



NORTHWEST BRITISH COLUMBIA  
RESOURCE BENEFITS ALLIANCE

**Memorandum of Understanding  
(Consolidated)**



THIS MEMORANDUM OF UNDERSTANDING (the “MOU”) is made at Terrace, British Columbia, Canada, this 15th day of August 2015, and amended March 24, 2017 and August 23, 2019

**AMONG:**

- Regional District of Kitimat-Stikine (“RDKS”),**
- AND**
- City of Terrace,**
- AND**
- District of Kitimat,**
- AND**
- District of Stewart,**
- AND**
- Village of Hazelton,**
- AND**
- District of New Hazelton,**
- AND**
- RDKS Electoral Area A – Nass Valley, Meziadin,**
- AND**
- RDKS Electoral Area B – Hazeltons rural areas, Kispiox Valley, Moricetown through Cedarvale,**
- AND**
- RDKS Electoral Area C – Rural Terrace Area, South Coast,**
- AND**
- RDKS Electoral Area D – Telegraph Creek, Iskut, Bob Quinn,**
- AND**
- RDKS Electoral Area E – Thornhill,**
- AND**
- RDKS Electoral Area F – Dease Lake,**



**AND**  
**North Coast Regional District (“NCRD”),**

**AND**  
**City of Prince Rupert,**

**AND**  
**District of Port Edward,**

**AND**  
**Village of Queen Charlotte,**

**AND**  
**Village of Port Clements,**

**AND**  
**Village of Masset,**

**AND**  
**NCRD Electoral Area A - Dodge Cove,**

**AND**  
**NCRD Electoral Area C - Oona River,**

**AND**  
**NCRD Electoral Area D - Rural Graham Island,**

**AND**  
**NCRD Electoral Area E – Rural Moresby Island,**

**AND**  
**Regional District of Bulkley-Nechako (“RDBN”),**

**AND**  
**Town of Smithers,**

**AND**  
**District of Houston,**

**AND**  
**District of Vanderhoof,**

**AND**  
**Village of Burns Lake,**

**AND**



**Village of Fraser Lake,**

**AND**

**District of Fort St. James,**

**AND**

**Village of Telkwa,**

**AND**

**Village of Granisle,**

**AND**

**RDBN Electoral Area A - Smithers Rural,**

**AND**

**RDBN Electoral Area B - Burns Lake Rural,**

**AND**

**RDBN Electoral Area C - Fort St. James Rural,**

**AND**

**RDBN Electoral Area D - Fraser Lake Rural,**

**AND**

**RDBN Electoral Area E - Francois/Ootsa Lake Rural,**

**AND**

**RDBN Electoral Area F - Vanderhoof Rural,**

**AND**

**RDBN Electoral Area G - Houston Rural,**

hereinafter collectively called the "Local Governments" or "Parties" and individually a "Party."



## WHEREAS:

- A. The Parties have important government responsibilities across an area of 185,000 square kilometers with a population of 94,500 in Northwest British Columbia ("Northwest BC") including:
  - (a) providing for good government of their communities,
  - (b) providing for services, laws and other matters of community benefit,
  - (c) providing for stewardship of the public assets of their communities,
  - (d) fostering the economic, social and environmental well-being of their communities, and
  - (e) ensuring that major resource development does not put the long-term sustainability of communities at risk;
- B. Northwest BC is experiencing an unprecedented level of resource development with numerous major projects at various stages of development including oil and gas pipelines, oil refineries, port facilities, container facilities, rail transport, new or expanded mines, upgrades to the Rio Tinto Alcan smelter, forestry, hydroelectric projects, transmission lines, LNG plants, and related residential, commercial and retail development ("major resource development");
- C. This major resource development will result in significant temporary and permanent population increases and has substantial direct and indirect economic, social, health, environmental and heritage impacts on all Local Government communities;
- D. The Parties are restricted in their revenue generating abilities through the *Local Government Act* and the *Community Charter*, and in most cases are not able to generate additional revenue from major resource development projects to offset their impacts on local service levels and communities;
- E. The provincial government, federal government and major resource companies must share the benefits of major resource development with Local Governments and provide access to new long-term sustainable revenue sources sufficient to:
  - (a) fully address historical infrastructure deficits,
  - (b) fully address all adverse impacts associated with major resource development, and
  - (c) leave Local Government communities better off through legacy resources;
- F. Potential revenue sources include:
  - (a) A share of revenues from each industrial sector and major project,
  - (b) A fair share of industrial tax revenue from the industrial tax base outside municipal boundaries,
  - (c) Improved grants-in-lieu where applicable,
  - (d) New long-term grant programs, and
  - (e) Bilateral agreements with major companies;





