

**THE CORPORATION OF THE CITY OF GRAND FORKS
AGENDA – PRIMARY COMMITTEE MEETING**

**Monday December 17th, 2012
Council Chambers City Hall**

<u>ITEM</u>	<u>SUBJECT MATTER</u>	<u>RECOMMENDATION</u>
1. <u>CALL TO ORDER</u>		Call Meeting to order after the Regular Meeting has been recessed
2. <u>PRIMARY COMMITTEE MEETING AGENDA</u> -	Agenda for December 17 th , 2012	Adoption of Agenda
3. <u>DELEGATIONS:</u> a) Corporate Officer's Report – Graham Watt Presentation on behalf of the Regional District of Kootenay Boundary	Presentation regarding the Kettle River Watershed Management Plan Phase One	The Primary Committee recommends to Council to receive the presentation made by Graham Watt on behalf of the Regional District of Kootenay Boundary with regard to Phase One of the Kettle River Watershed Management Plan
4. <u>UNFINISHED BUSINESS:</u> None		
5. <u>RECOMMENDATIONS FOR CONSIDERATION:</u> a) Chief Financial Officer's Report – Policy #805 – Asset Disposal Procedure Policy b) Chief Financial Officer's Report- Policy #802 – Purchasing Policy	 The City has no written procedure in place for the disposal of an asset when it has reached the end of its useful life As part of good governance practice, Councils need to review general government policies that meet its vision. An important cornerstone of good governance is to control and properly authorize expenditures.	 The Primary Committee recommends to Council, to receive the CFO's report and adopts Policy #805 – Asset Disposal Procedure Policy The Primary Committee recommends to Council, to receive the CFO's report and adopts Policy #802 – Purchasing Policy which intends to replace the existing Purchasing Policy
6. <u>OPERATIONAL DISCUSSIONS FROM STAFF:</u> None		
7. <u>INFORMATION ITEMS:</u> None		
8. <u>PROPOSED BYLAWS FOR DISCUSSION:</u> None		
9. <u>LATE ITEMS:</u>		
10. <u>REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL (VERBAL</u>		

11. **QUESTION PERIOD FROM THE PUBLIC**

Attendees in the gallery may ask Council questions at this time.

Hear Presentations and refer any issues for further discussion.
Hear from the Public

12. **ADJOURNMENT**

Adjournment

**THE CITY OF GRAND FORKS
REQUEST FOR PRIMARY COMMITTEE RECOMMENDATION
DELEGATION**

DATE : December 11th, 2012

TOPIC : Kettle River Watershed Management Plan Phase 1

PROPOSAL : Delegation – Presentation from Graham Watt of the Regional District of Kootenay Boundary

PROPOSED BY : Regional District of Kootenay Boundary

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SUMMARY:

1. Graham Watt, will make a presentation to Council on behalf of the Regional District of Kootenay Boundary with regard to Phase 1 of the Kettle River Watershed Management Plan.

STAFF RECOMMENDATIONS:

The Primary Committee recommends to Council receive the presentation.

OPTIONS AND ALTERNATIVES:

1. Receive the presentation: Under this option, Council is provided with the information with regard to the Kettle River Watershed Management Plan – Phase One.
2. Receive the presentation and refer any issues for further discussion.

BENEFITS DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The main advantage of this option is that information is provided to the City and the Community.

Option 2: The main advantage is same as Option 1.

COSTS AND BUDGET IMPACT - REVENUE GENERATION:

There is no cost of making the presentation.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

Council procedures bylaw makes provisions for making presentations to Council.



Department Head or CAO



Reviewed by Chief Administrative Officer

From: plan@kettleriver.ca
Graham Watt <plan@kettleriver.ca>

Thursday, December 06, 2012 2:34:57 PM

Subject: [BULK] New Delegation Form Submission from Graham Watt

To: Info City of Grand Forks

Attachments: Attach0.html

RECEIVED

DEC / 7 2012

THE CORPORATION OF
THE CITY OF GRAND FORKS

Your Worship, Mayor Taylor, and Members of Council, I/We are here this evening on behalf of:

Regional District of Kootenay Boundary

To request that you consider:

Receiving for information the Final Report of the Phase 1 Kettle River Watershed Management Plan, "State of the Kettle River Watershed"

The reasons that I/We are requesting this action are:

The Regional District of Kootenay Boundary is developing a Watershed Management Plan (WMP) for the Kettle River. Building on sound scientific information and the engagement of the public and all stakeholders, the WMP will contain recommendations for policy, planning, and stewardship of all aspects of land use, land management, and water management affecting the water resources of the Kettle River. The RDKB wishes to keep the City of Grand Forks informed of progress in developing the WMP and share knowledge obtained through the recent "State of the Kettle River Watershed."

The Executive Summary of the report (9 pages, found here: http://kettleriver.ca/wp-content/uploads/2012/11/summit_2012_krwmp-phase-1-exec-summary.pdf) is requested to be included in the Agenda.

The full report is available at http://kettleriver.ca/wp-content/uploads/2012/11/summit_2012_krwmp-phase-1.pdf. Other background information on the report and related reports is found at <http://kettleriver.ca/state-of-watershed/> and general information about the WMP is at <http://kettleriver.ca/2012/04/creating-a-plan/>

I/We believe that in approving our request the community will benefit by:

having improved knowledge of the water supply (surface & ground water), flows, aquatic ecosystem, and other watershed issues. The information contained in the report will contribute to the overall level of knowledge about the Kettle River Watershed and will support the City's discussions and decisions about water resource management, land use, and other watershed issues.

