

Municipal Operating Fees

Completion of Joint Discussions – Model Operating Agreement

Dec 04, 2013



Welcome

Introduction of Participants



Agenda

- **Introductions**
- **Purpose – Why are we here?**
- **V.I. Pipeline Agreement – A Brief History – How did we get here?**
 - 2010,2011,2012,2013
- **The Strategy**
- **The Model Operating Agreement – Municipal Working Group**
- **Next Steps**

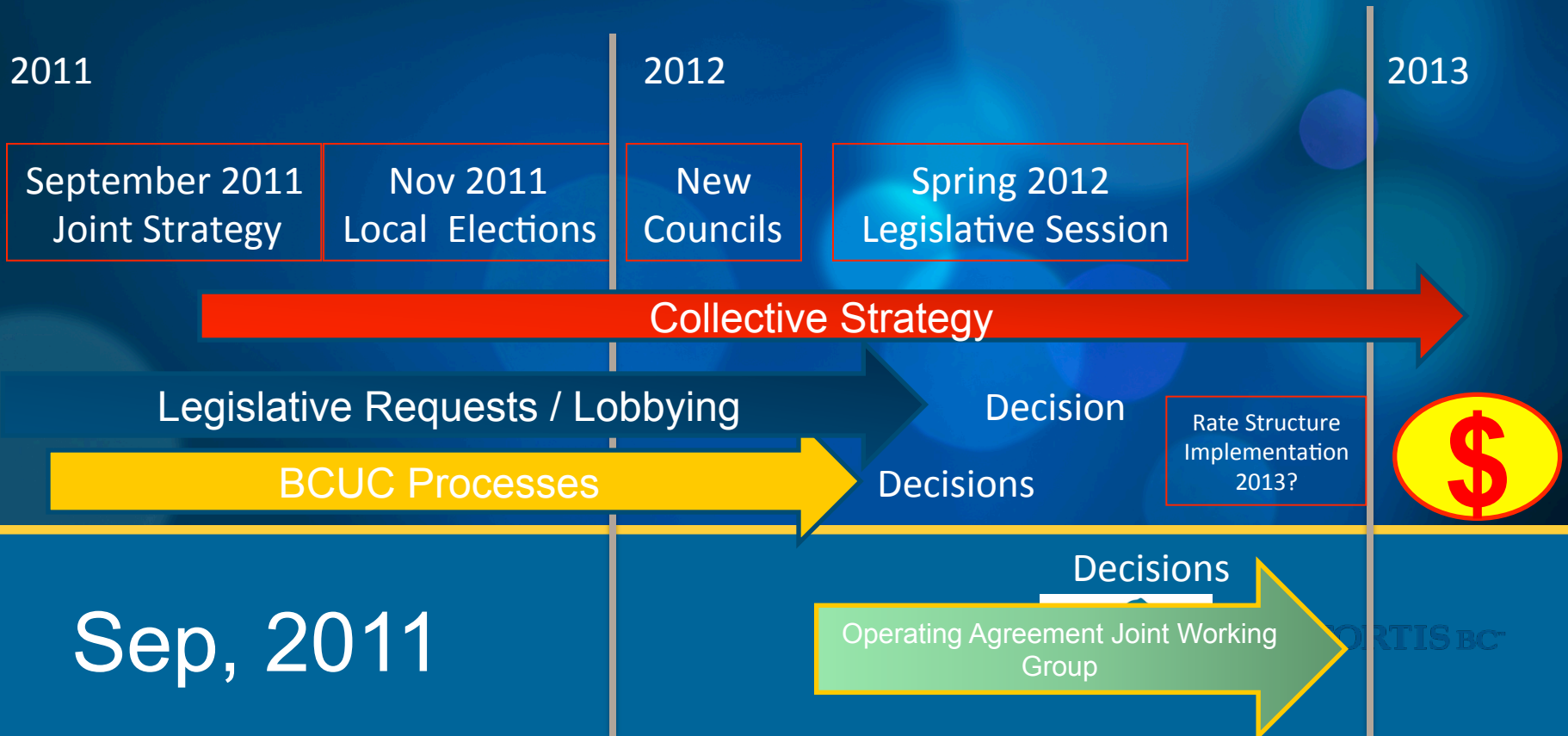


Hoped for Outcomes – September 2011

- **Common Understanding of Issues and Goals**
- **Consensus on Preferred Process / Strategy to Achieve Goals**
- **Improved Relationships / Communications**
- **Ultimately, Operating Fees to Participating Municipalities Through New Operating Agreements**



