



**ARROWSMITH WATER SERVICE JOINT VENTURE  
MANAGEMENT BOARD REGULAR MEETING**

**TUESDAY, May 10, 2016, 10:00 am**

***City of Parksville Forum  
100 Jensen Avenue***

**A G E N D A**

**PAGES**

**CALL TO ORDER**

The RDN Chief Administrative Officer or designate will call the meeting to order.

Confirmation of 2016 Venturer Appointments to the Management Board.

**DELEGATIONS**

**MINUTES**

- 3-15 Minutes of the Arrowsmith Water Services Management Board meeting held December 9, 2015.
- 16-18 Minutes of the Arrowsmith Water Services Management Board meeting held December 17, 2015.

**BUSINESS ARISING FROM THE MINUTES**

**COMMUNICATIONS/CORRESPONDENCE**

**UNFINISHED BUSINESS**

**REPORTS**

- AWS Joint Venture Financial Statements Year Ended December 31, 2015.  
(to be circulated)
- 19-55 AWS Joint Venture Agreement Extension Report.
- Arrowsmith Dam and Reservoir Update. (M. Squire – verbal)

**BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS**

**NEW BUSINESS**

**OTHER**

**NEXT MEETING**

**ADJOURNMENT**

Distribution: *M. Lefebvre, J. Stanhope, B. Rogers, S. Powell, D. Trudeau, F. Manson, B. Luchtmeijer*

For Information: *M. Squire, B. Weir, R. Alexander, M. Donnelly, W. Idema, L. Butterworth, J. Marsh, S. Karokochuk*



**MINUTES OF THE REGULAR MEETING OF THE  
ARROWSMITH WATER SERVICE (AWS) MANAGEMENT BOARD  
HELD ON WEDNESDAY, DECEMBER 9, 2015  
1:30 pm  
*Regional District of Nanaimo – Board Chambers***

<b>Present:</b>	M. Lefebvre, Chair B. Luchtmeijer J. Stanhope L. Butterworth B. Rogers	City of Parksville Town of Qualicum Beach Regional District of Nanaimo City of Parksville Regional District of Nanaimo
<b>Also Present:</b>	M. Donnelly R. Alexander W. Idema G. St. Pierre P. Thorkelsson M. Squire F. Manson S.Schultz	Regional District of Nanaimo Regional District of Nanaimo Regional District of Nanaimo Regional District of Nanaimo Regional District of Nanaimo City of Parksville City of Parksville Recording Secretary
<b>Regrets:</b>	B.Weir S. Powell	Town of Qualicum Beach City of Parksville

**CALL TO ORDER**

The Chair called the meeting to order at 1:30pm.

**MINUTES**

MOVED Director Stanhope, SECONDED Director Luchtmeijer, that the minutes of the regular meeting of the Arrowsmith Water Service Management Board held May 7, 2015 be adopted.

CARRIED

**BUSINESS ARISING FROM THE MINUTES**

**COMMUNICATIONS/CORRESPONDENCE**

**UNFINISHED BUSINESS**

**REPORTS****Arrowsmith Lake Reservoir Status. (Verbal)**

M. Squire provided a verbal presentation to the Board on the lake levels. Due to careful flow management of releases from Arrowsmith Lake this year, the Arrowsmith Lake Reservoir was in a surplus as of the end of September. This is an improvement from June and July of this year which were below normal levels. As a result of rainfall received the last couple of weeks the lake levels are well above normal and the reservoir is over 75% full. Projecting forward it is looking like we are in good shape for next year.

MOVED Director Stanhope, SECONDED Director Rogers that the Arrowsmith Lake Reservoir Status verbal report be received.

CARRIED

**Arrowsmith Snow Pillow/Weather Station Update. (Verbal)**

J. Pisani provided a verbal presentation to update the Board on the Arrowsmith Snow Pillow Weather Station installation. This project is a partnership that has come out of efforts of Drinking Water and Watershed Protection (DWWP) program.

The Weather Station and Arrowsmith Snow Pillow falls under the data collection and monitoring portion of the DWWP program within the region in order to fill gaps in regional water information. Earlier this year a scoping study was performed in which Mount Arrowsmith was identified as a priority as there is currently a gap in upper elevation precipitation information being collected. Through a partnership with Vancouver Island University, Ministry of Environment, Ministry of Forests Lands and Natural Resources Operations, Arrowsmith Water Service and Island Timberlands a Snow Pillow and Weather Station on Mount Arrowsmith has been installed. The location is within the RDN Regional Park in the area of Judy's Meadows at approximately 1300 Metres.

The Station was installed early in November 2015 by the Ministry of Environment Snow Program with the assistance of VIU technicians. The station will provide real time data on precipitation from the elevation including snow depth, snow water equivalent, temperature, wind and barometric pressure. There is also an opportunity to collect samples that would enable groundwater isotope analysis to better understand the connection between Mountain Block recharge and lower level aquifers.

Final instrumentation and calibration will be completed in 2016. The River Forecast center will include the Snow Pillow station ensuring the data is publicly available.

Annual operating costs are funded by both the AWS (3/4) and Island Timberlands (1/4). And operating costs are estimated to be approximately \$10,000.00. Service will consist of four visits per year at approximately \$1,750.00 per visit. VIU contributed \$20,000.00 for the capital instrumentation of the site itself. Maintenance and operation for the station will be the ministry's responsibility within the partnership.

MOVED Director Stanhope, SECONDED Director Rogers that the Arrowsmith Snow Pillow/Weather Station Update verbal report be received.

CARRIED

**Arrowsmith Water Services 2016-2020 Financial Plan.** (Circulated – verbal presentation)

M. Squire presented the AWS 2016-2020 Financial Plan. The financial plan Summarized actual costs from 2006 to date in each column and going forward it shows the proposed budget from 2016 to 2020. M. Squire mentioned that there is no capital for the AWS that was foreseen for the next 5 years

MOVED Director Stanhope, SECONDED Director Rogers that the Arrowsmith Water Services 2016-2020 Financial Plan be received.

CARRIED

**ADDENDUM**

**BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS**

**NEW BUSINESS**

**OTHER**

**QUESTIONS**

The Chair opened the floor to questions and comments.

Duane Round questioned if any of the requisition portion of the budget came from development cost charges?

Mike Squire replied that none of the revenue seen on the Arrowsmith Water Service is from Development cost charges. Revenue includes \$7,500.00 in 2006 from grants and logging revenue in 2008 for a total of just over \$8,400.00.

**NEXT MEETING**

The next meeting of the AWS Management Board will be held on December 17, 2015 for the AWS 2016-2020 Financial Plan.

**ADJOURNMENT**

MOVED Director Stanhope, SECONDED Director Rogers that the meeting be adjourned.

CARRIED

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Marc Lefebvre, CHAIRPERSON





**DATE:** December 7, 2015

**REPORT TO:** ARROWSMITH WATER SERVICE MANAGEMENT BOARD

**FROM:** ARROWSMITH WATER SERVICE MANAGEMENT COMMITTEE

**SUBJECT:** Arrowsmith Water Service (AWS) 2016 – 2020 FINANCIAL PLAN

**PURPOSE:** ADOPTION OF THE AWS 2016 – 2020 FINANCIAL PLAN

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**EXECUTIVE SUMMARY:**

A Five Year 2016 – 2020 Financial Plan is required in an effort to identify future operations, maintenance and capital expenditures. Under Section 8.2 of the AWS Joint Venture Agreement, a proposed budget is required on or before December 15<sup>th</sup> of the year preceding each fiscal year. The Community Charter requirements are that current year budgets be passed by May 15.

**RECOMMENDATION(S):**

1. THAT the report from the Arrowsmith Water Service Management Committee dated December 7, 2015 entitled AWS 2016 - 2020 Financial Plan be received;
2. AND THAT the Arrowsmith Water Service Management Board accept the 2016 – 2020 Financial Plan as outlined in Table 1 attached to the December 7, 2015 report,
3. AND THAT the Arrowsmith Water Service Management Board recommend the Joint Ventures adopt their portion of the 2016 – 2020 Financial Plan as outlined in Table 2 attached to the December 7, 2015 report.

**BACKGROUND:**

A 2016 – 2020 Financial Plan was developed in an effort to outline funding requirements for operations, maintenance and capital expenditures for the next five years. A 2016 – 2020 Financial Plan has been prepared for consideration by the AWS Management Board. The proposed budget is shown on Table 1, attached.

The Mount Arrowsmith Snow Monitoring Site has been installed and will be fully commissioned in the next several months pending favorable weather conditions. The real-time snow monitoring and weather station site will allow for more accurate precipitation and snow levels in the Englishman River Watershed. This is a cooperative project in partnership with AWS, Vancouver Island University, Island Timberlands and the Ministry of Environment. Under this agreement AWS will provide support funding to the Ministry of Environment up to a maximum of \$ 8,000 annually for the operation and maintenance of the real-time snow and weather station.

**OPTIONS:**

**1. Adopt the recommended budget**

The AWS Management Board could adopt the 2016 – 2020 Financial Plan reflected on Table 1.

**2. Adopt a different budget, or defer adoption**

The AWS Management Board could adopt a different 2016 – 2020 Financial Plan from that reflected on Table 1, or defer adoption to a different date. This would require that direction be given to the AWS Management Committee.

**ANALYSIS:**

1. The AWS Management Board could accept the 2016 – 2020 Financial Plan reflected on Table 1. This would allow completion of necessary operations and maintenance projects.
2. The AWS Management Board could reject the 2016 – 2020 Financial Plan reflected on Table 1.

**FINANCIAL:**

The 2016 - 2020 Financial Plan sets out the financial requirements needed for the AWS staff to carry out necessary projects for the remainder of the fiscal year. Without this plan the administration, operations and other major maintenance would be delayed or halted due to insufficient funds.

**REFERENCES:**

- AWS 2015 Budget,
- Arrowsmith Water Service Joint Venture Agreement – July 1, 2011,
- Table 1, dated December 7, 2015 showing the recommended AWS - 2016 – 2020 Financial Plan and Table 2 showing each Joint Venture's requisition share.

**TABLE 1  
ARROWSMITH WATER SERVICE  
2016 - 2020 FINANCIAL PLAN (\$)**

GL Account	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 YTD	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>REVENUE</b>															
Parkville Requisition (63.9% for Admin and Maintenance, Ops based on flow)	91,799	76,292	110,116	145,235	78,878	109,690	122,580	76,093	104,907	50,029	101,255	102,897	104,571	106,279	108,021
RDN Requisition (22.4% for Admin and Maintenance, Ops based on flow)	31,634	26,902	39,571	69,162	31,269	36,013	40,364	26,051	36,205	15,982	32,976	33,501	34,037	34,583	35,140
Qualicum Requisition (13.7% - for Admin and Maintenance Only)	19,022	16,547	24,782	53,214	21,288	20,968	22,851	14,011	20,366	8,911	18,769	19,062	19,361	19,666	19,977
<b>Joint Venture Requisitions</b>	<b>142,455</b>	<b>119,741</b>	<b>174,469</b>	<b>267,611</b>	<b>131,435</b>	<b>166,672</b>	<b>185,795</b>	<b>116,155</b>	<b>161,498</b>	<b>74,922</b>	<b>153,000</b>	<b>155,460</b>	<b>157,969</b>	<b>160,529</b>	<b>163,139</b>
<b>Other Revenue</b>															
Logging Revenue	0	0	8,497	0	0	0									
Grants	7,500														
Transfer From Reserves															
Reserve for Future Expenditures															
Carry-Forward Reserve															
<b>Total Other Revenue</b>															
<b>TOTAL REVENUE</b>	<b>149,955</b>	<b>119,741</b>	<b>182,966</b>	<b>267,611</b>	<b>131,435</b>	<b>166,672</b>	<b>185,795</b>	<b>116,155</b>	<b>161,498</b>	<b>74,922</b>	<b>153,000</b>	<b>155,460</b>	<b>157,969</b>	<b>160,529</b>	<b>163,139</b>
<b>EXPENDITURES</b>															
<b>Operating</b>															
<b>Administration</b>															
Salaries and Wages	437	284	433	607	1,548	4,496	7,841	6,335	5,947	4,580	7,000	7,140	7,283	7,428	7,577
Memberships Sub			363	340		1,628	729	90	357	60	201	204	208	212	216
Contracts						11,816	5,370	2,837	0	1,000	1,020	1,040	1,061	1,082	
Consulting						9,880		30,072	0	2,500	2,550	2,601	2,653	2,706	
Legal Fees															
Audit fees	1,400	2,100	2,100	2,100	4,375	4,172	4,100	4,100	4,100	4,100	4,500	4,590	4,682	4,775	4,871
Licenses and Insurance	38,659	43,033	44,267	45,544	45,197	49,226	35,851	35,538	48,193	7,920	50,000	51,000	52,020	53,060	54,122
Advertising							180			0					
Photocopy Supplies							74			0					
Office Supplies						91	15			0					
Tel / Cable						605				0					
Meetings	369	96	147	120	190	1,599	381	33	20	7	300	306	312	318	325
Parts, Materials & Supplies						408	999	73		0	500	510	520	531	541
Courier / Delivery						36	19			0					
Equip. Res. Charge Out	44	10	72	77	107	20	15			0					
<b>Total Administration</b>	<b>40,909</b>	<b>45,886</b>	<b>47,359</b>	<b>48,448</b>	<b>51,417</b>	<b>83,976</b>	<b>55,736</b>	<b>46,437</b>	<b>91,229</b>	<b>16,808</b>	<b>66,000</b>	<b>67,320</b>	<b>68,666</b>	<b>70,040</b>	<b>71,441</b>
<b>Operations</b>															
Salaries and Wages	5,807	3,968	5,381	2,070	1,398	6,905	7,999	6,591	5,947	5,630	7,000	7,140	7,283	7,428	7,577
Contracts	2,568	3,726	10,519	5,066	2,505	3,690	8,143	3,558	2,568	1,563	3,000	3,050	3,121	3,184	3,247
Consulting				275				0	0	0	0	0	0	0	0
Equipment Rental/Lease								535		1,498	1,500	1,530	1,561	1,592	1,624
Licenses and Insurance	386	386	386	386	386	386	0	0	0	0	0	0	0	0	0
Meetings		129				365		0	0	0	500	510	520	531	541
Parts, Materials and Supplies	1,537	85	4,959	7,924	49	614	1,124	2,776	1,426	0	1,800	1,836	1,873	1,910	1,948
Oil and Gas							1,549	377	331	0	0	0	0	0	0
Natural Gas					988	1,422		0	2,422	1,188	2,000	2,040	2,081	2,122	2,165
Equip Res. Charge Out	1,116	469	792	283	123	236	185	45	0	0	200	204	208	212	216
<b>Total Operations</b>	<b>11,413</b>	<b>8,763</b>	<b>22,038</b>	<b>16,023</b>	<b>5,449</b>	<b>13,619</b>	<b>19,000</b>	<b>13,882</b>	<b>12,694</b>	<b>9,879</b>	<b>16,000</b>	<b>16,320</b>	<b>16,646</b>	<b>16,979</b>	<b>17,319</b>