- G. Major resource development in other parts of British Columbia has been accompanied by significant benefit sharing through mechanisms such as the Columbia Basin Trust;
- H. Regarding resource benefits negotiations with the Province, Local Governments:
- (a) acknowledge that the Province is responsible for establishing the fiscal framework for companies operating in British Columbia,
  - (b) seek an equitable share of provincial revenue generated under the province's fiscal framework, and
  - (c) do not support resource benefit sharing options that result in negative impacts on property taxes, Development Cost Charges (DCCs) and other development related fees, reduced funding to other government programs, or adverse impacts on business competitiveness, and
  - (d) seek to leave Local Government communities better off through legacy resources;
- I. Time is of the essence for Local Governments to pursue negotiations with the provincial government, federal government where applicable, and major resource companies because important public policy decisions and corporate investment decisions continue to be made; and
- J. Resource benefits negotiations with the provincial government, federal government, and major resource companies regarding major resource development will be more effective and efficient if Local Governments act in concert.

**NOW THEREFORE**, in consideration of the mutual promises and covenants herein set forth, the Parties agree to work together in a spirit of cooperation and mutual respect to pursue resource benefits negotiations with the provincial government, federal government where applicable, and major resource companies in respect of major resource development in Northwest BC:

## **Article 1 Purpose and Objective**

- 1.1 This MOU sets out the main elements of a collaborative working relationship between the Parties to guide the joint negotiation of significant new long-term sustainable revenue sources from the provincial government, federal government where applicable, and major resource companies sufficient to:
- 1.1.1 fully address historical infrastructure deficits,
  - 1.1.2 fully address all adverse impacts associated with major resource development, and
  - 1.1.3 leave Local Government communities better off through legacy resources.

(the "Project" or the "Northwest BC Resource Benefits Project")

## **Article 2 Northwest BC Area**



- 2.1 The Northwest BC jurisdictional area covered by this Project is set out at APPENDIX A.

### **Article 3 Guiding Principles**

- 3.1 Resource benefits negotiations under this MOU will be guided by the following principles:
- 3.1.1 certainty and long-term sustainability,
  - 3.1.2 timeliness and responsiveness,
  - 3.1.3 preservation of Local Government autonomy,
  - 3.1.4 revenue sharing proportionate to scale and returns to government and industry from industrial activity,
  - 3.1.5 full compensation for all adverse impacts in each Local Government community,
  - 3.1.6 revenue sharing and compensation based on extent of impact not municipal taxation boundaries,
  - 3.1.7 fairness, equity, parity,
  - 3.1.8 legacy proportionate to scale of resource development and returns to government and industry,
  - 3.1.9 revenue sharing and compensation payments timed to reflect Local Government priorities and timing requirements,
  - 3.1.10 revenue sharing and compensation agreements will not adversely impact the tax base of Local Governments, DCCs or other development related fees, and
  - 3.1.11 others to be identified as resource benefit negotiations proceed.

### **Article 4 Governance and Administrative Framework**

- 4.1 The Parties agree that the overall administration of this MOU and the Project will be the responsibility of the RDKS.
- 4.1.1 Subject to available funding, the RDKS will provide a Project Manager for the Project who will have the responsibilities and perform the duties set out at APPENDIX B.
- 4.2 The Parties agree to participate on the Northwest BC Resource Benefits Alliance Committee (the “RBA Committee”) in accordance with the RBA Committee Terms of Reference set out at APPENDIX C.
- 4.3 The Parties agree to the establishment of a steering committee (the “Steering Committee”) in accordance with the Steering Committee Terms of Reference set out at APPENDIX D.



- 4.4 The Parties agree to the establishment of an advisory group (the “CAO Advisory Group”) in accordance with the CAO Advisory Group Terms of Reference set out at APPENDIX E.
- 4.5 The Parties agree to the establishment of a negotiating team (the “Negotiating Team”), comprised of the RDKS Chief Administrative Officer (“RDKS CAO”) and the Project Manager to carry out the negotiating mandate approved by the RBA Committee in close communication with the Steering Committee.
- 4.6 Subject to paragraph 4.7, each Party, the RBA Committee, the Steering Committee and the CAO Advisory Group will use best efforts to make Project decisions by consensus, failing which decisions will be made by corporate vote.
- 4.7 Paragraph 4.6 does not apply to Article 6 of the MOU.

