

ESTABLISHMENT OF A DELEGATED ADMINISTRATIVE ORGANIZATION

Proposal by the



Sept 2015

For a Designated OHV Trail System in Alberta

1.0 Introduction

The AOHVA supports effective stewardship of Alberta's public land, ongoing safety and education training including the need to manage access and use for the protection of sensitive areas.

We also encourage and support the continuing development of the Land Use Framework for the respectful enjoyment of the back country, understanding that it is to protect the environment and wilderness for the people of Alberta not to keep it from the people.

Since 2009 the AOHVA has been advocating for a designated OHV trail system that is funded, planned, managed, and maintained by our user group. We are dedicated to seeing this become a reality and remain firmly committed to the establishment of an OHV Recreational Trails DAO as the Service Delivery structure.

A Delegated Administrative Organization (a 'DAO') is an arms-length, user-funded, legal entity established for the purpose of administering a comprehensive management/regulatory/education program for the delivery of a service or set of programs traditionally delivered by government.

Over the past several years the following DAO's have been created:

- Alberta Used Oil Management Association
- Beverage Container Management Board
- Alberta Recycling Management Authority
- Petroleum Tank management Association of Alberta
- Oil and Gas Orphan Abandonment and Reclamation Association
- Alberta Elevating Devices and Amusement Rides Safety Association

The DAO structure proposed by the AOHVA allows for a designated Off Highway Vehicle ('OHV') trail system supported by legislation, which would be delivered by a Primary Service Delivery Organization- (see 3.1) in partnership with their respective clubs.



2.0 Purpose of the DAO

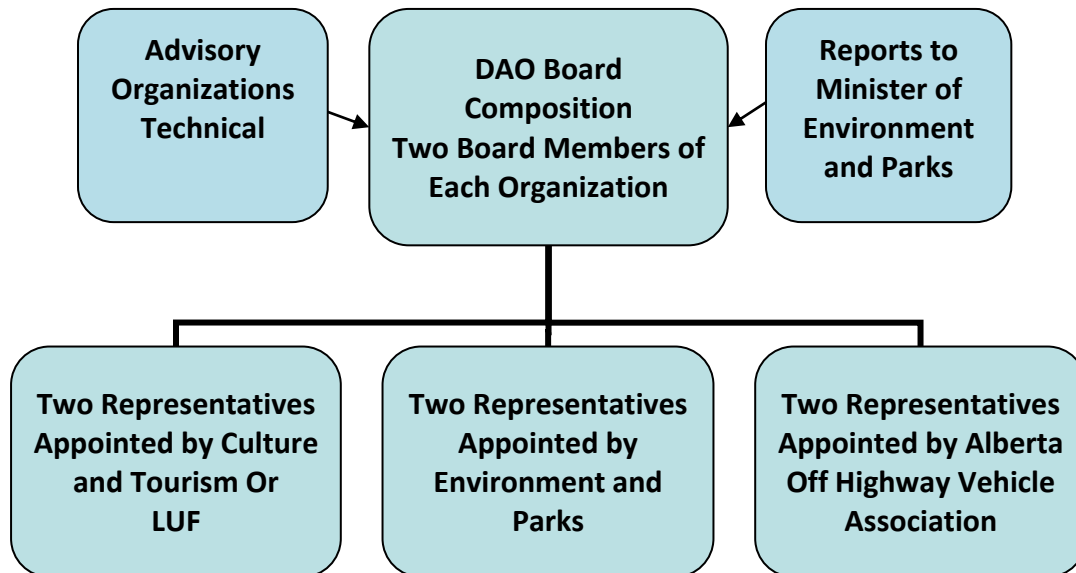
The proposed DAO would be structured so that it would be funded entirely by a sustainable OHV user fee to deliver on the following primary services:

- **OHV Youth Safety Training and Education** mandatory for users 16 years of age and under to be provided by the AOHVA at no charge under the Ride with Respect and other rider training programs (see AOHVA Business Plan).
- **OHV Environmental Stewardship** as a result the environmental footprint of trails are respected and user efforts are constantly in place to protect and preserve the land that is supportive of the natural environment (see AOHVA Business Plan).
- **OHV Recreational Rider Education** advocating healthy and respectful OHV trail usage as Albertan's want to recreate in a sustainable and environmentally responsible way on the landscape (see AOHVA Business Plan).
- **OHV Sustainable User Funding** provided by the user will be dedicated for training, education, trail development and maintenance. This protects the user funding as it is not directed to general revenues and can only be used for the purposes within the setup of the DAO.
- **OHV Trail/Trailhead Development and Maintenance** the construction, restoration, reclamation and revitalization of designated sustainable trails, bridges, O.H.V trailheads, signage and random staging/camping areas.
- **OHV Recreational Use Evaluation** on the outcomes of funding with proper set of due diligence and reporting guidelines in place and the result will be more responsible enjoyment of back country and remote recreation areas.
- **OHV User Engagement** to ensure there is value and motivation for the user to contribute yearly funding and see tangible results, as well as to encourage involvement and participation of OHV clubs. Most of OHV trail development, restoration, revitalization, reclamation and yearly maintenance could be funded by the user at no cost to the public through tax dollars. If this annual fee is used for its intended purpose the OHV community will not view this as a tax.

