

REGIONAL DISTRICT OF MOUNT WADDINGTON

2020 ANNUAL REPORT



Contents

SECTION 1 RDMW INTRODUCTION	3
SECTION 1.1 BOARD OF DIRECTORS - 2020	3
SECTION 1.3 MESSAGE FROM THE CHAIR.....	5
SECTION 2 REGIONAL SERVICES	6
SECTION 2.1 ADMINISTRATION.....	6
SECTION 2.2 FINANCE	9
SECTION 2.3 7-MILE LANDFILL AND RECYCLING CENTRE.....	11
SECTION 2.4 PARKS.....	15
SECTION 2.5 PLANNING	18
SECTION 2.6 ECONOMIC DEVELOPMENT	23
SECTION 2.7 EMERGENCY PLANNING	29

<u>SECTION 3 SUB-REGIONAL SERVICES</u>	<u>31</u>
SECTION 3.1 TRANSIT	31
<u>SECTION 3.2 CHILTON REGIONAL ARENA</u>	<u>33</u>
<u>SECTION 4 LOCAL SERVICES</u>	<u>36</u>
SECTION 4.1 WATER SERVICES.....	36
SECTION 4.2 SEWER SERVICES	37
SECTION 4.3 FIRE SERVICES	40
SECTION 4.4 SOLID WASTE LOCAL SERVICES	42
SECTION 4.5 LOCAL WHARF SERVICE	44
SECTION 4.6 LOCAL ROAD SERVICE	45
SECTION 4.7 LOCAL RECREATION SERVICES	45
SECTION 5 FINANCIAL STATEMENTS	46
<u>SECTION 5.1 REGIONAL DISTRICT OF MOUNT WADDINGTON FINANCIAL STATEMENTS</u>	<u>46</u>
<u>SECTION 5.2 MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT FINANCIAL STATEMENTS</u>	<u>47</u>

SECTION 1 RDMW INTRODUCTION

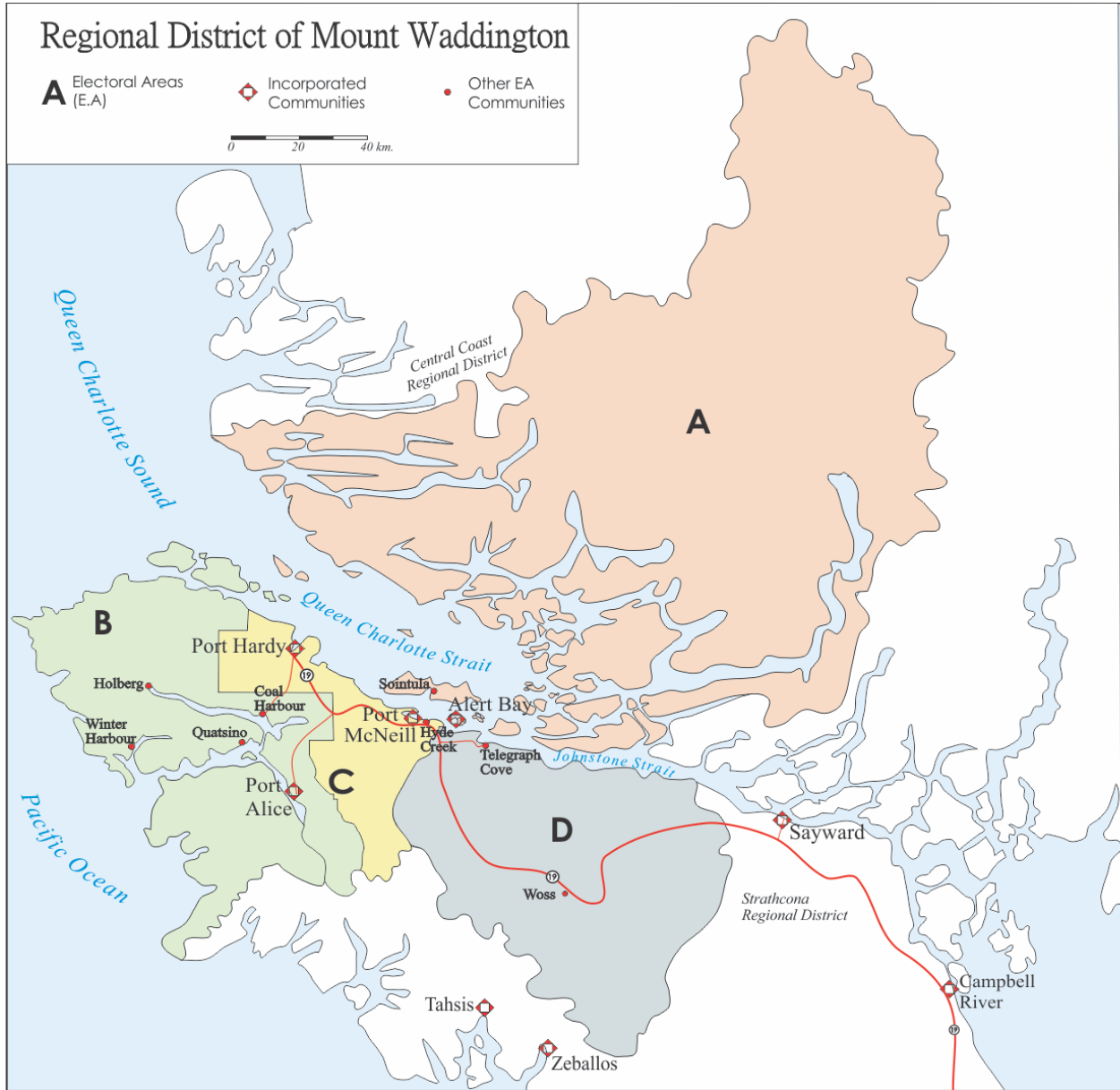
SECTION 1.1 BOARD OF DIRECTORS - 2020

Chair	Andrew Hory	Electoral Area B
Vice Chair	Dennis Buchanan	Village of Alert Bay
Director	Sandra Daniels	Electoral Area A
Director	James Furney	Electoral Area C
Director	Rod Sherrell	Electoral Area D
Director	Dennis Dugas	District of Port Hardy
Director	Janet Dorward	District of Port Hardy
Director	Kevin Cameron	Village of Port Alice
Director	Gaby Wickstrom	Town of Port McNeill



From left: S. Daniels, J. Furney, G. Wickstrom, A. Hory, D. Buchanan, K. Cameron, D. Dugas, R. Sherrell, J. Dorward

SECTION 1.2 ELECTORAL AREA - GOVERNANCE DIVISIONS



RDMW Electoral Area Boundaries

SECTION 1.3 MESSAGE FROM THE CHAIR

Greetings,



As reading the delayed 2020 report will make very clear the RDMW continues to progress its level of service across the board in spite of challenges. 2020 was a difficult year for the entire North Island with a nine-month forestry strike that impacted all of our communities and residents directly or indirectly. I was very pleased to see that the uncertainty and difficulty brought out caring for and supporting our neighbors. This was even more noticeable in 2020 when we and the rest of the world were struck by the corona virus - but staying in 2020 it was important that local government remain stable and connected during the strike. In light of that a significant accomplishment of the year was in fact the renewal of the 2 union RDMW contracts for 5 years each.

In spite of those challenges in our communities I was very pleased with the RDMW continuing as a transparent steady local government, both in day to day operations and moving the needle across the board towards efficiency in all services. I look forward to continuing that effort in 2020 and beyond.

Sincerely,

A handwritten signature in blue ink that reads "Andrew Hory". The signature is written in a cursive, flowing style.

Andrew Hory
Chair R.D.M.W

SECTION 2 REGIONAL SERVICES

SECTION 2.1 ADMINISTRATION



Nimpkish Lake

By any measure, 2020 was not a normal year. By early March it was evident that the COVID-19 Pandemic would impact all services provided by the Regional District. By the time the budget was adopted later that month, many travel restrictions were already in place and there was widespread uncertainty about how services could continue to be delivered while conforming to new COVID operational safety standards.

Early on, the Regional District Board and Staff worked together to determine which services were essential and to determine the safest ways to continue to deliver them. The highest priority services were those that had a direct impact on public health including solid waste, volunteer fire departments and utilities. These services were delivered without disruption with the support of administrative staff at the Regional District. Earlier emergency preparedness measures allowed a quick transition to allow remote meetings to ensure continued regular Board and committee meetings with public access. Due to health restrictions public interaction was limited, however, and many local volunteer driven services were curtailed.

The pandemic also had a significant impact on staff with respect to adaptation to changing practices and increased workload. For example, from late March to June the Regional Operations Center had daily meetings that required input from up to six staff and several Board members. The Regional Operation Centre continued to meet weekly until the end of the pandemic and provided an opportunity to liaise with representatives from other North Island communities and First Nations to help coordinate resources and activities. However, the extra workload, working from home, and a shortage of seasonal labour, contributed to some staff turnover issues which are still not fully resolved. This, and supply chain issues also resulted in

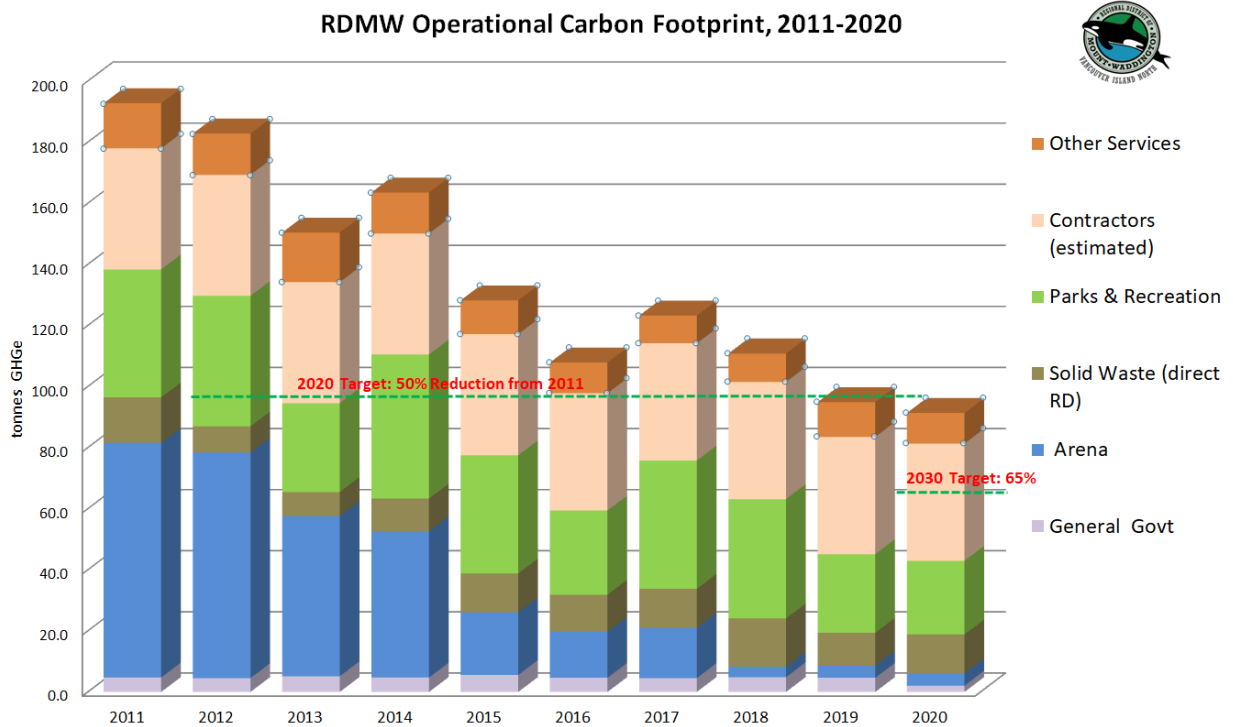
a slowdown in completing planned capital projects. On the other hand, it also contributed to ending the year with operating surpluses for almost all services.

RDMW staff and Board members demonstrated that their resilience during 2020 that will provide a good base to aid efforts for recovery and provide valuable experience to meet future challenges.

Climate Action Charter (CAC) Report:

Although optional in 2020, the Regional District of Mount Waddington continued to meet its Climate Action Charter pledge of carbon neutrality by taking further action to improve efficiencies and reducing taxpayer costs while continuing to improve service levels.

- Operational emissions decreased 4% from 2019; down 53% since 2011, to **91 tonnes CO₂e**
- Having met the 50% target set for 2020, the Board has set a new target of 65% for 2030
- Total energy use increased 6% from 2019; Hydro use was up 9% while fossil fuel use dropped by 6%
- Since 2011, energy consumption is down 22% from all sources: 52% fossil fuels, 10% from hydro
- All remaining CO₂e operational emissions were offset by 1402 tonnes credits from the 7 Mile Landfill Biocover and composting projects; this brings the RDMW to Carbon Neutral
- In 2020, direct savings from GHG/energy efficiency measures were approximately \$87,000 compared to 2011



RDMW Operational Carbon Footprint

2020 Completed & Ongoing Administration Goals	Policy	Progress
Maintain Carbon Neutrality and assist all Municipalities within the RDMW to achieve this goal	Continue to Utilize gas tax funds strategically in local and regional services and support and expand the Solid Waste 7 Mile methane reduction project. Distribute carbon credits with partners as per agreements.	100% complete. The RDMW has been recognized carbon neutral since 2012. Carbon Credit surpluses distributed sufficient for all RDMW local governments to be carbon neutral. Ongoing.
Encourage further operational reductions in Greenhouse gases from all services	Continue to place priorities on projects that most cost effectively reduce greenhouse gases. Continue to pilot new & innovative technologies	100%. Gas tax policies amended, GHG projects described elsewhere in report.
Set Operational GHG reduction Goals	Goals and action plans to achieve 50% reduction by 2020 and 60% by 2025, from 2011 levels.	Initial Goal met in 2019. Revised secondary goal to 65% by 2030.
Work with Community Health Network & other agencies to address determinants of health	Continue to provide administrative support to the Mt. Waddington Community Health Network & lobby on their behalf when appropriate.	100%. Ongoing
Policy Manual Update	Ongoing Special Committee Work	Ongoing updates
Emergency Operations Upgrade	Improve backup power systems to allow Boardroom to function as an EOC during emergencies	Completed December 2018 Fully operational during 2020
Improve Public Engagement	Utilize newsletters, improved website updates, public meetings, social media & surveys	Ongoing. Two fully regional processes completed in 2020: Housing Needs Assessment (Planning) & Solid Waste Management
Maintain Harmonious labour relations	Renew 2 Collective agreements which expired on October 31, 2019	Agreements signed in February, 2020.
Improve Capacity for remote meetings	Upgrade Boardroom audio-visual & networking capacity to allow remote meetings	Completed in April 2020. Continuous fine tuning improvements.
2021 & Ongoing Administration Goals		
Customize & utilize GIS system throughout organization	Hire assistant to assist with additional servicing, property & imaging information being available on system. Planning Dept. lead.	95%. Ongoing. LIDAR imagery now possible.
Digitize Administration files	Complete digitization of all administrative files	90%. Ongoing
Outsource IT	Maintain integrity of all IT systems	Ongoing
Boardroom Expansion	Boardroom expansion & handicapped washrooms	Design completed. Pending funding from grant program(s)

2020 Administrative Staffing: Chief Administrative Officer - Greg Fletcher; Deputy CAO - Jeff Long, Administrative Assistants- Nadine Weldon, Nicole McDowell

SECTION 2.2 FINANCE

Part of the Administration service, the Finance Department is responsible for Cash Receipting, Utility Billing, Accounts Receivable, Accounts Payable, Payroll, Insurance, Risk Management, Budgeting, Investing, Audit, Financial Statements, and other financial reporting. COVID disruptions greatly impacted the Finance Department in 2020 by increasing workload from changing provincial programs, practices and standards and impacts on staffing levels.

