

REGIONAL DISTRICT OF BULKLEY-NECHAKO

COMMITTEE OF THE WHOLE MEETING

Thursday, February 12, 2015

PRESENT: Chairperson Bill Miller

Directors Taylor Bachrach
Eileen Benedict
Shane Brien
Mark Fisher
Dwayne Lindstrom
Thomas Liversidge
Rob MacDougall
Rob Newell
Mark Parker
Jerry Petersen
Darcy Repen
Luke Strimbold
Gerry Thiessen

Director Absent Tom Greenaway, Electoral Area "C" (Fort St. James Rural)

Alternate Director Bob Hughes, Electoral Area "C" (Fort St. James Rural)

Staff Gail Chapman, Chief Administrative Officer
Cheryl Anderson, Manager of Administrative Services
Hans Berndorff, Financial Administrator
Janine Dougall, Director of Environmental Services
Deborah Jones-Middleton, Protective Services Manager
– arrived at 12:03 p.m.
Jason Llewellyn, Director of Planning – left at 11:11 a.m.,
returned at 12:27 p.m.
Corrine Swenson, Manager of Economic Development – left at
11:11 a.m., returned at 12:03 p.m.
Wendy Wainwright, Executive Assistant

Others Scott Reid, Engineering Coordinator, TransCanada Coastal
GasLink Pipeline Ltd.- left at 11:11 a.m.
Kiel Giddens, Land, Community, and Aboriginal Relations
Liaison, TransCanada Coastal GasLink Pipelines Ltd.- left at
11:11 a.m.

Media Flavio Nienow, LD News – left at 1:12 p.m.

CALL TO ORDER

Chair Miller called the meeting to order at 10:38 a.m.

**SUPPLEMENTARY
AGENDA**

Moved by Director Petersen
Seconded by Director Brien

C.W.2015-2-1

"That the Supplementary Agenda be received and dealt with at
this meeting."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

AGENDA

Moved by Director Newell
Seconded by Director Fisher

C.W.2015-2-2

“That the Agenda of the Regional District of Bulkley-Nechako Committee of the Whole meeting of February 12, 2015 be approved.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

OATH OF OFFICE

Gail Chapman, Chief Administrative Officer administered the Oath of Office to Bob Hughes, Alternate Director, Electoral Area “C” (Fort St. James Rural).

MINUTES

Committee of the Whole Minutes – January 15, 2015

Moved by Director MacDougall
Seconded by Director Lindstrom

C.W.2015-2-3

“That the Committee of the Whole meeting minutes of January 15, 2015 be received.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

DELEGATION

TRANSCANADA COASTAL GASLINK PIPELINE LTD. – Scott Reid, Engineering Coordinator, Kiel Giddens, Land, Community, and Aboriginal Relations Liaison RE: Update

Chair Miller welcomed Scott Reid, Engineering Coordinator and Kiel Giddens, Land, Community and Aboriginal Relations Liaison, TransCanada Coastal GasLink Pipeline Ltd.

Mr. Reid and Mr. Giddens provided a PowerPoint Presentation.

Coastal GasLink Pipeline Project – Proposed Route

- 650 km, 40” diameter pipeline transporting natural gas from near Dawson Creek to Kitimat;
- Coastal GasLink’s customer, LNG Canada, a consortium of Shell Canada, Mitsubishi, Kogas and PetroChina has proposed to build a facility in the District of Kitimat to liquefy the natural gas for export;
- Proposed route passes to the north of Vanderhoof and Fraser Lake, crosses Highway 16 near Endako, and passes to the south of Burns Lake and Houston.

What is the Market for B.C.’s Natural Gas?

- Natural gas use in Asia will replace higher emitting fuels, helping to reduce global GHG (Green House Gas) emissions.

LNG Value Chain

- Exploration & Development in Canada
 - Gas Production as the resource is gathered in the field – LNG Canada – near Dawson Creek;
 - Transport of the natural gas through the Coastal GasLink Pipeline;
 - Liquefaction to Liquid Natural Gas at the LNG Canada facility – in Kitimat;
 - Transport to export markets – via ship;
 - Regasification;
 - Distribution & Transport.

DELEGATION (CONT'D)

TRANSCANADA COASTAL GASLINK PIPELINE LTD. – Scott Reid, Engineering Coordinator, Kiel Giddens, Land, Community, and Aboriginal Relations Liaison RE: Update

Environmental Assessment Certificate

- Coastal GasLink launched: June 2012;
- Initial landowner and public engagement: fall 2012;
- Coastal GasLink field studies and EAO Working Group review of information needs: 2013;
- Environmental Assessment Certificate Application filed: January 2014;
- EAO Working Group review: March-September 2014;
- EA Certificate issued: October 24, 2014.