#### **Article 5 Further Understandings & Agreements**

- 5.1 The Parties will work together to develop such ancillary understandings and agreements as may be required to support implementation of this MOU. For greater certainty, this article does not create an obligation for the Parties to reach such understandings and agreements.

#### **Article 6 Allocation of Resource Benefits Negotiated**

- 6.1 The Parties will use best efforts to reach consensus by relevant factors to consider and a formula or formulas to allocate resource benefits between the Parties for each type of resource benefit negotiated.
- 6.2 A consensus reached under Article 6.1 will be recorded in writing and will be made legally binding on each Party.
- 6.3 If the Parties are unable to reach consensus under Article 6.1 on an allocation formula or formulas, then the Parties will make every reasonable effort to develop further understandings and agreements to resolve such an impasse in a manner that enables those Parties who wish to proceed with the Project to do so.

#### **Article 7 Project Implementation Budget**

- 7.1 The Parties agree to prepare a project implementation budget on an annual basis.
- 7.2 The Parties will make every reasonable effort to fund the project implementation budget through grants and financial contributions received from the provincial government, federal government if applicable, and major resource companies.
- 7.3 The project implementation budget will be administered by RDKS in accordance with RDKS financial management bylaws, policies and procedures.





- 7.4 RDKS will not incur project implementation costs unless funding is in place.
- 7.5 If a Party makes a financial contribution to the project implementation budget under the July 29, 2014 MOU or the project implementation budget under this MOU, as may be amended from time to time by the RBA Committee, reimbursement of that Party's contribution will be treated as a priority when the Parties consider a) disposition of a project implementation budget surplus or b) the distribution of resource benefits negotiated under this MOU.

#### **Article 8 Confidentiality**

- 8.1 Subject to applicable law, all information given by one Party to another Party will be kept in strict confidence and will not be released to third parties without the prior written consent of the Party who was the originator of said information. This restriction will not apply to information that is, or has become, generally known to the public other than by means of a violation of Article 8.
- 8.2 Notwithstanding Article 8.1, the Parties will disclose the existence of this MOU to third parties in accordance with the joint communications strategy under Article 9.
- 8.3 For greater certainty, the Parties may share information and documents related to this MOU with each other on a confidential and where applicable, in-camera meeting basis.

#### **Article 9 Communication**

- 9.1 The Parties will cooperate with each other in the form of regular communication and exchange of ideas, information, reports, studies and advice with a view to the successful implementation of this MOU.
- 9.2 The Parties will discuss a joint communication strategy and will update each other on meetings with government and major resource companies involving resource benefits.

#### **Article 10 Exclusivity and Non-Circumvention**

- 10.1 The Parties shall work together on an exclusive basis in the performance of this MOU. The Parties agree not to directly or indirectly compete against or circumvent each other.

#### **Article 11 Term & Local Government Autonomy**

- 11.1 A Party may terminate their participation in this MOU upon 90-days' written notice to the other Parties, such written notice to be addressed to the signatories for the Parties as set out below.
- 11.2 Article 8 and Article 10 shall survive termination of this MOU.



## **Article 12 – Commitment**

- 12.1 It is hereby declared and agreed that no Party shall use the name of another Party or have any authority to bind another Party in any manner without the express written consent of that other Party.

## **Article 13 Entire MOU**

- 13.1 This MOU constitutes the entire agreement between the Parties and supersedes and cancels any prior agreements, understandings, undertakings, declarations and representations, written or oral, regarding the subject matter of this MOU.

## **Article 14 Amendment & Addition of Party**

- 14.1 This MOU may be amended or supplemented only by a resolution of the RBA Committee.
- 14.2 If it is proposed to add a party or parties to this MOU under Article 14.1, the Parties will work together to develop and enact such further amendments as may reasonably be required consistent with the spirit and intent of this MOU, including without limitation amendments to Article 2, Article 4, Article 6 and Article 7.

## **Article 15 Applicable Law**

- 15.1 This MOU is governed by the laws of British Columbia and Canada as applicable herein.