I/We believe that by not approving our request the result will be:

lessened ability to participate in and contribute to watershed management discussions and recommendations during the development of the Kettle River WMP.

In conclusion, I/we request that Council for the City of Grand Forks adopt a resolution stating:

FILED
D2 - RDKB - Kettle River Watershed Management Plan

Receive the State of the Kettle River Watershed Report for information.

Name

Graham Watt

Organization

Regional District of Kootenay Boundary / Kettle River Watershed Management Plan

Mailing Address

Box 1965 2140 Central Ave
Grand Forks, BC V0H 1H0
[Map It](#)

Telephone Number

(250)442-2708

Email Address

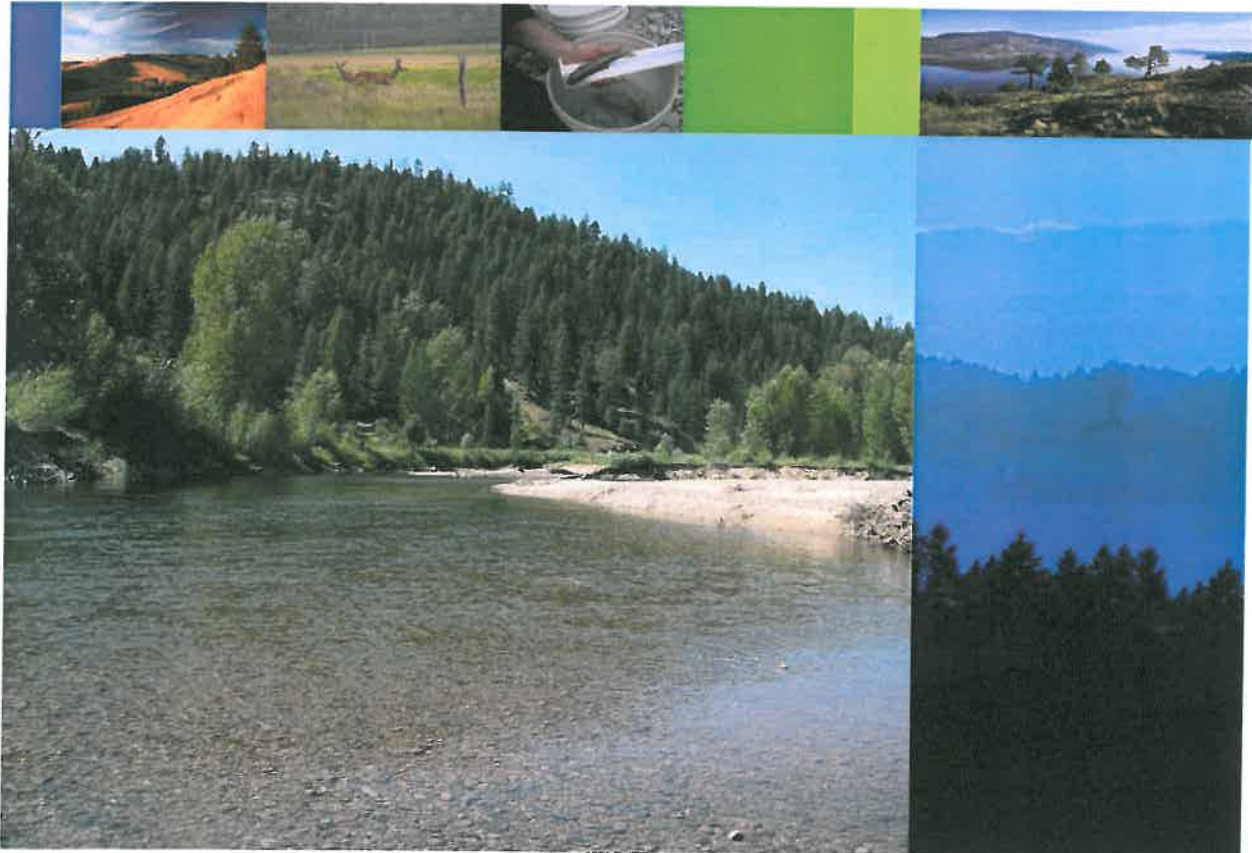
plan@kettleriver.ca

Report

**Regional District of Kootenay
Boundary**

KETTLE RIVER WATERSHED MANAGEMENT PLAN: PHASE 1 TECHNICAL ASSESSMENT

November 2012



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November 16, 2012
File: 2011-8049.000

Mark Andison
Director, Planning and Development
Regional District of Kootenay Boundary
202 - 843 Rossland Ave.
Trail, BC V1R 4S8

Re: KETTLE RIVER WATERSHED MANAGEMENT PLAN: PART 1 TECHNICAL ASSESSMENT

Dear Mr. Andison:

Summit Environmental Consultants Inc. is pleased to provide the final report for the Kettle River Technical Assessment, which is Part 1 of the Kettle River Watershed Management Plan.

The report includes a summary of existing information on surface water hydrology, water licensing, climate, groundwater, water quality, fish and fish habitat, and riparian habitat. In addition, it provides estimates of current actual water use compared to the licensed volumes, as well as data on groundwater use by the major water utilities in the Kettle River watershed and estimates of the natural flow at seven points of interest in the watershed. Estimates of late summer flows during periods of drought (10-year and 50-year low flows) have also been calculated and compared to the threshold values below which fish habitat becomes significantly constrained.

