



DIRECTORS' NOTICE OF NEW BUSINESS

To: Chair and Directors

Date: March 7, 2019

From: Director Goodings

Subject: JK Solutions Ltd. Contract Award for Rural Roads Phase 4

RECOMMENDATION: *[All Directors - Corporate Weighted]*

That the Regional Board waive Purchasing Policy and direct award a contract to JK Solutions Ltd. for Phase 4 of Rural Roads Strategy in the North Peace for work to be performed from April 1, 2019 to March 31, 2020 for an amount not to exceed \$130,000, and further that the contract be funded through Economic Development, and further that the Chair and CAO be authorized to sign the contract.

BACKGROUND/RATIONALE:

The rural roads in the Peace River Regional District are deteriorating due to the lack of sufficient funding. Rural roads are used extensively by oil and gas, agriculture, forestry and residents. When neglected, they become cost prohibitive to repair. There are a number of rural roads that remain gravel on otherwise hard surface roads. The graveled sections of these roads require constant maintenance, dust control and grading to keep them in reasonable shape. Many are in need of drainage upgrades and maintenance to keep the road from deteriorating further.

In November 2017, the North Peace Economic Development Commission (NPEDC) contracted JK Solutions Ltd. to create a report targeting a high level review of the road network to determine the value of reestablishing an organized committee or task force to address current North Peace road concerns.

In December 2017, the NPEDC met with JK Solutions Ltd. to go over the findings of the report from Phase 1 of the Rural Roads Revisited Study. At that time, it was discussed that the NPEDC would like to continue working with JK Solutions and move onto Phase 2 of the Rural Roads Strategy. JK Solutions Ltd. indicated that with the data they already had, they could create a report to the NDP Government with the intention that it would be used as a Delegation to Victoria in order to secure funding towards rural roads in the North Peace.

During the January 11, 2018 Regional Board meeting, the Board resolved to enter into contract with JK Solutions Ltd. for the additional work to be performed.

During the April 26, 2018 Board Meeting, the Board resolved to enter into contract a third time with JK Solutions. The contract end date is March 31, 2019.

Objectives in the draft 2019/20 Work plan include:

- Continue 2018/2019 efforts
- Relationship building with key Ministries
- Lobby Provincial Government
- Ministers Tour
- Road Evaluation
- Communication/Newsletter
- Research
- Director Meetings, Rural Roads Task Force/Steering Committee Meetings
- Attend UBCM

ATTACHMENTS:

1. North Peace Rural Roads Initiative Stakeholder Newsletter Volume 1
2. North Peace Rural Roads Initiative Stakeholder Newsletter Volume 2

Reviewed by the Board March 14, 2019



North Peace Rural Roads Initiative

Stakeholder Newsletter

The Peace River Regional District has been advocating for improvements on rural roads since 1987 and we are pleased to share the first edition of the NPRR Stakeholder Newsletter. We will use this brief format to keep rural road users updated on our activities and expect to publish a newsletter at least quarterly, or more often if required.

History

The Rural Roads Task Force (RRTF) was established through the North Peace Economic Development Commission (NPEDC) and lobbied for rural road improvements between 1997 and 2003. In 2003 the BC Ministry of Transportation (MoT) established Regional Transportation Advisory Committees (RTACs) throughout the province, based in large part of the success of the RRTF and the millions of dollars in transportation investment that was a direct result of the task forces activities. RTAC's continued under the direction of the MoT through the fiscal 2007/08.

The RRTF was extremely successful as it demonstrated the benefits to government and the return on investment for infrastructure spending by creating certainty for industry, shortening travel cycle times, reducing the duration of annual load restrictions, increasing the competitiveness of the region and making it an attractive area for private industry investment. That investment translated to increased royalties for government, more jobs for workers and a strong economy for the region and the province.

In the fall of 2017, the Peace River Regional District (PRRD) revived and provided funding for this project on the recommendation from Electoral Area Directors of Area "B" and "C" and the Mayors of Taylor and Hudson's Hope.

Purpose

To develop, facilitate and sustain a Rural Roads process that will demonstrate to the provincial government the social and economic importance of safe and reliable rural roads that are upgraded and maintained to a condition suitable for the type and volume of traffic that rely on them.