## **Article 16 Dispute Resolution**

- 16.1 The Parties agree that any dispute or controversy relating to the interpretation or implementation of any of the provisions of this MOU shall, in the first instance, be referred to the CAO Advisory Group who shall make best efforts to resolve such dispute or controversy through good faith friendly discussion and negotiation.

## **Article 17 General Provisions**

- 17.1 Each of the Parties will do such further acts and execute and deliver all such further documents in a timely fashion as are reasonably required from time to time in order to fully perform and carry out the terms and intent of this MOU.
- 17.2 Any notice, document, or communication to be given under this MOU will be in writing and delivered by hand, faxed or emailed to the MOU signatory for the Party to which it is to be given and will be deemed received on the date sent.



- 17.3 Each Party hereby represents that it has the authority to enter into this MOU and that the entering into of this MOU does not violate any agreement or understanding relating to such Party.
- 17.4 This MOU may be executed in counterparts and be returned by fax or email with a PDF attachment, each of which when executed and delivered shall constitute an original, and all of which together shall constitute one and the same MOU.

**IN WITNESS WHEREOF** the Parties hereto have hereunto executed this Memorandum of Understanding on the date written above.

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By Authorized Signatory:  
Lee Brain, RBA Co-Chair, North Coast Regional District

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By Authorized Signatory:  
Shane Brien, RBA Co-Chair, Regional District of Bulkley-Nechako

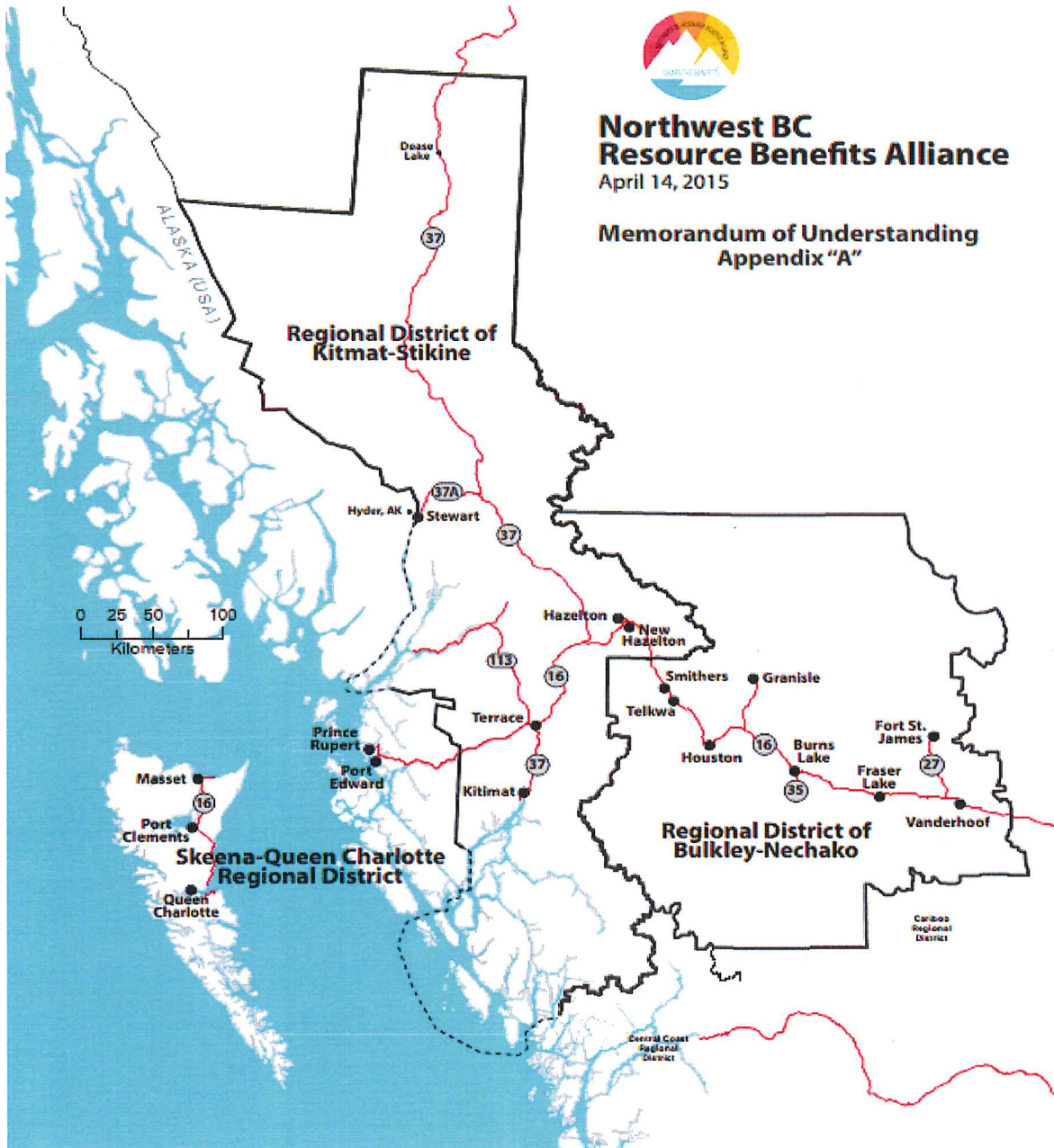
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By Authorized Signatory:  
Sean Bujtas, RBA Co-Chair, Regional District of Kitimat-Stikine





