



Regional District of Comox - Strathcona
2005 Annual Report



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Message from the Chair of the Board



On behalf of my colleagues on the board of directors for the Regional District of Comox - Strathcona, I am pleased to introduce the annual report for the year ending December 31st, 2005.

In the past 12 months, the RDCS has provided over 140 services to nearly 100,000 residents who live in the 20,000 square kilometers that make up our nine electoral areas and eight municipalities. The services ranged from parks and heritage conservation areas to recreation complexes like Strathcona Gardens in Campbell River and the sports and aquatic centres in the Comox Valley.

The RDCS also provided sewer systems and regional solid waste management, drinking water treatment and supply and protective services like the 9-1-1 emergency answering service, animal control, and fire protection. It was an extremely busy year for the regional district staff and for the directors. In addition to extensive work on board development and strategic planning, we developed a successful lobby effort of the federal government resulting in, among other things, a commitment to maintain salmon enhancement funding and the reinstatement of three foghorns in key locations on our coastline. In the past year we also undertook an important process of developing liquid management plans for the region and led the way in some key areas of information technology and solid waste.

2005 was also an election year for local governments and the results of the voting saw one new electoral area representative and seven new municipal representatives come onto the regional district board of directors.

As we go through 2006 and beyond I sincerely hope that we can continue to work cooperatively with each other as board members and with residents in our respective constituencies to build on the successes of the past year and deliver even better results for the future.

A handwritten signature in blue ink, appearing to read 'Jim Abram', written over a light blue circular scribble.

Jim Abram
RDCS board chair

Message from the CAO



This is the first annual report delivered from the Regional District of Comox-Strathcona since I became CAO and I'm pleased to be able to share with you the highlights and accomplishments of the past year, and outline a little of our plans for the future.

My view of the regional district is that it is an organization whose mandate is to solve problems at the local level so that people can live together in a healthy, sustainable and functional environment. I believe in working together as a team, both within the organization from a staff perspective and from the governance side involving the elected officials who represent the member communities of the regional district and who make up our board of directors.

Although I'm relatively new to this organization, I look at our region through the lens of having lived for many years on Vancouver Island and also having lived on the mainland, working in other regional districts. I believe that a regional district needs to facilitate a collaborative method to make decisions and solve problems in an integrated way, whether the issues are environmental or economic, rural or urban. In my experience, that kind of collaborative governance and management has produced the best communities for everyone involved.

In the past year at the RDCS, we've seen many changes both inside the organization and in the communities we serve. One internal change was a significant re-organization of the staff structure to a more team-focused environment that uses a multi-disciplinary approach to find solutions. You'll see that integrated approach to management and operations reflected in the accomplishments of 2005, highlighted in the pages to come. I believe that our new integrated working processes and our tangible accomplishments show that by working together we can engage people, improve community living and help manage change in a positive way.

I am looking forward to the next year, and years to come, as our district is faced with new challenges and new opportunities to make a positive difference in the lives of those who live, work and play within our boundaries.

A handwritten signature in black ink, appearing to read 'Bob Long'. The signature is stylized and cursive.

Bob Long

RDCS chief administrative officer



2005 RDCS Board of Directors

Back row, left to right

Barry Minaker, Puntledge - Black Creek (Area 'C'); Dennis Strand, Comox; Brenda Leigh, Oyster Bay - Buttle Lake (Area 'D'); Peter Rambo, Sayward - Bloedel (Area 'H'); Cliff Pederson, Zeballos; Tom Pater, Kyuquot - Nootka (Area 'G'); Carol Quin, Denman - Hornby Islands (Area 'K'); Bill Matthews [vice chair], Campbell River; George Sirk, Cortes Island (Area 'I'); Fred Bates, Cumberland; Starr Winchester, Courtenay; Dave Lewis, Gold River; Heather Sprout, Sayward

Front row, left to right

Suzanne Murray, Baynes Sound (Area 'A'); Morgan Ostler, Campbell River; Noor Ahmed, Courtenay; Jim Abram [chair], Discovery Island - Mainland Inlets (Area 'J'); Barbara Price, Lazo North (Area 'B'), Lynn Nash, Campbell River