The department consists of the Treasurer and two full-time Accounting Clerks.

2020 & Ongoing Finance Goals	Policy	Progress
Complete Financial Statements by March Board Meeting	To complete the audit and have the Financial Statements ready for Board Approval by the March Board meeting	2020 audit delayed due to Pandemic. Completed in August. Continued delays for year end.
Make improvements to the Financial Statements	Improve continuity schedules, segmented reporting.	Ongoing.
Review Tangible Capital Assets	Review asset and amortization schedules	Ongoing.
Purchasing Policy	Review credit card issuance, purchasing policies including PO limits to ensure that the system is both effective and efficient	Number of purchase cards reduced.
New Financial & Budgeting software	Select, purchase, & implement new Accounting and Budgeting software.	No further progress made.
Implementation of Accounting Software.	Implementation and training of all major modules of the new accounting software. Major modules include General Ledger, Payroll, Accounts Receivable, Accounts Payable, Utility Billing, Cash Receipting, and Bank Reconciliation.	Continuing fine tuning needed. Other modules such as Fixed Assets, Purchase Orders and Human resources to be implemented later. No further progress made.
Improve Payroll Processes	Simplify payroll system	Aligned arena and other hourly payroll processes.
Review Reserve balances	Review reserve balances and create new schedule for Board and Managers	No further progress made.
Review Designated Statutory reserves	Draft Statutory Reserve Bylaws as deemed necessary.	No progress made.
Implementation of Budget Software	Complete implementation of new Budget software and create new reports for budgeting and Financial Plan schedules.	No progress made.
Quarterly Variance and actual reports	Make improvements to both the variance and actual reports for managers and the Board.	No progress made.
TCA reporting	Move TCA information from Excel spreadsheets into the accounting software Fixed Asset program.	No further progress made.
Audit RFP	Issue RFP and select vendor.	Completed in late 2020; New auditors are CNB

Investment Policy	Develop an investment policy that will address 1) preservation of capital, 2) liquidity and 3) return on investment	Completed in July 2020. New policy needs review.
Develop Protocols to work remotely	Allow staff to work from home to prevent spread of infectious disease	Operational by December.

2020 Financial Staff: Treasurer - Rose Liu; Accounting Clerks - Belinda Sinclair, Liette Patterson (to March), Denise Lysejko (from May)



COVID's impact on the economy included dramatic swings in fuel prices

SECTION 2.3 7-MILE LANDFILL AND RECYCLING CENTRE

2020 has been a challenging year for the Regional Solid Waste Service given the COVID-19 pandemic. Thanks to the efforts of 7 Mile Landfill and Recycling Center's staff, contractors and the landfill users, this essential service was able to continually serve the North Island with little to no drop-in activities.

The major accomplishment in 2020 was the completion of the Interim Solid Waste Management Plan that was submitted to the Province at the end of 2020. Working with consultants and an Advisory Committee made up of representation from the various First Nations and Local Governments as well as key businesses and institutions, a solid waste management plan was developed to guide the Regional District's efforts. The key finding was that the tenure on which 7 Mile Landfill operates needed to be expanded or much of the recycling infrastructure will need to be buried in garbage within a decade. The other finding was that until the tenure expansion issue is resolved, a long-term plan is not possible hence the "Interim" designation.

Following the Interim Plan's priorities, the Regional District will be applying for an expansion to the landfill's tenure targeting land to the west which is a unutilized aggregate reserve held by the Ministry of Transportation and Infrastructure (MOTI). In discussions with MOTI, the Ministry is supportive of this application. Other objectives set out in the plan include carrying out a long-term operation plan, digitizing the weigh ticket system and renewing the operating permit.

In an effort to increase environmental management and work place productivity at the landfill, the Regional District is continuing its investment in the control system of the leachate treatment system. In 2020, the onsite WIFI infrastructure was boosted which also provides better phone coverage for cell phones that can call using Wi-Fi.



Leachate Monitoring System:

2020 & Ongoing Solid Waste Goals	Policies/Process	Progress
Reduce Solid Waste 50% From 880 kg/capita base level	Target is 440 kg per capita/year	2020: Landfilled= 7111 tonnes Waste Per Capita=610kg (-31% reduction) Recycled=1000 t (9% of waste) Composted=3369 t (32% of waste)
Maintain User pay feedback loop to encourage waste reduction	Baseline operations from property taxes; higher waste levels from user fees; recycling costs from sale of materials & EPR programs such that they are lower than landfilling costs; composting costs entirely from user fees.	Property Tax subsidy for: Landfilling=\$77/tonne Tax Subsidy 2002= \$560,000 2020= \$545,400
Expand the methane reduction Biocover system to Phase 3b	Research the functionality of the bio cover system for methane gas abatement to increase its effectiveness and provide a verified alternative strategy for landfill management that will have improved environmental outcomes and lower capital costs.	Completed the FCM pilot project in March, 2020. Will apply biocover to Phase 3b and other stages of the landfill to facilitate progressive closure. 2020 Verified carbon offsets from composting of organic materials were 1050 tonnes CO2e plus 352 tonnes CO2e from methane oxidation by utilizing the resulting compost as a biocover.
Maximize benefits of innovative solid waste management practices for RDMW communities.	Seek funding for the upgrading of organic composting infrastructure to increase efficiency and potentially process food waste in addition to biosolids and wood waste.	Grant application submitted to senior levels of government to invest in composting infrastructure.
Expand monitoring of leachate quality to allow for real time automated controls of leachate treatment system	Establish a collection of sensors to monitor various water quality elements to provide guidance to a process logic control system.	In 2020, sensors were installed and connected through conduits to four different sampling locations with data channelled to PLC and data monitored
Improve communication infrastructure to improve efficiency and safety.	Develop Wi-Fi and cellular infrastructure to provide coverage over most of landfill.	To help achieve the leachate monitoring goal, a wireless communication hub was established to provide Wi-Fi and cellular communication services throughout the landfill.
Constantly improve the level of service and opportunity to manage solid waste for the public and businesses.	Establish protocols that will allow the landfill to be able to take in all classifications of contaminated soils.	Submitted to Province in 2018; awaiting response.

Cooperate in efforts to provide high quality solid waste management service to all communities in the RDMW	Continue to work with all communities and/or agencies to make access to 7 Mile Landfill easier where feasible; focusing on mainland communities that still have service gaps.	Considering adding Wuikinuxv First Nation (at Rivers Inlet) to the service.
Identify opportunities for future priorities and improvements for solid waste management in the RDMW	Update the Regional Solid Waste Management Plan (RSWMP) that was adopted in 1997.	Contracted Maura Walker and Associates to lead the effort in updating the RDMW's Solid Waste Management Plan. Submitted Plan in December, 2020.
Secure long-term viability for responsible waste management within the RDMW.	During planning process, review long term strategic resources and acquire priorities years in advance of actual utilization.	Apply to extend existing 7 Mile License of Occupation to the west of current tenure resulting disposal area that will serve the communities using the landfill into the 22nd century.
Maintain compliance with Provincial regulations for solid waste management	Review current practices and infrastructure in respect to BC standards.	Complete Conformance Review
Continue to set goals to improve performance and service to North Island communities	Solid Waste Management Plan update performance will result in new objectives at 7 Mile Landfill	Once the RSWMP is approved by the Province, establish a committee to whom the RDMW management will report to in regard to meeting goals and objectives set out in the plan.
Continue to support the development of better waste management at local communities.	Provide support and advocate for better diversion services in all communities served by the Regional Solid Waste Service	Assist communities access the support of Extended Producer Responsibility programs
Maintain operational effectiveness and safety in pandemic conditions	Establish practices that ensure social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, 7 Mile Landfill was able to maintain waste disposal and recycling services in a safe and healthy manner.
Improve recycling program's efficiency.	Continue to invest in capital infrastructure.	Add covered storage space in close proximity to recycling baling shed. Ongoing.
Improve health and safety at landfill for staff and contractors.	Utilize the knowledge of expert safety consultants in improving safety at 7 Mile Landfill	Implemented a new safety program developed with Kim Meadows, a workplace safety consultant.

2020 Staff: Patrick Donaghy, Karl Digby, Brad Tierney, Patsy Jessome, Mitch Miller, Terry Hooper, and Riley Matson



7 Mile Composting Operation



7 Mile Landfill Phase 3

SECTION 2.4 PARKS

The RDMW regional parks system experienced a record year in 2020 which was mostly driven by COVID related measures. While the Provincial and many local government parks and recreation sites were closed until July 2020, the RDMW parks were operational in early June. COVID travel restrictions, coupled with the reservation system introduced in 2019 facilitated more local and Vancouver Island residents to utilize RDMW parks. While both campsites saw unprecedented use, the change was most dramatic at Link River where utilization was up 76%. Veteran contracted campground attendants Sue Hamilton (Bere Point) and Jim Buhl (Link River) ensured that visitors had enjoyable stays while respecting COVID safety measures.

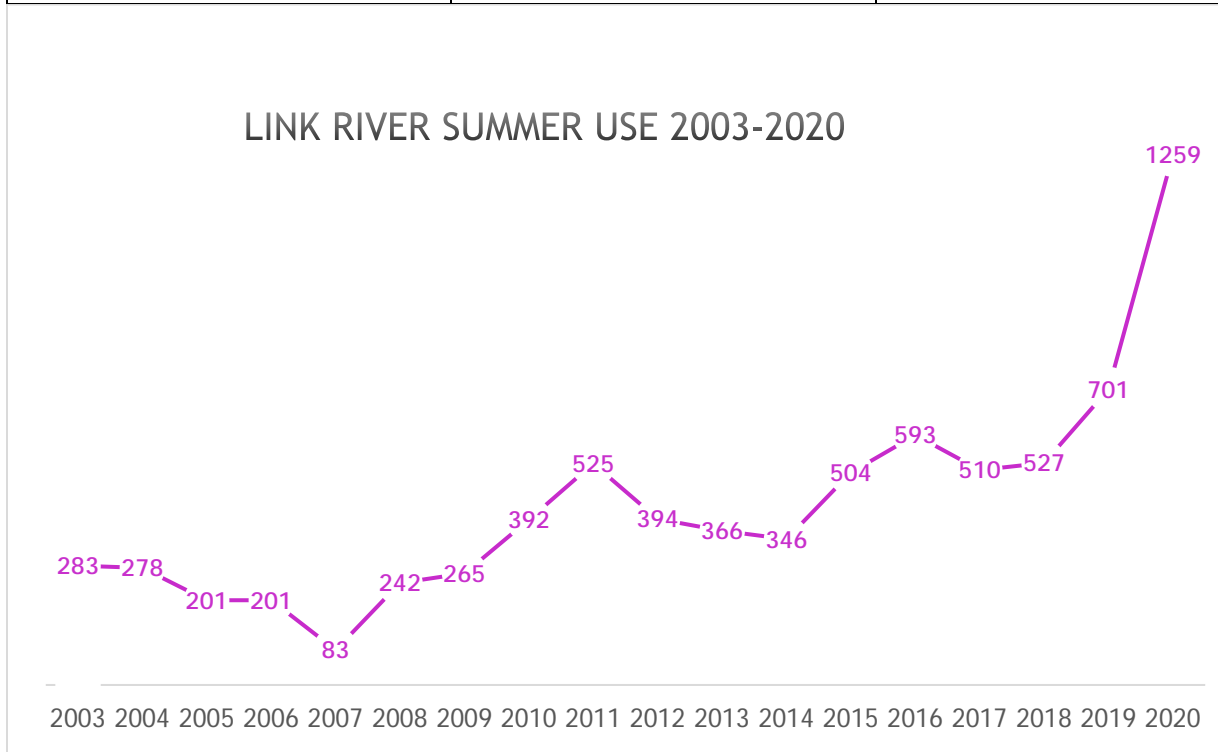
Other RDMW parks also experienced heavy use which led to increased need for routine maintenance and deferral of some capital projects. The Mount Cain Alpine Parks Society experienced a shortened 2019-20 ski season missing the spring break, but more than made up for it in the 2020-21 season by creatively combining COVID mitigation measures with a targeted marketing campaign.

Parks staff were also kept busy on park maintenance, including the rebuilding portions of stairs and boardwalks at Little Huson Caves Regional Park.



Closure of BC Rec sites created more demand for RDMW parks

2020 & Ongoing Parks Goals	Policy	Progress
Update a draft Parks master plan for Board review.	Review & update existing plan and provide key recommendations for the RDMW Board.	30%. No progress made.
Regional Parks Expansion	Utilize Parks staff to help complete and maintain the Woss Heritage Park. Consider expanding Link R. Campsite via purchase of adjacent lot.	80%. Grant obtained (via Economic Development Service) to build a trail through the park connecting to the community. 10%. Offer to purchase made.
Rehabilitate trail access to Little Huson Caves Park	Remove old stairs etc.; build wilderness category trail with appropriate signage	Lower stairway re-built 2020; Viewing Platform stairway to be rebuilt in 2020
Develop river walking trail along Link River	Identify, clear & brush & build trail.	Trail complete; signage added
Build/replace washrooms for all sites	Prefab building; install pump and haul tanks	Bere Point completed. Kwaksistah & Little Huson deferred.
Provide attendants at Campground by May long weekend	Amend reservation system & contracts accordingly	Season Started May 31.



2020 Staff: Dean Tait, Sadie Lanqvist (Part Time). Manager-Greg Fletcher



New Boardwalk at Little Huson Regional Park

SECTION 2.5 PLANNING

2020 PLANNING & DEVELOPMENT SERVICES

The RDMW Planning & Development Services Department provides the following core services:

- a) Property information and other enquiries related to building, bylaw enforcement, land use planning and development;
- b) Processing of planning and development related applications (building permit - Coal Harbour / development permit / development variance permit / site permit - Hyde Creek, Malcolm Island and Woss / temporary use, official community plan and zoning bylaw amendments, subdivision review and assessment and board of variance appeals;
- c) Crown land referrals - review and respond to referral of applications related to the use and development of Crown lands including land covered by water and update and maintain RDMW's Crown land database;
- d) Undertakes the bylaw enforcement process related to bylaw infractions and associated complaints;
- e) Operation and maintenance of the region wide geographic information system (iMap) including sharing and support for the RDMW's four member municipalities;
- f) Review and update of regional and local community plans and zoning bylaws;
- g) Coordinates the meetings of and acts as secretary to the Regional Planning Committee;
- h) Provides support to advisory bodies and attends meetings of the Hyde Creek Advisory Planning Commission and combined advisory organizations (Coal Harbour Local Community Commission, Malcolm Island Advisory Commission, Quatsino Advisory Commission and Woss Residents Association) on as needed basis;
- i) Manages the RDMW's information technology (computer network) and communications services; and
- j) Provides support to the Chief Administrative Officer and the RDMW's administrative functions in a variety of ways.

