

Site C Clean Energy Project

Agricultural Mitigation and Compensation Plan FRAMEWORK

Date: July 27, 2016

Table of Contents

1. Introduction	2
2. Framework Purpose.....	6
3. Consultation Regarding the Framework	7
4. Framework Component A: Construction Management Practices	8
5. Framework Component B: Individual Farm Mitigation Plans	9
6. Framework Component C: Residual Agricultural Land	14
7. Framework Component D: Agricultural Compensation Fund.....	16
8. Agricultural Mitigation, Compensation and Monitoring Status.....	27
9. Framework Feedback	28

Appendix 1: Agricultural Consultation Steering Committee

Appendix 2. Qualified Environmental Professional

Appendix 3: Consultation Summary Report

1. Introduction

The Site C Clean Energy Project (Site C) will be a third dam and hydroelectric generating station on the Peace River in northeast British Columbia. Site C received environmental approvals from the federal and provincial governments in October 2014, and received approval from the Province of B.C. in December 2014.

The Provincial Environmental Assessment Certificate (EAC) for the Site C Clean Energy Project includes Condition 30, which requires BC Hydro to develop an Agricultural Mitigation and Compensation Plan to avoid or manage the effects of the Project on agricultural land owners and tenure holders. In accordance with this condition, BC Hydro will implement appropriate construction management practices; develop individual farm mitigation plans; manage residual agricultural land, and establish a \$20 million Agricultural Compensation Fund. The complete text of Condition 30 is included in Table 1: Environmental Assessment Certificate Condition and Framework Reference on the following pages.

BC Hydro has established, with the Ministry of Agriculture and the Ministry of Energy and Mines a Consultation Steering Committee to guide consultation with agricultural stakeholders and to work together to jointly develop the Framework for the Agricultural Mitigation and Compensation Plan (Framework) and for future Plan development. The Consultation Steering Committee (CSC) is comprised of staff from each organization with a range of professional expertise and experience in fund implementation, agriculture and mitigation program implementation (see Appendix 1).

A technical review of the Framework was completed by Patrick Brisbin, P.Eng. P.Ag., the Qualified Environmental Professional for the Framework and Plan, having completed the agriculture assessment for Site C (EIS Section 20 and supporting technical appendices), and having extensive experience in agricultural environmental assessments and individual farm mitigation plan development (see Appendix 2). A regional review of the Framework was completed by Regional Advisors Hon. Mike Bernier, MLA for Peace River South and Minister of Education, and Pat Pimm, MLA for Peace River North. In addition, serious consideration was given to consultation input received from a broad range of consultation participants, including Peace Region land owners, tenure holders, agricultural producers, agricultural stakeholders, local governments and Aboriginal groups.

In accordance with the requirements of EAC Condition 30, the Framework is being submitted for review by July 27, 2016. The Framework is being posted publicly on the BC Hydro website and notifications will be provided to the Ministry of Agriculture, the Peace River Regional District, the District of Hudson's Hope, and regional agricultural stakeholders. The Consultation Steering Committee will accept feedback on the Framework for a sixty-day period. This feedback will be considered during the development of Draft Agricultural Mitigation and Compensation Plan (Plan).

The draft Agricultural Mitigation and Compensation Plan will be provided for review in January 2017, and a final plan will be filed with the BC Environmental Assessment Office (EAO), Peace River Regional District, District of Hudson's Hope, the Ministry of Agriculture and the Ministry of Forests, Lands and Natural Resource Operations by July 2017. In addition, the draft and final Plan will be posted on the public Site C website (siteproject.com).

Table 1: Environmental Assessment Certificate Condition and Framework Reference

Agriculture: EAC Condition 30	Framework Section Reference
In order to avoid or manage the effects of the project on agricultural land owners and tenure holders, the EAC Holder must develop an Agricultural Mitigation and Compensation Plan.	Addressed throughout the Framework and will be implemented in Plan
The Agricultural Mitigation and Compensation Plan must be developed by a Qualified Environmental Professional.	Appendix 2: Qualified Environmental Professional
As part of Agricultural Mitigation and Compensation Plan development, the EAC Holder must evaluate effects on agricultural land owners and tenure holders, and develop mitigation and compensation measures consistent with industry compensation standards, to mitigate effects or compensate for losses.	5. Framework Component B Individual Farm Mitigation Plans
The Agricultural Mitigation and Compensation Plan must include at least the following:	
Inclusion of suitable land in the Agricultural Land Reserve in consultation with the Agriculture Land Commission.	3: Consultation Regarding the Framework 6: Framework Component C Residual Agricultural Land
When residual land parcels are to be sold, consolidate and/or connect residual agricultural parcels with adjacent agricultural land holdings, where practical and when owner(s) and BC Hydro agree.	3: Consultation Regarding the Framework 6: Framework Component C Residual Agricultural Land

Agriculture: EAC Condition 30	Framework Section Reference
<p>Funding for mitigation actions for disruptions to agricultural land owners and tenure holders, including but not limited to the provision of alternative / replacement:</p> <ul style="list-style-type: none"> • Livestock movement options and compensation for associated increased costs; • Infrastructure (irrigation and drainage improvements); • Water supplies; • Relocation of quality soil in selected locations; • Farm and field access; • Highway crossings; • Utility crossings; • Livestock watering and drainage works during construction, and restore original works after construction is completed; and • Fencing. 	5: Framework Component B Individual Farm Mitigation Plans
<p>Minimize access to agricultural lands by construction workers and implement measures to minimize unauthorized public access.</p>	<p>4. Framework Component A: Construction Management Practices</p> <p>5: Framework Component B Individual Farm Mitigation Plans</p>
<p>For impacts that cannot be avoided, the plan will contain an approach for reimbursements that compensate for associated financial losses due to disruptions to agricultural land use.</p>	5: Framework Component B Individual Farm Mitigation Plans
<p>In addition to the above bulleted measures in this condition, establishment of an agricultural compensation fund of \$20 million for use in the Peace Region or other areas of the province as necessary to compensate for lost agricultural lands and activities, and an approach for establishing the governance and allocation of funds.</p> <p>The EAC Holder must work with the Ministry of Agriculture to establish a governance structure for the agriculture compensation fund that will ensure funds will be used to support enhancement projects that improve agricultural land, productivity or systems.</p>	7. Framework Component D: Agricultural Compensation Fund

Agriculture: EAC Condition 30	Framework Section Reference
The framework for the Agricultural Mitigation and Compensation Plan must be developed in consultation with the affected agricultural land owners and tenure holders, and the Ministry of Agriculture, and provided to Peace River Regional District and the District of Hudson's Hope for review within 1 year after the commencement of construction.	3: Consultation Regarding the Framework Appendix 3: Consultation Summary Report
The EAC Holder must provide this draft Agricultural Mitigation and Compensation Plan to the affected agricultural land owners and tenure holders, Peace River Regional District, District of Hudson's Hope, Ministry of Agriculture and FLNR for review within 18 months after the commencement of construction.	1. Introduction
The EAC Holder must file the final Agricultural Mitigation and Compensation Plan with EAO, Peace River Regional District, District of Hudson's Hope the Ministry of Agriculture and FLNR within 2 years after the commencement of construction.	1. Introduction
The EAC Holder must develop, jointly with agricultural land owners and tenure holders, individual farm mitigation plans throughout the construction phase for all farms directly affected by the Project.	5: Framework Component B Individual Farm Mitigation Plans
The EAC Holder must develop, implement and adhere to the final Agricultural Mitigation and Compensation Plan, and any amendments, to the satisfaction of EAO.	Future action

In addition to Condition 30, EAC Condition 31 is the second condition related to agriculture. The Agriculture Monitoring and Follow up Program being implemented in accordance with Condition 31 will run for a 10-year period, including the five years prior to reservoir filling and the first five years of operation. The Agriculture Monitoring Program is addressed in a separate Plan, which is publicly available on the Site C website at:

www.sitecproject.com/document-library/environmental-management-plans-and-reports.

2. Framework Purpose

The Framework is organised around the four required components of the Plan, as follows:

- A. Construction management practices, as they pertain to agriculture
- B. Development of individual farm mitigation plans
- C. Management of residual agricultural land
- D. Establishment of an Agricultural Compensation Fund

The Framework has been developed in consideration of the following sources:

- Condition 30 of the Site C Environmental Assessment Certificate;
- Input from BC Hydro, Ministry of Agriculture, Ministry of Energy and Mines, and Regional Advisors;
- Consultation feedback from regional agricultural stakeholders including land owners, tenure holders, Peace Region agricultural associations and local stakeholders;
- Legal and financial advice;
- Background information including the Environmental Impact Statement and the Joint Review Panel Hearing report.

The Framework outlines the elements that will be included in the Plan and provides context for each element, and describes the approach for implementation.

The approach to implementation of the four required components will vary somewhat for each of the components. For example, for construction management practices, implementation is already underway to meet other regulatory requirements, and this will be reflected in the Framework. Conversely, for Establishment of an Agricultural Compensation Fund, implementation will occur when the Plan is final, and the approach will be further developed in the Plan in consideration of regional agricultural producers' input, direction from the Environmental Assessment Office, and learnings from other similar funding programs.

The Framework is based on findings from the Site C Agricultural Assessment, including the proposed mitigation measures that are reflected in the EAC 30 requirements, the evaluation of effects on land owners and tenure holders, and consultation inputs.

The Framework outlines the elements that will be included in the Plan.

The Framework provides proposed details on the Agricultural Compensation Fund approach. We are seeking feedback on these proposed details, for consideration as the Fund is further developed for inclusion in the draft Plan.

The draft and final Plan will describe how each of the four components will be implemented.

3. Consultation Regarding the Framework

Stakeholder consultation regarding the Framework took place from November 23, 2015 to January 29, 2016. Input and feedback were collected using a discussion guide and feedback form, online consultation, and regional stakeholder meetings held in Hudson's Hope, Fort St. John, Dawson Creek and Chetwynd. This consultation fulfills the requirement of EAC Condition 30 which requires *"The framework for the Agricultural Mitigation and Compensation Plan must be developed in consultation with the affected agricultural land owners and tenure holders, and the Ministry of Agriculture."*

The *Consultation Summary Report: Framework for an Agricultural Mitigation and Compensation Plan (March 2016)* was posted on the Site C Project website and a notification was sent to all participants. The summary is included in Appendix 3, the full discussion guide, consultation report and appendices can be found at:

www.sitecproject.com/document-library/consultation-and-engagement-reports.

There were 114 participant interactions during the consultation period, including:

- 81 attendees at regional meetings in December and January in Hudson's Hope, Fort St. John, Dawson Creek, Chetwynd;
- 30 online feedback forms; and,
- 5 written submissions.

Following the stakeholder consultation process, the CSC met with representatives of regional agricultural associations in March to further discuss outcomes of the consultation. Discussion at this meeting focused on clarifying feedback, and finding common ground over some conflicting input received. In May, the CSC sought input from the Agricultural Land Commission (ALC) on requirements related to residual lands. As release of residual lands is not anticipated until after the Project has commenced operations, the ALC will be contacted in the future regarding any site-specific proposals for ALR land inclusion which satisfies a requirement of EAC condition 30.

The input received during stakeholder consultation and in follow up meetings was considered, along with technical and financial information, by BC Hydro, the Ministry of Agriculture and the Ministry of Energy and Mines in the development of the Framework for the Agricultural Mitigation and Compensation Plan. In each section below, a summary of the consultation feedback received is included as well as how it was considered. In many cases, the feedback was incorporated into the Framework. In some cases, this was not possible due to legal, regulatory, financial or others reasons and these reasons are noted. Moving forward, feedback received on the Framework will be considered in the development of the draft and final Plan.

4. Framework Component A: Construction Management Practices

Implementation of appropriate construction management practices must address the relevant requirements of EAC Condition 30, and consider consultation input received on this topic. Construction mitigation measures that address impacts on agricultural land and operations are included in applicable contracts, in the Site C Project's Construction Environmental Management Plan (CEMP), and will be included in individual farm mitigation plans, as applicable.

The CEMP was required to be submitted 30 days prior to the commencement of construction (in accordance with EAC Condition 69), and may be updated as required. The current CEMP is publicly available on the Site C website (www.sitecproject.com/document-library/environmental-management-plans-and-reports). The CEMP outlines the requirements for contractors to develop Environmental Protection Plans for their work taking into account all applicable requirements of the CEMP.

During consultation, input was received about management of construction impacts on agricultural lands and operations, including property access, invasive species, and soil and re-vegetation management.

The Agricultural Mitigation and Compensation Plan will address construction management practices, as they pertain to agriculture, through the following measures:

4.1 BC Hydro will minimize access to agricultural lands by construction workers and implement measures to minimize unauthorized public access.

Context: A requirement within EAC Condition 30

Approach: For work that will occur in or adjacent to ongoing agricultural operations, such as construction of the transmission line and the Highway 29 realignment, BC Hydro will include provisions in applicable contracts regarding the requirement to obtain permission for any required access to private agricultural lands by construction workers.

Where increased unauthorized public access to agricultural lands is identified as a concern by landowners during land acquisition discussions, BC Hydro will include discussion of this matter including potential mitigation with the landowner (See Section 5: Framework Component B: Individual Farm Mitigation Plans).

4.2 BC Hydro will consider agricultural operations and opportunities within soil and re-vegetation management, with particular attention to limiting the spread of invasive plants and noxious weeds.

Context: Consultation input, and also included in EAC Condition 8

Approach: BC Hydro is required to develop Soil Management, Site Restoration and Revegetation specifications to effectively manage disturbed soils, and to reclaim and revegetate disturbed construction areas to safe and environmentally-acceptable condition. These specifications are included in the CEMP, and require restoration of soils within agricultural areas, including replacement of topsoil to maintain agricultural productivity. Disturbed areas adjacent to, but outside the highway right-of-way that are being used for agricultural purposes will be restored as per the requirements of the landowner. Reclamation may include replacement of topsoil, seeding and/or planting.