Missing from photo

Sylvia McNeil, Tahsis; Charlie Cornfield, Campbell River

RDCS Senior Management Team

Back row, left to right

Debra Oakman, GM Corporate Services

Ray Boogaards, GM Recreation Services

Leigh Carter, GM Corporate Communication

Carlos Felip, GM Community Planning Services

Front row, left to right

Bob Long, Chief Administrative Officer

Graeme Faris, GM Operational Services



Management's Responsibility for Financial Reporting

These summarized consolidated financial statements have been prepared by management from the complete consolidated financial statements for inclusion in this annual report. They provide a brief financial overview of the regional district's financial position at December 31, 2005 and the results of its activities for the year ended December 31, 2005.

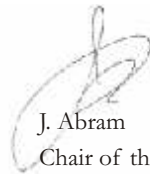
Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. Management also maintains a program of proper business compliance.

The board of directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibilities for financial reporting and internal control.

Meyers Norris Penny LLP, Chartered Accountants, the regional district's independent auditors, have conducted an examination of the financial statements in accordance with generally accepted auditing standards and have expressed their opinion in their report which accompanies the complete audited financial statements available at the regional district office or online at www.rdcs.bc.ca.



E.J. Dunlop, CGA
Officer responsible for financial administration,
pursuant to Section 199 of the Local Government Act



J. Abram
Chair of the board
Regional District of Comox-Strathcona

Auditor's Report

to the Board of Directors of the Regional District of Comox - Strathcona:

The accompanying summarized consolidated statement of financial position and statement of financial activities are derived from the complete consolidated financial statements of the Regional District of Comox-Strathcona as at December 31, 2005 and for the year then ended on which we expressed an opinion without reservation in our report dated March 3, 2006. The fair summarization of the complete consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete consolidated financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the district's financial position, results of operations and cash flows, readers are invited to obtain a full set of audited financial statements, from the Regional District office or online at www.rdcs.bc.ca.

Campbell River, British Columbia
April 5, 2006



Chartered Accountants

Regional District of Comox - Strathcona

Summarized Consolidated Statement of Financial Position

As of December 31, 2005 (Audited)

	<u>2005</u>	<u>2004</u>
Financial Assets		
Cash and Temporary Investments	\$ 27,115,674	\$ 21,191,602
Receivable and inventory for resale	1,937,042	1,585,078
Debt Recoverable from Others	43,341,092	41,278,802
Total Financial Assets	<u>72,393,808</u>	<u>64,055,482</u>
Liabilities		
Payables and other liabilities	4,997,186	4,466,525
Long-term debt	79,631,009	74,436,770
Deferred Revenue	2,076,743	1,522,596
Provision for Landfill Closure and Post Closure	1,940,890	1,661,573
Total Liabilities	<u>88,645,828</u>	<u>82,087,464</u>
Net Financial Assets (Liabilities)	<u>(16,252,020)</u>	<u>(18,031,982)</u>
Non-Financial Assets		
Prepaid expenses and inventory of supplies	66,451	74,357
Capital Assets	126,281,477	119,097,597
Total Non-Financial Assets	<u>126,347,928</u>	<u>119,171,954</u>
Net Position	<u>\$ 110,095,908</u>	<u>\$ 101,139,972</u>
Regional District of Comox - Strathcona Equity Position		
Equity in Physical Assets	\$ 89,961,559	\$ 85,879,629
Fund Balances	20,134,349	15,260,343
Regional District of Comox - Strathcona Position	<u>\$ 110,095,908</u>	<u>\$ 101,139,972</u>



E.J. Dunlop, CGA

Officer responsible for financial administration
pursuant to Section 199 of the Local Government Act

Regional District of Comox - Strathcona

Summarized Consolidated Statement of Financial Activities

Year ended December 31, 2005 (Audited)