In general, there is enough water resources information for the Regional District of Kootenay Boundary to move forward with the watershed planning process, although there are a number of information gaps that should be addressed in 2012 to support the plan. The report includes recommendations for addressing those gaps, as well as for on-going monitoring to support water management decision making.

Please contact me if you have any questions.

Yours truly,

Signature on original

Hugh Hamilton, Ph.D., P.Ag.
Senior Environmental Scientist

REPORT

Executive Summary

The Kettle River is one of British Columbia's Heritage Rivers. An international river, it crosses the Canada-US border three times before flowing south through Washington State. Approximately 75% of the watershed area of 11,000 square kilometres is within Canada. The hydrologic regime of the Kettle River is typical of interior watersheds, dominated by snowmelt in the spring. Flows are significantly reduced by mid-summer when demand from water users is high. Watershed residents have expressed concerns about water supply for communities and flow for fish, which are exacerbated by uncertainty about the implications of climate change. Other local water concerns include water quality (both surface and groundwater) and the health of riparian ecosystems.

To address these concerns and uncertainty over water resources, the Regional District of Kootenay Boundary (RDKB) is developing a **Watershed Management Plan** for the Kettle River basin. Phase 1 of the plan is a Technical Assessment intended to summarize existing information in a single "State of the Kettle River Watershed" document. Phase 1 will lead into Phase 2, which will set planning goals, actions, and policy that can be implemented to maintain the health of the watershed in the long term. This document is the report of the **Phase 1 Technical Assessment**. It has been prepared for the project Technical Advisory Committee (TAC) and Stakeholder Advisory Committee (SAC), and was completed primarily using existing data and reports.

Surface Water and Water Licences

The Kettle River watershed hydrologic regime exhibits very large differences between high flows in the spring and early summer and low flows from mid-summer through winter. Climate change projections for the RDKB indicate warmer annual average temperatures, less rainfall in summer, and a decrease in snowfall as more of the winter/spring precipitation falls as rain. As a result, stream flows from late fall to early spring are expected to be slightly greater, while flows in late spring, summer and early fall are expected to be smaller, thus adding to the current constraints on fish and water users in late summer. Spring runoff will likely occur sooner on average and annual total water yield will likely increase.

There are 994 current licences (at 826 points-of-diversion) for surface water in the Canadian portion of the watershed (with 1,100+ more in the U.S.), with irrigation as the largest licensed volume followed by domestic use. Off-stream licenses account for 57,765 ML/yr, storage is 7,351 ML/yr, and conservation is 1,352 ML/yr. There are relatively few dams in the watershed and none are major structures. Cascade Power holds a license for power generation on the Kettle River near Cascade that has not been developed. In anticipation, a Water Reserve has been created for the Kettle River that gives precedence to other water uses over this power license.

The water licences tell us the volume of water that licence holders could use. For this study estimates of actual use have been developed by obtaining the records from the community water utilities in the watershed and from the Ministry of Agriculture's recent irrigation demand model. The major finding from the analysis of the use records is that even though the major water suppliers have surface water licenses, they mostly use groundwater and many of the largest licenses have not been used for many years.

The data records from water suppliers were used to estimate the natural flows at selected points (known as POIs) where flow data are available. The results indicate that on an annual basis the average flow is only slightly less than the natural (pre-development) flows. However, average August flows at the study POIs range from 74% to 96% of the naturalized flows. Near the final crossing of the Kettle River into the U.S., the average August flow is estimated to be 83% of the naturalized flow. This is a conservative (i.e. low) estimate, made by assuming the groundwater withdrawals near Grand Forks are in reality drawing water

out of the river. In an average year the net flow in August is likely in the range of 85%-90% of natural flow at this location.

In addition to information about water supply under average conditions, water use planning requires information on stream flows during periods of low flow. The lowest flows in the Kettle River and its tributaries usually occur in August and September. The magnitudes of those low flows vary from year to year, and planning decisions must consider flows during periods of drought and understand the probability that an extreme low-flow will occur. Estimates of the 1-in-10 year and 1-in-50 year return period monthly low flows have been calculated for each POI, and the minimum 7-day net low flows (7Q10 and 7Q50) were estimated where there are adequate data. In the critical July to September period when water demand is highest, the monthly 10-year net low flows are about one-third of the average and the 50-year net low flows are about 20% of the average monthly flow (see Fisheries and Aquatic section below for summary of fish flow needs).

Previous studies and research on the Grand Forks aquifer suggest that some sections the Kettle and larger tributaries are "losing streams", where a portion of the flow infiltrates to ground. However, beyond Grand Forks this process is not well understood and this is a key information gap that should be addressed, beginning with areas of existing or projected high groundwater demand.

Floodplain mapping is in place for the major inhabited areas along the Kettle River, showing the 20-year and 200-year flood elevations. The existing floodplain mapping is based on data from before 1996, and there would be value in updating it to include data collected since then for developed areas and to consider the effects of climate change.

Groundwater

Relative to other watersheds in southern B.C., groundwater makes up a significant proportion of agricultural and domestic water use in the Kettle River watershed. The provincial government has mapped a total of 15 aquifers in the watershed, all located along or in proximity to the valley bottoms where agricultural activities and communities are concentrated. Most of the mapped aquifers are sand and gravel deposits ranked as having moderate-high productivity and moderate-high vulnerability to contamination from surface activities. The demand on these aquifers is either low or moderate, with the exception of the Grand Forks aquifer where demand is high. Given this high demand, the Grand Forks aquifer has been studied in detail, and there is a very good base of information for the aquifer. Less is known about aquifers in other parts of the watershed.