Table 1 - AWS 2016 - 2020 Financial Plan

December 7, 2015

GL Account	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	YTD	Budget	Budget	Budget	Budget	Budget
<b>Maintenance</b>	<b>4-2-25-7012</b>														
Salaries & Wages	4-2-25-7012-300	22,227	16,315	17,956	23,893	11,538	10,284	25,023	13,228	21,230	10,101	20,300	20,706	21,120	21,543
Conferences / Seminars / Travel	4-2-25-7012-307	24			250				0	0	0	0	0	0	0
Contract	4-2-25-7012-330	1,504	3,275	27,069	54,649	3,438	12,811	5,969	4,624	1,462	4,222	4,500	4,580	4,682	4,775
Consulting	4-2-25-7012-331	1,503	2,467		7,508		3,751	26,955	1,083	0	0	500	510	520	4,775
Equipment Lease and Rental	4-2-25-7012-340				213				0	0	47	8,000	8,160	8,323	8,490
Materials and Supplies	4-2-25-7012-450	16,848	2,782	17,956	4,363	2,426	3,406	13,086	3,624	1,427	897	1,000	1,020	1,040	1,061
Small Tools, Equipment & Furniture	4-2-25-7012-451		86	37	437	107	2,104	188	0	0	0	0	0	0	0
Courier and Delivery	4-2-25-7012-452		45	75	42		304		0	40	62	100	102	104	106
Gas & Oil	4-2-25-7012-460	2,780	2,242	1,190	203		1,985		0	43	0	100	102	104	106
Equip Res. Charge Out	4-2-25-7012-800	2,226	1,599	1,424	2,147	1,278	867	3,082	1,315	1,684	997	1,500	1,530	1,561	1,592
<b>Total Maintenance</b>		<b>47,111</b>	<b>26,810</b>	<b>65,716</b>	<b>93,706</b>	<b>18,787</b>	<b>35,512</b>	<b>74,313</b>	<b>23,874</b>	<b>25,886</b>	<b>16,326</b>	<b>36,000</b>	<b>36,720</b>	<b>37,454</b>	<b>38,203</b>
<b>Road Maintenance</b>	<b>4-2-25-7013</b>														
Salaries & Wages	4-2-25-7013-300				456	90	146	835	689	495	1,616	2,000	2,040	2,081	2,122
Contracts	4-2-25-7013-330	25	0	0				5,795	161	263	0	1,200	1,224	1,248	1,273
Insurance and Licences	4-2-25-7013-400				600	611	611	720	720	720	0	800	816	832	849
Equip Res. Charge Out	4-2-25-7013-800				65	15	24	114	392	212	293	1,000	1,020	1,040	1,061
<b>Total Road Maintenance</b>		<b>25</b>	<b>0</b>	<b>0</b>	<b>1,131</b>	<b>715</b>	<b>780</b>	<b>6,745</b>	<b>1,962</b>	<b>1,690</b>	<b>1,909</b>	<b>5,000</b>	<b>5,100</b>	<b>5,202</b>	<b>5,306</b>
<b>Total Administration, Operations and Maintenance</b>		<b>99,459</b>	<b>83,459</b>	<b>135,112</b>	<b>159,307</b>	<b>76,368</b>	<b>133,888</b>	<b>155,794</b>	<b>86,156</b>	<b>131,499</b>	<b>44,922</b>	<b>123,000</b>	<b>125,460</b>	<b>127,969</b>	<b>130,529</b>
Transfer to Reserves	4-2-25-7014-821	30,000	30,000	30,000	24,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>Total</b>		<b>129,459</b>	<b>113,459</b>	<b>165,112</b>	<b>183,307</b>	<b>106,368</b>	<b>163,888</b>	<b>185,794</b>	<b>116,156</b>	<b>161,499</b>	<b>74,922</b>	<b>153,000</b>	<b>155,460</b>	<b>157,969</b>	<b>160,529</b>
<b>Capital</b>															
Capital Planning		4,980	727	4,480	84,304	16,714									
Equipment		15,516		13,373		8,353	2,784								
Engineering Consulting Legal Fees	4-6-25-9701-331														
AWS Road															
Radio Connection			5,555												
River Intake / Treatment Prop. Acquisition Administration	4-6-25-9704-450														
<b>Total Capital</b>		<b>20,496</b>	<b>6,282</b>	<b>17,853</b>	<b>84,304</b>	<b>25,067</b>	<b>2,784</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURES (no Grant)</b>		<b>149,955</b>	<b>119,741</b>	<b>182,966</b>	<b>267,611</b>	<b>131,435</b>	<b>166,672</b>	<b>185,794</b>	<b>116,156</b>	<b>161,499</b>	<b>74,922</b>	<b>153,000</b>	<b>155,460</b>	<b>157,969</b>	<b>160,529</b>
Capital Planning Grant		7,500													
Transfer from Reserves															
<b>TOTAL EXPENDITURES (with Grant)</b>		<b>142,455</b>	<b>119,741</b>	<b>182,966</b>	<b>267,611</b>	<b>131,435</b>	<b>166,672</b>	<b>185,794</b>	<b>116,156</b>	<b>161,499</b>	<b>74,922</b>	<b>153,000</b>	<b>155,460</b>	<b>157,969</b>	<b>160,529</b>

**TABLE 2**  
**City of Parkville Requisition - AWS**  
**2016 - 2020 FINANCIAL PLAN (\$)**

GL Account	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 YTD	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	
<b>REVENUE</b>																
<b>Parkville Requisition</b>	<b>91,799</b>	<b>76,292</b>	<b>110,116</b>	<b>145,235</b>	<b>78,878</b>	<b>109,690</b>	<b>123,168</b>	<b>77,472</b>	<b>106,168</b>	<b>50,029</b>	<b>101,255</b>	<b>102,897</b>	<b>104,571</b>	<b>106,279</b>	<b>108,021</b>	
Other Revenue																
Logging Revenue	0	0	5,430	0	0	0	0	0	0	0	0	0	0	0	0	
Grants	2,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transfer From Reserves																
Reserve for Future Expenditu	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Carry-Forward Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Other Revenue</b>	<b>2,500</b>	<b>0</b>	<b>5,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL REVENUE</b>	<b>96,799</b>	<b>76,292</b>	<b>120,975</b>	<b>145,235</b>	<b>78,878</b>	<b>109,690</b>	<b>123,168</b>	<b>77,472</b>	<b>106,168</b>	<b>50,029</b>	<b>101,255</b>	<b>102,897</b>	<b>104,571</b>	<b>106,279</b>	<b>108,021</b>	
<b>EXPENDITURES</b>																
Operating																
<b>Administration</b>	<b>4-2-25-7010</b>															
Salaries and Wages	4-2-25-7010-300	279	182	277	388	989	2,873	5,010	4,049	3,800	2,927	4,473	4,562	4,654	4,747	4,842
Memberships Sub	4-2-25-7010-311	0	0	0	0	0	0	58	228	38	128	128	130	133	136	138
Contracts	4-2-25-7010-330	0	232	217	0	0	1,040	466	0	1,813	0	639	652	665	678	692
Consulting	4-2-25-7010-331	0	0	0	0	0	7,550	3,431	0	19,216	0	1,598	1,629	1,662	1,696	1,729
Legal Fees	4-2-25-7010-332	0	0	0	0	0	6,313	0	0	0	0	0	0	0	0	0
Audit fees	4-2-25-7010-333	895	1,342	1,342	1,342	2,796	2,666	2,666	2,620	2,620	2,620	2,933	2,992	3,052	3,113	
Licenses and Insurance	4-2-25-7010-400	24,703	27,498	28,287	29,102	28,881	31,456	22,909	22,709	30,795	5,061	31,950	32,589	33,241	33,906	34,584
Advertising	4-2-25-7010-410	0	0	0	0	0	0	115	0	0	0	0	0	0	0	0
Photocopy Supplies	4-2-25-7010-411	0	0	0	0	0	0	47	0	0	0	0	0	0	0	0
Office Supplies	4-2-25-7010-414	0	0	0	0	0	58	10	0	0	0	0	0	0	0	0
Tel / Cable	4-2-25-7010-422	0	0	0	0	0	387	0	0	0	0	0	0	0	0	0
Meetings	4-2-25-7010-423	236	61	94	77	121	1,022	243	21	13	4	192	196	199	203	208
Parts, Materials & Supplies	4-2-25-7010-450	0	0	0	0	0	261	638	47	0	0	320	326	332	339	346
Courier / Delivery	4-2-25-7010-452	0	0	0	0	0	23	12	0	0	0	0	0	0	0	0
Equip Res. Charge Out	4-2-25-7010-800	28	6	46	49	68	13	10	0	0	0	0	0	0	0	0
<b>Total Administration</b>	<b>26,141</b>	<b>29,321</b>	<b>30,262</b>	<b>30,958</b>	<b>32,856</b>	<b>53,661</b>	<b>35,615</b>	<b>29,673</b>	<b>58,295</b>	<b>10,740</b>	<b>42,174</b>	<b>43,017</b>	<b>43,878</b>	<b>44,755</b>	<b>45,650</b>	
<b>Operations (based on water used - 5 year avg.)</b>	<b>4-2-25-7011</b>															
Salaries & Wages	4-2-25-7011-300	3,711	2,536	3,439	1,323	893	6,028	6,983	5,754	5,192	4,825	5,999	6,119	6,241	6,366	6,494
Contracts	4-2-25-7011-330	1,641	2,381	6,722	3,250	1,601	3,222	7,109	3,106	2,242	1,339	2,571	2,622	2,675	2,728	2,783
Consulting	4-2-25-7011-331	0	0	0	176	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental/Lease	4-2-25-7011-345								467	0	1,284	1,286	1,311	1,337	1,364	1,391
Licenses and Insurance	4-2-25-7011-400	247	247	247	247	247	337	0	0	0	0	0	0	0	0	0
Meetings	4-2-25-7011-423	0	82	0	0	0	319	0	0	0	0	429	437	448	455	464
Parts, Materials and Supplies	4-2-25-7011-450	962	54	3,169	5,063	31	536	981	2,423	1,245	0	1,543	1,573	1,605	1,637	1,670
Oil and Gas	4-2-25-7011-460	0	0	0	0	0	0	1,352	329	289	0	0	0	0	0	0
Natural Gas	4-2-25-7011-462	0	0	0	0	831	1,241	0	2,114	0	1,018	1,714	1,748	1,783	1,819	1,855
Equip Res. Charge Out	4-2-25-7011-800	713	300	506	181	79	206	162	39	0	0	171	175	178	182	186
<b>Total Operations</b>	<b>7,293</b>	<b>5,600</b>	<b>14,082</b>	<b>10,239</b>	<b>3,482</b>	<b>11,889</b>	<b>16,587</b>	<b>12,119</b>	<b>11,082</b>	<b>8,466</b>	<b>13,712</b>	<b>13,986</b>	<b>14,266</b>	<b>14,551</b>	<b>14,842</b>	

Table 2 - AWS 2016 - 2020 Financial Plan - Parkville Requisition

December 7, 2015

GL Account	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	YTD	Budget	Budget	Budget	Budget	Budget
<b>Maintenance</b>	<b>4-2-25-7012</b>														
Salaries & Wages	4-2-25-7012-300	14,203	10,426	11,480	15,267	7,373	6,571	15,990	8,453	13,566	6,455	12,972	13,231	13,496	14,041
Conferences / Seminars / Travel	4-2-25-7012-307	15	0	0	160	0	0	0	0	0	0	0	0	0	0
Contract	4-2-25-7012-330	961	2,093	17,297	34,921	2,197	8,186	3,814	2,955	934	2,698	2,876	2,933	2,992	3,113
Consulting	4-2-25-7012-331	960	1,576	0	4,798	0	2,397	17,231	692	0	0	320	326	332	339
Equipment Lease and Rental	4-2-25-7012-340	0	0	0	136	0	0	0	0	0	30	5,112	5,214	5,319	5,425
	4-2-25-7012-350	10,766	1,778	11,474	2,788	1,550	2,177	8,362	2,316	912	573	639	652	665	678
Small Tools, Equipment & Furniture	4-2-25-7012-451	0	55	24	279	68	1,344	120	0	0	0	0	0	0	0
Courier and Delivery	4-2-25-7012-452	0	28	48	27	0	194	0	0	26	40	64	65	66	69
Gas & Oil	4-2-25-7012-460	1,777	1,432	760	130	0	1,269	0	0	27	0	64	65	66	69
Equip Res. Charge Out	4-2-25-7012-800	1,422	1,022	910	1,372	817	554	1,969	840	1,076	637	959	978	997	1,017
<b>Total Maintenance</b>		<b>30,104</b>	<b>18,410</b>	<b>41,992</b>	<b>59,878</b>	<b>12,005</b>	<b>22,692</b>	<b>47,486</b>	<b>15,255</b>	<b>16,541</b>	<b>10,432</b>	<b>23,004</b>	<b>23,464</b>	<b>23,933</b>	<b>24,412</b>
<b>Road Maintenance</b>	<b>4-2-25-7013</b>														
Salaries & Wages	4-2-25-7013-300	0	0	0	298	58	93	534	441	316	1,033	1,278	1,304	1,330	1,363
Contracts	4-2-25-7013-330	16	0	0	0	0	0	3,703	103	168	0	767	782	798	814
Insurance and Licences	4-2-25-7013-400	0	0	0	383	390	390	0	460	460	0	511	521	532	542
Equip Res. Charge Out	4-2-25-7013-800	0	0	0	42	9	15	73	250	135	187	639	652	665	678
<b>Total Road Maintenance</b>		<b>16</b>	<b>0</b>	<b>0</b>	<b>723</b>	<b>457</b>	<b>499</b>	<b>4,310</b>	<b>1,254</b>	<b>1,080</b>	<b>1,220</b>	<b>3,195</b>	<b>3,259</b>	<b>3,324</b>	<b>3,391</b>
<b>Total Administration, Operations and Maintenance</b>		<b>63,554</b>	<b>53,331</b>	<b>86,337</b>	<b>101,797</b>	<b>48,799</b>	<b>88,741</b>	<b>103,998</b>	<b>58,302</b>	<b>86,998</b>	<b>30,859</b>	<b>82,085</b>	<b>83,727</b>	<b>85,401</b>	<b>87,109</b>
Transfer to Reserves	4-2-25-7014-821	19,170	19,170	19,170	15,336	19,170	19,170	19,170	19,170	19,170	19,170	19,170	19,170	19,170	19,170
<b>Total</b>		<b>82,724</b>	<b>72,501</b>	<b>105,507</b>	<b>117,133</b>	<b>67,969</b>	<b>107,911</b>	<b>123,168</b>	<b>77,472</b>	<b>106,168</b>	<b>50,029</b>	<b>101,255</b>	<b>102,897</b>	<b>104,571</b>	<b>106,279</b>
<b>Capital</b>															
Capital Planning		1,660	242	1,493	28,101	5,571									
Equipment		9,915	0	8,546	0	5,337	1,779								
Engineering, Consulting, Legal Fees	4-6-25-9701-331	0	0	0	0	0	0								
AWS Road		0	0	0	0	0	0								
Radio Connection		0	3,549	0	0	0	0								
River Intake / Treatment Prop. Acquisition	4-6-25-9704-450	0	0	0	0	0	0								
Administration		0	0	0	0	0	0								
<b>Total Capital</b>		<b>11,575</b>	<b>3,792</b>	<b>10,039</b>	<b>28,101</b>	<b>10,909</b>	<b>1,779</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURES (no Grant)</b>		<b>94,299</b>	<b>76,292</b>	<b>115,546</b>	<b>145,235</b>	<b>78,878</b>	<b>109,690</b>	<b>123,168</b>	<b>77,472</b>	<b>106,168</b>	<b>50,029</b>	<b>101,255</b>	<b>102,897</b>	<b>104,571</b>	<b>106,279</b>
Capital Planning Grant															
Transfer from Reserves		4,793													
<b>TOTAL EXPENDITURES (with Grant)<sup>1</sup></b>		<b>89,506</b>	<b>76,292</b>	<b>115,546</b>	<b>145,235</b>	<b>78,878</b>	<b>109,690</b>	<b>123,168</b>	<b>77,472</b>	<b>106,168</b>	<b>50,029</b>	<b>101,255</b>	<b>102,897</b>	<b>104,571</b>	<b>106,279</b>