	2005 Actual	2005 Budget (unaudited)	2004 Actual
Revenue			
Frontage and parcel taxes	\$ 202,707	\$ 203,712	\$ 223,202
Grants in lieu of taxes	434,600	330,996	428,045
Requisitions - electoral and municipal	20,297,077	20,297,077	19,680,716
Transfers from other governments	305,919	1,351,138	243,550
Sales of services and own revenue sources	13,301,210	11,712,830	12,409,333
Contribution from others	8,914,340	7,786,278	7,808,973
Debt proceeds to contribution services	450,000	641,338	1,700,733
Interest earned and actuarial adjustment	2,114,605	80,000	2,109,180
Total Revenue	46,020,458	42,403,369	44,603,732
Expenditures			
General government	3,227,982	4,017,059	2,927,587
Protective	3,857,558	4,256,019	2,309,861
Environmental Health	14,420,134	21,485,764	14,389,977
Public Health and Welfare	38,507	48,260	21,876
Environmental Development	1,823,752	1,843,016	1,749,546
Recreation and Cultural	11,192,486	12,260,706	10,579,762
Transportation	1,464,512	1,499,166	2,792,051
Debt charges-Municipalities	7,936,248	7,784,028	7,491,517
Landfill closure and post closure allowance	279,317	-	315,721
Total Expenditures	44,240,496	53,194,018	42,577,898
Net Revenues (Expenditures)	1,779,962	(10,790,649)	2,025,834
Financing Activities			
New debt issued - Regional District	6,760,500	9,012,533	7,828,916
Debt principal repayments - Regional District	(1,891,094)	(1,891,092)	(7,378,013)
Actuarial reduction of debenture debt	(1,767,460)	-	(1,656,442)
Non financial asset valuation change	(7,902)	-	(555)
Decrease (Increase) in long-term financing	3,094,044	7,121,441	(1,206,094)
Change in Consolidated Fund Balances	\$ 4,874,006	\$ (3,669,208)	\$ 819,740
Beginning Consolidated Fund Balances	15,260,343	15,260,343	14,440,603
Ending Consolidated Fund Balances	\$ 20,134,349	\$ 11,591,135	\$ 15,260,343



Community Engagement

Liquid waste management plan

The communities of Royston / Union Bay, Saratoga / Miracle Beach and a portion of the Oyster Bay-Buttle Lake (Area 'D') electoral area took part in public discussions that would shape the new sewerage systems proposed for each area, as part of the regional district's liquid waste management plan. Each community would have to vote on whether it was willing to have a new public sewer system put into place to replace the current septic systems.

Over 10 public information meetings were held, beginning in November, to help prepare residents and landowners for referendums to be held in February, April and June 2006. The referendums would allow area residents an opportunity to choose an environmentally sound alternative to on-site systems.

Over 1,000 people attended those meetings and feedback surveys were completed by over 500 residents and were read and given consideration by the regional district. The RDCS website was utilized to enhance public information and feedback, and advertising, news releases and interviews were also used to provide information to the widest possible audience. Finally, household flyers were prepared and distributed to over 2,000 residents' homes in the effort to communicate as broadly as possible on this important issue, and to stimulate debate and discussion among the ultimate decision-makers: the citizens of the affected areas.



One-Spot Trail

The RDCS's One-Spot Trail officially opened in the Dove Creek area in October. The trail is rich in local history which is reflected in its name: One-Spot, referring to a 1909 wood-burning railway locomotive, purchased by the Comox Logging and Railway Company.

The One-Spot Trail is built on the former main line railway grade that ran from Headquarters to Royston. The trail is six kilometers long and begins at Condensory Road near Cessford Road and ends near the Tsolum River. It is mainly a packed gravel surface, with some short sections of trail along dirt roads. Walking, cycling, and horseback riding are all permitted along the length of the trail and interpretive signs describe the history of logging in the area and the present day ecology of the second growth forests.

This trail is an excellent example of something built by the community for the community. Sections of the trail were built by dedicated volunteers from the Comox Valley Land Trust, the Back Country Horsemen of BC, the Dove Creek Community Association and the Comox Valley Naturalist Society. The whole thing came together in a joint effort of those groups working with regional district parks and recreation services staff and will provide many years of healthy, enjoyable outdoor recreation in the area.