There are more than 1,400 wells in the B.C. water well database in the Kettle River watershed. Registration of drilled wells is not mandatory, so the actual number is likely higher, although it isn't known how many are not in use or have been closed. About half of all known wells are in Sub-Basin 6, which includes the Grand Forks aquifer. Of the well records with reported yields, more than 85% have yields of 100 USgpm or less.

The aquifers in the Kettle River watershed are re-charged by a number of processes, the most significant being infiltration from streams and rivers where they flow across sand and gravel alluvial deposits. For the Grand Forks aquifer, it has been estimated that 11-20% of flow in the Kettle River is transferred to groundwater during freshet. Some of that water moves back to the river as baseflow from mid-autumn through the winter. There is some indication that this pattern is repeated at Beaverdell, Westbridge, and Midway, but it has not been studied at the same level of detail as at Grand Forks. The aquifers are hydraulically connected to the Kettle River, evidenced by the parallel rise and fall of river and groundwater levels, and trends in groundwater level generally mirror trends in river level. At Grand Forks and Beaverdell groundwater level data have been collected since 1977 and 1989 respectively. Water levels have varied

over this period, but no statistically significant trend is apparent at Grand Forks. At Beavertown there is a very slight decreasing trend.

Although the Grand Forks aquifer is re-charged by the Kettle River during freshet, there is evidence that groundwater pumping in the latter part of the summer begins to induce additional re-charge from the river and reduce flows compared to natural (pre-development) conditions. This makes little difference annual water yield (total flow in a year), but in late summer the average flow is less than the estimated natural flow. Note, however, that the water suppliers in the area do not use their surface water licences, and the reduction in flow as a result of groundwater use is less than if they did pump from the river.

Similar to much of B.C., there is relatively little information on groundwater quality in the public domain, again with Grand Forks being an exception. Nitrate has been the contaminant of greatest interest. Concentrations of nitrate-N have exceeded the 10 mg/L drinking water guideline, especially in the southeast part of the aquifer.

Water Quality

Surface water quality in the Kettle River is sampled every two weeks at two stations that are run by the Canada-B.C. water quality monitoring program; downstream of Midway and downstream of Grand Forks. A recent (2009) summary report concluded that water quality at both sites was very similar and "generally good". The parameters that regularly exceed water quality guidelines at these sites are water temperature (for both aquatic life and drinking water), fluoride (aquatic life), and some metals (aquatic life). With metals, the concentrations of the metals that exceed guidelines were strongly correlated with turbidity and thus likely bound to suspended sediments and organic matter. As such, these metals are not available for uptake by biota. Statistically significant increasing trends were found at one or both sites for turbidity, total hardness, total phosphorus, total molybdenum, dissolved chloride, dissolved fluoride, and fecal coliforms. Statistically significant decreasing trends were found at one or both sites for total colour, specific conductivity, and several metals.

There are relatively few point (i.e. end-of-pipe) discharges in the Kettle River watershed. Treated effluent from the Greenwood wastewater treatment plant is discharged to ground adjacent to Boundary Creek. Statistical analysis of "upstream-downstream" data found no significant difference between the upstream and downstream sites, indicating that the wastewater is not having a detectable effect on the creek for the measured parameters. All of the parameters assessed met the applicable water quality guidelines for aquatic life protection. The wastewater facility at Midway discharges treated effluent to the Kettle River. In the most-recent Canada-B.C. water quality assessment report, several variables that may be indicative of wastewater inputs were found to have increased slightly at this site over 1990-2007, including fecal coliforms, total phosphorus, and dissolved chloride. The City of Grand Forks WWTP discharges reclaimed water to the Kettle River. Total phosphorus increased very slightly over 1990-2007, but none of the other parameters that could be linked to municipal wastewater showed evidence of a trend.

Water quality in Christina Lake is regularly monitored because of the lake's value for both aquatic life and recreation, and site-specific Water Quality Objectives (WQO) have been set. The most recent WQO attainment report (2006 data) found that the WQO were met 97% of the time, with minor excursions for dissolved oxygen and Secchi depth. In addition to water quality sampling by government and dischargers, several community groups have been monitoring water quality. The Boundary Environmental Alliance has measured several metals, including uranium, in the tissue of freshwater mussels. The Christina Lake Stewardship Society carries out Secchi depth and water quality sampling in Christina Lake.

Regional District of Kootenay Boundary

Although our understanding of water quality in the basin is well served by regular monitoring at the Canada-B.C. sites, Christina Lake, and near the WWTPs; most of the data are concentrated in the southern third of the watershed. Less is known about water quality in tributaries.

Fisheries and Aquatic Habitat

The Kettle River supports several fish species, with most of the management effort focussed on rainbow trout and whitefish, with a more recent additional focus on speckled dace due to its endangered status under the *Species at Risk Act*. Of the 39 fish species present in the watershed, two are provincially red-listed (speckled dace and Umatilla dace) and five are provincially blue-listed (westslope cutthroat trout, cutthroat trout, bull trout, chiselmouth and shorthead sculpin). Westslope cutthroat trout, Columbia sculpin, and shorthead sculpin are listed as being of "Special Concern" under the federal *Species at Risk Act*, while speckled dace are listed as "Endangered".

There is a century-long history of fish stocking in the watershed, reflecting the local importance of the sport fishery and possibly a long-standing recognition of low sport fish abundance. Rainbow trout in particular have been stocked in the watershed many times and over many years, primarily with stocks from elsewhere in B.C. This may have affected the robustness of the native stocks, but this hypothesis has not been tested. The Kettle River and its tributaries are currently managed for conservation of wild stocks and for recreational fishing, and stocking is limited to lakes.

