



**VILLAGE OF SAYWARD
REGULAR COUNCIL MEETING AGENDA
January 16, 2024 - 7:00 PM
COUNCIL CHAMBERS**

The Village of Sayward respectfully acknowledges that the land we gather on is on the unceded territory of the K'ómoks First Nation, the traditional keepers of this land.

1. Call to Order

2. Public Input (Maximum of 2 minutes per speaker, 15 minutes total)

Mayor: "Public input is for the purpose of permitting people in the gallery to provide feedback and shall be no longer than 15 minutes unless approved by majority vote of Council; each speaker may provide respectful comment on any topic they deem appropriate and not necessarily on the topics on the agenda of the meeting. Each speaker may not speak for longer than 2 minutes but may have a second opportunity if time permits. Each speaker must not be allowed to speak regarding a bylaw in respect of which a public hearing has been held. For the record, please state your name and address."

3. Introduction of Late Items

4. Approval of Agenda

Recommended Resolution:

THAT the agenda for the Regular Meeting of Council for January 16, 2024, be approved.

5. Minutes of Previous Meetings

Recommended Resolutions:

THAT the minutes from the Regular Council meeting held on October 3, 2023, be adopted.

THAT the minutes from the Special Council meeting held on October 24, 2023, be adopted.

THAT the minutes from the Special Council meeting held on November 7, 2023, be adopted.

THAT the minutes from the Regular Council meeting held on December 5, 2023, be adopted.

6. Petitions and Delegations

- a) Alex Turner, Area A resident, RE: information workshop on disincorporation (dissolution) of the Village of Sayward.

7. Correspondence

- a) Request for Support, from Sayward Community Food Table Society.
- b) Vancouver Island Regional Library RE: 2024 Board Appointments
- c) Letter from Ravi Kahlon, Minister of Housing RE New legislation to support government housing initiatives
- d) MOWI, A Responsible Plan to Transition Salmon Farming in BC
- e) Canada Community-Building Fund BC / UBCM, Canada Community-Building Fund: Second Community Works Fund Payment for 2023/2024
- f) Joyce Ellis, Sayward Tour de Rock Secretary/Treasurer RE: Thank you for Donation
- g) Ombudsperson, British Columbia RE: Office of the Ombudsperson Quarterly Report: July 1 – September 30, 2023
- h) Jason Johnson, Sayward Futures Society RE: Debut of Kusam Klimb Video - Request to use Kelsey Centre gymnasium and for forgiveness of associated user fees

Recommended Resolution:

THAT correspondence a) to h) be received.

8. Council Reports - None

9. Reports of Committees - None

10. Mayor's Report - None

11. Unfinished Business

- a) **Lightening Detection Equipment Agreement – Keir Gervais, CAO**

Recommended Resolutions:

THAT Council receives the Lightening Detection Equipment Agreement staff report for information and discussion.

THAT Council approves the Licence of Occupation agreement between the Village of Sayward and the Minister of Environment; and,

THAT the Mayor and Corporate Officer be authorized to execute the agreement.

12. Staff Reports

- a) **Regional Grant Opportunity – UBCM Emergency Support Services – Keir Gervais, CAO**

Recommended Resolutions:

THAT Council receive the Regional Grant Opportunity – UBCM Emergency Support Services staff report for information and discussion; and,

THAT as part of the Village of Sayward's ongoing work in relation to emergency planning that an application for financial assistance under the Community Emergency

Preparedness Fund 2024 Emergency Support Services grant be authorized for submission to the UBCM, in collaboration with the Strathcona Regional District (SRD); and,

That the Village of Sayward agrees to the Strathcona Regional District submitting an application on their behalf, and that if funded, agrees to the Strathcona Regional District managing the grant and being the recipient of all funding.

b) Regional Grant Opportunity – UBCM Emergency Operations Centre – Keir Gervais, CAO

Recommended Resolutions:

THAT the report from the Chief Administrative Officer be received; and,

THAT as part of the Village of Sayward’s ongoing work in relation to emergency planning that an application for financial assistance under the Community Emergency Preparedness Fund 2024 Emergency Operation Centre grant be authorized for submission to the UBCM, in collaboration with the Strathcona Regional District (SRD); and,

THAT the Village of Sayward agrees to the Strathcona Regional District submitting an application on their behalf, and that if funded, agrees to the Strathcona Regional District managing the grant and being the recipient of all funding.

c) Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy – Keir Gervais, CAO

Recommended Resolutions:

THAT Council receive the Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy staff report for information and discussion; and,

THAT Council adopts the Asset Retirement Obligation Policy as presented.

e) Grant Applications – Approved Funding – Keir Gervais, CAO

Recommended Resolutions:

THAT Council receives the Grant Applications – Approved Funding staff report for information and discussion.

THAT the 2023-2027 Financial Plan be amended to incorporate \$123,600 from the Community to Community (C2C) Program Grant, and \$10,000 from the UBCM Community to Community (C2C) Program grant, to fund the projects identified in the December 19, 2023 report from the CAO.

13. Emergency Services/Public Works/Recreation Department Reports

a) Kelsey Recreation Centre Report – November 2023 - Michelle Davis, Recreation Manager

Recommended Resolution:

THAT Council receive the Kelsey Recreation Centre - November 2023 staff report for information and discussion.

b) Kelsey Recreation Centre Report – December 2023 - Michelle Davis, Recreation Manager

Recommended Resolution:

THAT Council receive the Kelsey Recreation Centre - December 2023 staff report for information and discussion.

14. Bylaws

a) 2023-2027 Five Year Financial Plan Amendment Bylaw – Keir Gervais, CAO

Recommended Resolution:

THAT Five Year Financial Plan Amendment Bylaw No. 505, 2023 be given first, second and third reading.

15. New Business – None

16. Public Question Period (maximum 15 minutes)

Mayor: “The purpose of the public question period is to enable citizens to ask questions of Council about issues that are important to the citizen asking the question. Speakers are asked to limit their questions to one each and, if time permits after everyone has had an opportunity to ask questions, speakers may ask a second question. Citizens will be asked to state their name and address.”

17. In Camera

Recommended Resolution:

THAT in accordance with Section 92 of the *Community Charter*, this Council meeting will be closed to the public at this time in order that Council may give consideration to matters in accordance with the following sections of the *Community Charter*:

- Section 90(1)(c) labor relations or other employee relations,
- Section 90(1)(g) Litigation or potential litigation impacting the local government; and,
- Section 90(1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.
- Section 90(1)(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

18. Adjournment



**VILLAGE OF SAYWARD
REGULAR COUNCIL MEETING MINUTES
OCTOBER 3, 2023 - 7:00 PM
COUNCIL CHAMBERS**

The Village of Sayward respectfully acknowledges that the land we gather on is on the unceded territory of the K'ómoks First Nation, the traditional keepers of this land.

Present: Mayor Mark Baker
Councillor Scott Burchett
Councillor Kohen Gilkin
Councillor Sue Poulsen
Councillor Tom Tinsley

In Attendance: Keir Gervais, CAO/Recording Secretary
Jennifer Redshaw, Finance/Admin Clerk
Melissa Holmes, Finance/Admin Clerk

1. Call to Order

The meeting was called to order at 7:04 pm.

2. Public Input

- a) Lorna Agnew of 754 Sayward Road: What is happening with the speed limit on Sayward Road? CAO indicated he has not yet had the opportunity to follow-up with the Ministry of Transportation and Infrastructure.
- b) Lorna Agnew of 754 Sayward Road: Asked for an update regarding staff's research into the past zoning changes around 754 Sayward Road. CAO indicated that Village staff have and continue to research the issues brought forward.

3. Introduction of Late Items

- a) Cllr Burchett requested late correspondence from Melina Gradisar to be added to the agenda – added as 7. g)
- b) Cllr Burchett requested a report from the CAO RE: UBCM be added to the agenda – added as 12. c)
- c) Cllr Burchett requested a report from the CAO RE: Economic Development Officer be added to the agenda – added as 12. d)

4. Approval of Agenda

MOTION R23/254

MOVED AND SECONDED

THAT the agenda for the Regular Meeting of Council for October 3, 2023, be approved, as amended.

CARRIED

5. Minutes of Previous Meetings

MOTION R23/255

MOVED AND SECONDED

THAT the minutes from the Regular Council meeting held on September 5, 2023, be adopted, as amended.

Opposed Cllr Burchett, Cllr Poulsen

CARRIED

MOTION R23/256

MOVED AND SECONDED

THAT the minutes from the Special Council meeting held on September 12, 2023, be adopted as amended.

Opposed Cllr Burchett, Cllr Poulsen

CARRIED

6. Petitions and Delegations - None

7. Correspondence

- a) Letter from UBCM RE: 2023 Next Generation 911 Funding
- b) Letter from UBCM RE: Complete Communities Funding – *Land Use and Infrastructure Analysis for Zoning Modernization project*
- c) Letter from Sayward Futures Society RE: Letter of Support Request
- d) Letter from Sayward Futures Society RE: Request for Continued Use – Kelsey Centre
- e) Community Share Shed Report- August 2023
- f) Letter from Sayward School Parent Advisory Committee RE: 49th Annual Giant Stocking Raffle
- g) Letter from Milena Gradisar of Sayward RE: Loose Dog Issue

MOTION R23/257

MOVED AND SECONDED

THAT correspondence a), b), e) and f) be received.

CARRIED

MOTION R23/258

MOVED AND SECONDED

THAT correspondence c) be received; and,

THAT the Village of Sayward recognizes the importance of Kelsey Bay Wharf and fully supports Sayward Futures Society in its endeavor to secure funding and resources to ensure that the Kelsey Bay Wharf remains open to the public as well as commercial traffic; and,

THAT the Village of Sayward provide a Letter of Support to Sayward Futures Society at the earliest convenience so that it may be used to secure possible provincial and/or federal funding, realizing time is of the essence.

CARRIED

**MOTION R23/259
MOVED AND SECONDED**

THAT correspondence d) be received; and,

THAT Council approve continued use of the Kelsey Center for the remainder of the 2023 season (3 more evenings) at no cost and grant approval for the same arrangement (12 evenings) for the 2024 season; and,

THAT staff notify the organizer of Council's decision as soon as possible.

CARRIED

**MOTION R23/260
MOVED AND SECONDED**

THAT correspondence g) be received.

CARRIED

8. Council Reports – None

9. Reports of Committees – None

10. Mayor's Report – None

11. Unfinished Business

**MOTION R23/261
MOVED AND SECONDED**

a) BC Epilepsy Society 2024 Proclamation (returned from Sept 5, 2023 meeting)

Recommended Resolutions:

WHEREAS Purple Day is celebrated on March 26 annually, during Epilepsy Awareness Month, to increase the knowledge and understanding of epilepsy in the community;

AND WHEREAS Purple Day was founded in 2008 by Cassidy Megan, a nine-year-old girl from Nova Scotia, who wanted people living with epilepsy that they were not alone;

AND WHEREAS On Purple Day, people in communities around the world are encouraged to wear purple and host events in support of epilepsy awareness;

AND WHEREAS There are over 50,000 people in British Columbia, over 380,000 people in Canada and over 65 Million people worldwide living with epilepsy;

AND WHEREAS The onset of epilepsy can occur at any stage of life and does not discriminate against age, gender, race, ethnicity, religion, socioeconomic status, geographic location, or sexual orientation;

AND WHEREAS Purple Day can improve the quality of life of people living with epilepsy, create a society that embraces the beauty of difference and help us understand how we can all come together to make the world a better place:

NOW THEREFORE I, **Mayor Baker**, DO HEREBY PROCLAIM Tuesday March 26th, 2024 as "PURPLE DAY" in the **Village of Sayward**.

12. Staff Reports

CARRIED

- a) **Application to Rezone 18 Sayward Rd (Adama Developments) – Kevin Brooks, Planner**

MOTION R23/262

MOVED AND SECONDED

THAT Council give proposed zoning amendment bylaw No. 504 first and second reading; and,

THAT Council direct staff to report back to Council with the proposed CAC for Council consideration prior Public Hearing.

CARRIED

- b) **Grant in Aid Request – Secret Santa Committee – Lisa Clark, CFO/CO**

MOTION R23/263

MOVED AND SECONDED

THAT Council receives the Grant in Aid Request – Secret Santa Committee staff report for information and discussion.

CARRIED

MOTION R23/264

MOVED AND SECONDED

THAT the grant in aid of \$500 requested by the Secret Santa Committee in their application dated September 11, 2023 be approved.

CARRIED

- c) **Verbal Updates - Keir Gervais, CAO**

MOTION R23/265

MOVED AND SECONDED

- a. **2023 UBCM Convention**

The Mayor declared a recess at 8:06 pm and the meeting reconvened at 8:31 pm.

d) Economic Development Coordinator

THAT Council received the CAO's verbal updates for information.

Opposed Cllr Burchett, Cllr Poulsen CARRIED

13. Emergency Services/Public Works/Recreation Department Reports

14. Bylaws

a) Permissive Tax Exemption Bylaw No. 503, 2023

**MOTION R23/266
MOVED AND SECONDED**

THAT Permissive Tax Exemption Bylaw No. 503, 2023 be given first, second and third reading.

Opposed Cllr Burchett, Cllr Poulsen CARRIED

b) Zoning Amendment Bylaw No. 504, 2023

**MOTION R23/267
MOVED AND SECONDED**

THAT Zoning Amendment Bylaw No. 504, 2023 be given first and second reading.

CARRIED

15. New Business – None

16. Public Question Period

- a)** Mark Agnew of 754 Sayward Road: Asked for an update regarding staff's research into the past zoning changes around 764 Sayward Road. *Mayor Baker indicated to Mr. Agnew that the CAO reported earlier in the meeting that staff is working on a report. CAO Gervais reiterated that the matter is complicated Village staff have and continue to research the issues brought forward.*
- b)** Milena Gradisar of 261 Ambleside Drive: Asked if there is an issue with the microphone used for public question periods, as not everything could be heard during a portion of the question period at the previous Council meeting. *Mayor Baker advised that staff will look into this matter.*
- c)** Karen Tinsley of 531 Macmillan Drive: Asked about an update regarding the allowance of backyard chickens; specifically, is the matter being dropped? *CAO Gervais stated that is working on this matter as time permits, and confirmed the matter is not being dropped.*
- d)** Lorna Agnew of 754 Sayward Road: Asked what goes on during in-camera meetings. for an update regarding staff's research into the past zoning changes around 754 Sayward Road. *Mayor Baker indicated to Mr. Agnew that the CAO reported earlier in the meeting that staff is working on a report. CAO Gervais reiterated that the matter is complicated Village staff have and continue to research the issues brought forward.*

- f) Lorna Agnew of 754 Sayward Road: Asked why the rezoning application for 18 Sayward Road seems to be receiving more attention versus her inquiries into previous rezoning around 764 Sayward Road. *Mayor Baker indicated that the rezoning application for 18 Sayward Road has been before Council for four years, and that the CAO has already indicated that staff are working on the matters related to previous rezoning around 764 Sayward Road.*
- e) Milena Gradisar of 261 Ambleside Drive: Asked about what would happen if there was an accident or fatality at the parking area at the head of Kelly's Trail. *Mayor Baker explained that the property where the parking area is owned by Nature's Trust.*
- g) Steve Ralph of 1664 Sayward Road: Asked if there is a bullying issue within Council and if Council is going to deal with it? *The Mayor stated that in-camera business cannot be discussed publicly, and that the public will know the facts when Council rises and reports.*
- h) Karren McClinton 281 Ambleside Drive: Asked for clarity about the procedure for public question period. *Mayor Baker explained the Council Procedure Bylaw.*
- f) Milena Gradisar of 261 Ambleside Drive: Asked for an update about staff's response to the complaint about the loose dogs. CAO Gervais indicated he would follow-up with Ms. Gradisar the following day.

17. In Camera

MOTION R23/268

MOVED AND SECONDED

THAT in accordance with Section 92 of the *Community Charter*, this Council meeting will be closed to the public at this time in order that Council may give consideration to matters in accordance with the following sections of the *Community Charter*:

- Section 90(1)(c) labor relations or other employee relations; and,

Opposed Cllr Burchett, Cllr Poulsen CARRIED

18. Adjournment

MOTION R23/269

MOVED AND SECONDED

THAT the Regular Meeting of Council for October 3, 2023 be adjourned.

Opposed Cllr Burchett, Cllr Poulsen CARRIED

The meeting was adjourned at 10:39 pm.

Mayor

Corporate Officer



**VILLAGE OF SAYWARD
SPECIAL COUNCIL MEETING MINUTES
OCTOBER 24, 2023 – 7:00 PM
COUNCIL CHAMBERS**

The Village of Sayward respectfully acknowledges that the land we gather on is on the unceded territory of the K'ómoks First Nation, the traditional keepers of this land.

Present: Mayor Mark Baker
Councillor Scott Burchett
Councillor Kohen Gilkin
Councillor Sue Poulsen
Councillor Tom Tinsley

In Attendance: Keir Gervais, CAO

1. Call to Order

Meeting was called to order at 7:00pm

2. Public Input

a) Jackie Lyons of 291 Ambleside Dr.: Asked Mayor Baker if Village funds/taxpayer money is being used for a law case he has against John France. *Mayor Baker stated 'no'.*

3. Introduction of Late Items

a) CAO Gervais requested the letter from Sayward Community Food Table RE request for letter of support be added to the agenda – added as 7. a).

**MOTION S23/20
MOVED AND SECONDED**

THAT the letter from Sayward Community Food Table RE request for letter of support be added to the agenda – added as 7. a).

CARRIED

**MOTION S23/21
MOVED AND SECONDED**

b) CAO Gervais requested the staff Memo RE Meeting Procedure Error October 17, 2023 be added to the agenda – added as 15. a).

Opposed Cllr Burchett

CARRIED

THAT Council direct staff to engage with Natures Trust staff RE parking at Kelly's Trail as soon as possible.

9. Reports of Committees - None

10. Mayor's Report - None

11. Unfinished Business - None

12. Staff Reports

a) Heat Pump Replacement - Sayward RCMP Detachment – Keir Gervais, CAO

MOTION S23/28

MOVED AND SECONDED

THAT Council authorize the CAO to purchase a replacement heat pump for the RCMP detachment at 610 Kelsey Way up \$16,427.72

THAT staff be directed to report back to Council at the November 21, 2023 regular Council meeting with funding options for the heat pump replacement for Council's consideration

CARRIED

b) Consideration of Backyard Chickens (Hens) – Keir Gervais, CAO

MOTION S23/29

MOVED AND SECONDED

THAT Council receive the Backyard Chickens staff report for information and discussion.

CARRIED

MOTION S23/30

MOVED AND SECONDED

THAT Council direct staff to research possible issues with animal to animal and animal to human conflict and report findings to Council in January.

CARRIED

c) Request to Cancel the November 7, 2023 regular Council Meeting – Keir Gervais, CAO

MOTION S23/31

MOVED AND SECONDED

THAT Council receive the Request to Cancel the November 7, 2023 regular Council Meeting staff report; and

THAT Council approve the cancellation of the November 7, 2023 regular Council meeting, and direct staff to advertise accordingly.

Opposed Cllr Burchett Cllr Poulsen

CARRIED

a) Permissive Tax Exemption Bylaw No. 503, 2023 – Keir Gervais, CAO

MOTION S23/32

MOVED AND SECONDED

THAT Permissive Tax Exemption Bylaw No. 503, 2023 be given fourth and final reading.

Opposed Cllr Burchett

CARRIED

13. Emergency Services/Public Works/Recreation Department Reports - None

14. Bylaws

a) Permissive Tax Exemption Bylaw No. 503, 2023 – Keir Gervais, CAO

MOTION S23/32

MOVED AND SECONDED

THAT Permissive Tax Exemption Bylaw No. 503, 2023 be given fourth and final reading.

CARRIED

15. New Business

a) Meeting Procedure Error October 17, 2023 Memo – Keir Gervais, CAO

MOTION S23/33

MOVED AND SECONDED

THAT Council receive the Meeting Procedure Error October 17, 2023 Memo for information.

Opposed Cllr Burchett

CARRIED

16. Public Question Period

- a) Jackie Lyons of 291 Ambleside Dr.: *Expressed her opposition to backyard chickens, noting issues in the Village with cats and dogs, messy back yards and unsightly premises and the lack of readily available bylaw enforcement.*
- b) Bill Ives of 121 Seaview St.: *Provided information about previous efforts to engage The Nature Trust of BC regarding parking in the area of Kelly's Trail. Mr. Ives stated that when staff begin becoming familiar with the area they will learn the current parking area is not The Nature Trust of BC's.*

17. In Camera

MOTION S23/34

MOVED AND SECONDED

THAT in accordance with Section 92 of the *Community Charter*, this Council meeting will be closed to the public at this time in order that Council may give consideration to matters in accordance with the following sections of the *Community Charter*:

- Section 90(1)(c) labor relations or other employee relations; and
- Section 90(1)(f) law enforcement, if the council considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment.

- Section 90(1)(g) Litigation or potential litigation impacting the local government
- Section 90(1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED

The meeting was adjourned at 9:57 PM

Mayor

Corporate Officer



**VILLAGE OF SAYWARD
SPECIAL COUNCIL MEETING MINUTES
NOVEMBER 7, 2023 – 7:00 PM
COUNCIL CHAMBERS**

The Village of Sayward respectfully acknowledges that the land we gather on is on the unceded territory of the K'ómoks First Nation, the traditional keepers of this land.

Present: Mayor Mark Baker
Councillor Scott Burchett
Councillor Kohen Gilkin
Councillor Sue Poulsen
Councillor Tom Tinsley

In Attendance: Keir Gervais, CAO

1. Call to Order

Meeting was called to order at 7:00pm

2. Introduction of Late Items - None

3. Approval of Agenda

MOTION S23/35

MOVED AND SECONDED

THAT the agenda for the Special Meeting of Council for November 7, 2023, be approved as amended.

Opposed Cllr Burchett

CARRIED

4. Minutes of Previous Meetings - None

5. Petitions and Delegation - None

6. Correspondence - None

7. Council Reports - None

8. Reports of Committees - None

9. Mayor's Report - None

10. Unfinished Business - None

11. Staff Reports - None

12. Emergency Services/Public Works/Recreation Department Reports - None

13. Bylaws - None

14. New Business - None

15. Public Question Period - None

16. In Camera

MOTION S23/36

MOVED AND SECONDED

THAT in accordance with Section 92 of the *Community Charter*, this Council meeting will be closed to the public at this time in order that Council may give consideration to matters in accordance with the following sections of the *Community Charter*:

- 90(1)(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee, or agent of the municipality.

Opposed Cllr Burchett

CARRIED

17. Adjournment

The meeting was adjourned at 7:49 PM

Mayor

Corporate Officer

1727 Sayward Road,
Sayward, B.C.
November 1, 2023

Mayor and Council
Village of Sayward, B.C.,

Dear Mayor and Council:

There has recently been some public discussion regarding a possible disincorporation of the Village of Sayward. There are some who believe that there would be savings to the taxpayer by eliminating the local administrative center. Others are concerned with a possible loss of authority over local services like the Kelsey Centre. This is a topic that deserves well considered and well informed public consideration.

I would propose a one evening workshop process that would include the following elements:

Panel Presentation

Each of the members of the panel would present information based on their experience and expertise, (Each presentation 5 -8 minutes)

A staff representative from the S.R.D, (Tom Yates, the corporate officer at the S.R.D. Is well informed)

A representative of a Water Improvement District (Union Bay has a W.I.D.)

A representative from Municipal Affairs, Province of B.C. Village of Sayward C.A.O.

An experienced present or retired S.R.D, elected representative

Breakout Group Discussions

The main objective of the small group discussions is to develop further questions to be addressed to the panelists for the final panel discussion.

Refreshment Break

The refreshment break will provide an opportunity for informal discussion. During the break the facilitators will organize the questions for presentation to the panel.

Panel Answers Questions

The panelists respond and possibly debate responses to the questions. The moderator may allow clarifying questions to the panelists from the audience but will discourage argumentative statements.

Yours truly, Alex Turner





October 18, 2023
SCFTS
713 Ruby Road,
Sayward, BC V0P1R0

May this email find you well and enjoy the shift into Autumn.

