



Policy Statement

BC Hydro is a Crown corporation that is exempt from all property taxes other than those levied to schools. To compensate for the loss of this taxation revenue, BC Hydro pays payments in lieu of taxes (PILT), also referred to as grants in lieu of taxes, to regional districts and municipalities when there are generating facilities located within their boundaries. The formula for determining the amount that regional districts and municipalities receive in PILT funding is established by Orders in Council, under the authority of the *Hydro and Power Authority Act*.

The purpose of this policy is to establish a policy regarding the usage of BC Hydro PILT monies received.

Application

This policy applies to the annual BC Hydro PILT monies received.

Allocation of BC Hydro PILT

- The allocation of BC Hydro PILT be on a percentage of overall PILT funds received formula basis.
- In accordance with the methodology in Schedule “A” attached hereto, beginning January 1, 2014, annual incremental increases to the Northern Areas PILT Funding from the Province to the SLRD (Bridge River 1, Bridge River 2, La Joie), up to a maximum of 4% per year, shall be allocated as follows:
 - To Electoral Area A – 40%
 - To Electoral Area B – 40%
 - To District of Lillooet – 20%

until such time as the following annual amounts of the total Northern Areas PILT Funding have been reached (37.5% in total of the total Northern Areas PILT Funding):

- Area A – 15%
- Area B – 15%
- District of Lillooet – 7.5%

and upon reaching the above annual amounts, no further annual increase increments will be allocated to Area A, Area B and the District of Lillooet and the annual allocations under SLRD

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| Approving Authority: Board | Page 1 of 2 |
| Policy Name: BC Hydro Payments in Lieu of Taxes | Policy No: 2.2 |
| Date of Approval: November 25, 1996 | <i>Dates of Amendment: November 23, 1998; February 2, 1999; December 17, 2003; April 28, 2008; October 22, 2012; September 30, 2013; July 28, 2014; August 24, 2016; April 19, 2017; August 23, 2017; December 15, 2021</i> |
| Policies Superseded: N/A | Related Enactments: |

Board Policy 2.2 BC Hydro Payments in Lieu of Taxes will be adjusted to proportionately reflect the inclusion of Area A, Area B and the District of Lillooet on the above annual basis.

- The SLRD shall provide the District of Lillooet their portion of the annual Northern Areas PILT increase increment for their use.
- Incremental increases to the Northern Areas PILT amount for Areas A and B shall be used for regional district services, capital projects, special projects, or grants-in-aid for the benefit of Electoral Area A and/or Electoral Area B.
- In accordance with the methodology in Schedule “A” attached hereto, beginning January 1, 2014, annual incremental increases to the Southern Areas PILT Funding from the Province to the SLRD (Cheakamus), up to a maximum of 4% per year, shall be allocated until such time as the annual amount of 37.5% of the total Southern Areas PILT Funding has been reached.

Upon reaching the above annual amount, no further annual increase increments will be allocated to the Southern Areas PILT Funding and the annual allocations under SLRD Board Policy 2.2 BC Hydro Payments in Lieu of Taxes will be adjusted to proportionately reflect the inclusion of the Southern Areas PILT Funding on the above annual basis.

- Incremental increases to the Southern Areas PILT amount shall be used for regional district services, capital projects, special projects, or grants-in-aid for the benefit of Electoral Area D and District of Squamish citizens most affected by the BC Hydro infrastructure (Cheakamus/Daisy Lake Dam); this would include people living in the Cheakamus River / Paradise Valley areas.
- Any annual increase increment in PILT Funding in excess of 4% per year shall be allocated to cost centre #1000, General Government.
- SLRD Board Policy 2.2 BC Hydro Payments in Lieu of Taxes shall be reviewed in five (5) years (i.e. next review is 2026).
- A change in PILT funding received by the SLRD from the Province of greater than or equal to 10% will result in a review of the SLRD Board Policy 2.2 BC Hydro Payments in Lieu of Taxes.