Photo left to right

Gordon Fyfe of the Comox Valley Land Trust,
Barry Minaker, RDCS director for Puntledge Black Creek (Area 'C'),
Sharon Pickthorne of the BC Back Country Horsemen
at the entrance to the trail.

Photographer

Hans Peter Meyer



Photo

Jim Abram, RDCS board chair (centre)
with volunteers left to right
Rob and Laurie Wood, Ken Flagger,
Teresa Beyerstein.

Photographer

Hans Peter Meyer

Hoskyn Channel Wharf

After many months of planning and hard work, a new public access wharf at Hoskyn Channel Landing on Quadra Island (Area 'J') became a reality in October, thanks to volunteer labour from the outer islands and Campbell River and from leadership and \$10,000 in financial support from the RDCS.

The previous wharf had been unsafe and, in bad weather, unusable. Serving over 100 people from neighbouring islands year-round and many more in the summer, the wharf is the closest and safest year-round access point for groceries, jobs and medical care for residents from Read Island, Maurelle Island and other islands as well as countless tourists and many eco-tourist businesses from Quadra Island and Campbell River.

The ramp for the wharf was built on Quadra Island at Cape Mudge Boatworks and transported by the former fish farm company, Marine Harvest, on a local freight boat, the “Chinook”, to its current location. A large cedar tree removed during road access work was taken to a local small mill on an outer island and used for making the wooden part of the wharf. Richard Pielou, a resident of Quadra Island, created the sign.



Farmland Forever

Seventy-five community members attended a workshop hosted by the RDCS, SmartGrowth BC and BC Ministry of Agriculture, Food and Fisheries to examine perspectives on the agricultural land reserve (ALR) in our region.

The workshop, called Farmland Forever, was held in March in the Comox Valley, and offered an opportunity to collaborate in building a stronger relationship between organizations and with the community regarding ALR issues. Topics ranged from an overview of global, national and provincial perspectives on agriculture, urban containment and rural preservation strategies, and the role of the ALR.

The forum provided a real opportunity for elected officials, planners and farmers to share information on the long-term impact of land-use decisions on the local agricultural community.



Photo

Farmscapes in the Comox Valley



Neighbourhood Planning

Croteau Beach

The development of the Croteau Beach neighbourhood plan was a community-based process undertaken by residents with the assistance of the RDCS. This collaborative process, carried out over a 15 month period, resulted in the development of the neighbourhood plan, a document which articulates the values of the Croteau Beach area in Lazo North (Area 'B') and provides a vision for the future.

The plan will serve as a guideline document to inform future study and growth management for the neighbourhood, and as a starting point for discussion and dialogue respecting future land use considerations.

Quadra Island Recycling

In October, the RDCS launched a new recycling bin site on Quadra Island, after months of diligent combined effort by regional district staff and residents of the island. The new area offers residents a clean, well-designed recycling bin area for the 24-hour drop off of recyclable materials which are then collected and taken off-island regularly.

The pilot recycling project on Quadra had proven there was a real need for the new and improved depot, and it has been extensively used by Quadra Island residents, helping them to do their part in diverting a significant amount of material from the landfill.

Oyster River Dry Hydrant

In September a new “dry hydrant” was installed to serve the Oyster River community, thanks to the efforts of citizen groups, volunteer firefighters and RDCS operations and planning staff.

The project involved installing a hydrant on the banks of the Oyster River. Using this hydrant, a fire truck can easily access water from the river for fire fighting purposes. The project provided the Oyster River VFD with one more tool to improve fire protection for over 300 homes in the immediate area. It was a testament to the way in which an enthusiastic and organized group of volunteers and the regional district can work together to benefit a neighbourhood.

The Oyster River Volunteer Fire Department tested the site for feasibility and offered design suggestions. The regional district's operational services department provided a detailed design, carried out a river study and obtained the necessary provincial and federal permits on behalf of the residents. A group of residents who had formed the Acher Road fire protection dry hydrant committee carried out the actual installation.