The initial economic uncertainty due to COVID caused an initial drop in land development activities in 2020:

Applications / Items	In Progress Prior to or Received in 2020	Completed / Closed in 2020	In Process at Year End
Building Permit	2	2	0
Demolition Permit	0	0	0
Bylaw Enforcement	18	15	3
Crown Land Referral	18	16	2
Development Permit	0	0	0
Development Variance Permit	1	0	1
Official Community Plan Amendment	0	0	0
Site Permit	14	14	0
Subdivision	2	2	0
Temporary Use Permit	0	0	0
Zoning Bylaw Amendment	1	0	1
Total:	56 (-27%)	49 (-14%)	7

In addition to the aforementioned services, the Planning & Development Services Department undertook work on the following projects in 2020.

2020 Planning Projects	Description	Status
SECURE CROWN LAND TENURES	Undertake the processes necessary to secure Crown land tenures for RDMW and public service type facilities and services on an as needed basis.	In 2020, an expanded tenure will be applied for the proposed 7 Mile Landfill facility expansion.
BYLAW CONSOLIDATION	Continue consolidation of bylaws to ensure that all bylaws posted on the website and are otherwise available for distribution to the public, are updated and include the latest regulations.	Ongoing
STRENGTHENING RELATIONSHIPS WITH FIRST NATIONS	Continue to work with the Region's First Nations in accordance with the North Island Regional Protocol Agreement, build government-to-government co-operation and effectively consult with First Nations on RDMW policy and development projects.	Ongoing
IMAP GEOGRAPHIC INFORMATION SYSTEM	Provision and maintenance of a regional GIS service for RDMW and four municipal partners. Improve the GIS service by adding additional functionality, such as imagery and user-friendly tools, including to the publicly accessed version.	Ongoing: An updated version of the iMap GIS (version 3.0) was released in 2020.
PROVINCIAL LIDAR AND ORTHOIMAGERY PROJECT (2018-PROJ-06)	Work with GEO BC to obtain LiDAR and orthoimagery for most low lying and populated areas of North Vancouver Island and share it with local governments as part of the Federal National Disaster Mitigation Program. Will include unincorporated communities, as well as key locations in the rural areas (e.g. Mount Cain, 7 Mile Landfill, etc. The new LIDAR/imagery will be incorporated into the iMap geographic information system for the RDMW and its municipal partners.	70% complete: <ul style="list-style-type: none"> • Geo BC flew the area in spring of 2020 Lidar data available in Spring 2020; Only limited imagery available in fall 2020. With SRD, purchasing software to convert the remaining data.
COMPUTER NETWORK MAINTENANCE	Continue to manage the computer network and communications technology for the RDMW's administrative office. Ongoing upgrades and maintenance of the systems are undertaken as needed.	Ongoing: Network cabling and routers replaced
PUBLIC COMMUNICATIONS	Keep the public informed about various land use planning, building and development matters, including applicable zoning bylaw regulations and required permit processes, by continuing to include information articles in newsletters and mailouts to property owners and maintain up to date information on the RDMW website.	Ongoing

<p>REVIEW & UPDATE OF THE RDMW ZONING BYLAW NO. 21 (2010-PROJ-07)</p>	<p>The RDMW Zoning Bylaw contains specific use, density, siting and other regulations for rural areas outside of RDMW settlements. Recommended updates include such things as Mount Cain, the inclusion of Alder Bay and Telegraph Cove, consolidation of previous zoning map amendments, improvement of floodplain development standards, etc. This project will be completed in-house as time permits, with the possible exception of mapping. In the interim, housekeeping amendments have been made to Bylaw No. 21 to address a variety of issues.</p>	<p>Ongoing</p>
<p>UPDATED OCP AND ZONING MAPS FOR WINTER HARBOUR (2020-PROJ-05)</p>	<p>Prepare a new and updated land use map for the Winter Harbour Community Plan Bylaw No. 371 and an updated zoning map prepared for the Winter Harbour Community as part of RDMW Zoning Bylaw No. 21.</p>	<p>50% complete</p>
<p>HYDE CREEK OFFICIAL COMMUNITY PLAN UPDATE (2017-PROJ-06)</p>	<p>An update to the 2001 Hyde Creek Official Community Plan is underway. Staff has been working with the Hyde Creek Advisory Planning Commission by reviewing portions of the OCP as time permits.</p>	<p>40% complete: This project is expected to be completed in 2020/21</p>
<p>PROVINCIAL CROWN LAND TENURE APPROVALS PROCESS (2017-PROJ-07)</p>	<p>The Province has issued Crown land tenures in situations where there is non-conformity with the RDMW's zoning regulations. This leads to bylaw enforcement issues as most applicants are under the impression that once a tenure has been issued to them by the Province, that they can proceed to establish the uses. As a result, staff continue to lobby provincial officials to change this practice and withhold the issuance of tenures until zoning matters are rectified, and this has been confirmed to the Province by the RDMW.</p>	<p>Ongoing</p>
<p>MOUNT WADDINGTON REGIONAL HOUSING NEEDS REPORT PROJECT (2020-PROJ-03)</p>	<p>In July of 2018, the Province passed Bill 18 which requires local governments to undertake a housing needs report by 2023.</p> <p>The RDMW arranged with each of its four municipal partners (District of Port Hardy, Town of Port McNeill, Village of Alert Bay and Village of Port Alice) to coordinate the undertaking of the Mount Waddington Housing Needs Assessment and Action Plan on behalf of itself and its partners. The report examined housing needs for the region as a whole. First Nations are also included in the project.</p>	<p>Grant of \$120,000 was awarded to the RDMW and its four municipal partners</p> <p>RFP process completed and consultant hired in 2020.</p> <p>Project was completed in December, 2020.</p>
<p>WOSS LIBRARY (2019-PROJ-07)</p>	<p>Assist the Manager of Economic Development with aspects of the process associated with the establishment of a new library on RDMW property in the community of Woss.</p>	<p>Ongoing; Library opened in fall, 2020</p>

<p>PLANNING & OPERATIONS ASSISTANT (2019-PROJ-15)</p>	<p>The creation of a new position, Planning & Operations Assistant, and the hiring of a person in this capacity, is proposed to assist the Managers of Operations and Planning & Development with their day-to-day workload.</p>	<p>Position filled in May 2020</p>
<p>CONTAMINATED SITE PROCESS (2019-PROJ-16)</p>	<p>Legislation related to contaminated sites requires that owners of properties who seeking certain types of approvals (e.g. rezoning) submit a site profile form to local government to identify past commercial or industrial uses. This is the trigger determining the need to conduct a preliminary site investigation as to the potential for contamination, which could then lead to site decommissioning to resolve the pollution issue. This process requirement has been optional for local governments and the RDMW and all four of its partner municipalities have opted out of it. This is expected to change with the introduction of new provincial legislation that will take effect in 2020.</p>	<p>5% Complete: Monitoring Provincial implementation guidelines.</p>
<p>REGION WIDE SITE PERMITS (2019-PROJ-17)</p>	<p>Extend requirement of site permits throughout Electoral Areas. Currently, the communities of Hyde Creek, Woss and Sointula / Malcolm Island, have a site permit process to ensure compliance with the applicable zoning bylaw regulations only. In Coal Harbour, building permitting and inspection process which ensures compliance with the applicable zoning bylaw regulations as well as the BC Building Code. Will require changes to the RDMW Building Bylaw.</p>	<p>Bylaw 983 adopted in September for November 1, 2020 Implementation</p>
<p>UPDATED BUILDING BYLAW (2020-PROJ-09)</p>	<p>Given changes brought about as a result of new Provincial Building Act and regulations, it will be necessary to update the RDMW's Building Bylaw. The Municipal Insurance Association of BC (MIABC) is preparing a new building bylaw template that incorporates the requirements of the new legislation and will be used by local governments in developing updated building bylaws for their jurisdictions.</p>	<p>Partially completed by Bylaw 983 adopted in September for November 1, 2020 Implementation</p>
<p>LAND SWAP WITH SCHOOL DISTRICT NO. 85 IN WOSS (2020-PROJ-06)</p>	<p>Work with School District No. 85 to facilitate a lands swap with the RDMW which would involve having SD No. 85 subdivide a portion of its property which includes the pool, and transferring it to the RDMW to be amalgamated with the RDMW's community services (community hall, fire hall, etc.) property (Block M), while the RDMW would subdivide its property, Block L, and transfer the majority of it to SD No. 85 to amalgamate with its school property.</p>	<p>Survey Underway</p>
<p>INTEGRATION OF PUBLIC UTILITY DATA INTO IMAP (2020-PROJ-11)</p>	<p>Work with the RDMW's iMap GIS provider and Parcel Map BC to expand the spatial dataset of iMap to include utility information for external parties. This would include utility infrastructure for public utility companies like BC Hydro, Shaw Cable and TELUS.</p>	<p>Discussions Underway</p>

<p>TEMPORARY DWELLING APPLICATION AND AGREEMENT (2020-PROJ-06)</p>	<p>The RDMW Planning and Development Procedures and Fees Bylaw describes the process requirements related to occupation of a temporary dwelling. This is undertaken in circumstances in which it is permitted by the local zoning bylaw and usually relates to use of a temporary dwelling while the permanent dwelling is being constructed. Staff will undertake to prepare the required application form and the agreement template, both of which are required to facilitate requests for the use of a temporary dwelling.</p>	
<p>QUATSINO FIRST NATION RESERVE ESTABLISHMENT IN COAL HARBOUR AREA (2020-PROJ-07)</p>	<p>QFN staff has commenced a process to establish a new reserve for the QFN in the eastern Coal Harbour area on the east side of Stephens Bay. An initial meeting will be conducted with QFN staff and its consultants to review information related to the required federal government process that must be followed as well as preliminary information related to the proposal.</p>	<p>Initial Meeting held in November 2020</p>
<p>PORT MCNEILL OFFICIAL COMMUNITY PLAN AND ZONING BYLAW UPDATES (2020-PROJ-08)</p>	<p>A consultant has been retained by the Town of Port McNeill to undertake its official community plan and zoning bylaw update projects, and has contacted RDMW staff who will provide input as well as data and mapping information to assist the consultants with their work on these planning documents.</p>	

2020 Planning Staff: Manager of Planning and Development Services Jeff Long; Planning and Operations Assistant: Brandon Kreager

SECTION 2.6 ECONOMIC DEVELOPMENT



During 2020 the Nimpkish Valley Logging Railroad was decommissioned.

Economic Development Manager, Pat English, oversees a range of development projects within the area. The **Regional District of Mount Waddington (RDMW)** is a diverse landscape of unsurpassed natural beauty. The region's distance from and comparative size to larger centres is an asset that makes communities on Northern Vancouver Island and area unique, safe and desirable to live in. The region offers considerable resources over a large land base that can and must be developed sustainably for communities' social, economic and environmental health. This includes forests, mines, water, fish and wildlife resources and alternative energy within the RDMW.

The region's full potential in the Adventure and Cultural Tourism sector needs to remain a focus of the RDMW's growth strategy. Looking ahead, the region wide rollout of high speed fibre offers an intriguing opportunity for home based knowledge workers. The sense of community, wherever one may live on the North Island, is what brings people to come and stay. Coupled with relatively low property tax burdens and real estate values, there are good arguments for relocating here when opportunities arise. Workforce development, retention and attraction are high priorities across all sectors.

Most of the essential services available in larger centres are found right here, offered by a vibrant range of community organizations run by committed individuals and volunteers. Our proposed Ambassador program being developed in 2020 will capitalize on the strong community engagement that is evident throughout the region. The North Island has a culturally rich and growing First Nations population who are today playing an increasingly critical role in the social and economic destiny of the region.

Challenge and Opportunity

The forestry sector and the public sector are the largest employers in the region, with both wild and aquaculture fish processing also representing major contributions to the regional economy. The closure of the Port Alice pulp mill, ongoing work force rationalization in the forest industry with attendant pressure on labour relations, and the regulatory regime all challenge the region's ability to retain a dynamic and skilled workforce. The North Island Forest Industry Attraction, Training and Retention Strategy, completed in 2016, led to the creation of the Vancouver Island North Training and Attraction Society with a mandate to deliver a forestry training program and an integrated marketing and attraction strategy, to help reverse the potential decline in the sector. This mandate was realized in 2018 with the launch by Vancouver Island University of the Fundamentals of Forestry Production course in Woss and the publication of our attraction website www.myvancouverislandnorth.com

The limitations of seasonal tourism pose challenges to sustainable job creation through the tourism sector. There have been recent increases in tourist activity seen which have yielded investment in new products and facilities and a growing demand for shoulder season products. This trend, if continued, will substantially increase the viability of the sector as an investment and as an employment opportunity. The Regional District has invested heavily in Heritage Tourism sites to promote the history of the region and the link to First Nation communities.

The limited advanced education system is a worry for communities trying to retain working families and offer basic post-secondary education and training that matches labour market trends. Corporate structures and their interactions with the communities are not always what they could be, leading to a lack of opportunity where more should exist.

North Island firms are some of the best around, and a need to create more in this vein across all sectors has been identified. The Regional District continues to work to encourage more secondary small to medium enterprises (SMEs) within the North Island. Smaller to medium employers increase economic diversity and reduce the impact of difficult recessionary periods and large-scale corporate restructuring. When both primary and secondary sectors are present, a healthy tertiary lexicon of services exists to support them.

Last mile connections for the recently completed high speed broadband fibre from Sayward to Port McNeill offers opportunities for a whole range of economic applications and will play an important role in our ability to attract new businesses and residents. Recent efforts to extend the last mile fibre into Woss and Coal Harbour are expected to come to fruition in the next year, enhancing their attraction as residential communities for knowledge workers. Our current initiative to develop an attraction campaign targeting home-based knowledge workers is intended to take advantage of the upgraded internet connections.

One of the RDMW's principal concerns is ensuring that the area is not simply an extraction ground for primary resources, but one of added value as well. While acknowledging the historic, existing and future benefits of primary industrial activities, the region's rural economy needs more diversity across the spectrum of economic activity. Secondary sector processing and manufacturing (niche or otherwise) are highly competitive economic areas internationally but are necessary for a healthy mixed economy in any rural region. Greater utilization of timber milling and waste fibre opportunities are strongly desired, reflective of the region's massive Annual Allowable Cut, in particular. The North Island Waste Wood Opportunity Identification study, which will create a

partnership with 'Namgis First Nation and Kwakiutl First Nation is intended to provide a pathway that will lead to a new viable value added manufacturing enterprise.

Of additional concern is the region-wide demographic decline of prime age employment cohorts, which challenges the tax base, costing communities dearly in terms of shrinking local school population. Regional demographic trends reveal a need to retain and attract more working families. Our retention and attraction strategy is reliant on building vibrant communities and accordingly we are actively pursuing resources for such things as invasive weed control, wild fire protection and emergency road rescue and will continue to identify new areas for support in future years.

Over the coming years, the Regional District would like to see moderate economic growth occur within a stabilized population. North Island communities eagerly await the opportunities for working families that will evolve from partnerships that are proposed with First Nations on economic development projects. It is expected that these partnerships will provide a path for First Nations to formally connect with all local governments over time. The Regional District supports the development of local training programs for the resource sector such as the Fundamentals of Forest Production program as a mechanism to retain youth and provide a regional based workforce; a growing aquaculture sector that embraces environmental and economic sustainability; and an expansion of adventure and cultural tourism that levers the marketing benefits associated with heritage site development.