BC Hydro is required to develop Vegetation and Invasive Plant Management specifications, which are included in the CEMP. These specifications identify measures for the control of invasive plants on work sites, measures to manage soil and vegetation to minimize the establishment of weeds within work sites, and measures to minimize transport of weed material between locations. The CEMP also requires seed mixes used on site to be certified weed free, and requires materials used for sediment and erosion control to be certified weed free.

5. Framework Component B: Individual Farm Mitigation Plans

The development of individual farm mitigation plans must consider the relevant sections of EAC Condition 30, and consultation input received on this topic. EAC Condition 30 requires that BC Hydro:

“evaluate effects on agricultural land owners and tenure holders, and develop mitigation and compensation measures consistent with industry compensation standards, to mitigate effects or compensate for losses.”

“funding for mitigation actions for disruptions to agricultural land owners and tenure holders... and for impacts that cannot be avoided include reimbursements that compensate for associated financial losses.”

“For impacts that cannot be avoided, the plan will contain an approach for reimbursements that compensate for associated financial losses due to disruptions to agricultural land use.”

The individual farm mitigation plans must be developed jointly with agricultural land owners and tenure holders for all farms directly affected by the Project. Directly affected means a property parcel, or landholding, from which BC Hydro requires land or rights in order to construct operate and mitigate the Site C project. A ‘directly-affected farm’ is a farming operation from which BC Hydro will acquire land in fee simple, for example for reservoir inundation or Highway 29 realignment, and/or either temporary or permanent rights, such as a permanent Statutory Right-of-Way for impact lines or temporary construction areas for Highway 29 realignment.

BC Hydro evaluated potential effects of the Project on agricultural land owners and tenure holders as part of the agricultural assessment during the environmental assessment phase. As part of this assessment, interviews were held with potentially affected farm operators and/or owners in 2011 and 2012. There are 34 farm operations where a portion of the operation is within the Site C project activity zone. All of the 34 were invited to participate in an interview, and 22 owners or operators agreed to participate and provide information about current and potential future agricultural activities. The results of the interviews were used, along with other information, such as from Statistics Canada and direct observations of farm operations, to inform the agricultural assessment.

Now that Site C has moved into construction, BC Hydro’s Properties Team is in discussions with agricultural land owners and tenure holders regarding potential effects of the project on their land and operations, including potential mitigation actions related to disruption of their continuing agricultural operations. Where agricultural land is required for the Project, it will be acquired at fair market value and associated financial losses, including funding of mitigation actions and compensation for those effects which cannot be mitigated, if any, will be reimbursed as described in Land Status, Tenure and Project Requirements - Section 11.3 of the Site C Environmental Impact Statement (EIS). Budget for individual farm mitigation or compensation is separate from the \$20-million Agricultural Compensation Fund.

The identification of specific mitigation actions that may require funding related to disruption of each agricultural operation will be identified by BC Hydro in private discussions with agricultural land owners and tenure holders whose land or rights may be affected by the Project. For example, potential mitigation actions may include changes to driveways to address changes to farm access, consideration of changes to control unauthorised public access, relocation of farm infrastructure such as buildings, wells or fencing, and measures to limit disruptions to current agricultural operations. Where effects cannot be avoided or mitigated, individual farm mitigation plans will include a determination of compensation for financial losses due to disruptions to agricultural land use, consistent with industry compensation standards.

Recent consultation input received on this topic between December 2015 and February 2016 included comments on the need for meaningful engagement with affected agricultural operators and land owners, the request to confirm that funding for individual farm mitigation is separate from the Agricultural Compensation Fund, and the importance of being able to consider future effects that may not be known for some time.

The Agricultural Mitigation and Compensation Plan will address development of individual farm mitigation plans through the following measures:

5.1 BC Hydro will evaluate effects on agricultural land owners and tenure holders, and develop mitigation and compensation measures consistent with industry compensation standards, to mitigate effects or compensate for losses.

BC Hydro will develop plans that contain an approach for reimbursements that compensates for mitigation measures and financial losses due to disruptions to agricultural land use (for impacts that cannot be avoided or mitigated).

Context: A requirement within EAC Condition 30

Approach: As described above, BC Hydro began the process of evaluating effects on agricultural land owners and tenure holders during the environmental assessment phase. The BC Hydro Site C Property Acquisition Process Guide outlines the process that will be followed with all directly affected land owners, and can be found at: <https://www.sitecproject.com/sites/default/files/bc-hydro-property-acquisition-process-guide.pdf>.

This process is consistent with industry compensation standards. Where applicable, BC Hydro will engage the services of an independent agrologist to assist in the development of individual farm mitigation measures to address impacts, including partial impacts on farm operations and costs.

Where increased unauthorized public access to agricultural lands is identified as a concern by landowners during land acquisition discussions, BC Hydro will include discussion of this matter including potential mitigation with the landowner within individual farm mitigation plans.

5.2 BC Hydro will fund appropriate mitigation actions for disruptions to agricultural land owners and tenure holders.

Individual farm mitigation measures will include, but are not limited to, the provision of alternative or replacement:

- Livestock movement options and compensation for associated increased costs;
- Infrastructure (irrigation and drainage improvements);
- Water supplies;
- Relocation of quality soil in selected locations;
- Farm and field access;
- Highway crossings;
- Utility crossings;
- Livestock watering and drainage works during construction, and restore original works after construction is completed; and
- Fencing.

Context: Consultation input and a requirement within EAC Condition 30.

Approach: Evaluation of potential impacts to agricultural land owners and tenure holders will consider all aspects of the agricultural operation, and applicable mitigation or compensation will be included in individual farm mitigation.

Potential impacts to agricultural land owners and tenure holders related to highway crossings and access will also be addressed, where possible, through implementation of measures addressing EAC Condition 35 related to transportation, Traffic Management is section 5.4 of the Construction Safety Management Plan (CSMP) and requires contractors to develop and adhere to traffic management plans for their work, when applicable. Contractor Traffic Management Plans must, as applicable, take into account a number of measures including public safety, traffic control, management of Project-induced traffic delays, and other factors that are relevant not only to agricultural traffic but to all road users.

BC Hydro is implementing local road improvements that will support all road users, including agricultural operators. These improvements are described in section 5.4.6 of the CSMP, and include features such as shoulder widening and hard surfacing that are known to help the movement of agricultural equipment. Permanent improvements to Highway 29 will result in general improvements that will support all road users, including local agricultural operators.

5.3 BC Hydro will carry out meaningful discussion with affected agricultural operators and land owners regarding the applicable individual farm mitigation measures.

Context: Consultation input and request for dispute resolution process.

Approach: The BC Hydro Site C Property Acquisition Process Guide outlines the process that will be followed with all directly-affected land owners. Where applicable, BC Hydro will engage the services of an independent agrologist to assist in the development of individual farm mitigation measures to address impacts, including partial impacts, on farm operations and costs. BC Hydro will respect the confidentiality of individual consultation and agreements due to the inclusion of commercially sensitive information.

BC Hydro will also take into account the potential for future impacts to agricultural land owners and tenure holders as a result of the Project. The agricultural assessment identified the potential for four changes that could have an effect on agricultural operations that should be the subject of follow-up monitoring, and that are a requirement of EAC Condition 31 regarding agricultural monitoring which includes baseline data collection during the EIS and ten years of monitoring to include five years prior to and post reservoir filling.

BC Hydro will consider the potential need for additional individual farm mitigation measures if new impacts are identified that are due to Site C through the Agriculture Monitoring and Follow-up Program, and that are not already addressed in an agreement with BC Hydro with respect to:

- Damage to crops and stored feeds by wildlife;
- Effects on crop drying as a result of reservoir induced changes to climate parameters;
- Effects on crop production as a result of Project-induced changes in groundwater elevations; and
- Moisture deficits and estimates of water irrigation requirements.

5.4 BC Hydro will fund individual farm mitigation separately from the \$20 million Agricultural Compensation Fund.

Context: Consultation input, and consistent with intent of EAC Condition 30.

Approach: The funds for individual farm mitigation are separate, and in addition to the \$20 million Agricultural Compensation Fund.

6. Framework Component C: Residual Agricultural Land

The approach to management of residual agricultural land must consider the relevant sections of EAC Condition 30, and consultation input received on this topic. EAC Condition 30 requires the:

“inclusion of suitable land in the Agricultural Land Reserve in consultation with the Agricultural Land Commission”, and “when residual parcels are to be sold, consolidate and / or connect residual agricultural parcels with adjacent agricultural land holdings, where practical and when owner(s) and BC Hydro agree.”

The EAC conditions related to surplus agricultural lands reflect the fact that, through the process of land acquisition for Site C, BC Hydro may own land that may not be directly required for the project (“residual lands”) and may be suitable for future agricultural land use. BC Hydro will be in a position to begin the process of identifying these lands approximately five years after the completion of construction. This timeline allows for the results of reservoir shoreline monitoring to inform this process, as well as the establishment of long-term mitigation measures that may include establishment of areas such as wildlife habitat compensation lands or recreation sites. Until that time, BC Hydro-owned lands will continue to be managed in a responsible manner that supports, as appropriate, agricultural land use and wildlife habitat, and continues to ensure responsible approach to noxious weed management.

The residual lands will be assessed against land use priorities to determine their suitability for various potential uses, including land required to mitigate project effects. Consideration will be guided by ongoing conditions associated with project approvals, including vegetation and wildlife habitat compensation, agricultural land use interests and Aboriginal interests, as well as community interests as stated in official community plans and zoning.

Management plans will be developed for any residual lands retained as wildlife habitat compensation. Continued agricultural use of these lands, where applicable, is also an objective. BC Hydro will work with government agencies, Aboriginal groups and other potentially-affected stakeholders to identify the habitat management objectives, specific actions for the maintenance, creation or enhancement of targeted habitat features, compatible land use including agricultural practices, and other property-specific management considerations.

BC Hydro-owned lands deemed by BC Hydro as surplus to project and mitigation requirements, and that have continuing agricultural value, may be dealt with in several ways. First, when these land parcels are to be sold, BC Hydro will make efforts to consolidate or connect residual agricultural parcels with adjacent agricultural land holdings, where practical and where owners agree. Secondly, BC Hydro will consult with the ALC and adjacent landowners to include suitable BC Hydro-owned land in the Agricultural Land Reserve (ALR) if not already included.

Consultation input on residual agricultural land included comments on original owners or lessees having opportunities to buy back lands, the importance of returning lands to agricultural land use, lands to be maintained in good condition, and questions on timelines around the availability of residual lands from the Site C Project.

The Agricultural Mitigation and Compensation Plan will address management of residual agricultural land through the following measures:

6.1 BC Hydro will include suitable BC Hydro-owned land in the Agricultural Land Reserve in consultation with the Agriculture Land Commission.

Context: A requirement within EAC Condition 30

Approach: Following the commencement of the operations phase of the Project and at least five years of reservoir shoreline monitoring, and prior to sale of residual lands, BC Hydro will invite the ALC and the Ministry of Agriculture to provide input into opportunities to include suitable BC Hydro-owned land in the ALR.

6.2 BC Hydro will consolidate and/or connect residual agricultural parcels with adjacent agricultural land holdings, where practical and when owner(s) and BC Hydro agree (when residual land parcels are to be sold).

Context: A requirement within EAC Condition 30 and consultation input.

Approach: Following the commencement of the operations phase of the Project and at least five years of reservoir shoreline monitoring, and prior to sale of residual lands, BC Hydro will identify residual agricultural lands and, where applicable, work with adjacent land owners to consolidate and/or connect these residual agricultural parcels with the owner's existing agricultural land holdings.

6.3 BC Hydro will follow a fair and transparent process for land purchase opportunities for residual agricultural lands.

Context: Consultation input, and consistent with intent of EAC Condition 30.

Approach: BC Hydro will follow a fair and transparent process. In all cases, relevant contractual, governmental, First Nations and environmental considerations must be addressed before any residual land is made available for sale.

7. Framework Component D: Agricultural Compensation Fund

Development of the Agricultural Compensation Fund (“Fund”) must consider the relevant section of the EAC Condition 30, and consultation input received on this topic. EAC Condition 30 requires:

“establishment of an agricultural compensation fund of \$20 million for use in the Peace Region or other areas of the province as necessary to compensate for lost agricultural lands and activities, and an approach for establishing the governance and allocation of funds. The EAC Holder must work with the Ministry of Agriculture to establish a governance structure for the agriculture compensation fund that will ensure funds will be used to support enhancement projects that improve agricultural land, productivity or systems.”

During consultation there was extensive discussion and feedback about the topic of the Fund due to high participant interest and a range of possible approaches that could be taken. The consultation process specifically sought input from stakeholders on a variety of topics related to the Fund under the following broad categories:

- Vision
- Governance
- Eligibility
- Allocation

Fund Vision Statement

The vision statement for the Fund establishes the purpose and intent of the Fund. This vision is consistent with regulatory requirements and is aligned with feedback received through consultation. The vision statement is to:

“Support the Peace Region’s opportunity for agricultural production and agrifoods economic activity.”

The vision addresses the following elements:

7.1 BC Hydro will establish an agricultural compensation fund of \$20 million for use in the Peace Region to compensate for lost agricultural lands and activities, and an approach for establishing the governance and allocation of funds.

Context: A requirement within EAC Condition 30

Approach: BC Hydro has \$20 million of the Site C Project budget held to meet the Fund commitment, available when the Agricultural Mitigation and Compensation Plan is finalized.

7.2 The Fund will support the Peace Region of B.C.'s opportunity for agricultural production and agrifoods economic activity.

Context: Consultation input, and consistent with intent of EAC Condition 30.