The population of adult rainbow trout is estimated to be below carrying capacity. In recent decades a progressive deterioration of the Kettle River sport fish fishery has been identified, indicated by decreasing abundance and size of rainbow trout present. These declines have been attributed in previous reports to interactions between natural and anthropogenic factors; chiefly seasonal low flow, high water temperatures, decreased habitat availability, and over-fishing. No single factor appears to be driving the decline in fish numbers and size; rather it is their combined effect on adult recruitment and survival.

Recent studies (2010-2011) sponsored by the Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) have confirmed that there are substantial reductions in rainbow trout parr rearing habitat under low flow conditions and suggest that these flow conditions in the lower portions of the watershed are significantly exacerbated by water withdrawal. However, the work conducted for this report indicates that current water usage may not as influential as other studies have suggested because of water suppliers' use of groundwater instead of surface water. Nevertheless, under below-average conditions, late summer flows fall below the 10% of Mean Annual Discharge (10% MAD) threshold where fish habitat availability and quality both decline significantly. The 10-year net low flows in September range between 3.6% MAD and 5.7% MAD, and the September 50-year net low flows range from 1.0% MAD to 3.0% MAD.

The MFLNRO studies have also documented variations in water temperature and shown that air temperature exerts the greatest influence on water temperature in late summer. The FLNRO studies aim to identify thresholds for regulation and closure of the fishery, determine minimum stream flow requirements and targets for protection of fish stocks; and specify management strategies to protect fish and fish habitat during critical low flow periods. Work is scheduled to be completed in 2013.

Speckled dace are abundant in the Kettle River watershed, but there are no assessments of population trends. This species is less affected by water temperature than are the salmonids in the watershed and prefer shallow, slow water over deeper fast water, and so may be less affected by current and predicted low flows than are rainbow trout.

Information Availability and Gaps

Despite the relatively low human population of the Kettle River watershed, there is a solid information base that can support water resource management decisions. This is because of its status as an international river and the history of irrigated agriculture in the watershed. The numbers of streamflow monitoring and long-term water quality monitoring stations are above average for B.C., but those stations are concentrated in the southern part of the basin near the border. At present, there are only two Environment Canada climate stations, both in the valley bottom. The recent development of a climate model by federal researchers enables a better understanding of climate variation in the watershed, but better coverage in the mid- to high elevations would be of benefit to confirm the model estimates. Building on the climate model, the Ministry of Agriculture's Irrigation Demand Model (IDM) and the water use records obtained for this study have improved the understanding of actual water use compared to a few years ago (Note that only the initial IDM estimates were available when this report was prepared. Future model runs will generate results for a broader range of conditions).

There is good groundwater data for the Grand Forks aquifer, leading to a reasonable understanding of surface water-groundwater interaction in this area. Less is known about these processes in other areas. The information base for fisheries is also reasonably good, augmented over the past three years by a focussed MFLNR study on low flows and water temperatures, and by monitoring of the effectiveness of LWD structures. Nevertheless, some information gaps remain. Although it is generally understood that riparian function has been affected by land use practices, only selected areas have been studied, limiting the ability to set priorities for management or restoration. A CWS study of riparian wildlife function is in progress.

To summarize, there is sufficient information for RDKB to begin moving forward with Part 2 of the Watershed Management Plan, although there are a number of important data gaps that should be addressed. Recommendations for additional technical studies fall into two categories: 1) those that should take place in the near future to support the management plan process, and 2) longer-term monitoring to support future water resource decision making.

Recommendations to Support the Watershed Management Plan

Technical studies that should be completed or started in 2012 to support the Watershed Management Plan are:

Groundwater-Surface Water Interaction

- An office-based assessment of surface water-groundwater interaction for valley-bottom areas outside of the Grand Forks aquifer, combined with updates of the existing and projected demand for groundwater from valley aquifers. This assessment will determine whether field studies or new Observation Wells are needed to better understand groundwater resource availability if the population grows, new economic activity is introduced, and/or the climate changes.
- Develop estimates of return flows from irrigation.

Irrigation Demand

- Complete additional studies with the Ministry of Agriculture Irrigation Demand Model to determine demand in average years and under one or more climate change scenarios (to date the model has only been run for 2003). Complete field audits and farmer/rancher interviews to assess how well the model matches with actual irrigation rates.

Water Quality

- A reconnaissance-level water and sediment quality sampling program (4 samples per year for 2 years) should be completed in tributary streams that are currently the focus of mineral exploration.

Regional District of Kootenay Boundary

Fisheries

- Conduct creel surveys in 2012 to update current angler use and fishing effects for both summer and winter fisheries; and
- Carry out a radio-telemetry study of adult and sub-adult rainbow trout to identify critical habitats that support summer rearing, spawning, and overwintering; and to confirm the fate of adult fish through the summer period, including whether they depart the river or die in response to ambient conditions.

Riparian Habitat and Function

- Summarize the results of the on-going riparian habitat assessment being completed by CWS and integrate that information with the high-level inventory of riparian cover completed for this study. The results should then be reviewed with stakeholders who are familiar with riparian condition in the watershed to set priorities for additional assessment, as needed.

In addition to these recommended technical studies, RDKB should work with the TAC and SAC to develop a number of population and economic growth scenarios for the Kettle River watershed. Once scenarios are in place it will be possible to estimate water demand and compare the demand to what is known about water supply.