We are excited to announce that the Sayward Community Food Table is now a registered **Not-For-Profit Society (SCFTS)**!

Our mandate is to *develop long-range food security* in the Sayward area by providing storage, distribution and access to rescued and donated food **for anyone in need.**

We are dedicated to exploring, promoting and supporting opportunities for food security, growth, and diversity in the Sayward area.

Our initiative is to develop and strengthen the pulse of the community relationships with local farmers, businesses, school, health services, front line emergency services, individuals and others to build a strong foundation to ensure the ongoing success of our mandate.

Our first grant application includes the purchase of an accessible storage unit with space to store frozen, cold, and non-perishable food.

We are asking our community to fully embrace this project by writing Letters of Support for this Sayward Community Food Table Society grant application.

Your Letter of Support will emphasize the strength of our community network and diverse relationships that work collaboratively to always help those in need of food security.

We look forward to receiving Letters of Support from you soon as they are needed to support this grant application by the deadline of November 1, 2023.

Thank you for your support in making this a community effort.

Respectfully,
The SCFTS Team
Sheri Braun
250-282-5503
scfts2023@gmail.com

Keir Gervais

From: Mariah Patterson <MPatterson@virl.bc.ca>
Sent: October 17, 2023 1:53 PM
To: Mark Baker
Cc: Keir Gervais; Lisa Clark; Ben Hyman
Subject: 2024 Appointments: Vancouver Island Regional Library Board
Attachments: 2024 Contact Form - Fillable.pdf; 2024 Financial Disclosure Form.pdf; 2024 VIRL Trustee Recording Release Form - fillable.pdf; 2023 Direct Deposit Authorizations - Fillable.pdf; 2023 10 17 Sayward re_ 2024 VIRL Board Appointments.pdf

Greetings Mayor Baker,

Please find attached a letter regarding 2024 Appointments to the Vancouver Island Regional Library Board.

By December 4, please submit your Trustee and Alternate appointments, supported by:

1. Certified copy of Resolution
2. VIRL 2024 Contact Forms (includes recording release & direct deposit authorization)
3. 2024 Financial Statement of Disclosure

If you have any questions, you may contact my colleague Mariah Patterson, Executive Assistant, at 250-729-2310 or mpatterson@virl.bc.ca.

Sincerely,
Ben

Sent on behalf of Ben Hyman, Executive Director



Mariah Patterson
Executive Assistant
Vancouver Island Regional Library
Phone: 250-729-2310
Email: mpatterson@virl.bc.ca
Web: virl.bc.ca

This email may contain confidential information intended only for the individual or entity named. If the reader is not the intended recipient, or the agent responsible to deliver it to the intended recipient, you are hereby notified that any review, dissemination, distribution or copying of this communication is prohibited. If this email was received in error, please notify us by reply email and delete the original message.



BRITISH
COLUMBIA

VIA EMAIL

Ref. 63442

December 8, 2023

His Worship Mark Baker
Mayor of the Village of Sayward
Email: mayor@saywardvalley.ca

RE: New legislation to support local government housing initiatives

Dear Mayor Mark Baker:

As you are aware, last week, the Province passed three bills that change the way local governments plan for new housing in their communities: Bills 44, 46, and 47, along with Bill 35, which regulates short-term rentals. While the legislation establishes the framework for the new rules, many of the details that describe how these changes will work on the ground are set out in regulation, and site standards and expectations around development are laid out in provincial policy manuals.

We have prioritized releasing the regulations and policy manuals to help local governments meet the June 30, 2024 requirements for small-scale multi-unit housing and transit-oriented development areas (TOD areas). Yesterday, the regulations and policy manuals for those requirements were released and are posted online here: [Local government housing initiatives - Province of British Columbia](#).

The regulation for small-scale multi-unit housing sets out the minimum number of dwelling units by parcel size and proximity to frequent transit, prescribes the frequency of transit bus stops, and establishes the minimum population threshold for legislation to apply to certain communities. It also includes an exemption to the legislation for hazardous conditions.

.../2

Office of the
Minister of Housing

Website:
www.gov.bc.ca/housing

Mailing Address:
PO Box 9074 Stn Prov Govt
Victoria BC V8W 9E9
Phone: 236 478-3970

Location:
Parliament Buildings
Victoria BC V8V 1X4
Email: HOUS.Minister@gov.bc.ca

The policy manual supports local governments to implement the zoning bylaw amendments required under the legislation. It establishes provincial expectations for implementation of the requirements, which must be considered when preparing, amending, or adopting a zoning bylaw to permit the use and density required by the small-scale multi-unit housing legislation. Further information will be provided in January about the criteria and process for extensions.

The regulations for TOD Areas designate the 52 TOD Areas that are now in effect by regulation (see attachment 1) and the full list of TOD Areas that must be designated by June 30, 2024 (see attachment 2). They also bring the provisions of Bill 47 into effect and set out the details for those provisions, such as the minimum allowable density (see attachment 3) and the applicable distance from transit stations. Bill 47 allows the Province to designate TOD Areas by order if a local government does not or designates incorrectly.

The TOD manual establishes provincial expectations for municipalities to implement the requirements, such as when designating TOD Areas by bylaw, making zoning decisions, and updating parking bylaws.

The regulations for the *Short-Term Rental Accommodation Act* (STRAA) set out where the principal residence requirement applies, exemptions, and how local governments and entities can opt-in or out of the requirement. The policy guidance provides information about how the STRAA, and related amendments to the *Local Government Act*, *Community Charter*, and *Vancouver Charter* apply to local governments, including local government bylaws related to short-term rentals. Yesterday, the regulations and policy guidance were released and are posted online here: [Policy guidance for local governments](#).

Early in the new year, we will be releasing regulations and a policy manual for updating Housing Needs Reports and policy guidance for implementing the new development finance tools [expanded Development Cost Charges (Levies) and Amenity Contribution Costs Charges.]

In my previous letter, I mentioned that we are exploring policy options and additional tools for facilitating the delivery of affordable housing, including the potential for inclusionary zoning and other tools to support a range of outcomes. I look forward to being able to share more in 2024 on these initiatives.

.../3

I appreciate how much work is in front of your local government to meet the requirements. The Ministry is committed to supporting your team in this work. We will be notifying you later this month of the amount your local government will receive from the \$51 million funding to support planning and capacity to meet these new requirements. Ministry staff will also be in touch with your administration about a webinar series for local government staff leading the work to implement the changes.

Sincerely,



Ravi Kahlon
Minister of Housing

Attachments

pc: The Honourable Rob Fleming, Minister of Transportation and Infrastructure
The Honourable Anne Kang, Minister of Municipal Affairs
Teri Collins, Deputy Minister, Ministry of Housing
Kaye Krishna, Deputy Minister, Ministry of Transportation and Infrastructure
Okenge Yuma Morisho, Deputy Minister, Ministry of Municipal Affairs
Tara Faganello, Assistant Deputy Minister, Ministry of Municipal Affairs
Bindi Sawchuk, Assistant Deputy Minister, Ministry of Housing
Kevin Volk, Assistant Deputy Minister, Ministry of Transportation and Infrastructure
Keir Gervais, Chief Administrative Officer, Village of Sayward
(cao@saywardvalley.ca)

Links:

- Local Government Housing Initiatives webpage with links to Bill 44 and 47 Housing Statute Regulations and the Provincial policy manuals for small-scale multi-unit housing and Transit-Oriented Development Areas:
<https://www2.gov.bc.ca/gov/content/housing-tenancy/local-governments-and-housing/housing-initiatives>
- Bill 35 Policy Guidance for Local Governments: [Policy guidance for local governments.](#)

Attachment 1: Transit-Oriented Development Areas Designated by Regulation (in effect)

Burnaby

- Brentwood Town Centre Station
- Burquitlam Station*
- Joyce - Collingwood Station*
- Lougheed Town Centre Station
- Metrotown Station
- Patterson Station
- Rupert Station*
- Sperling - Burnaby Lake Station

Chilliwack

- Downtown Chilliwack Exchange

Coquitlam

- Burquitlam Station
- Coquitlam Central Station
- Inlet Centre Station*
- Lafarge Lake - Douglas Station
- Lincoln Station
- Lougheed Town Centre Station*
- Moody Centre Station*

Kamloops

- Lansdowne Exchange
- North Shore Exchange

Kelowna

- Okanagan College Exchange
- Rutland Exchange

Maple Ridge

- Port Haney Station

Mission

- Mission City Station

New Westminster

- Columbia Station
- New Westminster Station

North Vancouver (District)

- Phibbs Exchange

Port Coquitlam

- Coquitlam Central Station*
- Lincoln Station*

Port Moody

- Inlet Centre Station
- Moody Centre Station

Richmond

- Aberdeen Station
- Bridgeport Station
- Capstan Station
- Lansdowne Station
- Marine Drive Station*
- Richmond - Brighthouse Station

Saanich

- Uptown Exchange

Surrey

- 152nd Street Station
- 160th Street Station
- 166th Street Station
- 184th Street Station
- 190th Street Station
- Columbia Station*

Vancouver

- 29th Avenue Station
- Arbutus Station
- Bridgeport Station*
- Broadway - City Hall Station
- Great Northern Way - Emily Carr Station
- Joyce - Collingwood Station
- King Edward Station
- Langara - 49th Avenue Station
- Marine Drive Station
- Mount Pleasant Station
- Nanaimo Station
- Oak - VGH Station
- Oakridge - 41st Avenue Station
- Olympic Village Station
- Renfrew Station
- Rupert Station
- South Granville Station
- Stadium - Chinatown Station
- VCC - Clark Station
- Waterfront Station

Victoria

- Legislature Exchange

*Overlap TOD Area from adjacent municipality

Attachment 2: TOD Areas that must be designated by June 30, 2024

140th Street Station	Haney Place Exchange	Patterson Station
152nd Street Station	Holdom Station	Peachtree Square Exchange
160th Street Station	Hospital Exchange	Penticton Plaza Exchange
166th Street Station	Inlet Centre Station	Phibbs Exchange
184th Street Station	Joyce - Collingwood Station	Pitt Meadows Station
190th Street Station	King Edward Station	Port Coquitlam Station
196th Street Station	King George Station	Port Haney Station
203rd Street Station	Kootenay Loop Exchange	Production Way - University Station
22nd Street Station	Lafarge Lake - Douglas Station	Renfrew Station
29th Avenue Station	Lake City Way Station	Richmond - Brighthouse Station
Aberdeen Station	Langara - 49th Avenue Station	Royal Oak Exchange
Arbutus Station	Langford Exchange	Royal Oak Station
Bourquin Exchange	Langley Centre Exchange	Rupert Station
Braid Station	Lansdowne Exchange	Rutland Exchange
Brentwood Town Centre Station	Lansdowne Station	Sapperton Station
Bridgeport Station	Legislature Exchange	Scott Road Station
Broadway - City Hall Station	Lincoln Station	Scottsdale Exchange
Burquitlam Station	Lonsdale Quay Exchange	South Granville Station
Burrard Station	Lougheed Town Centre Station	Sperling - Burnaby Lake Station
Capilano University Exchange	Main Street - Science World Station	Stadium - Chinatown Station
Capstan Station	Maple Meadows Station	Surrey Central Station
Columbia Station	Marine Drive Station	TRU Exchange
Colwood Exchange	Metrotown Station	UNBC Exchange
Commercial - Broadway Station	Mission City Station	Uptown Exchange
Coquitlam Central Station	Moody Centre Station	UVic Exchange
Country Club Exchange	Mount Pleasant Station	Vancouver City Centre Station
Downtown Chilliwack Exchange	Nanaimo Station	VCC - Clark Station
Downtown Exchange	New Westminster Station	VGH Exchange
Dunbar Loop Exchange	Newton Exchange	Village Green Centre Exchange
Edmonds Station	North Shore Exchange	VIU Exchange
Gateway Station	Oak - VGH Station	Waterfront Station
Gilmore Station	Oakridge - 41st Avenue Station	Woodgrove Exchange
Gondola Exchange	Okanagan College Exchange	Yaletown - Roundhouse Station
Granville Station	Olympic Village Station	
Great Northern Way - Emily Carr Station	Orchard Park Exchange	
Guildford Mall Exchange		

Attachment 3: Distances, Transit Stations and Densities by Category

Municipality	Transit Hub Type	Prescribed Distance	Minimum Allowable Density (FAR)	Minimum Allowable Height (Storeys)
Burnaby Delta Coquitlam	Sky Train/ Canada Line (Rapid Transit Stop)	200m or less	Up to 5.0	Up to 20
Langley (City + Township) Maple Ridge		200m – 400m	Up to 4.0	Up to 12
North Vancouver (City + District) New Westminister Pitt Meadows		400m – 800m	Up to 3.0	Up to 8
Port Coquitlam Port Moody Richmond Surrey Vancouver	Prescribed Bus Exchange or West Coast Express Station	200m or less	Up to 4.0	Up to 12
		200m – 400m	Up to 3.0	Up to 8
Abbotsford Chilliwack Colwood Kamloops Kelowna Langford Mission Nanaimo Prince George Saanich District Vernon Victoria View Royal	Prescribed Bus Exchange	200m or less	Up to 3.5	Up to 10
		200m – 400m	Up to 2.5	Up to 6

A Responsible Plan to Transition Salmon Farming in BC

Situational Analysis for Mowi Canada West (MCW):

The federal government's decisions to not issue salmon farming licences in British Columbia's Laich-kwil-tach territory / Discovery Islands region in December 2020 and again in February 2022 continues to negatively impact all MCW's BC operations in 2023:

- Farm sites: only 18 farms are currently growing fish (three fallow this year); 14 have been decommissioned as a result of the government's decisions. Most of these farms have been or were in operation for more than 30 years.
- Production: MCW's total harvest of Atlantic salmon in 2023 is expected to be only 18,665 tonnes, less than half of normal harvest volumes pre-DI Decision (2019 = 40,574 tonnes, 2020 = 39,965 tonnes).
- Employment: 322 employees in 2023, down from 762 in 2019.
- MCW's operations, including hatcheries, processing facilities, other fixed assets (machinery and equipment), as well as existing supplier contracts, are optimized to 40,000 tonnes of production. With the 50%+ loss that MCW has sustained since 2019, MCW's cost per kg of fish produced has increased substantially, affecting our ability to be cost competitive in the marketplace.
- Without a pathway to certainty and future growth, MCW will have to make significant, permanent adjustments to "right-size" our operations which will negatively impact Indigenous communities, suppliers, our employees, their families, and all communities where we farm in BC.

Critical Need for a Clear Pathway Forward:

Mowi Canada West (MCW) supports the Department of Fisheries & Oceans (DFO) Transition Framework objective to:

"Advance innovation and growth in sustainable aquaculture in British Columbia that progressively minimizes or eliminates interactions between salmon open-net pens and wild salmon while also taking into account social, cultural and economic objectives."

MCW needs a clear pathway to certainty and a return to growth in order to invest in new innovations and technologies under any responsible transition plan for British Columbia salmon farming.

This includes an immediate imperative to bring companies and First Nations Rightsholders to a table with Fisheries and Oceans Canada and the BC provincial government to define a transition framework and to inform the June 2024 renewal of salmon farming licences in British Columbia.

Key Principles for Responsible and Successful Transition:

- **First Nations Right to Self-Determination:** Transition must fully encompass and support Indigenous Title, the rights of First Nations to self-determination, and the rights of First Nations to meaningful participation in decisions within their territories.

- **Reconciliation:** In keeping with United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP), and the British Columbia Declaration on the Rights of Indigenous Peoples Act (DRIPA), all salmon grown in BC is done under agreements with the Nations in whose territories we farm. By acknowledging these rights and working with First Nations governments, MCW is demonstrating reconciliation in action. Transition must support a framework that establishes lasting relationships, supports capacity building, and promotes economic equity.
- **Governance:** Transition must be led through tripartite governance by the rights holder Nation(s) and federal and provincial governments. The governance model must include a robust role in monitoring and oversight for the Indigenous rights holders in whose territories we farm.
- **Whole-of-Government Approach:** This approach allows BC and Canada to streamline approvals for green innovation and to help Canada lead the global blue economy, beginning with aquaculture. By expediting approvals for research and development, Canada will also benefit from access to private equity which is focused on global green investment.
- **Alignment with Federal Initiatives:** The UN strategy on Blue Economy recognizes the imperative to capitalize on blue foods to support growing global population. Transition can only be successful if it aligns with, and supports, the goals of other federal government strategies such as the Climate Change Plan, Blue Economy Strategy, Net Zero Emissions By 2050 Goal, among others.
- **Sustainable Sector Growth:** Transition must support the creation of an attractive investment climate that signals Canada is committed to advancing growth in sustainable salmon farming in coastal BC. As the sector grows, economies of scale will bring down the cost of safe, nutritious salmon for the consumer, further supporting Canada’s objectives for food security and affordability.
- **Wild AND Farmed:** For a successful transition, a robust regulatory framework at both federal and provincial levels is essential. This framework should offer flexibility for license holders to collaborate with Indigenous Nations to select suitable tools and technology for their territory, all while safeguarding and supporting wild salmon populations.
- **Trust and Transparency:** The Transition Plan should prioritize trust and transparency by fostering open lines of communication and engagement with Nations, government, and industry. Success will hinge on a comprehensive, inclusive approach to assess innovation trials and new scientific findings for informed decision-making.

MCW Commitments:

Transition will be led by the Nations in whose territories we farm: The leadership of the transition will rest with the Indigenous Nations in the regions where we operate. Mowi Canada West is fully committed to transparent and inclusive cooperation with federal, Indigenous, and provincial governments. We are working closely with the seven Nations in whose territories we farm to develop a transition plan that complements their own transition strategies that:

- Address the needs and interests of the First Nations in whose territories we farm.
- Harness the power of innovation, traditional knowledge, and expertise through a broad range of pathways.
- Continue to minimize the footprint of salmon farming on the environment locally and globally.

- Take into account social, cultural, and economic objectives and financial realities.
- Establish evidence-based performance objectives.

Meet Meaningful Performance Targets by 2030: MCW is developing transition plans with First Nations that:

- Reduce interactions between salmon farms and wild fish as measured against 2019 BC production / technology baseline to achieve 50% reduction in harmful interactions by 2030, and to progressively improve thereafter.
- Continue to work toward Mowi’s broader sustainability objectives benchmarked to the Science Based Targets (SBT) and the Sustainable Development Goals.
- Implement Indigenous oversight by the Nations in whose territories we operate on 100% of farms by 2030.
- Enhance our collaboration with rights holder Nations on their wild salmon recovery programs.

Use Multiple Risk-Reducing Innovation Pathways: Overall reduction of interaction between salmon farms and wild fish will be achieved using multiple risk-reducing innovation pathways that may include:

- Artificial intelligence for fish health that reduces spread of viruses / disease through the treatment / removal of sick fish through early identification.
- Accelerating new vaccines to protect wild and farmed salmon from pathogens.
- Extending time in land- or closed ocean-based rearing systems to produce larger fish reducing ocean exposure between and contact with wild fish.
- Utilizing barrier technology in low-energy sites to prevent sea lice from infecting farmed salmon, thereby decreasing sea lice levels and the need for treatments.
- Exploring additional experimental technologies to further minimize interactions, including:
 - Aeration Systems: bubblers that can bring cooler, non-sea lice bearing water from deeper water, and decrease sea lice prevalence
 - Fish waste collection / treatment / upcycling
 - New approaches to net material and design

Critical Next Steps (December 2023 to June 2024):

Clarify Key Terms: Key terms must be clearly defined to facilitate ongoing work on Transition planning with First Nations. For example, the term “interactions” is defined by DFO in the *Framework for Aquaculture Risk Management (FARM)* in June 2019 to mean the complex range of stressors and possible effects identified in DFO’s scientifically peer-reviewed Aquaculture Pathways of Effects model.¹ But some discussions surrounding Transition have adopted an overly simplistic interpretation of interactions that assumes only barrier technologies are appropriate to minimize or eliminate interactions.

- Our shared objective, government, and salmon farmers together, must be to ensure that our operations do not lead to population level effects in other species, especially species at risk.

¹ “A Pathways of Effects (PoE) model is a tool that conveys complex interactions between human activities, the type of cause-effect relationships that are known to exist, and the mechanisms by which stressors ultimately lead to effects in the aquatic environment. The model recognizes that a single environmental stressor can have multiple source activities and can lead to one or more environmental effects. It also recognizes that a single environmental effect can be influenced by one or more stressors or activities.” (Fisheries and Oceans Canada, 2019. Framework for Aquaculture Risk Management, p. 15)

- We must continue to apply a risk-based approach to assessing impacts by ensuring that: hazards or stressors are rapidly identified and characterized; risks are assessed and, where possible, quantified; appropriate measures are put in place, and the effectiveness of the measures is assessed.
- From our perspective, minimal risk means that with appropriate measures in place, the residual risk is acceptable. It should be a dynamic process where the sustainability performance is assessed, and changes are made based on results, new information, and emerging innovation.

Establish a Renewed Process: The deadline for license renewals (June 2024) is fast approaching; there is an urgent need for a renewed, outcomes-based approach for the Transition process, with:

- Clear timelines for Transition consultation on critical topics, such as metrics and reporting, science-based targets, innovation pathways / pilots, and evaluation / joint reviews.
- Clear management objectives for transition identified so that the appropriate science advisory processes can be engaged as soon as possible to determine science-based metrics, targets, and public reporting frameworks for quantifiable reductions in environmental footprint.
- A process to gather necessary information and expertise to fully assess the economic and social impacts of Transition on First Nations and other affected communities and regions in BC.

Refresh the Regulatory Regime: The current regulatory regime needs to be updated to enable investment in alternative production systems and technologies in BC. Some specific needs are:

- Regulatory changes to allow for successful trials of new technology, but also to acknowledge the inherent risk of failure – providing the required security for companies to continue to pursue new technology, tools, and operating models.
- Additional biomass licensed to support at-scale pilot projects and reduce financial burden of testing losses.
- Pathway to new production sites and areas established with rights holder Nations.

Re-Issue Licenses for nine years: Licences to be renewed in 2024 for nine years to provide business certainty and signal a positive climate to attract investment in innovation.

Implementation of Transition (2025 and beyond)

Financial Risk Sharing: The high capital costs, permitting uncertainties, unproven commercial track records, and extended timelines to positive cash flow hinder investments in alternative production systems. These challenges make it hard for project proponents to secure traditional funding. To reduce the risk of these systems, the government should consider measures such as providing loan guarantees, co-shared grants, and contributions, expanding provincial sales tax exemptions, accelerating capital cost allowances, and other innovative financial support mechanisms to attract conventional financing.

- Long-term funding set out to support the implementation of territorial transition plans co-developed with each Nation consistent with the co-management principles of the Reconciliation Tables.
- Regular evidence-based review of sustainability targets against sector performance, national and global priorities, and emerging knowledge.
- Regular periodic joint evaluation of pilot projects success as per established criteria and successful pilot projects scaled up to other growing regions or to full production to support decisions on government and sector investment and planning cycles.

November 28, 2023

Mayor Mark Baker and Council
Village of Sayward
PO Box 29
Sayward, BC V0P 1R0

Dear Mayor Mark Baker and Council:

**RE: CANADA COMMUNITY-BUILDING FUND: SECOND COMMUNITY WORKS FUND
PAYMENT FOR 2023/2024**

I am pleased to advise that UBCM is in the process of distributing the second Community Works Fund (CWF) payment for fiscal 2023/2024. An electronic transfer of \$37,574.68 is expected to occur in December 2023. This payment is made in accordance with the payment schedule set out in your CWF Agreement with UBCM (see section 4 of your Agreement).

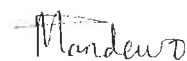
This payment marks the final CWF disbursement of the current 10-year Canada Community-Building Fund agreement. Spanning from 2014 to 2024, this agreement has successfully allocated over \$1.25 billion in CWF funding to local governments in British Columbia. Looking ahead, UBCM anticipates the implementation of a new agreement in April 2024. Information on a renewed program will be communicated in the following months.