Environmental Assessment Certificate – Examples of Conditions

- Water Quality Monitoring Program;
- Wildlife and Wildlife Habitat Management Plan;
- Visual Quality Management Plan;
- Timber Salvage Strategy;
- Social and Economic Effects Management Plan.

Responding to Public Input

- Open house dates planned in consultation with local governments;
- Proposed route revised in response to First Nations, landowner and public input;
- Facilities located in response to input and landowner offers;
- Road upgrades planned in cooperation with current industrial users;
- Training and education program;
- Local and Aboriginal participation plans.

Project Contact to date in RDBN

- Ongoing discussions with First Nations;
- EAO open houses in Burns Lake (2013 and 2014) and Fraser Lake (2014);
- Project information sessions in Vanderhoof, Fort St. James, Fraser Lake, Burns Lake and Smithers;
- “LNG Conversation” community presentations in Smithers, Burns Lake and Vanderhoof, October 2014;
- RDBN Board presentations (2012, 2013) and construction issues meetings with Board members and staff (2014);
- Municipal government presentations;
- Chamber of Commerce memberships, sponsorships, presentations;
- Community investment: search and rescue (Vanderhoof, Houston), fire/rescue (Fraser Lake), sturgeon habitat restoration (Vanderhoof), Burns Lake Fall Fair.

Aboriginal Engagement

- Ongoing engagement with 19 Aboriginal groups, and notification across a wider area;
- Collaboration on traditional land use and ecological knowledge;
- Project agreements in process;
- Designated contracting opportunities identified.

Local and Aboriginal Participation Plans

- Most opportunities to be provided through prime contractors;
- Each prime contractor must present a plan for local participation;
- Prime contractors to attend regional networking events;
- TransCanada will monitor implementation of local participation plans through regular reporting.

DELEGATION (CONT'D)

TRANSCANADA COASTAL GASLINK PIPELINE LTD. – Scott Reid, Engineering Coordinator, Kiel Giddens, Land, Community, and Aboriginal Relations Liaison RE: Update

Education & Training Plan

- Pathway to Pipeline Readiness Program:
 - Local workforce readiness training directly related to the Project;
 - Northwest Community College, PGNAETA;
- TransCanada Education Legacy Program:
 - Long term community capacity building;
 - Breakfast Club of Canada, University of Northern British Columbia.

Construction Camps

- Eight potential sites currently identified in Bulkley-Nechako region. Plans are still tentative;
- Contractor selection scheduled for Q3;
- Contractors are responsible for camp construction and management, including waste management and emergency response;
- Level of on-site medical care still to be determined.

2015-16 Project Schedule

- January-June – Develop regulatory-driven management plans (e.g. Socio-economic Effects Management Plan);
- January-October – Construction planning: camp locations, waste management, traffic management;
- April – Public information sessions;
- Spring – OGC permitting decision;
- Fall – Temporary use permitting, camps and facilities;
- Fall – Vendor networking sessions;
- Early 2016 – Final investment decision.

RDBN Issues

- Business opportunities and jobs;
- Potential pressure on retail and public services;
- Waste management;
- Construction traffic;
- Timber salvage.

Discussion took place regarding the sharing of right of way for the TransCanada proposed pipeline projects, Coastal GasLink, Prince Rupert Gas Transmission Project and Pacific Trails Connector pipeline. Mr. Reid noted the difficulty of sharing right of way between the Coastal GasLink and Prince Rupert Gas Transmission Project as the two lines are separated by a significant distance. The projects are also operated by two separate companies, LNG Canada and Pacific Northwest LNG and it is a very competitive market. The Pacific Trails pipeline is operated by Chevron but through the Oil and Gas Commission permitting TransCanada has requested to co-locate where possible. Mr. Giddens noted that through the consultation process land owners have requested to relocate lines and this has been accommodated.

Director Newell spoke of base line monitoring and the information being provided to the RDBN. Mr. Giddens mentioned that TransCanada has a number of monitoring programs that need to be implemented in the plans and the information will be discussed and shared with the RDBN when completed. Mr. Reid mentioned that in the past two years Coastal GasLink has completed significant field work to collect information for base line studies and that data is available publicly.