Objective

To ensure a collaborative, unified, consistent and well supported message from the region, the NPRR will engage rural residents, industry (individuals and associations) and elected officials to participate and provide input to the process and priorities to be delivered to the provincial government.

Scope

The initiative scope includes roads and related infrastructure (e.g. bridges, culverts, ditches) managed and maintained under the direction of the MoT that meet the following criteria:

- located in the North Peace area of the PRRD;
- primarily serve rural residents and industry (e.g. agriculture, forestry, energy and oil and gas)

Excluded from the scope are:

- non-provincial roads within municipalities boundaries
- subdivision roads
- numbered highways (Hwy 97 and 29)
- industry roads (Petroleum Development Roads or Forest Service Roads)

PRRD Directors

The North Peace Rural Roads initiative is funded by the Peace River Regional District and work will be directed by :

- Director Karen Goodings— PRRD Area 'B'
- Director Brad Sperling—PRRD Area 'C'
- Mayor Rob Fraser— District of Taylor
- Mayor Gwen Johansson—District of Hudson's Hope

Director Goodings will chair the initiative and the task force to be established.

How to get involved

1. Become a Stakeholder. This will open up communication lines directly to/from the Directors, Task Force and the consulting team. If you are interested, we invite you to be on the Stakeholder list. Send your email address to jackie@jksolutions.ca
2. Volunteer to take a seat at the table by joining the Rural Roads Task Force. The terms of reference are below and we need to know **by July 11th** who is interested in a seat at the table. Contact Jackie at (250) 262-5510 or email jackie@jksolutions.ca
3. Friend and follow us on Facebook at: <https://www.facebook.com/NorthPeaceRuralRoads/>

Task Force Terms of Reference

The Directors will solicit volunteers to establish a task force to identify impacts, provide sector specific input and determine overall strategies for the message to be delivered to government regarding North Peace rural roads.

Membership

Membership will be sought from the following groups:

- rural residents or their elected representatives (regional/provincial)
- agriculture industry
- forest industry
- oil and gas industry
- trucking/transportation industry
- other as determined by the Directors

The task force membership should reflect the geographic areas of the North Peace. Where practical, a task force member would be able to represent more than one sector and/or geographical area.

All decisions regarding membership to the task force will be made by the Directors. There will be no reimbursement for time on the task force, but where travel out of town (e.g.

Victoria) is required by a task force member, it may be pre-approved by the Directors and covered by the initiative.

Size

The Directors will determine the number of task force members, ideally selecting between 7-12 members, based on annual priorities.

Duration

Task force members shall be appointed for a term of the fiscal year associated with PRRD funding. Annually, the Directors will review task force membership and make changes at that time if necessary. If a member leaves the task force during the year, the Directors may choose to select a replacement or continue the year with the vacancy.

Meetings

Meetings will only be held when there is a specific purpose, need or value identified. The process will rely when possible on remote communication (email, telephone, conference calls, Skype, etc.). Task force members should expect 3-4 meetings per year. Roberts Rules of Order apply.

Location

Meetings will generally take place in Fort St. John unless there is a specific value in

an alternate location (e.g. as part of a specific area tour). Meetings will generally be held in the evening and limited to a maximum of 3 hours.

Alternates

Every effort will be made to select times when all task force members are available for meetings. Due to the progressive nature of the content and decision making of the task force, alternates will not be used if a member is unable to attend a meeting.

Decision Making

The goal with decision making is to reach consensus, but where that can not be achieved in a reasonable time frame, simple majority will prevail. In the event of a split decision, the Chair will cast an additional and final vote. Staff and consultants do not vote.

Quorum

A task force meeting quorum will be the Chair plus 4 task force members.

Agenda and Minutes

Agendas will be developed prior to meetings and minutes of key discussions and decisions will be kept.

2017/18 Activities to Date

1. Nov/Dec 2017—prepared a gap analysis to determine if there was value in reviving the initiative
2. Jan/Feb 2018—developed and delivered a report to the Ministry of Transportation and Infrastructure
3. PRRD Board funded the initiative for 2018
4. Established a Facebook page to encourage road user input
5. Developed a stakeholder list for communications and to solicit participants for the Rural Roads Task Force

What is Next?