**TABLE 2**  
**Regional District of Nanaimo Requisition - AWS**  
**2016 - 2020 FINANCIAL PLAN (\$)**

GL Account	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 YTD	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>REVENUE</b>															
<b>RDN Requisition</b>	31,634	26,902	39,571	69,162	31,269	36,013	39,775	24,672	34,944	15,982	32,976	33,501	34,037	34,583	35,140
Other Revenue															
Logging Revenue	0	0	1,903	0	0	0	0	0	0	0	0	0	0	0	0
Grants	2,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer From Reserves															
Reserve for Future Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Carry-Forward Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Other Revenue</b>	2,500	0	1,903	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUE</b>	<b>36,634</b>	<b>26,902</b>	<b>43,377</b>	<b>69,162</b>	<b>31,269</b>	<b>36,013</b>	<b>39,775</b>	<b>24,672</b>	<b>34,944</b>	<b>15,982</b>	<b>32,976</b>	<b>33,501</b>	<b>34,037</b>	<b>34,583</b>	<b>35,140</b>
<b>EXPENDITURES</b>															
Operating															
<b>Administration</b>															
4-2-25-7010															
Salaries and Wages	98	64	97	136	347	1,007	1,756	1,419	1,332	1,026	1,568	1,599	1,631	1,664	1,697
Memberships Sub	0	0	0	0	0	0	20	80	13	45	45	46	47	48	48
Contracts	0	81	76	0	0	365	163	0	635	0	224	228	233	238	242
Consulting	0	0	0	0	0	2,647	1,203	0	6,736	0	560	571	583	594	606
Legal Fees	0	0	0	0	0	2,213	0	0	0	0	0	0	0	0	0
Audit fees	314	470	470	470	980	934	934	918	918	918	1,008	1,028	1,049	1,070	1,091
Licenses and Insurance	8,660	9,639	9,916	10,202	10,124	11,027	8,031	7,961	10,795	1,774	11,200	11,424	11,652	11,886	12,123
Advertising	0	0	0	0	0	0	40	0	0	0	0	0	0	0	0
Photocopy Supplies	0	0	0	0	0	0	17	0	0	0	0	0	0	0	0
Office Supplies	0	0	0	0	0	20	3	0	0	0	0	0	0	0	0
Tel / Cable	0	0	0	0	0	136	0	0	0	0	0	0	0	0	0
Meetings	83	22	33	27	43	358	85	7	4	2	67	69	70	71	73
Parts, Materials & Supplies	0	0	0	0	0	91	224	16	0	0	112	114	117	119	121
Courier / Delivery	0	0	0	0	0	8	4	0	0	0	0	0	0	0	0
Equip Res. Charge Out	10	2	16	17	24	4	3	0	0	0	0	0	0	0	0
<b>Total Administration</b>	<b>9,164</b>	<b>10,278</b>	<b>10,608</b>	<b>10,852</b>	<b>11,517</b>	<b>18,811</b>	<b>12,485</b>	<b>10,402</b>	<b>20,435</b>	<b>3,765</b>	<b>14,784</b>	<b>15,080</b>	<b>15,381</b>	<b>15,689</b>	<b>16,003</b>
<b>Operations (12.7 % - based on avg. flow req'd.)</b>															
4-2-25-7011															
Salaries & Wages	1,301	889	1,205	464	313	877	1,016	837	755	805	1,001	1,021	1,041	1,062	1,084
Contracts	575	835	2,356	1,139	561	469	1,034	452	326	224	429	438	446	455	464
Consulting	0	0	0	62	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental/Lease	0	0	0	0	0	0	0	68	0	214	215	219	223	228	232
Licenses and Insurance	86	86	86	86	86	49	0	0	0	0	0	0	0	0	0
Meetings	0	29	0	0	0	46	0	0	0	0	0	0	0	0	0
Parts, Materials and Supplies	344	19	1,111	1,775	11	78	143	353	181	0	72	73	74	76	77
Oil and Gas	0	0	0	0	0	197	0	48	42	0	257	263	268	273	279
Natural Gas	0	0	0	0	221	181	0	0	308	170	286	292	298	304	310
Equip Res. Charge Out	250	105	177	63	26	30	23	6	0	0	29	29	30	30	31
<b>Total Operations</b>	<b>2,557</b>	<b>1,963</b>	<b>4,936</b>	<b>3,589</b>	<b>1,221</b>	<b>1,730</b>	<b>2,413</b>	<b>1,763</b>	<b>1,612</b>	<b>1,413</b>	<b>2,288</b>	<b>2,334</b>	<b>2,380</b>	<b>2,426</b>	<b>2,477</b>



Table 2 - AWS 2016 - 2020 Financial Plan

December 7, 2015

GL Account	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 YTD	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Maintenance</b>	<b>4-2-25-7012</b>														
Salaries & Wages	4,979	3,655	4,024	5,352	2,585	2,304	5,605	2,963	4,756	2,263	4,547	4,638	4,731	4,826	4,922
Conferences / Seminars / Travel	5	0	0	56	0	0	0	0	0	0	0	0	0	0	0
Contract	337	734	6,063	12,241	770	2,870	1,337	1,036	327	948	1,008	1,028	1,049	1,070	1,091
Consulting	337	553	0	1,682	0	840	6,040	243	0	0	112	114	117	119	121
Equipment Lease and Rental	0	0	0	48	0	0	0	0	0	11	1,792	1,828	1,864	1,902	1,940
Small Tools, Equipment & Furniture	3,774	623	4,022	977	543	763	2,931	812	320	201	224	228	233	238	242
Courier and Delivery	0	19	8	98	24	471	42	0	0	0	0	0	0	0	0
Gas & Oil	0	10	17	9	0	68	0	0	9	14	22	23	23	24	24
Equip Res. Charge Out	623	502	266	46	0	445	0	0	10	0	22	23	23	24	24
<b>Total Maintenance</b>	<b>10,553</b>	<b>6,453</b>	<b>14,720</b>	<b>20,990</b>	<b>4,208</b>	<b>7,955</b>	<b>16,646</b>	<b>5,348</b>	<b>5,798</b>	<b>3,657</b>	<b>8,064</b>	<b>8,225</b>	<b>8,390</b>	<b>8,558</b>	<b>8,729</b>
<b>Road Maintenance</b>	<b>4-2-25-7013</b>														
Salaries & Wages	0	0	0	104	20	33	187	154	111	362	448	457	466	475	485
Contracts	6	0	0	0	0	0	1,298	36	59	0	269	274	280	285	291
Insurance and Licenses	0	0	0	134	137	137	0	161	161	0	179	183	186	190	194
Equip Res. Charge Out	0	0	0	15	3	5	25	88	47	66	224	228	233	238	242
<b>Total Road Maintenance</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>253</b>	<b>160</b>	<b>175</b>	<b>1,511</b>	<b>440</b>	<b>379</b>	<b>428</b>	<b>1,120</b>	<b>1,142</b>	<b>1,165</b>	<b>1,189</b>	<b>1,212</b>
<b>Total Administration, Operations and Maintenance</b>	<b>22,279</b>	<b>18,695</b>	<b>30,265</b>	<b>35,685</b>	<b>17,106</b>	<b>28,670</b>	<b>33,055</b>	<b>17,952</b>	<b>28,224</b>	<b>9,262</b>	<b>26,256</b>	<b>26,781</b>	<b>27,317</b>	<b>27,863</b>	<b>28,420</b>
Transfer to Reserves	6,720	6,720	6,720	5,376	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720
<b>Total</b>	<b>28,999</b>	<b>25,415</b>	<b>36,985</b>	<b>41,061</b>	<b>23,826</b>	<b>35,390</b>	<b>39,775</b>	<b>24,672</b>	<b>34,944</b>	<b>15,982</b>	<b>32,976</b>	<b>33,501</b>	<b>34,037</b>	<b>34,583</b>	<b>35,140</b>
<b>Capital</b>	<b>4-6-25-9701-331</b>														
Capital Planning	1,660	242	1,493	28,101	5,571										
Equipment	3,476	0	2,996	0	1,871	624									
Engineering, Consulting, Legal Fees	0	0	0	0	0	0									
AWS Road	0	0	0	0	0	0									
Radio Connection	0	1,244	0	0	0	0									
River Intake / Treatment Prop. Acquisition	0	0	0	0	0	0									
Administration	0	0	0	0	0	0									
<b>Total Capital</b>	<b>5,136</b>	<b>1,487</b>	<b>4,489</b>	<b>28,101</b>	<b>7,442</b>	<b>624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURES (no Grant)</b>	<b>34,134</b>	<b>26,902</b>	<b>41,474</b>	<b>69,162</b>	<b>31,269</b>	<b>36,013</b>	<b>39,775</b>	<b>24,672</b>	<b>34,944</b>	<b>15,982</b>	<b>32,976</b>	<b>33,501</b>	<b>34,037</b>	<b>34,583</b>	<b>35,140</b>
Capital Planning Grant	1,680														
Transfer from Reserves															
<b>TOTAL EXPENDITURES (with Grant)<sup>1</sup></b>	<b>32,454</b>	<b>26,902</b>	<b>41,474</b>	<b>69,162</b>	<b>31,269</b>	<b>36,013</b>	<b>39,775</b>	<b>24,672</b>	<b>34,944</b>	<b>15,982</b>	<b>32,976</b>	<b>33,501</b>	<b>34,037</b>	<b>34,583</b>	<b>35,140</b>

**TABLE 2**  
**Town of Qualicum Beach Requisition - AWS**  
**2016 - 2020 FINANCIAL PLAN (\$)**

GL Account	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 YTD	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>REVENUE</b>															
<b>Town of Qualicum Beach Requisition</b>	<b>19,022</b>	<b>16,547</b>	<b>24,782</b>	<b>53,214</b>	<b>21,288</b>	<b>20,968</b>	<b>22,851</b>	<b>14,011</b>	<b>20,386</b>	<b>8,911</b>	<b>18,769</b>	<b>19,062</b>	<b>19,361</b>	<b>19,666</b>	<b>19,977</b>
<b>Other Revenue</b>															
Logging Revenue	0	0	1,164	0	0	0	0	0	0	0	0	0	0	0	0
Grants	2,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer From Reserves															
Reserve for Future Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Carry-Forward Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Other Revenue</b>	<b>2,500</b>	<b>0</b>	<b>1,164</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>24,022</b>	<b>16,547</b>	<b>27,110</b>	<b>53,214</b>	<b>21,288</b>	<b>20,968</b>	<b>22,851</b>	<b>14,011</b>	<b>20,386</b>	<b>8,911</b>	<b>18,769</b>	<b>19,062</b>	<b>19,361</b>	<b>19,666</b>	<b>19,977</b>
<b>EXPENDITURES</b>															
<b>Operating</b>															
<b>Administration</b>															
<b>4-2-25-7010</b>															
Salaries and Wages	60	39	59	83	212	616	1,074	868	815	627	959	978	998	1,018	1,038
Memberships Sub	0	0	0	0	0	0	12	49	8	28	27	28	29	29	30
Contracts	0	50	47	0	0	223	100	0	388	0	137	140	143	145	148
Consulting	0	0	0	0	0	1,619	756	0	4,120	0	343	349	356	363	371
Legal Fees	0	0	0	0	0	1,354	0	0	0	0	0	0	0	0	0
Audit fees	192	288	288	288	599	572	572	562	562	562	617	629	641	654	667
Licenses and Insurance	5,296	5,895	6,065	6,239	6,192	6,744	4,912	4,869	6,602	1,085	6,850	6,987	7,127	7,269	7,415
Advertising	0	0	0	0	0	0	25	0	0	0	0	0	0	0	0
Photocopy Supplies	0	0	0	0	0	0	10	0	0	0	0	0	0	0	0
Office Supplies	0	0	0	0	0	12	2	0	0	0	0	0	0	0	0
Tel / Cable	0	0	0	0	0	83	0	0	0	0	0	0	0	0	0
Meetings	51	13	20	16	26	219	52	5	3	1	41	42	43	44	44
Parts, Materials & Supplies	0	0	0	0	0	56	137	10	0	0	69	70	71	73	74
Courier / Delivery	0	0	0	0	0	5	3	0	0	0	0	0	0	0	0
Equip. Res. Charge Out	6	1	10	11	15	3	2	0	0	0	0	0	0	0	0
<b>Total Administration</b>	<b>5,605</b>	<b>6,286</b>	<b>6,488</b>	<b>6,637</b>	<b>7,044</b>	<b>11,505</b>	<b>7,636</b>	<b>6,362</b>	<b>12,498</b>	<b>2,303</b>	<b>9,042</b>	<b>9,223</b>	<b>9,407</b>	<b>9,595</b>	<b>9,787</b>
<b>Operations</b>															
<b>4-2-25-7011</b>															
Salaries & Wages	796	544	737	284	192	0	0	0	0	0	0	0	0	0	0
Contracts	352	510	1,441	697	343	0	0	0	0	0	0	0	0	0	0
Consulting	0	0	0	38	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental/Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Licenses and Insurance	53	53	53	53	53	0	0	0	0	0	0	0	0	0	0
Meetings	0	18	0	0	0	0	0	0	0	0	0	0	0	0	0
Parts, Materials and Supplies	211	12	679	1,086	7	0	0	0	0	0	0	0	0	0	0
Oil and Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Natural Gas	0	0	0	0	135	0	0	0	0	0	0	0	0	0	0
Equip Res. Charge Out	153	64	109	39	17	0	0	0	0	0	0	0	0	0	0
<b>Total Operations</b>	<b>1,564</b>	<b>1,201</b>	<b>3,019</b>	<b>2,195</b>	<b>747</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 2 - AWS 2016 - 2020 Financial Plan