DELEGATION (CONT'D)

TRANSCANADA COASTAL GASLINK PIPELINE LTD. – Greg Cano, Project Manager, Kiel Giddens, Land, Community, and Aboriginal Relations Liaison RE: Update

The workforce readiness planning was discussed and will be available for First Nations and non-First Nations citizens. TransCanada is partnering with the College of New Caledonia and Northwest Community college to develop programming. Mr Giddens is also a member of the SWOT (Strategic Workforce Opportunities Team) working group.

Chair Miller thanked Messrs Giddens and Reid for attending the meeting.

ENVIRONMENTAL SERVICES REPORT

2015 Recycling Options

Janine Dougall, Director of Environmental Services brought forward the economic challenges of recycling options in the RDBN due to economies of scale and population base. The funding programs initiated by the RDBN in 2009 were to start local recycling programs by providing funding based on an allocation of funds across the RDBN based on assessments.

Since 2009, a number of communities have developed a recycling program and have been funded by the RDBN. Smithers and Area Recycling Society has been a long term organization with funding beginning in 2003. Since 2009, other recycling groups in the region have utilized the funding: the Greening Up the Fort (GUF) in Fort St. James, Vanderhoof, Fraser Lake, and Houston. Burns Lake has had challenges in developing a recycling program and in lieu of the challenges the RDBN provides bins at the Burns Lake and Southside Transfer Stations.

The allocation of funds originally developed in 2009, has in some instances provided sufficient funding for recycling programs, but in other instances the funding has not been sufficient to pay for existing programs. Concerns were brought forward for Houston and Fraser Lake as these two communities do not receive sufficient funding for current levels of recycling services.

The Regional Board requested staff to investigate equivalent service levels across the region in comparison to service levels provided by the Multi-Material B.C. (MMBC) depot service in Smithers and Nak'azdli. In order to determine costs for said service, discussion took place with Cascades in Prince George, the processing company wherein all MMBC recycling materials are transported for processing and the closest processing facility to the RDBN. Cascades in Prince George is affiliated with Green by Nature, the company that contracts to MMBC to collect post recycling products.

The information provided in Ms. Dougall's 2015 Recycling Options report includes expanding the program to cardboard, paper, general plastics and general metals. The MMBC program includes additional products collected: Styrofoam, plastic film and glass. Staff did not include these additional products in the potential RDBN expanded program due to the lack of an end market for the products and the high cost associated with transportation of the products. The intent would be to investigate the expansion of recycling programs in areas to include cardboard, paper and general plastics and general metals (e.g. pie plates, tin cans) with the intent being, if MMBC in the future provides services to the areas of the RDBN that it does not currently provide services to, the Regional Board would investigate including Styrofoam, plastic film and glass.

Discussion took place regarding the Extended Producer Responsibility (EPR) programs that are currently received at the Fraser Lake Bottle Depot and the changes to the recycling of milk jugs. Multi-Materials B.C. (MMBC) is currently recycling milk jugs but prior to the MMBC program, milk jug recycling was paid for by the dairy industry. MMBC does not provide services to depots in Fraser Lake, Vanderhoof, Burns Lake and Houston, thus the depots no longer receive compensation to recycle the milk jugs.

ENVIRONMENTAL SERVICES REPORT (CONT'D)
2015 Recycling Options (CONT'D)

Ms. Dougall outlined the costs in maintaining the allocations and increasing service levels and the possible increase to the budget of 110%. Staff require further direction from the Regional Board if it wishes to investigate the impact of expanding the existing programs, have sustainable funding, and maintain the annual allocation based on taxation of 2009 assessments.

The Regional Board's request of staff to investigate the possible expansion of recycling services was due to MMBC not providing services in all areas of the RDBN. The budget would potentially double in order to maintain the recycling allocation scenario and allocate monies to different areas of the region based on taxation.

Director Petersen expressed concerns in regard to expanding the budget to expand recycling programs in the Vanderhoof area. Discussion took place regarding the bin and baler utilized at the Vanderhoof Co-op. The possibility of moving the bin to the Vanderhoof Transfer Station was discussed.

Ms. Dougall noted that if the RDBN were to contract with Cascades to expand its recycling program there may be a possibility for revenue sharing opportunities. The potential revenue is unknown as it is market driven.

Director Bachrach spoke of the complexity of the issues and the fact that each community within the RDBN has a different aspiration to the level of recycling occurring in the communities. He spoke of Smithers having a system that has been in place for a number of years involving a very proactive organization, the Smithers and Area Recycling Society (S.A.R.S) that has had the cooperation of Electoral Area "A" (Smithers Rural) and Telkwa residents. S.A.R.S is currently facing issues involving the building it currently rents and the lack of options seeming to face the society. He spoke of the possible opportunity to work together with communities such as Houston and Moricetown as a region in the Bulkley Valley to move forward with recycling. If this opportunity is expanded there will be a significant gap in service levels through the rest of the region.