Recommendations for Longer-term Assessment and Monitoring

- At least one new automated climate monitoring station should be installed at mid- to high elevation to augment the two existing low-elevations stations. The number and preferred location(s) of new stations should be determined in consultation with Environment Canada.
- A Farmwest climate station in rural Grand Forks should be installed as it would be of value to support irrigation planning and water conservation.
- Re-establish streamflow monitoring on Boundary Creek. Automated water quality monitoring systems should be installed at the same site to obtain continuous turbidity, temperature, and conductivity data to assess how often water quality meets guidelines.
- Conduct water quality monitoring at the former Canada-BC station at Gilpin, on the Kettle River downstream of Grand Forks to assess potential changes from historical data (1980-1994) and to compare to data from the Carson site upstream of Grand Forks.
- Depending on the findings of the groundwater-surface water data analyses recommended above, re-establish the decommissioned groundwater Observation Well at Midway or establish a new well at another suitable location between Midway and Westbridge.
- Install an additional groundwater Observation Well in the Grand Forks aquifer, as recommended by Wei et al. (2010).
- Continue with the fisheries studies that have been sponsored by MFLNRO over 2010-2011 to address the questions originally identified by Oliver (2001).

THE CITY OF GRAND FORKS REQUEST FOR COUNCIL DECISION

DATE : December 6, 2012
TOPIC : Asset Disposal Procedure Policy
PROPOSAL : Adoption of the Asset Disposal Procedure Policy
PROPOSED BY : Chief Financial Officer

BACKGROUND AND SUMMARY:

The current practice for disposal of an asset when it has reached the end of its useful life has been by either sealed bid or public auction out of town. While this procedure has generally been satisfactory, there is no written procedure in place.

STAFF RECOMMENDATIONS:

Option 1: Staff recommends to Council to adopt Policy #805 "Asset Disposal Procedure Policy".

OPTIONS AND ALTERNATIVES:

Option 1: Council adopts Policy 805 – Asset Disposal Procedure Policy. This option will allow the policy, as drafted and as attached, to be implemented no later than January 1, 2013.

Option 2: Council declines to adopt the policy as drafted and presented. This option will see the status quo of no written Asset Disposal Procedure Policy in place.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The advantage to this option is that there is a written procedure in place to dispose of Assets that have reached the end of their useful life.

Option 2: The status quo will remain as is.

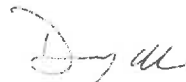
COSTS AND BUDGET IMPACTS – REVENUE GENERATION:

There are no direct costs involved in adopting a policy for disposition of Assets.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:



Department Head or CAO



Digitally signed by Doug Allin
DN: cn=Doug Allin, o=City of Grand Forks,
ou=CAO, email=dallin@grandforks.ca,
c=CA
Date: 2012.12.12 14:24:41 -08'00'

Reviewed by Chief Administrative Officer

THE CITY OF GRAND FORKS			
POLICY TITLE:	Asset Disposal Procedure Policy	POLICY NO:	805
EFFECTIVE DATE:	December 17, 2012	SUPERSEDES:	New
APPROVAL:	Council	PAGE:	1 of 2

1.0 Purpose of Policy

This procedure establishes guidelines for Departments to properly dispose of a Tangible Capital Asset.

2.0 Objectives

- 2.1 Department managers will determine when municipal assets eventually become obsolete or have reached the end of their useful life.
- 2.2 Department managers will dispose of these assets while achieving maximum revenue potential and minimal disposal costs.
- 2.3 Department managers will protect the City's data and client information at all times.
- 2.4 Department managers will dispose of all assets with the environment and recycling in mind.

3.0 Responsibilities

- 3.1 Department managers and supervisors will initiate the asset disposal process by completing an asset disposal request form and forwarding the form to the Chief Financial Officer.
- 3.2 The Chief Financial Officer will consider the information provided and together with the Department manager will recommend whether the asset should be traded in, sold by auction, sold by tender, offered to one of the City's reporting entities, taken to the Reuse Centre at the landfill or destroyed.
- 3.3 The asset disposal form and recommendations of the Chief Financial Officer will be forwarded to the Chief Administrative Officer for approval or other instruction.

3.4 The Chief Financial Officer will assist in coordination of the asset disposal by auction or tender and will direct Department managers or supervisors on other asset disposal methods.

i. All bids will be addressed to the Corporate Officer and will be opened precisely at the designated time on the designated day.

NO EXCEPTIONS.

ii. Notice for items to be disposed by auction or tender must meet Community Charter s. 94 Requirements for public notice.

3.5 The Department Manager responsible will destroy obsolete computer hard drives (understanding and agreeing that any computers, software, data and storage media may contain proprietary and confidential information about the City and its customers or its vendors, and that it is the property of the City at all times) and coordinate with the Chief Financial Officer to send the remainder of obsolete computers for e-waste recovery at the nearest recovery centre.

3.6 The Department Manager responsible for disposal will ensure that all City of Grand Forks identification marks are removed prior to disposal.

3.7 Persons responsible for supervising the disposal of the asset will record the date and certify the disposal on the asset disposal request form.

3.8 The completed asset disposal form will be forwarded to the Chief Financial Officer to update financial and asset records.

THE CITY OF GRAND FORKS REQUEST FOR COUNCIL DECISION

DATE : December 6, 2012
TOPIC : Purchasing Policy
PROPOSAL : Adoption of the proposed new Purchasing Policy
PROPOSED BY : City Staff

SUMMARY:

As part of good governance practice, Councils need to review general government policies that meet its vision. Staff is currently reviewing a variety of policies, and has completed its review of purchasing policies. An important cornerstone of good governance is to control and properly authorize expenditures. This Purchasing Policy is before Council at this time for consideration.