2020 Goals	Policy	Progress
<i>Objective 1: Grow regional collaborations.</i>		
	<ul style="list-style-type: none"> • Solicit permanent funding from the province of BC (ITA and/or BC Rural Dev Fund) for a five-year program delivery plan for the Fundamentals program • Work with other regional economic developers to deliver the BC Rural Island Economic Summit. • Work with the Hut to Hut steering committee to complete the conceptual planning and design of a Hut to Hut system on the North Coast Trail. • Help develop and secure funding for a new strategic business plan for the Vancouver Island North Training and Attraction Society • Develop a north island economic forum with First Nations and local communities to help co-ordinate economic development initiatives in the region. • Secure funding for a 2020 Invasive Weed Eradication Program • Work with KFN and 'Namgis to submit an application to the BCRDF for a Wood Waste Opportunity development study. • Participate in on-going consultation with First Nations to build closer relationships 	<p>On-going</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>On-going</p> <p>Cancelled due to COVID</p> <p>Completed</p> <p>On-going</p>

<p>New 2020 Collaboration Initiatives</p>	<ul style="list-style-type: none"> • Establish a regionally based COVID Economic Recovery Committee • Secure funding for the detailed site investigation of potential hut location on the North Coast Trail • Initiate a business opportunity study to utilize waste wood from logging operations 	<p>Completed</p> <p>Underway</p> <p>Underway</p>
<p><i>Objective 2: Build community capacity.</i></p>		
<p>2020 Goals</p>	<ul style="list-style-type: none"> • Proactively prepare proposals for future grant aid opportunities • Complete final agreements for funding and delivering Fibre Optic internet service for Woss and Coal Harbour • Complete lease agreement with Vancouver Island Regional Library for a new facility at Woss • Assume ownership and management of the Quatsino Wharf • Work with consultants to complete a regional housing study. • Complete development of the Hornsby site with interpretive landscaping and historical displays • Move second locomotive to Nimpkish Valley Heritage Park • Prepare a community wildfire protection plan for Woss 	<p>On-going</p> <p>On-going</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Underway</p> <p>Underway</p> <p>Underway</p> <p>Complete</p>
<p>New 2020 Community Capacity Initiatives</p>	<ul style="list-style-type: none"> • Complete a Vegetation Management program at Woss to reduce forest fire hazard to the community • Assist with the development of a new library at Woss • Work with advisory groups to modify the schedule for the new ferry to provide an early morning departure from Sointula. • Work with Quatsino residents to develop a framework for the management of the Quatsino wharf • Develop a regional data base utilizing the Economic Developers Association of BC's Executive Pulse Program • 	<p>Complete</p> <p>Underway</p> <p>On-going</p> <p>Underway</p> <p>Underway</p>
<p><i>Objective 3: Enhance the regional profile.</i></p>		
<p>2020/21 Goals</p>	<ul style="list-style-type: none"> • Represent Malcom and Cormorant Island at the BC Rural Island Economic Partnership. • Promote the interests of the region with BC Ferries and other Provincial bodies and agencies. • Represent the Regional District at economic forums and workshops throughout Vancouver Island and the Province. • Represent the Regional District in meetings with Provincial agencies and Ministries. • Sponsor dedication of the Woss Memorial Gazebo to celebrate our history and in remembrance of lives lost in the forest industry 	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>Completed</p> <p>Completed</p>

Objective 4: Promote Vancouver Island North.		
2020 Goals	<ul style="list-style-type: none"> Continued support of Vancouver Island North Tourism in 2020 with ongoing grant management, contract oversight and a further \$8,000 of taxation requisition. The RDMW Rural Tourism Action Grant program will be continued at the current maximum of \$2500 per grant in 2020 for rural areas and Port Alice. Promote the Regional District to industry associations (InFilm, BC Salmon Farmers, etc.) as well as to individual investors. Renew authority to collect the Municipal and Regional District Tax from accommodation suppliers Secure funding for a part time attraction co-ordinator to manage the myvancouverislandnorth web site and promote living in the region. Develop a web page dedicated to promotion of regional heritage sites and featuring the Hornsby Crawler and the Nimpkish Valley Heritage Park 	<p>Completed</p> <p>Four projects approved</p> <p>On-going</p> <p>Completed</p> <p>On-going</p> <p>Underway</p>
New 2020 Promotional Initiatives	<ul style="list-style-type: none"> Establish an Ambassador Program to support resident and business attraction campaigns Secure funding for, and initiate, an attraction campaign targeting home-based knowledge workers Work with the BC Rural Island Economic Partnership to engage local businesses in the Island Comeback program Work with Tourism Vancouver Island to retain a locally based full-time manager for the regional marketing initiative. 	<p>Underway</p> <p>Underway</p> <p>Underway</p> <p>Underway</p>
Objective 5: Targeted socioeconomic advocacy.		
<ul style="list-style-type: none"> Policy 	<ul style="list-style-type: none"> Continue to apply established policies and criteria in all communications. Work with the Manager of Planning to implement and refine the Regional Plan 	<p>On-going</p> <p>On-going</p>
<ul style="list-style-type: none"> Technological infrastructure 	<ul style="list-style-type: none"> Support the broadband initiative by working with commercial carriers, ISP's and individual communities to design and facilitate "last mile" solutions. Strathcona RD's Connected Coast project will see the placement of over 3,400 km of subsea, high-speed fibre-optic cable from north of Prince Rupert, to Haida Gwaii, south along the coast to the Vancouver terminal, then around Vancouver Island. It will provide the ability for up to 154 communities, including 23 RDMW communities, to connect to high-speed internet. 	<p>On-going.</p> <p>On-going</p>

<ul style="list-style-type: none"> • Workforce development 	<ul style="list-style-type: none"> • Continue to lobby for improved access and funding to rural-remote cost-recovery programming in post-secondary education and training. • Work with SD 85, VIU and the North Island College Leadership Council to advance opportunities for skills training. • Promote the Fundamentals of Forest Harvesting practices program at Woss 	<p>On-going</p> <p>On-going</p> <p>On-going</p>
<ul style="list-style-type: none"> • Fisheries 	<ul style="list-style-type: none"> • Lobby as appropriate on fisheries matters where RDMW Board has carried resolutions. 	<p>On-going</p>
<ul style="list-style-type: none"> • Aquaculture 	<ul style="list-style-type: none"> • Maintain support for continued and improved local recruitment across the finfish and shellfish aquaculture sector in the region, particularly in farm sites and new technologies. 	<p>On-going</p>
<ul style="list-style-type: none"> • Alternative Energy 	<ul style="list-style-type: none"> • Maintain support for construction of Phase II of the Cape Scott Windfarm. • Continue to lobby BC Hydro and provincial leaders for adoption of a green energy strategy that would include development of run-of-river opportunities 	<p>On-going</p> <p>On-going at UBCM</p>
<ul style="list-style-type: none"> • Forestry 	<ul style="list-style-type: none"> • Represent the Regional District on forest sector advisory committees and implement the recommendations for the Forestry Sector from the Strategic Sector report. • Facilitate periodic briefings for Directors of the Regional District by representatives of major tenure holders. 	<p>On-going</p> <p>On-going</p>

2020 Economic Development Staff: Pat English, Manager

SECTION 2.7 EMERGENCY PLANNING



The Regional District was fortunate to have recruited Cathy Denham as the Regional Emergency Coordinator in 2020. Her previous broad North Island experience provided her with a wealth of community contacts and familiarity with the north island geography, both attributes which would help cope with what proved to be a very challenging year. Of course, by March, dealing with the global COVID-19 pandemic would become the primary focus of both the regional emergency program and just about every other aspect of local government as well. When the Provincial Emergency was first declared on March 24 much of the early effort was spent re-organizing service delivery to ensure that essential services could continue to be safely provided without interruption. In addition, much effort was directed to securing supplies of protective equipment and strategically directing resources to where they were most needed.

The networking established through regular NIREPC meetings provided a good foundation for smoothly coordinating and sharing resources. The RDMW and its municipal and First Nations NIREPC partners were soon meeting remotely (by 'Zoom' video conferencing) daily for Regional Emergency Operations meetings. Daily meetings were held from April 8th to June 4, dropping to twice weekly to the end of August and weekly from then to the end of the State of Emergency on July 8, 2021; altogether 92 such meetings were held. These meetings were instrumental in sharing information and coordinating COVID strategies including communications. Two of the meetings were full NIREPC meetings with broader attendance as well as providing a reminder that other emergencies continued to arise. Notable emergencies requiring assistance from the Emergency coordinator included dealing with evacuations/ESS service provision in the aftermath of a large fire in Port Hardy and a landslide at Wuikinuxv First Nation, many power outages including an extended outage in December and an barge sinking/oil spill in Port McNeill. The active participation of the Mount Waddington Community Health Network ensured that vulnerable populations COVID challenges were not overlooked.



COVID Supplies

2020 & Ongoing Emergency Planning Goals	Policy/Action
Ensure that contact lists for key North Island emergency personnel are comprehensive and up to date	Work with all NIREPC members to establish and keep lists up to date. Share lists as updated. Ongoing.
BCERMS training for all coordinators and key staff	Document current training levels and encourage participation in on-line and targeted hosted training sessions. Ongoing.
Update the Regional Emergency Plan as needed	All four municipalities and four First Nations have renewed the 2017-2022 Regional Emergency Mutual aid agreement.
Support ESS Teams	Coordinated and provided training sessions for one day local ESS training.
Improve the North Island's capacity to deal with Critical Incident Stress Management (CISM)	Regional Response CISM Team in place and additional training grant request submitted.
Expand solar/battery emergency Power back-up systems to all RDMW Firehalls to ensure uninterrupted communications and functionality.	All 4 RDMW fire stations were completed in early 2020. Coupled with the RDMW main office facility meant that seamless uninterrupted communications was possible during the pandemic, regardless of frequent power outages. The network will be expanded in 2021 to include the Chilton Regional Arena which will provide a greater capacity for including communications functionality for larger numbers.
Review and update the regional Hazard, Risk and Vulnerability analysis in the Regional Emergency Plan	Form a committee including all EPCs and other interested NIREPC members to review and make recommendations for changes on the HRVA section in the Regional Emergency Plan. Not started.
Take measures to reduce vulnerability to interface fire hazards	The RDMW completed remedial brushing for its most vulnerable community, Woss.

Regional Emergency Coordinator: Cathy Denham

SECTION 3 SUB-REGIONAL SERVICES

SECTION 3.1 TRANSIT

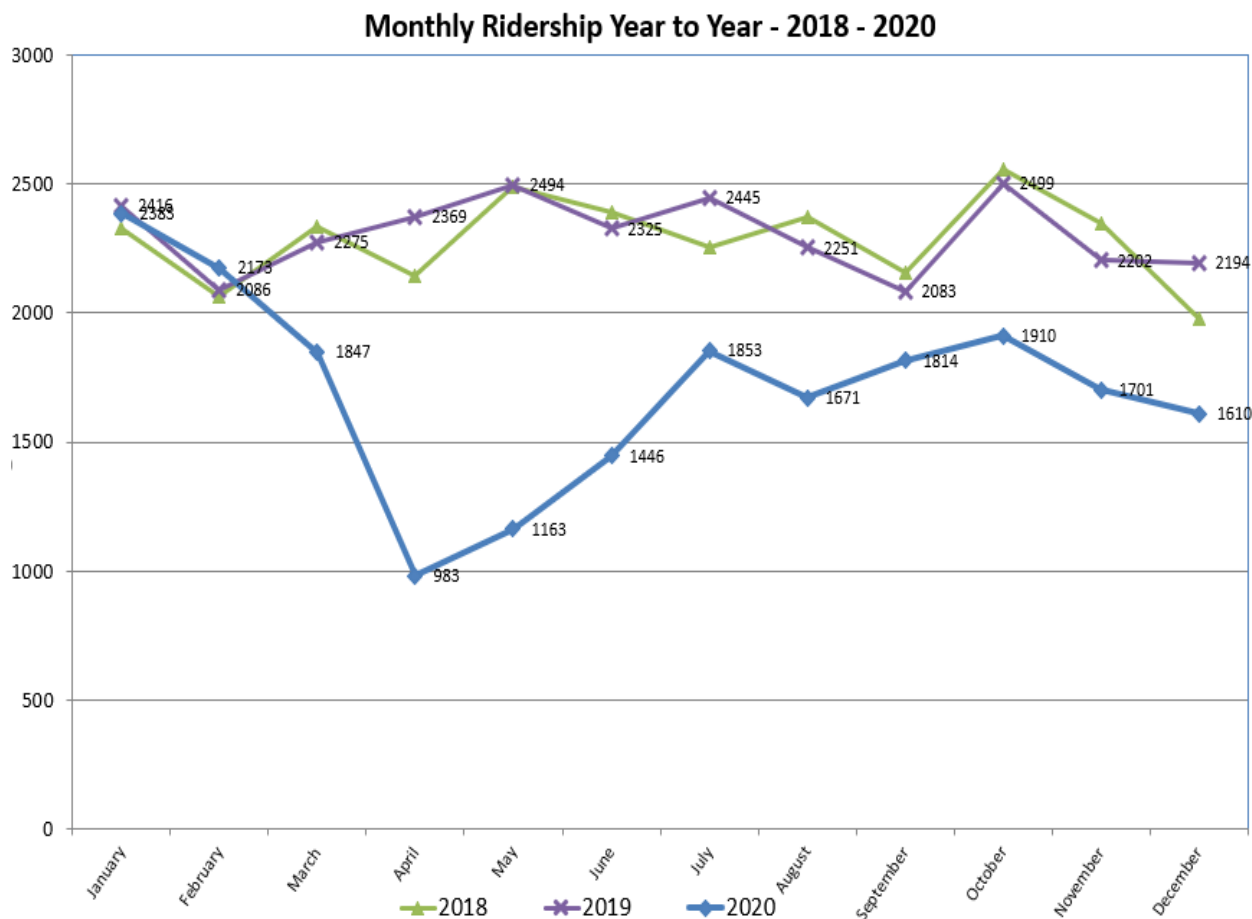
The staff at PW Transit, including Mary Mavis and her team of drivers continue to provide the high level of customer service that North Island residents have become accustomed to. Unfortunately, COVID had a large impact on the level of service provided by the system. In April, BC Transit made the decision to offer free rides on all of their services, including those provided by MWTS. This was a welcome gesture to help customers and encourage them to continue to ride the bus. The RDMW ensured there were no service disruptions by providing the necessary PPE to meet new safe operating requirements. In addition, when it became mandatory to wear masks on the bus starting in July 2020, the RDMW provided a supply of facemasks to ensure that no passenger was left behind without a mask. These measures also helped reduce the loss of ridership to well under the Provincial average: while ridership and revenue dropped by an average of 50% system wide on BC Transit, MWTS did relatively better, with a decline of 26% in ridership. This number was important as later the Province provided a subsidy based on the average decline; after this was factored in, the MWTS service ended up with a budgetary surplus. The new route to the Port Hardy Airport had virtually no ridership as the airline service was soon cancelled after the pandemic struck. Currently, only minor route changes are planned.

The Volunteer Transportation (VTN) quickly responded to the COVID emergency by re-directing its service to support people who were no longer able access not only medical services but also basic services like grocery stores. To ensure service that met COVID guidelines, the VTN began to provide pick-up delivery services for medicine and groceries for isolated residents. Residents of Woss and Port Alice were the main users of these services. Overall, the number of trips declined by 24% and the number of clients served dropped 15 %.