Determinants:
Political Will / Rate Structure / Other Players
BCUC Process
Legislative Change



Determinants:
Political Will / Rate Structure / Other Players
BCUC Process
Legislative Change

2011

2012

2013

September 2011
Joint Strategy

Nov 2011
Local Elections

New
Councils

Spring 2012
Legislative Session

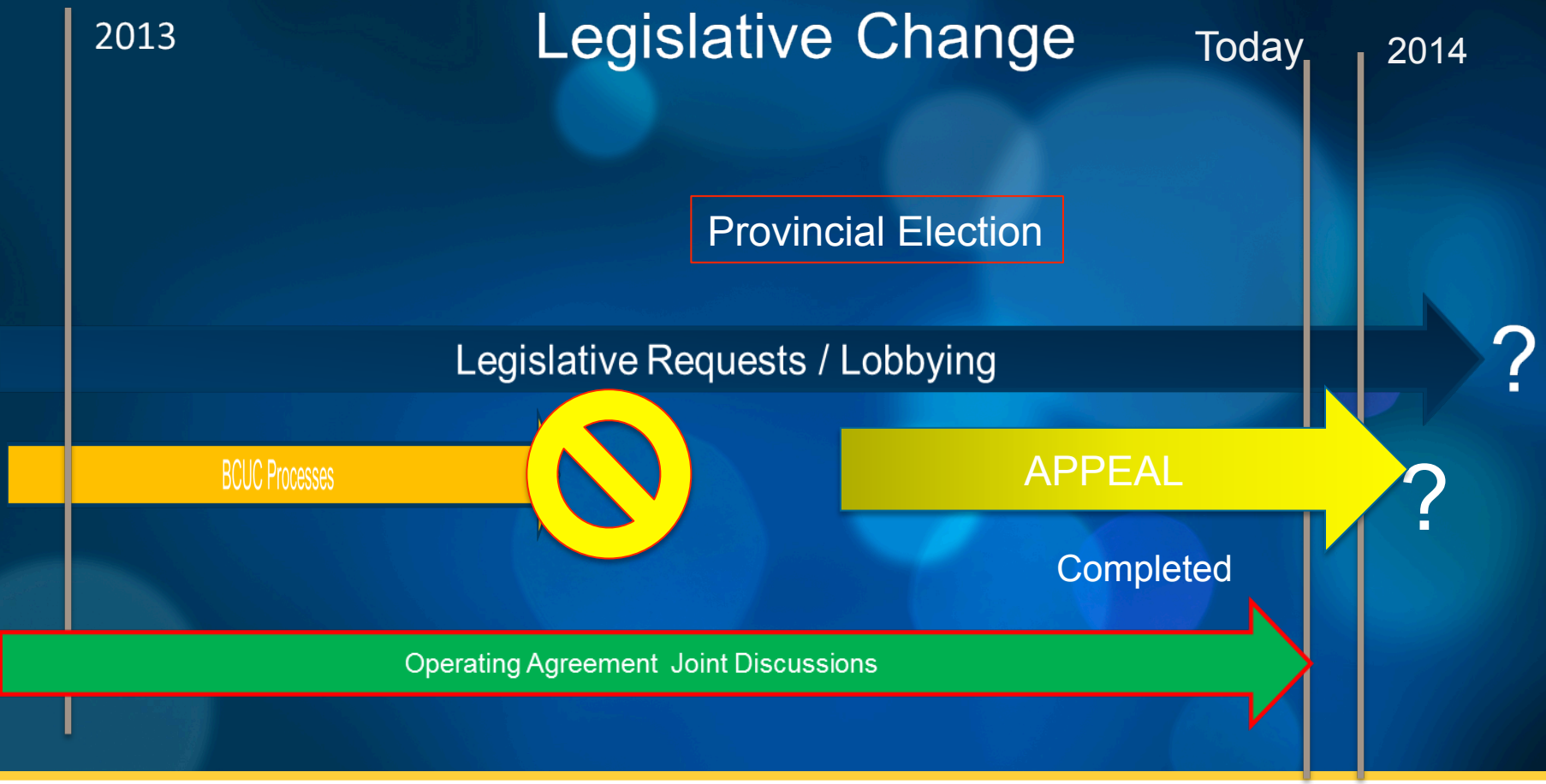
Collective Strategy

Legislative Requests / Lobbying

BCUC Processes

Operating Agreement Joint Discussions

Determinants:
Political Will / Rate Structure / Other Players
BCUC Process
Legislative Change