Director Bachrach also noted that the funding for recycling has been distributed fairly based on assessments. He mentioned that the Town of Smithers and the Smithers and Area Recycling group chose to assume the risk of contracting with MMBC to provide some levels of service to its community. Director Bachrach expressed concern that if there is a reduction of funding that Smithers and Area Recycling may not be able to continue its current levels of service and that the Town of Smithers will not receive the same funding benefit as other communities. He noted that volunteer societies and local governments need to step forward to find solutions to recycling in communities.

Chair Miller mentioned that each community and electoral area has done what is possible with the resources they have available to recycle products in the RDBN. Residents often travel long distances to Smithers and/or Prince George to bring their recyclables to a location that is able to bring the products to end market. Discussion took place regarding MMBC's contract constraints and no negotiation approach that did not allow for all communities in the region to move forward with the MMBC program. Chair Miller expressed his concerns that essentially communities are now working against each other. There is a need and benefit to review recycling from a regional perspective and looking at the question of "How does the entire region reduce waste and work with efficiencies of scale with a large geographical area and limited capacity." Chair Miller also spoke to the importance of finding a base level of reasonable accessible service for the entire region.

ENVIRONMENTAL SERVICES REPORT (CONT'D)
2015 Recycling Options (CONT'D)

Director Thiessen brought forward the issues that the District of Vanderhoof encountered when an MMBC contract offer was provided to them. He noted that in the past the District of Vanderhoof had expanded its boundaries but only provided garbage pick up to those residents in the original boundaries. MMBC would only offer collection to certain areas of the District of Vanderhoof thus the District of Vanderhoof rejected the contract restrictions. Discussion took place regarding the importance and need of developing a regionally based waste management and recycling program.

Director Repen brought forward the need to look to the future for new possibilities and opportunities. Discussion took place regarding a centralized hub within the region where recyclable products could be transported to and continue to end market from this centralized hub.

Concerns were brought forward in regard to the current levels of services being offered in the Regional District and how to move to an equivalent service level for all areas within the region. Residents are paying eco-fees at the time of purchase that are supposed to be used to provide recycling options at end of life by industry. Due to the lack of services provided by MMBC residents are having to additionally fund the end of life recycling of the products.

Discussion took place regarding "Option 2" as outlined in the Director of Environmental Services' December 31, 2015 memo titled "2015 Recycling Options." Director Fisher spoke to the importance of focusing on education to assist the residents of the region in understanding recycling programs and options.

Industrial Commercial Institutional (ICI) component of the waste stream was brought forward for discussion. Originally it was estimated that the ICI component was 60% and the residential component was 40% of the waste stream but now it is estimated that the split is perhaps 75% ICI and 25 % residential. Discussion took place regarding the importance of reducing the amount of waste being brought to RDBN landfills. It was noted that eventually in the future the ICI component will be addressed by industry.

The possibility of using roll off bins to provide a central location for the drop off of products and said bins then being transported to a centralized hub for further processing and/or transportation was discussed. Ms. Dougall noted that roll off bins are not the most cost effective solution but do provide an option in moving forward. In moving forward data will be collected to provide a more accurate summary of volumes of waste/recyclables being generated.

The Regional Board has expressed a desire to create a region wide service that investigates possible options moving forward and possibly forming partnerships with local groups, MMBC and Industry.

2015 Recycling Options

Moved by Director Petersen
Seconded by Director Benedict

C.W.2015-2-4

"That the Committee of the Whole recommend that the RDBN continue to support sustainable recycling initiatives across the RDBN, without increasing the overall 2015 recycling budget. Further, the Committee of the Whole recommends to the Board of Directors to redistribute the overall recycling budget monies to match the costs of the proposed expanded recycling programs in each area of the RDBN where MMBC is not providing PPP (Printed Paper and Packaging) recycling services. Further, that any 2015 unallocated budget monies be placed into a "general recycling" budget line item for future use as directed by the Board of Directors."

(All/Directors/Majority)

DEFEATED

ENVIRONMENTAL SERVICES REPORT (CONT'D)
2015 Recycling Options (CONT'D)

Discussion took place regarding "Options 1 and 2" as outlined in the Director of Environmental Services' December 31, 2015 memo titled "2015 Recycling Options" and the breakdown of costs associated with each option.