Ministers Tour

The Honorable Claire Trevena, Minister of Transportation and Infrastructure has been invited for a tour of the North Peace Region. It is anticipated that the tour will take place in the summer or early fall of 2018.

Task Force Establishment

All interested in a seat on the task force are asked to let Jackie know **by July 11th** at jackie@jksolutions.ca.

The selected task force members will be notified July 16 and we will hold the first meeting on July 30 in Fort St. John.

Change doesn't happen overnight... but it can happen if we work together.

121 Montney Road when RRTF started in 1997



The same location in 2005



Meet the Consulting Team

Jackie Kjos, JK Solutions Ltd. is the lead consultant for the initiative. Jackie supported RRTF and RTAC as well as developing the recommendations for the Oil and Gas Initiative II which invested \$100 million in public roads in Northeast BC. Jackie has been consulting for 20 years and spent most of her life in Northeastern BC. She currently resides in the Sherwood Park area.

Bruce MacKay, B Mackay Consulting knows the North Peace rural roads as well as anyone. He was formerly the District Manager for the Ministry of Transportation and then the Manager of YRB. Bruce was very instrumental in the success of the previous RRTF and we are happy to have him on the team, this time as an independent consultant residing in Dawson Creek.

Steve Nicol, Lions Gate Consulting Inc. is one of BC's leading economic development consultants. He has worked extensively in Northeast BC with all levels of government. Jackie and Steve have collaborated on projects for nearly twenty years and Steve is well connected and experienced to help develop our business case. Steve runs his successful consulting practice from Vancouver.

Contact: Jackie Kjos—JK Solutions Ltd. (250) 262-5510 or jackie@jksolutions.ca

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North Peace Rural Roads Initiative

Stakeholder Newsletter

Good Roads Cost Less

The North Peace Rural Roads Task initiative (NPRR) was established to advocate for improvements to the rural road network to benefit residents, First Nation and Unincorporated rural communities and industries that rely on them every day. This is our second newsletter to update road users on our activities and progress to date.

Farrell Creek Hill - Priority 1

There are many road priorities in the North Peace but none are currently more important than the Farrell Creek hill. On July 20th the hill slid at multiple locations causing the Ministry of Transportation and Infrastructure (MoTI) to immediately restrict traffic on the hill to 50% legal axle loading. That restriction lasted for 26 days until August 15 when it was amended to 100% where it remains today.

During the 50% restriction, all traffic had to detour via Beryl Prairie adding up to 140 km per round trip and costing millions of dollars for industry and inconvenience and cost for residents. It also put tremendous pressure on the Beryl Prairie road which was being used as a detour.

The Farrell Creek slides highlight the risk the province is taking by not proactively rehabilitating slides before they completely fail. This hill has been sliding for years and now the potential re-establishment of this critical corridors is counted in years, not months.

MoTI reports the following progress since the slide:

- working with BC Hydro to relocate power poles at the top of the hill to allow short-term realignment;
- re-establishing two lanes of traffic on the lower slide;
- setting legal axle loading at 100% (they will monitor and assess through the winter along with any traffic control requirements);
- collecting geotechnical data;
- enhancing maintenance on Beryl Prairie road to handle the short term increase in traffic; and
- assigning a project manager to look at options for permanent realignment.

Pullouts

Most hard surfaced rural roads in the North Peace are high and narrow with no shoulders and steep ditches. In addition to the safety risk, the design severely impacts the agriculture industry's ability to move large farm equipment. Ideally the roads could be upgraded to a wider design, but short term, we are advocating for development of pullouts at regular intervals to allow large equipment to pull over and let vehicles past. To keep them cost effective, pullouts will have to be built within existing road allowances and would probably only accommodate one or two large vehicles at a time.



What have we been up to?

Following is a brief summary of the meetings and presentations undertaken in the last half of 2018. Unless otherwise noted, external meetings and presentations were done by Jackie Kjos the registered lobbyist consultant for the initiative. All presentations had a similar message on the need for safe reliable rural roads capable of supporting their current and projected use.