CWF is made available to eligible local governments by the Government of Canada pursuant to the Administrative Agreement. Funding under the program may be directed to local priorities that fall within one of the eligible project categories.

Further details regarding use of CWF and project eligibility are outlined in your CWF Agreement and details on the Canada Community-Building Fund can be found on our [website](#).

For further information, please contact Canada Community-Building Fund Program Services by e-mail at ccbf@ubcm.ca or by phone at 250-356-5134.

Sincerely,



Councillor Trish Mandewo
UBCM President



SAYWARD TOUR DE ROCK 2023

December 1, 2023

Village of Sayward
Kelsey Centre
652 H'Kusam Way
Sayward, BC V0P 1R0

On behalf of the Sayward Tour de Rock Committee, we would like to thank you for the in-kind donation of the use of the Kelsey Centre gymnasium as sleeping accommodations for the Riders and support staff September 25, 2023. We would also like to thank you for the use of the Kelsey Centre tables that were taken to the School for the Potluck Dinner and Breakfast.

The Village has supported the event for many years and we hope that you will support it again next year. The Sayward Tour de Rock raised \$8664.55 for Pediatric Cancer and Camp Good times.

Thank you.
Joyce Ellis
Sayward Tour de Rock Secretary/Treasurer

Keir Gervais

From: Connected Coast Project Communications <info=connectedcoast.ca@cmail19.com> on behalf of Connected Coast Project Communications <info@connectedcoast.ca>
Sent: December 19, 2023 3:15 PM
To: Keir Gervais
Subject: Connected Coast Project | 2023 Year in Review

Connected Coast Project | 2023 Year in Review

Connected Coast Project 2023 Year in Review



CONSTRUCTION PROGRESS

As we reflect on the milestones achieved in 2023, we want to share the progress made by the Connected Coast Project. Of significance is the installation of the final cable linking BC's North Coast to Vancouver Island. Further expansion of the network along the inside coast, in the Broughten Archipelago, and the Discovery Islands was also completed. As the year progressed, cables were installed for the main line of the network between Port Hardy through to the north tip of Quadra Island.

In addition to site construction and cable laying, the team was busy working through a rigorous commissioning process and activating sites. As of this update, the network is active between Prince Rupert & Haida Gwaii as well as from Prince Rupert to Scarlett Point, with work underway to commission and activate the network further south through the Johnstone Strait in the new year.

A pivotal event in our journey occurred when we successfully connected the marine network to the Vancouver Internet Exchange. This crucial link paved the way for commissioning and activation of the southern network including Cortes and Denman Islands.

In total, approximately 40 landings and 600 Km's of cable in 2023 were constructed.

Permitting

Before any exciting construction work can occur, a team of experts work on preparing, submitting and supporting permitting applications with multiple provincial and federal agencies. This coordination work takes place at the same time as community and First Nations engagement. All of this effort resulted in the project submitting the final set of applications for Provincial review in November of 2023.

The next milestones for permitting will be approved permits for the full west coast of Vancouver Island, the Gulf Islands and the Sunshine Coast.

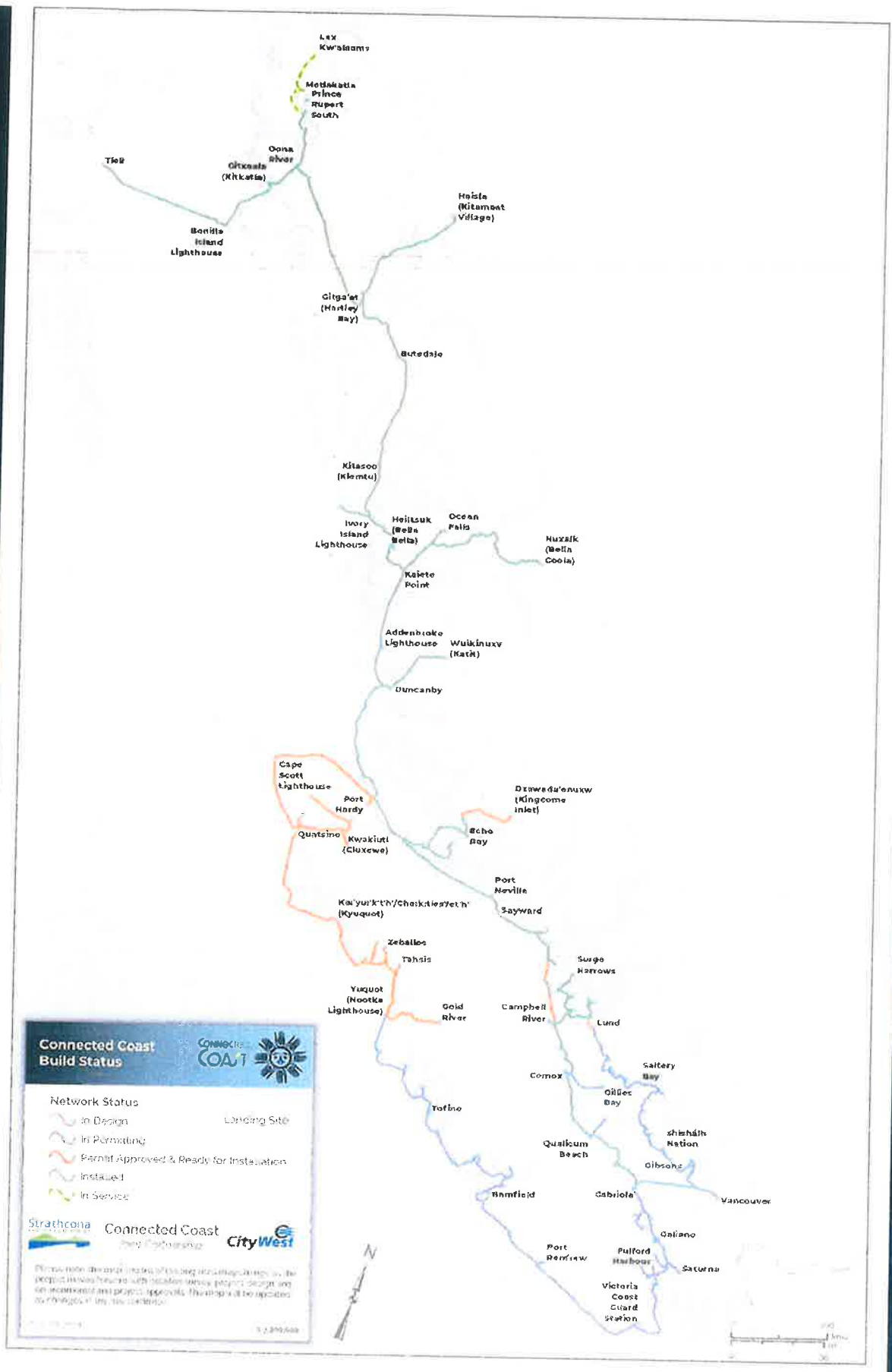
INTERACTIVE BUILD STATUS MAP

We are excited to share that the final block for the Connected Coast network has been submitted for provincial permits! This exciting milestone means (drum roll...) > 100% of the designed network is now in process.

Follow along and see the current build status on specific locations, search the status of specific landing sites and zoom in for more details. The coming months will be busy

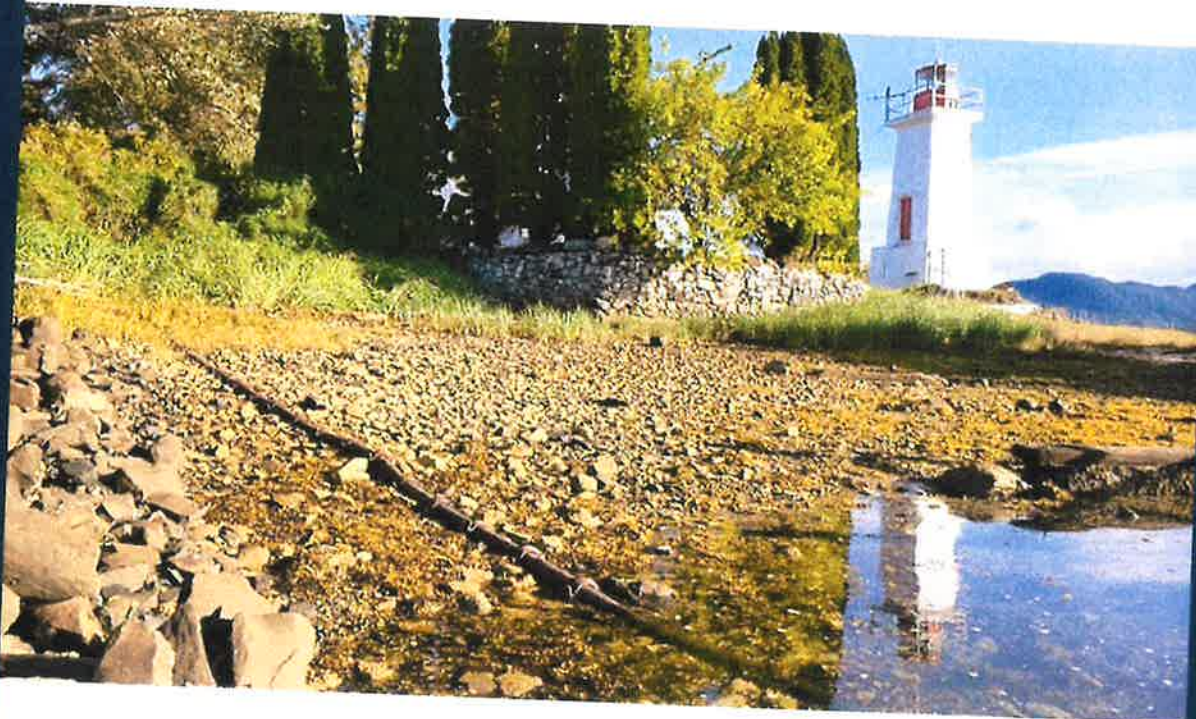
with many landing connections switching on, so check in regularly as the map tracks the installation progress.

Follow the construction journey at www.connectedcoast.ca/map



See More Maps

NEWS



Connected Coast Network Delivers Improved Connectivity to Remote BC Canadian Coast Guard Stations

The Connected Coast Network and the Canadian Coast Guard are pleased to announce improved connectivity at Coast Guard's remote Light Stations and Lifeboat Stations.

Through collaboration and partnership, the Canadian Coast Guard, the Strathcona Regional District, and CityWest expanded the Connected Coast network to equip 16 remote stations with state-of-the-art fibre-optic connectivity.

The Connected Coast Network is currently under construction, and this summer the design of the network has already provided high-speed internet access for Canadian Coast Guard stations at Bella Bella, Bonilla Island, Boat Bluff, Dryad Point, and

Addenbroke Island. Three further sites – Scarlett Point, Pulteney Point and Chatham Point – will be connected this fall.

Improved connectivity along B.C.'s rugged coastline enhances marine safety and modernizes communication infrastructure. Coast Guard personnel will have the added capacity to communicate with internal and external response partners.

[Read More](#)



Earthquake Early Warning System Network Extended on the Connected Coast Network

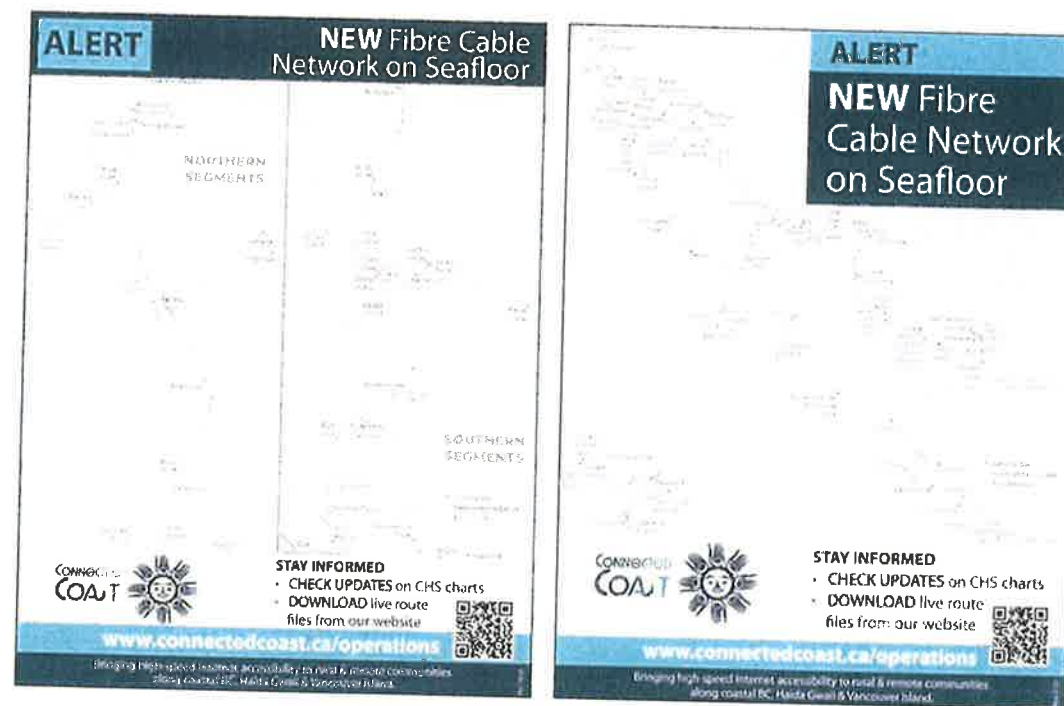
The Strathcona Regional District (SRD) is pleased to announce funding from Natural Resources Canada (NRCan) to enhance earthquake safety along the Connected Coast Network.

Through this collaboration, the SRD will install Earthquake Early Warning (EEW) sensors in high seismic risk areas along the Connected Coast Network route, supplementing NRCan's national EEW system. The initiative aims to provide crucial seconds of warning

to coastal communities before the strongest shaking occurs, enabling the protection of SRD's infrastructure, and the region's communities, facilities, and the environment when time is of the essence.

[Read More](#)

MARINER SIGNAGE



REMINDER to all Mariners about our new fibre cable network on BC's seafloor. Stay informed and help us spread the word! Signage showcasing our cutting-edge fibre network is available online and displayed at key dock locations.

HELP SPREAD the word

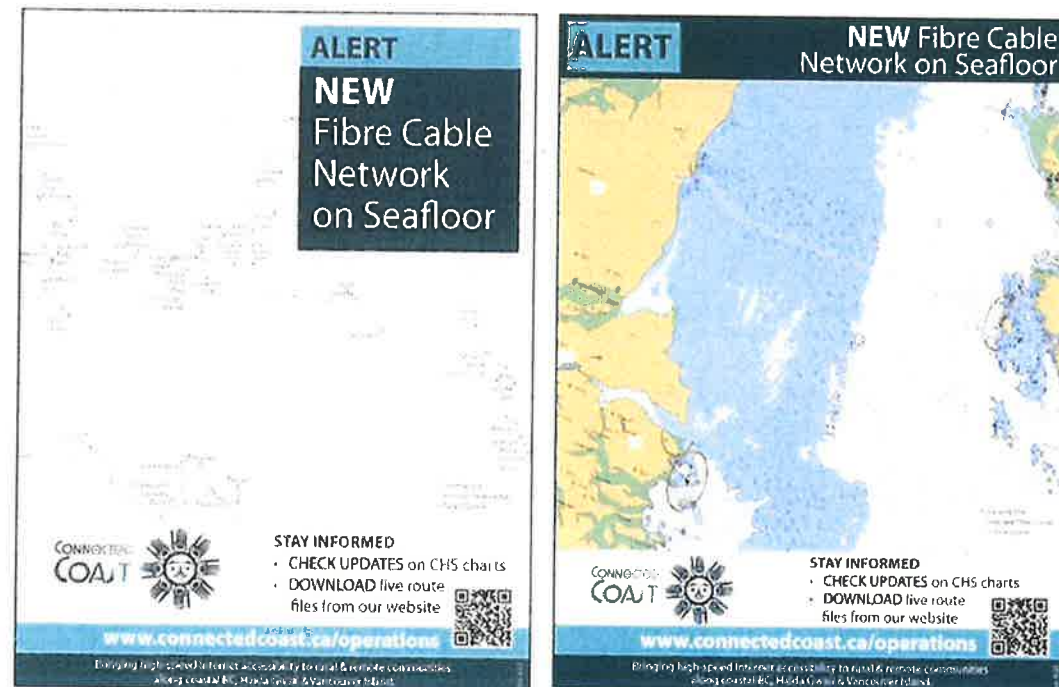
- ✓ SHARE our social media posts with fellow mariners, colleagues, and friends.
- ✓ VISIT our website at connectedcoast.ca/operations to view and download the signage. Print it out or email it to others so they can join the conversation.

STAY INFORMED and be in the know

- ✓ CHECK UPDATES on CHS (Canadian Hydrographic Service) charts to navigate the latest information on our network.
- ✓ DOWNLOAD live route files from our website at connectedcoast.ca/operations for real-time updates on the connectivity routes.

Let's work together to ensure everyone is aware of the game-changing Connected Coast project. Together, we're connecting communities, empowering innovation, and charting a brighter future!

[View Signage](#)



ALERT **NEW Fibre Cable Network on Seafloor**

NEW WESTMINSTER
 FRASER ISLAND
 SIDNEY

STAY INFORMED
 - CHECK UPDATES on CHS charts
 - DOWNLOAD live route files from our website

www.connectedcoast.ca/operations

Bringing high speed internet service to a handful of remote communities along coast of BC, Haida Gwaii & Vancouver Island.



CABLE LOCATION RECENT UPDATES - KMZ (GOOGLE EARTH) & GPX FILES

Recent updates to our as-built cable location files in KMZ (Google Earth file format) & GPX (navigation file) are available online. Please fill out the form on our website to receive a copy and future mapping updates.

[Download KMZ & GPX Files](#)



ISP's and Reseller Process

The Connected Coast Network (CCN) is built, owned, maintained & operated under a partnership (CCN Partnership) between City West Management Corp. (CW) and Strathcona Regional District. CW, as the managing partner, primarily is responsible for all aspects of design, commissioning, maintenance and support of network infrastructure, services and third-party agreements.

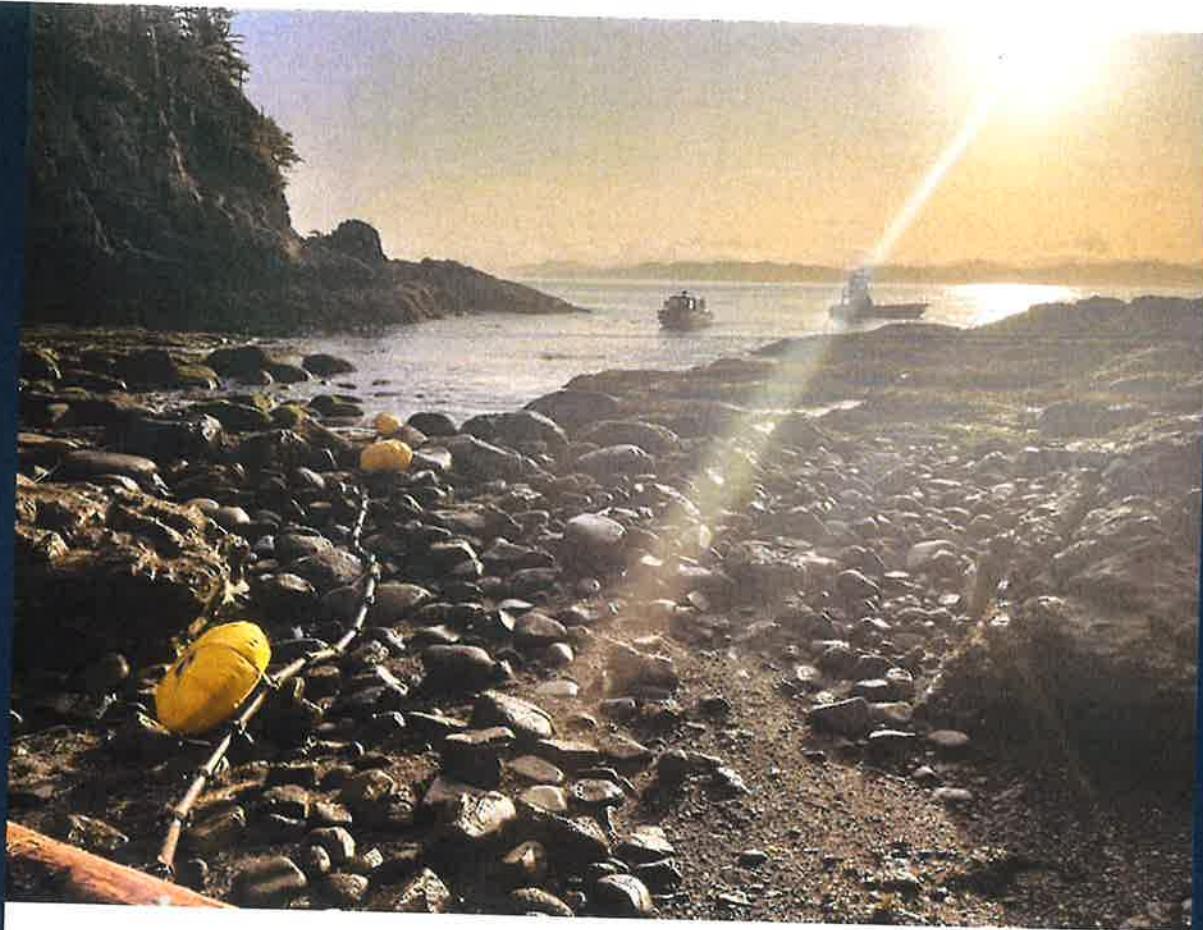
In accordance with government policy, funding agreements with Canada (i.e., ISFD and ISC) and the Province (i.e., NDIT), and with the objective to maximize benefits for communities proximate to the CCN, the CCN Partnership is committed to open access and collaboration with other internet service providers (ISPs) & resellers. The CCN Partnership recognizes its responsibility to operate the CCN in a manner that protects stakeholder interests by providing reliable & affordable network services to coastal and northern BC communities, delivered by practicing sound & sustainable business practices.

See the below links for downloads:

- [ISP/Reseller Process for Network Interconnection & Services](#)
- [ISP/Reseller Application Form \(fillable pdf\)](#)

Please contact the Connected Coast team at info@connectedcoast.ca for any questions or assistance with your submission.

Questions? Please contact our team.



LAST-MILE FUNDING & PARTNERSHIPS

Funding Announcements

- Lax Klan (Gitxaala Nation)
- Lax Kw'alaams
- Lund
- skelhp (formerly Saltery Bay)

Last-Mile & Anchor Partnerships

- Gitxaala CityWest Communications Corp.
- CityWest LKB Communications Corp.

[Read More](#)

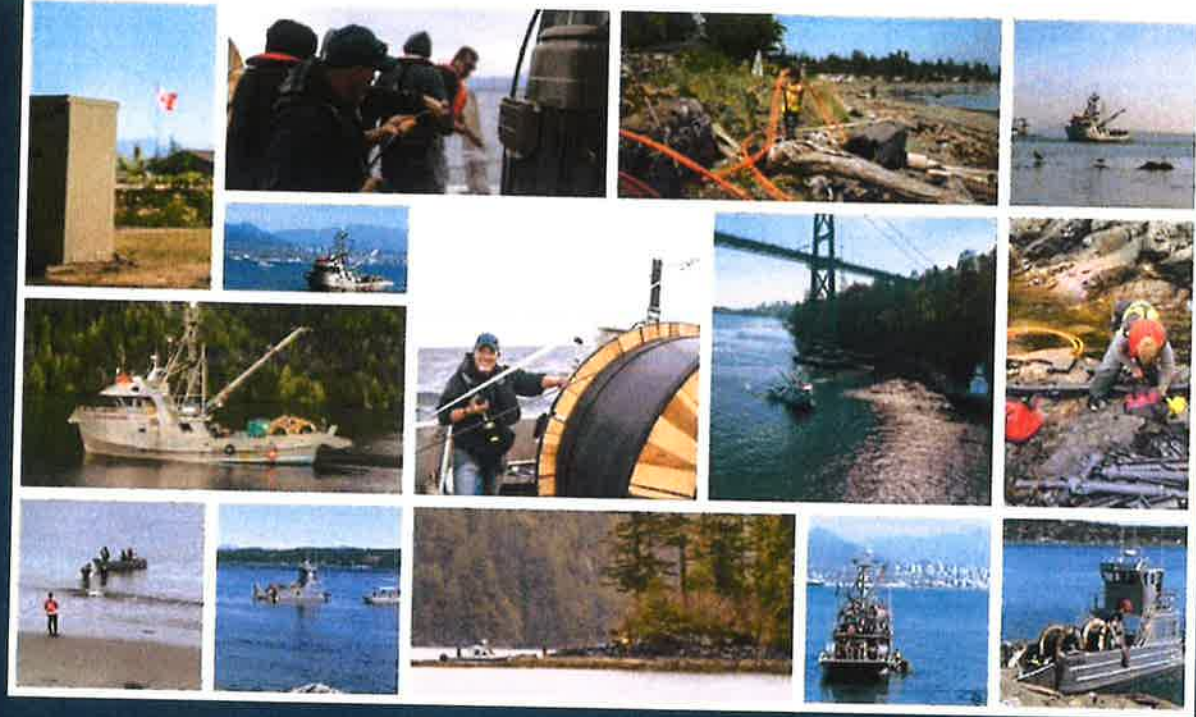
The Connected Coast Project team continues to work with communities, First Nations, and Internet Service Providers (ISP's) to plan for future fibre-optic services.