## APPENDIX A







## APPENDIX B

### Northwest BC Resource Benefits Alliance

### PROJECT MANAGER

#### Terms of Reference

#### **FUNCTION:**

The Project Manager is responsible to the RDKS Chief Administrative Officer (“RDKS CAO”) for administrative aspects of Northwest BC resource benefits discussions with the provincial government and, where applicable, the federal government and major resource companies.

#### **AUTHORITY:**

1. Reporting to the RDKS CAO and answering to the RBA Committee, the Project Manager will operate as a one-person department dedicated to advancing the purposes of the Resource Benefits Alliance. The Project Manager will have access to the facilities and equipment of the RDKS but assignment of support staff requires the prior approval of the RDKS CAO.

#### **DUTIES:**

1. The Project Manager is responsible for the overall management of the administrative operations, related to the Project.
2. The Project Manager is responsible for ensuring that the policies of the RDKS and the terms of the MOU, Framework Agreement, Workplan and Budget, including any amendments, are followed in respect of the administration of the Project.
3. The Project Manager is responsible for ensuring all Local Government signatories to the Memorandum of Understanding are regularly kept up to date on the Project.



## APPENDIX B (Continued)

### Northwest BC Resource Benefits Alliance

### **PROJECT MANAGER**

#### Terms of Reference

#### **GENERAL RESPONSIBILITIES:**

1. To ensure that all resolutions passed by the RDKS Board, NCRD Board, RDBN Board and direction given by the RBA Committee or CAO Advisory Group in relation to the Project are carried out, and to report thereon to interested parties.
2. To be available to the parties to the MOU for the purpose of answering enquiries and providing information and reports, as required.
3. To ensure that all RDKS bylaws, policies, and procedures applicable to the Project are properly adhered to.
4. To plan, direct, co-ordinate, administer and supervise the day-to-day administrative activities related to the Project.
5. To be a member of the Northwest BC Resource Benefits Alliance Negotiating Team.
6. To organize and attend Project meetings, including RBA Committee meetings, CAO Advisory Group meetings, and Steering Committee meetings.
7. To prepare or supervise replies to public enquiries and to deal with all correspondence regarding the Project.
8. To compile, prepare, document, review and make recommendations regarding the Project Budget.
9. To make recommendations to the RDKS CAO regarding approval of financial and operating transactions applicable to the Project, as outlined in the RDKS Administrative Policies and Procedures Manual.
10. To prepare reports and maintain such records and information as may be necessary to perform this function.
11. To exercise such other powers, and carry out additional related tasks and functions, as may be assigned by the RDKS CAO.
12. To handle procurement and management of consultants in relation to the Project.



## APPENDIX C

### Northwest BC Resource Benefits Alliance RBA COMMITTEE

#### Terms of Reference

#### **1.0 Purpose**

The purpose of the RBA Committee is to consider items related to the Northwest BC Resource Benefits Project.

The goal of the project is to jointly negotiate significant new long-term sustainable revenue sources from the provincial government and major resource companies sufficient to:

- (a) fully address historical infrastructure deficits,
- (b) fully address all adverse impacts associated with major resource development, and
- (c) leave Local Government communities better off through legacy projects.