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Schedule "A" - Policy 2.2 - BC Hydro PILT

| | | Actual Increase per year | 4.26% | 2.40% | 4.17% | 4.77% | 4.22% | 5.13% | 4.68% | 4.99% | 4.00% | 4.00% | 4.00% | 4.00% | | |
|--|--------------------|--|--|--|--|--|--|--|--|--|---|---|---|---|--|---|
| | | Increase per year to Northern/Southern Allocations | 4.00% | 2.40% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | | |
| | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | |
| Facility | Alloc. % Threshold | 2013 Grant provided per Facility* | 2014 Grant provided per Facility @ actual increase | 2015 Grant provided per Facility @ actual increase | 2016 Grant provided per Facility @ actual increase | 2017 Grant provided per Facility @ actual increase | 2018 Grant provided per Facility @ actual increase | 2019 Grant provided per Facility @ actual increase | 2020 Grant provided per Facility @ actual increase | 2021 Grant provided per Facility @ actual increase | 2022 Grant provided per Facility @ estimated increase | 2023 Grant provided per Facility @ estimated increase | 2024 Grant provided per Facility @ estimated increase | 2025 Grant provided per Facility @ estimated increase | 2026 Grant provided per Facility @ estimated increase ## | New (2026 and future) % of Total Grant ## |
| Northern: | | | | | | | | | | | | | | | | |
| Bridge River 1 | | 324,231 | 338,060 | 346,184 | 360,624 | 377,829 | 393,764 | 413,946 | 433,335 | 454,971 | 473,169 | 492,096 | 511,780 | 532,251 | 553,541 | |
| Bridge River 2 | | 453,924 | 473,283 | 484,658 | 504,873 | 528,960 | 551,270 | 579,524 | 606,670 | 636,959 | 662,437 | 688,935 | 716,492 | 745,152 | 774,958 | |
| La Joie | | 43,230 | 45,074 | 46,157 | 48,083 | 50,377 | 52,501 | 55,192 | 57,778 | 60,662 | 63,089 | 65,612 | 68,237 | 70,966 | 73,805 | |
| Subtotal - Northern | | 821,386 | 856,417 | 876,999 | 913,580 | 957,165 | 997,536 | 1,048,662 | 1,097,783 | 1,152,592 | 1,198,695 | 1,246,643 | 1,296,509 | 1,348,369 | 1,402,304 | |
| Southern: | | | | | | | | | | | | | | | | |
| Cheakamus | | 259,385 | 270,448 | 276,947 | 288,499 | 302,263 | 315,011 | 331,157 | 346,668 | 363,976 | 378,536 | 393,677 | 409,424 | 425,801 | 442,833 | |
| Total Grant | | 1,080,771 | 1,126,865 | 1,153,946 | 1,202,079 | 1,259,428 | 1,312,547 | 1,379,819 | 1,444,451 | 1,516,568 | 1,577,231 | 1,640,320 | 1,705,933 | 1,774,170 | 1,845,137 | |
| Up to 4% Cumulative Increase /yr - Northern | | 0 | 32,855 | 53,437 | 109,137 | 145,680 | 183,967 | 223,868 | 265,815 | 309,726 | 355,830 | 403,778 | 453,643 | 505,504 | | |
| Up to 4% Cumulative Increase /yr - Southern | | 0 | 10,375 | 16,875 | 27,953 | 39,493 | 51,583 | 64,184 | 77,430 | 91,297 | 105,856 | 120,997 | 136,744 | 153,121 | | |
| Up to 4% Cumulative Increase per Year | | 0 | 43,231 | 70,312 | 137,090 | 185,173 | 235,550 | 288,052 | 343,245 | 401,023 | 461,686 | 524,775 | 590,388 | 658,625 | | |
| % Northern PILT funds / Northern facilities subtotal | | | 3.8% | 6.1% | 11.9% | 15.2% | 18.4% | 21.3% | 24.2% | 26.9% | 29.7% | 32.4% | 35.0% | 37.5% | | |
| Allocated to: | | | | | | | | | | | | | | | | |
| - General Government | | 486,347 | 489,210 | 489,210 | 491,185 | 500,451 | 503,193 | 517,963 | 527,402 | 541,741 | 541,741 | 541,741 | 541,741 | 541,741 | 540,947 | 29.32% |
| - Land Use Planning | | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 324,231 | 345,963 | 18.75% |
| - General Select | | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 10,808 | 11,532 | 0.63% |