Approach: Consultation input was very clear that the Fund should be targeted for activities that would be in, or directly benefit, the B.C. Peace River Region. If funds are spent outside the region, for example on activities such as research or business development, they must be directly related to supporting agriculture within the Peace region.

The Fund will target activities that will enhance agricultural lands, operations, or agrifoods economic activity in the B.C. Peace River Region. The Site C Clean Energy Project's physical footprint is in the Peace Region and consultation feedback strongly supported the Fund being targeted to directly benefit the agricultural sector in the Peace Region.

Fund Governance:

Governance is defined as the overarching legal structure and approach guiding the implementation of the Fund. Governance encompasses the full organization involved including the roles of administration and executive decision making. The governance of the Fund will address the following elements:

7.3 BC Hydro will work with the Ministry of Agriculture to establish a governance structure for the Agriculture Compensation Fund that will ensure funds will be used to support enhancement projects that improve agricultural land, productivity or systems.

Context: A requirement within EAC Condition 30.

Approach: A joint Consultation Steering committee has been established including staff from Ministry of Agriculture, Ministry of Energy and Mines, and BC Hydro to develop the Agricultural Mitigation and Compensation Plan. The joint committee has worked together to develop the governance structure for the Fund, that will satisfy the overall EAC condition with respect to the fund, and that takes into account input from regional stakeholders.

7.4 The Fund's governance will be guided by the principles of: Fairness and Transparency, Regional decision-making, Professional and Cost effective, Accountable, Inclusive.

Context: Consultation input.

Approach: The principles defined below will provide guidance for the Board and Administration:

- **Fairness and Transparency:** The Fund will be administered in a fair and transparent manner so that all projects are reviewed and given equitable consideration.
- **Regional Decision-Making:** Funding allocation decisions will be made in the region, benefiting from regional knowledge of agricultural strengths, needs, challenges and opportunities in the assessment of funding proposals.
- **Professional and Cost Effective:** The governance structure will support an efficient organization that can make timely decisions, be diligent in document management, record keeping and reporting, and have strong communication capabilities to interact with and support Fund applicants. It must be cost-effective as administration costs must be covered internally by the Fund budget.
- **Accountable:** The governance structure must ensure that the Fund meets the regulatory requirements set out by the Environmental Assessment Certificate Condition 30, that funding recipients and projects meet the eligibility and reporting requirements of the Fund, and that financial and other reporting is completed to acceptable standards
- **Inclusive:** The Fund must be administered in a manner that recognizes the diversity of agricultural sectors, interests and opportunities in the Peace Region.

7.5 BC Hydro and the Ministry of Agriculture will create a governance structure for the Fund that reflects best practices in fund management, is administered in a cost-effective manner, and has regional funding decision-making.

Context: Consultation input strongly recommended regional decision-making and a cost-effective administration and Board be set up to maximize the dollars invested in agricultural activities in the Peace Region. Recognizing that all administration costs associated with implementing the Fund would be covered by the Fund, there was a high level of interest in keeping administration costs as low as possible. It was also recognized that there are real costs to administering a fund including appropriate reporting, audits, and financial management.

Approach: Based on consultation feedback and legal and financial input, it is proposed that the Fund's governance structure include a Regional Agricultural Executive Board

(Board—See Section 7.6) and a Fund Administrator (Administrator See-Section 7.7). Administration of the Fund is defined as having two components including 1) financial management, and 2) application processes and secretariat support. These two components of the administration function may be managed separately or by one entity.

7.6 BC Hydro and the Ministry of Agriculture will work with the Peace Region’s agricultural industry to establish a Board for the Fund that represents the regional agricultural producers, agricultural interests and opportunities in the Peace region.

Context: Consultation input strongly recommended that a decision-making Board for the Fund be comprised of agricultural producers from the Peace Region. See Figure 1 on next page.

Approach: A regional decision-making Board will be established with nine members that are appointees of regional agricultural associations or members at large. The Board is to represent regional agricultural producers, and be inclusive in terms of all agricultural interests and opportunities.

Proposed Approach: The Board composition may include appointees from the following regional agricultural sectors:

- Grains and Oilseeds industry
- Forage industry
- Cattle industry
- Forage Seed industry
- Peace River Valley agricultural producer representative
- Peace River Regional District agricultural appointee (to represent smaller commodity groups, such as horticulture)
- Three members at large – regional agriculture appointees (to be appointed through a Board decision, following a call for volunteers from the regional agricultural sector and may include new entrants, agricultural researchers, and representatives of emerging commodity groups).

The process for identifying sector appointees will be developed with input from regional agricultural associations and stakeholders and described in detail in the Plan. The Plan will also consider Board terms of reference, accountability, and appropriate per diems, expenses, and compensation for the Board.

Figure 1: Proposed Agricultural Compensation Fund Structure



The proposed objectives of the Board will include:

- Representing regional agricultural industry through a composition that reflects Peace Region and agricultural sectors.
- Providing a cross-commodity perspective relative to the Fund's management and decision-making.
- Monitoring the Fund and setting priorities that are aligned with agricultural industry
- Making fair decisions on applications, renewals, and effectiveness determinations.

7.7 BC Hydro will establish a Fund contribution agreement with an entity capable of administering the Fund.

Context: Consultation input identified the importance of cost-effective administration and full management of the \$20 million (a full financial transfer from BC Hydro at Fund start) as top priorities. Consultation input also clearly identified that stakeholders do not want BC Hydro to manage or administer the Fund. Input on managing financial risks also included low spending in early years to enable the Board to establish the program, and interest in managing the Fund as an endowment for long term benefit. In contrast, other agricultural producers expressed interest in larger amount awards to support projects with greater impact.

Approach: Through consultation and research, several existing organizations have been identified that appear to have the capacity and experience to administer a fund of this type. Establishing a new entity to administer the Fund would incur additional costs, time, and add greater risk during the establishment period.

Proposed Approach: BC Hydro will issue a request for expression of interest to identify a short list of organizations capable of providing administration services for the Fund. A transparent procurement will be implemented to select an organization. A contribution agreement will be established with the selected existing entity that would clearly set out the terms of reference for the administrator's responsibilities and accountabilities. The details of the contribution agreement and terms of reference for the administrator will be fully developed as part of the Plan. The administration of the Fund may be split into two components (financial management, and application processes and secretariat support).

Some initial terms of the contribution agreement with the administrative entity may include:

- BC Hydro will transfer the \$20 million in one lump sum to the Fund administration entity
- During year one through five of Fund operations, BC Hydro and the Ministry of Agriculture will remain involved as advisors and participate in annual reviews.

- To allow for the establishment of the administrator and the implementation of a management and business plan, the Fund will be managed to ensure preservation of capital for the first five years of operation.
- A comprehensive review of the Fund's management and business plan will be undertaken after the first five years. BC Hydro will be responsible for engaging a consultant to complete the review, and will invite the participation of the Fund Board, the Ministry of Agriculture and the EAO. The review may include:
 - Financial management and annual allocation approach
 - Metrics to meet Fund vision with consideration of the baseline and how success will be demonstrated relative to the vision.
 - Eligibility, evaluation criteria
 - Annual funding limits and priorities
 - Board and administrator operations
 - Funded project audits
- After the five-year review is completed to the satisfaction of all parties, or after a subsequent period that may be determined by the review results, and with EAO approval, a timeline for removal of BC Hydro and Ministry of Agriculture roles from Agricultural Compensation Fund governance structure would be established, including any considerations that may have arisen from the review. The Board and the administrator would then take on full accountability and operational management of the Fund moving forward.

7.8 The application intake and evaluation will be an efficient staged process.

Context: Consultation input stressed the need for an efficient and transparent application review process, and other successful funds also employed this approach.

Approach: The staged process would split responsibilities, avoid duplication, and ensure accountability.

Step 1: Administrative staff to review applications for completeness and eligibility.

Step 2: Board to review and compare all eligible applications and make final decision on annual funding allocations using evaluation process. If required, the Board could seek additional technical review from other experts, as required.

Step 3: Administrator reviews decision making process and decision recommendations, to ensure the evaluation process has been followed and process is fair and transparent.

Fund Eligibility

Consultation input and research on other funds have been considered to develop applicant eligibility and project eligibility requirements, as well as eligible and ineligible project activities.

Feedback during consultation highlighted an interest in having the future Board Committee be involved in setting eligibility and criteria for projects, and establishing a scoring system and priorities through development of an annual work plan. Additionally, there was a strong focus on training and encouraging young entrants and youth to enter the agricultural industry based on aging farm operator demographics. There were some concerns raised on funding research and development type projects, and stakeholders felt that the focus and outcomes of research must be directly linked to benefits in the Peace Region.

7.9 Fund eligibility and project criteria will be reviewed at the five-year anniversary of Fund establishment, and at least every five years onwards to ensure relevance to the agricultural industry.

Context: Input received during consultation, and learnings from other funds.

Approach: The list of eligible activities/projects will be reviewed annually and updated as needed to ensure that it is current, comprehensive, and distinct, while also being complementary to other funding programs available to the agriculture sector.

Proposed Approach: The following proposed eligibility and criteria details provide a starting point for further review and acceptance by a future Board.

Applicant Eligibility

Eligibility may target agricultural organizations in the Peace Region, or activities that will directly benefit agriculture in the Peace Region. The Fund may be open to the following agricultural groups for use in the Peace Region:

- Individuals and/or partnerships active in agriculture in the Peace Region (including new agricultural industry entrants and young agricultural operators)
- Non-profit agricultural organizations in the Peace Region
- Peace Region industry associations, agencies, boards, and councils
- Educational institutions undertaking research directly related to the Peace Region.

Project Eligibility

The Fund may consider a broad range of project categories to allow for consideration of projects that can provide maximum benefit to the agricultural sector in the Peace Region including:

- Research and development to directly benefit agriculture in the Peace Region.
- Market development for agricultural sector

- Training and education, used to engage youth, and support new entrants into the agricultural industry and new agricultural enterprises
- Capital investment for agriculture industry infrastructure
- Transportation and supply chain improvements for agriculture

Project Activity Eligibility

Projects may address one or more of the following criteria related to agriculture in the Peace Region, and have demonstrated industry support, to be eligible:

- Land productivity (such as new crops and technology)
- Land base management (such as shelterbelts or windbreaks, weed management programs and improvements to grazing capacity)
- Land base improvements and infrastructure (such as livestock watering facilities, fencing for wildlife control and irrigation)
- Market access and infrastructure (such as regional value-added initiatives, institutions and services)
- Infrastructure and transportation improvements (such as cleaning and packing, warehousing and storage, and distribution facilities to support the vegetable industry and new agricultural commodities)
- Sustainability (adoption of green and alternative technologies)
- Climate change response (on-farm responses and adaptations)
- New product and practice viability (studies, demonstrations to test new products and methods).

The following activities are proposed to be ineligible for funding:

- Core activities of government or non-government agencies or programs, including lobbying activities
- Development of policy related to land or agricultural management
- Administration of government regulations
- Engagement in enforcement and compliance activities
- Costs incurred prior to formal notification of funding approval

Fund Allocation

A variety of approaches to fund allocation, including consideration of the size of awards, maximum duration of project funding, and frequency of disbursements have been explored and consulted on with agricultural stakeholders. Consultation feedback strongly agreed on maintaining a flexible approach for the Fund to ensure support for projects that provide the greatest benefit to agricultural production and agrifoods economic activity in the Peace River region.

Project Funding Limits / Matching:

7.10 The Fund will be considered non-government dollars, and therefore eligible to match government dollars.

Context: Through consultation we heard that agricultural stakeholders want the fund to act as a catalyst, and aim to avoid restrictive rules that limit its use.

Approach: These funds are from BC Hydro as a mitigation requirement, and therefore should not be considered “government dollars” in the context of other funders.

Proposed Approach: Applications with a second contribution source will receive additional consideration within the evaluation process. A second contribution source, defined as in-kind contributions, government or private funding, provides external validation of project value, and also creates a greater commitment by the project proponent to deliver the project.

7.11 The Fund will allow multi-year project funding, with annual reporting requirements.

Context: Due to the seasonality of agriculture, several growing seasons are often required to understand the benefits of a new program, technology or process.

Approach: The Fund will allow multi-year funding, with annual reporting required for subsequent year payments. This is a best practice followed by other comparable programs.

7.12 The Fund will adopt application submission deadlines appropriate for the Peace region agricultural sector.

Context: Annual intakes for large applications will assist in a fair and efficient review process by the administrator and Board. Small funding requests may be considered on an ongoing basis.

Approach: The Board will work with the administrator and agricultural producer groups to determine the best approach for application deadlines and review processes.

Figure 2. Summary of Site C Agricultural Compensation Fund Framework

What	Site C Agricultural Compensation Fund
Where	Peace Region of BC
How Much	\$20 Million
Who Decides	Peace Region Agricultural Executive Board
Who Administers	Existing experienced fund administrator
Vision / Purpose	Support the Peace Region’s opportunity for agricultural production and agrifoods economic activity.
How we Work	Applications for Grants, and multi-year funding

8. Agricultural Mitigation, Compensation and Monitoring Status

The status of agriculture mitigation, compensation and monitoring status is summarized in Table 2 below.

