

Excerpt of In-Camera Council Meeting Minutes dated March 10, 2014 re: Draft CoN/DoL Water Agreement:

Ms. Graff began by noting that Council is aware that the City of Nanaimo, at its Regular Meeting held February 24, 2014 approved the City of Nanaimo's water agreement between the District of Lantzville and the City of Nanaimo and that a copy of the agreement be forwarded to Lantzville Council for its approval. Ms. Graff continued noting that Mr. Lidstone, given his attendance this evening to address the amended MOU with Council that it was a perfect opportunity to have Don provide Council with comments/concerns as it relates to the water agreement proposed by the City of Nanaimo.

Mr. Lidstone began by commenting on the agreement and continued by noting sections of the agreement that he, along with staff will be looking to have amended as follows:

- various definitions
- section 3.0 – as presently worded no legal force in effect; contradicts other sections in the agreement; agreement sets the criteria for a capital liability which then would require electoral approval if beyond a 5 yr. term. Agreement should be structured as an operational agreement
- sections 4.2, 4.3, 4.6, 4.7, 4.9 which speaks to the applicability of various fees and charges and when payment is required
- additional point needs to be added in section 4 to address individuals who may have their own on-site water
- sections 5.2, 5.3 and 5.4 – re: water quality and treatment requirements
- section 5.5 – sections that should be referenced are excluded (e.g., 3.2, 3.3 and 4.2)
- section 6.1, 6.8 – should be removed as it is non-enforceable
- section 6.5 – should be amended to reflect 2014 levels vs. 'current' levels
- section 11.2 and 11.3 – amended to apply to the design of watermain only
- section 11.4 – should be removed
- section 12.2 – amended to reflect written notice by the District including a clause to engage arbitrator services if needed
- section 14.1 – should be removed noting that costs are captured in the 'fees & charges'
- section 15 Cost Sharing for Other Services – clause (d) new and not part of the negotiations
- section 20 – notice period should reflect 60 days vs. 30 and clause (b) should be removed

Ms. Graff asked Mr. Lidstone advice as to how Lantzville Council should proceed with negotiating changes to the agreement noting that the City of Nanaimo Council has accepted this agreement by way of a formal resolution of Council at a public meeting. Mr. Lidstone noted that given the nature of the negotiations that this item remain in-camera as staff and legal counsel work with staff and legal counsel at the City of Nanaimo regarding the nature and number of amendments to the agreement.

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MOVED Mayor de Jong, **SECONDED** Councillor Mostad that staff and the District's solicitor be directed to meet and negotiate with City of Nanaimo staff and its legal counsel amendments to the draft Lantzville/Nanaimo Water Agreement. Further, that the terms and conditions identified above and being negotiated, remain in-camera until such time as Council resolves to rise and report.

CARRIED