Today, Dec 04, 2013





Municipal Operating Group
-Steve Ricketts, Nanaimo

Fortis / AVICC MODEL OPERATING AGREEMENT



Executive Summary

- The BC Utilities Commission imposed an Interim Operating Agreement on AVICC municipalities in 1991.
- For most, this 1991 agreement has expired.
- Municipal and Fortis BC Operational Staff developed a new model agreement.
- Model agreement was reviewed by Stewart McDannold Stuart (on behalf of and paid for by the City of Nanaimo).
- This agreement is ready for distribution.



How Long Did It Take?



- July 2010 – LGMA hosted a meeting with AVICC municipalities and Fortis BC to introduce the issues.
- Sep 2011 – Joint Strategy Determined
- January 2011 – Municipal operational staff determined priorities for a new agreement.
A smaller working group was formed.
- November 2011 to July 2012 – Fortis and the Operating Group met monthly to negotiate a “Made in Vancouver Island” agreement.
- March & October 2013 – Final meetings of the Operating Group to endorse the agreement.



Which Municipalities Participated?



Which Municipalities Participated?

City of Campbell River	District of Oak Bay
City of Colwood	District of Saanich
City of Courtenay	District of Sooke
City of Duncan	Town of Comox
City of Nanaimo	Town of Gibsons
City of Parksville	Town of Ladysmith
City of Port Alberni	Town of Sidney
City of Powell River	Town of Qualicum Beach
City of Victoria	Township of Esquimalt
District of Lantzville	Village of Cumberland
District of North Cowichan	



Key Components of the Model Agreement

- Preserves many of the municipal rights from the existing 1991 Operating Agreement.
- Streamlines the permit process for both Fortis BC and AVICC municipalities.
- Allows municipalities to maintain their own standards and specifications.
- Allows for an audit process ensuring proper repair of municipal services.
- More commitment towards cooperation, joint planning and coordination of work.



Permit Process



- New work (gas main extensions), requires drawings and 10-25 days to process permit.
- Impact service work (pavement, utility, trees, archaeological or environmental), requires a sketch and 5-10 days to process permit.
- Other service work (non impact), allows 5 days for municipalities to object to the work.
- Schedule “A” provides permit application form.



Operating Fees

- Model Agreement is conditional on municipalities being able to collect fees.
- Each municipality can determine whether or not to collect fees and how to spend it.
- Operating fees compensate municipalities for:
 - Permit, inspection and related costs including staff
 - Reduced municipal infrastructure service life
 - Gas relocation costs related to municipal projects
 - Emergency response to gas hits
 - Supply of drawings and information
 - Other costs related to gas installations



What Else Was Accomplished?

- Both parties gained a better understanding of each other's business requirements.
- Rebuilt the relationship between Fortis BC and AVICC municipalities.
- Completed the first step to allow AVICC municipalities to collect Operating Fees.



In Summary

- Our objective was to allow local government self determination but to negotiate as a group.
- Fortis BC and the Operating Working Group have created a model operating agreement reflecting this.



Determinants:
Political Will / Rate Structure / Other Players
BCUC Process
Legislative Change



Today



Next Steps

- Operating Agreement Model
- BCUC
- Province



Questions / Discussion



Contacts



AVICC

Joe Stanhope, Past President / Operating Fee Lead

jstanhope@rdn.bc.ca

250.688.2814

Shelley Webber, Executive Coordinator

swebber@ubcm.ca

250.356-5122



Municipal Operating Group

Steve Ricketts, Chair

Municipal Working Group (City of Nanaimo)

Stephen.ricketts@Nanaimo.ca

250.756-5329



Fortis

Gord Schoberg, Senior Manager, Government Relations

FortisBC

Gord.Schoberg@fortisbc.com

Phone 604.592.7534

Carol Greaves, Community Relations Manager

FortisBC

Carol.Greaves@fortisbc.com

Phone: (250) 380-5789

Jerry Berry, President

Jerry Berry Consultants Inc.

jb@jbconsultants.ca

Phone 250.713.6331



Thank you to
all participants for a job well done!