December 7, 2015

GL Account	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 YTD	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Maintenance</b>															
4-2-25-7012															
Salaries & Wages	3,045	2,235	2,461	3,273	1,581	1,409	3,428	1,812	2,909	1,384	2,781	2,837	2,893	2,951	3,010
Conferences / Seminars / Travel	3	0	0	34	0	0	0	0	0	0	0	0	0	0	0
Contract	206	449	3,708	7,467	471	1,755	818	633	200	578	617	629	641	654	667
Consulting	206	338	0	1,029	0	514	3,694	148	0	0	69	70	71	73	74
Equipment Lease and Rental	0	0	0	29	0	0	0	0	0	6	1,066	1,118	1,140	1,163	1,166
4-2-25-7012-450	2,308	381	2,460	598	332	467	1,793	496	195	123	137	140	143	145	146
Small Tools, Equipment & Furniture	0	12	5	60	15	288	26	0	0	0	0	0	0	0	0
Courier and Delivery	0	6	10	6	0	42	0	0	5	8	14	14	14	15	15
Gas & Oil	381	307	163	28	0	272	0	0	6	14	14	14	14	15	15
Equip Res. Charge Out	305	219	195	294	175	119	422	180	231	137	206	210	214	218	222
<b>Total Maintenance</b>	<b>6,454</b>	<b>3,947</b>	<b>9,003</b>	<b>12,838</b>	<b>2,674</b>	<b>4,865</b>	<b>10,181</b>	<b>3,271</b>	<b>3,546</b>	<b>2,237</b>	<b>4,932</b>	<b>5,031</b>	<b>5,131</b>	<b>5,234</b>	<b>5,339</b>
<b>Road Maintenance</b>															
4-2-25-7013															
Salaries & Wages	0	0	0	64	12	20	114	94	68	221	274	279	285	291	297
Contracts	3	0	0	0	0	0	794	22	36	0	164	168	171	174	178
Insurance and Licences	0	0	0	82	84	84	0	99	99	0	110	112	114	116	119
Equip Res. Charge Out	0	0	0	9	2	3	16	54	29	40	137	140	143	145	148
<b>Total Road Maintenance</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>155</b>	<b>98</b>	<b>107</b>	<b>924</b>	<b>269</b>	<b>232</b>	<b>262</b>	<b>685</b>	<b>699</b>	<b>713</b>	<b>727</b>	<b>741</b>
<b>Total Administration, Operations and Maintenance</b>	<b>13,626</b>	<b>11,434</b>	<b>18,510</b>	<b>21,825</b>	<b>10,462</b>	<b>16,477</b>	<b>18,741</b>	<b>9,901</b>	<b>16,276</b>	<b>4,801</b>	<b>14,659</b>	<b>14,952</b>	<b>15,251</b>	<b>15,656</b>	<b>15,867</b>
Transfer to Reserves	4,110	4,110	4,110	3,288	4,110	4,110	4,110	4,110	4,110	4,110	4,110	4,110	4,110	4,110	4,110
<b>Total</b>	<b>17,736</b>	<b>15,544</b>	<b>22,620</b>	<b>25,113</b>	<b>14,672</b>	<b>20,587</b>	<b>22,851</b>	<b>14,011</b>	<b>20,386</b>	<b>8,911</b>	<b>18,769</b>	<b>19,062</b>	<b>19,361</b>	<b>19,666</b>	<b>19,977</b>
<b>Capital</b>															
Capital Planning	1,660	242	1,493	28,101	5,571										
Equipment	2,126	0	1,832	0	1,144	381									
Engineering, Consulting, Legal Fees	0	0	0	0	0	0									
AWS Road	0	0	0	0	0	0									
Radio Connection	0	761	0	0	0	0									
River Intake / Treatment Prop. Acquisition	0	0	0	0	0	0									
Administration	0	0	0	0	0	0									
<b>Total Capital</b>	<b>3,786</b>	<b>1,003</b>	<b>3,325</b>	<b>28,101</b>	<b>6,716</b>	<b>381</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURES (no Grant)</b>	<b>21,522</b>	<b>16,547</b>	<b>25,946</b>	<b>53,214</b>	<b>21,288</b>	<b>20,968</b>	<b>22,851</b>	<b>14,011</b>	<b>20,386</b>	<b>8,911</b>	<b>18,769</b>	<b>19,062</b>	<b>19,361</b>	<b>19,666</b>	<b>19,977</b>
Capital Planning Grant	1,028														
Transfer from Reserves															
<b>TOTAL EXPENDITURES (with Grant) <sup>1</sup></b>	<b>20,494</b>	<b>16,547</b>	<b>25,946</b>	<b>53,214</b>	<b>21,288</b>	<b>20,968</b>	<b>22,851</b>	<b>14,011</b>	<b>20,386</b>	<b>8,911</b>	<b>18,769</b>	<b>19,062</b>	<b>19,361</b>	<b>19,666</b>	<b>19,977</b>



**MINUTES OF THE REGULAR MEETING OF THE  
ARROWSMITH WATER SERVICE (AWS) MANAGEMENT BOARD  
HELD ON THURSDAY, DECEMBER 17, 2015  
1:00 pm  
IN THE PARKSVILLE FORUM**

<b>Present:</b>	M. Lefebvre, Chair B. Luchtmeijer B. Rogers	City of Parksville Town of Qualicum Beach Regional District of Nanaimo
<b>Also Present:</b>	R. Alexander D. Trudeau M. Squire L. Butterworth S. Schultz	Regional District of Nanaimo Regional District of Nanaimo City of Parksville City of Parksville Recording Secretary
<b>Regrets:</b>	B. Weir S. Powell M. Donnelly D. Comis W. Idema G. St.Pierre	Town of Qualicum Beach City of Parksville Regional District of Nanaimo City of Parksville Regional District of Nanaimo Regional District of Nanaimo

**CALL TO ORDER**

The Chair called the meeting to order at 1:00pm.

**COMMUNICATIONS/CORRESPONDENCE**

**UNFINISHED BUSINESS**



## **REPORTS**

### **Arrowsmith Water Services 2016-2020 Financial Plan.**

M. Squire presented the AWS 2016-2020 Financial Plan. The Financial Plan summarized actual costs from 2006 to date in each column and going forward it shows the proposed budget from 2016 to 2020. M. Squire mentioned no capital costs for the AWS is foreseen for the next 5 years.

MOVED Director Luchtmeijer, SECONDED Director Rogers, that the report from the Municipal Water Service Management Committee dated December 7, 2015 entitled Arrowsmith Water Service 2016-2020 Financial Plan be received.

CARRIED

MOVED Director Luchtmeijer, SECONDED Director Rogers that the Arrowsmith Water Service Management Board accept the 2016 – 2020 Financial Plan as outlined in Table 1 attached to the December 7, 2015 report.

CARRIED

MOVED Director Luchtmeijer, SECONDED Director Rogers, that the Arrowsmith Water Service Management Board recommend the Joint Ventures adopt their portion of the 2016 – 2020 Financial Plan as outlined in Table 2 attached to the December 7, 2015 report.

CARRIED

## **ADDENDUM**

### **BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS**

#### **NEW BUSINESS**

Director Rogers commented that going forward having the current year's budget presented would be beneficial.

M. Squire mentioned that this can definitely be implemented in the future.

## **OTHER**

## **QUESTIONS**

Elaine Hoffer of Parksville inquired about the insurances and licences for the current year as she did not see them listed in Table 1 year to date expenses.

L. Butterworth the licenses and insurance have not come due this year. In 2014 they were taken out for a 16 month duration so they do not appear in the 2015 expenses.

Elaine Hoffer inquired as to why the minutes from last week's meeting were not posted yet as I have previously requested many times that they be available and posted right after meetings?

R. Alexander commented that they were still under review as the meeting was on December 9, 2015.

Chair Lefebvre commented that this meeting was a continuation from last week's meeting to discuss the AWS 2016 – 2020 budget report and that the December 9, 2015 meeting was open to the public and the reports and agenda were available to the public for that meeting.

Elaine Hoffer commented that she was interested in an update of the snow pillow that was discussed at the last meeting.

M. Squire responded with a brief update of the snow pillow and that it was well above normal levels at this point.

Chair Lefebvre inquired if VIU is looking at Snow monitoring as well.

R. Alexander responded that this is within the same project and partnership with the RDN.

#### **NEXT MEETING**

The next meeting of the AWS Management Board TBD

#### **ADJOURNMENT**

MOVED Director Luchtmeijer, SECONDED Director Rogers that the meeting be adjourned.

CARRIED

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Marc Lefebvre, CHAIRPERSON



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**TO:** AWS Management Board **DATE:** May 2, 2016

**FROM:** Randy Alexander, General Manager  
Regional & Community Utilities  
Regional District of Nanaimo **FILE:** 5620-00-AWS

**SUBJECT:** Arrowsmith Water Service Joint Venture Agreement Extension

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### RECOMMENDATION

That the Arrowsmith Water Service (AWS) Management Board Direct staff to prepare an amendment to extend the AWS Joint Venture Agreement and forward to the Joint Venture Partners for consideration.

### PURPOSE

To obtain AWS Management Board direction to seek Joint Venture Partners agreement to extend the AWS Joint Venture Agreement for an additional 5 years.

### BACKGROUND

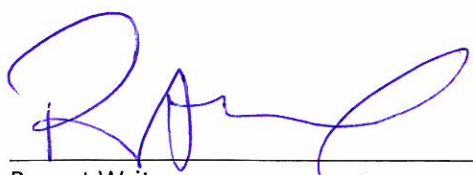
On July 10, 1996, the RDN, Parksville and Qualicum Beach entered into a Joint Venture Agreement to establish a Joint Venture known as the "Arrowsmith Water Service" for the purposes of bulk water supply. The Joint Venture Agreement identifies the roles and responsibilities of the partners in developing and operating Bulk Water Supply Facilities to supply water from the Englishman River to joint venture partners. The Agreement was most recently extended on July 1, 2011, expiring in 2016. A copy of the July 1, 2011 Agreement is attached for reference. Staff are recommending that a draft amendment extending the AWS Joint Venture Agreement for a further 5 years be forwarded to the Joint Venture Partners Board and Councils for consideration.


### ALTERNATIVES

1. Direct staff to prepare an amendment to extend the AWS Joint Venture Agreement and forward to the Joint Venture Partners for consideration.
2. Provide alternate direction to staff.

### SUMMARY/CONCLUSIONS

The AWS Joint Venture Agreement expires in 2016. The partners' (RDN, Parksville and Qualicum Beach) commitment to extending the Agreement needs to be confirmed, and an amendment to the agreement executed. Staff are seeking AWS Management Board direction to prepare a draft amendment to extend the AWS Joint Venture Agreement and forward to the Joint Venture Partners for consideration.

  
\_\_\_\_\_  
Report Writer

  
\_\_\_\_\_  
CAO Concurrence

file  
copy

**ARROWSMITH WATER SERVICE**

**Joint Venture Agreement**

**THIS AGREEMENT** dated for reference the 1<sup>st</sup> day of July, 2011,

BETWEEN:

**REGIONAL DISTRICT OF NANAIMO**

a corporation incorporated under the *Local Government Act*  
6300 Hammond Bay Road  
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

**CITY OF PARKSVILLE**

a municipal corporation incorporated under the *Local Government Act*  
100 E. Jensen Avenue, P.O. Box 1390  
Parksville, BC V9P 2H3

("Parksville")

OF THE SECOND PART

AND:

**TOWN OF QUALICUM BEACH**

a municipal corporation incorporated under the *Local Government Act*  
201 - 660 Primrose Street, P.O. Box 130  
Qualicum Beach, BC V9K 1S7

("Qualicum Beach")

OF THE THIRD PART

**WHEREAS:**

- A. RDN under the *Local Government Act*, and Parksville and Qualicum Beach under the *Community Charter*, each have the power to design, construct, install, own, operate, maintain, repair and replace Bulk Water Supply Facilities;
- B. On July 10, 1996 the RDN, Parksville and Qualicum Beach entered into a Joint Venture Agreement to establish a joint venture known as the "Arrowsmith Water Service" for the purposes of bulk water supply under the authority of the Additional Powers Joint Venture Regulation, B.C. Reg. 88/97.
- C. RDN, Parksville and Qualicum Beach now wish to continue the Arrowsmith Joint Venture under their authority under the *Community Charter* and *Local Government Act*.



**NOW THIS AGREEMENT WITNESSES** that in consideration of their mutual covenants and agreements, the parties covenant each with the other as follows:

## **PART 1      DEFINITIONS AND INTERPRETATION**

### **Definitions**

1.1 In this Agreement,

- (a) "Administration Cost" means the cost of administering the Arrowsmith Water Service Joint Venture on a continuing basis. This includes but is not limited to, the costs of Management Committee Support as provided under Section 5.4, Budgeting, Accounting and Financial Records Support as provided under Section 9.4, and audit fees, insurance and licencing fees;
- (b) "Available Cash" means the amount by which cash on hand or on deposit with banks and other financial institutions, Available Credit, and the realizable value of short-term investments not otherwise pledged or required to be maintained as collateral or otherwise committed for the purpose of the Joint Venture, any of which is held by or on behalf of the Joint Venture, exceeds all unpaid cheques issued on and every overdraft in a Joint Venture Account;
- (c) "Budget" means the Operating Budget, Maintenance Budget and Capital Budget;
- (d) "Bulk Water Supply Facility" means the bulk water distribution system, dam and reservoir, treatment system, appurtenances and related interests in land described in Schedule A and contemplated under this Agreement to supply water in bulk to the Community Water Systems and the Water Service Areas;
- (e) "Business Day" means any day except Saturdays, Sundays and statutory holidays in effect in British Columbia;
- (f) "Capital Budget" has the meaning given to it in Section 8.6;
- (g) "Capital Costs" means expenditures incurred or accrued by or on behalf of the Joint Venturers for or in connection with the acquisition or construction of capital assets in accordance with Public Sector Accounting Board Standards for tangible capital assets and includes such costs incurred or accrued since January 1, 1987;
- (h) "Capital Loan" means the several and Limited Recourse borrowings to be entered into by and on behalf of the Joint Venturers, to be secured by, among other things, a first charge on the Bulk Water Supply Facility, and to be applied primarily toward the design, construction, installation and ownership by the Joint Venturers of the Purchased Assets;

