



REGIONAL DISTRICT OF BULKLEY-NECHAKO

COMMITTEE OF THE WHOLE AGENDA Thursday, May 13, 2021

PAGE NO.		<u>ACTION</u>
	AGENDA- May 13, 2021	Approve
	Supplementary Agenda	Receive
	MINUTES	
2-4	Committee of the Whole Meeting Minutes - April 8, 2021	Approve
	DELEGATION	
	<u>COMMUNITY ENERGY ASSOCIATION</u> Gaëtane Carignan, Community Energy Manager RE: BC Energy Step Code	
	REPORTS	
5	John Illes, Chief Financial Officer - Chinook Community Foundation NDIT Matching Funds Application	Recommendation
6-13	John Illes, Chief Financial Officer – Audit Planning and Update	Receive
14-15	John Illes, Chief Financial Officer – Operational Reserve Update 2021	Receive
	CORRESPONDENCE	
16-17	Ministry of Forests, Lands, Natural Resource Operations and Rural Development – Nechako First Nations and Health of the Nechako River	Receive
18-19	Union of BC Municipalities – Provincial Response to 2020 Resolutions	Receive
	SUPPLEMENTARY AGENDA	
	NEW BUSINESS	
	ADJOURNMENT	

REGIONAL DISTRICT OF BULKLEY-NECHAKO

COMMITTEE OF THE WHOLE MEETING (VIRTUAL)

Thursday, April 8, 2021

PRESENT:	Chair	Gerry Thiessen	
	Directors	Gladys Atrill Shane Brienen Mark Fisher Tom Greenaway Clint Lambert Brad Layton Linda McGuire Bob Motion Chris Newell Mark Parker Jerry Petersen Michael Riis-Christianson Sarrah Storey	
	Director Absent	Dolores Funk	
	Staff	at 11:34 a.m. Nellie Davis, Manager of Regio John Illes, Chief Financial Offic	Administrative Services Ices Administrative Assistant – left anal Economic Development er ector of Protective Services – left Assistant
CALL TO ORDER		Chair Thiessen called the meet	ting to order at 11:30 a.m.
AGENDA		Moved by Director Brienen Seconded by Director Newell	
<u>C.W.2021-4-1</u>		"That the Agenda of the Comm 8, 2021 be approved."	ittee of the Whole meeting of April
		(All/Directors/Majority)	CARRIED UNANIMOUSLY

STAFF INTRODUCTION

Deborah Jones-Middleton, Director of Protective Services introduced Trina Bysouth, Protective Services Administrative Assistant and Nellie Davis, Manager of Regional Economic Development introduced Terry Wiebe, Regional Business Liaison.

Committee of the Whole Minutes April 8, 2021 Page 2

MINUTES

<u>Committee of the Whole</u> Minutes – March 11, 2021	Moved by Director Petersen Seconded by Director McGuire	
<u>C.W.2021-4-2</u>	"That the Committee of the Whole meeting minutes of March 11, 2021 be adopted."	
	(All/Directors/Majority)	CARRIED UNANIMOUSLY
<u>REPORT</u>		
Provincial COVID-19 Funds	Moved by Director Parker Seconded by Director Riis-Chri	stianson
C.W.2021-4-3 "That of the \$314,000 in additional COVID Relief func- that \$251,200 be allocated to rural government specia and that \$62,800 be allocated to general government projects."		ural government special projects
	(All/Directors/Majority)	CARRIED UNANIMOUSLY
	Discussion took place regarding Directors and having the Regio future Rural/Agriculture Commi	nal Business Liaison attend a
Budget Amendment #1	Moved by Director Layton Seconded by Director Lambert	
<u>C.W.2021-4-4</u>	"That the Committee of the Whole receive the Chief Financial Officer's Budget Amendment #1 memorandum."	
	(All/Directors/Majority)	CARRIED UNANIMOUSLY
Gas Tax for 2021	Moved by Director Lambert Seconded by Director Riis-Christianson	
<u>C.W.2021-4-5</u>	"That the Committee of the Whole receive the Chief Financial Officer's Gas Tax for 2021 memorandum."	
	(All/Directors/Majority)	CARRIED UNANIMOUSLY
<u>North Central Local</u> <u>Government Association</u> (NCLGA) Membership Dues	Moved by Director McGuire Seconded by Director Storey	
<u>C.W.2021-4-6</u>	2021-4-6 "That the Committee of the Whole receive the Manager of Administrative Services' North Central Local Government Association (NCLGA) Membership Dues memorandum."	
	(All/Directors/Majority)	CARRIED UNANIMOUSLY

Committee of the Whole Minutes April 8, 2021 Page 3

CORRESPONDENCE

Correspondence	Moved by Director Atrill Seconded by Director Riis-Christianson	
<u>C.W.2021-4-7</u>	"That the Committee of the Whole receive Correspondence: from the Ministry of Public Safety and Solicitor General – Response to RDBN Letter re: Revised Financial Assistance for Emergency Response Costs – A Guide for BC First Nations and Local Authorities."	
	(All/Directors/Majority)	CARRIED UNANIMOUSLY
ADJOURNMENT	Moved by Director Parker Seconded by Director Atrill	
<u>C.W.2021-4-8</u>	"That the meeting be adjourned at 11:42 a.m."	
	(All/Directors/Majority)	CARRIED UNANIMOUSLY
0		

GA

Gerry Thiessen, Chair

Wendy Wainwright, Executive Assistant



Regional District of Bulkley-Nechako Committee of the Whole

То:	Chair Thiessen and Directors
From:	John Illes, Chief Financial Officer
Date:	May 13, 2021
Re:	Chinook Community Foundation NDIT Matching Funds Application

Recommendation (All/Directors/Majority):

That the Board of the Regional District of Bulkley-Nechako support the Grant Application from the Chinook Community Society to Northern Development's Community Foundation Matching Grants program for \$30,000 with the communities to be identified with the grant application as Area "B" and Area "E".

Background:

The Regional District and the Village of Burns Lake created the Chinook Community Society to act as a "Community Foundation" that would partner with the Prince George Community Foundation to provide grants to organizations in the Lakes District.

Northern Development and the Prince George Community Foundation partnered to create "doubling" grants for Community Foundation type organizations starting out to build up their legacy fund balance.

The Chinook Community Society will be providing an initial investment of \$30,000 to the Prince George Community Foundation (to be matched by Northern Development) to initiate the Society's legacy fund. A Board resolution is required for the society to make application to Northern Development.



Regional District of Bulkley-Nechako Committee of the Whole

То:	Chair Thiessen and Directors
From:	John Illes, Chief Financial Officer
Date:	May 13, 2021
Re:	Audit Planning and Update

Recommendation (All/Directors/Majority):

Receipt

Background:

A presentation from the Regional District's auditors will be made at the special board meeting scheduled on May 13, 2021. The auditors standard form Audit Planning Letter is attached to this memo for your refence.

The audit fees for the 2020 audit are expected to be \$22,145. This year's audit was a virtual audit with documents being exchanged electronically. Both staff and the auditors are excited about returning to an "in-person" audit for the 2021 year end.

Attachment: Beswick Hildebrandt Lund Audit Planning Letter



April 14, 2021

Board of Directors Regional District of Bulkley-Nechako PO Box 820 Burns Lake, BC V0J 1E0 Dear Board of Directors:

Re: Audit Planning

We are writing this letter in connection with our audit of the financial statements for the period ending December 31, 2020.

7

Our purpose in writing is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will:

- a. Address our responsibilities as independent auditors and provide information about the planned scope and timing of our audit.
- b. Request a response to some audit questions and any additional information you may have that could be relevant to our audit.

Auditor Responsibilities

The respective responsibilities of ourselves and of management in relation to the audit of financial statements are set out in the engagement letter that was signed by management and a representative of the board on February 5, 2021. Please refer to the engagement letter for more information.

Planned Scope and Timing of Our Audit

Our objective as auditors is to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with Canadian Public Sector Accounting Standards (PSAS).

In developing our audit plan, we worked with management to understand the nature of the entity and to identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error. Our audit plan has been designed to focus on the identified areas of risk.

Materiality

For the current period, we have determined an overall materiality amount of \$568,000. We have also considered misstatements that could be material in qualitative financial statement disclosures. Materiality will be used to:

a. Plan and perform the audit; and,

Partners Allison Beswick CPA, CA Norm Hildebrandt CPA, CA Robin Lund CPA, CGA

Dane Soares Taylor Turkington Beswick Hildebrandt Lund CPA 556 North Nechako Road, Suite 10, Prince George BC, Canada V2K 1A1 T: +1 250 564 2515, F: +1 250 562 8722



b. Evaluate the effects of identified and uncorrected misstatements on the audit procedures performed as well as on the financial statements.

The materiality amount will be reassessed at period end to ensure it remains appropriate.

Significant Changes During the Period

The significant changes that we addressed in planning the audit for the current period are set out below:

a. Entity operations and personnel;

No significant changes were identified.

b. Accounting and control systems;

No significant changes were identified.

c. Accounting and auditing standards; and

No significant changes were identified.

d. Other.

No other significant changes were identified

Internal Control

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audit. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our audit findings letter.

Significant Risks

In planning our audit, we identify significant financial reporting risks that, by their nature, require special audit consideration. The significant risks we have identified and our proposed audit response is outlined below:

If there are specific areas that warrant our particular attention during the audit or where you would like us to undertake some additional procedures, please let us know.



Significant Risks	Proposed Audit Response
Revenue Recognition Auditing standards assume a rebuttable presumption, that there is a significant risk of fraud in revenue recognition in all organizations.	The Regional District's significant sources of revenue consist of property tax requisiton revenue, government transfers/grants, grants-in-lieu of taxes and fees and permits revenue. With the exception of property tax requisiton revenue, there is a risk that revenue from these sources maybe be recorded in the wrong period or not complete.
 We have considered the following criteria in assessing this risk: Complexity of revenue recognition policy and type of transactions; Incentive/pressure to misstate revenue transactions or related balances; Potential opportunity and rationalization. 	 We will perform the following procedures: Update our understanding of the potential risk of fraud and error related to revenue recognition and understood and evaluated the related internal controls; Test revenue sources substantively and through analytical procedures where appropriate; Examine a selection of journal entries related to revenue recognition; Substantively test revenue cut-off; and Where applicable agreed on a test basis, deferred revenue amounts to underlying documentation to verify that revenue was appropriately recognized or deferred.



Significant Risks, continued	Proposed Audit Response, continued
Management Override of Controls Auditing standards require that the risk of material misstatement due to management override of controls be considered a significant risk on every audit engagement.	 We will perform the following procedures: Inquired with the Board of Directors and Management to determine whether they were aware of the occurrence of actual or suspected fraud; Updated our understanding of management's process for initiating, recording and approving journal entries;
The risk relates to the manipulation of the financial reporting process by recording inappropriate or unauthorized journal entries or by making adjustments to amounts reported in the financial statements that are not reflected in the journal entries.	 Examined a sample of journal entries meeting certain criteria; Examined management's assessment of current year estimates and the outcome of prior year estimates; Considered management biases in our testing of estimates and provision, and the application of accounting policies; and Incorporated elements of unpredictability in our audit approach.

10



Significant Risks, continued	Proposed Audit Response, continued
Significant Estimates - Landfill Closure and Post-Closure Costs The landfill closure and post- closure costs is currently calculated by estimating the future closure costs and amortizing them over the remaining air space of the landfill site. There is a significant degree of uncertainty of what the actual closure costs will be due to the complex nature of the estimate calculations and the length of time of the obligation.	 We will perform the following procedures: Update our understanding of management's process for evaluating, calculating, and reviewing the landfill closure and post-closure costs; Obtain detailed analysis supporting the landfill closure and post-closure costs and test the mathematical accuracy; Evaluate the reasonableness of management's significant assumptions; Examine management's assessment of current year estimates and the outcome of prior year estimates Considered management biases in our testing of estimates and provision, and the application of accounting policies; and Determine whether events occurring up to the date of our audit report provide audit evidence regarding the estimate.

11

Uncorrected Misstatements

Where we identify uncorrected misstatements during our audit, we will communicate them to management and request that they be corrected. If not corrected by management, we will then request that you correct them. If not corrected by you, we will also communicate the effect that they may have individually, or in aggregate, on our audit opinion.

Timing

The proposed timing of our audit (as discussed with management) is as follows:

Action	Planned date
Planning	March 26, 2021
Start of audit field work	April 1, 2021
End of audit field work	May 7, 2021
Review Audit Findings with Board of Directors	To be determined
Approval of financial statements by the Board of Directors	To be determined
Provide the audit opinion on financial statements	To be determined



12

Engagement Team

Our engagement team for this audit will consist of the following personnel:

Name	Role	Contact details
Taylor Turkington	Partner	778-764-2654

Audit Findings

At the conclusion of our audit, we will prepare an audit findings letter to assist you with your review of the financial statements. This letter will include our views and comments on matters such as:

- a. Significant matters, if any, arising from the audit that were discussed with management;
- b. Significant difficulties, if any, encountered during the audit;
- c. Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- d. Uncorrected misstatements; and
- e. Any other audit matters of governance interest.

Audit Questions and Requests

Fraud

To help us in identifying and responding to the risks of fraud within the entity, we would appreciate your responses to the following questions:

- 1. What oversight, if any, do you provide over management's processes for identifying and responding to fraud risks? Management's processes could include policies, procedures, programs or controls that serve to prevent, detect and deter fraud.
- 2. Do you have any knowledge of any actual, suspected or alleged fraud, including misappropriation of assets or manipulation of the financial statements, affecting the entity? If so, please provide details and how the fraud or allegations of fraud were addressed.

Other Matters

Would you please bring to our attention any significant matters or financial reporting risks, of which you are aware, that may not have been specifically addressed in our proposed audit plan. This could include such matters as future plans, contingencies, events, decisions, non-compliance with laws and regulations, potential litigation, specific transactions (such as with related parties or outside of the normal course of business) and any additional sources of audit evidence that might be available.

Fees

Our proposed audit fee of \$22,145, for the period ending December 31, 2020, is based on the nature, extent and timing of our planned audit procedures as described above.



We recognize your significant role in the oversight of the audit and would welcome any observations on our audit plan.

This letter was prepared for the sole use of those charged with governance of to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

Besurick Hildebrandt Lund

Beswick Hildebrandt Lund Chartered Professional Accountants



Regional District of Bulkley-Nechako Committee of the Whole

То:	Chair Thiessen and Directors
From:	John Illes, Chief Financial Officer
Date:	May 13, 2021
Re:	Operational Reserve Update 2021

Recommendation (All/Directors/Majority):

Receipt

Background:

As part of the Operational Reserves policies reviewed by the Board on November 15, 2018 staff are to bring back the operational reserve balances each year for review.

At the end of 2020 the Regional District had \$2,151,231.32 in operational reserves. This is an increase of \$1,678,508.65 over the 2019 balance of \$472,722.67. This larger than expected increase in operational reserves is largely due to the savings in staffing costs as positions often remained unfilled during the pandemic. The surplus also resulted from the limited ability for both staff and Directors to travel and to attend training and conventions, and the savings achieved while attending conventions virtually.

Operational Reserves are broken down by contribution type. "All" refers to contributions that arose from taxation of all properties in the Regional District. Operational Reserves for specified areas can only be spent in those specified areas. Operational Reserves are commonly utilized to "smooth" out taxation spikes, for one-off items such as the purchase of large capital items, legal costs, etc..

By Taxation Area All (Land and Imp) All (Imp Only) Rural Only	\$1,438,853.72 \$ 138,084.02 \$ 159,670.83
Specified Services EA Planning Transit BV Pool Building Inspection	 \$ 152,233.78 \$ 169,340.68 \$ 30,233.72 \$ 62,814.57
Total	<u>\$2,151,231.32</u>



The most important component for the operational reserves is to provide interim funding for each year until the annual taxation requisition is received. Therefore, the target goal for the operational reserves is approximately \$6 million (or ½ of the annual requisition).

Electoral Area Planning, for example, may utilize its operational reserves for legal costs if it is required to address non-compliant land use issues.