Table 2: Agricultural Mitigation & Compensation Plan Status

Description	Current Activity (as of July 2016)	Status	Next Steps
Construction management practices, as they pertain to agriculture	<ul style="list-style-type: none"> Construction management practices are in place as per the CEMP, CSMP, and Contractor Environmental Protection Plans (EPP). 	Implementation	<ul style="list-style-type: none"> Included in Framework Continued implementation of construction management practices throughout construction phase, including monitoring and auditing by independent environmental monitors.
Development of individual farm mitigation plans	<ul style="list-style-type: none"> Meetings being held with agricultural land owners and tenure holders for farms directly affected by the Project. Timing of meetings is based on timeline of acquisition, and owner interest. Discussions cover all aspects of the agricultural operation, including mitigation and compensation. 	In progress	<ul style="list-style-type: none"> Included in Framework Meetings with agricultural land owners and tenure holders. Discussions with directly affected agricultural land owners will address additional impacts which are identified.
Management of residual agricultural land	<ul style="list-style-type: none"> Discussions regarding approach underway 	In development	<ul style="list-style-type: none"> Included in Framework Finalize approach in Plan Implementation of approach will commence post-construction and in some areas 5 years post reservoir fill for safety related to potential erosion.
Establishment of an Agricultural Compensation Fund	<ul style="list-style-type: none"> Consultation on Framework completed with agricultural stakeholders (February, 2016) Framework submitted July 2016. 	In development	<ul style="list-style-type: none"> Included in Framework Consider input from stakeholders on Framework, and incorporate into Fund plans. Prepare contribution agreement with administrative body and establish regional decision-making board.

9. Framework Feedback

We welcome your feedback on the Site C Framework. Comments will be received for a 60-day period from the date of posting on July 27, 2016 until September 26, 2016.

Feedback can be sent to SiteC@bchydro.com. All comments received will be reviewed and considered by the Consultation Steering Committee in the development of the draft Agricultural Mitigation and Compensation Plan.

A draft Agricultural Mitigation and Compensation Plan will be developed in fall of 2016 and is due January 27, 2017. The final Plan is due by July 27, 2017.

Appendix 1: Agricultural Consultation Steering Committee

TJ Schur
Manager, Industry Development, Sector Development Branch
BC Ministry of Agriculture

Julie Chace
Director, Electricity Transmission / Inter-jurisdictional Branch
Ministry of Energy and Mines

Siobhan Jackson
Manager, Public Affairs and Community Relations
(former) Manager, Environmental and Community Mitigation
Site C Clean Energy Project
BC Hydro

James Thomas
Senior Manager, Properties
Site C Clean Energy Project
BC Hydro

Erin Harlos
Social and Lands Lead, Community Mitigation
Site C Clean Energy Project
BC Hydro

Appendix 2. Qualified Environmental Professional

Technical review of the Framework was completed by Patrick Brisbin, P.Eng., P.Ag. Mr. Brisbin is a senior agriculture consultant with appropriate experience and QEP credentials to support the development of the Plan.

The foundation of the EAC conditions with respect to agriculture, and this mitigation and compensation plan, is the agricultural assessment prepared for the Site C Project. Patrick Brisbin led the team that prepared the agricultural assessment provided in the Site C Clean Energy Project Environmental Impact Statement, Volume 3, Section 20 Agriculture and the accompanying technical report, Appendix D Agricultural Assessment Supporting Documentation.

Patrick Brisbin's CV is provided below.

Education

*M.Eng. Civil Engineering-
Water Resources,
University of British
Columbia, Vancouver, 1985*

*B.A.Sc., Honours,
Agricultural Engineering,
University of British
Columbia, Vancouver, 1973*

Certifications

*Registered Professional
Engineer; Association of
Professional Engineers and
Geoscientists of British
Columbia*

*Registered Professional
Agrologist; British Columbia
Institute of Agrologists*

Charcoal Creek Projects Inc. – Abbotsford

Employment History

Charcoal Creek Projects Inc. – Abbotsford, BC

Principal (1987 to 2003, 2015 to present)

Principal of an Abbotsford, BC-based firm providing consulting services in the areas of agricultural water management, irrigation and drainage, hydrology, agricultural waste management, land reclamation, agricultural and environmental impact assessment, agricultural resource assessments, and land use planning.

Golder Associates Ltd. – Abbotsford, BC

Associate, Senior Water Resources Engineer & Agrologist (2003 to 2015)

Senior Engineer and Agrologist responsible for project work in the fields of agricultural water management and irrigation and drainage systems, hydrology, agricultural waste management, land reclamation, and agricultural and environmental impact assessments.

Talisman Land Resource Consultants – Vancouver, BC

Senior Consultant – Water Resources (1979 to 1987)

As an Associate with a Vancouver-based multidisciplinary consulting firm, responsible for the water resource aspects of a variety of projects. Projects included river basin planning studies, irrigation and drainage investigations, feasibility studies and system design, water management training, effluent irrigation, and land reclamation.

BC Ministry of Agriculture – Abbotsford, BC

Irrigation Specialist, Engineering Branch (1974 to 1979)

Responsibilities included design of on-farm irrigation, drainage, and water management systems; preparation of irrigation, drainage, and agricultural water management guidelines, specifications, criteria, and design manuals; design and management recommendations for effluent irrigation systems; participation in multidisciplinary teams assessing the feasibility of regional irrigation and drainage projects; and representing agricultural interests in various water use conflicts.

Rancher – Falkland, BC

(1972 to 1980)

Participated in the operation and management of a commercial beef ranch located near Falkland, BC.

PROJECT EXPERIENCE – LINEAR DEVELOPMENT**BC Hydro Site C Clean Energy Project**
Peace River, BC

Project Manager for the Agricultural Assessment component of the Environmental Impact Statement for BC Hydro's Site C Clean Energy Project. This assessment includes identification of project interactions with agriculture, identification of key indicators for agriculture, collection of agricultural baseline information, identification and evaluation of potential changes to the agricultural resource base and agricultural economy, identification of potential mitigation measures and evaluation of residual and cumulative effects.

South Fraser Perimeter Road
Delta, BC

Responsible for a variety of agricultural issues related to the South Fraser Perimeter Road in Delta BC. Responsibilities included agricultural water management input to the project design and assistance in the design and implementation of works to reconfigure the infrastructure of a large cranberry operation impacted by the alignment.

Interior to Lower Mainland Transmission Project
South Western BC

Completed the agricultural component of the project's submission to the BC Environmental Assessment. This work included assessing the agricultural resources in the vicinity of the proposed alignment, identification of potential effects to agricultural resources and land use (agricultural production, soil disturbance and compaction, drainage and irrigation, livestock movement, invasive plant species, biosecurity and livestock safety and farm work safety), recommendations for mitigation measures to reduce or eliminate potential effects, recommendations for monitoring during project implementation and evaluation of residual effects. During construction, monitoring effects to agricultural areas and assisting BC Hydro in determining appropriate compensation for farm property owners.

Vancouver Island Transmission Reinforcement Project
Delta, Salt Spring Island and Vancouver Island, BC

Prepared site and access and reclamation plans for individual agricultural properties, audited construction activities on agricultural properties, conducted post construction inspections of impacted areas, recommended site specific reclamation measures and estimated crop losses which resulted from construction activities.

64th Avenue/ Mufford Crescent
Langley, BC

Responsible for the agricultural components of the project's submission to the Canadian Environmental Assessment Agency and for the preparation of a submission to the Agricultural Land Commission. Tasks included an assessment of the agricultural resources in the vicinity of the project, identification of potential effects to agricultural resources and recommendations for mitigative measures to reduce or eliminate potential effects.

Highway 10 Improvements
Surrey, BC

Collection of agricultural inventory information and evaluation of project effects on agriculture. Preparation of the agricultural sections of the project report prepared for submission to the Canadian Environmental Assessment Agency and preparation of an agricultural assessment report for submission to the Agricultural Land Commission. Presentations to the Agricultural Land Commission and the Surrey Agricultural Advisory Committee.

8th Avenue Upgrade
Surrey, BC

Collection of agricultural inventory information and evaluation of project effects on agriculture. Preparation of an agricultural assessment report for submission to the Agricultural Land Commission and presentations to the Surrey Agricultural Advisory Committee.

**Trans Canada Highway
No. 1 Westbound
Realignment and
Improvements - Sumas
Canal to Vedder Canal**
Abbotsford, BC

Collection of pertinent agricultural inventory information, identification and evaluation of potential agricultural impacts, recommendations for mitigation measures (including drainage improvements and lot reconfiguration and consolidation) and presentations to the Agricultural Land Commission; assistance with drainage and sediment control planning and environmental monitoring; and soil management planning and monitoring.

**Duke Point Access
Highway**
Duke Point, BC

Collection of relevant agricultural inventory information including regional drainage and interviews with impacted property owners; identification of losses to agricultural and site specific impacts; recommendations for mitigation (drainage improvements and lot consolidations) and identification of compensation needs; presentations to the Agricultural Land Commission.

Coquihalla Highway
Merritt, BC

Assessment of the water resources, grazing and farm traffic impacts to two large cattle ranches; recommendations for mitigation; identification and evaluation of compensation needs.

Richmond Connector
Richmond, BC

Responsibilities included the hydrologic, drainage and irrigation components of the agricultural impact assessment, including recommendations for mitigation measures and evaluation of compensation needs for impacts to drainage and irrigation systems, crop management, and farm access.

PROJECT EXPERIENCE – AGRICULTURAL WATER MANAGEMENT

Colony Farm
Coquitlam and Port
Coquitlam, BC

Provided advice to Metro Vancouver Parks on irrigation and drainage issues related to their proposed improvements to agricultural areas of the Colony Farm properties.

**Delta Irrigation
Enhancement Project**
Delta, BC

Participation in a study to evaluate the performance of the existing agricultural water supply and distribution system within the Corporation of Delta, identify constraints within the existing system and identify potential solutions for identified constraints. The project is developing a strategy to provide water in sufficient quantities and of sufficient quality to satisfy existing and future agricultural water needs within the Corporation.

**Agricultural Water
Supply in the Metro
Vancouver Region**
Metro Vancouver, B.C.

Project Manager of a study which investigated agricultural water supply issues within the Metro Vancouver Region. This study included an overview of the Metro Vancouver agricultural land base, estimates of agricultural water quantity requirements, a discussion of current agricultural water management practices, an overview of the availability of water for agriculture within the Region, identification of key water issues impacting agriculture and a discussion of future agricultural water supply considerations.

Matsqui Prairie Irrigation Master Plan Abbotsford, BC	Project Manager of a study to investigate the opportunities for providing a secure, high quality supply of water for irrigation use when water supplies are limited by both water quality and quantity. This secure water supply will provide farmers with good quality water for irrigation, which in turn will increase productivity and lower risks to food safety, and provide the Matsqui Prairie's aquatic resources with higher flows and improved water quality.
East Sumas Prairie Water Diversion Feasibility Study Abbotsford, BC	Project Manager of an assessment of the feasibility of diverting water from the Vedder Canal and/or the Sumas River downstream of the Barrowtown Pump Station to the system of drainage ditches and watercourses in the eastern portion of Sumas Prairie. The diverted water will improve the amount and quality of water available for irrigation, and to a lesser extent, crop washing. Diverted water may also improve the quantity and quality of water within the project area watercourses for aquatic habitat.
Nicomekl-Serpentine Water Supply and Quality Assessment Surrey, BC	Project manager of an assessment, for the Surrey Farmers Institute, of agricultural water supply and water quality issues within the lowlands of the Nicomekl and Serpentine Rivers in Surrey. Project tasks included assessing the surface water and groundwater sources currently and potentially available for agriculture, reviewing water quality issues, estimating the current and future agricultural demands on water resources and identifying and prioritizing opportunities for improving both the quantity and quality of water available for agriculture.
Water Supply Issues Identification British Columbia	Participated in a study on behalf of Agriculture and Agri-Food Canada and the Prairie Farm Rehabilitation Administration (PFRA) to organize and facilitate nine regional public workshops to obtain information on agricultural water supply issues in BC. The outcome of the workshops resulted in recommendations for water supply funding under the National Water Supply Expansion Program.
Agricultural Irrigation Using Fraser River Water Greater Vancouver Region, BC	Identified areas within the Greater Vancouver Regional District where water from the Fraser River is used for irrigation, locations where Fraser River water is diverted, types of crops grown within subregions, and characterization of irrigation practices and the timing of irrigation water use. The results provided input into an assessment of the risks associated with the bacteriological content of Fraser River water and the use of such water for irrigation, especially for the irrigation of crops that may be eaten raw.
On-farm Irrigation Various Locations in BC	Completed several studies of on-farm irrigation systems, including evaluation of irrigation water requirements, water supply quantity and quality, opportunities for increasing water supplies, system design and costing, applications for water licences. Locations include Ashcroft Ranch, Hat Creek properties, Douglas Lake Ranch, Coldstream Ranch, Nicola Ranch, City of Vernon (effluent irrigation), and City of Kamloops (effluent irrigation).

Drainage Studies Various Locations in BC	Participated in several studies related to agricultural drainage. The drainage studies have involved system planning and design, development of drainage system design criteria, runoff management, feasibility and cost/benefit analysis, feasibility of draining wetlands, forest drainage, evaluation of drainage funding assistance programs and drainage planning for gravel pits and rock quarries. The scale of these studies has ranged from investigating regional drainage improvements to designing on-farm drainage systems for a variety of crops.
Cascade Heritage Power Project Grand Forks, BC	Assessment of existing and future water demands for irrigation and domestic water purposes upstream of a proposed run of the river, 20 MW, hydro project on the Kettle River near Grand Forks, British Columbia. The study also included a preliminary analysis of the flows which would be available to meet these needs with considerations of the instream flow requirements for aquatic habitat.
Cranberry Water Use Study Lower Mainland, BC	Assessed water use in a Lower Mainland Cranberry operation. Major project tasks included a review of available information on cranberry water use and licensing practices and a site specific evaluation of the volumes and timing of water use for cranberry production purposes (frost protection, irrigation, pest control and harvesting) at one Lower Mainland cranberry farm.
Water Supply Feasibility Studies Various Locations in BC	Assessed the feasibility of increasing irrigation water supplies, including evaluation of land suitable for irrigation, irrigation water requirements, hydrology, and the benefits of increased irrigation.
Water Constraints to Agricultural Development British Columbia	Produced a provincial overview of water constraints affecting BC agricultural development.
Agricultural Land Budget for BC British Columbia	Prepared an agricultural land budget identifying the available land base for agricultural development, the existing land use of this base, the extent and quality of the land base not in productive use, and the extent of constraints to development of areas not in productive use.
Water Resources Section, BC Agricultural Waste Management/ Environmental Protection Manual British Columbia	Prepared a draft version of the Water Resources section of the BC Agricultural Waste Management/Environmental Protection Manual. This section included a discussion on water resources and the hydrologic cycle in relation to agricultural, environmental and waste management issues.
Watershed Stewardship, A Guide for Agriculture British Columbia	Contributed to the preparation of "Watershed Stewardship, A Guide for Agriculture". This publication was produced as a guide for agricultural producers and discusses a broad range of agricultural stewardship practices, which can be incorporated into agricultural operations, and their role in protecting aquatic resources.
Kemano II Project Nechako and Bulkley River Valleys, BC	Evaluated existing and potential irrigation water requirements and potential water sources within the Nechako and Bulkley Valleys, and the irrigation and drainage components of the agricultural impact assessment of the proposed Kemano II Hydroelectric Project.