Photo & Video Gallery

See the construction action as it takes place. View photos that capture landing sites being built, sub-sea fibre being laid and watch videos and interviews of the construction crew and First Nations partners on the project website photo gallery.

[View More Photos & Videos](#)



Project Member Spotlight

Renée LaBoucane - SRD Manager, Strategic Initiatives

Renée LaBoucane works with the Strathcona Regional District (SRD) as Manager, Strategic Initiatives. She supports the Connected Coast Project with communication, partner engagement and administrative functions.

Prior to relocating to Vancouver Island, Renée lived in several rural communities and has a deep appreciation for the significance connectivity plays in community development; recognizing its role in fostering equity for all Canadians. She is excited contribute to a project that bridges the digital divide to provide greater opportunities for those living in rural and remote locations.

Renée and her husband Ritchard have lived in Campbell River for nearly 3 years and enjoy life on Vancouver Island! They enjoy exploring the area which as led them to some of the remote Connected Coast landing sites.



Renée at the Connected Coast Landing Site at Cluxewe Resort Port McNeill, BC



Our Project Partners



Connect to Innovate



Indigenous Services Canada



The Connected Coast project will bring new or improved high-speed internet accessibility to 139 rural and remote coastal communities, including 48 Indigenous communities – representing 44 First Nations – along the BC coast from north of Prince Rupert, to Haida Gwaii, south to Vancouver, and around Vancouver Island.

The Connected Coast Project is a joint venture between CityWest and the Strathcona Regional District.

WWW.CONNECTEDCOAST.CA

You are receiving this email because you have agreed to subscribe to our online mailing list.

[Unsubscribe](#)



OMBUDSPERSON
BRITISH COLUMBIA

December 1, 2023

Keir Gervais
Chief Administrative Officer
Village of Sayward
PO Box 29
SAYWARD BC V0P 1R0

Dear Keir Gervais,

RE: Office of the Ombudsperson Quarterly Report: July 1 - September 30, 2023

This package of documents details the complaint files the Office of the Ombudsperson closed for Village of Sayward between July 1 and September 30, 2023. Though no action is required on your part, we hope that you will find this information useful and share it within your organization.

These reports provide information about the complaint files we closed regarding your organization within the last quarter, including both files we investigated and files we closed without investigation. Files currently open with the office are not included in these reports.

Enclosed you will find detailed reports containing the following:

- A one-page report listing the number of files closed and the category under which they were closed. The categories we use to close files are based on the sections of the *Ombudsperson Act*, which gives the Ombudsperson the authority to investigate complaints from the public regarding authorities under our jurisdiction. A more detailed description of our closing categories is available on our website at: <https://bcombudsperson.ca/assets/media/QR-Glossary.pdf>.
- If applicable: Copies of closing summaries written about the complaint files we investigated. These summaries provide an overview of the complaint received, our investigation and the outcome. Our office produces closing summaries for investigated files only, and not for enquiries or those complaints we chose not to investigate.
- If applicable: A summary of the topics identified in the complaint files closed during the quarter. We track general complaint topics for all complaints we receive, and when applicable, we include authority-specific and/or sector-specific topics for your organization and/or sector. Our office tracks the topics of complaints we investigate and those we close without investigation, but not for enquiries. Because complaints to our office are confidential, we do not share complaint topic information if we received too few complaints to preserve the complainants' anonymity.

Type of complaint closure for Authority: Village of Sayward	# closed
Enquiries – Many people who contact us are not calling to make a complaint, but are seeking information or advice. These contacts are classified as <i>Enquiries</i> to distinguish them from <i>Complaints</i> , which are requests that our office conduct an investigation.	0
Complaints with No Investigation – Our office does not investigate every complaint it receives. First, we determine whether we have authority to investigate the complaint under the <i>Ombudsperson Act</i> . We also have discretion to decline to investigate for other reasons specified in the <i>Ombudsperson Act</i> .	2
Early Resolution Investigations – Early Resolution investigations provide an expedited process for dealing with complaints when it appears that an opportunity exists for the authority to take immediate action to resolve the issue. Typical issues that are addressed through Early Resolution include timeliness, communication, and opportunities for internal review.	0
Complaint Investigations – When we investigate a complaint we may conclude with a determination that a complaint is not substantiated, or with a negotiated settlement of the complaint, or with public findings and recommendations. We may also exercise discretion to cease investigation for a number of other reasons specified in the <i>Ombudsperson Act</i> .	0
Reason for closing an Investigation	
Pre-empted by existing statutory right of appeal, objection or review.	0
Investigation ceased with no formal findings under the <i>Ombudsperson Act</i> .	
More than one year between event and complaint	0
Insufficient personal interest	0
Available remedy	0
Frivolous/vexatious/trivial matter	0
Can consider without further investigation	0
No benefit to complainant or person aggrieved	0
Complaint abandoned	0
Complaint withdrawn	0
Complaint settled in consultation with the authority – When an	0

The tables below summarize the complaint topics we are tracking for your sector and/or authority and the number of times this topic was identified in the files (investigated and non-investigated complaints) that were closed in the most recent quarter.

If you would like more information on the types of complaints we receive, please contact our Public Authority Consultation and Training Team: email us at consult@bcombudsperson.ca or call us at 250-508-2950.

Sector-Specific Complaint Topics – All Local Government

Business Licensing	2	1%
Bylaw Enforcement	49	28%
Council Member Conduct (incl. Conflict of Interest)	20	11%
Fees/Charges (incl. Taxes)	20	11%
Official Community Plan/Zoning/Development	39	22%
Open Meetings	7	4%
Other	19	11%
Response to Damages Claim	3	2%
Services (incl. Garbage, Sewer, Water)	16	9%

General Complaint Topics – All Local Government

Accessibility	8	4%
Administrative Error	9	4%
Communication	41	18%
Delay	17	7%
Disagreement with Decision or Outcome	68	30%
Discrimination	2	1%
Employment or Labour Relations	1	0%
Other	8	4%
Process or Procedure	54	24%
Review or Appeal Process	4	2%

INFC Project #: 66862
Investing in Canada Infrastructure Program (ICIP)
Ministerial Approval Date: December 19, 2023

January 10, 2024

Keir Gervais
Chief Administrator Officer
652 H'Kusam Way, PO Box 29
Sayward, BC
V0P 1R0
250-282-5512 #2

cao@saywardvalley.ca

[Sent via Email]

Subject: Village of Sayward Drainage Improvement Project: Federal Environmental Impact Assessment and Indigenous Consultation Requirements

Dear Keir Gervais,

The Village of Sayward Drainage Improvement Project (the Project) recently received federal Ministerial approval in principle. Infrastructure Canada (INFC) has reviewed all Project information to assess if there are any federal requirements under the *Impact Assessment Act* (IAA) and to determine INFC's obligation to consult with Indigenous Peoples.

Impact Assessment Act Requirements

INFC concludes there are no requirements under the *Impact Assessment Act* (IAA) for this Project. No further action from you is required.

Consultation Obligations with Indigenous Peoples

Following INFC's review of the information provided to date, INFC has concluded that there is an obligation to consult with Indigenous Peoples.

INFC's intent is to work with project proponents to engage and consult with Indigenous groups that may have an interest in the proposed project. At this time, INFC is not aware of any ongoing consultation with Indigenous groups initiated by the Village of Sayward. We understand that further discussion will be required with the Village of Sayward to better understand what, if any, consultation activities are planned to be undertaken for this Project and to determine if additional consultation activities and accommodation measures should be included in the consultation process to allow INFC to meet its requirements.

INFC therefore requests that the Village of Sayward notify the following Indigenous group and inform them that INFC may provide financial support for this project:

- K'ómoks First Nation

For your reference, INFC has provided the contact information for the K'ómoks First Nation, found in Annex 1, attached to this letter. Furthermore, INFC has provided an example template notification letter to First Nations, found in Annex 2.

INFC will require a summary of communications, including any issues or concerns that may be raised by respective Indigenous groups and an indication of how the Village of Sayward has addressed or proposes to address those issues or concerns. An example of a template consultation log and an example of a concerns tracking chart can be found in Annex 3 and 4, respectively.

Once consultation has started, INFC kindly requests the Village of Sayward provide an update on the status of the project and consultation process to INFC. The update provided should focus on the following information:

- Project schedule, including a confirmation of when site preparation works and construction of the Project are expected to start;
- A summary of any consultation activities conducted or planned by the Village of Sayward as part of the Project, including any issues or concerns expressed by the Indigenous groups consulted;
- Any accommodation's being negotiated with Indigenous groups; and
- Implementation of any mitigation measures or compensation measures identified during the consultation process.

Once we have received this information, we will confirm if and when our consultation obligations have been met. Until such confirmation, we would like to remind you that the Project may not proceed with site preparation works and construction.

Should the Village of Sayward consider future changes to the nature, scope, design, location or start and completion date of the Village of Sayward Drainage Improvement Project differing from the information provided to date, it is the responsibility of the Village of Sayward to immediately notify INFC. In such cases, the department may reassess the Project in accordance with IAA requirements and its constitutional duty to notify or consult with Canada's Indigenous Peoples.

Should you have any comments or questions, please contact Filip Marjanovic by email at filip.marjanovic@infc.gc.ca or by phone at (343) 552-4866.

Sincerely,

ProvencalVincent, Laurence Digitally signed by ProvencalVincent, Laurence
Date: 2024.01.10 08:29:03 -05'00'
Laurence Provençal-Vincent

Senior Environmental Review and Approval Officer
Environmental Assessment and Indigenous Consultation
Infrastructure Canada



cc:

Laurence Provençal-Vincent, INFC	laurence.provencal-vincent@infc.gc.ca
Meaghan Ferguson, INFC	meaghan.ferguson@infc.gc.ca
Laura Sheppard, INFC	laura.sheppard@infc.gc.ca
Regan Purdy, BC – Program Manager	regan.purdy@gov.bc.ca
Karen Moss, BC – Green (EQ)	karen.moss@gov.bc.ca
Infrastructure, BC	infra@gov.bc.ca

Attachments:

- Annex 1 – Contact Information for Indigenous Groups (66862)
- Annex 2 – Template Letter to Notify Indigenous Groups of Project
- Annex 3 – Indigenous Template Consultation Log
- Annex 4 – Indigenous Concerns Tracking Chart Template



SAYWARD FUTURES SOCIETY
Our Community, Our Future

January 10, 2024

RE: Debut of Kusam Klimb video

Dear Sayward Mayor Mark Baker & Sayward Council,

Sayward Futures Society (SFS) has a contract with Recreation Sites and Trails BC which encompasses the H'Kusam Trail. To that end, the 2023 Kusam Klimb, under the SFS umbrella, was managed by Coastline Endurance.

Coastline Endurance engaged a videographer during the 2023 race and the result is a wonderful documentary called "Bill's Trail — The Kusam Klimb Story".

Coastline Endurance and SFS would like to debut the documentary here in Sayward.

SFS respectfully requests the use of the Kelsey Bay Recreation Centre to allow the maximum number of people to view the documentary. Upon your approval, we can work directly with the Kelsey Bay Recreation Centre Manager to finalize a date.

We sincerely appreciate your continued support for Sayward Futures Society's community efforts.

Sincerely,

Jason Johnson
Chair
Sayward Futures Society



STAFF REPORT

For: Mayor and Council
Prepared by: Keir Gervais, CAO
Subject: **Lightening Detection Equipment Agreement**
Meeting date: January 16, 2024

BACKGROUND

At the September 5, 2023 regular Council meeting Council received and discussed a staff report – *Lightening Detection Equipment Agreement*. Council deferred any decision about the *Agreement* until October 3, 2023 regular Council meeting in anticipation that staff would receive responses to the questions Council posed.

DISCUSSION

Below are the questions staff posed to the Consultant, Real Estate Officer with Environment and Climate Change Canada, and the responses staff received (in red).

1. Council questioned the terms of the agreement; the recent agreement was for a term of 5 years with 2 automatic 5-year renewal Extension Terms, whereas the new agreement has an Initial Term of 10 years with 3 10-year automatic renewing Extension Terms. Council would like to know the rationale for this change. *LF> 10-year terms is our minimum requirement given the level of investment we have on site. Also, as per section 8.0 either party may terminate upon written consent.*
2. Council has concerns with the License Fee; namely, that it doesn't account for inflation – since the original agreement (15yrs) and looking forward (40yrs). *LF> Our operating costs have increased substantially which would normally require a reduction in the license fee however in this case we maintained it at previous levels. Our fee is based on total costs to operate. I hope you can understand.*

Staff believes there is no further opportunity to negotiate the proposed agreement and Council has two options moving forward:

- a) approve the Licence of Occupation agreement
- b) not approve the Licence of Occupation agreement

RECOMMENDATIONS

THAT Council receives the Lightening Detection Equipment Agreement staff report for information and discussion.

THAT Council approves the Licence of Occupation agreement between the Village of Sayward and the Minister of Environment; and,

THAT the Mayor and Corporate Officer be authorized to execute the agreement.

Respectfully submitted,



Keir Gervais, CAO

Attachments:

- *License of Occupation between Village of Sayward and Minister of Environment*
- *Staff Report - Lightening Detection Equipment Agreement, September 5, 2023*

(“Agreement”)

BETWEEN:

VILLAGE OF SAYWARD
(“Licensor”)

AND

HIS MAJESTY THE KING IN RIGHT OF CANADA, as represented by the Minister
of the Environment
(“Licensee”)

In this Agreement, the Licensor and the Licensee are hereinafter referred to individually as a **“Party”** or collectively as the **“Parties”**.

WHEREAS the Licensor owns a portion of land the coordinates of such portion being N 50 deg 22' 40" and W 125 deg 57' 32", elevation 14m MSL in Sayward British Columbia and more particularly described on the plans annexed hereto and incorporated herein as Schedule “A” (**“Licensed Land”**);

WHEREAS the Licensee wishes to occupy and use the Licensed Land for the purpose of a platform and fencing along with the LS7000 Lightning Detection Sensor and its associated VSAT Satellite Dish and Electronic Data Equipment (**“Installation”**) for the collection of meteorological data (**“Authorized Use”**) as further shown on Schedule “B” attached hereto and incorporated herein;

NOW THEREFORE in consideration of the License Fee and the terms and conditions set forth below, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1 DEFINITIONS

In this Agreement:

“Applicable Environmental Law” means:

- a) all applicable statutes and regulations, and all by laws, declarations, directives, plans, approvals, requirements, guidelines, standards, and orders made pursuant thereto by any competent authority concerned with environmental assessment, protection or remediation, health, chemical use, safety, or sanitation; and

- b) the applicable common law.

“Contaminant” means:

(ii) have an adverse effect on human safety or health; or (iii) injure or materially discomfort any person, or the normal conduct of business.

“Effective Date” means the date identified in subsection 2.2 of this Agreement.

“Equipment” means the equipment to be supplied by either the Licensee or their respective suppliers or contractors, which, in the opinion of the Licensee, is necessary to install, operate and maintain the Installation on the Licensed Land.

“Realty Taxes” means all taxes, rates, duties, levies, fees, charges, local improvement rates, imposts, charges and assessments whatever, including school taxes, water and sewer taxes, extraordinary and special assessments and all rates, charges, excises or levies, whether or not of the foregoing nature (collectively **“Taxes”**), and whether municipal, provincial, federal, regional, school, parking or otherwise, which may be levied, confirmed, imposed, assessed, charged or rated against the Licensed Land or any part thereof or any furniture, fixtures, equipment or improvements therein, or against Licensor in respect of any of the same or in respect of any rental or other compensation receivable by Licensor and/or the owners of the Licensed Land in respect of the same, including all of such Taxes which may be incurred by or imposed upon Licensor and/or the owners of the Licensed Land in lieu of or in addition to the foregoing including, without limitation, any Taxes on real property rents or receipts as such (as opposed to a tax on such rents as part of the income of Licensor), any Taxes based, in whole or in part, upon the value of the Licensed Land, any commercial concentration or similar levy in respect of the Licensed Land. For clarification, Realty Taxes shall not include any taxes personal to Licensor such as income tax, inheritance tax, gift tax or estate tax nor shall Realty Taxes include any penalties or fines incurred as a result of Licensor's late payment of same, provided Licensee has in fact remitted such Realty Taxes as and when required hereby and provided same are not being bona fide contested and/or withheld by Licensor.

“Utilities” means the required power or service source, (electricity, telephone, internet, or other), primary or backup, that may be supplied by the Licensee or their respective suppliers or contractors, and which enable the Authorized Use.

“Utilities Connections” means cables, posts or other related installations including without limitation meters, pipes, hoses, valves, modems, and routers which may be supplied by the Licensee or their respective suppliers or contractors, and which provide connection of the Installation and/or the Equipment to Utilities.

Licensor hereby grants to the Licensee, for the term of this Agreement, a non-exclusive license to enter on, occupy and use the Licensed Land for the purpose of installing, operating, and maintaining the Installation, Equipment, Utilities and Utilities Connections and for no other purpose whatsoever. The rights granted in this subsection shall extend to and include employees, agents, officers, and contractors of the Licensee who install, operate, and maintain the Installation, Equipment, Utilities and Utilities Connections on behalf of the Licensee.

- 2.2 This Agreement and the rights and privileges herein granted shall be for a term (“**Initial Term**”) of ten (10) years effective as of the date of the last signature (“**Effective Date**”)
- 2.3 The Licensor hereby grants to the Licensee an option to automatically extend the Initial Term for three (3) additional periods of ten (10) years (each, an “**Extension Term**”), at a fee as described in section 3, unless either Party gives written notice of its intention not to renew at least sixty (60) days prior to the expiration of the current term.
- 2.4 If the Licensee continues to occupy the Licensed Land following the Effective Date and/or Extension Term thereof, the Licensee shall remain as Licensee of the Licensed Land and continue Authorized Use of the Licensed Land but solely on a month-to-month basis and shall otherwise be subject to the provisions of this Agreement.
- 2.5 The Licensor reserves the right to grant licenses, rights of way or privileges to others on, over, under, through or across the Licensed Land, provided however that such license, rights of way or privileges:
- a) are not detrimental to the Authorized Use by the Licensee of the Licensed Land;
 - b) do not impose any additional cost upon the Licensee;
 - c) do not weaken, diminish, or impair the rights and obligations of the Parties under this Agreement; and
 - d) in no way, provide access to the Installation, Equipment, Structures, Utilities and/or Utilities Connections to other parties or other Licensees.

3 LICENSE FEE

- 3.1 The Licensee shall pay to the Licensor in Canadian funds an annual fee ("**License Fee**") of one thousand and two hundred dollars and 00/100 (\$1,200.00) on an annual basis for the Initial Term and Extension Term of this Agreement. The License Fee shall be payable in advance commencing on the Effective Date and on each succeeding anniversary ("**Anniversary Date**") during the Term and following receipt of an invoice from the Licensor.
- 3.2 The Licensee shall pay the Licence Fee upon receipt of an invoice from the Licensor and following the Licensor's successful and ongoing registration in the Licensee's direct deposit payment system ("the Payment System"). All Licence Fee payments including GST or HST where applicable or any other payments required to be made to the Licensor by the Licensee shall be payable by way of the Payment System.
- 3.3 The License Fee shall be inclusive of Realty Taxes.

4 GENERAL COVENANTS

- 4.1 The Licensee covenants with the Licensor:
- a) at its own expense, to maintain the Licensed Land in a clean and good state of maintenance and repair to the extent that such maintenance and repair is required because of the Licensee's Authorized Use of the Licensed Land;
 - b) not to commit any voluntary waste or destruction on the Licensed Land or do anything on the Licensed Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Licensed Land;
 - c) not to interfere with the activities of any other person authorized to enter on, occupy and use the Licensed Land under a prior or subsequent license granted by the Licensor; and
 - d) to permit the Licensor, or its representatives, to enter the Licensed Land upon reasonable notice to inspect the Licensed Land.

to do anything, on the Licensed Land that will interfere materially with the Licensee's Authorized Use of the Licensed Land.

- 4.3 The Licenser shall permit the Licensee, and its employees, agents and contractors, unsupervised access to the Licensed Land over the Licenser's adjacent property at all times and shall provide such pass cards, codes, keys, parking spaces or passes as are necessary to enable such access.
- 4.4 The Licenser shall exercise their best efforts while operating any equipment around the Licensee's Installation, Equipment, Structures and/or Utilities Connections to avoid any damage thereto.
- 4.5 The Licenser shall not construct or plant, or permit others to construct or plant, any physical structure within ten (10) metres of the Licensee's Installation, Equipment, and/or Utilities Connections without the Licensee's permission, which shall not be unreasonably withheld.

5 ACCEPTANCE OF THE LICENSED LAND

- 5.1 Subject to the provisions of section 6, the Licensee agrees that:
 - a) it has inspected the Licensed Land or has caused the Licensed Land to be inspected on its behalf;
 - b) it has entered into this Agreement on reliance on that inspection and not on reliance on any representation, warranty, inducement, whether oral, written, or implied, by the Licenser or any third party on Licenser's behalf; and
 - c) it is satisfied with the extent of its knowledge of the condition, including environmental condition, affecting the Licensed Land.

Contaminants in existence on, in or under the Licensed Land at the Effective Date or for any adverse conditions arising out of such Contaminants and the Licensor shall be liable to promptly remove the Contaminant or take appropriate remedial action, each at Licensor's cost and expense.

- 6.2 The Licensee agrees that the Authorized Use of the Licensed Land shall be conducted in compliance with Applicable Environmental Law or in accordance with generally accepted environmental practices if there is no Applicable Environmental Law.
- 6.3 The Licensee agrees that its occupation and use of the Licensed Land shall be consistent with the environmental condition of the Licensed Land.
- 6.4 The Licensee agrees that no Contaminants shall intentionally be deposited, placed, discharged, or disposed of by or on behalf of the Licensee on, in or under the Licensed Land or adjacent sites.

7 RETURN OF THE LICENSED LAND

- 7.1 Upon termination of this Agreement, the Licensee shall:
 - a) peaceably quit and deliver to the Licensor possession of the Licensed Land;
 - b) leave the Licensed Land free from all garbage and debris, but only to the extent such garbage and debris was caused by the Licensee's Authorized Use of the Licensed Land; and
 - c) subject to 7.2, return the Licensed Land back to the state of maintenance and repair that existed prior to the Effective Date, except normal wear and tear, and only to the extent that such maintenance and repair is required because of the Licensee's Authorized Use of the Licensed Land.

its suppliers, or contractors.