#### **2.0 Establishment and Authority**

- The RBA Committee will approve the workplan and negotiating mandate, and make decisions on implementation of the Project and MOU as necessary and appropriate.
- The Steering Committee, CAO Advisory Group and Project Manager will identify matters requiring RBA Committee review, consideration and decision.
- Each Regional District shall appoint a representative to sit on the Steering Committee and act as a Co-chair to the RBA Committee. The Co-chairs shall rotate on a regular basis for the seat of Chair for meetings of the RBA Committee.
- RBA Committee members will make every reasonable effort to regularly update their Mayor and Council, as applicable, on the work of the RBA Committee.
- The Steering Committee may, following consultation with the RBA Committee, establish sub-committees and their terms of reference, as necessary and appropriate.

#### **3.0 Composition**

- All member Regional District Directors are voting members on the RBA Committee.
- All Mayors of member Local Governments who are not Regional District Directors are voting members on the RBA Committee.



## APPENDIX C (Continued)

### **Northwest BC Resource Benefits Alliance RBA COMMITTEE** Terms of Reference

#### **4.0 Procedures**

- The Committee shall meet at the call of the Co-Chairs, in consultation with the RDKS CAO or Project Manager.
- The Co-Chairs shall determine the agenda for meetings.
- At the request of a member and with the consent of the Chair, guests or delegations may be invited to attend and participate in the meeting.
- The bulk of discussion and debate of pertinent issues will take place at the Committee, with all major decisions forwarded to the Parties, accompanied by a report and recommendations, for consideration and final decision making.
- RBA Committee members will use best efforts to make recommendations and where applicable, decisions, by consensus. If consensus cannot be reached, then RBA Committee recommendations and decisions will be made by corporate decision of RBA Committee voting members.
- A motion to rise and report to the Parties shall be adopted at the RBA Committee meeting. Meetings of the Parties must be convened as soon as practicable following the RBA Committee meeting where a decision of the Parties on a matter is required.





## APPENDIX D

### **Northwest BC Resource Benefits Alliance STEERING COMMITTEE** Terms of Reference

#### **1.0 Purpose**

The purpose of the Steering Committee is to provide working direction in terms of executing the workplan and negotiating mandate approved by the RBA Committee.

#### **2.0 Responsibilities**

- Recommend a negotiating mandate to the RBA Committee.
- Identify matters requiring RBA Committee review, consideration and decision.
- Provide working direction to the Project Manager in terms of executing the workplan.
- Provide guidance to the Negotiating Team in terms of executing the negotiating mandate.

#### **3.0 Composition**

The Steering Committee will be composed of the 3 RBA Committee Co-Chairs and the 3 member Regional District Chief Administrative Officers.

#### **4.0 Procedures**

- The Steering Committee will meet on an as-needed basis at the call of any member or the Project Manager.
- The Project Manager shall determine the agenda for meetings, subject to consultation with the Co-Chairs if required.
- The RDKS CAO will Chair the Steering Committee.
- At the request of a member and with the consent of the Chair, guests or delegations may be invited to attend and participate in the meeting.
- Steering Committee members will use best efforts to make recommendations and where applicable, decisions, by consensus.
- Steering Committee members will report back to their respective Regional District Boards on an as-needed basis.



## APPENDIX E

### Northwest BC Resource Benefits Alliance CAO ADVISORY GROUP Terms of Reference

#### 1.0 Purpose

The purpose of the CAO Advisory Group is to support the work of the Project and the implementation of the MOU and negotiating mandate.

#### 2.0 Responsibilities

- Identify matters requiring RBA Committee review, consideration and decision.
- Provide input and advice to the Project Manager in terms of executing the workplan.
- Act in an advisory capacity to the Steering Committee, as needed.

#### 3.0 Composition

The CAO Advisory Group will be comprised of the Chief Administrative Officers of the Parties, and any other individuals that may be determined by the CAO Advisory Group from time to time.

#### 4.0 Procedures

- The CAO Advisory Group will meet on an asneeded basis at the call of the Steering Committee or the Project Manager.
- The Project Manager shall determine the agenda for meetings, subject to consultation with the Steering Committee if required.
- The RDKS CAO will Chair the CAO Advisory Group.
- At the request of a member and with the consent of the Chair, guests or delegations may be invited to attend and participate in the meeting.
- CAO Advisory Group members will use best efforts to make recommendations by consensus.
- CAO Advisory Group members will report back to their respective boards or councils on an as needed basis