



April 24, 2023

**BY EMAIL:** msalmon@lakecountry.bc.ca

Matthew Salmon  
Director of Engineering and Environmental Services  
District of Lake Country  
10150 Bottom Wood Lake Road  
Lake Country, BC V4V 2M1

Dear Matthew,

**Re: FY2024 Annual Operating Agreement – District of Lake Country**

As we provide you with your 2023-2024 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.

Our primary focus continues to be on building back transit ridership to pre-pandemic levels and supporting communities across B.C. through their ongoing recovery. As of January 2023, our total ridership has recovered to more than 90 per cent compared to 2019-20 levels. While this is positive news, it comes at a time where labour shortages still present a critical challenge and continue to impact BC Transit's recruitment and retention of transit operators and maintenance staff throughout the province.

In the meantime, we are seeing a number of exciting and innovative projects underway with plans for initial implementation this year. They include the delivery of our first 10 battery electric buses which will enter service in Victoria, as well as a province wide implementation of our new electronic fare collection system. In addition, improvements are being planned for operations and maintenance facilities and transit exchanges around the province, which are contributing to the reliability and sustainability of transit service well into the future.

While we anticipate further economic uncertainty in the months and years ahead, the \$150.6 million operating grant announced by the Province in the recently tabled provincial budget will enable BC Transit to maintain existing service levels for 2023-24. However, we continue to face challenges with fuel price volatility and a higher price per litre is reflected in the operating budget for your system. This once again reinforces the importance of adopting a low carbon fleet and continuing to reduce our overall reliance on diesel fuel.

Our service strategy for the coming year will focus on promoting and stimulating ridership growth where possible, and highlighting public transit as the more sustainable transportation option through marketing and promotion. We will begin to implement actions outlined in our Indigenous Relations & Reconciliation strategy, and take steps to fulfill requirements outlined in the Accessible BC Act. We will continue to optimize the design of our transit services, and support transit oriented

development. We will make further investments in both customer-facing technology and infrastructure, with an overall focus on operational excellence.

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 2023-2024 agreement that reflects the additional Safe Restart and Recovery funding contribution that was allocated to your system(s) in March 2022.

Finally, a reminder that the information contained in the 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 Boards, or any discussions which may be made within the public realm must be limited to four line items showing Revenues, Total Operating Costs, Total Costs and Total Local Government's Share of Costs. The schedules attached your Annual Operating Agreement have been modified accordingly.

As required by the Provincial Operating Contribution Agreement, all AOA's must be signed and returned to BC Transit no later than June 30, 2023.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mossey', with a stylized flourish at the end.

Chelsea Mossey  
Senior Manager, Government Relations

Enclosed: FY2024 Annual Operating Agreement