Chimney Creek Management Chimney Creek near Williams Lake, BC	Developed a lake management plan for the Chimney Creek system, located near William's Lake, to help resolve conflicts that had developed between agricultural producers, operating three lakes as reservoirs for irrigation water, and riparian land owners who desire stable lake levels for recreational purposes.
Lower Uva Paddylands Project Lower Uva Region of South East Sri Lanka, Sri Lanka	Water management specialist on an eight-person team assessing the feasibility of increasing crop production on existing paddylands in the Lower Uva Region of southeastern Sri Lanka. Responsible for assessing on-farm water management practices, quantifying existing irrigation demands and efficiencies, formulating recommendations for improved on-farm water management, and assessing and providing recommendations related to water management training programs for Irrigation Department staff and scheme irrigators. Also carried out preliminary irrigation designs for expansions at two of the schemes.
Irrigation Equipment Market Survey British Columbia	Evaluated the market potential for irrigation equipment in BC.
Toosey Reserve Riske Creek, BC	Completed irrigation and hydrologic components of an evaluation of damages due to loss of licensed water rights for use by of the Toosey Indian Band on lands located near Riske Creek, BC.
Regional Water Study Williams Lake Sub-Region, BC	Prepared agricultural aspects of a Regional Water Study for the Williams Lake Sub-Region.
Thompson River Basin Pre-Planning Study Thompson River Basin, BC	Prepared description of agricultural water use, identification of water use conflicts, and recommendations for short- and long-term planning studies within the Thompson River Basin, BC.

PROJECT EXPERIENCE – AGRICULTURE AND THE ENVIRONMENT

Land Application Plans Thompson Nicola Regional District	Responsible for the preparation of Land Application Plans for biosolids use, in accordance with the Organic Matter Recycling Regulation, for partial closure at five landfill sites in the Thompson Nicola Regional District. The Land Application Plans included recommendations for mixing biosolids, sand and wood waste to create a fabricated soil and for application of the soil mix.
Environmental Issues Identification British Columbia	Project Manager of a study on behalf of the BC Ministry of Agriculture, Food and Fisheries to organize and facilitate eight regional public workshops to obtain information on agricultural environmental issues in BC. The outcome was prioritizing agricultural environmental issues to be used in the design of environmental farm planning programs under the Agricultural Policy Framework.
Environmental Farm Planning British Columbia	Environmental assessments, waste management planning, and nutrient management planning for various agricultural enterprises, including dairy, pig, beef, nursery, and mushroom operations.

**Environmental Farm
Planning Publications**
British Columbia

Prepared the Water Resources section and draft of the Livestock Management section for the BC Environmental Farm Planners Manual; contributed to the Stewardship of Waterways and Wetlands publication.

**Regional Agricultural
Waste Management**
British Columbia

Involvement in a number of studies addressing regional agricultural waste management issues, including:

A discussion of options and strategies for improving agricultural nutrient management in the Lower Fraser Valley.

Estimates of reductions to nutrient loading, which would result from improved agricultural nutrient management in the Fraser Valley.

Review of agricultural environmental regulations in other jurisdictions.

Estimates of nutrient loading to water and the atmosphere resulting from agricultural nutrient management in the Fraser Valley.

Description of agricultural nutrient movement and the potential environmental impacts of agricultural nutrients in the Fraser Valley.

Inventory of agricultural waste generation and the land base available for application of manure within the Lower Fraser Valley.

Estimates of agricultural nutrient balances in the Comox and Cowichan areas of Vancouver Island.

**Producer Responses
to Agricultural Waste
Management Initiatives**
British Columbia

Assisted in developing an agriculture industry response to suggested options for improving nutrient (manure) management in the Fraser Valley.

Organized producer workshop on agricultural nutrient management and prepared workshop proceedings.

**Emission Inventory of
Agricultural Sources**
British Columbia

Assisted in the development of an air emission inventory of agricultural sources for the Lower Fraser Valley.

PROJECT EXPERIENCE – SOIL MANAGEMENT AND RECLAMATION**Gravel Pit Reclamation**
Lower Fraser Valley,
B.C.

Development of soil management, water management and reclamation plans for aggregate extraction projects. Monitoring and supervision of soil management and reclamation activities.

Pipeline Reclamation
Lower Fraser Valley,
B.C.

Monitoring of reclamation of agricultural land following pipeline repair activities.

Highway Projects Soil Management and Reclamation

Various Locations, B.C.

Development of soil management and reclamation plans highway construction and upgrading projects. Monitoring and supervision of soil management activities.

Land Application of Wood Waste

Abbotsford, B.C.

Evaluation of opportunities for application of wood wastes to degraded agricultural land to increase soil organic matter and improve soil structure.

Soil Rehabilitation

Delta, B.C.

Review and costing of soil rehabilitation measures for agricultural land where long term rental tenure had resulted in low soil organic matter and degraded soil structure.

Fill Placement

Lower Fraser Valley,
B.C.

Development of fill placement and reclamation plans for agricultural sites.

Effluent and Biosolids Application

Various Locations, B.C.

Evaluation of the impacts to receiving soils of the application of municipal effluent and biosolids to agricultural land.

PROFESSIONAL AFFILIATIONS

Registered Professional Engineer; Association of Professional Engineers and Geoscientists of British Columbia

Registered Professional Agrologist; British Columbia Institute of Agrologists

Appendix 3: Consultation Summary Report

Site C Clean Energy Project Framework for an Agricultural Mitigation and Compensation Plan
Consultation Summary Report

March 2016

Prepared by the BC Hydro, Ministry of Agriculture and Ministry of Energy and Mines –
Consultation Steering Committee



BC Hydro, Ministry of Agriculture and Ministry of Energy and Mines
Consultation Steering Committee

Site C Clean Energy Project

Framework for an Agricultural Mitigation and Compensation Plan

Consultation Summary Report

March 2016

Prepared by
Kirk & Co. Consulting Ltd.



About Kirk & Co. Consulting Ltd.

Kirk & Co. is a recognized industry leader in designing and implementing comprehensive public and stakeholder consultation and engagement programs. Utilizing best practices, consultation and engagement programs are designed to maximize opportunities for input. Kirk & Co. works with internationally-recognized polling firms to independently analyze and report on large volumes of public and stakeholder input.

The views represented in this report reflect the priorities and concerns of consultation participants. They may not be representative of the views of the public and other stakeholders.

Table of Contents

1. Introduction	4
1.1. Framework for an Agricultural Mitigation and Compensation Plan	4
2. Stakeholder Consultation – November 2015 – January 2016	5
2.1 Purpose – Stakeholder Consultation	5
2.2 Notification	5
2.3 Participation	6
2.4 Consultation Methods.....	6
2.4.1 Discussion Guide	6
2.4.2 Online Consultation	6
2.4.3 Stakeholder Meetings	7
3. Consultation Results	8
3.1 Key Themes from Stakeholder Meetings.....	8
3.2 Results from Feedback Forms	9
3.3 Results from Submissions	28

Appendix 1: Stakeholder Meeting Summaries

Appendix 2: Discussion Guide and Feedback Form

1. Introduction

1.1. Framework for an Agricultural Mitigation and Compensation Plan

The Site C Clean Energy Project (Site C) will be a third dam and hydroelectric generating station on the Peace River in northeast B.C. Site C received environmental approvals from the federal and provincial governments in October 2014, and received approval from the Province of B.C. in December 2014.

The Provincial Environmental Assessment Certificate for the Site C Clean Energy Project includes Condition 30, which requires BC Hydro to develop an Agricultural Mitigation and Compensation Plan addressing the following requirements: establishing a \$20 million Agricultural Compensation Fund; implementing appropriate construction management practices; developing individual farm mitigation plans; and managing surplus agricultural land.

BC Hydro, the Ministry of Agriculture and the Ministry of Energy and Mines are developing the Framework for an Agricultural Mitigation and Compensation Plan with input from Peace Region land owners, tenure holders, agricultural producers, and agricultural stakeholders, including local governments and First Nations.

In accordance with the requirements of the condition, the Framework for an Agricultural Mitigation and Compensation Plan will be submitted to the Peace River Regional District and the District of Hudson's Hope for review by July 2016. A draft Agricultural Mitigation and Compensation Plan will be provided for review in January 2017, and a final plan filed with the BC Environmental Assessment Office, Peace River Regional District, District of Hudson's Hope, the Ministry of Agriculture and the Ministry of Forests, Lands and Natural Resource Operations by July 2017. In addition, the Framework, draft Plan and final Plan will be posted on the Site C website for review, and notification will be provided to affected land owners, tenure holders, agricultural stakeholders, and consultation participants.

BC Hydro, the Ministry of Agriculture and the Ministry of Energy and Mines has established a Consultation Steering Committee to guide consultation with agricultural stakeholders regarding the framework for the Agricultural Mitigation and Compensation Plan. The Consultation Steering Committee is seeking and receiving advice from regional advisors: Hon. Mike Bernier, MLA for Peace River South, and Pat Pimm, MLA for Peace River North.

2. Stakeholder Consultation – November 2015-January 2016

Stakeholder consultation regarding the Framework for an Agricultural Mitigation and Compensation Plan took place from November 23, 2015 to January 29, 2016. This report summarizes input received during the stakeholder consultation process.

2.1 Purpose – Stakeholder Consultation

During stakeholder consultation, BC Hydro, the Ministry of Agriculture and the Ministry of Energy and Mines presented content from the draft Framework for an Agricultural Mitigation and Compensation Plan, and sought input regarding four key components of the Plan:

- A. Implementation of appropriate construction management practices, as they pertain to agriculture
- B. Approach to development of individual farm mitigation plans
- C. Approach to management of surplus agricultural land
- D. Establishment of a \$20 million Agricultural Compensation Fund

The input received during stakeholder consultation is summarized in this report and will be considered, along with technical and financial information, as BC Hydro, the Ministry of Agriculture and the Ministry of Agriculture and Mines develop the Framework for the Agricultural Mitigation and Compensation Plan.

2.2 Notification

Notification of opportunities to participate in stakeholder consultation included the following:

- **Invitation and Reminder Emails:** Notification emails were sent to approximately 125 Peace River agricultural stakeholders, encouraging participation in stakeholder meetings and reminding them of the opportunity to participate in online consultation.
 - **Invitation to Participate:** Sent to stakeholder meeting invitees on November 9, November 17 and December 21, 2015 and January 4 and 25, 2016
 - **Thank You and Reminder to Submit Feedback:** Sent to stakeholder meeting attendees on December 17, 2015, and January 1 and January 18, 2016
- **Reminder Phone Calls:** Calls were made in follow-up to the email invitations, inviting or reminding people about meetings and the online consultation.
- **Website:** Information regarding the Agricultural Stakeholder Consultation is available on the Site C Project website (www.sitecproject.com/agricultural-stakeholder-consultation). The consultation discussion guide and an online feedback form were posted on the website on November 23, 2015.

2.3 Participation

There were a total of **114 participant interactions** during the stakeholder consultation regarding the Framework for an Agricultural Mitigation and Compensation Plan:

- 81 people attended four stakeholder meetings
- 30 feedback forms were received
- 3 written submissions were received

It should be noted that some stakeholders participated through multiple methods, such as attending one or more stakeholder meetings, and providing a feedback form or a written submission.

2.4 Consultation Methods

Stakeholder consultation materials were available online at www.sitecproject.com/agricultural-stakeholder-consultation beginning on November 23, 2015. Input and feedback were collected using the discussion guide, online consultation and stakeholder meetings as described below.

2.4.1 Discussion Guide and Feedback Form

A Discussion Guide presented the proposed Framework for an Agricultural Mitigation and Compensation Plan and additional detail on draft components relevant to the Agricultural Compensation Fund. A Feedback Form included in the Discussion Guide invited comment regarding four key elements of the Plan:

- A. Implementation of appropriate construction management practices, as they pertain to agriculture
- B. Approach to development of individual farm mitigation plans
- C. Approach to management of surplus agricultural land
- D. Establishment of a \$20 million Agricultural Compensation Fund

The Discussion Guide and Feedback Form was developed by the Consultation Steering Committee with input from the Regional Advisors.

The Discussion Guide and Feedback Form was distributed in hardcopy at four stakeholder meetings, and was available on the Site C Project website, and through web links from the Ministry of Agriculture.

2.4.2 Online Consultation

The discussion guide was available on the Site C Project website (www.sitecproject.com/agricultural-stakeholder-consultation) as well as an online feedback form which could be submitted directly from the website.

2.4.3 Stakeholder Meetings

81 people attended four stakeholder meetings. It should be noted that some people attended more than one meeting.

Meetings were held on the following dates:

Stakeholder Meetings		
Date	Time	Location
Wednesday, December 2, 2015	1:00-3:00 p.m.	Hudson's Hope
Thursday, January 7, 2016	1:00-3:00 p.m.	Fort St. John
Tuesday, January 12, 2016	1:00-3:00 p.m.	Dawson Creek
Wednesday, January 13, 2016	1:00-3:00 p.m.	Chetwynd

A Kirk & Co. facilitator attended the stakeholder meetings with the Consultation Steering Committee. At each meeting, participants were provided with the discussion guide and were encouraged to provide a completed feedback form or a submission. Members of the Consultation Steering Committee presented the contents of the discussion guide, focusing on the consultation topics, and participants were invited to ask questions and provide feedback during the meeting.

The Consultation Steering Committee stated during the meetings that it was also seeking guidance from the BC Environmental Assessment Office with respect to the governance and allocation of the Agricultural Compensation Fund and any requirements they would have of BC Hydro in satisfying the EAC conditions.

Key themes from each of the stakeholder meetings are provided in Section 3.1 and summary notes from each meeting are included in Appendix 1.

3. Consultation Results

3.1 Key Themes from Stakeholder Meetings

The following are the key themes from the four stakeholder meetings.

Meeting	Key Themes
<p>Hudson's Hope December 2, 2015 1:00 – 3:00 p.m.</p>	<ul style="list-style-type: none"> Participants expressed an interest in refining the Agricultural Compensation Fund's geographic scope to be focused on the Peace River Valley, rather than the Peace Region, because the Peace River Valley is the area that will experience the greatest impact due to the Site C Project. Participants asked that BC Hydro clarify the approach for engaging directly with affected landowners on topics including highway relocation, land acquisition, Statutory Right of Ways, and monitoring plan findings. Participants were interested in establishing a regional working group to provide further input on the Agricultural Compensation Fund framework. Participants stated that the Agricultural Compensation Fund should not be for use outside the Peace Region.
<p>Fort St. John January 7, 2016 1:00 – 3:00 p.m.</p>	<ul style="list-style-type: none"> Participants stressed the importance of having regional administration of the Agricultural Compensation Fund, and regional decisions on funding awards. Participants discussed various existing fund managers that may be able to play a role in the compensation fund going forward. Participants expressed interest in BC Hydro transferring the full amount of the agricultural compensation fund of \$20 million as a lump sum to enable the fund administrator to accrue interest over time. Some local agriculture producer groups expressed interest in the fund being distributed in larger amounts chunks to have a greater impact Some government representatives expressed interest in annual funding that would last in perpetuity for long term benefit. Participants commented on potential project eligibility criteria for the fund, and in general expressed interest in maintaining a flexible framework to ensure the best projects are selected for funding with examples including agricultural infrastructure projects and low-interest loans. Participants stated that the Agricultural Compensation Fund should not be for use outside the Peace Region.
<p>Dawson Creek January 12, 2016 1:00 – 3:00 p.m.</p>	<ul style="list-style-type: none"> Participants stated that the Agricultural Compensation Fund should be regionally managed, and that local agricultural producers should be the final decision makers. Participants expressed interest in creating an executive board to govern the fund, with 1/3 livestock industry representatives, 1/3 crop producers and 1/3 various other minor commodities groups including horticulture. Participants requested that the Fund be allocated in a lump sum endowment of \$20 million. Participants expressed interest in retaining flexibility of eligibility and the criteria for applications, to avoid exclusion of potentially beneficial projects. Participants considered fund eligibility for on-farm investments, multiple-year funding, and interest-free or low interest loans.

Meeting	Key Themes
	<ul style="list-style-type: none"> • Participants identified the need to support new, young entrants into agriculture. • Participants stated that the Agricultural Compensation Fund should not be for use outside the Peace Region.
Chetwynd January 13, 2016 1:00 – 3:00 p.m.	<ul style="list-style-type: none"> • Participants expressed an interest in creating a new cross-producer society to manage/disburse the fund, and not an adaptation of an existing group or fund manager, to ensure all interested stakeholders are represented. • Participants commented on fund governance, articulating the need for an executive board comprised of local agricultural producers, with positions for smaller groups and new entrants. Participants commented that the executive board should have a clear terms of reference to ensure fairness, and that the terms of reference should be reviewed every two to five years. • Participants expressed interest in the compensation fund of \$20 million being paid out in a lump sum from BC Hydro, and managed as an endowment, with flexibility in annual payments. • Participants commented on criteria and eligibility, expressing interest in ensuring individual producers have ways of participating in the fund – both on advisory board and as applicants. Participants proposed that 30 per cent of each year’s funding be available for individual projects. • Participants expressed the need for new, young entrants into the farming industry and a need for educational agriculture programming. • Participants stated that the Agricultural Compensation Fund should not be for use outside the Peace Region.

3.2 Results from Feedback Forms

The following summarizes input received through 30 feedback forms. It should be noted that not all respondents provided a response to all questions and that a response may have included more than one theme.

A. Implementation of Standard Construction Mitigation Measures

Standard construction mitigation measures are included in the Site C Project’s Construction Environmental Management Plan (CEMP). The CEMP outlines the requirements for Environmental Protection Plans, which must be developed by contractors prior to the commencement of construction activities.

These plans include standard mitigation measures for all aspects of construction, including those that may affect agricultural land and operations. Plans related to agricultural land include:

- **Soil Management, Site Restoration and Re-vegetation Plan** – restoration of temporarily affected agricultural land during construction;
- **Borrow and Quarry Site Reclamation Plan** – restoration of temporarily affected agricultural land within quarries and pits developed during construction;
- **Vegetation and Invasive Plant Management Plan** – mitigation of potential effects to agricultural land through protection of vegetation and limiting the spread of invasive plants; and
- **Traffic Management Plans** – mitigation of potential construction effects on individual farm operations as a result of increased traffic and road closures.

1. Please provide any comments regarding the implementation of standard construction mitigation measures.

The following are the key themes from the 15 responses to this question:

- 7 respondents noted that agricultural transportation needs to be considered during project construction, including suggestions that roads should have wider shoulders and pull outs to accommodate large and slow moving agricultural vehicles, that agricultural and local resident traffic should have priority, and that roads should be connected across the Peace River
- 3 respondents commented on the need to manage weeds and invasive plants, noted that BC Hydro should rely on the experience of local seed producers and local seed companies to determine re-vegetation plans and source local seed, and that equipment should be cleaned before entering construction sites. One respondent noted that “limiting” the spread of invasive plants is not acceptable, and that the goal should instead be preventing the spread of invasive plants.
- 1 respondent stated that highway improvements should be realigned around farms, orchards, gardens and buildings as to not drive farmers away from the valley
- 1 respondent suggested that any disturbed soils should be stockpiled and protected so that it can be returned to its original location, that disturbed areas should be returned to as good or better than they were found, and that attempts should be made to create more agricultural land within disturbed areas through levelling, draining or soil rehabilitation
- 1 respondent stated that standard mitigation measures applied to all construction activities is not adequate, and that there should be individual plans developed for each aspect of construction based on the land base that would be affected
- 1 respondent noted that cumulative effects of construction activities needs to be considered, and that support is needed to facilitate affected landowners to provide input into minimizing daily impacts into landowner activities. Traffic management was provided as an example of an activity that could be resolved through discussion and land owner input
- 1 respondent commented that local environmental companies should monitor the construction sites
- 1 respondent noted that reclamation efforts should be planned and signed off by Ministry of Agricultural agrologists and a third-party agrologist (i.e., not affiliated with BC Hydro)
- 1 respondent noted they are concerned about the destruction of mother earth

B. Approach to the Development of Individual Farm Mitigation Plans

In accordance with Condition 30, BC Hydro “*must evaluate effects on agricultural land owners and tenure holders, and develop mitigation and compensation measures consistent with industry compensation standards, to mitigate effects or compensate for losses.*” Also, BC Hydro’s plan must include “*funding for mitigation actions for disruptions to agricultural land owners and tenure holders.*”

BC Hydro evaluated effects on agricultural land owners and tenure holders as part of the agricultural assessment during the environmental assessment phase. As part of this assessment, interviews were held with potentially-affected farm operators and/or owners in 2011 and 2012. There are 34 farm operations where a portion of the operation is within the Site C project activity zone. Of the 34, 22 owners or operators agreed to participate, and provided information about current and potential future agricultural activities. The results of the interviews were used, along with other information, such as from Statistics Canada and direct observations about farm operations, to inform the agricultural assessment.

Now that Site C has moved into construction, BC Hydro’s properties team will discuss with agricultural land owners and tenure holders potential effects of the project on their land and operations, including potential mitigation actions related to disruption of their continuing agricultural operations. Where agricultural land is required for the Project it will be acquired at fair market value, and associated financial losses, including funding of mitigation actions and compensation for those effects which cannot be mitigated, if any, will be reimbursed as described in Section 11.3 of the Site C Environmental Impact Statement (Land Status, Tenure and Project Requirements).

The identification of specific mitigation actions that may require funding related to disruption of each agricultural operation will be identified by BC Hydro in private discussions with agricultural land owners and tenure holders whose land or rights may be affected by the Project. For example, potential mitigation actions may include changes to driveways to address changes to farm access, consideration of changes to unauthorised public access, relocation of farm infrastructure such as buildings, wells or fencing, or other disruptions to current agricultural operations. Where such effects cannot be avoided, individual farm mitigation plans will be developed to determine compensation for financial losses due to disruptions to agricultural land use, consistent with industry compensation standards. Funding for individual farm mitigation or compensation will be in addition to the \$20 million Agricultural Compensation Fund.

2. Please provide any comments regarding the approach to the development of individual farm mitigation plans.

The following are the key themes from the 15 responses to this question:

- 6 respondents commented that consultation with affected agricultural operators and land owners regarding the development of individual farm mitigation plans must be respectful and meaningful
- 6 respondents noted that funding for individual farm mitigation must be completely separate from the \$20 million Agricultural Compensation Fund
- 2 respondents stated that individual farm mitigation must be provided on a fair, equal and adequate basis

- 2 respondents noted a need for a dispute resolution process, including a suggestion of an independent arbitrator and that BC Hydro needs to address current identified disputes with land owners
- 1 respondent noted that removal of key lands may affect the operability of an entire business, and that BC Hydro should compensate for this
- 1 respondent stated that highways should be fenced to prevent trespassers from accessing private property, that underpasses should be installed to allow wildlife and cattle to cross the highway safely, and that a third-party should evaluate the effects of the reservoir on agriculture, noting that they believe BC Hydro has underestimated the effects of the project on agriculture
- 1 respondent asked that BC Hydro be transparent and not ask for or enforce confidentiality regarding individual rates of compensation
- 1 respondent stated that BC Hydro should give individual farm owners/operators whatever they want
- 1 respondent suggested that BC Hydro provide land not needed for the project to landowners and First Nations as part of compensation
- 1 respondent stated that funding should be provided to the most affected parties and that priority should be given to families losing their livelihood as a result of the project
- 1 respondent suggested that it is too early to determine the impacts of the project
- 1 respondent stated that the creation of the reservoir would increase humidity and fog and asked how this would be mitigated
- 1 respondent stated that they did not want to see any development

C. Approach to Management of Surplus Agricultural Lands

In accordance with Condition 30, BC Hydro's Agricultural Mitigation and Compensation Plan must include *"inclusion of suitable land in the Agricultural Land Reserve in consultation with the Agricultural Land Commission"*, and *"when residual parcels are to be sold, consolidate and / or connect residual agricultural parcels with adjacent agricultural land holdings, where practical and when owner(s) and BC Hydro agree."*

These conditions reflect the fact that, through the process of land acquisition for Site C, BC Hydro will end up with surplus land holdings that may be suitable for future agricultural land use. BC Hydro will be in a position to begin the process of identifying lands that are surplus, or not directly required for the project, approximately five years after the completion of construction. This timeline allows for the results of reservoir shoreline monitoring to inform this process, as well as the establishment of long-term mitigation measures that may include establishment of areas such as wildlife habitat compensation lands or recreation sites. Until that time, BC Hydro-owned lands will continue to be managed in a responsible manner that supports, as appropriate, agricultural land use and wildlife habitat, and continues to ensure responsible approach to noxious weed management.

Surplus lands will be assessed against land use priorities to determine their suitability for various potential uses, including land required to mitigate project effects. Consideration will be guided by ongoing conditions associated with project approvals, including vegetation and wildlife habitat compensation, agricultural land use interests and Aboriginal interests, as well as community interests as stated in official community plans and zoning.

For those lands retained as wildlife habitat compensation, there will be management plans developed. Continued agricultural use of these lands is also an objective. BC Hydro will work with government agencies, Aboriginal groups and other potentially affected stakeholders to identify the habitat management objectives, specific actions for the maintenance, creation or enhancement of targeted habitat features, compatible land use including agricultural practices, and other property-specific management considerations.

BC Hydro-owned land deemed surplus to project or mitigation requirements, and that have continuing agricultural value, may be dealt with in several ways. First, when these land parcels are to be sold, BC Hydro will make efforts to consolidate or connect residual agricultural parcels with adjacent agricultural land holdings, where practical and where owners agree. Secondly, BC Hydro will consult with the Agricultural Land Commission and adjacent landowners to include suitable land in the Agricultural Land Reserve.