- 7.3 (a) The Installation, Equipment, Utilities, and Utilities Connections supplied by the Licensee, its suppliers and/or contractors are, and shall at all times remain, the sole and exclusive property of the Licensee or its suppliers and/or contractors, as applicable, and title thereto shall remain that of the Licensee or its supplier and/or contractor, as applicable, notwithstanding the degree of attachment or affixation thereof to the Licensed Land; and (b) The Licensor and the Licensee shall not permit any portion of the Installation, Equipment, Structures, Utilities and/or Utilities Connections to become a fixture and shall maintain such Installation, Equipment, Structure, Utilities and Utilities Connections as personal (moveable) property, and without limiting the generality of the foregoing, shall not affix the Installation, Equipment, Structures, Utilities and/or Utilities Connections, or any portion thereof, to the Licensed Land in a way which does not allow it to be removed without causing serious damage to the Licensed Land or to the Installation, Equipment, Structure, Utilities and/or Utilities Connections and shall not remove or permit their respective removal from the Licensed Land without the prior written consent of the Licensee.

8 EARLY TERMINATION AND DEFAULT

- 8.1 Notwithstanding the Expiry Date,
- a) the Party may, on mutual consent in writing, terminate this Agreement at any time; and
 - b) the Licensee may, in its sole discretion, terminate this Agreement at any time, without cause or liability, except for the obligations of the Licensee set out in the Return of the Licensed Land section, by giving at least ninety (90) days advance written notice to the Licensor the Licensee's intention to terminate the Agreement.
- 8.2 In respect of this Agreement if:
- a) any portion of the License Fee hereby reserved is unpaid for more than thirty (30) days after becoming due; or
 - b) The Licensee fails to continuously, regularly, duly, and punctually perform, observe, or keep any of the other covenants and provisions herein contained, the Licensor may, by notice in writing, require the Licensee to remedy any such default within such period of time as the Licensor may deemed warranted.
- 8.3 If in such case, the Licensee does not remedy such default within the time prescribed, it will be lawful for the Licensor to declare the Initial Term or the Extension Term ended and this Agreement terminated and thereupon, these presents and everything herein contained will absolutely cease, terminate and be void without re-entry or any other act or any suit or legal proceedings to be brought or taken, provided the Licensor will nevertheless be entitled to recover from the Licensee the License Fee then accrued or accruing.

to cure such default, then the non-defaulting party may terminate this Agreement.

- 8.5 To the extent this Agreement may terminate or expire on a day other than the Anniversary Date of the Effective Date of any calendar year whereas the annual License Fee has been paid by the Licensee to the Licensor, the License Fee shall be prorated to the actual number of calendar months, where part months are considered full months, the Agreement is in effect, and shall be refunded to the Licensee from the Licensor subject to section 3.

9 AMENDMENTS

- 9.1 This Agreement may be amended at any time by mutual consent of the Parties. To be valid, any amendment to this Agreement shall be in writing and signed by the Parties.

10 ASSIGNMENT, SUCCESSORS, SALE

- 10.1 Neither Party may assign or otherwise alienate its rights or obligations under this Agreement without the prior written consent of the other Party.
- 10.2 This Agreement shall inure to the benefit of and be binding upon the Parties hereto and, as the case may be, their heirs, administrators, executors, successors and permitted assigns.
- 10.3 If the Licensor plans to sell, transfer, or otherwise dispose of the Licensed Land, the Licensor shall notify the Licensee in writing accordingly at the first available opportunity.

11 MISCELLANEOUS

- 11.1 No transfer of interest

This Agreement operates solely as a license and does not transfer any exclusive possessory right or interest in the Licensed Land to the Licensee.

- 11.2 Notices

- a) Any notice between the Parties shall be in writing and shall be: a) delivered personally (in which case the notice shall be considered received on the day of the delivery); or b) mailed by registered mail, return receipt requested (in which case the notice shall be considered received on the seventh business day following the day on which it was registered in a post office; or c) sent by facsimile confirmation transmission (in which case the notice shall be considered received on the second business day following the facsimile transmission); or d) sent by electronic mail, read receipt requested (in which case the notice shall be considered received on the day following the day of delivery).
- b) Such notices shall be sent to the following addresses:

For the Licensor:

Facsimile: (250) 282-5511

Email: village@saywardvalley.ca

or to such other address as the Licensor may from time to time advise by notice in writing.

For the Licensee:

Environment and Climate Change Canada

Atmospheric Monitoring

140-13160 Vanier Place

Richmond, BC V6V 2J2

Attention: Manager

Telephone: (604) 664-9187

Email: abservicesing-abengservices@ec.gc.ca

With a copy to:

Environment and Climate Change Canada

Realty and Business Integrity Services

Place Vincent Massey

351 Boul. St. Joseph

Gatineau, Quebec

K1A 0H3

servicesdesbiensimmobiliers-realestateservices@ec.gc.ca

Attn: Real Estate Administrator

or to such other address as the Licensee may from time to time advise by notice in writing.

- c) In the case of notices sent by electronic mail, notices shall be sent to the business electronic mail address of the person occupying the position identified above or to the electronic mail address of such other person as the Parties may, from time to time, designate in writing to each other. The Party providing a notice shall, at the relevant time, ascertain the electronic mail address of the person designated to receive notices.
- d) Any notice addressed by mail to the Licensee or to the Licensee pursuant to this section shall be deemed to have been effectively given on the seventh (7th) business day following the date of mailing. Such addresses may be changed from time to time by either party giving notices as provided herein. In the event of any disruption of postal service, notices shall be personally served upon the Parties hereto.

is in writing, and a waiver shall not of itself constitute a waiver of any subsequent breach of that obligation or of any other obligation.

11.4 Consents and approvals

A consent or approval to any act requiring consent or approval under this Agreement shall not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act under this Agreement.

11.5 Remedies

No remedy conferred upon or reserved to the Parties under this Agreement is exclusive of any other remedy in this Agreement or provided by law but that remedy shall be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute. Notwithstanding the foregoing, any liability of the Licensee arising out of this Agreement shall be subject to the provisions of the Crown Liability and Proceedings Act, R.S.C., 1985, c. C-50 (as amended).

11.6 Singular and plural

In this Agreement, unless the context otherwise requires, the singular includes the plural.

11.7 Captions and headings

The captions and headings contained in this Agreement are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of the provisions herein.

11.8 No agency, partnership, or joint venture

Nothing in this Agreement shall be construed as creating an agency, partnership or joint venture relationship between the Parties. Neither party is authorized to represent, bind, obligate or contract on behalf of the other in any manner whatsoever, or represent to third parties that it is an agent of, or partner with, or in a joint venture relationship with the other. The only relationship is that of licensor and licensee.

11.9 Survival

Notwithstanding the expiration or early termination of this Agreement, it is expressly agreed that subsections 2.1 (solely with respect to Licensee's obligations under section 7), 2.4, 3 (with respect to amounts due under the Agreement but remaining unpaid), 6.1, 6.2, 7, 10.2, 11 and 12 shall survive the expiration or early termination of this Agreement. Furthermore, all rights and obligations which, expressly or by necessary implication, are required or might reasonably be expected to survive the expiration or termination of this Agreement shall continue to be in effect notwithstanding the expiration or termination of this Agreement until such time as the Parties may mutually agree to the release of the obligations contained therein or until they expire by their nature.

between the Parties pertaining to the subject matter hereof and supersede all prior or contemporaneous agreements, understandings, representations, or other communications between the Parties, whether written, oral, or electronic. There are no undertakings, representations, promises or warranties, express or implied, other than those contained in this Agreement and its schedules.

11.11 Severability

If any section of this Agreement or any part of a section is found to be illegal or unenforceable, that part or section, as the case may be, shall be considered separate and severable and the remaining parts and sections of the Agreement shall not be affected thereby and shall be enforceable to the fullest extent permitted by law.

11.12 Applicable laws

The laws of the province where the Installation is located as well as the federal laws of Canada applicable shall govern this Agreement therein, without reference to conflict of laws rules.

11.13 Counterparts

This Agreement may be signed in one or more counterparts, each of which once signed shall be deemed to be an original. All such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution of any counterpart, each counterpart shall be deemed to bear the Effective date set forth above. The signature of any of the parties may also be evidenced by a facsimile copy or email copy (scanned document only) of this Agreement bearing such signature.

11.14 Timeliness


Time is of the essence of the Agreement and all of the provisions hereof.

and negotiated between the Parties in order to resolve the issues.

- 12.2 If the Parties do not resolve the issues through negotiation within a period of sixty (60) business days, the Parties agree to refer the issues in dispute to mediation. Such mediation shall be conducted in the province where the site is located by a single mediator who is an expert in the subject matter and in accordance with the mediation rules applicable in that province. The proceedings shall take place in either French or English as may be decided by the Licensor.
- 12.3 If the Parties do not resolve all of the issues in dispute through mediation within the period of ninety (90) business days, the Parties may agree to submit those issues to binding arbitration to be conducted in province where the site is located by a single arbitrator who is an expert in the subject matter and in accordance with the arbitration rules applicable in that province. The proceedings shall take place in either French or English as may be decided by the Licensor.
- 12.4 The Parties shall use their best efforts to agree on the choice of a mediator or arbitrator, as the case may be, and of the rules governing such mediation or arbitration. If the Parties are unable within a period of seven (7) business days from expiry of the periods set out in subsections 12.2 and 12.3, respectively, to agree on a mediator or an arbitrator, one will be appointed.
- 12.5 During the progress of any mediation or arbitration, the Parties shall continue to perform their obligations under this Agreement to the extent such obligations are not in dispute or affected by such dispute.
- 12.6 The Parties' agreement to use the dispute resolution mechanisms specified in this Section 12 shall not prevent either Party from commencing an action in a court of competent jurisdiction if necessary to obtain equitable or legal relief or any other remedy which is not available through mediation or arbitration.

13 SIGNATURES

The Parties have executed this Agreement by the hands of their duly authorized representatives as follows:


 Signé numériquement par Robert Daigle
 ND : OU=Real Property Management Division, O=Corporate Services and Finance Branch, CN=Robert Daigle, E=robert.daigle@ec.gc.ca
 Raison : Je suis l'auteur du document
 Emplacement :
 Date : 2023.07.28 11:24:02-04'00'
 Foxit PDF Editor Version: 12.1.2

Robert Daigle, A/Executive Director, Real Property Management Division Asset, Real Property and Security Directorate Corporate Services and Finance Branch

Name: _____

Title: Mayor

We have the authority to bind the Village of Sayward in the province of British Columbia.

Signed this ____ day of _____, 2023

The Licensor:

Name: _____

Title: Corporate Officer

We have the authority to bind the Village of Sayward in the province of British Columbia.

Signed this ____ day of _____, 2023

Signed this 28 day of July, 2023

Municipal Address:

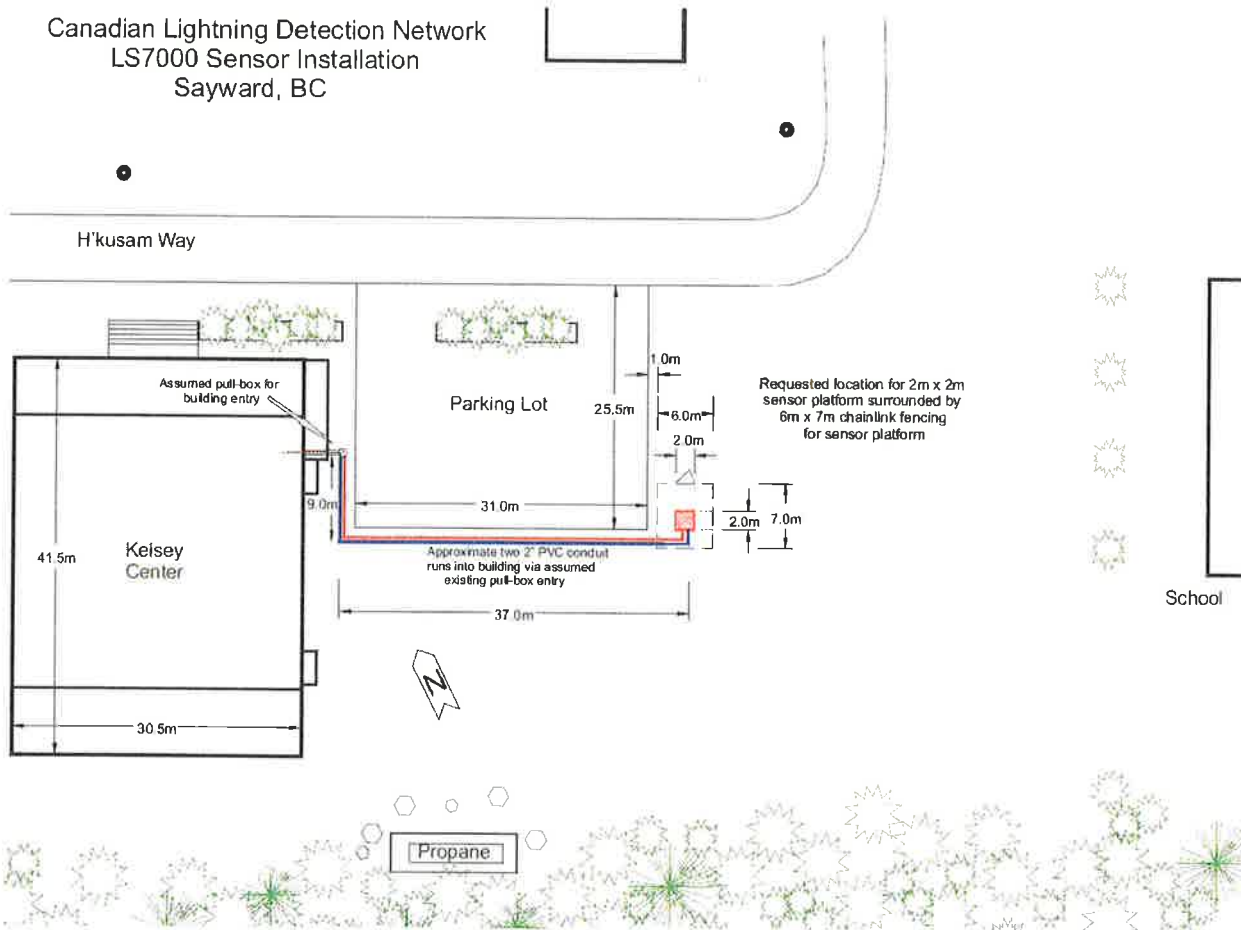
Kelsey Centre

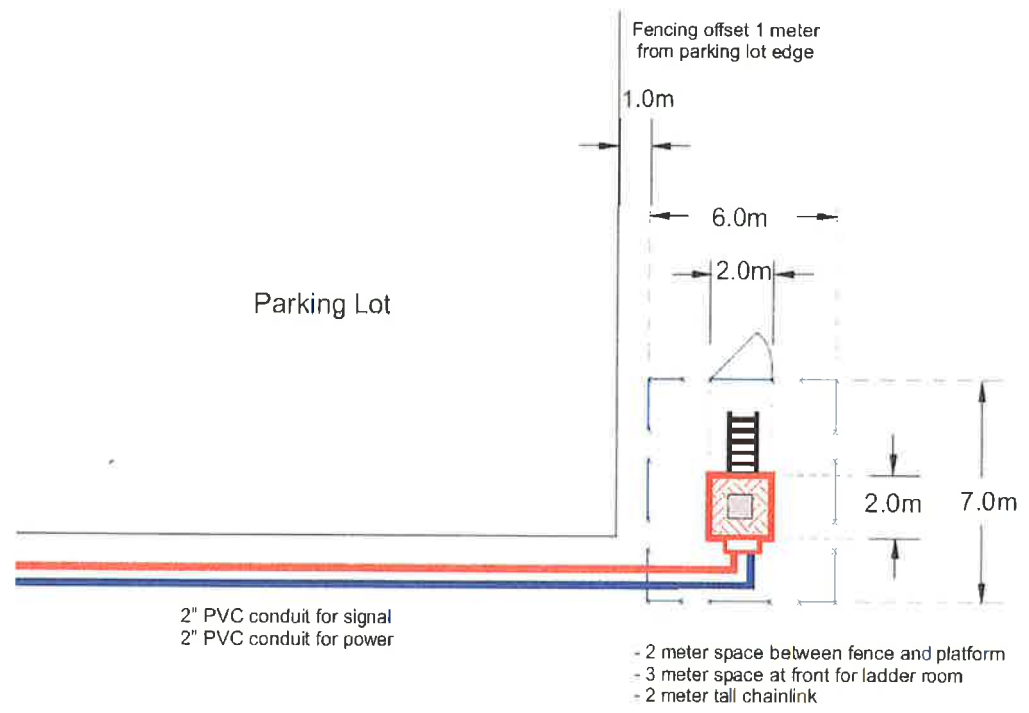
H'Kusam Way

Sayward BC V0P 1R0

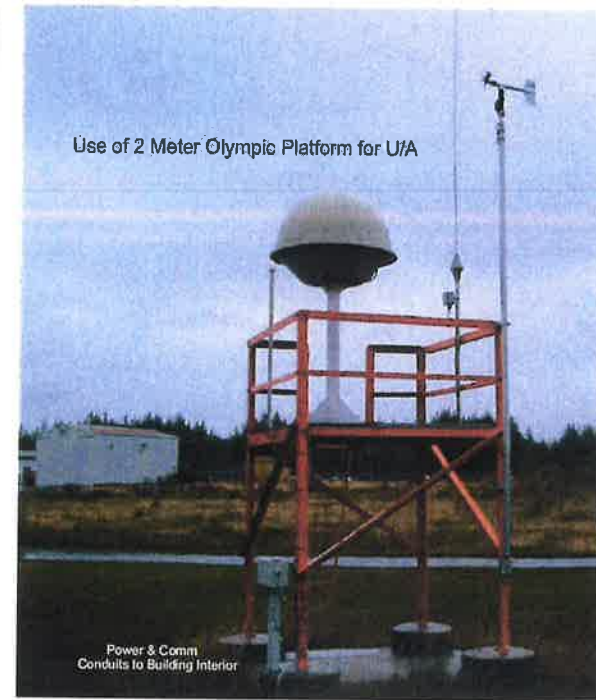
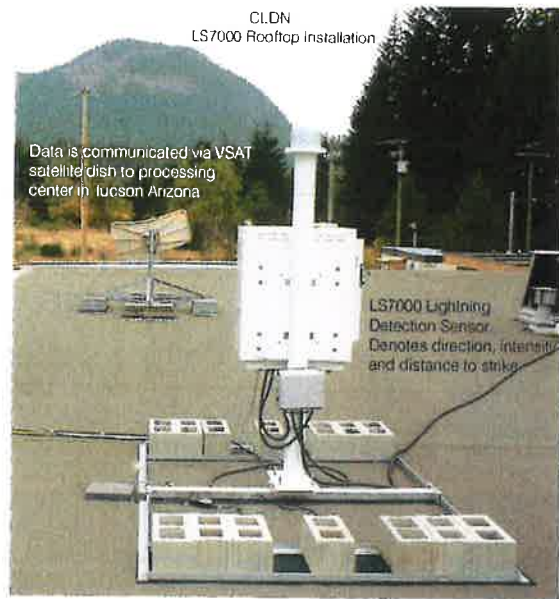
Geographical Coordinates:

N 50 deg 22' 40" and W 125 deg 57' 32", elevation 14m MSL in Sayward British Columbia





Installation includes a platform and fencing along with the LS7000 Lightning Detection Sensor and its associated VSAT Satellite Dish and Electronic Data Equipment for the collection of meteorological data.





STAFF REPORT

For: Mayor and Council
Prepared by: Lisa Clark, CFO/CO
Subject: **Lightening Detection Equipment Agreement**
Meeting date: September 5, 2023

BACKGROUND

In 2008 a lightening detection system was installed by Environment Canada in the Kelsey Centre parking lot as part of the Canadian Lightening Detection Network. This network joins up with other networks across North America which work together via satellite communication in order to provide information on lightening strikes. The lightening strike information is then used by numerous agencies including BC Wildfire Services. Because the infrastructure for this system is located on Village property Council entered into a Licence of Occupation agreement with the Minister of Environment effective June 16, 2008.

DISCUSSION

The original agreement with the Minister of Environment had a term of five (5) years with two (2) automatic renewal terms of five (5) years each. The agreement expired on June 15, 2023, and the Minister of Environment wishes to enter into a new agreement with the Village for a period of ten (10) years with three (3) automatic renewal terms of ten (10) years each. An annual licence fee of \$1,200 paid to the Village is also proposed which is the same fee as the original agreement. The only costs to the Village are electrical costs for the sensor, which are minimal.

RECOMMENDATIONS

THAT Council receives the Lightening Detection Equipment Agreement staff report for information and discussion.

THAT Council approves the Licence of Occupation agreement between the Village of Sayward and the Minister of Environment; and,

THAT the Mayor and Corporate Officer be authorized to execute the agreement.

Respectfully submitted,

Lisa Clark, CFO/CO

Attachments:

- ***Licence of Occupation between Village of Sayward and Minister of Environment***



STAFF REPORT

For: Mayor and Council
Prepared by: Keir Gervais, CAO
Subject: **Regional Grant Opportunity – UBCM Emergency Support Services**
Meeting date: January 16, 2024

PURPOSE

To consider a regional grant application to the Community Emergency Preparedness Fund 2024 Emergency Support Services (ESS) program from the Union of BC Municipalities (UBCM). This application would be in partnership with the Strathcona Regional District (SRD) and other municipal and First Nation entities in order to enhance post-disaster mass care capacity in Sayward.

DISCUSSION

The Community Emergency Preparedness Fund (CEPF) is a suite of funding programs intended to enhance the resiliency of local governments, First Nations and communities in responding to emergencies. The intent of the ESS funding stream is to support eligible applicants to build local capacity to provide emergency support services through volunteer recruitment, retention and training, including in-house training, and the purchase of ESS equipment. Eligible applicants can submit one application per intake, or as a partnering applicant in a regional application. It is proposed that the SRD will be the primary applicant in a regional application with the Village of Sayward as a partner applicant. The deadline submission for this grant is January 26, 2024. In order to be considered as a partner, the Village of Sayward is required to submit a Council Resolution that clearly states that they authorize the SRD receive and manage the funds on behalf of the Village. The SRD would provide overall supervision and management of the grant, including procurement and delivery of all items.

The proposed budget for this grant is below and the mass case supplies would be stored in the Emergency Support Services Seacans behind the Kelsey Centre.

Item	Quantity	Cost	Total Cost
50-year shelf life canned emergency water	150 1 Case = 24 255ml cans	\$55 each	\$8,250
25-year shelf life freeze dried food	2,160 servings	\$7,500	\$7,500
Total			\$15,750

RECOMMENDATIONS

THAT Council receive the Regional Grant Opportunity – UBCM Emergency Support Services staff report for information and discussion; and,

THAT as part of the Village of Sayward’s ongoing work in relation to emergency planning that an application for financial assistance under the Community Emergency Preparedness Fund 2024 Emergency Support Services grant be authorized for submission to the UBCM, in collaboration with the Strathcona Regional District (SRD); and,

THAT the Village of Sayward agrees to the Strathcona Regional District submitting an application on their behalf, and that if funded, agrees to the Strathcona Regional District managing the grant and being the recipient of all funding.

Written by: Tom Tinsley – Emergency Program Coordinator
 Shaun Koopman – Manager of Emergency Services

Respectfully submitted,

Keir Gervais, CAO



STAFF REPORT

For: Mayor and Council
Prepared by: Keir Gervais, CAO
Subject: **Regional Grant Opportunity – UBCM Emergency Operation Centre**
Meeting date: January 16, 2024

PURPOSE

To consider a regional grant application to the Community Emergency Preparedness Fund 2024 Emergency Operation Centre (EOC) program from the Union of BC Municipalities (UBCM). This application would be in partnership with the Strathcona Regional District (SRD) and other municipal and First Nation entities in order to provide EOC training and enhance radio communications capacity in Sayward.

DISCUSSION

The intent of this funding stream is to support eligible applicants to build local capacity through the purchase of equipment and supplies required to maintain or improve an EOC and to enhance EOC capacity through training and exercises. Eligible applicants can submit one application per intake, or as a partnering applicant in a regional application. It is proposed that the Strathcona Regional District will be the primary applicant in a regional application with the Village of Sayward as a partner applicant. The deadline submission for this grant is February 24, 2024. In order to be considered as a partner, the Village of Sayward is required to submit a Council Resolution that clearly states that they authorize the Strathcona Regional District to provide overall grant management.

