

April 15, 2024

BY EMAIL: jim.wakeham@cvrd.bc.ca

Jim Wakeham
Manager, Facilities & Transit Division
Cowichan Valley Regional District
175 Ingram Street
Duncan, BC V9L 1N8

Dear Jim Wakeham,

Re: FY2025 Annual Operating Agreement – Cowichan Valley Regional District

As we provide you with your 2024-2025 Annual Operating Agreement (AOA), we want to take the opportunity to update you on changes reflected in your agreement and highlight key pieces of information for your consideration.

In recent years, our primary objective has been to provide public transit services that meet the needs of the travelling public throughout BC, and we were pleased to announce our full recovery to pre-pandemic ridership levels in fall 2023 for conventional transit. In addition to the ongoing provision of essential transit services and supporting economic recovery in your community, we can now look to the future of transit service delivery and the transformative changes on the horizon. This includes a focus on supporting transit-oriented development and associated transit-supportive infrastructure, introducing new and innovative service types, and leveraging new technological innovations to enhance the customer experience.

To support this effort, the Provincial operating grant for BC Transit in 2024-25 will allow many of our local government partners to expand service levels to meet increased demand. BC Transit is making significant progress on innovative projects that will enhance the efficiency and effectiveness of our transit service, including the implementation of our Umo electronic fare collection system and our new technology-driven on demand service model in the Kelowna Regional Transit system. There is also significant work underway as we prepare to integrate new battery electric buses into our fleet. Investments being made through our capital infrastructure program in new and upgraded transit passenger exchanges, operating facilities and transit priority infrastructure will further support BC Transit in the delivery of service across the province. All of this work will be guided by a refreshed strategic plan in 2024 that will reflect the changes to our operating environment since our previous plan was published in 2020.

The language contained in the Annual Operating Agreement is regularly reviewed and updated to reflect any material changes to our funding model or other special circumstances. You will note a minor change in your 2024-2025 agreement under *Local Contributions and Reserves* that reflects a change to our Provincial Operating Contribution Agreement. The change allows

the budgeted costs for BC Transit Management Services that appear in the Annual Operating Agreement budget to be the cap for each system, and that each local government partner will pay either the lower amount of actual or budgeted costs.

Finally, a reminder that the information contained in your Detailed Schedule C budget includes commercially confidential information from our operating company and is subject to protection afforded by the *Freedom of Information & Protection of Privacy Act*. Any reports to Council or Regional District Boards, or any discussions which may be made within the public realm must be limited to the line items showing Revenues, Total Operating Costs, Total Costs and Total Local Government's Share of Costs. The schedules attached to your Annual Operating Agreement have been modified accordingly.

As required by the Provincial Operating Contribution Agreement, all AOAs must be signed and returned to BC Transit no later than June 30, 2024.

If you have any questions regarding your agreement or the associated budget, please contact me at swright@bctransit.com at your earliest convenience so I can provide you with any additional information that you require.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Wright', with a stylized flourish extending to the right.

Seth Wright
Senior Manager, Government Relations

Enclosed: FY2025 Annual Operating Agreement – Cowichan Valley Regional District