Break for lunch at 12:34 p.m.

Reconvened at 1:04 p.m.

Staff indicated that a third option may be drafted to bring forward for the Regional Board to consider that would reflect current assessments and costs for communities to provide a level of recycling that benefits communities and the region.

Moved by Director Thiessen
Seconded by Director Lindstrom

C.W.2015-2-5

"That the Committee of the Whole recommend that the Regional District of Bulkley-Nechako Board of Directors direct staff to draft an "Option 3" that reflects current assessments, and costs to be added to the Director of Environmental Services' December 31, 2015 memo titled "2015 Recycling Options;" and further, that the amended memo be brought forward at a future RDBN Meeting."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

DISCUSSION ITEM

Name for Legacy/Resource Revenue Sharing Committee

The Regional Board discussed suggestions to name the RDBN Legacy/Resource Revenue Sharing Committee.

Name for Legacy/Resource
Sharing Committee

Moved by Director Petersen
Seconded by Director Repen

C.W.2015-2-6

"That the Committee of the Whole recommend that the Regional District of Bulkley-Nechako Board of Directors approve the name "Bulkley Nechako Resource Legacy Committee" for the RDBN Legacy/Resource Sharing Committee."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

SUPPLEMENTARY AGENDA

ADMINISTRATION REPORTS

Hans Berndorff, Financial Administrator provided an outline of the second draft of the 2015 budget. Mr. Berndorff noted that he is in the process of reviewing the local service areas with the Rural Directors and the full budget will be presented at the March 12, 2015 Committee of the Whole meeting.

ADMINISTRATION REPORTS (CONT'D)

Discussion took place regarding public engagement opportunities. Mr. Berndorff provided an outline of past presentations and the minimal attendance. Chair Miller mentioned that if there is a desire from communities or rural areas to have a meeting regarding the budget he would attend. The RDBN produces a yearly annual report that can be provided to the municipalities and Mr. Berndorff can provide a summary of the Regional District budget process to Directors wishing to receive the information.

2015 Draft Budget

Moved by Director MacDougall
Seconded by Director Parker

C.W.2015-2-7

“That the Committee of the Whole receive the Senior Financial Assistant’s February 11, 2015 memo titled “2015 Draft Budget.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Capital Reserve Adequacy

Moved by Director Benedict
Seconded by Director Liversidge

C.W.2015-2-8

“That the Committee of the Whole receive the Financial Administrator’s February 12, 2015 memo titled “Capital Reserve Adequacy.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Grant Opportunity - Federal
Gas Tax Fund - Strategic
Priorities Fund

Moved by Director Strimbold
Seconded by Director Lindstrom

C.W.2015-2-9

“That the Committee of the Whole receive the Manager of Regional Economic Development’s February 11, 2015 memo titled “Grant Opportunity – Federal Gas Tax Fund – Strategic Priorities Fund.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Discussion took place regarding the challenges of having a “shovel ready” project by the application due date of April 15, 2015.

The possibility to apply for funding for broadband connectivity or alternative processing for landfills was discussed. Further information regarding broadband will be brought forward at a future Rural Directors meeting and Director Repen commented that there is a need to understand what is being planned for the region in terms of broadband connectivity.

CORRESPONDENCE

Smithers and Area Recycling Society – S.A.R.S. – Contract Changes – November 5, 2014

Moved by Director Fisher
Seconded by Director Petersen

C.W.2015-2-10

“That the Committee of the Whole receive the correspondence from the Smithers and Area Recycling Society regarding S.A.R.S – Contract Changes – November 5, 2014.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

INVITATION

2015 COFI Convention -April 8-9, 2015, Prince George, B.C.

Moved by Director Thiessen
Seconded by Director Newell

C.W.2015-2-11

“That the Committee of the Whole recommend that the Regional District of Bulkley-Nechako Board of Directors approve Chair Miller’s attendance at the 2015 COFI Convention on April 8-9, 2015 in Prince George, B.C.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

SPECIAL IN-CAMERA MEETING MOTION

Moved by Director MacDougall
Seconded by Director Repen

C.W.2015-2-12

“In accordance with Section 90 (2)(b) of the *Community Charter*, it is the opinion of the Regional District of Bulkley-Nechako (COW) that matters pertaining to consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party, including communications necessary for that purpose must be closed to the public therefore exercise their option of excluding the public for the meeting.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

ADJOURNMENT

Moved by Director Thiessen
Seconded by Director MacDougall

C.W.2015-2-13

“That the meeting be adjourned at 1:52 p.m.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY