proposal has been approved to determine what authoritative guidance, if any, is needed in the Handbook to address assurance matters pertaining to future-oriented information.

Reports on the Application of Accounting Principles

A project proposal has been approved to determine what the appropriate course of action for Section 760, Reports on the Application of Accounting Principles, as opinion shopping services, as described in the section, are rarely performed in practice today.

Public Sector Auditing Standards

The AASB discussed issues related to compliance audits in the public sector and has agreed to develop a new assurance and related services guideline to address material contained in Section



PS 5300, Auditing for Compliance with Legislative and Related Authorities in the Public Sector. An exposure draft is being developed and is expected to be approved later in the fall of 2016.

Communications with Law Firms (Closed for comment)

The AASB conducted a project to revise the "Joint Policy Statement Concerning Communications with Law Firms Regarding Claims and Possible Claims in Connection with the Preparation and Audit of Financial Statements" appended to CAS 501, *Audit Evidence – Specific Considerations for Selected Items*, including:

- whether the revised Joint Policy Statement should include illustrations of how the evaluation of claims and possible claims under different financial reporting frameworks could be described in the inquiry letter or whether such illustrations should be issued separately as non-authoritative guidance;
- whether any consequential amendments would be necessary to CAS 501; and
- what the effective date of the revised Joint Policy Statement should be and whether early implementation should be permitted.

The responses to the AASB exposure draft indicated strong support for the revised Joint Policy Statement. The AASB discussed issues including:

- how to provide greater clarity in CAS 501 that the revised Joint Policy Statement applies to communications with in-house legal counsel acting in a legal capacity;
- whether amendments should be made to address respondents' concerns that it is not clear what the auditor's work effort should be when using evidence provided by in-house legal counsel acting in a legal capacity; and
- how to appropriately reflect in CAS 501 and the revised Joint Policy Statement the circumstances when an auditor may request communication with legal counsel in situations when there are no claims or possible claims.

The AASB approved the revised Joint Policy Statement in February 2016.

AASB Strategic Initiative

The strategic initiative was a project to develop the AASB's next strategic plan. In determining its future activities, the AASB reviewed the outcome of its previous strategic plan, as well as global and domestic developments affecting standard setting, and sought input on how to increase the engagement of stakeholders in the standard-setting process.

The Five-year Strategic Plan, which took effect on April 1, 2016 was released, along with a Basis for Conclusions in August 2016.

Compilation Engagements

In June 2016, the AASB discussed issues related to its project to revise Section 9200, *Compilation Engagements*, including:

- the definition of a compilation engagement;
- the intended scope of the standard;
- whether there is a need for requirements dealing with quality control;
- work effort; and
- reporting requirements.

The AASB also considered a preliminary plan to consult with stakeholders as the project develops, emphasizing the need for focused discussions with affected practitioners as the AASB develops an exposure draft. An exposure draft is being developed and is expected to be approved late in 2016.



APPENDIX K - Prior Year's Management Letter (for information)

Direct Line: 604-443-4716
E-mail: bcox@bdo.ca

April 20, 2016

Sharon Moss
Manager, Finance Division, Corporate Services Department
Cowichan Valley Regional District
175 Ingram Street
Duncan, BC V9L 1N8

Dear Ms. Moss:

As your external auditors, we are engaged to provide an audit opinion on your year end financial statements. An external audit requires testing of transactions and balances and review of those internal control systems upon which we may place reliance. A positive opinion on the financial statements does not necessarily mean that your internal control systems are all operating effectively. This is because we review only those internal control systems where we feel that failure in those systems could result in a material error on the financial statements. With those systems that we do review, our focus is on the assertions necessary to meet our financial statement audit objectives.

Our review of systems, transactions and balances as well as discussions with staff at various levels gives us a unique insight into your operations. While conducting this work we make note of items that come to our attention where we feel that improvement could be made or alternatives could be considered. We are fortunate in that we work with a great number of clients and observe a wide variety of processes. We see firsthand any procedures that are emerging as best practices.

As matters come to our attention, we make note of these for subsequent follow-up. For minor matters we discuss directly with the staff involved. More important matters are brought forward in this letter (known as a management letter).

It is worth noting that we have management letter comments for virtually all audits of all clients. The existence of points does not mean that there are significant problems with your systems or staff. They are just recommendations to make good systems better.