Item	Quantity	Total Cost
Lion Safari MRE Generator (Lithium Battery & Solar Panels)	1	\$9,000
Personnel training on the new ROIP system	Various	\$1,000
Personnel EOC training	Various	\$10,000
Community radio communication team recruitment sessions	Various	\$2,000
Disaster communication training sessions	Various	\$2,000
	Total	\$24,000

RECOMMENDATIONS

THAT the report from the Chief Administrative Officer be received; and,

THAT as part of the Village of Sayward's ongoing work in relation to emergency planning that an application for financial assistance under the Community Emergency Preparedness Fund 2024 Emergency Operation Centre grant be authorized for submission to the UBCM, in collaboration with the Strathcona Regional District (SRD); and,

THAT the Village of Sayward agrees to the Strathcona Regional District submitting an application on their behalf, and that if funded, agrees to the Strathcona Regional District managing the grant and being the recipient of all funding.

Written by: Tom Tinsley – Emergency Program Coordinator
Shaun Koopman – Manager of Emergency Services

Respectfully submitted,



Keir Gervais, CAO



STAFF REPORT

For: Mayor and Council
Prepared by: Keir Gervais, CAO
Subject: **Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy**
Meeting date: January 16, 2024

PURPOSE

To present the Asset Retirement Obligation Policy for adoption.

BACKGROUND

In March 2018, the Public Sector Accounting Board (PSAB) approved the accounting standard PS 3280, mandating all public sector entities, including municipalities, to account for asset retirement obligations (AROs). AROs are legal obligations associated with retiring tangible capital assets, such as asbestos and underground oil tanks. Before PS 3280, there was no specific guidance on ARO accounting: environmental responsibilities were covered under PS 3260 (Liability for Contaminated Sites) and PS 3270 (Solid Waste Closure and Post-closure Liability).

Initially, the PS 3280 would need to be implemented by 2022, but it was postponed due to the pandemic impacts. Now, the ultimate deadline to implement it is 2023.

In Sayward, staff have not identified any potential AROs; however, an in-depth investigation must be conducted to assess the Village's AROs and liabilities. The draft policy brings the framework to accomplish this work carefully, and the assessment and liability calculations must be completed early in 2024.

DISCUSSION

The Village has not completed any required work relating to PS 3280. Many local governments began this work in 2021; with that said, there is a considerable amount of work to be completed in a brief period, including:

- Creation of a Village ARO policy
- Development of a project plan to complete the required work by fiscal 2023. This project is defined by three distinct phases: scoping, measurement, and reporting.

As noted in the background section, public sector organizations must start to disclose future asset retirement obligations, such as the cost of future asbestos removal, rehabilitation of aggregate properties, and removal of underground oil/gas tanks when the assets are projected to be retired.

The process of identifying, assessing, and estimating an asset retirement obligation requires collaboration from various Village departments, as well as relying on the expertise of external consultants where internal expertise and capacity may be limited.

The scoping phase of the project will identify Village assets for further consideration and measurement for ARO, such as:

- Facilities (potential to contain various contaminants such as asbestos, lead, silica, etc.)
- Underground storage tanks (fuel/oil/firewater holding tanks)
- Land leases and leasehold improvements
- Roads containing asbestos
- Aggregate pits
- Closed landfills

The measurement phase of the project, e.g., further investigation and quantifying projected future costs for the Village when assets are retired, will be completed by Village staff and consultants. The results of this work will be included in future Village of sayward financial statements as future financial obligations for the Village. To ensure the Village's compliance with PS 3280, the Village has developed a proposed Asset Retirement Obligation Policy (attached to this report) for approval.

RECOMMENDATIONS

THAT Council receive the Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy staff report for information and discussion; and,

THAT Council adopts the Asset Retirement Obligation Policy as presented.


Respectfully submitted,



Keir Gervais, CAO

Attachments:

- **Asset Retirement Obligation Policy**
- **PSAB 3280 Overview, Chan Nowosad Boats Chartered Professional Accountants**

	Village of Sayward	
	Title: Asset Retirement Obligation Policy	Policy # 300-09
	Category: Finance	

1.0 PURPOSE

The objective of this Policy is to stipulate the accounting treatment for asset retirement obligations (ARO) so that users of the financial report can discern information about these assets and their end-of-life obligations. The principal issues in accounting for AROs are the recognition and measurement of these obligations.

2. SCOPE

2.1. This Policy applies to all departments of the Village of Sayward, that possess asset retirement obligations, including:

- a) Assets with legal title held by the Village;
- b) Assets controlled by the Village; and
- c) Assets that have not been capitalized or recorded as a tangible capital asset for financial statement purposes

2.2. The legal obligation, including obligations created by promises made without formal consideration, associated with the retirement of tangible capital assets controlled by the Village, will be recognized as a liability in the books of the Village of Sayward, in accordance with PS3280, which the Village will be adopting effective the fiscal year beginning January 1, 2023.

3. PRINCIPLES

The Village of Sayward shall account for and report on asset retirement obligations (ARO) in compliance with the Public Sector Accounting Board (PSAB) Handbook, section 3280.

4. DEFINITIONS

In this Policy:

Accretion expense is the increase in the carrying amount of liability for asset retirement obligations due to the passage of time.

Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed, developed, or leased.
- Remediation of contamination of a tangible capital asset created by its normal use.

- Post-retirement activities such as monitoring.
- Constructing other tangible capital assets to perform post-retirement activities.

Asset retirement cost is the estimated amount required to retire a tangible capital asset.

Asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.

Legal obligation establishes a clear duty or responsibility to another party that justifies recognition of a liability.

Retirement of a tangible capital asset is the permanent removal of a tangible capital asset from service. This term encompasses sale, abandonment, or disposal in some other manner but not its temporary idling.

5. REQUIREMENTS

5.1. Recognition

5.1.1. A liability should be recognized when, as at the financial reporting date:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset.
- b) The past transaction or event giving rise to the liability has occurred.
- c) It is expected that future economic benefits will be given up.
- d) A reasonable estimate of the amount can be made.

5.1.2. A liability for an asset retirement obligation cannot be recognized unless all of the criteria above are satisfied.

5.1.3. The estimate of the liability would be based on requirements in existing agreements, contracts, legislation, or legally enforceable obligations, and technology expected to be used in asset retirement activities.

5.1.4. The estimate of liability should include costs directly attributable to asset retirement activities. Costs would include post-retirement operation, maintenance, and monitoring which are an integral part of the retirement of the tangible capital asset.

5.1.5. Directly attributable costs would include but are not limited to, payroll and benefits, equipment and facilities, materials, legal and other professional fees, and overhead costs directly attributable to the asset retirement activity.

5.1.6. Upon initial recognition of a liability for an asset retirement obligation, the Village will recognize an asset retirement cost by increasing the carrying amount of the related tangible capital asset (or a component thereof) by the same amount as the liability. Where the obligation relates to an asset that is no longer in service and not providing economic benefit or to an item not recorded by the Village as an asset, the obligation is expensed upon recognition.

5.1.7. The capitalization thresholds applicable to the different asset categories will also be applied to the asset retirement obligations to be recognized within each of those asset categories.

5.2. Subsequent Measurement

5.2.1. The asset retirement costs will be allocated to accretion expense in a rational and systemic manner (straight-line method) over the useful life of the tangible capital asset or a component of the asset.

5.2.2. On an annual basis, the existing asset retirement obligations will be assessed for any changes in expected cost, term to retirement, or any other changes that may impact the estimated obligation. In addition, any new obligations identified will also be assessed.

5.3. Presentation and Disclosure

5.3.1. The liability for asset retirement obligations will be disclosed.

6. RESPONSIBILITIES

6.1. Finance Department

6.1.1. The Finance Department is responsible for the development of and adherence to policies for the accounting and reporting of asset retirement obligations in accordance with Public Sector Accounting Board section 3280. This includes responsibility for:

- a) Reporting asset retirement obligations in the financial statements of the Village and other statutory financial documents.
- b) Monitoring the application of this Policy.
- c) Managing related finance processes.
- d) Investigating issues and working with asset owners to resolve issues.
- e) Monitoring/Contraventions.

6.2. Departments

6.2.1. Departments are required to:

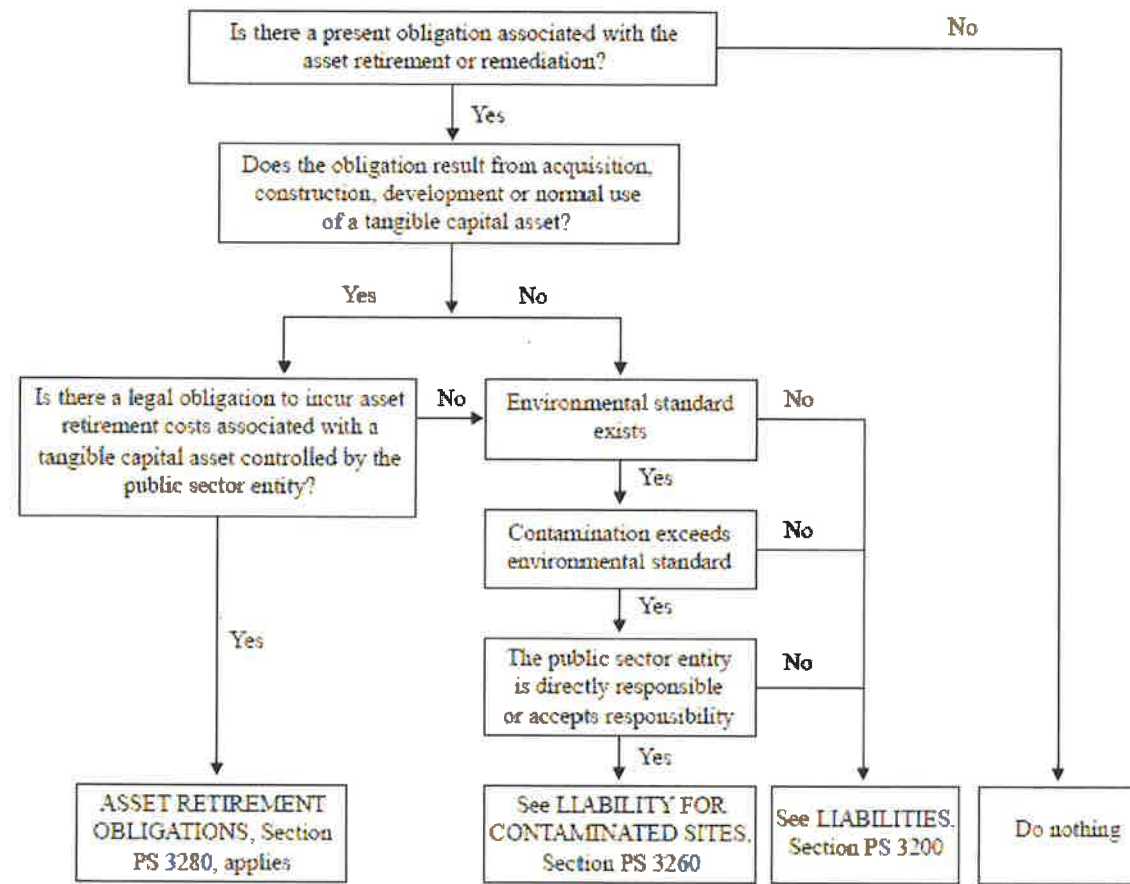
- a) Communicate with Finance on retirement obligations and any changes in asset condition or retirement timelines.
- b) Assist in the preparation of cost estimates for retirement obligations.
- c) Inform Finance of any legal or contractual obligations at the inception of any such obligation.

7. REFERENCES

- Public Sector Accounting Board, Public Sector Handbook, Section PS 3280 Asset Retirement Obligations

Appendix A

Decision tree – Scope of applicability



Keir Gervais

From: Derek Lamb <Derek@cncbpa.ca>
Sent: November 20, 2023 4:44 PM
Cc: Gaby Martin; Danna Chan
Subject: Asset Retirement Obligations - PSAS 3280
Attachments: PSAS 3280 Overview.pdf

With year-end approaching for our municipal clients, we wanted to connect with respect to the upcoming implementation of public sector accounting standard (PSAS) 3280, Asset Retirement Obligations.

The standard will be implemented for municipalities for the first time for the year ending December 31, 2023.

The good news with this standard is that it has already been implemented by First Nations and Hospitals (year ends of March 31, 2023) and School Districts (year ends of June 30, 2023), so at this point there is a great deal of data and information available to assist in the adoption of the standard.

As a quick summary, for entities that report under PSAS, with fiscal years beginning on or after April 1, 2022, they are required to adopt the new standard which requires the entity to assess whether they have any legal obligations to dispose of or retire a tangible capital asset that they own. The fact that the retirement or remediation date of the asset is not known is not relevant to whether there is an obligation. Likewise, the fact that the remediation or disposal may be funded by government funding or other sources in the future is also not relevant to whether there is an obligation (and liability).

The most common asset retirement obligations relate to:

- Asbestos
- Lead paint and pipes
- Waste and water treatment plants
- Wharfs and Piers
- In ground oil or fuel tanks

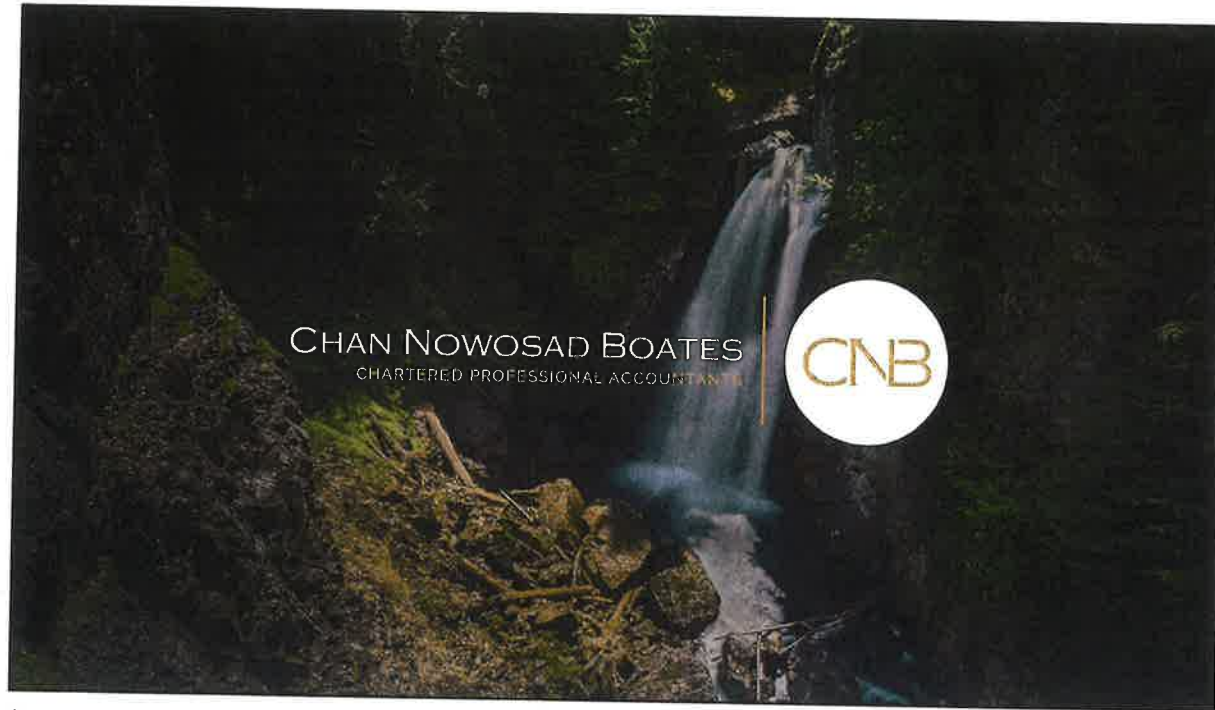
We have been kindly provided permission by one of our clients on the North Island, School District No. 85, to share the information they obtained on the retirement costs associated with Asbestos and other materials in order to reduce unnecessary additional costs for government organizations. We would be happy to share this information if you have already begun to undertake the process of preparing your ARO estimate.

I am also attaching a slide deck that we have previously presented on to our clients at a professional development session.

Should you require any information on the new standard or where to begin in your community's own assessment, please do not hesitate to contact us. There is absolutely no charge or cost to you by us for answering your questions on this standard or on where to begin in your assessment if you have not already begun. If there is additional assistance required with the implementation of the standard and calculating any liability, we would first establish that with you prior to commencing our work.

Derek M. Lamb, CPA, CA

derek@cncbpa.ca
Phone: (250) 286-0744 ext. 111
Fax: (250) 286-1067
www.cncbpa.ca



1

The image is a title slide for a presentation. The background is a light, hazy landscape with a brownish ground in the foreground and a pale sky. In the top right corner, there is a small logo for Chan Nowosad Boates Chartered Professional Accountants (CNB). The main title is "PSAS 3280: Asset Retirement Obligations (\"ARO\")" in a large, black, sans-serif font. Below the title, it says "Presented by:" followed by "Pieter de la Rey, CPA" and "Gaby Martin, CPA" on separate lines.

CHAN NOWOSAD BOATES CNB

PSAS 3280: Asset Retirement Obligations ("ARO")

Presented by:
Pieter de la Rey, CPA
Gaby Martin, CPA

2

Agenda

1. Introduction and scope of PS 3280
2. When to recognize an ARO
3. Initial measurement of AROs
4. Subsequent measurement of AROs
5. AROs for landfills
6. Presentation and disclosure
7. Transitioning the new standard
8. Planning and timeline for applying the new standard

3

Introduction

- PS 3280 is a new accounting standard introduced in August 2018 to establish an accounting standard for public sector entities for legal obligations associated with the retirement of tangible capital assets.
- Effective Date: fiscal years beginning on or after April 1, 2022
 - Applicable for fiscal years ending March 31, 2023, or December 31, 2023
- Previously, there was no PSAS guidance for ARO's. Related guidance includes:
 - PS 3260, Liability for Contaminated Sites
 - PS 3270, Solid Waste Closure and Post-closure Liability (*withdrawn*)

4

Scope

- Assets to consider in relation to the presentation today:
 - Buildings with asbestos
 - Landfills
 - Fuel storage tanks
 - Wastewater or sewage treatment facilities
 - Firewater holding tanks
 - Septic beds
 - End of lease provisions
 - Restoration of land subject to a timber lease
- Legal obligations only

5

Scope (continued)

- PS 3280 does not deal with costs to:
 - Acquire, construct, develop TCAs;
 - Replacement and maintenance of TCAs;
 - Remediation of contaminated sites (PS 3260, Liability for Contaminated Sites);
 - Improper use of a TCA;
 - Activities necessary to prepare a TCA for an alternative use;
 - Unexpected events, such as an unexpected contamination (PS 3260);
 - Obligations created by waste or byproducts produced by a TCA;
 - Sell or otherwise dispose of a TCA.

6

Recognition

- This guidance deals with obligations to retire tangible capital assets (TCA's) that are predictable and unavoidable. This guidance deals with TCAs that are **controlled** by the entity (ie. owned).
- The following four requirements must all be met to recognize an ARO:
 - i. There must be a legal obligation to permanently remove a TCA;
 - ii. A past transaction or event giving rise to a liability has occurred;
 - iii. It is expected that future economic benefits will be given up; and
 - iv. A reasonable estimate of the amount can be made.

7

Recognition

- Legal obligations:
 - Federal, provincial or municipal laws and regulations;
 - A government's own legislation;
 - Contracts or agreements; or
 - Promissory estoppel - a promise conveyed to a third party that imposes a reasonable expectation of performance upon the promisor.

8

Legal Obligations

Laws and Regulations Examples:

Provincial Laws and Regulations	Addresses
Environmental Assessment Act	<ul style="list-style-type: none"> • New major projects
Environmental Management Act	<ul style="list-style-type: none"> • Hazardous waste • Waste management / sewage • Storage Tanks • Contaminated Sites • Mineral exploration sites and mines • Air contaminants
Water Sustainability Act	<ul style="list-style-type: none"> • Well decommissioning • Dams • Groundwater and water
Occupational Health and Safety Regulation	<ul style="list-style-type: none"> • Asbestos • Other harmful substances
Municipal Wastewater Regulation	<ul style="list-style-type: none"> • Wastewater treatment systems
Contaminated Sites Regulation	<ul style="list-style-type: none"> • Fuel tanks

9

Legal Obligations

Laws and Regulations – Examples:

Federal Laws and Regulations	Addresses
Hazardous Products Act and Regulations	<ul style="list-style-type: none"> • Hazardous substances
Pacific Aquaculture Regulations	<ul style="list-style-type: none"> • Aquaculture activities in BC
Pest Control Products Act and Regulation	<ul style="list-style-type: none"> • Pesticides
Prohibitions of Asbestos and Products Containing Asbestos Regulations	<ul style="list-style-type: none"> • Asbestos
Wastewater Systems Effluent Regulations	<ul style="list-style-type: none"> • Wastewater treatment systems

10

Past Transactions or Events

- AROs can result from the acquisition, construction, development or normal use of a TCA.
- The obligating event occurs when the asset is acquired.
- Entities are not exempt from recognizing an ARO if the retirement can be postponed.
- If new legislation requires the retirement of an existing TCA, an ARO would be recognized in the current period since the new legislation is a current period event (ie. no prior period adjustment would occur).

11

Past Transactions or Events (continued)

Past Transaction or Event	Example	Explanation
Acquisition	Purchasing a building that contains asbestos. Regulations require that asbestos be removed in a prescribed manner.	The obligation is incurred on acquisition of the building as existing regulations require the entity to handle and dispose of the asbestos in a prescribed manner when it is disturbed. The ability to postpone the asbestos removal does not relieve the entity of the obligation.
Normal Use (incurred when asset is put into production)	Public sector entity opens a wastewater treatment plant. Environmental approval requires closure activities to be performed irrespective of volume of waste accepted by the plant.	The obligation is incurred in full when the entity starts accepting waste because it is linked to the normal use of the water treatment plant, but not the volume of waste accepted.

12

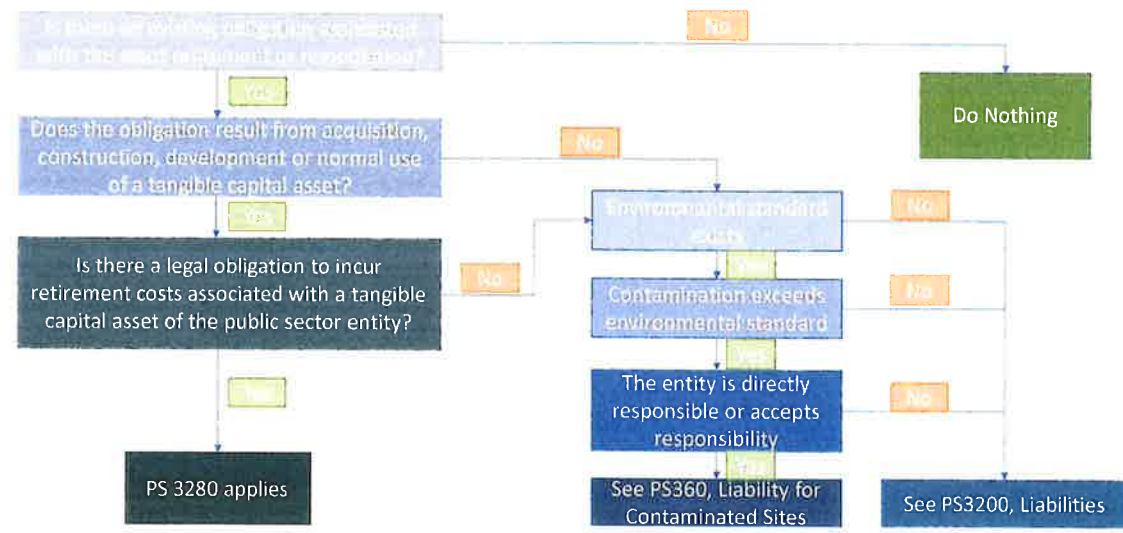
Past Transactions or Events (continued)

Past Transaction or Event	Example	Explanation
Normal Use (Incurred incrementally with use)	Public sector entity opens a sewage lagoon. Environmental approval requires post-closure activities that are directly linked to the volume of waste accepted.	The obligation is incurred incrementally with use of the sewage lagoon because it is linked to the normal use of the sewage lagoon and the volume of waste accepted.