- G.Fletcher

2020 & Ongoing Transit Goals	Goal	Actual
Increased revenue (fareboxes, ticket/pass sales, advertising, special group trips & BC Bus Passes)	\$74,000	\$50,409 (-31%)
Increased General Ridership, increased use & accuracy of BC Bus passes	31,000	20,554 (-26%)
Increased Handy Dart ridership	100	44
Increased VTN ridership	300 (450/600)	368 Trips/747 users
Increase VTN driver pool with representation in all communities	Drivers present in all communities, but more recruits still needed in some	
Implement expansion to Port Hardy Airport	Funding, routing approved for fall implementation	
Increase use of the VTN lift van	Consider options for partnering with other agencies to broaden the service delivery options	

Transition Port Alice Pilot VTN to fully integrated part of the service	Agreement in place with Port Alice for 2020 with annual renewal.
Work with Ministry of Highways to develop a shelter/park and ride near the Port Alice highway junction	Postponed due to COVID



Transit Service Provider: PW Transit (Coordinator: Mary Mavis)

SECTION 3.2 CHILTON REGIONAL ARENA



During 2020 the facility was operated and maintained through these unprecedented times of Covid-19. The facility was operated at reduced staff levels by means of attrition. Fiscally, Covid-19 was a boon as we were able to contribute operational savings into our reserves which will help us to complete a complex ice plant project implemented on all arena facilities by Technical Safety of British Columbia. Provincial Health Orders reduced our operating capacity to roughly 50%; however, the fall of 2021 and onward looks promising as we should be operating at full schedule. We are looking forward to getting back to normalcy and be able to serve all residents.

2020 Goals and Achievements	Policies/Process	Outcome
Maintain adequate arena utilization levels during Covid-19	Operated arena service as per Covid-19 guidelines set by Provincial government	*Decreased service levels offered to arena users July-December <ul style="list-style-type: none"> • Groups under 21 • Public Skating • Maintained Sponsored Skating • No Competitive Games • Concession Closed • No Spectators Permitted • Image Room rentals declined
Maintain Fiscal Responsibility	Routine	<u>Revenue:</u> 2021: \$125,000 (Projected Covid 19) 2020: \$125,000 (Covid-19) 2019: \$169,500 2018: \$167,000 2017: \$160,000 <u>Operating Expenditures:</u> 2021: \$480,000 (Projected Covid 19) 2020: \$486,000 2019: \$534,000 2018: \$527,000 2017: \$523,000 <u>Arena Reserves Balance: \$650,000</u>
Ice Plant Risk Assessment Re-certification	Routine	Maintain record keeping and regular maintenance of ice plant to keep risk assessment status. 2020 Risk Assessment: PASSED

Extend the Life of the Arena Building and Ice Plant	Preventative Maintenance Program	Operating with the VFD's have extend compressor rebuild intervals by 2-3 years which will incur average maintenance savings of \$7,000-\$10,000 per year.
Reduce Operating Costs	Staff Levels	Reduced staff levels during Covid-19 by attrition.
Facilities Including Outside Services and Capital Projects	Maintenance	<ul style="list-style-type: none"> • Maintain shuttered Woss Pool • Replace Gutters • Replace Sound System • Install Power Surge Protector • Image Room Insulation & Sound
Improve Energy Efficiency and Reduce Carbon Footprint	<p>Assisted RD Administration with implementing various regional energy efficiency and carbon reduction projects:</p> <p>Gas Tax-New Deal Funding</p> <p>Gas Tax-New Deal Funding</p> <p>Gas Tax-New Deal Funding</p>	<p>Emergency Services Solar at Regional District Office</p> <p>Solar Power and Tesla battery backup power at Woss Fire</p> <p>Solar Power and Tesla battery backup power at Hyde Creek Fire</p> <ul style="list-style-type: none"> • Heat Pump and LED Lighting Installation in At Coal Harbour Fire Department • Solar Power and Tesla battery backup power at Sointula Fire. LED lighting and other efficiencies • Solar Power and Tesla battery backup power plus heat at Coal Harbour Fire. LED lighting and other efficiencies



Arena Staff coordinated re-painting of the neighbouring Broughton Straits Curling Club (shown half done)

2021 & Ongoing Goals	Policies/Process	Outcome
Facility/Revitalize Funding	External Funding	Applied for fire stair replacement through two Provincial funding streams. Completed Rural and Northern Communities 100% funding and ICIP 73.3%
Increase Facility Utilization	Maintain Pre-Covid Revenues	Implement Post Covid-19 Plan
Facility Improvements	<ul style="list-style-type: none"> • Project Management • Project Management • TSBC Safety Order • Lifecycle/Safety 	<ul style="list-style-type: none"> • Woss library to Residence Conversion • Build Woss Heritage Platform • Ammonia Vent Stack Upgrade • Replace Plant Electrical Panel
<u>Energy Efficiencies</u>		
Arena Battery Backup	Gas Tax Funding	Provides arena power in emergencies
Town Pool Heat Loop	Connect Arena Heat Loop to Towns Swimming Pool	Ability to provide school with additional and constant heat To be connected in summer of 2021
Staffing	Pilot Project	Arena Facility Staff to provide summer labor to Parks

Staff: Full-time Gerry Little, Arena Manager; Shana Marshall, Arena Services Coordinator.
Facility Operators Dave Vanlerberg, Gord Oppen, (1) Vacant. Concession (4) and (2) Skate Shop Workers



SECTION 4 LOCAL SERVICES

The Regional District has 24 local services managed by the Manager of Operations, Patrick Donaghy. The following local services are described below by community, function, goals and outcomes; water services, sewer services, fire services, and road services.

SECTION 4.1 WATER SERVICES

Woss Water Service:

The community of Woss has 214 connections, sourcing its water from two wells. Operations are carried out by K&K Waterworks, and everything went well in 2020.

2020 Ongoing Woss Water Goals	Policies/Process	Outcomes
To better protect public safety	Expand water testing to include microbial activity which can impact aesthetics in addition to the current testing on fecal and total coliform counts.	Pilot postponed to 2021 and will be assessed prior to completion.
Improve operating efficiencies and emergency response	Utilize funding provided by the Clean Water Wastewater Fund to improve water system operations by upgrading Program Logic Control (PLC) systems	PLC was upgraded in in 2020
Monitor water systems usage	Utilize external water meter to monitor flow patterns within the system	Metering project proposal has been prepared to start identifying leaks in the system and unsustainable water usage. Seeking appropriate grant program for funding
Ensure the maintenance and proper operation of water management services	Develop Best Management Practices for water system	Postponed to 2021, the RDMW will start documenting Best Management Practices for the Woss water system to ensure all personnel consistently perform to a high level.
Maintain service of key water infrastructure	Practices need to be improved to monitor the status of water infrastructure to extend service life and ensure full capacity	Continue hydrant maintenance and monitoring program
Establish backflow prevention controls.	Through administrative and incentive-based policies, create conditions to have all connections serviced by backflow prevention infrastructure.	No progress on this goal in 2020.

System operated by Karl and Karin Sinclair

Coal Harbour Water Service:

The Coal Harbour Water Service provides potable water to 105 service connections in Coal Harbour and 92 service connections to Quatsino First Nation. Drawing its water from Quatse Lake, water is treated by filtering, chlorination and ultraviolet light. Two large water storage tanks provide an excellent means of insurance should the water treatment plant need to be taken off-line for maintenance or other disruptions. Recent upgrades to the system included the installation of meters at key points to be able to help pinpoint leakage.

2020 & Ongoing Coal Harbour Water Goals	Policies/Process	Outcomes
Maintain multi-year knot weed control program to protect subsurface infrastructure	Work with contractors to deliver an invasive species program that ensures worker safety but hinders growth of knotweed.	In 2020, invasive species program was delivered but only one pass was accomplished due to COVID restraints.
Improve Operating efficiencies and emergency response	Utilize funding provided by the Gas Tax to improve sensors that will optimize chemical additions	Gas Tax funding approved and work in progress.
Maintain service of key water infrastructure	Practices need to be improved to monitor the status of water infrastructure to extend service life and ensure full capacity.	With the repair of all distribution system leaks, the system has, for the first time, a zero baseline to provide for rapid leak detection & response. Significant excess capacity is now available. Continue hydrant maintenance and monitoring program
Ensure the maintenance and proper operation of water management services	Develop Best Management Practices for water system	Not accomplished due to other priorities and challenges. Targeting completion in 2022.

System operated by Paul Getman

SECTION 4.2 SEWER SERVICES

Woss Sewer Service: The community of Woss has 214 connections and treats its wastewater via a lagoon. Operations are carried out by contractor K&K Waterworks and everything went well in 2020. The main priority for the Woss sewer service is to:

2020 & Ongoing Woss Sewer Goals	Policies/Process	Outcomes
Improve Operating efficiencies and emergency response	Identify sources and reduce infiltration of groundwater into sewer system	Study needs to be initiated to identify significant inflows of water into the system

System operated by Karin and Karl Sinclair

Coal Harbour Sewer Service: The Coal Harbour Sewer Service provides sanitary disposal of wastewater for 206 properties within the communities of Coal Harbour and the Quatsino First Nation. Wastewater is treated by primary and secondary processing prior to discharge into Rupert Inlet. A portable generator set acts as a means of insurance should the lift stations be taken off-line due to power disruptions. Operations are carried out by contractor Paul Getman and everything went well in 2020.

2020 & Ongoing Coal Harbour Sewer Goals	Policies/Process	Outcomes
Maintain multi-year knot weed control program to protect subsurface infrastructure	Work with contractors to deliver an invasive species program that ensures worker safety but hinders growth of knotweed.	In 2020, invasive species program was delivered but only one pass was accomplished due to COVID restraints.
Convert the last unmodified lift station in the system to high efficiency pumps and alter plumbing to ease maintenance	Upgrade Lift Station #4 using Gas Tax Funds	Upgrade to lift station was awarded through a competitive tender with construction completed in August 2020.
Develop resiliency to future climate change impacts	Assess vulnerabilities to the Coal Harbour Sewer Service and develop plan to mitigate impacts.	Assessment will be conducted in 2021 regarding power outages.

System operated by Paul Getman



Coal Harbour Wastewater Power System

Sointula Sewer Service: The community of Sointula has 348 connections and treats its wastewater using an aeration/clarifier secondary treatment system. Operations are carried out by Alden Barnett and everything went well in 2020.

2020 & Ongoing Sointula Sewer Goals	Policies/Process	Outcomes
Improve environmental performance of wastewater treatment plant to meet new Federal government regulation standards	Utilize internal technical resources to identify opportunities to improve performance through capital investment and practices. Funding of improvements will come from Gas Tax funds where possible.	On site review by Paul Getman, Alden Barnett and Patrick Donaghy identified opportunities to improve practices in operating facility and capital improvements that will significantly increase performance. In early 2020 Gas tax funds were allocated to enhancements which will be completed in 2020.
Develop resiliency to future climate change impacts	Assess vulnerabilities to the Sointula Sewer Service and develop plan to mitigate impacts.	Assessment will be conducted in 2021 regarding power outages.

System operated by Alden Barnett



Sointula Wastewater Treatment Plant

Hyde Creek Sewer Service:

A service area within Hyde Creek that has 59 connections using a forced pressure collection system and treats its wastewater via secondary treatment. Operations are carried out by contractor Paul Getman and everything went well in 2020.

2020 & ongoing Hyde Creek Sewer Goals	Policies/Process	Outcomes
Develop resiliency to future climate change impacts	Assess vulnerabilities to the Hyde Creek Sewer Service and develop plan to mitigate impacts.	Assessment will be conducted in 2021 regarding power outages.

SECTION 4.3 FIRE SERVICES

In 2020, the overriding goal in relation to emergency response services were maintaining effective response given the current COVID-19 pandemic conditions. Operational Guidelines were needed to minimize the spread of the virus within the volunteer members yet allow departments to act energetically in emergencies. It will also meant developing new vehicles for training so that skills can be maintained or enhanced.

Woss Fire Protection Service: The Woss Volunteer Fire Department (VFD) provides fire protection to the community and responds to Motor Vehicle Accidents (MVA) along Highway 19 between Sayward and Port McNeill coverage areas. The department chief is Rob Glass. Since the disruption in level of service provided by the department due to the train accident in 2017, the Woss Fire Protection Service has been making steady, impressive progress in returning to past service levels.

2020 & Ongoing Woss Fire Goals	Policies/Process	Outcomes
Maintain operational effectiveness in pandemic conditions	Establish practices that ensures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, Woss was able to maintain fire protection and rescues services in a safe and healthy manner.

Coal Harbour Fire Protection Service: The Coal Harbour Volunteer Fire Department (VFD) provides fire protection to the community and the Quatsino Reserve. The department chief is Andrew Hory.

2020 Coal Harbour Fire Goals	Policies/Process	Outcomes
Maintain operational effectiveness in pandemic conditions	Establish practices that ensures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, Woss was able to maintain fire protection and rescues services in a safe and healthy manner.

Sointula Fire Protection Service: This service provided emergency services to the community of Sointula throughout 2020. The department chief and deputy chief are Tom Trimmer and Glen Watson.

2020 Goals	Policies/Process	Outcomes
Increase funding for fire protection service and savings for new pumper needed within the next decade	Communicate with Sointula tax payers about process for increasing tax requisition and the need for increased funding	Initiate a counter petition process to approve increasing the tax cap to facilitate the purchase of a new firetruck
Maintain operational effectiveness in pandemic conditions	Establish practices that ensures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, Sointula was able to maintain fire protection and rescues services in a safe and healthy manner.

Hyde Creek Fire Protection Service: This service provided emergency services to the communities of Hyde Creek, Nimpkish Heights, Twin Peaks and neighbouring properties throughout 2020. The department's chief and deputy chief are Murray Estlin and Ray Bernier.

2020 & Ongoing Hyde Creek Fire Goals	Policies/Process	Outcomes
Purchase tanker truck	Determine specifications, request for proposals, arrange financing and prepare for purchase	In 2020, a Request For Proposal process successfully identified a tender truck available through Fort Gary Industries. Delivery of the truck is expected in 2021.
Maintain operational effectiveness in pandemic conditions	Establish practices that ensures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, Hyde Creek was able to maintain fire protection and rescues services in a safe and healthy manner.



New Hyde Creek Water Tender

SECTION 4.4 SOLID WASTE LOCAL SERVICES

Local solid waste services provide garbage collection that is often coupled with recycling and waste transfer stations. In all cases, the services are designed to complement the Regional Solid Waste Service.

Woss Solid Waste Collection Service: The Woss solid waste service provides a weekly curbside garbage collection with 147 clients and a manned transfer station and recycling depot. The depot allows residents to drop off a wide range of materials that include electronics to cardboard.

2020 & Ongoing Woss Solid Waste Goals	Policies/Process	Outcomes
Increase opportunities for diversion	Establish major appliance diversion operations to maximize opportunities and reduce operational costs through Major Appliances Recycling Roundtable program	Ongoing.
Maintain operational effectiveness and safety in pandemic conditions	Establish practices that insures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, the Woss Solid Waste Service was able to maintain waste disposal and recycling services in a safe and healthy manner.