RRTF Mtg # 1 - July 30

At the inaugural meeting of the new RRTF we reviewed the charter and terms of reference and work completed to date including a copy of the report prepared for government in January. We developed a draft vision of what we wanted to achieve, did some action planning and reviewed the communications and contacts that would be required for success.

RRTF Mtg # 2 - Aug. 27,

We finalized discussions on charter, terms of reference and vision at this meeting. We collectively developed the messaging for materials for presentation at the Union of BC Municipalities (UBCM) meeting with Minister Trevena (MoTI). We made decision on which other presentations to pursue.

MoTI & MEMPR - Aug. 29

At this meeting with the Pacific Gateway Branch (MoTI) we were able to get a better understanding of the scope of current corridor studies. To date the importance of the corridor between Alberta and Northeastern BC has not been considered in Pacific Gateway trade. MEMPR gave an overview of their current Infrastructure Royalty Credit Program (IRCP). Hali Davenport from MoTI Peace District joined via teleconference.

Jackie had a separate meeting with MEMPR Deputy Minister Dave Nikolejsin focusing on development of the North Montney gas field and the overall lack of public infrastructure. We also reviewed the impacts of the Farrell Creek hill slide on industry and the potential realignment

of Highway 29 directly below the hill. Dave followed up this meeting by facilitating meetings with BC Hydro and his Assistant Deputy Minister to further explore road issues and the IRCP.

BC Hydro - Sept. 5

The meeting with Site C leadership in Vancouver verified Highway 29 alignment plans directly below the Farrell Creek hill. The profile of the slide area is such that any disturbance below the road could further destabilize the road. We were able to confirm that realignment of Highway 29 will go out into the river and will not disturb the existing hill or highway. The tie in will be east of the current Farrell Hill intersection.

MoTI - Sept. 11

Director Goodings and Jackie presented to Renee Mounteney A/Assistant Deputy Minister Infrastructure. She has a very good understanding of the challenges in the North Peace from her experience here as District Manager and provided suggestions on who else we should engage in the ministry with our message.

UBCM was our first opportunity to present directly to MoTI Minister Honorable Clair Trevena and her senior staff. The format of UBCM is a very brief presentation that was attended by the PRRD Directors and staff. The impacts of the Farrell Creek hill, the resulting impacts on Beryl Prairie road and the general need for incremental investment were our key messages. We also expressed our commitment to work with MoTI to find solutions, not just bring forward problems.

MEMPR - Sept 11

During this presentation to Assistant Deputy Minister Ines Piccinino we had good discussions about the structure of the current IRCP and opportunities for the program to extend to public roads. This was our first opportunity to specifically request a program similar to the Oil and Gas Initiative 2 (OGI2) in 2001 to upgrade key public corridors to support the industry.

Industry - Sept. 11-12

While at UBCM Jackie met with senior representatives from Canfor, Canbriam Energy Inc. and Progress Energy Ltd. to discuss the issues with the Farrell Creek hill, detour on the Beryl Prairie road, the general lack of infrastructure in the North Montney area and the potential for partnership and mutual support. We reviewed the role the Kobes and Haystack roads may play in opening up the area.

Select Standing Committee on Finance and Government Services - Sept. 17

Director Goodings and Jackie made a brief presentation to this all party committee of the legislative committee when they were doing consultations in Dawson Creek. In addition to a quick overview of the North Peace road challenges and opportunities, we supported continuation of the IRCP.

RRTF Mtg # 3 - Sept. 18

Along with some updates and previous business, this meeting was about how we would ultimately decide priorities for road upgrades. We identified broad, shared visions and values that make consensus easier to achieve than starting with specific roads. The task force also looked more closely at the issue of maintenance, road classifications, upcoming contract renewals and how to find more information about all of them.

MoTI - Oct 17

Jackie presented to Assistant Deputy Minister Kevin Richter and Scott Maxwell, Executive Director, Northern Region. Both had been at UBCM but this was a longer meeting with more opportunity to present a fuller picture of the North Peace road challenges and opportunities. They were engaged and understanding of the challenges and supportive of our approach and focus on solutions. They shared some of the challenges the Ministry is facing elsewhere in the province including the impacts from the drop in revenue from toll removals in the lower mainland.