Photo left to right

Puntledge-Black Creek (Area 'C') director Barry Minaker, Kathy and Dick Meston, Shirley Siren (standing above), Oyster River volunteer fire chief Al Mose.

The Mestons and Ms Siren were part of the Oyster River community group who worked with the RDCS and the fire department to make the dry hydrant happen.

Photographer

Hans Peter Meyer

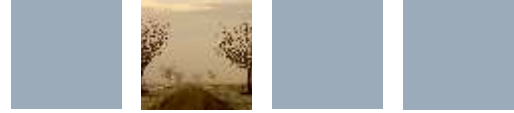


Photo
Piping/interior of the chlorination station

Waterworks

It was a long, hot summer in 2005 and water shortages reached a critical stage in the Comox Valley. RDCS waterworks staff was able to respond to the shortage without causing any area to lose significant water pressure. A big part of this success came as a result of the public's conservation of water when it counted, which followed a joint RDCS-BC Hydro public education and awareness program. The program emphasized the importance of everyone doing his or her part in reducing unnecessary water use, and it paid off.

Also, 2005 saw the completion of the chlorination station at Dingwall Road which treats drinking water for Courtenay and Comox.



Comox Valley Sports Centre Facelift

The Comox Valley Sports Centre received \$328,385 in funding for a major facelift from the province's Olympic-Paralympic Live Sites program. Improvements and additions to the Comox Valley Sports Centre are to include the creation of a wellness and fitness centre, an elevated walkway between the two arenas with a viewing platform for the disabled, an upgraded sound system for Arena #1, the creation of a larger referees' dressing room and a centralized first-aid area. Construction for this project is slated to begin in early 2006.



Leadership

Tsunami Mapping

In October the regional district received provincial funding to develop mapping to show flood risk of a tsunami in the Pacific Ocean. The RDCS's plan for this detailed mapping will be the first work of its kind in any coastal regional district in BC, as there is currently no contour mapping below 20 metres available and flooding related to a tsunami would most likely affect lands below 20 metres on the west coast of Vancouver Island and below 10 metres on the east coast.

By developing detailed contours for the coastal areas of the RDCS, there will be a way to determine tsunami flood

risk to the populated areas of the regional district. The mapping generated will be available to the communities within the RDCS borders to help all local governments within the regional district understand and plan for the risks associated with a tsunami. When the mapping is complete it will be available to the general public on Imap, found on the RDCS website at www.rdcs.bc.ca.

Electronic Agenda

The RDCS launched its electronic minutes-and-agenda system for board and committee meetings in July, and then received a provincial award in September from the Municipal Information Services Association (MISA) for excellence in using information technology to support and improve business functions while increasing access for the public at the same time.

The system, which was created in-house at the RDCS, streamlined board communication by making it possible for directors and staff to create, update and post meeting agendas and minutes in an electronic format on the regional district website www.rdcs.bc.ca. It also demonstrated a very positive step in improving public access to information by making agendas and minutes available for the public to view online. With this system, the public, regardless of where people live in the large geographic region, now had equal opportunity to directly access topics, information and decisions made during board and committee meetings.

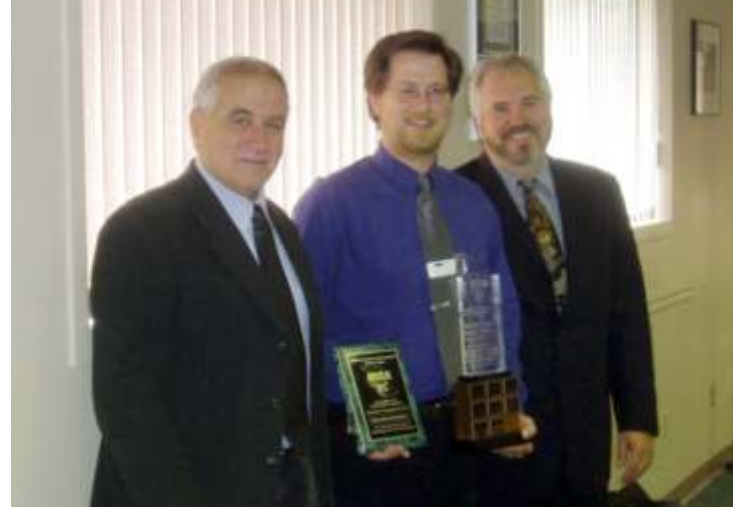


Photo left to right

Accepting MISA award
Board chair Jim Abram,
RDCS manager of IT Brian Pearson,
RDCS CAO Bob Long