STAFF RECOMMENDATIONS:

Option 1: Staff recommends to Council to approve the Purchasing Policy as presented for implementation no later than December 31, 2012.

OPTIONS AND ALTERNATIVES:

- 1. Approval of Purchasing Policy:** Under this option, Council deliberates the policy, and makes amendments as desired. Policies are designed to assist Staff in dealing with repetitive issues and also make the general public aware of the City's direction on repetitive issues. The City establishes accountability and transparency in conveying the manner in which issues coming before Council and Staff will be handled.
- 2. Decline to approve the proposed new Purchasing Policy:** This option will provide with the status quo, under the existing purchasing policy.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The main advantage is that this policy establishes spending authority limits for employees of the City. It also establishes a process for goods and services at increasing levels of spending.

Option 2: The disadvantage of not adopting the proposed new purchasing policy is that the City will continue operating under the old purchasing policy, adopted by a previous Council, which lacks spending authority limits for employees of the City. The current process for levels of spending is also unclear.

COSTS AND BUDGET IMPACTS – REVENUE GENERATION:

The proposed policy is intended to save money and establish guidelines for the proper authorization to purchase goods and services for the City.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

Policies follow from City bylaws and from the Community Charter and the Local Government Act.



Department Head or CAO



Reviewed by Chief Administrative Officer

Digitally signed by Doug Allin
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ou=CAO, email=dallin@grandforks.ca, c=CA
Date: 2012.12.12 14:25:21 -0800

THE CITY OF GRAND FORKS		
POLICY TITLE: Contracting Authority & Purchasing	POLICY NO:	802
EFFECTIVE DATE:	SUPERSEDES:	802 Purchasing & Tendering
APPROVAL: Council		PAGE: 1 of 6

POLICY:

The City of Grand Forks will procure all goods, services and construction of assets in accordance with this procedure.

POLICY OBJECTIVES:

The objectives of this policy are to:

- a) Establish authority to enter into a procurement contract on behalf of the City.
- b) Establish spending authority limits within approved budget limits.
- c) Identify types of procurement contracts that can be entered into.
- d) Encourage as a preference, contracting agreements and purchasing criteria that:
 - (i) promotes reduction of Green House Gases.
 - (ii) considers the life cycle cost of the acquisition rather than just the initial purchase price.
 - (iii) seeks the best value and service.

PROCEDURE

General:

a) **Responsibilities:**

- i. Department Heads are to ensure that funds are available within the spending authority of those authorized to sign a procurement contract on behalf of the Department.
- ii. The Chief Administrative Officer may designate Department Heads to approve incoming invoices from contracts, utilities, government agencies and any other approved payables up to specified limits. Authorizations to be in writing and may be revoked at any time.

b) **Sustainable Business Practice:**

- i. The City shall give preference to contracts, equipment, machinery, vehicles and supplies which incorporate green or sustainable business practices or technology. This preference shall form part of the RFP and the evaluation criteria used to assess proposals when it applies.

- ii. Evaluation criteria shall make reference to purchase cost, fuel consumption cost, GHG emissions and total life cycle cost (including purchase, fuel operating and maintenance costs) over the life of the equipment of contracted service.

c) Application:

This policy applies to all activities, works or services entered into by the City except contracts of employment.

d) Prohibition:

- i. All procurement by the City of Grand Forks will be consistent with the requirements under AIT (Agreement on Internal Trade) and TILMA (Trade, Investment and Labour Mobility Agreement).
- ii. No one other than the Chief Administrative Officer or the Chief Financial Officer will enter into a contract for goods or services.

e) Spending Authority:

To allow for the efficient operation of the City's departments, the following authority levels are delegated to Department Heads for individual invoices and individual contract limits.

	Spending Limit
Chief Administrative Officer	Within Financial Plan
Chief Financial Officer	\$20,000
Corporate Officer	\$10,000
Manager of Operations	\$10,000
Manager of Technical Services	\$10,000
Fire Chief ^	\$10,000
Manager of Environmental Services and Building Constructions	\$5,000

Workforce Spending:

To allow for the efficient operation of the City's departments, the following authority levels are delegated to various employees within their Department budgets:

	Spending Limit	Type of Goods
All Coordinators	\$1,500	All
Mechanic	\$1,500	Supply
Accountant/Controller	\$1,500	All
All Employees	\$100	Supply

Department Heads must counter-sign all Departmental Purchase Orders prior to submitting to Accounting Department.

Definitions:

Alternate Fuels - fuels available for use other than conventional fuels (oil, gasoline, natural gas, propane and diesel).

City - the Corporation of the City of Grand Forks

Formal Public Tendering Process - the process whereby bids are solicited by the City by means of public advertising including by newspaper, publications, website or BC Bid. Bids are normally opened and read publicly at a fixed time and place.

GHG (Greenhouse gases) - equivalent tones of carbon dioxide (CO₂) emitted into the environment through the use of various types of energy sources.

Goods - materials, equipment, or supply

Holdback - monies held back from progress payments.

Late Bid - an offer received in the designated location after the specified closing date and/or time.

Lease - a contract by which the City acquires the use and possession of lands, buildings, and personal property for a specified time at a fixed payment.

Life Cycle Cost - the total cost to purchase and operate a type of vehicle or equipment or contracted service. This shall include initial purchase cost, operational cost, maintenance cost, fuel cost and GHG emissions.