- (i) "Community Water Systems" means the water distribution trunks, mains, pumps, valves, appurtenances and related interests in land, held or owned by a municipality or regional district that is a party to this Agreement;
- (j) "Continuing Party" means a party that wishes to acquire the Participating Interest of a Non Continuing Party in the Joint Venture Assets under Section 13.4;
- (k) "Event of Default" means one of the events described in Section 11.1;
- (l) "GAAP" means the generally accepted accounting principles (including the methods of application of the principles) established by the Canadian Institute of Chartered Accountants;
- (m) "Joint Venture" means the joint venture named Arrowsmith Water Service formed among RDN, Parksville and Qualicum Beach under this Agreement;
- (n) "Joint Venture Account" means the bank accounts established under Section 6.1 and any other bank accounts established by the Joint Venturers to be used in connection with the Joint Venture;
- (o) "Joint Venture Assets" means all property and assets, present and future, of every nature whatsoever whether real or personal, corporeal or incorporeal, owned or rented by the Joint Venturers or possessed or rented on behalf of the Joint Venturers, including the Purchased Assets, in each case for the purposes of the Joint Venture whether in the name of any of the Joint Venturers or the Joint Venture;
- (p) "Joint Venture Borrowing" means indebtedness, liabilities and obligations incurred on account of funds borrowed by or on behalf of the Joint Venturers;
- (q) "Joint Venture Costs" means the Operating Costs, Maintenance Costs and the Capital Costs;
- (r) "Joint Venturer" means RDN, Parksville and Qualicum Beach including their respective successors and permitted assigns, and "Joint Venturers" means all of them;
- (s) "Limited Recourse" with respect to a loan means that the right of any lender to recover any amounts, indebtedness or damages owing under or in connection with the loan (whether by reason of breach or default under any covenant, term, representation, warranty or other provisions relating to the loan or otherwise) or owing by the borrower at law or in equity or by statute or contract in connection with the loan, will be limited and restricted to the lender's rights to realize upon the property and assets of the borrower which have been mortgaged, pledged, charged or assigned as security for the loan; except each borrower and its successors and permitted assigns will be liable for and pay to the lender the amount of any losses, liabilities, claims, damages and expenses caused by the fraud (i) committed by that borrower

(and not by an agent of that borrower) or (ii) committed by or participated in by one or more persons as officers, council members or directors of that borrower;

- (t) "Maintenance Budget" has the meaning given to it in Section 7.5;
- (u) "Maintenance Costs" means all costs (other than those identified as capital and operating costs) of repairing and maintaining the equipment and capital assets of the Arrowsmith Water Service Joint Venture to ensure the service is kept in satisfactory operating condition consistent with industry standards. It includes but is not limited to, testing, parts replacement, repairs, and any directly related materials and labour expenses; and includes such cost incurred and accrued on and after the date of the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (v) "Management Board" means the board established under Part 4;
- (w) "Management Committee" means the Management Committee of the Joint Venture appointed under Part 5;
- (x) "Non Continuing Party" means a party that does not wish to continue the Joint Venture after the expiry of the Term referred to in Section 13.1(c) of this Agreement.
- (y) "Operating Budget" has the meaning given to it in Section 7.4;
- (z) "Operating Costs" means all costs (other than those identified as capital and maintenance costs) of operating the Arrowsmith Water Service Joint Venture on a continuing basis. This includes but is not limited to, monitoring costs, overhead costs, indirect labour, utility services, and directly related materials and labour expenses; and includes such costs incurred or accrued on and after the date the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (aa) "Operator" means the City of Parksville;
- (bb) "Participating Interest" means the percentage interest of a Joint Venturer in the Joint Venture Assets and the profits of the Joint Venture, which will initially be as set out in Section 2.9;
- (cc) "Province" means Her Majesty the Queen in Right of the Province of British Columbia;
- (dd) "Water Licence" means the water licence or licences held by the three Joint Venturers;
- (ee) "Water Service Area" means an area situated in the RDN that is served by a Community Water System and is identified on Schedule B, subject to boundary alterations of the area:

- i) under the procedures prescribed by applicable enactments; or
- ii) by agreement of the Joint Venturers.

## Interpretation

- 1.2 For the purposes of this Agreement, except as otherwise expressly provided or as the context otherwise requires:
- (a) "Agreement" means this Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions of this Agreement together with all other attachments to it;
  - (b) the word "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific terms or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
  - (c) reference to a Part or a Section means the corresponding Part or Section of this Agreement;
  - (d) an accounting term not otherwise defined in this Agreement has the meaning assigned to it, and except as otherwise directed in this Agreement, every calculation to be made under this Agreement is to be made in accordance with GAAP;
  - (e) except as otherwise expressly provided, all references to currency mean Canadian currency;
  - (f) words in the singular include the plural and words importing a corporate entity include individuals and vice-versa;
  - (g) reference in this Agreement to a particular numbered paragraph, article or section, or lettered schedule is a reference to the correspondingly numbered paragraph, article, or section, or lettered schedule of this Agreement;
  - (h) reference in this Agreement to an enactment is a reference to an enactment as defined in the *Interpretation Act (British Columbia)*, and includes a reference to an enactment of British Columbia, RDN, Parksville or Qualicum Beach, as applicable;
  - (i) reference in this Agreement to an enactment is a reference to that enactment as amended, revised, consolidated or replaced; and
  - (j) reference in this Agreement to a party is a reference to a party of this Agreement.



### **Governing Law**

- 1.3 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada.

### **Headings**

- 1.4 The headings given to paragraphs, articles and sections in this Agreement are for convenience of reference only and do not form part of this Agreement and must not be used in the interpretation of this Agreement.

### **Severance**

- 1.5 If any clause or portion of this Agreement is declared or held invalid for any reason, the invalidity does not affect the validity of the remainder of that clause or this Agreement, and the terms and provisions of this Agreement continue to be in force and in effect and are to be construed as if the Agreement had been executed without the invalid portion.

### **Water Licence**

- 1.6 This Agreement is subject to the terms and conditions contained in any Water Licence issued by the Comptroller of Water Rights of the Province of British Columbia.

## **PART 2 JOINT VENTURE**

### **Formation and Purpose**

- 2.1 Subject to the terms and conditions of this Agreement, RDN, Parksville and Qualicum Beach continue the Joint Venture for the following purposes:
- (a) to design, construct, install, own, operate, maintain, repair and replace the Bulk Water Supply Facility; and
  - (b) to supply water in bulk to the Community Water Systems and the Water Service Areas.

### **Bulk Water Supply**

- 2.2 On and after the date of this Agreement coming into effect, the parties must with due diligence, and subject to the terms and conditions set out in this Agreement and the Water Licence design, construct, install, own, operate, maintain, repair and replace the Bulk Water Supply Facility as generally described in Schedule A.

**Name**

- 2.3 The name of the Joint Venture will be "Arrowsmith Water Service" or such other name as from time to time the Management Board determines. The business and affairs of the Joint Venture will be concluded to the extent possible under such name or in the name of the Joint Venturers with the designation that they are doing business in joint venture under such name.

**Dedication of Assets**

- 2.4 Each Joint Venturer as long as it is a Joint Venturer, dedicates for the purposes of the Joint Venture, all its interest in Joint Venture Assets and all its rights to use and enjoy Joint Venture Assets.

**Nature of Obligations**

- 2.5 Unless the Joint Venturers otherwise agree, the liabilities and obligations of the Joint Venturers under this Agreement, and under any agreement contemplated by or related to this Agreement, will be several to the extent of their respective Participating Interests and not joint or joint and several and all agreements made on behalf of the Joint Venture will, to the extent practicable, state the liability of the Joint Venturers to be several.

**Partition**

- 2.6 Except on termination of this Agreement or withdrawal under Part 13, no Joint Venturer will be entitled to demand partition of the Joint Venture or the Joint Venture Assets.

**No Partnership**

- 2.7 The Joint Venturers expressly disclaim any intent to create a partnership with respect to the Joint Venture or the ownership or operation of the Joint Venture Assets, and disclaim any intent to create a partnership with respect to the exercise of their rights under this Agreement, the administration of the Joint Venture Assets or any other matter relating to this Agreement. None of the Joint Venturers will have any authority, actual or implied, to act for the other as agent or otherwise or to bind the others.

**Representations and Warranties**

- 2.8 Each Joint Venturer represents and warrants to the others as follows:
- (a) it has the power and capacity to enter into this Agreement;
  - (b) this Agreement is valid and binding on it in accordance with its terms;

- (c) the performance of its obligations under this Agreement does not breach the terms of any other agreement or obligation to which it is a party; and
- (d) it now holds and will hold its Participating Interest beneficially and free and clear of all restrictions, liens, encumbrances, floating charges or agreements of any kind except;
  - (i) for the obligations created under this Agreement; or
  - (ii) as agreed among the Joint Venturers from time to time.

### **Participating Interest**

- 2.9 The Participating Interest of each of the Joint Venturers as at the date of this Agreement is the same as the apportionment of Capital Costs as set out in Schedule C.

## **PART 3 ACQUISITION**

### **Completion of Agreements**

- 3.1 Subject to the approval of the Board of RDN and Councils of Parksville and Qualicum Beach, each of the parties will cooperate fully and take all reasonable steps to negotiate, finalize and execute all agreements, instruments and other documents contemplated by or related to this Agreement.

## **PART 4 MANAGEMENT BOARD**

### **Formation and Membership**

- 4.1 There will be a Management Board composed of three members. Upon execution of this Agreement and subsequently prior to January 1 every year, each of the Joint Venturers must appoint as member to the Management Board one of its elected officials.
- 4.2 Prior to January 1 each of the Joint Venturers must also appoint one of its elected officials to be an alternate member of the Management Board. An alternate member may attend, but can only vote in place of a member appointed by the same Joint Venturer at any meeting of the Management Board at which the member is unable to attend.

### **Chair**

- 4.3 The Management Board must elect a Chair from among its members on the basis of one vote for each member.

## **Meetings**

- 4.4 During each fiscal year of the Joint Venture, the Management Board will hold at least two meetings at such times and places as the Management Board may determine for the purpose of approving a budget and the annual report. The Chair will call additional meetings of the Management Board upon the request of any member of the Management Board.

## **Notice of Meetings**

- 4.5 The Chair will give to each and alternate member of the Management Board 24 hours' written notice of the place, date and time of any meeting and of the agenda for such meeting. The agenda will indicate the nature of the business to be transacted at the meeting. The requirement for 24 hours' notice may be waived by resolution passed at the commencement of the meeting by all three members or their alternate members.

## **Telephone Meetings**

- 4.6 A member or alternate member may participate in a meeting of the Management board by means of telephone or other communication facilities as permit all persons participating in the meeting to hear each other and will be deemed to be present at that meeting.

## **Quorum**

- 4.7 A quorum for each meeting of the Management Board will be three members or alternate members in place of an absent member.

## **Votes**

- 4.8 At all meetings of the Management Board, each member representing:
- (a) Parksville shall have three votes;
  - (b) RDN shall have two votes; and
  - (c) Qualicum Beach shall have one vote.

## **Voting**

- 4.9 Every decision of the Management Board will require a majority of votes cast.
- 4.10 Section 4.8 does not apply to voting for the Chair under Section 4.3 which shall be on the basis of one vote for each member.

### **Resolutions in Writing and Minutes**

- 4.11 The Chair will cause minutes of each meeting of the Management Board to be kept and a copy to be circulated to each member and alternate member. A resolution in writing signed in whole or in counterparts by all of the members of the Management Board in respect of any matter falling within the competence of the Management Board will be effective as if adopted at a meeting. The Chair of the Management Board will promptly send to the Joint Venturers and each member a copy of any such resolution.

### **Dispute Resolution**

- 4.12 If the Management Board is unable to agree on any matter within its power that has been referred to it after consideration of that matter at two meetings of the Management Board, any of the Joint Venturers may declare a deadlock by notice in writing to the others specifying the matter at issue and the position, with reasons, of the declaring Joint Venturer, all in reasonable detail. If the deadlock is not resolved within 15 Business Days after receipt of such notice, any Joint Venturer may refer the issues to dispute resolution pursuant to the provisions of this Agreement. Each party to the arbitration shall pay costs on the basis determined by the single arbitrator.

### **Deadlock As to Budget**

- 4.13 If the Management Board or Joint Venturers fail to approve the Budget for the next ensuing fiscal year, the Operator will, until a new Budget is approved by the Joint Venturers or determined by arbitration, operate the business of the Joint Venture in the normal course on the basis as consistent as possible with the last Budget, if any, approved by the Management Board.

### **Decisions Binding**

- 4.14 Subject to Section 4.16, all decisions of the Management Board made within its power under this Agreement will be binding on the Joint Venturers.

### **Management Board's Power**

- 4.15 In addition to the powers conferred on it by any provision of this Agreement, the Management Board must:
- (a) review, and recommend for the approval of the Joint Venturers, the Budget;
  - (b) review, and make recommendations to the Joint Venturers with respect to (but not to approve) any material agreements to be entered into by the Joint Venture;
  - (c) conduct, direct and supervise the business, affairs and operations of the Joint Venture;



- (d) give direction to the Management Committee;
- (e) make recommendations to the Joint Venturers with respect to any amendments to this Agreement;
- (f) cause to be entered into and amended all agreements which are necessary or appropriate for the day-to-day operation of the Joint Venture, except those agreements which the Management Board would not have the power to approve under Section 4.16 and, if considered advisable by the Management Board in the interests of the Joint Venture, terminate such agreements;
- (g) initiate technical studies when deemed advisable;
- (h) prepare plans for capital expenditures;
- (i) review and approve the annual and periodic financial statements of the Joint Venture.

#### **Limits on Management Board's Power**

4.16 Despite Section 4.14, the Management Board will not have the power, without the approval of each of the Joint Venturers:

- (a) to do anything for which RDN, Parksville or Qualicum Beach requires authorization or approval under the *Local Government Act, Community Charter*, successor legislation or other applicable enactments without the prior confirmation from them that such authorization or approval has been obtained by RDN, Parksville or Qualicum Beach, as applicable;
- (b) to do anything within the legislative discretion of a Joint Venturer;
- (c) to authorize Joint Venture Borrowing or making an annual Budget;
- (d) to authorize any distributions of available cash to the Joint Venturers;
- (e) to authorize adding a new party under Part 14;
- (f) to authorize the disposition of all or any part of the interest of a Joint Venturer in this Agreement.

#### **Powers of the Management Board Chair**

4.17 The function of the Management Board Chair will be to carry out the functions and duties prescribed by the Management Board and, if present, to preside at meetings of the Management Board. If the Management Board Chair is absent from a meeting, then his or her alternate member must preside.

### **Technical Committees**

- 4.18 The Management Board may from time to time establish technical committees, such as a Capital Planning Committee or a Construction Committee, as it considers appropriate in the circumstances. The Management Board may appoint to the technical committees such persons as the Management Board considers appropriate.

### **Expenses**

- 4.19 The members and alternate members of the Management Board will not as such be entitled to be paid any compensation by the Joint Venture and any remuneration that may be paid to them in such capacity by the Joint Venturers by which they have been appointed will not form part of the Operating Costs.

## **PART 5 MANAGEMENT**

### **Appointment of Management Committee**

- 5.1 The Management Committee will be the Chief Administrative Officer of each Joint Venturer plus one other member from each Joint Venturer as appointed by that Joint Venturer's Chief Administrative Officer.

### **Duties and Functions of the Management Committee**

- 5.2 The Management Committee must:
- (a) make recommendations to the Management Board on matters relating to the Joint Venture;
  - (b) prepare and distribute agendas for Management Board meetings;
  - (c) keep minutes of meetings of the Management Board;
  - (d) administer this Agreement and any agreements made by or on behalf of the Joint Venture;
  - (e) make recommendations to the Management Board respecting the making, amending or implementation of agreements made by or on behalf of the Joint Venture;
  - (f) monitor the financial circumstances of the Joint Venture;
  - (g) generally do all things necessary or advisable in connection with the business of the Joint Venture in accordance with this Agreement;
  - (h) do such other acts and things on behalf of the Joint Venture as the Management Board Chair may direct from time to time; and

- (i) give direction to the Operator.