Cowichan Valley Regional District

Current Year Observations

1. Contaminated Site Investigation

During the audit, it was noted that in the course of the District's assessment of its contaminated sites inventory during the adoption of PS3260 (Liability for Contaminated Sites), there is a portion of a site, at the Bings Creek Drop Off Depot, which has been determined to have evidence of contamination. Further investigation and assessment must occur before it can be determined if this contamination is in excess of an environmental standard requiring remediation at this time.



It was also noted that the District identified 9 potential old landfill/dump sites that may be contaminated. However, the District does not have coordinates or civic addresses that would indicate the specific location of these 9 sites. Therefore, it has not been able to investigate and determine if there is contamination, and if such contamination exceeds an environmental standard requiring mediation.

We recommend that the District completes its assessment during 2016 to determine if a liability should or should not be recorded.

Management Comments

Management is aware of this requirement and has committed to continuing its assessment over contaminated site and endeavours to have an estimable amount in the near future.

2. Conflict of Interest Policy - Go Beyond the Legal Requirements

Conflict interest requirements already exist in legislation. The *Financial Disclosure Act* requires that members of the Board as well as employees appointed by the Board (generally the most senior members of management) make written disclosure of their corporate holdings, business interests, other organizations which may compensate them, and their interests in lands. These disclosures must be updated yearly. The *Community Charter* contains an entire Division on Conflict of Interest, however this applies only to Board members and deals mostly with participation in meetings, prohibition against influence and disclosure of gifts and contracts.

These legal requirements are important and set the right tone for consideration of conflict of interest in government. However, best practice would be to go beyond these baseline requirements to enhance openness and transparency at the District. Best practice would require that an in-house conflict of interest policy be developed and regularly reviewed.

One of the most difficult areas when dealing with conflicts and with putting into policy is the area of "perceived conflicts". A perceived conflict exists where the actual technicalities of the situation might not yield a conflict - yet the general public, who would not have access to the technical details, would perceive that there may be a conflict situation. A perceived conflict really should be treated on par with an actual conflict unless there can be certainty that the conflict can be effectively managed.

A perceived conflict can be managed by:

- Being open and transparent in regard to the situation.
- Developing plans to manage the conflict. This can be done a variety of ways, but often involves removing the individual from any of the decision making in regard to the transaction or business dealing.
- Publicly explaining how the conflict is to be managed and how it will be assessed whether the management of the conflict is succeeding.

The policy on conflict of interest should include at least the following points:

- Description of who is covered by the policy (which likely would be all Board members and all staff).
- Definition of what a conflict of interest is.
- Explanation of a perceived conflict, how it would be treated on par with a real conflict unless it can be managed.
- Description of how a perceived conflict could be managed.
- Requirement for all Board members and staff to declare any conflicts or perceived conflicts as early in the process as could reasonably be expected.



- Agreement from all Board members and staff that they will abide by the conflict of interest rules and the result may be lost business for organizations they are directly or indirectly connected to.
- Maintenance of a centralized listing of all conflicts that result from both the required statutory disclosures and as a result of this policy.
- Development of a form outlining highlights of the policy for review by suppliers and potential suppliers. Suppliers should sign this form and confirm that they will advise the District as soon as they become aware of any potential for conflict.
- Identification of a key senior staff member independent of finance and procurement who can:
 - Address questions that Board and staff may have in regard to the policy.
 - Address questions that suppliers may have in regard to the policy.
 - Address questions that may come from concerned third parties in regard to conflicts.
- Creation of document conferring agreement to abide by the policy that should be signed annually by all Board members and staff (this is important both as a reminder and to enhance compliance).
- Establishment of procedures for resolving allegations of conflict of interest - particularly how to deal with any contracts that may already be in process.

The District already has processes and procedures that cover many of the above noted matters. However, it would be beneficial for the District to codify the procedures, supplement where necessary, and create a formal written policy. As noted above, explicit signing of compliance of the policy by both Board/staff and suppliers is also key to success in this area.

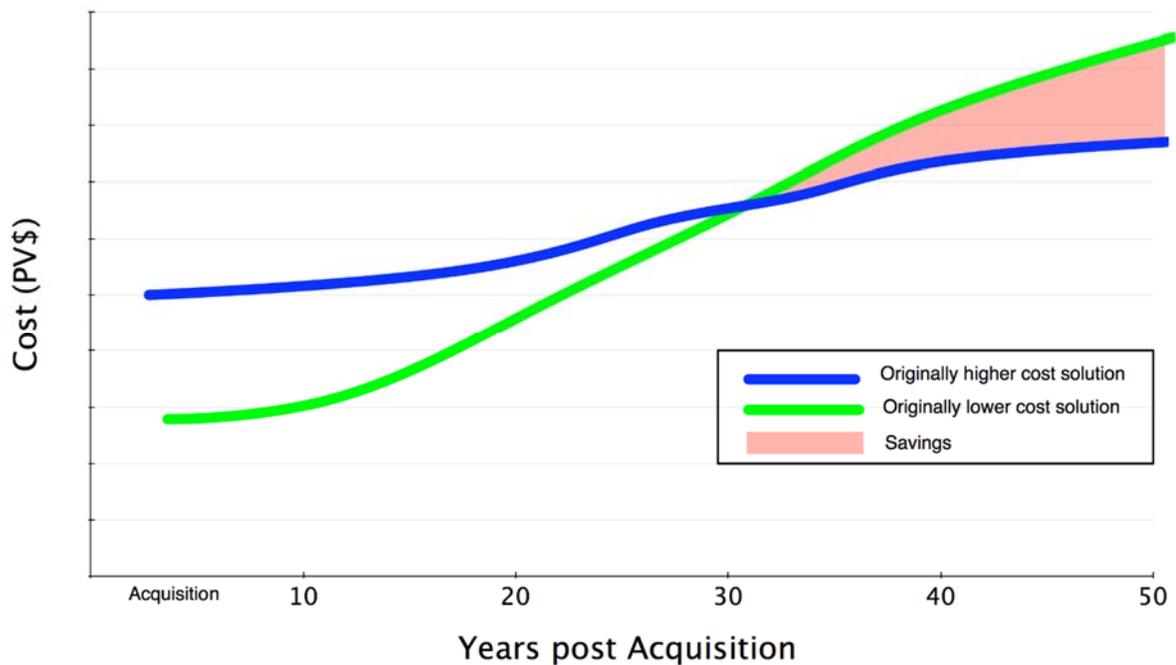
Management Comments

Senior management will develop a Conflict of Interest Policy for presentation to the Board in 2016.

3. Asset Lifecycle Costing

Lifecycle costing is a process to determine the sum of all costs associated with an asset purchase, replacement or major upgrade that includes not just the original cost but also costs of operation, costs of required future maintenance and disposal costs. As individuals, we make intuitive assessments of these costs when considering major purchases such as automobiles or homes. Governments also make assessments of these costs when purchasing infrastructure. However, the degree of diligence applied to post-acquisition costs is usually much less than that applied to the acquisition cost itself.

The following graph illustrates the concept of lifecycle costing. In this graph, the lines represent the cumulative cost (on a present value basis) of two different options. The "green" option is initially lower cost, but over time ends up costing considerably more than the "blue" option. The salmon coloured area shows the savings that could have been had by choosing the option that was initially higher cost.



Best practice around lifecycle costing involves formalizing the considerations for all the costs of the asset and building this into the business case. Importantly, sufficient diligence should be put into review and analysis of the post-acquisition costs. In the hypothetical graphed example above, the post-acquisition costs of the originally lower cost solution are more than twice those of the initial acquisition costs (on a discounted, present value basis). With this type of asset there should be as much diligence put into the post-acquisition costs as to the acquisition costs. For other types of assets the post-acquisition costs may be minimal and in those situations lower diligence in regard to review of post-acquisition costs may be warranted.

Applying diligence to review of projected post-acquisition costs can be difficult. Too frequently all that is considered are the suppliers' estimates. Given suppliers' motives to land a sale, these estimates have to be challenged. This can be done by researching sources such as:

- Peer municipalities who have used similar asset/infrastructure of this supplier.
- Peer municipalities who have used asset/infrastructure of another supplier but of similar design.
- Consulting engineers, architects, quantity surveyors and other professionals.
- Trade journals and industry publications.

In cases where the technology is new it may be difficult to verify estimates. In such circumstances, it may be worthwhile to insist on longer warranty periods by supplier and/or guarantees as to the maximum future operating or maintenance cost level - even if such guarantees come at a cost.

The District currently undertakes much of the above in consideration of lifecycle costs. However, this information is not brought together formally and is not explicitly discussed as part of the business case for major infrastructure projects. For example, in the District's recent purchase of Baldy Mountain, while the District does not have current plans to develop this area, there are still post-acquisition costs such as general maintenance and upkeep of this area that should be considered and budgeted for, until such time that any potential development may take place.

We recommend that this process be formalized by ensuring that all key considerations are documented, estimates tested and verified through third party research. The development of



a template for lifecycle costing review would be beneficial as it would help ensure that all appropriate considerations were made as part of the lifecycle costing review.

Management Comments

An Asset Management Steering Committee was established in 2015 and an Asset Management Policy has since been approved by the Board. Planning is underway to provide training to management on creating business cases for major infrastructure projects. When possible, within the capacity of staff, Lifecycle Costing will be included in the business case analysis.

Cowichan Valley Regional Hospital District

There were no unresolved prior year recommendations and current year observations for the Cowichan Valley Regional Hospital District.

This communication is prepared solely for the information of management and those charged with governance and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the co-operation and assistance which we received from you, Tracy Bowen and the rest of the Finance Division during the course of the audit.

We shall be pleased to discuss with you further any matters mentioned in this letter at your convenience.

Yours truly,

Bill Cox, FCPA, FCA
Partner through a corporation
BDO Canada LLP
Chartered Professional Accountants

BC/lcz

cc: Board of Directors



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 9, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: Recycling & Waste Management Division
Engineering Services Department

SUBJECT: Recycling & Waste Management Division Short Term Borrowing for
2017 Capital Purchases – Roll Off Hauling Truck and Roll Off Bins

FILE: 0540-50-RSC/05

PURPOSE/INTRODUCTION

The purpose of this report is to obtain short-term borrowing for purchase of a Roll Off Hauling Truck and Bins, as approved in the 2017 Solid Waste Management Budget.

RECOMMENDED RESOLUTION

That it be recommended to the Board that short-term borrowing of up to \$100,000 be approved for the purchase of a replacement Roll Off Hauling Truck, to be paid back over five years as per the Liabilities under Agreement Section 175 of the *Community Charter*; and

That short-term borrowing of up to \$100,000 be approved for the purchase of Roll Off Bins, to be paid back over five years as per the Liabilities under Agreement Section 175 of the *Community Charter*.

BACKGROUND

Purchase of a replacement Roll Off Hauling Truck and Bins were approved as part of the 2017 Solid Waste Management Budget. A staff report discussing 2017 capital items for solid waste management budget preparation was presented to the Regional Engineering Committee on July 27, 2016.

ANALYSIS

Proceed with short-term borrowing as part of planned 2017 capital expenditures.

FINANCIAL CONSIDERATIONS

Purchase of a replacement Roll Off Hauling Truck for a maximum cost of \$300,000, to be funded through short-term borrowing (up to \$100,000) and capital reserves (up to \$200,000), and purchase of Roll Off Bins, to be funded through short-term borrowing (up to \$100,000), were approved in the 2017 Solid Waste Management Budget and 5 Year Financial Plan. A request to prepare a capital reserve fund expenditure bylaw has been submitted to Legislative Services.

COMMUNICATION CONSIDERATIONS

Purchase of the Roll Hauling Truck and Bins will require preparation of Request for Proposal documents which will be posted to the CVRD website and on BC Bid.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

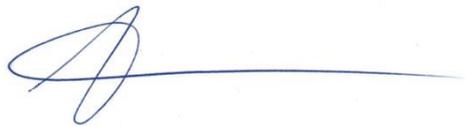
The recommendations support the Corporate Regional Strategic Focus Area #3 – Sound Fiscal Management.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Harmony Huffman
Senior Environmental Technologist



Tauseef Waraich
Manager



Hamid Hatami, P. Eng.
General Manager

ATTACHMENTS: N/A



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 14, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: General Manager
Community Services Department

SUBJECT: 2018 BC Summer Games Synchronized Swimming

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to request a venue from the City of Nanaimo for the 2018 BC Summer Games.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the City of Nanaimo Council be contacted to request the use of the Nanaimo Aquatic Centre, July 18 to 22, 2018, as a venue for synchronized swimming for the 2018 BC Summer Games.

BACKGROUND

Cowichan won the bid to host the 2018 BC Summer Games. It has recently been determined by BC Games staff that of the 20 sports, the sport of synchronized swimming cannot be accommodated in the Cowichan region.

Staff confirmed with municipal staff at the City of Nanaimo that the Nanaimo Aquatic Centre is available.

ANALYSIS

The Cowichan Aquatic Centre will have a full schedule for the sport of swimming during the BC Summer Games. The Frank Jameson Community Centre does not meet the appropriate depth requirements for synchronized swimming.

It should be noted that when Nanaimo hosted the 2014 BC Summer Games, the sport of water skiing was hosted in Cowichan, on Quamichan Lake.

Nanaimo would be officially recognized as a supporter of the 2018 Cowichan BC Summer Games.

The other sports will take place throughout the Cowichan region.

FINANCIAL CONSIDERATIONS

Transportation costs to the Nanaimo Aquatic Centre will be part of the 2018 Cowichan BC Summer Games Budget.

COMMUNICATION CONSIDERATIONS

The BC Games Society will announce all 2018 Cowichan BC Summer Games venues once finalized.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



John Elzinga
General Manager

Reviewed by:

Not Applicable
Not Applicable

Not Applicable
Not Applicable



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 14, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017

FROM: Parks & Trails Division
Planning & Development Department

SUBJECT: 2016 Parks and Trails Visitation Summary

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to provide a summary of 2016 visitation data collected in select CVRD Parks and Trails sites.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

The CVRD Parks & Trails Division utilize infrared trail counters (detect heat emitted by passing trail users) and ferrous vehicle counters (detect magnetic materials within passing cars entering parking lots) to monitor visitation at 35 park and trail sites throughout the region.

The Visitation Monitoring Program began in 2009 as a method to determine public use trends at select CVRD Parks and Trail sites. Collected data has been utilized to assist with park planning and operations projects, determination of parks and trails maintenance levels and frequencies, and quantify growing use/needs in leveraging grant funding for park and trail projects.

The data contained within this report have been collected, reviewed, and summarized to provide an indication of user visits to select Electoral Area and Regional park sites and trails. Overall visitation can be affected by several factors including weather, changes in local communities proximate to park sites, parks bookings and outdoor recreation programs, active promotion and responses to improved or expanded park amenities and new trail development.

ANALYSIS

The majority of visitor data collection sites are indicating upward trends in use. This is especially noticeable at regionally significant destinations like the Cowichan Valley Trail, historic Kinsol Trestle, Quarry Nature Park/Cobble Hill Mountain Regional Recreation Area, and Glenora Trailhead Park.

The Cowichan Valley Trail received the most visitations in 2016, an expected result considering its affiliation with The Great Trail/Trans Canada Trail, the historic Kinsol Trestle and additions to the trail towards completing the overall 120 km length. Given the multiple access locations to the Cowichan Valley Trail, data was gathered from eight counting stations that have been strategically placed to reduce the potential for overlap by users and ideally capturing the vast majority of those out walking, cycling or riding horses on the trail.

The total visitations counted for 2016 as part of the Visitation Monitoring Program only represents 17 park and trail sites out of 158 community and regional park sites and trails currently managed by the CVRD, given the costs and resources required to administer the program. However, these locations, based on observations over the years, are considered the park sites and trails with the highest annual visitations so the focus of the program to date has been the development of

monitoring stations at these locations. With regard to the unmonitored parks and trails, it is certainly acknowledged that these sites likely have similar levels of use to monitored sites with similar characteristics (i.e. type of park amenities, proximity to local populations etc.).

For the currently monitored 17 park sites and trails, the following table provides a summary of visitations that have been tracked annually as far back as 2012:

Table 1 – Summary of available visitation data between 2012 and 2016

Area	Site	2016	2015	2014	2013	2012	Trend
REG	Cowichan Valley Trail (All)	491,475	406,420				+
SC	Cowichan Bay Boat Launch - Parking Area	158,028	151,065				+
REG	Kinsol Trestle***	113,047	112,411	87,532	57,502	51,082	+
C	Quarry Nature Park - Parking Area	103,681	98,163			81,062	+
SC	Bright Angel Park	67,172	61,399	66,435	49,618	53,474	+
E	Glenora Trailhead Park	39,174	33,848	28,478	28,553	27,340	+
D	Coverdale Watson Park	34,915	22,297		18,408		+
I	Arbutus Park	34,601	31,400				+
REG	Osborne Bay Park	32,623	33,333	30,556	28,245		+
B	West Shawnigan Lake Park	31,025	33,899	30,475	32,766		=
B	Old Mill Park	29,623	33,260	29,137	23,986	26,352	=
B	Shawnigan Hills Athletic Park	27,758	24,055		34,664		=
E	Currie Park	27,336	18,908				+
G	Stocking Creek Park	27,193	21,663	21,513	24,112	19,208	+
A	Mill Springs Trail	25,352	20,641				+
D	Kingscote Trail	21,294	20,539	19,805	18,323	18,666	+
C	Farnsworth Park	16,404	16,211				=
TOTAL		1,167,654	1,027,101				
Overall Visitation Increase from 2015		13.7%					

***Kinsol Trestle annual visitations also included in the annual Cowichan Valley Trail counts above and counted only once in the overall total..

Visitation Monitoring Program Direction

The expansion over time of multi-year tracking of visitation at the 17 park sites and trails is providing a good indication of growth trends over time at these locations. To broaden the understanding of growth and use in other parks, development of a three year rotation program among a selection of sites is being reviewed for implementation. Although understanding of growth trends within these other parks and selected trails would take longer to ascertain under this approach, the resources and administrative support would be significantly less than the option of installing new counting devices at all of CVRD's park sites and trails. Locations that are determined to have high variability year-to-year and high profile sites will continue to retain full-time counters under this program.

While the summarized visitation data in Table 1 provides a good indication of use and year-to-year trends in growth, counting hardware can also be used to gather a variety of other useful

visitation information. Establishing short term programs in a localized area can provide detailed information on use for desired objectives, for example when planning and designing park spaces for new capital and capital replacement or when leveraging grant funding. Information collected may include:

- Determining use patterns within a trail system
- Determining vehicle use in locations with multiple parking areas
- Calculating use at various access points to a park
- Differentiating between multiple user groups (pedestrians, cyclists, and equestrians)

Staff are also reviewing how the collection of information can be undertaken to provide timely information to other initiatives such as quarterly reporting to the Board.

FINANCIAL CONSIDERATIONS

Installation of a new trail or vehicle counter, including labour and materials, has an estimated value of \$750. Annual maintenance, not including labour, has a value of between \$30 and \$50 depending on battery life. Administration costs to install, monitor and collect data from counters is included within the existing staff resources of the Parks & Trails Division.

COMMUNICATION CONSIDERATIONS

See above.

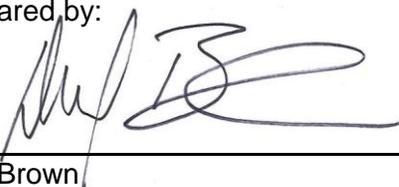
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

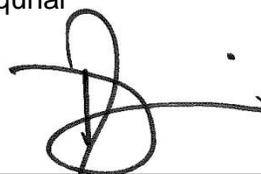


Dan Brown
Parks Planning Technician (Trails)

Reviewed by:



Brian Farquhar
Manager



Ross Blackwell, MCIP, RPP, A.Ag.
General Manager

ATTACHMENTS:

None



Economic Development Cowichan Update

CVRD Regional Services Committee Meeting February 22, 2017

Presented by Amy Melmock, Manager, EDC

Overview

- **Sector Consultations**
- **Big Picture and Regional Initiatives**
- **New Tools & Strategic Plan**



Sectors

- **Agriculture** *looking at EDC role in Extension, Product Development, wineries meeting in March*
- **Forestry** *consultation with value-added producers*
- **Film** *recent projects, new film coordinator*



Consultations

- **Partnered Consultations** *culminating in Business Breakfast April 6, 2017*
- **First Nations Discussions** *relationship building continues with Cowichan Tribes, Lake Cowichan, Stz'uminus First Nations*

Big Picture Needs

- **Tech Study** supported by ICET, will define our competitive and lifestyle advantages for tech sector
- **Land Use Study** information gathering activities initiated, study launch date Summer 2017

BRON
S T U D I O S

Regional Initiatives

- **Design Charrettes in Cowichan Bay & Cobble Hill**
working to ensure business participation
- **Lake Cowichan and Western Region Study**
informing study scope and acting on outcomes
- **Koksilah Business Park** *hosting tailgate meetings as a result of study findings*

New Tools

- **Website** *a contemporary take on “live, work, and invest” for new generation investors - June 2017*
- **Newsletter** *painting a new picture of business and community -- March 2017*
- **Lifestyle Attraction Video** *focused on the best our region has to offer -- Summer 2017*
- **Business Registration** *looking at incentives and links to inter-municipal licensing – Fall 2017*

EDC Strategic Plan

- **Draft to CVRD Board** *in March 2017*
- **Public Consultation** *in April 2017*



Thank You & Questions





STAFF REPORT TO COMMITTEE

DATE OF REPORT February 22, 2017
MEETING TYPE & DATE Regional Services Committee Meeting of February 22, 2017
FROM: General Manager
 Engineering Services Department
SUBJECT: Change in Scope – Ladysmith Bio-Solids Composting Facility
FILE: 0540-20-RSC/05

PURPOSE/INTRODUCTION

In 2014, the Cowichan Valley Regional District endorsed the Union of British Columbia Municipalities (UBCM) grant for the construction of bio-solids composting facility at the Town of Ladysmith Public Works Yard. The Town of Ladysmith is contemplating an alternate site for better suitability for the bio-solids composting. For a change in scope of work, the UBCM requires approval from the CVRD to amend the grant contract.

RECOMMENDED RESOLUTION

That the Cowichan Valley Regional District (CVRD) supports amending the scope of work for the UBCM Gas Tax grant (Regionally Significant Project Fund) agreement by changing the location of the Town of Ladysmith bio-solids composting facility to 4142 Thicke Road, Ladysmith, BC.

BACKGROUND

The Town of Ladysmith has been composting primary bio-solids at its Public Works Yard since 1990. In 2014, the CVRD endorsed the UBCM Gas Tax grant (Regionally Significant Project Fund) for the construction of a bio-solids composting facility at the Public Works Yard. The Town of Ladysmith is contemplating an alternate site for better suitability for the bio-solids composting. Since the grant was endorsed by the CVRD, the Town of Ladysmith requested the CVRD to amend the UBCM Gas Tax grant agreement for scope of work (location) on January 13, 2017. The proposed composting facility location is 4142 Thicke Road, Ladysmith, BC, located directly south of the CVRD Peerless Road Recycling Centre.

ANALYSIS

In August 2011, the UBCM Gas Tax grant was approved for the CVRD Composting Facility. On July 9, 2014, the CVRD Board approved disbursement of \$570,224 of this grant to the Town of Ladysmith to develop a bio-solids composting facility. The original scope of work considered the Town of Ladysmith Public Works Yard as the composting facility location.

Considering that the proposed bio-solids composting facility will be owned and operated by the Town of Ladysmith, this operation is considered exempt from the requirements of operating a composting facility under CVRD Bylaw 2570, Waste Stream Management Licence.

FINANCIAL CONSIDERATIONS

This UBCM Gas Tax grant is not linked to any of the CVRD budgets.

COMMUNICATION CONSIDERATIONS

The UBCM administers the gas tax agreements on behalf of the province. External communications with UBCM will be required.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

This project reflects the CVRD Regional Strategic Focus Area 2: Response to Climate Change.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Hamid Hatami, P. Eng.
General Manager

Not Applicable
Not Applicable

Not Applicable
Not Applicable

ATTACHMENTS:

Attachment A – Town of Ladysmith Letter

Attachment B – UBCM Gas Tax/Public Transit Management Services Letter

Attachment C – CVRD Board Minutes from Wednesday, July 9, 2014



TOWN OF LADYSMITH

410 Esplanade, P.O. Box 220, Ladysmith, B.C. V9G 1A2
Municipal Hall (250) 245-6400 • Fax (250) 245-6411 • info@ladysmith.ca • www.ladysmith.ca



AT TMENT A

LADYSMITH

January 13, 2017

File:1855-20

Cowichan Valley Regional District
175 Ingram Street
Duncan BC V9L 1N8



Attention: Hamid Hatami, General Manager, Engineering Services

Dear CVRD Board,

Re: Change in Scope - Ladysmith Bio-Solids Composting Facility

At a recent meeting of the Ladysmith Council, the following resolution was made:

That Council request that the Cowichan Valley Regional District make application to the Union of British Columbia Municipalities to approve the change in scope of the original bio-solids composting grant with respect to an alternative location for the Town of Ladysmith composting facility.

This resolution is in reference to the UBCM Gas Tax Grant for the Ladysmith Bio-Solids Composting Facility. Originally, the project was awarded grant funding for the construction of a bio-solids composting facility at the Town of Ladysmith Public Works Yard. This is not the ideal location for a composting site; staff are actively researching alternative sites to construct the facility.