3. Please provide any comments regarding the management of surplus agricultural lands

The following are the key themes from the 15 responses to this question:

- 8 respondents stated that original seller/previous owner should have the first right of refusal for surplus lands
- 5 respondents stated that all tools available should be used to maintain the production of unused agricultural land before, during and after construction
- 4 respondents stated that adjacent land owners should have second right of refusal for surplus lands
- 4 respondents stated that previous renters or adjacent land owners should have second right of refusal for surplus lands
- 1 respondent stated that other agricultural producers should have third right of refusal for surplus lands
- 1 respondent stated that all surplus lands should be in good condition that would allow for immediate use (i.e., no invasive plants or garbage)
- 1 respondent stated that young farmers should have third right of refusal to purchase or lease lands at a low price to encourage farming among young people
- 1 respondent stated that those who have lost the most amount of land should have first right of refusal for surplus lands
- 1 respondent suggested that surplus lands should first be provided to the original owners free of charge, followed by offered to nearby farmers and ranchers free of charge, sold at a low price to family-run market gardens, and lastly turned into a park with some hunting to manage wildlife populations
- 1 respondent stated that flooded owners/farmers should have the first right of refusal for surplus land
- 1 respondent stated that surplus lands should be re-vegetated to prevent growth and spread of weeds
- 1 respondent stated that those in the surrounding Peace Region should have the third right of refusal for surplus land, followed by those outside the Peace region
- 1 respondent suggested that First Nations should be given a high priority for the acquisition of surplus lands to compensate for the loss of areas to practice Treaty Rights in the area
- 1 respondent expressed concern with the timeline regarding the availability of surplus lands, noting that having to wait 15 years could impact the viability of some operations,

and suggesting that surplus lands should be identified earlier and used in the interim period

- 1 respondent stated that a last refusal clause should be included to provide the previous occupant with the opportunity to accept any of the offers on the table before their tenure is cancelled
- 1 respondent suggested that input from the Peace Valley Landowner Association is needed to develop fair and equitable processes and options
- 1 respondent stated that the “pipeline” will destroy the land needed for survival

D. Establishment of an Agricultural Compensation Fund

D1. Agricultural Compensation Fund Vision

Why are we creating an Agricultural Compensation Fund?

The construction and operations of the Site C Clean Energy Project will affect agricultural land and operations in the Peace Region. To mitigate this impact to agricultural economic activity, BC Hydro will create a \$20 million Agricultural Compensation Fund (the Fund) to support enhancement projects that improve agricultural land, productivity, and systems. As discussed in separate sections, other mitigation is proposed to address other effects, including standard construction management, surplus agricultural land management, and physical monitoring programs for agriculture.

Where should the Fund be targeted and what should it cover?

The Site C Clean Energy Project’s physical footprint is in the Peace Region. Therefore it is proposed that the Fund be targeted to activities that will enhance agricultural lands, operations, or agrifoods¹ economic activity in the Peace Region. The geographic target for the Fund will be the area of the BC Peace River Regional District.

Proposed Vision Statement

Based on the information above, the following is the proposed vision statement for the Agricultural Compensation Fund: *“Enhance the Peace Region’s opportunity for agricultural production and agrifoods economic activity.”*

4. Please provide any comments regarding the proposed vision statement for the Agricultural Compensation Fund.

The following are the key themes from the 15 responses to this question:

- 8 respondents noted that the Agricultural Compensation Fund should be used only to directly benefit the agricultural sector in the Peace Region and not elsewhere in the province
- 1 respondent stated that the vision statement should be changed from “Peace Region” to “Peace Valley”, noting that the effects from the project are in the Peace River Valley, and that those elsewhere in the Peace Region do not need the money
- 1 respondent stated that BC Hydro must help improve the agricultural land left in the Peace Valley
- 1 respondent stated that a significant percentage of the Agricultural Compensation Fund should be allocated to developing the unrealized potential of the horticultural sector in the Peace Valley

- 1 respondent suggested replacing “enhance” to “support”, noting that enhancement is subjective and hard to predict prior to starting a project
- 1 respondent stated that they agree with using the Peace River Regional District (PRRD) boundaries for the area for the fund, but that the PRRD (i.e., elected officials and staff) should have no involvement in the fund or its administration
- 1 respondent commented that the fund should be weighted towards projects and programs that address and mitigate specific losses arising from Site C
- 1 respondent confirmed that the vision statement is separate from individual farm mitigation
- 1 respondent commented that the fund should be paid in one lump sum to a responsible board of agricultural producers
- 1 respondent noted their opposition to development

D2. Agricultural Compensation Fund Governance

How should the Fund be administered?

Based on research into effective fund administering organizations, the following are proposed principles to guide fund administration.

Proposed Principles of Fund Administration

- **Fair and Transparent:** The Fund must be administered in a fair and transparent manner so that all projects are reviewed and given equal consideration.
- **Regional Knowledge and Technical Expertise:** Regional knowledge of agricultural strengths, needs, challenges and opportunities combined with technical expertise will assist in good decision-making and assessment of project viability.
- **Professional:** The organization needs to be efficient in order to make timely decisions, it must be effective in document management and record keeping, and have strong communication capabilities to interact with and support Fund applicants.
- **Accountable:** The organization would ensure that the Fund meets the regulatory requirements set out by the Environmental Assessment Certificate Condition 30, and that funding recipients and projects meet the eligibility requirements of the Fund.
- **Inclusive:** The fund must be administered in a manner that recognizes the diversity of agricultural sectors, interests and opportunities in the Peace Region.

5. Please provide any comments regarding the proposed principles of fund administration.

The following are the key themes from the 15 responses to this question:

- 2 respondents stated that local agricultural producers or producer groups should be administering the Fund, with government providing technical information and guidance
- 2 respondents stated that administration should be inclusive of agricultural people in the Peace Region, and not just large associations, noting that previous funds in the Peace Region have gone to benefit a small number of large associations
- 1 respondent suggested that First Nations be represented in the administration of the Fund
- 1 respondent noted that the Fund should be exclusively for the Peace Region
- 1 respondent stated that the Fund should be administered by a new entity set up for this specific purpose with representation across Peace Valley producers, and not attached to a specific entity or producer group

- 1 respondent stated that the Fund should consider providing bursaries for post-secondary education
- 1 respondent noted that the principles should be followed to the letter
- 1 respondent suggested that administration costs should not come out of the Fund
- 1 respondent stated that administration should be made up of local volunteers to keep costs down and that BC Hydro and government should not be involved
- 1 respondent noted their opposition to development

How should the fund be operated?

To achieve the administrative requirements outlined on the previous page, it is proposed that the Fund's organizational structure would include an Executive Board, an independent Fund Administrator, and an Adjudication Committee with agriculture and economic experts. Administration costs would be covered by the Fund. The proposed roles and responsibilities of each are outlined below and the relationship between each group is illustrated in the flowchart.

How should projects be reviewed?

It is proposed that project funding applications would be reviewed using a three-stage process, shown on the next page

Stage 1: Confirmation of Eligibility

Details:

Confirm that proposed project meets nature of projects and scope of projects criteria

Stage 2: Review and Ranking

Details:

Review and rank applications against 3 considerations:

- a) Alignment with Agricultural Compensation Fund Vision
- b) Technical merit including overall viability, practicality
- c) Value-added criteria including in-kind contributions and/or partnered funding (e.g. dollar ratio of requested funds to other cost covering sources).

Stage 3: Final Decision

Details:

Make final decision based on rankings completed in Stage 2, Fund mandate, annual allocations strategy and budget.

Responsibility:

Compensation Program Administrator (Fund Administrator)

A Fund Administrator would be responsible for administering the Fund. The Fund Administrator would be responsible for creating an applicant-friendly process for funding requests, for completing the initial review of project submissions, for coordinating Adjudication Committee reviews, and for making recommendations for project funding to the Board.

Responsibility:

Adjudication Committee

An adjudication committee would be established to conduct technical evaluations of projects to support reviews of funding applications. Members of the Adjudication Committee would have local knowledge and would be proposed by the Fund Administrator and Executive Board and retained on an as-needed basis. Members would provide technical input on regional benefits, agriculture, economics, project viability, environmental impact, and other topic areas as required.

Responsibility:

Executive Board (Board)

A Board would be established to provide oversight and strategic direction for the implementation of the Agricultural Compensation Fund's Mandate. The Board would include representation from regionally-based agriculture groups and provincial agencies. The Board would monitor the performance of the Fund and would be responsible for project funding decisions, with input from the Fund Administrator and Adjudication Committee.

6. Please provide any comments regarding the proposed organizational structure of the Fund.

The following are the key themes from the 14 responses to this question:

- 8 respondents stated that the proposed organizational structure is top heavy and would lead to high administrative costs
- 7 respondents suggested that a new non-profit group be established to administer the Fund
- 5 respondents provided a suggested structure for the administration of the Fund:
 - Establish an executive board/committee of 7-10 members
 - Executive board/committee to be comprised entirely of agricultural producers from BC
 - Executive board/committee would review and approve all applications, and audit projects
 - Executive board/committee would be supported by an administrative staff person/clerk
 - Executive board/committee could include one ex-officio/non-voting position for a BC Hydro or Ministry of Agriculture representative
 - Producer group to be involved in the development of the terms of reference and composition of the executive board/committee
- 2 respondents suggested that the Fund board be made up of volunteers as to reduce administration costs
- 1 respondent suggested holding a general meeting of landowners in the Peace Valley on an annual basis to elect a board that would meet four times a year to hear pitches from applicants and to discuss/approve projects
- 1 respondent generally agreed with the proposed organizational structure noting that it needs to be cost effective and avoid duplication
- 1 respondent suggested that an administrator should be paid to review applications to ensure they meet basic criteria and then forward them to a board for approval
- 1 respondent stated that the Fund should be used only to pay for “on ground” projects of individual producers, and that producers should be required to provide 50% of funding for their projects
- 1 respondent stated that BC Hydro should assume the cost of administration
- 1 respondent commented that agricultural producers in the Peace Region have the local knowledge to know what is best for agriculture in the region
- 1 respondent noted their opposition to development

7. Please provide any comments regarding the proposed three-stage process for reviewing project funding applications.

The following are the key themes from the 12 responses to this question:

- 7 respondents commented that it should be a priority to keep administrative costs low
- 5 respondents stated that the three-stage process is too top heavy and would result in high administration costs
- 3 respondents provided an alternate process for the review of applications involving an executive board/committee and administrative staff/clerk, without an advisory committee:
 - Administrative staff/clerk to review applications for completeness and eligibility
 - Executive board/committee to make decisions on each application

- 1 respondent stated that while it is important to keep administration costs low, that administration must be effective and assist groups with the application process and with timely application approval
- 1 respondent stated that while they did not support including an advisory committee, if an advisory committee was to be established, it should serve a real purpose and decision-making role
- 1 respondent suggested that there should be one board, elected yearly from people in the Peace Valley, and that four public meetings should be held each year where applicants would pitch directly to the board for approval
- 1 respondent suggested that criteria be established to give stronger consideration for Peace Valley projects or opportunities directly impacted by Site C
- 1 respondent suggested that requirements for projects should be posted online so that applicants can see whether their project meets the requirements
- 1 respondent suggested that the board should be made up of one employee from the Ministry of Agriculture and volunteer representatives from agricultural producers
- 1 respondent noted their opposition to development

D3. Agricultural Compensation Fund Eligibility

Who should be eligible to apply?

- It is proposed that the following groups be eligible to apply for funds:
- Individuals and/or partnerships (including new entrants to agriculture)
- Non-profit organizations
- Peace Region industry associations, agencies, boards, and councils
- Educational institutions

8. Please rate your level of agreement with the proposed applicant categories noted above

Strongly Agree	0
Somewhat Agree	5
Neither Agree Nor Disagree	2
Somewhat Disagree	3
Strongly Disagree	3

Total responses: 13

9. Please provide any comments regarding the proposed application categories

The following are the key themes from the 16 responses to this question:

- 8 respondents stated that the Fund should be for agriculture only
- 6 respondents stated that as the Fund should benefit agricultural activities in the Peace Region, the word "agriculture" and/or "Peace River agriculture" should be added to the category names
- 4 respondents noted that any funds to educational institutions for training or research must be used to directly benefit agriculture in the Peace Region
- 3 respondents suggested that training and education could include youth related projects, training or scholarships

- 2 respondents stated that they felt the categories are broad enough to enable desired activities
- 1 respondent noted that horticulture does not appear to be represented in the Peace Region
- 1 respondent stated that they do not support “individuals or partnerships” if the funds are used entirely for personal gain
- 1 respondent commented that any group that has a project with demonstrated benefit for the entire region should be eligible
- 1 respondent stated that First Nations should have a separate category and receive funds on an annual basis
- 1 respondent noted that while they do not think this money should be available to anyone, if it does get provided, it should go to agricultural producers
- 1 respondent commented that affected Peace Valley producers should not be excluded, but encouraged and assisted to benefit from the Fund
- 1 respondent stated that educational institutions should be considered last among applicants
- 1 respondent noted their opposition to development

What is the nature and scope of projects that should be funded?

We are interested in feedback regarding the nature and scope of projects that the agricultural community would like to see eligible for funding. BC Hydro has undertaken past consultation with agricultural stakeholders and the public regarding this topic.

In 2012, as part of public consultation regarding Site C, BC Hydro sought input regarding agriculture, asking consultation participants to rate their level of agreement with using funds from the agricultural compensation program to support the exploration of a range of regional agricultural mitigation project.

61 per cent of participants strongly or somewhat agreed with exploring the following types of projects:

- Crop irrigation research, development and infrastructure to enhance agricultural capability
- Vegetable sector projects, such as vegetable storage and processing facilities near transportation routes, to support development of higher-value agricultural production
- Forage sector projects to increase current forage and grain crop production levels
- Range and pasture sector improvements, such as clearing, seeding, fertilizing, and fencing, to increase capacity and local production
- Regional agricultural programs, such as invasive plant management, agricultural climate adaptation research or local food production programs

It is proposed that the Fund should consider a broad range of project categories to allow for consideration of projects that can provide maximum benefit to the agricultural sector. Based on this approach, the project categories proposed for the Fund include:

- Research and development
- Market development
- Training and education
- Capital investment for industry infrastructure
- Transportation and supply chain

The project criteria would be reviewed annually to ensure that it is current and comprehensive.