### **Limits on Management Committee**

- 5.3 None of the powers, authorities or discretions delegated to the Management Committee may encroach on powers, authorities or discretions properly exercisable by the Management Board. The powers, authorities and discretions exercised by the Management Committee are subject to the direction of and guidelines established by the Management Board and any other restrictions, limitations and approvals set out in this Agreement, including the limitations set out in Section 4.16, and within the constraints of the Budget from time to time.

### **Management Committee Support**

- 5.4 The RDN shall provide, at the cost of the Joint Venture, administrative support to the Management Committee and the Management Board as required by this Agreement.

### **Liability**

- 5.5 The Joint Venturers release the Management Committee members, Management Board members, the Operator and the Joint Venturers' agents of and from any and all loss, costs, damages, expenses and liabilities suffered or incurred by the Joint Venturers or any of them in respect of the matters arising out of or attributable to any negligence of, or breach of the provisions of this Agreement by the Management Committee, Management Board members or Joint Venturers' agents, in connection with the observance and performance of any of the covenants, agreements or duties of the Management Committee, Management Board members, the Operator or Joint Venturers' agents to be observed or performed under this Agreement, except losses, costs, damages, expenses and liabilities caused by the wilful wrongful act of any one or more of the Management Committee, Management Board members, the Operator or Joint Venturers' agents.

## **PART 6 OPERATIONS**

### **Operations**

- 6.1 Subject to this Agreement, the Operator will, on behalf of the Joint Venture, operate, maintain and repair the Bulk Water Supply Facility.
- 6.2 The Operator may, subject to direction from the Management Committee, contract for goods and services on behalf of the Joint Venture in accordance with the Operator's purchasing policy and subject to this Agreement.

## **PART 7 FINANCES**

### **Bank Accounts, Deposits, Disbursement and Investment of Funds**

- 7.1 The Operator shall be responsible for recording and preparation of the accounts of the Joint Venture, including but not limited to preparation of accounts receivable and accounts payable, annual budgets and financial reports to the Management Committee, ensuring that the accounts of the Joint Venture are audited annually in accordance with the *Local Government Act*, and investing any surplus funds in the Joint Venture Account in the manner approved by the Management Board from time to time.
- 7.2 The Operator may open and maintain, with the Operator's usual bank or other bank approved by the Management Board, a Joint Venture Account in the name of the Joint Venture. All funds receivable by the Joint Venture may upon receipt be deposited in the Joint Venture Account. Members of the Management Board will have signing authority on the Joint Venture account alone or together with such other persons or the Operator's staff the Management Board approves. Any payment to be made by the Operator on behalf of the Joint Venture will be made out of the Joint Venture Account.
- 7.3 The Operator shall manage the financial affairs of the Joint Venture in accordance with the approved Budget and GAAP.

### **Cash Requirements**

- 7.4 The Joint Venturers will take all reasonable steps to ensure that sufficient funds are available to allow the Joint Venture to complete transactions called for by agreement of the parties under this Agreement. The Operator may request that the Joint Venturers provide cash advances on account of Operating Costs. Otherwise, the Joint Venturers must pay an annual requisition provided for in the Budget by May 31 of each year.

### **Operating Loans**

- 7.5 For the purpose of financing operations and sustaining capital expenditures of the Joint Venture, if the Joint Venturers establish and maintain a line of credit, it must be established and maintained on a Limited Recourse basis in such maximum amount and on such terms and conditions as the Joint Venturers from time to time are reasonably able to arrange.

### **Application of Available Cash**

- 7.6 Available Cash will be applied to pay Operating Costs and Maintenance Costs as they fall due or in the normal course of operations.

### **Additional Contributions**

- 7.7 If an approved Budget contemplates contributions from the Joint Venturers to finance Capital Costs, the Joint Venturers will advance the contemplated contribution to the Joint Venture promptly upon receipt from the Operator of a request to do so.

### **Place of Payments**

- 7.8 All payments to be made under this Agreement to the Joint Venture will be made to the Operator.

### **Cash Contributions**

- 7.9 Subject to:

- (a) the terms of Joint Venture Borrowings, including the Operating Loan; and
- (b) the establishment by the Joint Venturers, based on the recommendations of the Management Board taking into account anticipated Joint Venture costs and revenue, of prudent reserves for Operating Costs, Maintenance Costs and Capital Costs,

within 90 days after each fiscal year end of the Joint Venture, Available Cash will be used to:

- (c) pay down Joint Venture Borrowing; or
  - (d) pay Maintenance Costs or Operating Costs.
- 7.10 A party may make a cash advance in respect of the portion of Capital Costs allocated to that party under this Agreement, in which case that party is not liable for Joint Venture Borrowing related to that portion of Capital Costs in respect of which the party made the cash advance.

### **Capital Cost Apportionment**

- 7.11 The Capital Costs will be apportioned among the parties as set out in Schedule C.

### **Operating Costs Apportionment**

- 7.12 The Operating Costs will be apportioned among the parties on the basis of the metered flow to the party receiving the Bulk Water.

### **Maintenance Costs Apportionment**

- 7.13 The Maintenance Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

## **Administrative Costs Apportionment**

- 7.14 The Administrative Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

## **PART 8 BUDGETS**

### **Fiscal Year**

- 8.1 The fiscal year end of the Joint Venture will be December 31.

### **Provisional Budgets**

- 8.2 On or before December 15<sup>th</sup> of the year preceding each fiscal year of the Joint Venture, the Management Committee will submit to the Management Board for its review a provisional operating budget (the "provisional Operating Budget"). A provisional maintenance budget (the "provisional Maintenance Budget") and a provisional capital expenditure budget (the "provisional Capital Budget"). The Management Board must recommend these provisional Budgets for the consideration of the Joint Venturers.

### **Budget Recommendations**

- 8.3 On or before January 31<sup>st</sup> in each fiscal year of the Joint Venture, the Management Board must recommend to the Joint Venturers an Operating Budget, Maintenance Budget and Capital Budget.

### **Operating Budget**

- 8.4 The Operating Budget will set out in reasonable detail the proposed operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Operating Costs and will indicate the amount of such Operating Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

### **Maintenance Budget**

- 8.5 The Maintenance Budget will set out in reasonable detail the proposed maintenance operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Maintenance Costs and will indicate the amount of such Maintenance Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.



### **Capital Budget**

- 8.6 The Capital Budget will set out in reasonable detail all Capital Costs for the next five fiscal years and will indicate the amount of such Capital Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

### **Operations in Conformity with Budgets**

- 8.7 Except as permitted by the Management Board (to the extent it has authority under this Agreement to so approve) or decision of the Joint Venturers, all operations of the Joint Venture in each fiscal year will be conducted in conformity with the Budgets applicable to that fiscal year approved by the Joint Venturers.

### **Approval of Budgets**

- 8.8 Subject to Section 4.15, the Management Board will recommend to the Joint Venturers with or without amendment, the Budgets submitted to it by the Management Committee.

### **Effect of Approved Budgets**

- 8.9 The Management Committee, as applicable under Part 5, will implement the approved Budgets and carry out all activities and operations of the Joint Venture in accordance therewith. The Management Committee will not, without the approval of the Management Board (who may require the approval of the Joint Venturers under Section 4.15) incur or commit in any fiscal year on behalf of the Joint Venture any expenditure not provided for in the applicable Budgets. Despite the failure of the Management Board to give any approval required, the Operator may incur on behalf of the Joint Venture any Operating Costs or Capital Cost which needs to be incurred at that time in order to prevent loss, damage or injury, or comply with the requirements of any insurer or regulatory authority or law and any such expenditure will form part of Operating Costs.

## **PART 9 BUDGET, ACCOUNTING AND FINANCIAL REPORTS AND RECORDS**

### **Accounting Books and Records**

- 9.1 The Operator will be responsible for the preparation of financial reports (other than those to be prepared by the Joint Venture's accountants) to be furnished, to the Management Board and the Management Committee hereunder, the maintenance of adequate accounts, books and records and the allocation between the Joint Venturers of Maintenance, Operating, and Capital Costs and will use reasonable efforts to ensure that such accounts, books, records and the financial reports meet reasonable accounting and tax reporting requirements of each Joint Venturer.

## **Financial Reports**

- 9.2 The Operator will, upon request from the Management Board, provide the Management Board and Management Committee with unaudited financial statements, reflecting in reasonable detail, but in summary form, the results of operations and financial situation of the Joint Venture for the periods requested.

## **Location and access to Records**

- 9.3 The Operator will cause all books and records of the Joint Venture to be kept in its offices. The Operator will permit each Joint Venturer, its accountants and other representatives, at the Joint Venturer's own expense and at all reasonable times to examine and make copies of these documents and any documents under the control of the Operator and relating to the Joint Venture.

## **Budgeting, Accounting and Financial Records Support**

- 9.4 The City of Parksville shall provide at the cost of the Joint Venture, budgeting, accounting and financial reporting support to the Management Committee and the Management Board as required by this Agreement.

## **PART 10 RESTRICTIONS ON DISPOSITION**

### **No Disposition of Participating Interest**

- 10.1 A Joint Venturer will not sell, assign, pledge, mortgage or otherwise dispose of its interest in this Agreement and the Joint Venture Assets, except as set out in Sections 10.2 or Part 13.

### **Right of First Refusal to Purchase Participating Interest**

- 10.2 If a Joint Venturer receives a legally binding offer to purchase all or a portion of the Joint Venturer's interest in this Agreement and the Joint Venture Assets, the Joint Venturer will not accept such offer (unless such acceptance is conditional on compliance with this Section 10.2) unless:
- (a) the offer is from another local government;
  - (b) it has delivered to the other Joint Venturers a copy of such offer, which delivery will be deemed to be an irrevocable offer by the first Joint Venturer, to sell its interest in this Agreement and the Joint Venture Assets on the same terms, and conditions as are set out in this offer, except that such offer shall be deemed to be an offer on the same terms and conditions but for each of the other Joint Venturers to purchase one-half of the offering Joint Venturers' interest, unless otherwise agreed between the other Joint Venturers;
  - (c) the other Joint Venturers have not accepted the offer within 180 days of receipt thereof; and

- (d) if the other Joint Venturers consent, which consent to not to be unreasonably withheld or delayed, it completes the agreement of purchase and sale pursuant to the offer (which may include terms for payment agreed by the Joint Venturers) within one year after delivery of the offer to the other Joint Venturer and the purchaser enters into an agreement with the other Joint Venturers whereby the purchaser agreed to become a party to this Agreement and to assume and perform all of the obligations of the selling Joint Venturer hereunder.
- 10.3 If one of the other Joint Venturers to whom an offer is delivered under Section 10.2 does not accept the offer within the time required by Section 10.2, the Joint Venturer who delivered the offer under Section 10.2, is deemed to offer to sell to the other Joint Venturer all of the offering Joint Venturer's interest in this Agreement and the Joint Venture Assets and that other remaining Joint Venturer has a further 90 days in which to accept that offer.
- 10.4 Any agreement of purchase and sale formed as provided in Sections 10.2 and 10.3 that involves the transfer of title to land or an interest in land will be completed on a Land Title Office business day that is not later than one year after the date on which the offer was first delivered to the other Joint Venturers under Section 10.2(a) and that agreement of purchase and sale is subject to all of the following:
- (a) the agreement of purchase and sale formed thereby is an agreement in respect of which time is of the essence;
  - (b) the selling Joint Venturer shall execute and deliver at completion of the agreement such transfers or other instruments of conveyance, in registerable form, as are necessary to transfer and convey to and in favour of the purchasing Joint Venturer all of the right, title and interest of the selling Joint Venturer in and to this Agreement and the Joint Venture Assets and will do all such things and take all such actions as may be necessary to comply with and fulfil the intent of this Agreement and the agreement of purchase and sale;
  - (c) the purchasing Joint Venturer will pay the purchase price for the interest in question and will execute and deliver all such documents and do all such things and take all such actions as may be necessary to fulfil the intent of this Agreement and the agreement of purchase and sale;
  - (d) the interest sold out by the selling Joint Venturer will be transferred free and clear of all financial liens, charges and encumbrances whatsoever.
- 10.5 Without limiting Section 2.6, each of the Joint Venturers hereby irrevocably and conclusively waives the benefits of all provisions of law relating to actions for a partition or sale in lieu of partition or administration of real and personal property including, without limitation, the *Partition of Property Act* (British Columbia) and each of the Joint Venturers agrees with the others that it will not commence any action at

law or in equity for a partition or sale in lieu of partition of any real property that forms part of the Joint Venture Assets or seek administration in respect thereof.

- 10.6 A Joint Venturer must not accept an offer under Section 10.2 received less than one year before the end of the Term of this Agreement under section 13.1(c).
- 10.7 A Joint Venturer may not transfer a Share to a party other than a Joint Venturer except in accordance with Section 10.2 or Part 13.
- 10.8 Notwithstanding sections 10.2 and 10.3, in the event that the other Joint Venturers exercise their Right of First Refusal under this part, the terms and conditions will be those as contemplated in Section 10.2 with the exception that the time for payment of the purchase price to the selling Joint Venturer contemplated by the offer to purchase will, at the option of the purchasing Joint Venturer or Joint Venturers, be extended up to five (5) years; or for such longer term where the assent of the electors has been obtained.

## **PART 11 LIABILITY OF THE JOINT VENTURE**

### **Liability, Indemnification and Insurance**

- 11.1 If a claim by any third party arising out of the operations of the Joint Venture is made against the Joint Venturers or any of them, each of the Joint Venturers will share the liability (including interest and legal fees on a solicitor and client basis) for the claim pro rata to its Participating Interest and will indemnify and save harmless the other Joint Venturer against liability for the claim to the extent of its Participating Interest.

Notwithstanding the foregoing, where a claim arose out of the negligence of one of the Joint Venturers, without any negligence of the other Joint Venturer, the Joint Venturer who was negligent will be fully liable for such claim and will indemnify and save harmless from liability the other Joint Venturer with respect to such claim.

### **Notice of Claims**

- 11.2 Each Joint Venturer against whom a third party claim is advanced, will give prompt and timely notice of that claim to the other Joint Venturers and will allow the other Joint Venturers to participate in the defence, negotiation or settlement of such claim at the cost of the Joint Venturer.

### **Insurance**

- 11.3 The Joint Venturers are public bodies and are insured by the Municipal Insurance Association. Each Joint Venturer will maintain at its sole cost and expense, in good standing for the Term, liability insurance against the third party claims arising from the Joint Venture and operation of the Bulk Water Supply Facility with inclusive limits of not less than Five Million (\$5,000,000.00) Dollars for bodily injury, including death and property damage, and in that event, a Joint Venturer will, on request from another Joint Venturer, provide evidence that such insurance is, at all times during the Term, enforceable and in effect.

## PART 12 DEFAULT

### Default

- 12.1 The occurrence of any of the following events will be an Event of Default by a Joint Venturer under this Agreement:
- (a) the failure of a Joint Venturer to perform or observe any of its covenants or agreements in this Agreement, if such failure is not cured within 45 days of written notice from the other Joint Venturers specifying such failure; or
  - (b) a Joint Venturer becomes insolvent.
  - (c) an administrative commissioner is appointed in respect of a Joint Venturer under section 1027 of the *Local Government Act* and is not discharged within 45 days.