Depot operated by Tony Noble

Coal Harbour Solid Waste Collection Service: The community of Coal Harbour has 102 properties whose garbage and curb side recycling are picked up on alternating weeks and taken to 7 Mile Landfill and Recycling Center. Operations are carried out by Fox's Disposal and everything went well in 2020.

Malcolm Island Solid Waste Collection Service: The Malcolm Island solid waste service provides garbage collection to 463 households every two weeks with a two can limit and a manned recycling depot/transfer station which is open three times a week. The depot allows residents to drop off a wide range of materials from electronics to cardboard.

2020 & Ongoing MI Solid Waste Goals	Policies/Process	Outcomes
Establish effective organic diversion program to reduce waste and spread of invasive plant species	Construct organics drop off area at transfer station and organize effective grinding services to site	In 2018, organics drop off area was constructed, and materials received. The first grinding event took place in 2020.
	Work with the Malcolm Island Community Garden Society Establish a composting Demonstration Garden.	Using gas tax funds in 2020, community composters were installed at the community garden, adjacent to the transfer station.

Increase opportunities for diversion	Establish major appliance diversion operations to maximize opportunities and reduce operational costs through Major Appliances Recycling Roundtable program	Depot now registered with MARR program with effort required to maximize opportunities
Maintain operational effectiveness and safety in pandemic conditions	Establish practices that ensures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, the Malcolm Island Solid Waste Service was able to maintain waste disposal and recycling services in a safe and healthy manner.

Depot employees are Jodi Garwood and Deb Wiggins

Winter Harbor Solid Waste Collection Service: This service became active in early 2011 with the construction of the Winter Harbour solid transfer station. Two specially designed trailers allow residents to deposit their waste conveniently in the communities of Winter Harbour and WD Moore Camp. When these trailers are full, they are hauled to the transfer station and the contents placed in a large covered bin and eventually taken to 7MLRC.

2020 & Ongoing Goals	Policies/Process	Outcomes
Continue to invest in opportunities to improve efficiencies in recycling	Efforts will be made to integrate additional stewardship programs into the logistic network established by Green By Nature	No new programs were introduced in 2020
Maintain operational effectiveness and safety in pandemic conditions	Establish practices that ensures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, the Winter Harbour Solid Waste Service was able to maintain waste disposal and recycling services in a safe and healthy manner.

Quatsino Solid Waste Collection Service: This service was established as a local service in 2016, following the approval of an amendment to the Regional Solid Waste Management Plan by the Minister of Environment. The local service will result in the community's garbage being brought to 7 Mile Landfill and Recycling Center for disposal. Currently residents take their garbage for disposal at an unpermitted dump site. Since 2014, a recycling depot has been operating at the black smith shop building adjacent to the Quatsino Museum that handles packaging and printed paper. This was funded by an agreement with Recycle BC and by interim funding by the Regional Board.

2020 Solid Waste Goals	Policies/Process	Outcomes
Maintain operational effectiveness and safety in pandemic conditions	Establish practices that ensures social distancing and acquire necessary sanitizing and personal protective equipment supplies	In 2020, the Quatsino Solid Waste Service was able to maintain waste disposal and recycling services in a safe and healthy manner.
2020 -Expand waste diversion opportunities for the community of Quatsino.	Utilize Gas Funds and Extended Producer Responsibility Programs to create opportunities.	Neighbourhood sized drum composters were purchased and installed for Quatsino using Gas Tax funds.
2021 -Expand waste diversion opportunities for the community of Quatsino.	Utilize Gas Funds and Extended Producer Responsibility (EPR) Programs to create opportunities.	Attempt to get the Quatsino Solid Waste Service part of the Household Hazardous Waste EPR

2020 Depot employees are Susan and Al Mohler

SECTION 4.5 LOCAL WHARF SERVICE

Local wharf services provide facilitate water access to communities through maintenance and upgrades to community docks specifically defined by the service area.

Community of Quatsino Wharf Service: The Community of Quatsino Wharf service covers the public dock located in Bergh Cove that was developed by Transport Canada. Transport Canada provided a conditional grant to the RDMW to ensure that the service would be available to local residents for at least a 20 year period. The Community conditionally approved the service in 2020. Annually, the service focuses mainly on administrating the usage of the wharf and necessary maintenance.

	Policies/Process	Outcomes
Complete the Service Transfer	Ensure that the legal documents are in place with respect to land tenure and sign off the final transfer agreements with Transport Canada to enable a transfer of funds	Completion delayed to early 2021.
Develop rules and regulations bylaw for the management of the wharf's usage.	Work with the Community of Quatsino Advisory Commission to develop regulations for managing the wharf that meet the community's needs and values.	Regulations bylaw completed and passed by the RDMW Board in 2020.
Implement Bylaw No. 950	Contract a wharfinger to monitor the maintenance of the wharf and enforce mooring rules	Implement Bylaw No. 950



Bergh Cove Wharf - Quatsino

SECTION 4.6 LOCAL ROAD SERVICE

Local road services provide maintenance and upgrades to specifically defined stretches of roads defined by the service area.

Telegraph Cove Road Service: The Telegraph Cove Road service covers the industrial road from the end of the Beaver Cove Road to the old Timber West shop. Annually, the service focuses mainly on snow removal in the winter and vegetation/ditch line maintenance. In 2015, the establishment bylaw for the service was redone to extend the service to 2025.

2020 & Ongoing TCove Road Goals	Policies/Process	Outcomes
Continue road maintenance to protect public asset and maximize service life	Work with local contractors to maintain road cost effectively	Local contractor has invested in road maintenance equipment that brushes intruding vegetation more efficiently

SECTION 4.7 LOCAL RECREATION SERVICES

The RDMW has three local recreation services that are operated by community non-profit societies: Malcolm Island Recreation by the Sointula Recreation Society; Hyde Creek Recreation by the Hyde Creek Recreation Society and Woss Recreation by the Woss Lake Recreation Society. Starting in 2018, these services were eligible for Electoral Area Gas Tax grants to assist with major maintenance projects and to assist in reducing greenhouse gases.

In 2020, the Hyde Creek Recreation Society and the Woss Recreation service both delivered only minimal programs due to COVID. In 2021, the Woss Recreation Service will be administered by the Woss Residents Association. Sointula Recreation Society continued to offer a reduced level of services in 2020.

Other recreation activities operated by non-profit groups are supported by the Regional District by land use agreements; this includes the Mount Cain ski hill, the 7 Hills Golf Course, community gardens, a museum, a motor cross track and several rod and gun shooting ranges.



New Hyde Creek Recreation Playground

SECTION 5 FINANCIAL STATEMENTS

Section 5.1 Regional District of Mount Waddington Financial Statements

REGIONAL DISTRICT OF MOUNT WADDINGTON

FINANCIAL STATEMENTS

December 31, 2020

Regional District of Mount Waddington

Table of Contents
For the year ended December 31, 2020

	Page
MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2 - 3
STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 19
Schedule 1 - Schedule of Tangible Capital Assets	20
Schedule 2 - Schedule of Segment Disclosure by Service	21

REGIONAL DISTRICT OF MOUNT WADDINGTON

MANAGEMENT REPORT

December 31, 2020

The Board of the Regional District of Mount Waddington has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Regional District of Mount Waddington. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Regional District of Mount Waddington's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Regional District of Mount Waddington's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Regional District of Mount Waddington as at December 31, 2020.



Greg Fletcher, Chief Administrative Officer
August 17, 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Regional District of Mount Waddington,

Opinion

We have audited the financial statements of the Regional District of Mount Waddington (the "Regional District"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2020, and the results of its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Regional District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Regional District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regional District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Campbell River, BC

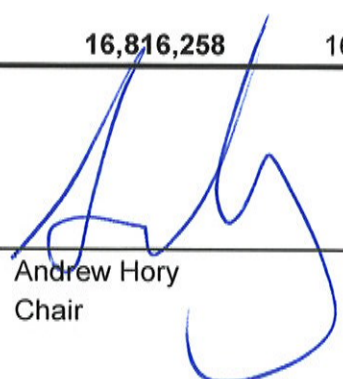
August 17, 2021

**Regional District of Mount Waddington
Statement of Financial Position
For the year ended December 31, 2020**

	2020	2019 (Note 14)
Financial Assets		
Cash	2,578,995	812,524
Temporary investments (Note 3)	5,304,626	3,768,539
Portfolio investments (Note 4)	3,262,838	4,239,862
Accounts receivable (Note 5)	725,950	374,929
Inventories for resale	4,525	8,320
Municipal recoverable debt (Note 9)	1,908,739	2,074,690
	13,785,672	11,278,864
Financial Liabilities		
Accounts payable (Note 6)	470,307	462,964
Deferred revenue (Note 7)	1,388,575	317,148
Other liabilities (Note 8)	3,996,519	3,427,249
Member municipality debt (Note 9)	1,908,739	2,074,690
Due to related party (Note 10)	520,615	-
	8,284,754	6,282,051
Net Financial Assets	5,500,918	4,996,813
Non-Financial Assets		
Tangible capital assets (Schedule 1 & Note 14)	11,308,939	11,720,253
Prepaid expenses	6,401	15,426
	11,315,340	11,735,679
Accumulated Surplus (Note 11 & 14)	16,816,258	16,732,492



 Greg Fletcher
 Chief Administrative Officer



 Andrew Hory
 Chair

The accompanying notes are an integral part of these financial statements

**Regional District of Mount Waddington
Statement of Operations
For the year ended December 31, 2020**

	2020 Budget (Note 15)	2020	2019 (Note 14)
Revenue			
Taxation	3,101,191	3,135,674	3,034,131
Grants	1,580,554	1,062,972	958,450
Sales of services	1,302,660	1,771,132	1,774,929
Contributions	39,623	144,378	353,742
Interest earned	-	205,374	202,339
Other revenue	972,630	92,269	150,212
	6,996,658	6,411,799	6,473,803
Expenses			
General government services	1,039,336	1,348,571	1,293,350
Protective services	312,341	319,369	370,789
Parks, recreational, & cultural	1,048,778	1,011,156	1,093,135
Environmental development	318,060	291,260	150,943
Environmental health services	1,713,310	2,189,731	2,214,291
Economic development	703,432	356,117	623,082
Regional transit	351,851	250,397	284,688
Utility services	322,370	561,432	557,211
	5,809,478	6,328,033	6,587,489
Annual Surplus (Deficit)	1,187,180	83,766	(113,686)
Accumulated Surplus, beginning of the year	16,846,178	16,732,492	16,846,178
Accumulated Surplus, end of the year	18,033,358	16,816,258	16,732,492

The accompanying notes are an integral part of these financial statements

**Regional District of Mount Waddington
Statement of Change in Net Financial Assets
For the year ended December 31, 2020**

	2020 Budget (Note 15)	2020	2019
Annual Surplus (Deficit)	1,187,180	83,766	(113,686)
Acquisition of tangible capital assets	(1,203,300)	(461,907)	(561,621)
Disposals of tangible capital assets	-	21,933	6,765
Amortization of tangible capital assets	-	851,288	825,168
Change in prepaid expenses	-	9,025	(4,718)
Increase (Decrease) in Net Financial Assets	(16,120)	504,105	151,908
Net Financial Assets, beginning of year	4,996,813	4,996,813	4,844,905
Net Financial Assets, end the year	4,980,693	5,500,918	4,996,813

The accompanying notes are an integral part of these financial statements

**Regional District of Mount Waddington
Statement of Cash Flows
For the year ended December 31, 2020**

	2020	2019
Operating Transactions		
Annual surplus (deficit)	83,766	(113,686)
Non-cash items included in surplus		
Amortization of tangible capital assets	851,288	825,168
Loss on disposal of tangible capital assets	21,933	6,765
	956,987	718,247
Change in non-cash working capital balances		
(Increase) Decrease in accounts receivable	(351,021)	103,208
(Increase) Decrease in inventories held for resale	3,795	(3,795)
Increase (Decrease) in accounts payable	7,343	(47,681)
Increase (Decrease) in deferred revenue	1,071,427	(116,331)
Increase in other liabilities	569,270	503,759
(Increase) Decrease in prepaid expenses	9,025	(4,718)
Increase in due to related parties	520,615	-
	2,787,441	1,152,689
Investment Transactions		
Acquisition of tangible capital assets	(461,907)	(561,621)
Financing Transactions		
Acquisition of temporary and portfolio investments	(559,062)	(983,381)
Net change in cash and cash equivalents	1,766,471	(392,313)
Cash and cash equivalents, beginning of year	812,524	1,204,837
Cash and cash equivalents, end of year	2,578,995	812,524

The accompanying notes are an integral part of these financial statements

The Regional District was incorporated in 1966 under the British Columbia Local Government Act. Its principle activities are the provision and coordination of local government services to the residents of four unincorporated (rural) areas and four municipalities within its boundaries. These services include general government administration, fire protection and emergency response planning, parks and recreation, environmental development, environmental health services, economic development, regional transit, water services, and sewer services.

1. REPORTING ENTITY

The financial statements of the reporting entity of the Regional District of Mount Waddington reflect the assets, liabilities, reserves, revenue and expenses of the following services:

General Government Services

- General Government Administration
- Regional Emergency Management (All areas)
- Electoral Area Administration (areas A, B, C, D)
- Local Community Commission (Coal Harbour)
- Road Maintenance (Telegraph Cove)
- Quatsino Wharf

Protective Services

- Coal Harbour Fire
- Coal Harbour Streetlights
- Sointula Fire
- Sointula Streetlights
- Hyde Creek Fire
- Nimpkish Heights Streetlights
- Woss Fire
- Woss Streetlights
- Winter Harbour Streetlights
- E911 (All areas)

Parks, Recreational and Cultural Services and Library Services

- Recreation (all areas)
- Community Recreation (Hyde Creek, Malcolm Island and Woss)
- Arena (Port McNeill, Electoral Area D and Defined Area of Electoral Area C)
- Parks
- Heritage

Environmental Development Services

- Regional Planning (All areas)
- Electoral Area Planning (All areas)
- Inspection (Coal Harbour)

Environmental Health Services

- Solid waste (All areas)
- Garbage Removal (Malcolm Island, Woss, Coal Harbour, Winter Harbour, Quatsino)

Economic Development Services

- All areas

Regional Transit Services

- All areas except portions of Electoral Area B and Port Alice

Utility Services (Water and Sewer services):

- Coal Harbour Water
- Coal Harbour Sewer
- Sointula Sewer
- Woss Water
- Woss Sewer
- Hyde Creek Sewer

Additional services

In 2018, the Regional District entered into a Fire Protection Agreement with the Quatsino First Nation for the period January 1, 2018 to December 31, 2022. In exchange for the use of a fire truck, the Regional District agreed to provide fire services to the Quatsino First Nation.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Regional District of Mount Waddington are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. Significant accounting policies adopted by the Regional District are as follows:

(a) Basis of accounting

The accrual basis for recording revenue and expenses has been followed, whereby revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue, and expenses are recognized in the period the goods and services are acquired and a liability is incurred, whether or not a current cash flow is associated with the transaction.

(b) Cash and cash equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents also include investment in the Municipal Finance Authority (MFA) of British Columbia Money Market Funds, which are recorded at cost plus earnings reinvested in the funds.

(c) Temporary Investments

Temporary Investments are short-term investments with an original maturity date of greater than 90 days to one year. The carrying values of temporary investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing.

(d) Portfolio investments

Portfolio investments are long-term investments with an original maturity date of more than one year. The carrying values of portfolio investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing. For fixed term securities, such as bonds, any discount or premium arising on purchase is amortized over the period to maturity. Provisions for declines in the market value of portfolio investments are recorded when they are other than temporary. Declines in the market values of investments are other than temporary when the carrying value exceeds market value for more than three years.

(e) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, municipal recoverable debt, accounts payable, other liabilities, temporary investments, portfolio investments, and member municipality debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

(f) Tangible Capital Assets

Tangible Capital Assets comprised of capital assets and capital work-in-progress, are recorded at original cost in the period acquired and are categorized according to type. Amortization is charged in the year of acquisition and in the year of disposal.

Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing in the year the asset is put into service. Estimated useful lives will not exceed 40 years unless it can be clearly demonstrated that the useful life is expected to exceed 40 years.

Amortization periods for the asset categories of the Regional District are generally as follows:

Engineering Structures	30 to 40 years
Buildings	30 to 40 years
Machinery & Equipment	20 to 30 years
Vehicles	10 to 15 years

(f) Tangible Capital Assets (continued)

Contributed capital assets are capitalized at fair market value as revenue when received.

(g) Revenue Recognition

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Externally restricted amounts that have been received from non-government sources in advance of services being rendered are recorded as deferred revenues until the Regional District discharges the obligations that led to the collection of funds. Taxes are recognized in the year levied. Sale of services are recognized in the year that the service is provided, or the amount is earned, provided the amount can be estimated and collection is reasonably assured. Government grants with or without eligibility criteria are recognized as revenue in the period in which the grant is authorized and any eligibility criteria have been met, except where the transfer gives rise to an obligation that meets the definition of a liability, in which case revenue is recognized as the liability is settled. Contributions are recorded when the event giving rise to the contribution occurs. Investment income, taxation penalties, and other earnings are recorded in the year they are earned.

(h) Use of estimates

The preparation of financial statements in accordance with PSAB requires management to make when necessary estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the accounting period.

Significant use of such estimates has been made by management in the determination of the liability for landfill post closure costs, the estimated net recoverable amount of accounts receivable, the estimated useful life of tangible capital assets for amortization purposes, and accrued employee vested benefits. Actual results will differ. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Regional District may be responsible for.

(i) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists; the Regional District is either directly responsible or accepts responsibility; It is expected that future economic benefits will be given up; and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2020.

At each financial reporting date, the Regional District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

3. TEMPORARY INVESTMENTS

Temporary investments include funds invested in Guaranteed Investment Certificates with Canaccord Genuity Wealth Management and amounts held with Municipal Finance Authority (MFA) Pooled High Interest Savings account.

Included in temporary investments is \$10,667 (2019 - \$8,269) held in trust for Quatsino Archives and \$123,490 (2019 - \$121,448) held in trust for Woss Community Capital Reserve.

4. PORTFOLIO INVESTMENTS

Portfolio investments comprised of investments with MFA in government focused ultra-short bond, short-term bond and Guaranteed Investment Certificates with Canaccord Genuity Wealth Management.

5. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Accounts receivable trade	\$ 293,144	\$ 210,213
Government receivables	171,017	32,297
Interest receivable	224,102	121,179
Other	37,687	11,240
	<u>\$ 725,950</u>	<u>\$ 374,929</u>

6. ACCOUNTS PAYABLE

	<u>2020</u>	<u>2019</u>
Accounts payable trade	\$ 437,425	\$ 407,508
Government payables	18,249	25,707
Wage payable	14,634	29,749
	<u>\$ 470,307</u>	<u>\$ 462,964</u>

7. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Development cost charges	\$ 49,727	\$ 49,727
Grants	1,090,382	124,944
MRDT – VINTAC	160,434	125,768
Taxation revenues	71,327	-
Treaty advisory services	16,705	16,709
	<u>\$ 1,388,575</u>	<u>\$ 317,148</u>

7. DEFERRED REVENUE (CONTINUED)

On April 14, 2020 the Supreme Court of British Columbia granted a Bankruptcy Order, adjudging Nuecel Specialty Cellulose Ltd. (the "Mill") bankrupt. As a result of the Mill's bankruptcy the province revised the BC Assessment 2020 rolls reallocating the Taxable Values on which the original property taxes were calculated for the Village of Port Alice (the "Village"). This resulted in an adjustment to the Village's 2020 taxes from \$125,747 to \$54,420. At December 31, 2020 the Village had paid the full \$125,747 based on the original tax requisition resulting in a deferral of the excess payment of \$71,327 which will be applied to the 2021 and 2022 taxes.

8. OTHER LIABILITIES

	2020	2019
Employee vested benefits	\$ 52,526	\$ 51,310
Landfill closure and post closure	3,788,665	3,222,575
Woss community capital reserves	123,490	121,448
Funds held for other organizations	31,838	31,269
Other	-	647
	\$ 3,996,519	\$ 3,427,249

(a) Landfill Closure Costs and Post Closure Costs

In accordance with PS 3270, liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Post Closure maintenance costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 100 years after the landfill is permanently closed. The landfill currently consists of Phases 1, 2, and 3A which are at maximum capacity and not accepting additional municipal solid waste. Phase 3B is currently open, with an expected remaining lifespan to 2023. Additional sites available after Phase 3B closes are Phase 3C, Phase 4, Phase 5 and Phase 6. The estimated useful life of the landfill is until the year 2071.

According to a third-party consultant, a net volume of approximately 11,415 cubic meters of airspace was consumed in the Phase 3B expansion area between March 27th, 2019 and March 3rd, 2020. At March 2020, there were approximately 70,851 cubic meters of airspace available for waste and daily cover. Landfill closure costs are estimated at \$250,907 (2019 - \$393,085). As at December 31, 2020, \$870,261 (2019 - \$814,140) has been set aside in reserves for this purpose. The balance of landfill closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

(a) *Landfill Closure Costs and Post Closure Costs (continued)*

Post closure maintenance costs are costs estimated to manage the closed landfill for a statutory period of 100 years. Post closure maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate.

Total post closure maintenance costs are estimated to be \$3,537,758 (2019 - \$2,829,490) based on closed phases 1,2 and 3A and the used capacity of 77% of Phase 3B being filled at this date, a remaining lifespan of 3 years to 2023 for Phase 3B, an inflation rate of 1.52%, and a discount rate of 2.69%. Post closure maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

(b) *Municipal Pension Plan*

The Regional District of Mount Waddington and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry- age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District of Mount Waddington paid \$121,614 (2019 - \$130,339) for employer contributions while employees contributed \$113,531 (2019 - \$107,640) to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

9. MEMBER MUNICIPALITY DEBT

	2020	2019
Alert Bay	\$ 311,048	\$ 367,091
Port Alice	447,532	467,249
Port McNeill	1,150,159	1,240,350
	\$ 1,908,739	\$ 2,074,690

Pursuant to the Local Government Act, the Regional District acts as the agency through which its member municipalities and other jurisdictions borrow funds from the Municipal Finance Authority. The annual cost of servicing this debt is recovered entirely from the borrowing jurisdiction. However, the Regional District is joint and severally liable for this debt in the event of default.

10. RELATED PARTIES

(a) North Island 9-1-1 Corporation

A 9-1-1 emergency call answering service is provided by the North Island 911 Corporation, which is owned by the Regional Districts of Comox Valley, Strathcona, Mount Waddington, Alberni Clayoquot, Nanaimo and Qathet. The shares in the corporation are owned as follows:

Alberni Clayoquot Regional District	3 shares
Comox Valley Regional District	6 shares
Strathcona Regional District	4 shares
Regional District of Mount Waddington	1 share
Nanaimo Regional District	5 shares
Qathet Regional District	2 shares

The Regional District's investment in shares of the North Island 9-1-1 Corporation is recorded at cost.

(b) Mount Waddington Regional Hospital District

The Board members of the Regional District of Mount Waddington sit on the board of the Mount Waddington Regional Hospital District. The Regional District and the Regional Hospital District are separate legal entities as defined by separate letters patent and authorized by separate legislation.

During the year, administrative support services of \$92,300 (2019, \$90,500) were provided to the Regional Hospital District by the Regional District of Mount Waddington.

(b) Mount Waddington Regional Hospital District (continued)

During the year, the Mount Waddington Regional Hospital District provided \$520,000 of cash to the Regional District to invest in a high interest savings account to take advantage of higher interest rates available to the Regional District. At December 31, 2020 the balance in the account of \$520,615 consists of the initial principle and interest earned.

11. ACCUMULATED SURPLUS

	<u>2020</u>	<u>2019</u>
Equity in Tangible Capital Assets	\$ 11,308,939	\$ 11,720,253
Operating Funds	2,193,041	1,926,690
Statutory Reserve Funds	<u>3,314,278</u>	<u>3,085,549</u>
	<u>\$ 16,816,258</u>	<u>\$ 16,732,492</u>

12. COMMUNITY WORKS FUNDS (GAS TAX)

Community Works Funds are a component of the Gas Tax Agreement funding provided by the Government of Canada, through the Union of British Columbia Municipalities. Gas tax funding is restricted to certain public transit, community energy, water, wastewater, solid waste, and capacity-building projects as specified in the funding agreement. Community Works Funds are recognized as revenue when received and transferred to reserve funds until used for eligible projects. The following is a continuity of Community Works Funds for the Regional District.

	<u>2020</u>	<u>2019</u>
Opening balance of unspent funds	\$ 1,077,906	\$ 820,129
Add: amount received during the year	198,853	419,301
Interest earned	10,176	17,462
Less: Amount spent on eligible projects	(263,383)	(220,921)
Adjustment	<u>(1,132)</u>	<u>41,935</u>
	<u>\$ 1,022,420</u>	<u>\$ 1,077,906</u>

13. ENVIRONMENTAL REGULATIONS

The Regional District is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

14. PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2020, it was identified that that historical machinery and equipment had been over amortized resulting in higher accumulated amortization and amortization expense in those years. In addition, it was identified that a historical engineering structure had been expensed instead of capitalized resulting in lower capital assets cost and lower accumulated surplus.

During the year ended December 31, 2020 management reviewed all the capital assets and identified expenses for the landfill biocover had been capitalized instead of expensed in environmental health services.

The Regional Districts comparative financial information for the year ended December 31, 2020 has been adjusted and restated to reflect these prior period adjustments as follows:

	2019 as Previously Stated	Adjustment	2019 as Restated
Tangible capital assets	\$ 11,851,550	(\$ 131,297)	\$ 11,720,253
Environmental health services	2,179,162	35,129	2,214,291
Annual Surplus (Deficit)	(78,557)	(35,129)	(113,686)
Accumulated Surplus, beginning of the year	16,942,346	(96,168)	16,846,178
Accumulated Surplus, end of the year	16,863,789	(131,297)	16,732,492

15. BUDGET

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 17, 2020. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted Annual Surplus is provided to show which items must be added or removed to reflect the budgeted financial plan.

Budgeted annual surplus per statement of operations	<u>2020</u> \$ 1,187,180
Transfer from non-statutory reserves	714,188
Transfer to statutory reserves	(698,068)
TCA capital expenditures	<u>(1,203,300)</u>
	<u>\$ -</u>

16. COVID-19 SAFE RESTART GRANT

In November 2020, the Regional District was the recipient of \$367,000 grant under the COVID-19 Safe Restart for Local Governments program from the Province of BC. This grant funding is required to be allocated by the Regional Board prior to December 2021. At the March 2021 board meeting, the Regional Board approved to allocate \$216,250 to the individual services outlined below to fund operational costs relating to technology, safety and overall pandemic response incurred by each service. This leaves \$150,750 of this grant funding to be allocated in 2021 prior to the December 31, 2021 deadline. Due to the conditions of this grant funding allowing local governments to use the funding where the need arises, the entire \$367,000 was considered revenue in 2020 Statements of Operations.

Amount received during 2020	\$ 367,000
Less: Allocations	
2020 IT expenditures - General Government Administration	(25,000)
2021 IT expenditures - General Government Administration	(25,000)
Boardroom expansion	(45,000)
2021 COVID response - Emergency Prep	(30,000)
2020 IT expenditures - Arena	(10,000)
2020 Loss of Revenue	(16,250)
2021 Personal Protection Equip - Coal Harbour Fire	(10,000)
2021 Personal Protection Equip - Hyde Creek Fire	(10,000)
2021 Personal Protection Equip - Sointula Fire	(10,000)
2021 Personal Protection Equip - Woss Fire	(10,000)
Coal Harbour Garbage	(5,000)
Malcolm Island transfer station	(5,000)
Quatsino Garbage	(5,000)
Woss Garbage	(5,000)
Winter Harbour Garbage	(5,000)
Remaining COVID-19 Safe Restart Grant Available for Allocation in 2021	\$ 150,750

17. SUBSEQUENT EVENT

The Regional District evaluated its December 31, 2020 financial statements for subsequent events to the date the financial statements were issued. In April 2021, the Regional District purchased a Firetruck for use at the Hyde Creek Volunteer Fire Department for a total cost of \$328,344.

18. SIGNIFICANT EVENT

The global outbreak of the coronavirus disease (COVID-19) continues to cause economic uncertainties that are likely to have a material impact on the annual surplus of the Regional District. The extent, if any, of the continued impact of COVID-19 on the Regional District and its operations for the year ending December 31, 2021 cannot be determined at this time.

19. SEGMENTED INFORMATION

The Regional District is required by the Local Government Act to charge or allocate all expenses directly or reasonably attributable to a service, to that service. The information in these financial statements conforms in all respects to the requirements of the Local Government Act.

The segmented information included in the Schedule of Segment Disclosure by Service corresponds to the classifications of expenses shown on the Statement of Operations. The expense classifications on the Statement of Operations represent the major activities provided by the Regional District of Mount Waddington.

The following activities are included in the segments shown on the Schedule 2 of Segment Disclosure by Service:

General Government Services includes overall administration, finance, emergency planning local community commissions, and road maintenance.

Protective Services includes fire protection services; streetlights, and emergency callout service.

Parks, Recreational, and Cultural Services includes library, heritage, arena, recreation, and parks Service. Environmental Development Services includes inspection, bylaw enforcement and planning.

Environmental Health Services includes landfill, recycling, garbage pickup and removal.

Economic Development Services includes economic development services.

Regional Transit Services include regional transit services.

Utility Services Includes water and sewer services.