The Transit Service is building up its reserves to "smooth" out any taxation spikes that may arise due to the uncertain nature of the funding agreement with the Province in the future. This is especially true with respect to the sharing of capital costs (or payment for new busses).

The Electoral Area Directors may consider the partial utilization of the Rural reserve to fund grant in aid for the next year (instead of taxation). This information will be brought forward during the budget process.

The use of operational reserves will allow staff to create "tighter" budgets that will aid in minimizing future taxation increases.



Reference: 262235

May 3, 2021

VIA EMAIL: gerry.thiessen@rdbn.bc.ca

Gerry Thiessen, Chair Regional District of Bulkley-Nechako PO Box 820 Burns Lake, British Columbia V0J 1E0

Dear Gerry Thiessen,

Thank you for your letter of March 10, 2021, to Premier John Horgan, regarding concerns with the health of the Nechako River and your request for the province to work with the Nechako First Nations on restoration efforts. I have been asked to respond to both your letter and the recent resolution passed by the Regional District of Bulkley-Nechako in support of ecosystem restoration.

I am pleased with your references about the importance of reconciliation with First Nations and the desire to work collaboratively on issues such as stewardship. The province has been actively working with the Carrier Sekani First Nations – including the Saik'uz First Nation, Stellat'en First Nation and Nadleh Whut'en First Nation (collectively known as the Nechako First Nations) – through the regional Environmental Stewardship Initiative.

This initiative has provided the opportunity for the Nations and the province to work together on stewardship, including assessment of values identified as important by the nations. Outcomes from this work are informing the province's approach to modernized Resource Management Planning, which includes a pilot that spatially covers the Carrier Sekani First Nations' traditional territory and the eastern half of the Regional District of Bulkley-Nechako boundaries. I understand that early engagement from my staff on modernized Resource Management Planning has already begun in the region.

As you may be aware, the province is currently part of litigation put forward by the Nechako First Nations, which also involves the federal government and Rio Tinto Alcan Ltd. Given the ongoing proceedings, I am unable to comment on specifics relating to the scope of the litigation. However, concurrent to the litigation, the province is supporting the Water Engagement Initiative (WEI) which is a water use planning process with focus on the Nechako River. As described in your letter, balancing economics and environmental values are important considerations for the province, and one of the intended outcomes from the WEI process.

Ministry of Forests, Lands, Natural Resource Operations and Rural Development North Area

Mailing Address: Bag 5000 - 3726 Alfred Avenue Smithers, BC V0J 2N0 Tel: Fax: Website:

250 847-7387 250 356-2150 www.gov.bc.ca/for

Page 1 of 2

The process design includes structured decision-making that considers values identified by the Water Engagement Initiative, development of performance metrics, modelling flow scenarios, and assessing consequences, risks and trade-offs to inform final recommendations. It is my understanding the Technical Working Group of the WEI is currently finalizing performance metrics and will be completing scenario development and risk assessments over the coming six months.

The Ministry of Forests, Lands, Natural Resource Operations and Rural Development will continue to provide a supporting role to the WEI as a continuation of our past commitment to the process as long as Rio Tinto Alcan Ltd. continues to meet the four criteria we previously set for our participation. In brief, these criteria include engagement with First Nations, potential for water licence changes resulting from the process, independent facilitation and providing technical resources to support.

Reconciliation and Water Use Planning are complex. There is significant regional interest in the management of the Nechako watershed, as demonstrated by the ongoing participation in the WEI process as well as the interest from the Nechako First Nations and the Regional District of Bulkley-Nechako.

The province will continue support to the WEI, its leadership role in Resource Management Planning and broader monitoring and assessment of a variety of values including sturgeon and flooding. Further, the Province will review and assess feasibility, including a fulsome understanding of scope of authority, risks, uncertainties, and implications of all recommendations brought forward.

Please email our regional Director, Strategic Initiatives, Lori Borth <u>Lori.Borth@gov.bc.ca</u> or Director, Resource Management, James Jacklin <u>James.Jacklin@gov.bc.ca</u> if you would like to set up a meeting to discuss further. Again, thank you for writing and sharing your concerns.