Lowest Evaluated Bid - the bid which meets the specifications at the lowest overall cost to the City, as determined by the Chief Administrative Officer or designate, considering such factors as suitability, price, availability, service related administrative cost, and disposal value. The lowest overall cost shall be evaluated over the life cycle of the equipment or contracted service. This shall include purchase cost, operating cost, maintenance cost, fuel cost and GHG emissions.

Procurement Contract -

- Purchase Order issued for procurement of goods or services;
- Service Contract issued under a written agreement with the supplier of services, or;
- Construction Contract entered into in writing with the successful bidder following an invitation to tender for construction of an asset.

Progress Payment - a payment made under the terms of the contract before completion of the contract.

Proposal - an offer to provide goods, services, or construction submitted to the City in response to a request for a proposal.

Purchase Order - the pre-printed, pre-numbered form containing all the necessary information and signatures required to begin procurement action.

RFP (Request for Proposal) - the process whereby proposals are solicited by the City by means of invitation to particular suppliers or advertising. Proposals are reviewed by Staff against grading criteria as described in the proposal.

Security -

- Certified cheque or other legal instrument made payable to the City of Grand Forks;
- Government guaranteed bond; or
- Other security as may be considered appropriate.

Service - performance of work to meet a general need by a person(s) not an employee of the City of Grand Forks.

Responsibilities

a) Department Head:

- i. Ensure that all procurement contracts initiated within the department are complete and properly authorized, including, if necessary, to be authorized by Council, prior to being sent for procurement action.
- ii. Ensure that expenditures are identified in the Financial Plan and within the spending authority of those authorized to sign a procurement contract on behalf of the department.

b) General Guidelines:

- i. Procurement documentation must be in place before goods are delivered or services rendered, including a contract for services covered under a Service Contract.
- ii. Unauthorized Purchasing: Any employee who willfully acquires goods or services in contravention of this policy or relevant procedures is liable to disciplinary action.
- iii. Purchase Orders:
 - Official; 8 ½" x 11" sequentially numbered form.
 - All applicable sections must be completed, including an actual or estimated cost, and the account to be charged for the item(s).
 - Copy distribution: White - Supplier

Yellow - Accounting
Scanned to file

- May have additional information attached such as drawings, detailed specifications, samples, etc.
- Cancellation of a Purchase Order - ensure that all copies are cancelled/marked as VOIDED.
- Ensure that a Purchase Order is completed and its number quoted when an order is placed with a supplier.

Purchase orders shall be issued for all goods and services in excess of \$1,000, unless exempted under procedures.

When an invoice is received the issuer of the order, or designate, must confirm that the goods received are as requested and priced as quoted.

Exemptions: the following expenditures do not require a Purchase Order:

1. Petty Cash disbursements
2. Purchases covered by annual or other contracts such as: chlorine, gasoline, diesel, equipment leases, fees for service
3. Association dues and membership fees, publications, legal and accounting fees, donations and grants-in-aid
4. Utility charges
5. Travel expenses and advances
6. Payment for expenditures relating to payroll and payroll deductions, including union dues and social club fees.
7. Payments to other governments and their agencies

iv. Service Contract:

A pre-negotiated and/or tendered agreement, usually of a long-term duration, for such items as: .

- Auditing services
- Bonding services
- Maintenance agreements
- Lease agreements
- Fuel supplies
- Externally owned machinery and/or operators, or
- Other

When a Service Contract has been awarded, direct orders may be placed with the supplier by authorized personnel.

v. Verbal Quotes:

Verbal quotes are to be sought for supply of all goods and services from at least three suppliers when the cost is estimated not to exceed \$5,000.

Managers are to record in writing, the results of the verbal quotations when the cost is estimated to be between \$5,000 and \$10,000.

vi. Formal Written Quotations:

Written quotations are to be sought for the supply of all goods and services from at least three suppliers when the cost is estimated to exceed \$10,000 and not exceed \$50,000.

vii. Formal Public Tendering and Request for Proposals:

Tenders and request for proposals are to be sought by formal public advertising for the supply of all goods and services when the cost is estimated to exceed \$50,000. Procedures for receiving and opening tenders shall conform to the following:

- Tenders and RFP's enclosed in sealed envelopes will be received at the tender address until tender closing time;
- All tenders and RFP's will be recorded as to the date and time received at the front counter who will file the tender in the vault until tenders are opened;
- Verbal and late bids will not be accepted.
- Facsimile transmitted bids or tenders will be accepted up to the closing time and date of the tender. Facsimile amendments to bids or tenders will be accepted unless specifically prohibited in the bid or tender document.
- One member from Corporate Services and the department head or

designate responsible for the project will proceed with the tender and RFP opening at precisely the designated time on the closing day. Council is invited to be in attendance.

- Tender and RFP envelopes shall be opened and each tender and RFP shall be checked to ensure that it is signed and valid in respect of any bid bonds, etc. Any financial securities shall be stored in the vault for safekeeping.
 - Security, as required by the Invitation to Tender, must accompany the tender bid in order to be considered.
 - Tenders are normally opened/registered in public at the City Office. Requests for Proposals are not normally opened publicly.
- Where only one tender is received, the City reserves the right to not make the amount of the tender public at the tender opening. The amount of the tender will be made public if a contract is awarded.

A contract may, in most cases, be awarded to the lowest bid. However, the City, for its sole benefit, reserves the right to award a bidder it deems appropriate based on scoring of evaluation criteria identified in the tender or RFP document.