| | | 821,386 | 824,249 | 824,249 | 826,224 | 835,490 | 838,232 | 853,002 | 862,441 | 876,780 | 876,780 | 876,780 | 876,780 | 876,780 | 898,442 | 48.69% |
| Standing Commitments: | | | | | | | | | | | | | | | | |
| - Lillooet Recreation Centre | | 12,088 | 12,088 | 12,088 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| - Seton Fire Protection | | 7,110 | 7,110 | 7,110 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| - Pemberton Transit | | 20,620 | 20,620 | 20,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| - Squamish Public Library | | 14,221 | 14,221 | 14,221 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | | 54,039 | 54,039 | 54,039 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Electoral Area Select Services: | | | | | | | | | | | | | | | | |
| - Electoral Area A | | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 54,778 | 2.97% |
| - Electoral Area B | | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 54,778 | 2.97% |
| - Electoral Area C | | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 54,778 | 2.97% |
| - Electoral Area D | | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 51,337 | 54,778 | 2.97% |
| | | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 205,346 | 219,110 | 11.88% |
| Northern Allocation: ^^ | | | | | | | | | | | | | | | | |
| - Electoral Area A | 15.00% | 0 | 13,142 | 21,375 | 43,655 | 58,272 | 73,587 | 89,547 | 106,326 | 123,890 | 142,332 | 161,511 | 181,457 | 202,201 | 210,346 | 11.40% |
| - Electoral Area B | 15.00% | 0 | 13,142 | 21,375 | 43,655 | 58,272 | 73,587 | 89,547 | 106,326 | 123,890 | 142,332 | 161,511 | 181,457 | 202,201 | 210,346 | 11.40% |
| - District of Lillooet | 7.50% | 0 | 6,571 | 10,687 | 21,827 | 29,136 | 36,793 | 44,774 | 53,163 | 61,945 | 71,166 | 80,756 | 90,729 | 101,101 | 105,173 | 5.70% |
| | 37.50% | 0 | 32,855 | 53,437 | 109,137 | 145,680 | 183,967 | 223,868 | 265,815 | 309,726 | 355,830 | 403,778 | 453,643 | 505,504 | 525,864 | 28.50% |
| - Lillooet Recreation Centre | | 0 | 0 | 0 | 12,088 | 12,088 | 12,088 | 12,088 | 12,088 | 12,088 | 12,088 | 12,088 | 12,088 | 12,088 | 12,898 | 0.70% |
| - Seton Fire Protection | | 0 | 0 | 0 | 7,110 | 7,110 | 7,110 | 7,110 | 7,110 | 7,110 | 7,110 | 7,110 | 7,110 | 7,110 | 7,587 | 0.41% |
| Southern Allocation: | | | | | | | | | | | | | | | | |
| - For Area D/DoS | 37.50% | 0 | 10,375 | 16,875 | 27,953 | 39,493 | 51,583 | 64,184 | 77,430 | 91,297 | 105,856 | 120,997 | 136,744 | 153,121 | 166,062 | 9.00% |
| - Squamish Public Library | | 0 | 0 | 0 | 14,221 | 14,221 | 14,221 | 14,221 | 14,221 | 14,221 | 14,221 | 14,221 | 14,221 | 14,221 | 15,174 | 0.82% |
| TOTAL | | 1,080,771 | 1,126,865 | 1,153,946 | 1,202,079 | 1,259,428 | 1,312,547 | 1,379,819 | 1,444,451 | 1,516,568 | 1,577,231 | 1,640,320 | 1,705,933 | 1,774,170 | 1,845,137 | 100.00% |

* Was 45% in 2013 due to no allocation to Feasibility Study Reserve required. No Feasibility Reserve after 2016 due to change in policy.

^^ Allocations are based on the amounts generated by the North and South, respectively. 40/40/20 allocation of the Northern to Area A, Area B and District of Lillooet, respectively. Any annual increase > 4% is allocated to General Govern

Once the allocations noted in the above line to the Northern & Southern areas have been reached, this is the new formula. The presumption is that once the appropriate allocation of the current year has been reached, the allocation will change and the new allocation will be used for future years.

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| Allocation based on new %'s |
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