### Remedies Upon an Event or Default

- 12.2 Upon the occurrence of an Event of Default by or with respect to a Joint Venturer:
- (a) the defaulting Joint Venturer will forthwith upon the written request of the other Joint Venturers given within 60 days after the Event of Default, sell its Participating Interest to the other Joint Venturers free and clear of all liens, charges and encumbrances other than security for liabilities incurred in accordance with this Agreement in the business of the Joint Venture, for a price equal to the defaulting Joint Venturer's Participating Interest in the net book value of the Joint Venture Assets as at the date of the written request, less 10% of such book value;
  - (b) if the Joint Venturers do not agree as to the net book value of the Joint Venture Assets within 10 Business Days after the date of the written request, then at the direction of any of the Joint Venturers, the net book value will be determined by the accountants for the Joint Venture if the accountants have been appointed for the Joint Venture and are willing to accept such engagement, and otherwise by the business valuator appropriately qualified by the Canadian Institute of Chartered Business Valuators selected by the non-defaulting Joint Venturer, whose opinion will be binding upon the Joint Venturers and whose fees and disbursements for these services will be borne by the defaulting Joint Venturer;
  - (c) the closing date for the sale of the defaulting Joint Venturer's interest will be 120 calendar days after the determination of the purchase price and will be completed by the execution and delivery by the defaulting Joint Venturer (the "Seller") of such transfers, bills of sale, assignments and other conveyancing documents from the seller to the purchasing Joint Venturer (the "Buyer") in

such form as reasonably required by the Buyer and by the delivery of possession on the Joint Venture Assets to the Buyer;

- (d) the purchase price will be paid by the Buyer on the Closing Date:
  - (i) by set-off to the extent determined by the Buyer against monies due and owing by the Seller to the Buyer, if any;
  - (ii) by the assumption, to the extent determined by the Buyer, of the Seller's share of the liabilities of the Joint Venture; and
  - (iii) as to any balance by certified cheque or bank draft payable to the Seller's order;
- (e) the obligation of the Buyer to complete the purchase is subject to the condition that all required consents and approvals to the sale have been obtained but this condition is for the sole benefit of the Buyer and may be waived in whole or in part by the Buyer at any time.

The rights and procedures set forth in this Section 12.2 will be concurrent with and in addition to and without prejudice to any other rights or remedies at law or in equity which any Joint Venturer may have in respect of any Event of Default.

## **PART 13 TERM, WITHDRAWAL AND TERMINATION**

### **Term**

- 13.1 This Agreement and the Joint Venture will continue in force until the earlier of:
- (a) the date when all the Joint Venture Assets have been disposed of and all liabilities and obligations incurred from the business of the Joint Venture have been satisfied;
  - (b) the date when a single Joint Venturer acquires the interest of the Joint Venturers in the Joint Venture Assets and the business of the Joint Venture; or
  - (c) four years and six months from the date of the making of this Agreement.
  - (d) provided that following the time referred to in paragraph (c) the parties may then during the following six months exercise their rights of acquisition under sections 13.4, 13.5, 13.9 or 14.1 of this Agreement and for certainty this Agreement shall remain in force for such time insofar as necessary to permit the transactions to be completed.



## Withdrawal

- 13.2 A party may withdraw from this Agreement with the approval of all parties to the Agreement and, unless otherwise agreed, subject to the following conditions:
- (a) all capital funds provided to the date of the Notice of Withdrawal by the party proposing to withdraw from the Joint Venture are deemed to be Joint Venture Assets;
  - (b) the additional operating costs arising from the withdrawal of a party under this Agreement must then be assumed by the remaining party or divided between the remaining parties based on the metered flow to the party receiving the supply of water in bulk;
  - (c) the additional maintenance costs arising from the withdrawal of the party must be assumed by the remaining party or apportioned between the remaining parties as outlined in Part 7;
  - (d) the Joint Venture Assets are, on and after the date of the Notice of Withdrawal given by the party withdrawing, solely assets of the remaining Joint Venturer or Joint Venturers.

## Actions on Termination

- 13.3 Upon the termination of this Agreement and the Joint Venture, other than pursuant to Section 13.1 (b), unless the Joint Venturers otherwise agree, two representatives of each of the Joint Venturers shall meet within 10 business days of the termination and:
- (a) each party shall advise the other parties whether they wish to enter into a new agreement regarding the Joint Venture; and
  - (b) if one party does not wish to enter into a new agreement regarding the Joint Venture then, unless the parties otherwise agree, the end of the participation of a Non Continuing Party in the Joint Venture will be determined under Section 13.4; and
  - (c) If no party wishes to enter into a new agreement regarding the Joint Venture, no party may dispose of its interest in the Joint Venture Assets without first offering such interest to the other parties under section 13.5.

## Non Continuing Party

- 13.4 If the parties cannot otherwise agree on the terms and conditions regarding the end of the participation of a Non Continuing Party in the Joint Venture, a Non Continuing Party will, upon the written request of the Continuing Parties given within sixty (60) days after the meeting referred to in Section 13.3 of this Agreement, sell its Participating Interest in the net book value of the Joint Venture Assets to the Continuing Parties on the terms and conditions and in accordance with the

procedure in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement unless a longer closing date has been approved by the electors.

### **Dissolution of Joint Venture – Right of First Refusal**

- 13.5 (a) Where none of the parties wish to enter into a new joint venture agreement, each party will decide whether it wishes to dispose of its Participating Interest in the Joint Venture Assets, and advise the other parties of its decision in writing within thirty (30) days of the meeting referred to in Section 13.3 of this Agreement;
- (b) A party wishing to dispose of its Participating Interest must offer to sell its Participating Interest in the Joint Venture Assets to the other parties with such sale to be on the terms and conditions and in accordance with the procedure set out in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement, unless a longer closing date has been approved by the electors.
- (c) Where a party has not advised the other parties of its decision within the time limit referred to in paragraph (a), it will be deemed to have offered to sell its Participating Interest in the net book value of the Joint Venture Assets to the other parties under paragraph (b).

### **Dispute Resolution on Dissolution**

- 13.6 Terms and conditions of the withdrawal of a Non Continuing Party in circumstances not otherwise addressed in this Agreement may be resolved before a single arbitrator in accordance with the procedure that follows the procedures set out in section 813.13 of the *Local Government Act*, with necessary changes insofar as they are applicable as follows:
- (a) the terms and conditions for withdrawal must be resolved before a single arbitrator by full arbitration, unless the parties agree to final proposal arbitration;
- (b) the parties will select the arbitrator from a list of arbitrators prepared by the Minister of Community, Sport and Cultural Development (or such other Minister having responsibility for the *Local Government Act*) for the purposes of section 813.13(3) of the *Local Government Act*, or, if there is no such list, as agreed upon by the parties, or, failing agreement, as appointed by a judge of the British Columbia Supreme Court;
- (c) the arbitrator may conduct the proceedings at the time and in the manner he or she determines;
- (d) the arbitrator must consider any terms and conditions agreed upon by the parties that are to govern the arbitrations;

- (e) the terms and conditions must be resolved by the arbitrator, who is not restricted in his or her decision to submissions made by the parties on the disputed issues;
- (f) the final resolution may establish different terms and conditions for different Non Continuing Parties;
- (g) the arbitrator must give written reasons for the decision; and
- (h) the costs of the arbitration must be borne by the parties as if they were Maintenance Costs under this Agreement.

In reaching his or her decision, the arbitrator must, to the extent practicable, impose terms and conditions that avoid the alienation or transfer of Joint Venture assets from public ownership and for that purpose, ensure that any interest of a party is offered first to the other parties under this Agreement and secondly to another local government before such assets are made available to any other party.

### **Liquidation**

- 13.7 If no party wishes to continue the Joint Venture, and no party wishes to purchase the interest of the other Joint Venturers under section 13.4 of the Agreement, the Joint Venturers will appoint a liquidator to act on their collective behalf to liquidate the Joint Venture assets. If a liquidator is appointed he or she shall act on behalf of the Joint Venturers to realize the Joint Venture Assets, satisfy all Joint Venture Liabilities and pay the balance of the proceeds of realization to the Joint Venturers in proportion to their Participating Interests. Each of the Joint Venturers will be entitled to bid for and purchase the whole or any part of the Joint Venture Assets on liquidation. Subject to agreement otherwise, liquidation shall be carried out under the procedure of Part 10 of the *Business Corporations Act* (British Columbia) insofar as applicable to a Joint Venture.

### **Determining Value**

- 13.8 If the parties agree on a sale of the Non Continuing Party's Participation Interest but do not agree as to the net book value of the Joint Venture Assets, such value may be determined in accordance with the procedure set out in Section 12.2(b) and the sale of the Non Continuing Party's Participating Interest will be carried out in accordance with the procedure set out in Sections 12.2(c) to (e).

### **Completion of Sale**

- 13.9 If the arbitrator's decision involves the sale of a Non Continuing Party's Participating Interest such sale shall be completed no later than five (5) years from the date of this Agreement unless assent of the electors to such longer term has been obtained.

## Survival of Obligations

- 13.10 The provisions of this Part 13 and all other provisions of this Agreement necessary to give full effect thereto will survive the termination of this Agreement and, despite termination of this Agreement or the Joint Venture; no party will by reason of such termination be relieved of any obligation or liability toward any other party accrued hereunder prior to termination all of which will remain unenforceable until fully satisfied.

## PART 14 NEW PARTY

### Qualicum Beach

- 14.1 The parties agree that the Town of Qualicum Beach may become a Joint Venturer under the Englishman River Water Service Joint Venture Agreement dated the 1<sup>st</sup> day of July, 2011 under the following conditions:
- (a) Qualicum Beach may deliver a Notice in writing that it wishes to become a party in the Englishman River Water Service with not more than a 13.7% Participating Interest that represents Qualicum Beach's actual needs in relation to bulk water supply (the "**Qualicum Beach Participating Interest**");
  - (b) the parties shall each appoint a senior representative for a period of 120 days, shall negotiate in good faith for the inclusion of Qualicum Beach where Qualicum Beach agrees to:
    - (i) pay 100% of any infrastructure required to supply their participating interest;
    - (ii) pay to the Joint Venturers an amount equal to any remaining difference when the total cost for each of the water intake, treatment plant, reservoir capacity and water distribution mains to be paid by Qualicum Beach to supply its Participating Interest is subtracted from 13.7% of the actual cost plus any increase in the Consumer Price Index (British Columbia) for each of the water intake, treatment plant, reservoir capacity and water distribution mains to the time of the notice to become a party in the Englishman River Water Service agreement; and
    - (iii) pay 13.7% of the actual cost plus any increase in the Consumer Price Index (British Columbia) to the time of delivery of the notice under paragraph 14.1(a) of any lands acquired by the Englishman River Water Service Joint Venturers for the purpose of the Joint Venture.
  - (c) the Terms of the Englishman River Water Service Joint Venture Agreement must contain all of the terms and conditions of the Arrowsmith Water Service Joint Venture Agreement except as otherwise determined by the parties and except that each member of Qualicum Beach shall have one (1) vote on the

Management Committee and every decision of the Management Board will require seven (7) votes;

- (d) subject to paragraph (e), if no Agreement has been reached by the parties within the time period referred to in paragraph 14.1(b), the terms of the inclusion of Qualicum Beach may, by agreement of all parties, be submitted to an arbitrator for determination; and
- (e) if the parties cannot agree on the amounts payable under this section (other than the value of the land which shall be determined under clause 14.1(b)(iii), the amount shall be settled by a single arbitrator under the *Commercial Arbitration Act*. The costs of the arbitration, other than each party's own costs, shall be divided equally between the parties and the decision of the arbitrator shall be binding on the parties.

14.2 On the completion date referred to in section 14.1(b), the Regional District of Nanaimo and Parksville will transfer to Qualicum Beach a share in any real property acquired by the Joint Venture as a Tenant in Common equivalent to the Qualicum Beach Participating Interest in consideration for payment by Qualicum Beach of the amount referred to in section 14.1 (b).

#### **Other Party**

- 14.3 A new party other than the Town of Qualicum Beach may become a Joint Venturer under this Agreement:
- (a) by entering into an Agreement with the existing Joint Venturers that contains all of the terms and conditions set out in this Agreement; and
  - (b) with the unanimous consent of the existing Joint Venturers.

#### **Other Terms and Conditions**

14.4 Despite Section 14.1, the Joint Venturers may, at any time, make an agreement on behalf of the Joint Venturer to supply water in bulk to a person not a party to the Joint Venture.

### **PART 15 BOUNDARY ADJUSTMENTS**

- 15.1 Despite the other provisions of this Agreement, if the area of a municipality is extended into a Water Service Area:
- (a) that portion of the Water Service Area that was situated in the rural area and that has become added to the municipality is hereby deemed to be added to the Community Water System of that municipality;
  - (b) Capital Costs, Operating Costs and Maintenance Costs will be apportioned as between RDN and the extended municipality by taking into account the



deletion of water supply volume from the account of RDN and adding of water supply volume to the account of the municipality; and

- (c) the cost of the supply of water in bulk to RDN and to the municipality will be adjusted to reflect the reduction of the Water Service Area and extension of the Community Water System.

## **PART 16 GENERAL**

### **Amendments**

- 16.1 This Agreement may not be modified or amended except by written agreement of all the parties hereto.

### **Notices**

- 16.2 Any notice or other communication hereunder will be in writing and will be given by the delivery or rendering thereof its addressee by hand, by prepaid first class mail or by facsimile transmission, to the address below:

- (a) If to RDN:

6300 Hammond Bay Road  
Nanaimo, BC V9T 6N2

Attention: Senior Manager, Corporate Administration

- (b) if to Parksville:

PO Box 1390  
Parksville, BC V9P 2H3

Attention: Director of Administrative Services

- (c) if to Qualicum Beach:

Box 130  
Qualicum Beach, BC V9K 1S7

Attention: Corporate Administrator

Any notice or other communication so given will be deemed to have been received at the time of its delivery if delivered by hand, three Business Days after the date of mailing if mailed and at the time the sender receives a confirmation of dispatch if transmitted by facsimile transmission. Each party will notify the other parties of any change of address.

### **Entire Agreement**

- 16.3 This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and replaces and supersedes all previous agreements between the parties relating to the subject matter hereof.

	Initial	Date
Content (Mgr)		
Approved (GM)	<i>[Signature]</i>	5/2/11
Legal Form (SMCA)	<i>[Signature]</i>	23/6/8
Authority (CAO)	<i>[Signature]</i>	10/2/11

**Arbitration**

16.4 In the case of a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation thereof which has not been resolved within 45 calendar days of either Joint Venturer giving notice to other Joint Venturer thereof, or in the case of a deadlock as described in Section 4.12, the dispute, disagreement or deadlock will, upon notice from either Joint Venturer to the other Joint Venturer, be referred to a single arbitrator pursuant to the *Commercial Arbitration Act* (British Columbia) whose decision will be final and binding.