Transit Ridership

By the end of 2005, the RDCS was leading the province in public transit ridership growth for the year. Public transit ridership within the RDCS in the Comox Valley more than doubled in the previous five years rising from 107,158 riders in 2000 to 230,159 by the end of November 2005. BC Transit data showed that in 2005 the regional district system increased 25% over 2004 alone. That was the largest annual increase in ridership growth in BC.

The RDCS had listened to the needs of users in revising routes to accommodate students and provide better connections. The conscious effort to focus transit where the need was greatest paid off in the increase in riders, and each year the district will look at potential riders, find out where they want to go and amend routes so they can get there.



Social Capital

Integrated Recreation Management

If social capital can be defined as a shared set of values that permit cooperation and result in an outcome that is better for all, then the centralization of recreation functions at the regional district in 2005 is a good example of that.

Centralizing all recreation functions in the RDCS under one management team allowed for significant improvements in coordinating planning and operations of all park and recreational lands, programs, services and facilities. This new department oversees operation of five ice arenas, three indoor swimming pools, exhibition and

fairgrounds, over 80 regional parks, several community halls, and a variety of sport fields throughout the regional district. Residents anywhere in the regional district can also access program information about any of these facilities or locations through the central website, at www.rdcs.bc.ca/recreation.

Solid Waste

In November, the RDCS partnered with the Compost Council of Canada to host the first-ever compost educator national training course. The course, held in Courtenay, was an intensive hands-on training program to promote technical knowledge and sound operating techniques among biosolid compost facility operators and those involved with large scale composting. Conference attendees came from across Canada and included those who are involved with solid and liquid waste management, compost facility operations, regulation of compost facilities, and agricultural operations and research.

Liquid Waste

In September, regional district staff finished commissioning new, state-of-the-art decanting centrifuges for the Brent Road wastewater treatment plant, located in Lazo North – Area 'B'. The \$3.2 million project will improve process efficiency at both the plant itself and at the regional biosolid composting centre near Cumberland. As a side benefit, the project reduced odour to the surrounding area by containing the machines and reduced greenhouse gas emissions by almost 40 percent at the plant itself and through the reduction of the number of truck trips between the plant and the composting centre.



Photo

Jim Elliott, Manager of Wastewater Operations and Graeme Faris, General Manager of Operational Services at the RDCS biosolids compost facility. The RDCS initiated the first BC-based national compost facility educator conference.

Photographer

Hans Peter Meyer



Waste Reduction

Residents of the RDCS entered 2005's "Waste Reduction Week" in October with something to celebrate: in 2005, residents had reduced greenhouse gas emissions by over 700 tonnes thanks to composting over 2,000 tonnes of food and yard waste that year.

As well, residents of the regional district diverted 14,339 tonnes of waste from the landfill by recycling plastics, paper, glass and other acceptable items, and recycled toxic waste items by bringing in over 20 tonnes of batteries, ballasts & cell phones, and about 50 tonnes of old computers.

And the RDCS found even more ways in 2005 to encourage and support other organizations and individuals to reduce their waste. In October, waste reduction staff at the regional district worked with a team of BC Access Centre staff, to launch a "total office" recycling and composting program at the BC Access Centre's Courtenay location. This initiative took basic office recycling to the next level by replacing staff

garbage cans with mini recycling centres and creating a lunchroom compost program, complete with outdoor composter. RDCS waste reduction staff helped BC Access get their program started by providing information to employees and acting as a resource for technical questions.





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