- If there are doubts about an ARO, for example if you're uncertain about an obligation through promissory estoppel, the existence of a liability may rely on a future determination (i.e., court ruling), PS 3300, Contingent Liabilities, would provide additional guidance.

13

Decision Tree – Scope of Applicability



14

Initial Recognition

- On initial recognition of the ARO, the carrying amount of the TCA is increased and an ARO is recognized.
- The expense is then amortized over the life of the asset.
- If the ARO is expected to be material or long in the future you will likely need to discount it to account for the time value of money.
- If you discount your liability then you will have an annual accretion expense to increase the liability from the date it is recognized to the date it settled.

15

Initial Recognition (continued)

Allocating asset retirement costs	
Obligations associated with fully amortized TCA that is in productive use	<ul style="list-style-type: none"> • TCA is currently in use and the net book value is zero. • For example, a fully amortized building containing asbestos. • The liability for the costs associated with asbestos removal would be added to the cost of the building. • The costs would be amortized over the revised estimate of remaining useful life of the building.
Obligations associated with TCAs that have not been recognized as assets	<ul style="list-style-type: none"> • There is no relevant TCA recorded as an asset . • The ARO would be expensed since there is no TCA cost to add to. • This is consistent with the principal that there is no separate asset associated with AROs because there is no expected future economic benefit associated with them.
Obligations associated with TCAs that are no longer in productive use	<ul style="list-style-type: none"> • An ARO may arise for an asset that is no longer in use. • For example, new legislation that requires the asset to be removed in a prescribed manner. • Since there is no future benefit, ARO costs are expensed.

16

Initial Measurement of AROs

- Measurement of an ARO should result in the best estimate of the amount required to retire a TCA as of the financial statement date.
- Requires professional judgement and could be supplemented with an experienced third-party quote or reports from independent experts.
- The following will need to be considered:
 - Which costs to include?
 - Estimation technique
 - Discount rate

17

Initial Measurement of AROs (continued)

Considerations	
Which costs to include?	<ul style="list-style-type: none"> • Costs that are directly attributable to the ARO • Examples: professional fees, payroll, materials, overhead, etc. • Requirements of existing agreements, contracts, legislation, and/or legally enforceable obligations
Estimation Technique	<ul style="list-style-type: none"> • The Present Value (PV) technique is often the best to estimate the liability due to the long-term nature of many AROs

18

Initial Measurement of AROs (continued)

Considerations

- Discount Rate**
- The standards do not provide a specific prescribed rate.
 - Reflects the time value of money and risks specific to the ARO for which future cash flow estimates have not been adjusted.
 - Generally, it would be appropriate to use a rate similar to long-term debt rates of similar term length.
- Example of the effects of a discount rate on initial liabilities:
 - \$1,000,000 ARO with a 10-year discount period
 - Outcomes with variable discount rates (present value of ARO):
 - 7.0% = \$508,000
 - 3.5% = \$700,000
 - 1.5% = \$862,000

19

Example 1 – Building with asbestos

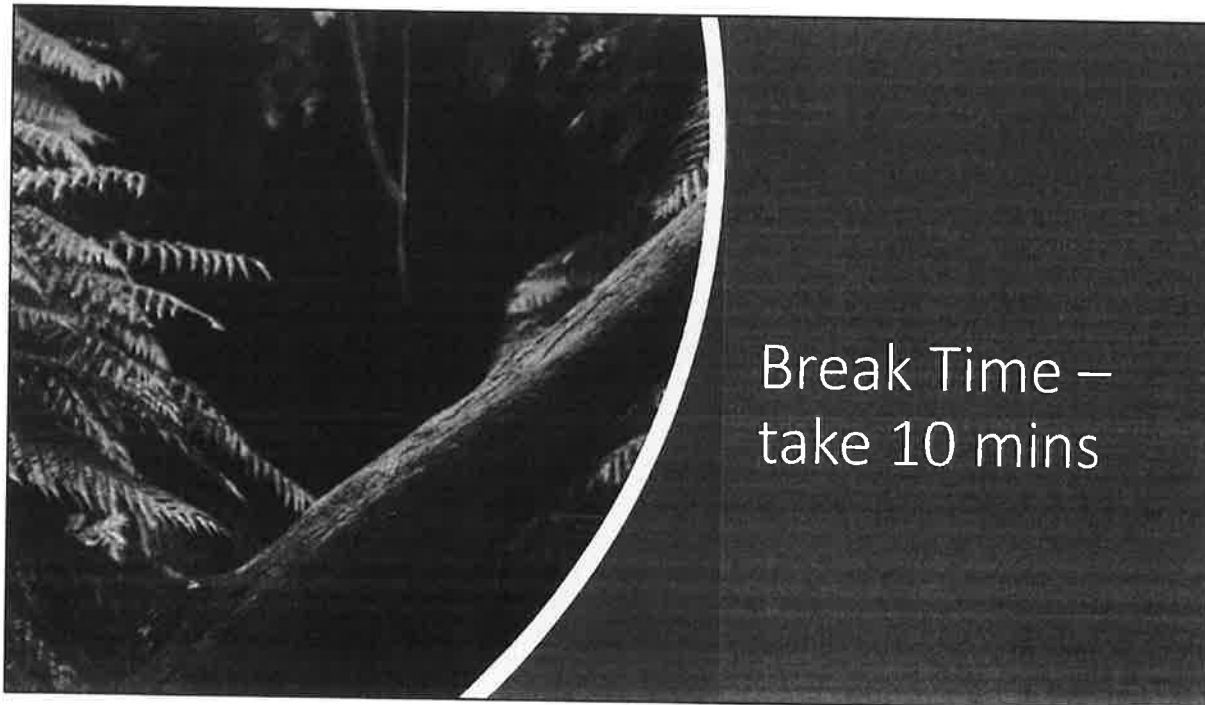
- Case facts:
 - Building with asbestos purchased for \$6,000,000 on April 1, 2X21 by an entity with a fiscal year end of March 31, 2X22.
 - The estimated useful life of the building is 10 years.
 - Relevant legislation requires that asbestos be removed in a prescribed manner.
 - Estimated cost to remove asbestos is \$1,000,000
 - Time before retirement is 10 years (useful life of asset before retirement)
 - Discount rate is 3% (current 10-year borrowing rate for the entity)

20

Example 1 – Building with asbestos

- **Step 1:** Determine the inputs:
 - Rate = %
 - Periods = nper = years
 - Payments = pmt =
 - Costs to retire = Future Value (FV) = \$

21



22

Example 1 – Building with asbestos

- **Step 1:** Determine the inputs:
 - Rate = 3%
 - Periods = nper = 10 years
 - Payments = pmt = 0 (no annual payments expected)
 - Costs to retire = Future Value (FV) = \$1,000,000

Example 1 – Building with asbestos

- **Step 2:** Determine the present value of the ARO at the time the asset is purchased (amount to capitalize and set up as your ARO)
- = \$744,094

Assessment of How Much to Capitalize

We use a present value technique in excel to determine the present value of the ARO liability at April 1, 2X21. Our inputs have been identified above and are stated below:

Building Cost	Formula Code	\$ 8,000,000.00	(Original Cost of the Building)
Rate	rate	3%	(Borrowing rate for the organization for a similar term)
Periods	nper	10	(Useful life of the building)
Payments	pmt	0	(No annual payment, one time cost at end of life)
Future Value	[FV]	\$ 1,000,000.00	(Represents the payment required to retire the building / Asbestos)
Type	[type]	0	(Payment are at the beginning or end of the periods, not applicable so put a 0 here)

Formula Used in Excel to determine the present value of the asset retirement obligation:

Period	Years PV (nper)	PV April 1	Accretion Expense	PV March 31	Amortization
2X21 - 2X22	10	=PV(3%,10,0,1,0)	\$766,417	\$74,409	\$74,409
2X22 - 2X23	9	=PV(3%,9,0,1,0)	\$789,409	\$74,409	\$74,409
2X23 - 2X24	8	=PV(3%,8,0,1,0)	\$813,092	\$74,409	\$74,409

Example 1 – Building with asbestos

- **Step 3:** Determine the present value of the ARO at the end of the fiscal year (liability at the year end)
- = \$766,417

Assessment of How Much to Capitalize
 We use a present value technique in excel to determine the present value of the ARO liability at April 1, 2X21. Our inputs have been identified above and are stated below:

Building Cost	Formula Code	\$ 6,000,000.00	(Original Cost of the Building)
Rate	rate	3%	(Borrowing rate for the organization for a similar term)
Periods	nper	10	(Useful life of the building)
Payments	pmt	0	(No annual payment, one time cost at end of life)
Future Value	[FV]	\$ (1,000,000.00)	(Represents the payment required to retire the building / Asbestos)
Type	[type]	0	(Payment are at the beginning or end of the periods, not applicable so put a 0 here)

Formula Used in Excel to determine the present value of the asset retirement obligation:

Period	Years PV (nper)	PV April 1	Accretion Expense	PV March 31	Amortization
2X21 - 2X22	10	\$744,094	\$22,323	<code>=PV(3%,9,0,-1000000)</code>	
2X22 - 2X23	9	\$766,417	\$22,993	<code>=PV(3%,8,0,-1000000)</code>	

Example 1 – Building with asbestos

- **Step 4:** Determine the accretion expense (increase in the liability from the date of purchase to the year end date)
 - Equal to results from Step 3 minus Step 2
 - \$766,417 – 744,095 = \$22,323

Example 1 – Building with asbestos

- **Step 5:** Determine the amortization expense for the ARO asset
 - Equal to results from Step 2 divided by useful life
 - $\$744,095 / 10 \text{ years} = \$74,409$

27

Example 1 – Building with asbestos

- **Step 6:** Determine journal entries:
 - To record the initial ARO liability and ARO asset

Dr. Building ARO Asset	\$ _____
Cr. ARO Liability	\$ _____
 - To record the accretion expense

Dr. Accretion Expense	\$ _____
Cr. ARO Liability	\$ _____
 - To record the amortization of the ARO asset

Dr. Amortization Expense	\$ _____
Cr. Amortization – Building	\$ _____

28

Example 1 – Building with asbestos

- **Step 6:** Determine journal entries

Journal Entries Required (Year 1 Only)			
Purpose	Account Names	Debit	Credit
To record purchase of building	Building	\$ 6,000,000.00	
	Cash (or debt to finance purchase)		\$ 6,000,000.00
To record the initial ARO liability	Building ARO asset	\$ 744,094.00	
	ARO Liability		\$ 744,094.00
To record accretion expense (yr 1)	Accretion Expense	\$ 22,323.00	
	ARO Liability		\$ 22,323.00
To record building amortization	Amortization Expense (6M/10)	\$ 600,000.00	
	Acc. Amortization - Building		\$ 600,000.00
To record amortization of the ARO asset	Amortization Expense (744,094/10)	\$ 74,409.00	
	Acc. Amort - Building ARO Asset		\$ 74,409.00

29

Subsequent Measurement

- Liability for an ARO should be considered at each financial reporting date
 - This is because an ARO is generally long-term in nature and the measurement of the amount is likely to change as new information becomes available over the useful life of the TCA.
 - A liability for an ARO continues to be recognized until it is settled or otherwise extinguished.

30

Subsequent Measurement (Revisions)

- Changes in the liability are recognized from period-to-period, subsequent to initial measurement, resulting from:
 - Revisions to the timing
 - Changes in amounts to settle (i.e., \$1M to \$1.2M estimated costs)
 - Discount rate (i.e., 3% to 4%)
- Changes are recognized in the cost of the TCA and amortized over the remaining useful life. Changes will also be reflected in the ARO liability and the related accretion expense.

31

Example 2 – Building with asbestos with revision

- Case facts:
 - Same case facts as Example # 1 on initial recognition.
 - In year 2X26, the estimated cost of removal of the asbestos is revised to \$1.2M (from \$1M), and a discount rate of 4% is more appropriate.

32

Example 2 – Building with asbestos with revision

- **Step 1:** Revise the estimated ARO liability at the time of the change. To do this you must use the revised estimates to determine the new present value (PV) at the date of the change (in this case, March 31, 2x26).
- The revised inputs are as follows:
 - Rate = 4%
 - Periods remaining = nper = 5 years
 - Payments = pmt = 0 (no annual payments expected)
 - Costs to retire = Future Value (FV) = \$1,200,000

33

Example 2 – Building with asbestos with revision

- **Step 2:** Determine the present value of the ARO at the time of the change (March 31, 2X26)
- = \$986,313

We use a present value technique in excel to determine the present value of the ARO liability at April 1, 2x21. Our inputs have been identified above and are stated below:

Formula Code	Original	Revised
Building Cost	\$ 6,000,000.00	
Rate	4%	4%
Periods	10	
Payments	0	
Future Value	\$ (1,000,000.00)	\$ (1,200,000.00)
Type	0	

Period	Years	PV April 1	Accretion Expense	PV March 31	Adjustment	Revised PV March 31	Amortization
2x21 - 2x22	10	\$764,094	\$22,323	\$766,417			\$74,409
3:2x22-2x23	9	\$706,417	\$22,993	\$709,409	\$74,409	\$74,409	\$74,409
4:2x23-2x24	8	\$379,409	\$23,082	\$315,092			\$74,409
1:2x24-2x25	7	\$813,192	\$24,719	\$817,911			\$74,409
2:2x25-2x26	6	\$837,484	\$25,125	\$862,609	\$122,704	\$744,905	\$74,409
3:2x26-2x27	5	\$986,313	\$39,453	\$1,025,765		\$216	
4:2x27-2x28	4	\$1,025,765	\$41,031	\$1,066,796			
5:2x28-2x29	3	\$1,066,796	\$42,672	\$1,109,467			

PV(rate,nper,pmt,fv,[type])

34

Example 2 – Building with asbestos with revision

- **Step 3:** Determine the journal entry to adjust the ARO liability and ARO asset at March 31, 2X26 (year 5).
- Since this happens at the end of the fiscal year there is no impact on the accretion or amortization expense for the year and it will only impact the accretion expense in the subsequent period

Journal Entries Required (Year 5 Only) For the Change in Estimate

Purpose	Account Names	Debit	Credit
To record the subsequent change	Building ARO asset	\$123,704	
ARO liability	ARO Liability		\$123,704

35

Example 2 – Building with asbestos with revision

- **Step 4:** Determine the change in accretion expense for the year ending March 31, 2X27.
 - Once the March 31, 2X26 value has been updated, the PV's for the remainder of the useful life are adjusted for the following years to reflect the updated estimates.
 - The accretion expense is calculated similar to before by taking the PV at the end of year less the PV at the beginning of the year. The value of the ARO at April 1, 2x26 is equal to our closing balance in the previous year ending March 31, 2x26 after the adjustment.

Period	Years PV	PV April 1	Accretion Expense	PV March 31	Adjustment	Revised PV March 31	Amortization
2X21 - 2X22	10	\$744,094	\$22,323	\$766,417			\$74,409
2X22 - 2X23	9	\$766,417	\$22,993	\$789,409			\$74,409
2X23 - 2X24	8	\$789,409	\$23,682	\$813,092			\$74,409
2X24 - 2X25	7	\$813,092	\$24,393	\$837,484			\$74,409
2X25 - 2X26	6	\$837,484	\$25,125	\$862,609	\$123,704	\$986,313	\$74,409
2X26 - 2X27	5	\$986,313	\$39,453	\$1,025,765		\$1,025,765	\$99,150
2X27 - 2X28	4	\$1,025,765	\$42,672	\$1,068,437		\$1,068,437	\$99,150
2X28 - 2X29	3	\$1,068,437	\$44,379	\$1,112,816		\$1,112,816	\$99,150
2X29 - 2X30	2	\$1,112,816	\$46,154	\$1,158,970		\$1,158,970	\$99,150
2X30 - 2X31	1	\$1,158,970	\$48,000	\$1,206,970		\$1,206,970	\$99,150
2X31 - 2X32	0	\$1,206,970		\$1,206,970		\$1,206,970	\$99,150

36

Example 2 – Building with asbestos with revision

- **Step 5:** Determine the change in amortization expense of the ARO asset for the year ending March 31, 2X27.
 - Equal to the original amortization plus the adjustment divided by the remaining useful life of the asset
 - $(\$744,095 / 10 \text{ years}) + (\$123,704 / 5 \text{ years}) = \$99,150$

Original amortization

Adjustment amortization

37

Example 2 – Building with asbestos with revision

- **Step 6:** Determine journal entries at March 31, 2x27 (year 6).

Journal Entries Required (Year 6 Only) For the Change in Estimate			
Purpose	Account Names	Debit	Credit
To record accretion expense	Accretion Expense ARO Liability	\$39,453	\$39,453
To record amortization of the ARO asset	Amortization Expense Acc. Amort - Building ARO Asset	\$99,150	\$99,150
To record building amortization	Amortization Expense (6M/10) Acc. Amortization - Building	\$ 600,000.00	\$ 600,000.00

38

ARO for Landfills

- Formerly covered under PS 3270, Solid Waste Closure and Post Closure Liability (now withdrawn).
- Obligations for closure and post closure limited to legal obligations and obligations associated with the retirement of a TCA.
- Recognizing the liability as incurred rather than incrementally with use:
 - Provides a better reflection of the extent of the entity's liability; and
 - Will enhance users' understanding regarding the resources required to support future outflows.

39

ARO for Landfills (continued)

Area	New Section PS 3280	Old Section PS 3270
Liability	Recognized as incurred – earlier recognition	Recognized incrementally as landfill is used – later recognition
Total Liability (estimated total expenditure)	Generally the same	
Assets	ARO assets are capitalized – increase the carrying amount of the related assets	N/A – expensed
Total Expenses (over time)	Generally the same	
Annual Expenses	Differences in annual expenses are due to differences in methodology used in recognizing the liability. Amortization of ARO asset and accretion expense.	Expensed as incurred / as liability is setup.

40

ARO for Landfills (continued)

- For landfills, for each obligation the entity must consider whether the obligation is incurred on the landfill acquisition, construction or development, or normal use.
- When the obligation is incurred will determine the timing of the recognition of the ARO.
 - For example, is the obligation incurred when the landfill starts accepting waste, or is it incrementally incurred with the use of the landfill?

41

ARO for Landfills (continued)

Past Transaction or Event	Example	Explanation
Construction	<ul style="list-style-type: none"> • Public sector entity constructs a landfill. • Environmental approval requires that a final cover and vegetation be put in place irrespective of landfill site use. 	<ul style="list-style-type: none"> • The obligation is incurred on construction of the landfill as the environmental approval requires that the final cover and vegetation be put in place irrespective of landfill site use.
Normal use (incurred when landfill starts accepting waste)	<ul style="list-style-type: none"> • Public sector entity opens a landfill. • Environmental approval requires closure activities to be performed irrespective of volume of waste accepted. 	<ul style="list-style-type: none"> • The obligation is incurred in full when the entity starts accepting waste because it is linked to the normal use of the landfill, but not to the volume of waste accepted.
Normal use (incurred incrementally with use)	<ul style="list-style-type: none"> • Public sector entity opens a landfill. • Environmental approval requires post closure activities that are directly linked to the volume of waste accepted. 	<ul style="list-style-type: none"> • The obligation is incurred incrementally with use of the landfill because it is linked to the normal use of the landfill and the volume of waste accepted.

42

ARO for Landfills (continued)

- The new PS 3280 (ARO) is similar to existing PS 3260 (Liability for Contaminated Sites)
- Which standard to apply depends on:
 - Cause for the retirement or remediation obligation
 - Type of obligation
 - Extent of contamination

43

ARO for Landfills (continued)

PS 3280 (ARO)	PS 3260 (Liability for Contaminated Sites)
Cause for the retirement or remediation obligation	
<ul style="list-style-type: none"> • Acquisition, construction, development, normal use • Not necessarily associated with contamination 	<ul style="list-style-type: none"> • Unexpected event or improper use
Type of Obligation	
<ul style="list-style-type: none"> • Legal obligation related to TCA of the entity 	<ul style="list-style-type: none"> • Legal, constructive and equitable obligations (direct responsibility and assumed)
Extent of Contamination	
<ul style="list-style-type: none"> • Does not need to exceed the environmental standard 	<ul style="list-style-type: none"> • Must exceed environmental standard

- For example, normal use at a fueling station could create an ARO, however a fuel spill elsewhere could create a contaminated site.

44

Example 3 – Landfill Liability

- Case facts:
 - Public entity constructs a landfill with construction completed December 31, 2X22.
 - Estimated useful life of the landfill is 10 years, depreciated using straight line amortization.
 - Regulations require closure and post-closure activities.
 - Closure requirements include final cover vegetation in 2X34 (year 11) for \$1.1M, and building of facilities for \$450k
 - Post-closure activities will cost \$25K annually at the end of the reporting period and are required for 30 years starting in year 2X35 (year 12)
 - Inflation is expected to be 1.15% and the entity is able to borrow long-term debt at 3%.

45

Example 3 – Landfill Liability

- **Step 1: Determine the inputs**
 - Closure costs (one-time payment) – vegetation = \$ _____
 - Closure costs (one-time payment) – facilities = \$ _____
 - Post-closure cost (annual cost after year 11) = \$ _____
 - Inflation = _____%
 - Discount rate = _____%
 - Years until payment of closure costs = _____ years
 - Years until payment of post-closure costs = _____ years
 - Years of post-closure costs = _____ years

46

Example 3 – Landfill Liability

- **Step 3:** Determine the Post Closure costs for each year adjusted for inflation starting in year 12 using the future value analysis (note each year will require its own calculation to determine the FV). This is equal to \$28,677.

Inputs							
Inflation	Discount Rate	Vegetation	Facilities	Total	NPV (Sum of Below)		
1.15%	3%	\$ 1,100,000.00	\$ 450,000.00	\$ 1,550,000.00	\$1,269,834.10		
Closure Costs							
Post Closure Costs				\$ 25,000.00	\$469,879.53		
					\$1,239,513.63	Total ARD Liability and Asset	

Year	Years for FV	Years for PV	Cash Flow	Cash Flow plus		Description
				Inflation (FV Calc)	NPV Calculation	
2X34	11	11	Construction \$ 1,550,000.00	\$1,757,747.37	\$1,269,834.10	Closure cost for vegetation and facilities
2X35	12	12	Monitoring/ Maintenance \$ 25,000.00	\$28,676.80	\$24,006.58	Post-Closure Maintenance Costs
2X36	13	13	Monitoring/ Maintenance \$ 25,000.00	\$28,676.80	\$24,006.58	Maintenance Costs
2X34	48	41	Monitoring/ Maintenance \$ 25,000.00	\$28,676.80	\$24,006.58	Maintenance Costs

49

Example 3 – Landfill Liability

- **Step 4:** Determine the PV of the inflation adjusted closure costs resulting in PV of \$1,269,834

Inputs							
Inflation	Discount Rate	Vegetation	Facilities	Total	NPV (Sum of Below)		
1.15%	3%	\$ 1,100,000.00	\$ 450,000.00	\$ 1,550,000.00	\$1,269,834.10		
Closure Costs							
Post Closure Costs				\$ 25,000.00	\$469,879.53		
					\$1,239,513.63	Total ARD Liability and Asset	

Year	Years for FV	Years for PV	Cash Flow	Cash Flow plus		Description
				Inflation (FV Calc)	NPV Calculation	
2X34	11	11	Construction \$ 1,550,000.00	\$1,757,747.37	\$1,269,834.10	Item and facilities
2X35	12	12	Monitoring/ Maintenance \$ 25,000.00	\$28,676.80	\$24,006.58	Maintenance Costs
2X36	13	13	Monitoring/ Maintenance \$ 25,000.00	\$28,676.80	\$24,006.58	Maintenance Costs

- The current cost estimate to complete the closure is \$1,550,000. However, due to inflation it is expected to cost \$1,757,747 in 2X34. Because of the time value of money, that means the cost in today's money would be \$1,269,834 to complete the vegetation and facilities. Remember, that is how much money today would be required to be able to cover the cost of \$1,757,747 at closure.

50

Example 3 – Landfill Liability

- **Step 5:** Determine the present value of the adjusted post closure costs (note that each year will require its own calculation to determine the PV. This is equal to \$20,113.

Inputs							
Inflation	1.15%	Vegetation	Facilities	Total	NPV (Sum of Below)		
Discount Rate	3%	Closure Costs	Post Closure Costs				
		\$ 1,100,000.00	\$ 450,000.00	\$ 1,550,000.00	\$1,269,834.10		
			\$ 25,000.00		\$469,679.58		
					\$1,739,513.68	Total ARO Liability and Asset	

Year	Years for FV	Years for PV	Cash Flow	Cash Flow plus Inflation (FV Calc)	NPV Calculation	Description
			Construction	Monitoring/ Maintenance		
2X34	11	11	\$ 1,550,000.00		\$1,737,747.37	\$1,269,834.10 Closure cost for vegetation and facilities
2X35	12	12		\$ 25,000.00	\$28,676.80	Post Closure Maintenance Costs
2X36	13	13		\$ 25,000.00	\$29,006.58	
2X64	41	41		\$ 25,000.00	\$39,592.26	

51

Example 3 – Landfill Liability

- **Step 6:** Sum the total of the present value calculations for all 30 years of the post closure activities to determine the cumulative PV for the post closure activities. This is equal to \$469,679.

Inputs							
Inflation	1.15%	Vegetation	Facilities	Total	NPV (Sum of Below)		
Discount Rate	3%	Closure Costs	Post Closure Costs				
		\$ 1,100,000.00	\$ 450,000.00	\$ 1,550,000.00	\$1,269,834.10		
			\$ 25,000.00		\$469,679.58		
					\$1,739,513.68	Total ARO Liability and Asset	

Year	Years for FV	Years for PV	Cash Flow	Cash Flow plus Inflation (FV Calc)	NPV Calculation	Description
			Construction	Monitoring/ Maintenance		
2034	11	11	\$ 1,550,000.00		\$1,737,747.37	\$1,269,834.10 Closure cost for vegetation and facilities
2035	12	12		\$ 25,000.00	\$28,676.80	Post Closure Maintenance Costs
2036	13	13		\$ 25,000.00	\$29,006.58	
2037	14	14		\$ 25,000.00	\$29,336.36	
2038	15	15		\$ 25,000.00	\$29,666.14	
2039	16	16		\$ 25,000.00	\$30,000.00	
2040	17	17		\$ 25,000.00	\$30,338.86	
2041	18	18		\$ 25,000.00	\$30,682.72	
2042	19	19		\$ 25,000.00	\$31,031.58	
2043	20	20		\$ 25,000.00	\$31,385.44	
2044	21	21		\$ 25,000.00	\$31,744.30	
2045	22	22		\$ 25,000.00	\$32,108.16	
2046	23	23		\$ 25,000.00	\$32,477.02	
2047	24	24		\$ 25,000.00	\$32,850.88	
2048	25	25		\$ 25,000.00	\$33,229.74	
2049	26	26		\$ 25,000.00	\$33,613.60	
2050	27	27		\$ 25,000.00	\$33,993.46	
2051	28	28		\$ 25,000.00	\$34,379.32	
2052	29	29		\$ 25,000.00	\$34,771.18	
2053	30	30		\$ 25,000.00	\$35,169.04	
2054	31	31		\$ 25,000.00	\$35,572.90	
2055	32	32		\$ 25,000.00	\$35,982.76	
2056	33	33		\$ 25,000.00	\$36,398.62	
2057	34	34		\$ 25,000.00	\$36,820.48	
2058	35	35		\$ 25,000.00	\$37,248.34	
2059	36	36		\$ 25,000.00	\$37,682.20	
2060	37	37		\$ 25,000.00	\$38,122.06	
2061	38	38		\$ 25,000.00	\$38,567.92	
2062	39	39		\$ 25,000.00	\$39,019.78	
2063	40	40		\$ 25,000.00	\$39,477.64	
2064	41	41		\$ 25,000.00	\$39,941.50	

52

Example 3 – Landfill Liability

- **Step 7:** Add together the PV of the closure costs and sum the PV's for the post closure costs to determine the ARO (ARO is equal to the PV of total closure and post closure costs):

Inputs							
Inflation	1.15%						
Discount Rate	3%						
		Vegetation	Facilities	Total		NPV (Sum of Below)	
Closure Costs		\$ 1,100,000.00	\$ 450,000.00	\$ 1,550,000.00		\$1,269,834.10	
Post Closure Costs				\$ 25,000.00		\$469,679.53	
						\$1,739,513.63	Total ARO Liability and Asset

53

Example 3 – Landfill Liability

- **Step 8:** Determine the accretion expense. This is calculated by using the same calculation as we used initially except, we modify the year for the PV to determine the end of year liability (i.e., 10 years instead of 11), remembering that the initial calculation was to determine the initial asset and liability at the beginning of the year. At the end of the year, 10 years is the appropriate term since 1 year has effectively passed. The difference between the initial NPV and the new NPV becomes the accretion expense:

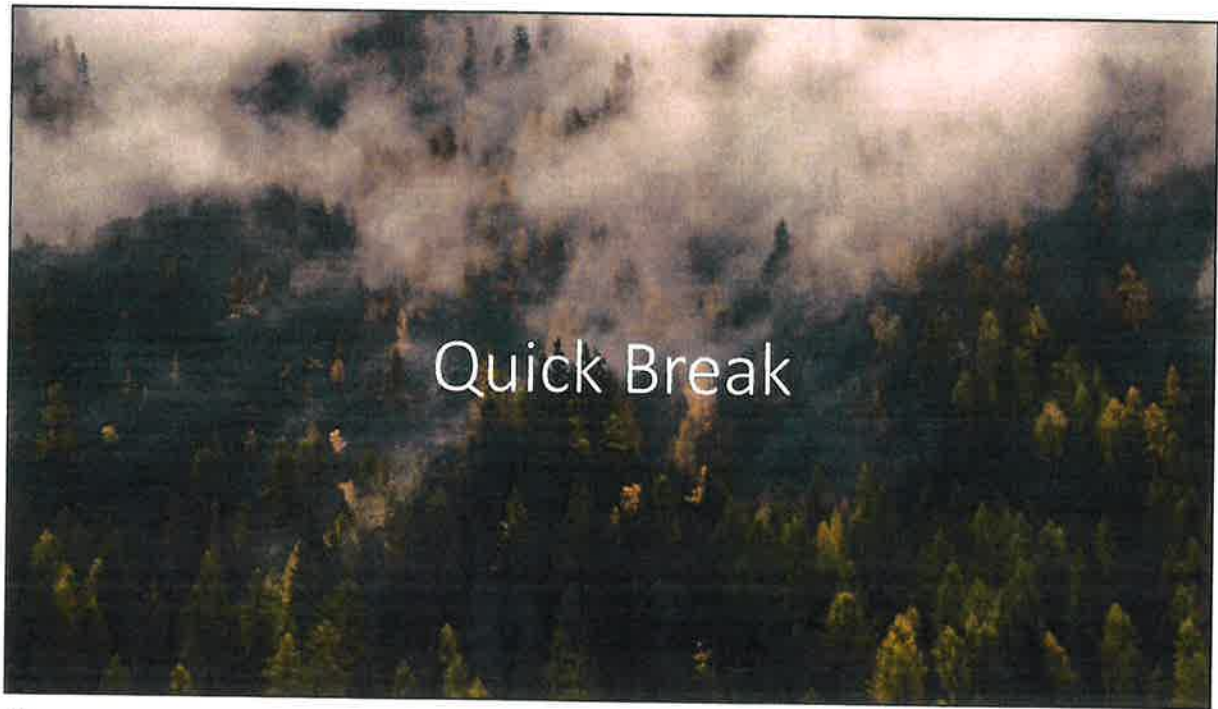
Year	Years for PV	Years for PV (Updated)	Cash Flow	Cash Flow plus Inflation (FV Calc)	NPV Calculation		Description
					(Updated)	(Updated)	
2K34	11	10	Construction	\$1,757,747.37	\$1,307,929.12		Closure cost for vegetation and facilities
2K35	12	11	Monitoring/ Maintenance	\$ 25,000.00	\$20,716.73		Post Closure Maintenance Costs
2K36	13	12		\$ 25,000.00	\$20,344.63		Post Closure Maintenance Costs
2K37	14	13		\$ 25,000.00	\$12,471.64		Post Closure Maintenance Costs
2K38	15	14		\$ 25,000.00	\$12,207.94		Post Closure Maintenance Costs
			Accretion Expense	Initial	Adjusted	Accretion	
			Closure Cost	\$1,269,834.10	\$1,307,929.12	\$38,095.02	
			Post Closure Maintenance	\$469,679.53	\$483,769.92	\$14,090.39	
						\$52,185.41	

54

Example 3 – Landfill Liability

• Step 9: Determine the journal entries (note the dates that these are recorded):

Journal Entries Required	Account Name	Debit	Credit	
1. To record the initial ARO liability related to closure activities (final cover and vegetation and facilities) (December 31, 2X22)	Landfill ARO Asset ARO Liability	\$ 1,269,834.10	\$ 1,269,834.10	This is recorded in the year that the construction is completed. As they have this closure liability regardless of use.
2. To record the ARO liability related to post closure activities (January 1, 2X23)	Landfill ARO Asset ARO Liability	\$ 469,679.53	\$ 469,679.53	This is recorded in January as the liability is incurred when they first start accepting waste and based on environmental approval being regardless of volume.
3. To record accretion expense (Year 1, December 31, 2X23)	Accretion Expense ARO Liability	\$ 52,185.41	\$ 52,185.41	
4. To record amortization expense (Year 1, December 31, 2X23)	Amortization Expense (1,739,514/10) Acc. Amortization - Landfill ARO Asset	\$ 173,952.00	\$ 173,952.00	



Measurement Uncertainty

- There may be some cases where the settlement date or amount of the ARO are uncertain.
- The uncertainty around the settlement of the ARO does not remove the obligation but will affect the measurement.
- Uncertainty may require the use of professional judgement, and be supplemented with experience, third party quotes or reports from independent experts.
- These uncertainties are disclosed in accordance with PS 2130, Measurement Uncertainties.

57

Recoveries

- If a liability for an ARO is mitigated by a claim against a third party, the amount of the recovery is a separate asset and is not offset against the measurement of the liability.
- Recoveries may occur when the entity is able to recover costs associated with asset retirement from a third party.
- A recovery relating to an ARO is recognized when:
 - The recovery can be appropriately measured;
 - A reasonable estimate of the amount can be made; and
 - It is expected that future economic benefits will be obtained.

58

Presentation and Disclosure

Presentation

- The ARO liability is presented as a separate line item in liabilities on the Statement of Financial Position. There is a related offset (debit) to TCAs (included within the TCA line item).
- Subsequent changes to the ARO liability (accretion expense) and amortization of the asset retirement costs are recorded as an expense.

59

Presentation

- Note that the ARO liability is presented as its own line item
- The ARO asset is included in the TCAs line item

Consolidated Statement of Financial Position
December 31, 2022, with comparative figures for 2021
(In thousands of dollars)

	2022	2021 (Restated -- note 2)
Financial assets:		
Cash and cash equivalents	\$ 18,500	\$ 13,300
Accounts receivable (note 3)		
Taxes receivable	48,000	46,000
Other	56,400	54,500
Land for resale	2,700	2,400
Investments (note 4)	283,600	231,900
Investment in Exchange Government Business Enterprise (note 5)	79,000	75,000
Debt charges recoverable (note 9)	158,800	158,700
	647,000	581,800
Liabilities:		
Accounts payable and accrued liabilities	130,900	118,100
Deferred revenue (note 7)	58,200	24,000
Long-term liabilities (note 8)	329,000	351,400
Employee benefits and other liabilities (note 9)	68,200	64,300
Asset retirement obligation (note 12)	96,534	94,542
	682,834	650,442
Net financial assets (net debt)	(35,834)	(68,642)
Non-financial assets:		
Tangible capital assets (note 11)	1,051,500	1,042,500
Inventories of supplies	3,400	3,200
Prepaid expenses	700	900
	1,055,700	1,046,600
Accumulated Surplus (note 12)	\$ 1,015,866	\$ 977,958
Accumulated remeasurement gains (losses)	4,000	-
	1,019,866	977,958

60

Presentation and Disclosure

Disclosure

- The following information should be disclosed in relation to AROs:
 - A general description of the liability for an ARO and associated TCA
 - The amortization method used
 - The basis for the estimate of the liability (estimated total undiscounted expenditures, time period over which costs will be incurred, estimated timing of settlement of the expenditures, discount rate)
 - A reconciliation of the beginning and ending carrying amount of the liability
 - If a reasonable estimate for the amount of an ARO cannot be made, the fact and reasons therefore; and
 - Estimated recoveries, if any.

61

Disclosures

Accounting policies

1. Significant accounting policies (continued):

(k) Employee future benefits (continued):

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(l) The costs of multi-employer defined contribution pension plan benefits, such as the Provincial Municipal Employees Retirement System ("PMERS") pensions, are the employer's contributions due to the plan in the period.

(i) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The landfill capital asset is being amortized using the units of production method, while the buildings capital assets affected by the asbestos liability are being amortized with the building following the depreciation accounting policies outlined in (m).

62

Disclosures

ARO Liability

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2021
Opening balance	\$ -	\$ -	\$ -
Adjustment on adoption of the asset retirement obligation standard (Note 2)	60,950	31,436	92,386
Opening balance, as restated	60,950	31,436	92,386
Accretion expense	1,219	637	1,856
Closing balance	\$ 62,169	\$ 32,073	\$ 94,242

10. Asset retirement obligation:

The City's Asset retirement obligation consists of several obligations as follows:

a) Landfill obligation

The City owns and operates a number of landfill sites. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 - Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years post this date. The landfills had an estimated useful life of 20 years when they were purchased, of which 9 years remain. Post-closure care is estimated to be required for 25 years from the date of site closure. These costs were discounted to December 31, 2022 using a discount rate of 2.00% per annum.

b) Asbestos obligation

The Entity owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 - Asset retirement obligations, the Entity recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2021. The buildings had an estimated useful life of 10 years when they were purchased in 2018, of which 5 years remain. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. Estimated costs have been discounted to the present value using a discount rate of 2.00% per annum.

The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Landfill capital assets and the restatement of prior year numbers (see note 2).

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2022
Opening balance	\$ 62,169	\$ 32,473	\$ 94,642
Accretion expense	1,243	649	1,892
Closing balance	\$ 63,412	\$ 33,122	\$ 96,534

Disclosures

TCAs

11. Tangible Capital Assets:

	2022							Total
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Assets under Construction	
Cost								
Balance, beginning of year	\$157,400	\$97,900	\$489,100	\$355,200	\$188,300	\$432,300	\$37,300	\$1,737,500
Additions	4,800	3,100	5,500	11,500	1,100	20,400	19,700	66,100
Disposals	-	-	-	(2,400)	-	(2,200)	-	(4,600)
Balance, end of year	162,200	101,000	494,600	364,300	189,400	449,500	\$7,300	1,788,300
Accumulated Amortization								
Balance, beginning of year	-	52,000	169,200	233,100	40,800	193,300	-	695,000
Disposals	-	-	-	(2,300)	-	(2,500)	-	(4,800)
Amortization Expense	-	4,800	12,500	18,400	2,400	18,400	-	56,500
Balance, end of year	-	\$8,800	181,700	239,200	43,200	211,200	-	742,700
Net Book Value, end of year	\$162,200	\$92,200	\$312,900	\$125,100	\$146,200	\$238,300	\$7,300	\$1,045,600

Disclosures

TCAs

11. Tangible Capital Assets (continued):

	2021							Total
	Land	Leased and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Assets under construction	
Cost								
Balance, beginning of year	\$157,400	\$46,500	\$469,300	\$348,600	\$184,400	\$415,400	\$16,200	\$1,577,800
Adjustment relating to recognition of Asset Retirement Obligations (Note 12)	-	10,000	20,000	-	-	-	-	30,000
Balance, beginning of year, as restated	\$157,400	\$56,500	\$489,300	\$348,600	\$184,400	\$415,400	\$16,200	\$1,607,800
Acquisitions	-	1,400	29,800	9,600	5,500	19,500	21,100	87,900
Disposals	-	-	-	(3,000)	(1,800)	(2,700)	-	(7,500)
Balance, end of year	\$157,400	\$57,900	\$519,100	\$355,200	\$188,200	\$432,200	\$37,300	\$1,737,500
Accumulated Amortization								
Balance, beginning of year	-	23,300	147,300	218,600	79,000	184,900	-	613,100
Adjustment relating to recognition of Asset Retirement Obligations (Note 12)	-	25,000	8,000	-	-	-	-	33,000
Balance, beginning of year, as restated	-	\$48,300	\$155,300	\$218,600	\$79,000	\$184,900	-	\$646,100
Deposits	-	-	-	13,000	11,000	(2,500)	-	21,500
Amortization Expense	-	8,200	17,900	19,500	2,200	18,500	-	66,300
Balance, end of year	-	\$56,500	\$173,200	\$231,600	\$90,500	\$199,900	-	\$711,700
Net Book Value, end of year	\$157,400	\$1,400	\$345,900	\$123,600	\$97,700	\$232,300	\$37,300	\$1,025,800
Net Book Value, beginning of year	\$157,400	\$23,200	\$322,000	\$125,600	\$105,400	\$202,900	\$16,200	\$1,011,700

65

Transition

- Three possible methods for transitioning to PS 3280 are acceptable:
 - Retroactive application;
 - Modified retroactive application; or
 - Prospective application.
- Retroactive application:
 - Requires an entity to apply PS 3280 to events and transactions from the date of origin of such items using historical assumptions and discount rates
- Modified retrospective application:
 - Requires an entity to apply PS 3280 to events and transactions from the date of origin using current assumptions and discount rates.

66

Transition (continued)

- For both the retrospective and modified retrospective methods, there is an adjustment recorded in the comparative period to adjust the opening balance of accumulated surplus (deficit).
- Prospective application:
 - Requires an entity to apply PS 3280 to current and subsequent periods.
 - No cumulative catch-up adjustment is made.
 - Adjustments are recorded in the statement of operations in the year of adoption.

67

Transition (continued)

- Prospective application does not limit the amount of work required in applying the new standards. The full amount of all AROs, including pre-existing AROs, still have to be booked in the year the standard becomes effective.
- Modified retrospective application is likely to be the most common application method.

68

Example 4 – Modified Retrospective Application

- **Significant Assumptions / Case Facts:**

- The TCA to which the ARO relates was acquired on April 1, 2005 and is estimated to have a useful life of 20 years
- The entity incurred 100% of the ARO on acquisition (April 1, 2005)
- The entity used straight line amortization
- At April 1, 2025, undiscounted expected cash flows will be required to satisfy the ARO on March 31, 2025 are \$250K
- The April 1, 2022 discount rate is 3%
- Current year end date is March 31, 2023

69

Example 4 – Modified Retrospective Application

- **Step 1: Determine the inputs:**

- Term: 4 years (for the April 1, 2021 balance – opening balance)
- Rate: 3%
- Payment: \$250,000

Recall that for the modified retrospective application, comparative figures are restated, an adjustment to opening accumulated surplus is made, and the liability is measured as of the date it was incurred.

The discount rate and assumptions used are those as of the beginning of the current fiscal year (i.e., discount rate of 3% used).

70

Example 4 – Modified Retrospective Application

- **Step 2:** Determine the PV for the first comparative period to be restated on the financial statements (equal to \$222,122):
- The date of transition (your first entry) will be April 1, 2021 (the first day of the fiscal year before your current fiscal year – the “comparative period”)

Term	4 (for the April 1, 2021 balance - opening balance)
Rate	3%
FV	\$ (250,000)

Years	Years Remaining	Liability Balance April 1	Accretion Expense	Liability Balance March 31
2021 - 2022	4	=PV(\$250,000, 3%, 4)		\$ 228,785
2022 - 2023	3	=PV(rate, nper, pmt, [fv], [type])	6,864	\$ 235,649
2023 - 2024	2	\$ 235,649	7,069	\$ 242,718
2024 - 2025	1	\$ 242,718	7,282	\$ 250,000

71

Example 4 – Modified Retrospective Application

- **Step 3:** Determine the PV for prior year end reporting – i.e., the ARO liability amount at March 31, 2022 (equal to \$228,785):

Term	3 (for the April 1, 2021 balance - opening balance)
Rate	3%
FV	\$ (250,000)

Years	Years Remaining	Liability Balance April 1	Accretion Expense	Liability Balance March 31
2021 - 2022	3	\$ 222,122	6,664	=PV(\$250,000, 3%, 3)
2022 - 2023	2	\$ 228,785	6,864	=PV(rate, nper, pmt, [fv], [type])
2023 - 2024	1	\$ 235,649	7,069	\$ 242,718
2024 - 2025	0	\$ 242,718	7,282	\$ 250,000

(a) \$228,785.01 = PV of \$250,000, 3%, 3 Years and the balance of the liability at the first year end reporting.

72

Example 4 – Modified Retrospective Application

- **Step 4:** Determine the amount to capitalize for the ARO. To do this, you will need to determine the value of the asset discounted to when the asset would have been originally recorded (i.e., in April 2005)

PV of ARO at April 1, 2005 = PV of \$250,000, discounted at 3%, 20 years: \$ 138,419

`=PV(0.03,20,0,-250000,0)`
PV(rate, nper, pmt, [fv], [type])

73

Example 4 – Modified Retrospective Application

- **Step 5:** Determine the accumulated amortization on the asset at the prior year reporting date for comparative purposes:

Accumulated Amortization on the Asset $(138,418.94 / 20 \text{ years} \times 16)$ \$ 110,735

74

Example 4 – Modified Retrospective Application

- **Step 6:** Determine the journal entries to setup the comparative information for April 1, 2021 (first day of comparative year end – March 31, 2022):

To record the ARO on April 1, 2021:

	Debit	Credit
Asset Retirement Asset	\$ 138,419	
Acc. Amortization - Asset Retirement Asset		\$ 110,735
Opening Accumulated Surplus Deficit	\$ 194,437	
Asset Retirement Obligation Liability		\$ 222,121
		<i>Note on Calculation below</i>

Note: Opening Accumulated Surplus Adjustment

April 1, 2021 Liability	\$ 222,122
Less: Original Asset / Liability	\$ 138,419
	\$ 83,703
Add: Accumulated Amortization Adjustment	\$ 110,735
	\$ 194,438

75

Example 4 – Modified Retrospective Application

- **Step 7:** Determine the prior year end (March 31, 2022) entries for amortization and accretion:

To record amortization and accretion expense for the year ending March 31, 2022:

	Debit	Credit
1. Amortization Expense	\$ 6,921	
Acc. Amortization asset Retirement Asset		\$ 6,921
2. Accretion Expense	\$ 6,664	
Asset Retirement Obligation Liability		\$ 6,664

76

Example 4 – Modified Retrospective Application

- **Step 7:** Determine the current year end (March 31, 2023) entries for amortization and accretion:

To record amortization and accretion expense for the year ending March 31, 2023:

	Debit		Credit	
1. Amortization Expense	\$	6,921		
Acc. Amortization Asset Retirement Asset			\$	6,921
2. Accretion Expense	\$	6,864		
Asset Retirement Obligation Liability			\$	6,864

77

Example 4 – Modified Retrospective Application

- **Step 8:** Calculate the balance per financial statements based on the adjustments that were posted:

	March 31, 2021	March 31, 2022	April 1, 2021
Tangible Capital Asset	\$ 138,419	\$ 138,419	\$ 138,419
Accumulated Amortization	\$ (124,177)	\$ (117,058)	\$ (110,735)
Net Book Value	\$ 14,242	\$ 21,361	\$ 27,684
Asset Retirement Obligation	\$ 235,649	\$ 228,785	\$ 222,122

78