Sincerely,

Geoff Recknell Acting Assistant Deputy Minister

pc: Honourable John Horgan, Premier of British Columbia Honourable Katrine Conroy, Minister of Forests, Lands, Natural Resource Operations and Rural Development Honourable George Heyman, Minister of Environment and Climate Change Strategy Honourable Murray Rankin, Minister of Indigenous Relations and Reconciliation Honourable Bruce Ralston, Minister of Energy, Mines and Low Carbon Innovation Chief Priscilla Mueller, Saik'uz First Nation Chief Larry Nooski, Nadleh Whut'en First Nation Chief Robert Michell, Stellat'en First Nation Lori Borth, Director, Strategic Initiatives James Jacklin, Director, Resource Management



April 15, 2021

Chair Gerry Thiessen Regional District of Bulkley-Nechako Box 820 Burns Lake, BC V0J 1E0

RECEIVED

APR 2 0 2021 REGIONAL DISTRICT OF BULKLEY-NECHAKO

Dear Chair Thiessen:

Re: Provincial Response to 2020 Resolutions

UBCM has received the Province's response to your Board resolution(s) from 2020. Please find the enclosed resolution(s) and their provincial response(s).

18

Responses from the Province have been posted to the UBCM web site under Resolutions & Policy.

Please feel free to contact Jamee Justason, Resolutions and Policy Analyst, if you have any questions about this process.

Tel: 604.270.8226 ext. 100 Email: jjustason@ubcm.ca

Yours truly,

B. Frankf

Brian Frenkel UBCM President

Enclosure

2020 EB70 Internet and Cell Phone Service

Bulkley-Nechako RD

Whereas access to fast, affordable broadband internet and cell phone service is essential in today's digital world;

And whereas broadband internet and cell phone service in many rural and remote communities across British Columbia is either non-existent or too slow and unreliable to access many services necessary for economic and social well-being;

And whereas during an emergency where social interaction is limited or traditional communications infrastructure is compromised, it is imperative that citizens have reliable broadband internet and cell phone service to access health care, education, online meeting platforms, emergency information, and other programs relating to health and wellness;

And whereas while fees charged for broadband internet and cell phone service in rural and remote communities are among the highest in Canada and the world, the quality of service has in many instances declined in recent months:

Therefore be it resolved that UBCM urge the Province of BC to establish an infrastructure framework to ensure that equal access to internet and cell phone service is available to all British Columbians.

Convention Decision: Endorsed

Provincial Response

Ministry of Citizens' Services

The ministry acknowledges that equitable access to fast, affordable broadband and cell phone services is critical in today's digital world. Access to the internet is crucial to spur innovation and empower British Columbians not just in major urban cities but also in villages and towns, including Indigenous communities across the province.

Working together, both the federal and provincial governments have recently announced measures to spark connectivity in rural and remote communities. The Universal Broadband Fund is part of Canada's <u>High-speed</u> <u>Access for All: Canada's Connectivity Strategy</u>,

https://www.ic.gc.ca/eic/site/139.nsf/eng/h_00002.html

a collaborative infrastructure framework coordinated with the provinces and territories. In terms of affordability, recipients benefitting from program funding must provide broadband services at a price that is no higher than the broadband services provided by service providers in major urban areas.

The COVID-19 pandemic has created an unprecedented situation and highlighted the critical need for connectivity for all British Columbians to help connect them to work, school, government resources and stay in touch with family and friends. As part of StrongerBC, B.C.'s Economic Recovery Plan, the B.C. government has provided \$90-million to the Connecting British Columbia program for connectivity expansion throughout the province. The funding is in addition to the \$50-million expansion of the Connecting British Columbia program announced in 2019. The provincial government also monitors and participates as an intervenor in various proceedings issued by the national regulator, the Canadian Radio-television and Telecommunications Commission (CRTC).

Telecommunications is federally regulated by the CRTC and the Commission is committed to working with service providers to provide people with access to affordable, high-quality telecommunications services. For example, the CRTC issued a Call for comments regarding potential barriers to the deployment of broadband-capable networks in underserved areas in Canada inviting interested parties to identify regulatory steps to help reduce the costs associated with extending broadband and cellular networks. Local government and regional districts are encouraged to monitor this proceeding and to write to the CRTC to express their views.