This grant was funded through Regionally Specific Gas Tax and originally endorsed by the CVRD Board. Any changes in scope requires the approval from the Cowichan Valley Regional District before UBCM will amend the contract. Accordingly, the Town of Ladysmith request that the following resolution be consider and adopted by the Board at its next regular meeting:

That the Cowichan Valley Regional District consents to the Town of Ladysmith selecting 4142 Thicke Road, Ladysmith, BC to construct the Ladysmith Bio-Solids Composting Facility.

If you have any questions regarding the grant, please contact our Director of Finance at 250.245.6402. If you have specific questions regarding alternative locations and facility specifications, please contact Geoff Goodall, Director of Infrastructure Services at 250.245.6440.

Sincerely,

Guillermo Ferrero
City Manager



A120-127

ATTACHMENT B

Gas Tax/Public Transit Management Services

...delivering the federal gas tax and public transit agreement funding in British Columbia



Administration provided By UBCM

Funding provided by: Government of Canada



In partnership with:



Gas Tax/Public Transit Management Services Secretariat

Local Government House
525 Government
Victoria BC V8V 0A8

Phone: 250 356-5134
Fax: 250 356-5119

Website:

www.ubcm.ca
under
Funding Programs/
Gas Tax Fund/
Programs

August 22, 2011

Warren Jones
Chief Administrative Officer
Cowichan Valley Regional District
175 Ingram Street Duncan
British Columbia V9L 1N8

Dear Mr. Jones:

At its August 9, 2011 meeting, the Gas Tax Agreement's Management Committee made funding decisions for the Regionally Significant Project Fund applications. I am pleased to advise that your CVRD Composting Facility has been approved for RSP funding in the lesser amount of \$820,224 or 100% of the actual eligible costs of the approved project on the condition of confirmation of site selection.

Details of the funding, and recipient obligations in relation to it, will be set out in the Funding Agreement between UBCM and the Cowichan Valley Regional District. Funding is subject to the above condition, execution of the Funding Agreement, completion of the projects and compliance with recipient obligations set out in the Agreement.

Since the grant amount is based on the total actual eligible costs of the project and payment of the grant is contingent on completion of the projects, UBCM cannot release the full amount of the approved grant until the project is complete.

However, in order to minimize interim financing costs, UBCM will consider making progress payments prior to project completion, provided UBCM has sufficient Gas Tax Funding on hand to do so. Details of the payment schedule and progress payments, if available, will be set out in the Funding Agreement.

If we have not already done so, we will be contacting your senior staff in the coming weeks to sort out the details. If you have any questions in the interim, please contact Brant Felker at 250-356-0893 or by email at bfelker@ubcm.ca.

Congratulations on your successful application.

Sincerely,

Gary MacIsaac, Chair
Gas Tax Management Committee

pc Jacob Ellis

Original	Copies to:
Board	EAS
Committee(s)	WS FIN
Directed by: TRH	Date: Aug 31/11
File #	

3. That the Environment Commission Mileage Remuneration Policy, be approved.
4. That Temporary Borrowing Bylaw No. 3818 be forwarded to the Board for consideration of three readings and adoption.
5. That Bylaw No. 3824 - Security Issuing (Loan Authorization Bylaw No. 3297 and Loan Authorization Bylaw No. 3628) Bylaw, 2014 be forwarded to the Board for consideration of three readings and adoption.
6. That the Regional Grants-in-Aid Policy be approved.
7. That the remaining \$570,224 Regional Significant Projects Gas Tax Funds be allocated to the Town of Ladysmith to develop a bio-solids composting facility.
8. That \$653,137 Community Works Funds be allocated to the Cowichan River Floodworks Project.

MOTION CARRIED

It was moved and seconded:

9. 1. That the results from the Cowichan Sportsplex Community Consultation process be received for information;
2. That the Board create an Annual Financial Contribution Service for the Chesterfield Sports Society with a maximum annual requisition limit of \$200,000 for the purpose of assisting with costs associated with the operation and maintenance of the Cowichan Sportsplex;
3. That the participating areas include all nine electoral areas and four member municipalities;
4. That the Board set the method of cost allocation on an equal share basis based on property assessment;
5. That voter assent be obtained through referendum as part of the 2014 General Local Elections; and
6. That basic communication materials be prepared for distribution to residents via newspaper ads, and the CVRD website, Facebook and twitter account to promote the creation of the service.

14-339

It was moved and seconded that Recommendation No. 9.2 of the June 25, 2014 Regional Services Committee Report to the Board be amended to reflect nine separate service areas, and that 9.3 be deleted, as follows:

9. 1. That the results from the Cowichan Sportsplex Community