Schedule 1

Regional District of Mount Waddington
Schedule of Tangible Capital Assets
As at December 31, 2020

	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Engineering Structures	Work in Progress	2020	2019
Cost									
Opening Balance	16,627	17,090	4,085,234	1,055,543	5,243,080	15,276,663	401,109	26,095,346	25,578,320
Add:									
Additions	-	-	107,762	-	109,948	117,421	126,776	461,907	561,621
Transferred into use	-	-	98,818	-	-	67,764	-	166,582	817,338
Less:									
Disposals	-	-	-	-	(237,162)	(45,813)	-	(282,975)	(44,595)
Transferred into use	-	-	-	-	-	-	(166,582)	(166,582)	(817,338)
Ending Balance	16,627	17,090	4,291,814	1,055,543	5,115,866	15,416,035	361,303	26,274,278	26,095,346
Accumulated Amortization									
Opening Balance	-	-	2,280,651	800,992	2,327,287	8,966,163	-	14,375,093	13,587,755
Add:									
Amortization	-	-	93,280	59,919	228,350	469,739	-	851,288	825,168
Less:									
Disposals	-	-	-	-	(215,229)	(45,813)	-	(261,042)	(37,830)
Ending Balance	-	-	2,373,931	860,911	2,340,408	9,390,089	-	14,965,339	14,375,093
Net Book Value	16,627	17,090	1,917,883	194,632	2,775,458	6,025,946	361,303	11,308,939	11,720,253

Schedule 2

Regional District of Mount Waddington
Schedule of Segment Disclosure by Service
Year ended December 31, 2020

	General Government	Protective Services	Parks, Recreation & Cultural Services	Environmental Development	Environmental Health	Economic Development	Regional Transit	Utilities	2020 Actual
Revenue									
Taxation	\$ 648,260	\$ 357,934	\$ 919,983	\$ 160,500	\$ 561,700	\$ 270,087	\$ 217,210	\$ -	3,135,674
Grants	804,376	-	5,395	120,000	71,539	61,662	-	-	1,062,972
Sale of services	-	23,500	208,874	5,100	1,131,567	-	74,857	327,234	1,771,132
Contributions	90,500	-	6,120	-	-	39,658	8,100	-	144,378
Interest earned	91,060	14,621	35,176	2,514	24,550	11,149	4,756	21,548	205,374
Other revenue	12,771	-	(8,570)	54	85,614	150	-	2,250	92,269
	1,646,967	396,055	1,166,978	288,168	1,874,970	382,706	304,923	351,032	6,411,799
Expenses									
Wages & benefits	\$ 868,259	\$ 12,090	\$ 438,340	\$ 148,436	\$ 431,802	\$ 128,793	\$ -	\$ 513	2,028,233
Services & materials	363,445	239,411	467,607	141,064	1,506,150	226,643	238,322	265,870	3,448,512
Amortization	116,867	67,868	105,209	1,760	251,779	681	12,075	295,049	851,288
Interest	-	-	-	-	-	-	-	-	-
	1,348,571	319,369	1,011,156	291,260	2,189,731	356,117	250,397	561,432	6,328,033
Annual surplus (deficit)	\$ 298,396	\$ 76,686	\$ 155,822	(3,092)	(314,761)	\$ 26,589	\$ 54,526	(210,400)	83,766

	General Government	Protective Services	Parks, Recreation & Cultural Services	Environmental Development	Environmental Health	Economic Development	Regional Transit	Utilities	2019 Actual
Revenue									
Taxation	\$ 684,001	\$ 347,830	\$ 921,500	\$ 146,700	\$ 561,700	\$ 172,200	\$ 200,200	\$ -	\$ 3,034,131
Grants	651,293	-	36,653	-	2,936	265,548	-	2,020	958,450
Sale of services	-	22,000	227,530	7,820	1,106,492	-	91,955	319,132	1,774,929
Contributions	90,500	-	23,820	-	-	226,908	12,514	-	353,742
Interest earned	72,169	21,080	30,244	3,637	32,765	4,640	6,368	31,436	202,339
Other revenue	16,131	-	8,169	-	87,298	34,800	-	3,814	150,212
	1,514,094	390,910	1,247,916	158,157	1,791,191	704,096	311,037	356,402	6,473,803
Expenses									
Wages & benefits	\$ 843,661	\$ -	\$ 488,036	\$ 130,431	\$ 442,116	\$ 126,515	\$ -	\$ 798	\$ 2,031,557
Services & materials	345,094	293,651	503,546	18,752	1,530,262	495,886	276,027	267,546	3,730,764
Amortization	104,595	77,138	101,553	1,760	241,913	681	8,661	288,867	825,168
Interest	-	-	-	-	-	-	-	-	-
	1,293,350	370,789	1,093,135	150,943	2,214,291	623,082	284,688	557,211	6,587,489
Annual surplus (deficit)	\$ 220,744	\$ 20,121	\$ 154,781	\$ 7,214	(423,100)	\$ 81,014	\$ 26,349	(200,809)	(113,686)

Section 5.2 Mount Waddington Regional Hospital District Financial Statements

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

FINANCIAL STATEMENTS

December 31, 2020

Mount Waddington Regional Hospital District

Table of Contents

For the year ended December 31, 2020

MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2 - 3
STATEMENTS	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

MANAGEMENT REPORT

December 31, 2020

The Board of Directors of the Mount Waddington Regional Hospital District has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Mount Waddington Regional Hospital District. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Mount Waddington Regional Hospital District's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Mount Waddington Regional Hospital District's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Mount Waddington Regional Hospital District as at December 31, 2020.



Greg Fletcher, Chief Administrative Officer
August 17, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Mount Waddington Regional Hospital District

Opinion

We have audited the accompanying financial statements of the Mount Waddington Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Hospital District's financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2020, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Hospital District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends for the Hospital District to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Hospital District's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Hospital District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Campbell River, BC

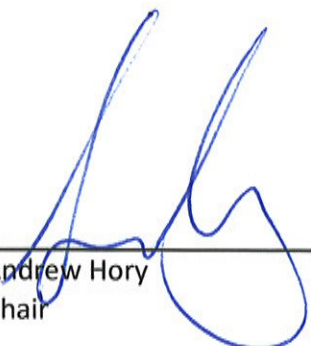
August 17, 2021

Mount Waddington Regional Hospital District
Statement of Financial Position
As at December 31, 2020

	2020	2019
Financial Assets		
Cash and Cash Equivalents	447,847	244,224
Temporary Investments	1,661,985	1,751,570
Accounts Receivable	83,437	81,764
Due from Related Party (Note 3)	520,615	-
Portfolio Investments	-	253,765
	2,713,884	2,331,323
Financial Liabilities		
Accounts Payable	47,435	59,941
Deferred Revenue (Note 4)	29,013	-
Other Liabilities (Note 5)	662,926	644,343
Long-Term Debt (Note 6)	756,101	959,659
	1,495,475	1,663,943
Net Financial Assets and Accumulated Surplus	1,218,409	667,380



Greg Fletcher
Chief Administrative Officer



Andrew Hory
Chair

The accompanying notes are an integral part of these financial statements

Mount Waddington Regional Hospital District
Statement of Operations and Accumulated Surplus
For the year ended December 31, 2020

	<i>2020 Budget</i> (Note 8)	2020	2019
Revenue			
Taxation	698,400	676,735	688,799
Grants	2,000	-	-
Interest Earned	35,000	41,018	53,647
Actuarial Income	-	90,488	81,634
	735,400	808,241	824,080
Expenses			
Administration (Note 3)	92,300	92,300	97,153
Audit Fees	12,200	5,355	-
Bank Service Charge	500	676	-
Grants to Health Authority	410,000	103,037	363,246
Grants to Others	5,000	-	-
Interest Paid on Debt	55,844	55,844	55,844
	575,844	257,212	516,243
Annual Surplus	159,556	551,029	307,837
Accumulated Surplus, Beginning of Year	667,380	667,380	359,543
Accumulated surplus, End of Year	826,936	1,218,409	667,380

The accompanying notes are an integral part of these financial statements

Mount Waddington Regional Hospital District
Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
Operating Transactions		
Annual Surplus	551,029	307,837
Non-cash items included in Surplus		
Debt Actuarial Adjustments	(90,488)	(81,634)
	460,541	226,203
Change in non-cash working capital balances related to operations		
Increase in Accounts Receivable	(1,673)	(80,405)
Increase in Due from Related Party	(520,615)	-
Decrease in Accounts Payable	(12,506)	(13,910)
Increase in Deferred Revenue	29,013	
Increase (decrease) in Other Liabilities	18,583	(24,401)
Cash provided by (used for) Operating Transactions	(26,657)	107,487
Investing Transactions		
Decrease in Portfolio Investments	253,765	254,156
(Increase) decrease in Temporary Investments	89,585	(1,041,882)
Cash used for Investing Transactions	343,350	(787,726)
Financing Transactions		
Repayment of Long-Term MFA Debt	(113,070)	(113,069)
Cash used for Financing Transactions	(113,070)	(113,069)
Net Change in Cash and Cash Equivalents	203,623	(793,308)
Cash and Cash Equivalents, Beginning of Year	244,224	1,037,532
Cash and Cash Equivalents, End of Year	447,847	244,224

The accompanying notes are an integral part of these financial statements

1. OPERATIONS

The Mount Waddington Regional Hospital District (the Hospital District) operates under the authority of the Hospital District Act and shares the same boundaries, directors and administrative staff as the Mount Waddington Regional District (the Regional District). It partners with Vancouver Island Health Authority and community agencies to develop and improve health-related facilities in the region. Its principal activity is to contribute funding towards construction projects and equipment purchases for healthcare facilities owned by the Vancouver Island Health Authority. These operating activities are funded through property taxes and debt.

The Hospital District prepares a set of audited financial statements independent from the Regional District. It owns no Tangible Capital Assets by itself and a statement of change in net financial assets has not been prepared as it would provide no useful information.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Hospital District are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. Significant accounting policies adopted by the Hospital District are as follows:

(a) Basis of Accounting

The accrual basis for recording revenue and expenses has been followed, whereby revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue, and expenses are recognized in the period the goods and services are acquired and a liability is incurred, whether or not a current cash flow is associated with the transaction.

(b) Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Pooled investments of the Municipal Finance Authority (MFA) are carried at cost, which approximates fair market value.

(c) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, temporary and portfolio investments and long-term debt. Unless otherwise noted, it is management's opinion that the Hospital District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

(d) Revenue Recognition

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Externally restricted amounts that have been received from non-government sources in advance of services being rendered are recorded as deferred revenues until the Hospital District discharges the obligations that led to the collection of funds. Taxes are recognized in the year levied. Government grants with or without eligibility criteria are recognized as revenue in the period in which the grant is authorized and any eligibility criteria have been met, except where the transfer gives rise to an obligation that meets the definition of a liability, in which case revenue is recognized as the liability is settled. Contributions are recorded when the event giving rise to the contribution occurs. Investment income and other earnings are recorded in the year they are earned.

(e) Use of Estimates

The preparation of financial statements in accordance with PSAS requires management to make when necessary, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the accounting period.

(f) Temporary Investments

Temporary investments are short-term investments with an original maturity date of one year or less and are accounted for using the cost method.

(g) Portfolio investments

Portfolio investments are long-term investments with an original maturity date of more than a year and are accounted for using the cost method. Provisions for declines in the market value of portfolio investments are recorded when they are considered to be other than temporary. Declines in the market values of investments are considered to be other than temporary when the carrying value exceeds market value for more than three years.

3. RELATED PARTY TRANSACTIONS

The Board Members of the Regional District sit on the board of the Hospital District. The Regional District and the Hospital District are separate legal entities as defined by separate letters patent and authorized by separate legislation.

During the year, administrative support services supplied to the Hospital District by the Regional District totalled \$92,300 (2019, \$90,500). On the 2020 Statement of Operations, this amount is presented as part of Administration Expense.

During the year, the Hospital District provided \$520,000 of cash to the Regional District to invest in a high interest savings account to take advantage of higher interest rates available to the Regional District. At December 31, 2020 the balance in the account of \$520,615 consists of the initial principle and interest earned on funds held by the Regional District.

4. DEFERRED REVENUE

On April 14, 2020 the Supreme Court of British Columbia granted a Bankruptcy Order, adjudging Nuecel Specialty Cellulose Ltd. (the "Mill") bankrupt. As a result of the Mill's bankruptcy the province revised the 2020 BC Assessment rolls reallocating the Hospital Taxable Values on which the original property taxes were calculated for the Village of Port Alice (the "Village").

The adjustment to the Village's 2020 BC Assessment roll resulted in an adjustment to the Village's 2020 taxes owed to the Hospital District. The taxes were adjusted from \$50,879 to \$21,866.

At December 31, 2020 the Village had paid the full \$50,879 based on the original tax requisition resulting in a deferral of the excess payment of \$29,013 which will be applied to the 2021 and 2022 taxes.

5. OTHER LIABILITIES

Other Liabilities represent grant funding from the Vancouver Island Health Authority for the Mount Waddington Health Network. The funding is for public participation with its member communities for the enhancement of health services in the Regional District. Management of these funds is the direct responsibility of the Health Network.

6. LONG-TERM DEBT

The Hospital District's long-term borrowing is secured through the Municipal Finance Authority (MFA). The debt is reported net of actuarial balances.

The Hospital District executed MFA loan Issue # 77 in 2002 to finance capital expenditures of Alert Bay Cormorant Island Health Centre. Based on 20-year term, the interest rate was 6.06% for the first 10 years, then it was refinanced in June 2011 and the new rate was 3.05%. Five years later (June 2016), it was refinanced again and the current rate until June 2022 is 1.75%.

The Hospital District executed MFA loan Issue # 145 in 2018 to finance capital expenditures of a Port Hardy 11-Bed Residential Care Facility.

	Maturity date	Interest rate	Gross Debt	Repayments & Actuarial earnings	2020	2019
Issue # 77	Jun 01 2022	1.75%	2,282,000	1,941,516	340,484	498,663
Issue # 145	Apr 23 2028	2.65%	505,051	89,434	415,617	460,995
MFA debenture debt			2,787,051	2,030,950	756,101	959,658

6. LONG-TERM DEBT (CONTINUED)

The aggregate amount of principal payments required on the Hospital District's long-term debt during each of the next five years is as follows:

	Issue # 77	Issue # 145	Total
2021	69,014	44,056	113,070
2022	69,014	44,056	113,070
2023	69,014	44,056	113,070
2024	69,014	44,056	113,070
2025	69,014	44,056	113,070

7. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS

The Hospital District secures its long-term debts through the Municipal Finance Authority (MFA). As a condition of these borrowings the MFA requires establishment of a fund equal to one half the annual installment of principal and interest of the long-term debt issued. The cash portion of the fund is equal to 1% of the total principal borrowed with the remainder made up of a non-interest bearing promissory note. The MFA adds interest earned by the cash reserves and deducts expenses. Due to their contingent nature neither the asset nor the liability is recorded in the financial statements. The balance of the MFA debt reserve fund as at December 31, 2020 is \$48,688 (2019, \$47,706).

8. BUDGET

Budget figures represent the Financial Plan Bylaw adopted by the Board in March 2020. The financial plan forms the basis for taxation rates and other charges for a particular year. The following reconciliation of the budgeted Annual Surplus is provided to show which items must be added or removed to reflect the budgeted financial plan.

	2020	2019
Budgeted Annual surplus per Statement of Operations	159,556	333,656
Transfer (to) from Accumulated Surplus	(46,486)	-
Transfers to (from) Non-statutory reserves	-	(130,187)
Transfers to (from) Statutory reserves	-	(90,400)
Debt principal repayments	(113,070)	(113,069)
Budgeted Surplus, per Bylaw No. 106	-	-

9. STATEMENT OF CHANGES IN NET DEBT

A statement of changes in net debt has not been prepared as the Hospital District does not have any non-financial assets and a reconciliation of Net Debt to Accumulated Surplus does not provide any further meaningful information.

10. SIGNIFICANT EVENT

The global outbreak of the coronavirus disease (COVID-19) continues to cause economic uncertainties that are likely to have an impact on the operations of the Hospital District. The extent of the continued impact of COVID-19 on the Hospital District and its operations for the year ended December 31, 2021 cannot be determined at this time.