10. Please rate your level of agreement with projects in each of the following project categories being eligible for funding:

	Strongly Agree	Somewhat Agree	Neither Agree Nor Disagree	Somewhat Disagree	Strongly Disagree
Research and Development (n=13)	3	4	2	3	1
Market Development (n=13)	4	3	2	2	2
Training and Education (n=13)	3	2	7	0	1
Capital Infrastructure for Industry Infrastructure (n=13)	3	4	2	1	3
Transportation and Supply Chain (n=13)	0	3	4	4	2

11. Please provide any comments regarding the project criteria.

The following are the key themes from the 13 responses to this question:

- 7 respondents stated that the new executive committee/board should establish eligibility and project criteria
- 4 respondents commented that projects directly offsetting lost agricultural opportunities in the Peace Valley as a result of Site C should be prioritized
- 3 respondents stated that the executive committee/board would establish a scoring system and priorities in an annual work plan
- 2 respondents noted that a problem facing the agricultural sector is the aging population of producers, and stated that efforts should be made to encourage and support youth in agricultural in the Peace Region
- 1 respondent recommended keeping the funding areas as broad as possible
- 1 respondent stated that funding should not cover operational expenses of producers or organizations
- 1 respondent suggested supporting First Nations in the agricultural sector, including training and direction
- 1 respondent stated that they do not support the use of the Fund for capital investment
- 1 respondent noted that they do not support the concept of the Fund providing interest free loans
- 1 respondent stated that the horticultural industry does not have an organized voice, but should be encouraged through the Fund
- 1 respondent noted that each project decision should be based on its merits to provide benefits to the region
- 1 respondent emphasized that investment should only be made to benefit agriculture in the Peace River Valley, not elsewhere in the Peace Region such as Dawson Creek, Rolla or Chetwynd
- 1 respondent asked how agriculture would be affected outside the valley
- 1 respondent noted their opposition to development

What is the nature and scope of projects that should be funded?

Eligible Activities/Project

It is proposed that projects should address one or more of the following scope criteria related to agriculture in the Peace Region, and have demonstrated industry support, to be eligible:

- Land productivity (such as new crops and technology)
- Land base management (such as shelterbelts or windbreaks, weed management programs and improvements to grazing capacity)
- Land base improvements and infrastructure (such as livestock watering facilities, fencing for wildlife control and irrigation)
- Market access and infrastructure (such as regional value-added initiatives, institutions and services)
- Infrastructure and Transportation improvements (such as cleaning and packing, warehousing and storage, and distribution facilities to support vegetable industry)
- Sustainability (adoption of green and alternative technologies in place of fossil fuel-driven energy systems)
- Climate change response (on-farm responses and adaptations)
- New product and practice viability (studies, demonstrations to test new methods)

The list of eligible activities/projects would be reviewed annually and updated as needed to ensure that it is current, comprehensive, and distinct but complementary to other funding programs available to the agriculture sector.

Ineligible Activities

The following activities are proposed to be ineligible for funding:

- Core activities of government or non-government agencies or programs, including lobbying activities
- Development of policy related to land or agricultural management
- Administration of government regulations
- Engagement in enforcement and compliance activities
- Costs incurred prior to formal notification of funding approval

12. Please provide any comments regarding the eligible and ineligible activities noted above.

The following are the key themes from the 13 responses to this question:

- 4 respondents noted that the Fund should not be used for operational expenses of any producer or association (e.g., payroll or contractor fees)
- 2 respondents suggested that this question should be addressed by the new executive committee/board
- 2 respondents suggested that eligibility should be left as flexible as possible
- 1 respondent noted that they do not support the use of the Fund for capital assets
- 1 respondent commented that none of the Fund should go to individual producers who are directly affected by Site C, since they should be compensated through the individual farm mitigation
- 1 respondent stated that projects need to be geared to improve returns to primary producers

- 1 respondent generally agreed with the list of eligible and ineligible activities and suggested that it should be subject to periodic review
- 1 respondent suggested additional eligible activities: piped watering systems, water holes/wells, weed management, improving grazing capacity, fencing/cattle guards, climate change response
- 1 respondent supported an endowment approach where only interest would be allocated to projects
- 1 respondent noted their opposition to development

How should funds be allocated and over what time period?

A wide variety of approaches to fund allocation, including consideration of the size of awards, maximum duration of project funding, and frequency of disbursements have been explored.

The preferred approach for the Agricultural Compensation Fund is to retain flexibility to provide funding for projects that would provide the greatest benefits to agricultural production and agrifoods economic activity in the Peace River region. It is proposed that projects requesting over \$20,000 in funds should have a minimum of one other funding source. The other funding sources could include in-kind contributions or other government or private funding. A second source of funding provides external validation of project value, and also creates a greater commitment by the project proponent to deliver the project. Specific details for fund applications and project requirements will be developed after the Fund Mandate is created.

The table on the next page summarizes the topics and options considered by the Consultation Steering Committee.

Topic	Options Considered	Research Findings
<p>Fund Duration</p> <p>How long will the Fund be in place?</p>	<ul style="list-style-type: none"> • Single project investment (i.e., spend all \$20 million on a major investment such as an Agricultural Research and Development Centre) • Spread payout over a 5-, 10- or 20-year period • Endowment Approach, where only the interest would be allocated to projects 	<ul style="list-style-type: none"> • Determining a specific timeframe for the Fund may limit eligible projects and Fund effectiveness.
<p>Annual Allocation</p> <p>How much would be dispersed from the Fund each year?</p>	<ul style="list-style-type: none"> • \$20 million in one year (i.e., single project investment) • \$4 million per year for 5 years • \$2 million a year for 10 years • \$1 million per year for 20 years • Endowment Approach, which could be continued in perpetuity 	<ul style="list-style-type: none"> • Pre-determining annual fund distribution totals may reduce the impact of the Fund by delaying funding of projects with merit.
<p>Duration of Project Funding</p> <p>How long should a project be eligible to receive funding for?</p>	<ul style="list-style-type: none"> • One year only • Multiple years, with an annual reporting requirement to secure funding for subsequent years 	<ul style="list-style-type: none"> • Due to the seasonality of agriculture, several growing seasons are often required to understand the benefits of a new program, technology or process.
<p>Project Funding Limits</p> <p>What percentage of a project's cost should be eligible for funding?</p>	<ul style="list-style-type: none"> • No limit on individual project costs • Limited to \$500,000 per project, per applicant, per year • Limited to 50 per cent of a project's cost • Limit the % of in-kind contribution • Requirement of funding from at least one other source. 	<ul style="list-style-type: none"> • Funding from a minimum of a second source provide validation of project value, and creates a greater commitment by the project proponent.
<p>Application Submission Deadlines</p> <p>When should project applications be accepted?</p>	<ul style="list-style-type: none"> • Pre-determined intake periods to focus review process on annual or bi-annual submissions • No deadlines – applications accepted and reviewed continuously 	<ul style="list-style-type: none"> • Pre-determined intakes for large applications assists in review processes, and efficiency of funding awards. • Consider allowance for small funding requests to be considered on an ongoing basis.

13. Please indicate your level of agreement with the proposed Agricultural Compensation Fund approach of maintaining flexibility to provide funding for projects that would provide the greatest benefits to agricultural production and economic activity in the Peace River region.

Strongly Agree	3
Somewhat Agree	5
Neither Agree Nor Disagree	3
Somewhat Disagree	0
Strongly Disagree	2

Total responses: 13

14. Please provide any comments regarding the proposed fund allocation approach.

The following are the key themes from the 15 responses to this question:

- 7 respondents requested that the entire \$20 million be released in a lump sum
- 5 respondents recommended an endowment/trust fund approach where only the interest earned from the Fund would be available to pay for projects each year
- 5 respondents stated that the executive committee/board should establish the annual project funding limits
- 5 respondents suggested that fund matching should be encouraged, with the Fund providing 50% of the cost of a project
- 5 respondents stated that in-kind contributions/funding sources should be allowed for matching
- 4 respondents noted that inflation would reduce the future value of the fund and therefore BC Hydro should provide indexed payments on an annual basis
- 4 respondents recommended an endowment/trust fund approach for the first three or five years, and then a review to determine whether to continue with the endowment/trust fund approach
- 4 respondents noted that this Fund must not affect other future funding possibilities for the agricultural sector
- 3 respondents suggested that the executive committee/board should establish the intake deadlines
- 3 respondents recommended removing the multiple source funding requirement
- 3 respondents stated that since the Fund would be provided by BC Hydro and not government, the funds should be eligible to match government funds
- 2 respondents suggested that there should be two intakes per year to reduce keep administration costs down but maintain flexibility
- 2 respondents suggested having one intake per year with an annual submission deadline
- 1 respondent stated that they hope the fund lasts 10 years
- 1 respondent suggested that funding limits should be set annually depending on the applications received and their costs
- 1 respondent commented that the duration of funding should be project-dependent
- 1 respondent noted that First Nations funding should not require in-kind or 50% matching as their ability to fund projects may be limited
- 1 respondent suggested getting agreement on one or two large research projects to simplify and economize the use of funds

- 1 respondent noted that the Fund should not be spent in the Peace Region but rather should be focused in the Peace Valley
- 1 respondent stated that \$20 million is not enough for the Fund, that it would not last longer than 20 years, and that it would not have a significant impact to local agricultural production
- 1 respondent suggested that projects could be funded for up to three years with annual reports confirming that they are meeting requirements
- 1 respondent noted their opposition to development

15. Please provide any additional comments regarding the development of a Framework for an Agricultural Mitigation and Compensation Plan

The following are the key themes from the 14 responses to this question:

- 7 respondents stated that the Fund must benefit agriculture in the Peace Region
- 4 respondents noted that the draft framework should be developed with producer groups and that producer groups should be consulted and have an opportunity to review the draft framework
- 3 respondents suggested term limits for the executive committee/board (e.g., three, three-year terms or three, two-year terms)
- 2 respondents stated that executive committee/board members should be fairly compensated
- 1 respondent suggested that executive committee/board members should receive a per diem and mileage expenses, and that advisory committee members should receive mileage expenses
- 1 respondent suggested consideration of the appointment or election process for executive committee/board members to ensure that the composition reflects changing agricultural group dynamics in the future
- 1 respondent suggested that First Nations should have an annual amount that they could apply for, citing impacts to harvesting, gathering and hunting activities which could be mitigated
- 1 respondent stated that individuals should have the ability to apply, and that funding should not be reserved only for “big names” or organizations
- 1 respondent suggested that the executive committee/board be volunteer-based to keep administrative costs low, with any administration costs paid by BC Hydro
- 1 respondent noted that the impacts of the project on agriculture are yet to be determined, and that the two previous dams (i.e., W.A.C. Bennett and Peace Canyon) do not have a lot of agricultural land around them to demonstrate effects
- 1 respondent stated that the application process should be simple and that accountability of funds used is required
- 1 respondent commented about the consultation process, suggesting that items A, B and C should have been part of one discussion and item D: Agricultural Compensation Fund as another
- 1 respondent stated that \$20 million is not enough
- 1 respondent noted their opposition to development

16. Which provincial agricultural region are you from?

All 15 respondents to this question identified themselves as being from the Peace Region.

17. Which agricultural sector(s) are you active in?

Forages	12
Oilseed and grain farming	11
Beef cattle ranching	11
Sheep and goat farming	2
Fruit and nut farming	1
Field vegetable, melon farming and potato farming	1
Greenhouse, mushroom, nursery and floriculture production	1
Hog farming	1
Poultry and egg production	1
Other: Ranch horses	1
Other: Concerned citizen	1
Other: Retired	1
Other: Beekeeping	1
Other: Equine production	1
Other: Organic seed, forage and beef	1
Other: Bison	1

Total respondents: 16

18. Which is your role within the agricultural sector?

Primary producer (farmer/rancher)	14
Agricultural industry association	7
Agricultural product processor/marketer	3
Other: Concerned citizen	2
Agricultural service industry	1
Agricultural researcher/educator	1
Other: Retired	1

Total respondents: 16

3.3 Results from Submissions

In addition to the feedback forms, three submissions were received through email or letter.

- One submission stated that the \$20 million agricultural fund should be directed to the area which bears the agricultural loss, namely the Peace Valley: Hudson’s Hope, PRRD Electoral Areas B, C, and to a lesser degree E. The submission notes that horticulture is the sector that would be most affected and, given that it does not have a longstanding producer group experienced in endowment funds, is the most in need of support.
- One submission noted that the respondent could not attend the meetings and asked BC Hydro to consider and address two topics: 1) how BC Hydro and the BC government would compensate for increasing food costs in the Peace area and 2) how BC Hydro will compensate farming and ranching families for the loss of multiple decades of heritage, livelihoods and way of life, over and above land and home loss.
- One submission provided feedback regarding the Fund, noted that little capital investment has been made by governments for horticulture in the Peace Region. Attached to the submission were two proposals for prospective projects for the Fund, and a paper regarding the value of the contributions of Taylor to agriculture in the Peace Area, which has been provided to the BC Hydro Properties team for consideration.
 - Feedback regarding the Fund included the following:
 - The Fund should be provided in one lump sum, awarded to capital projects for infrastructure needed in the Peace, be administered locally by the Area Economic Development Commission, be awarded mainly to vegetable and horticultural projects and activities, be increased to \$60 million to include flood plain areas of Taylor and try to create as many agricultural-related jobs in the area as possible.
 - The Fund should not be: awarded over time or through interest payments only, be awarded to groups that are already funded through other government programs or opportunities, be administered by the Ministry of Agriculture or be awarded to anyone outside the Peace Region.

Kirk&Co.