

December 7, 2020

Attn: Jim Wakeham
Manager, Facilities and Transit Management Division
Cowichan Valley Regional District
175 Ingram Street
Duncan, B.C. V9N 1N8

Dear Jim,

SUBJECT: 2020-21 Amended Annual Operating Agreement & Safe Restart Contribution

The Province has initiated its 'BC Restart Plan', which lays out a series of steps intended to protect people and help ensure that British Columbia can recover from the effects of the COVID-19 pandemic. The Province, BC Transit and the Cowichan Valley Regional District recognize that transit is an essential service, critical for providing public mobility during the acute phases of COVID-19 and for supporting the social and economic recovery of communities and the province as part of the BC Restart Plan.

Under the federal 'Safe Restart' program the federal and provincial governments have committed to provide joint contributions in support of transit services. BC Transit has entered into a Contribution Agreement to receive \$86 million to provide relief to Local Government Partners to help meet their share of costs to maintain affordable Essential Transit Service Levels during the COVID-19 pandemic recovery period.

The Safe Restart Contribution of \$86 million was based on forecasted fare revenue losses and COVID related expenses between April 1, 2020 and March 31, 2022. Local Government Partners have been allocated a share of the Safe Restart Contribution based on their share of total budgeted fare revenues (for fare losses) and share of operating expenses (for COVID-related expenses). Under this Contribution Agreement, \$505,071 has been allocated to Cowichan Valley Conventional, \$607,669 to Cowichan Valley Commuter, \$21,465 to Youbou Conventional and \$77,484 to the Cowichan Valley Custom Transit System.

While service levels and fares are set by each Local Government Partner, the Contribution is intended to assist in maintaining targeted essential transit service levels for the Cowichan Valley Regional Transit System as follows:

Transit System	2020/21 Forecast Hours*	2021/22 Target Hours	2022/23 Target Hours	2023/24 Target Hours
Cowichan Valley Conventional	31,436	31,436	31,436	31,436
Cowichan Valley Commuter	5,156	5,156	5,156	5,156
Youbou Conventional	3,655	3,655	3,655	3,655
Cowichan Valley Custom	9,786	9,786	9,786	9,786

* 2020/21 Forecast hours reflect the reduction in service hours that may have been implemented due to COVID-19

Maintain affordability of transit services by limiting average annual public fare increases to 2.3% in each of BC Transit's 2021/22 – 2023/24 fiscal years.

It is expected that by receiving this Contribution, the Cowichan Valley Regional District will work with BC Transit to maintain targeted essential transit service levels and affordability as outlined above.

Subject to BC Transit receiving a fully executed amended AOA for 2020/21 by January 31, 2021, the one-time allocation of the Contribution will be applied towards the Municipality's share of expenses for 2020/21 and any excess contributions received from the Municipality will be deferred to the Municipality's Local Transit Fund. The contribution will be applied to monthly Municipal invoices evenly for the period April 1, 2020 to March 31, 2022 and a retroactive credit will be applied on your Municipal invoice.

In addition to the Safe Restart contribution, the attached amended AOA budget(s) reflect lower forecast passenger revenues and reduced vehicle lease fees due to the vehicle lease fee holiday for the period July 1 to December 31, 2020. Operating expenses are also reduced if there was a reduction in previously budgeted service levels.

If you have any questions regarding the Safe Restart Funding or your amended budget, please contact me at your convenience.

Regards,



Myrna Moore
Senior Manager, Government Relations
BC Transit