**Enurement**

16.5 This Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns hereunder.

**Further Assurances**

16.6 Each party will perform any act and execute and deliver any document reasonably required by any other party to carry out the terms of this Agreement in accordance with the true intent and meaning hereof.

**Schedules**

16.7 The following Schedules are attached to and form part of this Agreement:

- (a) Schedule A – Bulk Water Supply Facility;
- (b) Schedule B – Water Service Areas;
- (c) Schedule C – Capital Cost Apportionment.

**Local Government Act and Community Charter**

16.8 The obligations of the parties under this Agreement are subject to the requirements of the *Local Government Act* and the *Community Charter* respecting the provision of the Bulk Water Supply services by the Joint Venturers.

**IN WITNESS WHEREOF** the parties hereto executed this Agreement as of the day month and year first above written.

**REGIONAL DISTRICT OF NANAIMO** by its )  
authorized signatories: )

*[Signature]* )  
Name: Joe Scattardo )

*[Signature]* )  
Name: Maureen Pearse, Sr. Mgr. Corporate Adm. )

CITY OF PARKSVILLE by its authorized signatories:



Name: CHRIS BURGER, A/Mayor



Name: FRED C. MANSON  
CHIEF ADMINISTRATIVE OFFICER

TOWN OF QUALICUM BEACH by its authorized signatories:



Name: Tennis Westbroek, Mayor



Name: Corporate Administrator  
Trudy Coates

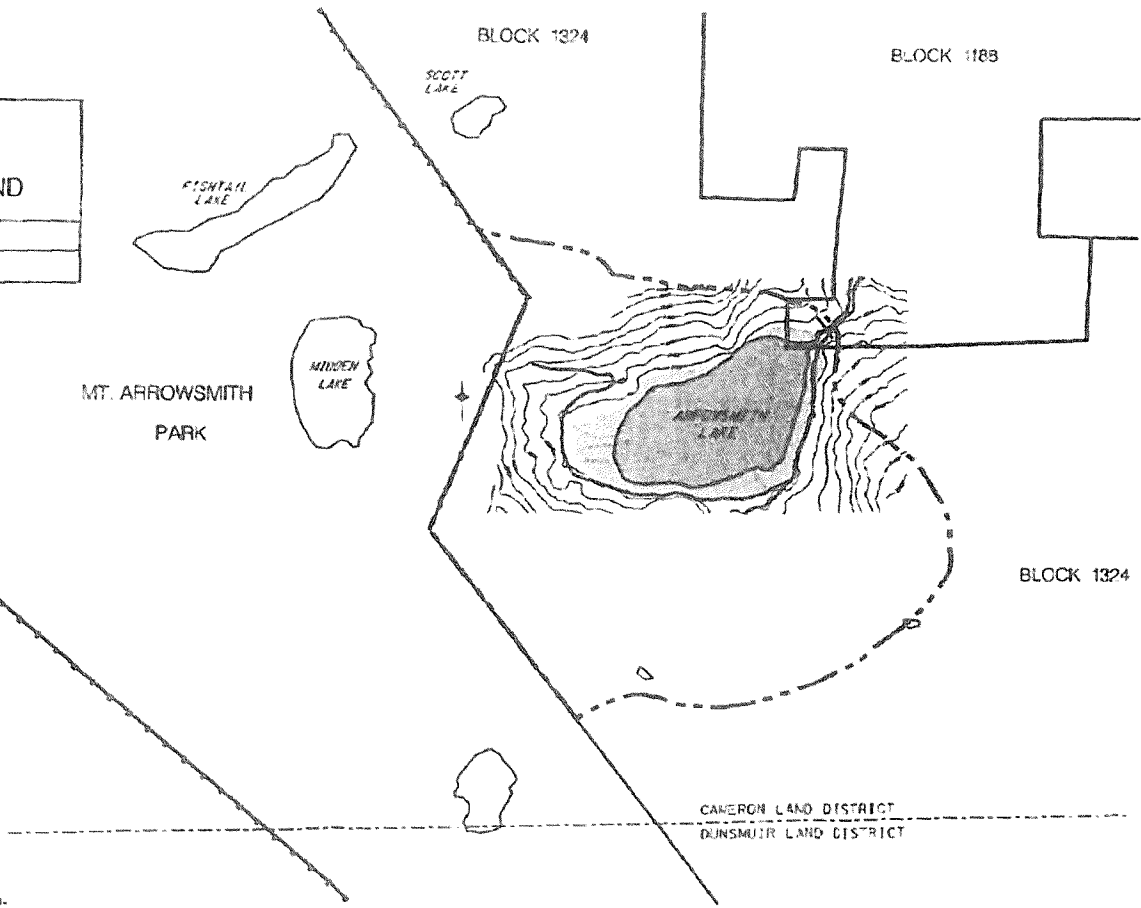
**SCHEDULE "A"****Arrowsmith Dam Bulk Water Supply Facility, Description of Current Infrastructure, Provisional Operational Rule and Conditional Water License**

1. The three hundred (300) hectares of Arrowsmith Lake Catchment Boundary land surrounding Arrowsmith Lake as shown in Schedule A-1 attached hereto;
2. 12m high concrete dam formally known as Arrowsmith Dam, Location: Lat. 49°13'15.18"N, Long. 124°32'14.24"W, including all control valves, chambers, intake structures, siphon line, outlet structures, security fencing, gates and control weirs as shown in Schedule A-2 attached hereto;
3. Arrowsmith Dam Control Station Building housing: a thermal electric generator, diesel / electric generator, piezometers, diesel fuel tank, propane fuel tanks, propane heater, Supervisory Control and Data Acquisition (SCADA) equipment, batteries, Spread Spectrum Radio control equipment and instrumentation equipment.
4. Arrowsmith Lake radio repeater station including solar panels, batteries, instrumentation and a Spread Spectrum Radio. Location: Lat. 49°13'7.20"N, Long. 124°32'1.18"W.
5. Spread Spectrum Radio equipment stored at Mt. Cokely Communications Station. Location: Lat. 49°14'21.56"N, Long. 124°35'11.74"W.
6. Provisional Operational Rule – Arrowsmith Lake Reservoir and Conditional Water License: 110050.

**Arrowsmith Dam Bulk Water Supply Facility - Description of Future Capital Works**

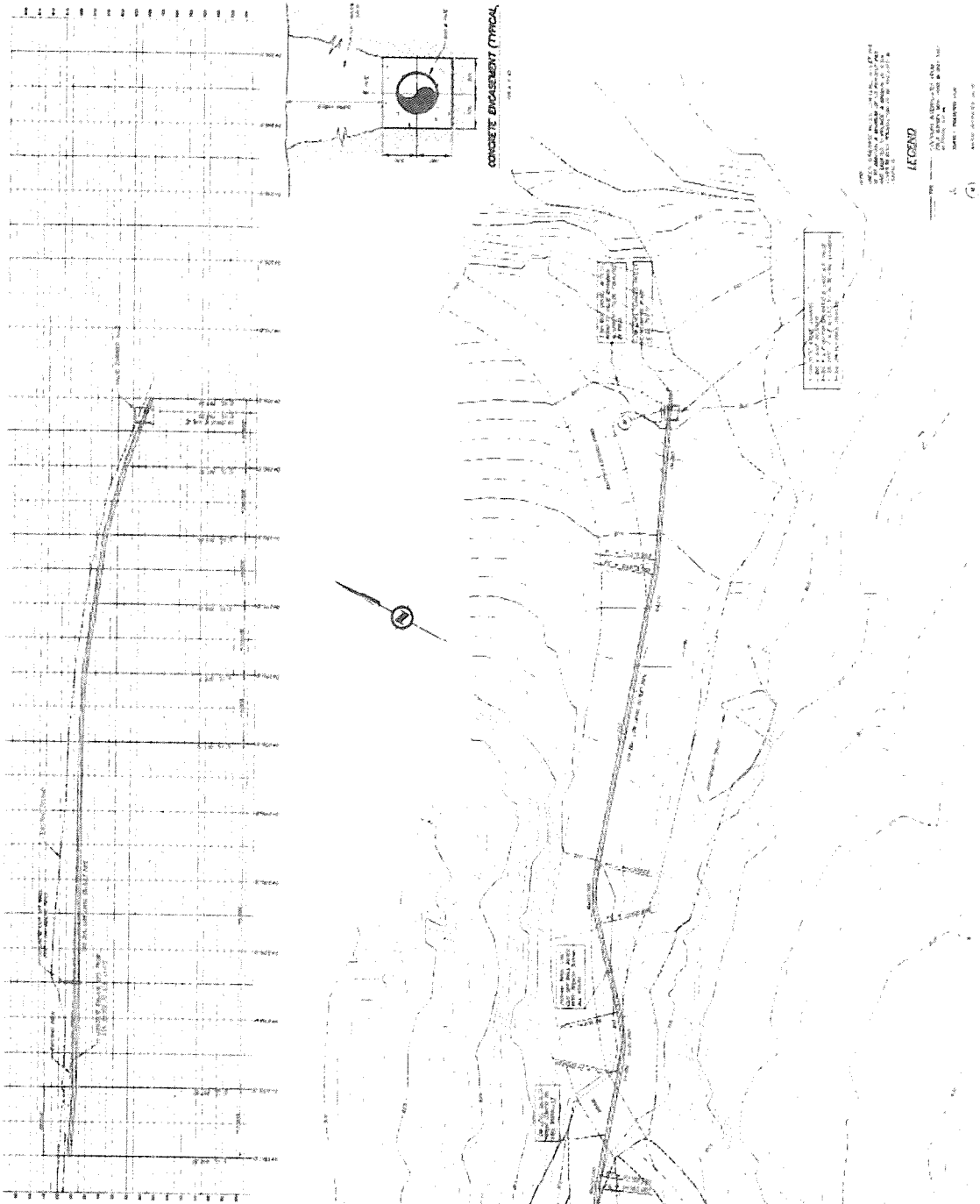
1. Security cameras and Long Watch video recorder equipment
2. Provincial Dam Safety review requirements including consulting fees, settlement monitoring and dam remedial works.

<b>ARROWSMITH CATCHMENT LAND</b>	
Date: September 19, 1997	Drawn By: L.C.F.
Scale: 1 : 20,000	File No:



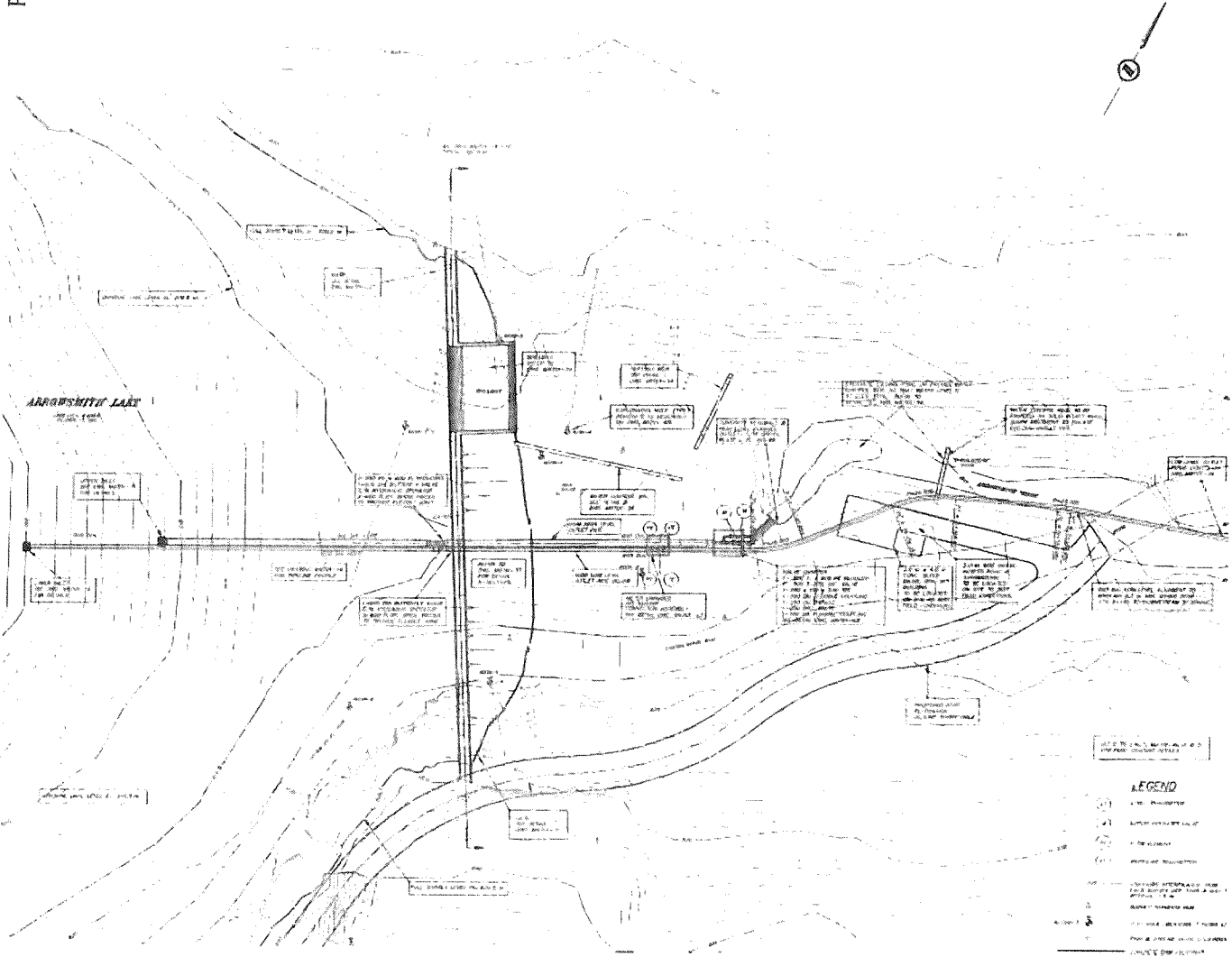
- PURCHASED LAND BOUNDARY
- ▭ LIMIT OF FLOODING, 12m DAM
- EXISTING LOGGING ROAD
- PURCHASED LAND = 741 Ac. = 300 Ha.
- LAKED AREA = 85 Ac. = 34.4 Ha.
- CATCHMENT & FLOODED AREA = 656 Ac. = 266 Ha.

SCHEDULE A-1



SCHEDULE A-2





SCHEDULE A-2

**SCHEDULE "B"****WATER SERVICE AREAS**

The areas delineated in the following bylaws or descriptions, as shown on the Water Service Area Maps appended to the bylaws are the Water Service Areas:

- Nanoose Bay Bulk Water Supply Service Establishment Bylaw No. 1049.
- French Creek Bulk Water Supply Service Establishment Bylaw No. 1050.

**SCHEDULE "C"****CAPITAL COST APPORTIONMENT**

The Arrowsmith Water Service Bulk Water Supply Facility Infrastructure Capital Cost Apportionment

(a) in respect of joint facilities will be as follows:

Parksville: 63.9%

Qualicum Beach 13.7%

RDN: Nanoose 14.4%  
French Creek 8.0%

(b) in respect of other capital works will be based on the benefit to the Joint Venturer.