MEMPR - Oct. 18**October 18, 2018 - Victoria**

Director Goodings, Bob Fedderly and Canbriam VP Donna Phillips joined in this meeting with Assistant Deputy Minister Ines Piccinino and senior staff for a round table brainstorming session to see if there were opportunities within the IRCP that could help develop the public road network (public and industry) in the North Montney.

RRTF Mtg. #4 - Nov. 6

This meeting was to develop our road priority list. We also reviewed options to support new pullouts primarily in the agriculture areas and reviewed the upcoming helicopter tour.

MEMPR, OGC and MoTI Tour and Dinner - Nov. 8

We hosted a helicopter tour for MEMPR Deputy Minister Dave Nikolejsin, OGC Commissioner, Paul Jeakins and MoTI Regional Manager Planning and Partnerships Bryan Crosby. Following the tour we had an informal dinner with opportunity for the RRTF to talk to the guests.

The first part of the flight took in the Old Fort slide, Site C, Macro Industries construction sites and laydown yard for the North Montney Mainline, the Farrell Creek hill and Beryl Prairie community. From there we flew directly to the Haystack bridge where along the way Lloyd Hayden and our pilot were able to point out various energy and forestry activities and roads.

From there we travelled down the Upper Halfway discussing the importance of the road and consequences of a slide. We flew east over the agriculture areas to Peterson's Crossing where we were able to talk about the impact paving roads like Prespatou, Buick Creek, Montney, Beatton Airport, Doig and Milligan/PJ had on the lives of road users and residents in First Nation and Unincorporated rural communities. We discussed the challenges those same roads have caused the

agriculture industry and our request for pullouts to help them. This leg also gave us the opportunity to point out how heavily the roads outside of the North Montney are still being used to service existing conventional gas fields. We took a close look at the slides at Peterson's Crossing, the Montney Coulee and then flew back to Fort St. John.

We feel this was a very valuable trip for our guests and an effective way to advance our concerns. We look forward to a similar trip in the spring which will include a ground trip with MoTI Minister, Honorable Claire Trevena.

Infrastructure Royalty Credit Program

We have discussed the IRCP program at numerous meetings over the past few months. It is important for readers here to understand some key principles of IRCP.

- the existing program has expired and there is no guarantee it will be renewed
- past infrastructure projects have extended only to new/upgraded industry roads and pipelines (including associated installations and facilities)
- industry must apply to the program which is generally over subscribed.

The primary reason the NPRR initiative has engaged on this topic is to encourage any new IRCP to consider partnership between MoTI and Industry when producers need to upgrade or build roads near existing public roads. The North Montney has numerous public roads (e.g. the 3 Cache roads, Pink Mountain, Cypress) that are not currently strong enough to sustain new drilling and development programs.

In those circumstances, industry may be able to partner with MoTI, potentially using IRCP to offset costs. This will result in a lasting legacy of a high grade public road that benefit all residents and road users while reducing the overall disturbance footprint in the area.

Fundamental to this concept is that this is **ONLY** an option when Industry initiates it and if it is approved by the IRCP.

NPRR Priorities

Following are the roads we have identified for upgrade and hard surfacing:

- Aitken Creek
- Baldonnel
- Beatton Airport
- Beryl Prairie
- Bison
- Cypress
- Farrell Creek
- Golata Creek
- Graham
- Lower Cache
- North Cache
- Pink Mountain
- Rose Prairie (gravel portion)
- Siphon
- Stoddart
- Upper Cache
- Van Ingren

We have also identified these hill and slides that require urgent rehabilitation:

- Golata Creek Hill
- Montney Coulee
- Peace View
- Peterson's Crossing
- Upper Halfway (multiple)

MoTI 2018 Program

The following improvements were made in the North Peace over the 2018 construction season

- 62.5 km of asphalt resurfacing on portions of Farrell Creek, Prespatou, Rose Prairie, Montney and Beatton Park roads
- 92.8 lane km of gravelling in the Goodlow, Clayhurst and Upper Cache areas
- 123.5 km of dust control in various locations
- 20 km of gravelling and ditching and 5 culvert replacements on Triad
- Base repair, ditching and a drainage review (in progress) on Baldonnel.

Meet the 2018/19 North Peace Rural Roads Task Force

The initiative used the previous newsletter to call for volunteers to sit on the new task force. We were fortunate to have more volunteers than could practically participate so the PRRD Directors asked the following people to join them in forming the new RRTF to advise and drive the direction of this initiative.

Art Jarvis - Energy Service Sector

Art owns a local service company providing pressure trucks and other environmental services to the energy sector. Art has been active in the community for many years through local and provincial industry associations.

Bob Fedderly - Heavy Hauling

Bob is a lifetime resident of the Peace and owner of multiple trucking companies. He has a long history of supporting initiatives like NPRR bringing exceptional knowledge of the trucking industry, heavy hauling, weights and dimensions and regional competitiveness.

Brad Sperling - Rural Area 'C'

Brad was first elected Director for PRRD Area 'C' in 2014 and has served as the board chair since 2017. Brad has lived in the area for 35 years where he has worked as a self employed carpenter.

Catie Underhill - Pipeline

Catie Underhill resides in Calgary where she handles Community Relations for TransCanada. She is frequently in the region meeting with community groups and local governments as the North Montney Mainline is being constructed.

Curtis Rogers - Transportation

Curtis is the co-owner of a long time Fort St. John trucking company offering sand gravel and other commodity hauling.

Dave Heiberg - Hudson's Hope

Dave is the new Mayor of Hudson's Hope and joined the task force in the fall. He moved his family to Hudson's Hope in 1980 to accept a role as a high school teacher and continues to substitute teach between his new Mayoral duties.

Doug Summer - Livestock

Doug is a lifetime resident of the Hudson's Hope area and has wore many hats in the agriculture, forest and energy industries. Doug was an original member of RRTF and represents primarily the livestock industry, but has excellent insight to all of the major North Peace industries.

Ernest Wiebe - Crops and Livestock

Ernest has lived north of Fort St. John all his live where he raises crops, livestock and works in the logging industry. Ernest is a member of and represents the BC Grain Producer's Association.

Gwen Johansson - Hudson's Hope

Gwen is the newly retired Mayor of Hudson's Hope who is remaining on the task force for now to ensure continuity. Gwen has been a lifetime advocate for the Peace region at the local, regional and provincial level.

Jim Little - Crops

Jim is long term north Peace resident and had a long career with the provincial government and more recently consulting. He is a member of and represents the North Pine Farmers Institute who were instrumental in urging the PRRD to revive the rural roads initiative.

Jim Schilling - Forestry

Jim is a lifetime resident of the Peace and one of the original members of the RRTF. Jim is the Operations Supervisor for the Canfor Peace Region.

Karen Goodings - Rural Area 'B'

Karen was first elected Director for PRRD Area 'B' in 1988 and served as chair for many years. Karen was the driving force behind establishment of the previous and current road initiatives. Karen's family have operated a farm in Cecil Lake for more than 40 years.

Lloyd Hayden - Energy

Lloyd has worked in the energy industry all his life, the past 24 years in the Peace. As the Field Superintendent, Construction, Road Maintenance and Mine Manager for Petronas, he brings a wealth of experience and is proactively exploring new technology in road upgrades.

Rob Fraser - Taylor

Rob was elected Mayor of Taylor in 2014 after serving many years on council. He has lived most of his life in Northeast BC and has worked in forestry, energy and government compliance.

Are We Winning?

The PRRD Directors that manage this process (Area B & C, Taylor and Hudson's Hope) set an early goal that by the end of August we needed to be heard in Victoria or reassess our objectives and processes.

We feel that we have established good relations in Victoria with senior levels of Government who understand we are seeking solutions and want to work with them to find solutions, not just bring more challenges.

The Directors meet with the consultant bi-weekly and adjust priorities as required to advance our goals.

Ultimately, we will not know the results of our efforts until the 2019/20 and subsequent budgets are announced.



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