3.0 Proposed DAO Structure

The DAO and its membership should aspire to be lean, functional and motivated. This means that the Directors and staff of such a DAO will be:

- Small in number and composed of primary service delivery organizations.
- Efficient and effective in operation and delivery.
- Facilitative in compliance to government requirements.
- Critically constructive yet product focused within and outside the DAO organization.
- Motivated to support expanded trail development, access and use while supporting economic, tourism and environmental integrity.



3.1 Primary service delivery organizations are defined as organizations:

- Are organizations with members who will provide financial support to a DAO (supportive of a trail enhancement fee)
- For our purpose we represent ATV, UTV (side by side) and Off Road Motorcycles users
- Have the ability to deliver education and safety programs and services
- Are advocates of safe, healthy, and respectful recreational trail usage and encourage a sustainable environmental footprint on the landscape
- Are interested in the construction, maintenance and enhancement of recreational trails
- An organization that could hold the trail disposition as well as the liability on the trails

3.2 Government of Alberta Representation

The Government of Alberta (the 'GOA') members of the DAO would be duly appointed representatives by the GOA, and will have expertise and mandates complementary to that of the DAO. The GoA members would provide technical, legislative, and governance support and advice as appropriate and necessary to the DAO, to support and enable it to carry out its mandate successfully.

The proposed GoA members would be:

- Ministry of Alberta Environment and Parks (AEP)
- Ministry of Alberta Culture and Tourism (ACT)
- Ministry of Alberta Transportation (potentially on an advisory basis)



3.3 Advisory Organizations

From time to time the DAO may require additional input, technical, and advice as appropriate and necessary to the DAO, to support and enable it to carry out its mandate successfully. These advisory organizations may include but not be limited to:

- Alberta Association of Municipal Districts and Counties
- Alberta Urban Municipalities Association
- Alberta Outdoor Coalition
- Provincial Environmental Organizations
- Other GOA Ministries

The other advisory organizations or GOA ministries would hold advisory positions within the DAO; their duties would be to provide recommendations and advice to the board voting members of the DAO.

4.0 Financial Considerations

4.1 OHV User Funding Model

To ensure long term fiscal sustainability, without tax based allocation, the AOHVA supports the concept of a DAO that will be funded directly and entirely by the OHV users.

The AOHVA proposes to fund the DAO via a registration levy placed on OHV's at the point of registration (\$60.00 proposed – net of Service Alberta fees if applicable). Currently \$54 is collected by GoA which goes to general revenue. Based on the annual registration of 118,000 off highway vehicles, this is estimated to generate annual revenue of approximately \$7 million. This could be called a *Safety and Trail Enhancement* fee as the OHV community has no expectation of a taxpayer funded recreational trail system.

4.2 OHV User Fee Distribution

DAO Administration:

- 5% of net - approximately \$350,000
- costs consist of two staff:
 - one which would have access to current GoA mapping overlays and GIS Software Technology, support for the Trail Planners of AOHVA
 - one for administration duties supportive of the DAO Board
- costs for trail insurance and liability management

AOHVA Operations

- 20% of net - estimated \$1,400,000 that will allow the AOHVA, as a service delivery organization, to have in place the necessary administration staff to deliver safety and education programs, participate in all required trail planning, support club initiatives and report to the DAO on funding expenditures.
- 75% of net - estimated \$5,250,000 allocation of funds to work with and support clubs to develop, restore, reclaim, maintain OHV trails and trail heads, install bridges and improve random camping/staging areas. AOHVA and its member clubs will support and assist in the development of mixed use trails in areas where such are in existence or are created. Costs of such developments should be shared by other users as funding becomes available and approvals are received.
- AOHVA has a prepared business plan for the years 2012-2017 that details all of the deliverables that a funded AOHVA service delivery organization would provide.

4.3 Accountability

A comprehensive business plan would have to be prepared by the primary service delivery organizations, approved by its respective board and then submitted to the DAO for approval before any funding to such organizations would be allocated or approved. As well, confidentiality agreements would be in place for all members of the DAO in order to protect the integrity of the DAO and each member organization.

4.4 Liability

A trail disposition and liability insurance needs to be discussed and completed between the DAO and Government Departments to determine respective legal interests in infrastructure and improvements on public and private lands respectively, determination of insurable interests, limitations on liability, signage, appropriate levels of coverage and costs.

There are two possible scenarios:

- the DAO holds the disposition, infrastructure, bridges, trailheads, signage, as well as the liability and insurance.
- the Primary Service Delivery Organization holds the disposition, infrastructure, bridges, trailheads, signage, as well as the liability and insurance.

5.0 DAO Incorporation

The following structural considerations should be in place at the design, implementation and delivery stages of the DAO:

- The **mandate and purpose** should be unequivocal and clearly understood by all parties
- The **intended outcomes** should be clearly understood by all parties
- There should be clear **evaluative and reporting** processes in place
- There should be a clear understanding of the **resources required** for the DAO to perform its functions successfully, including human, fiscal, and in kind resources

There should be a clear understanding and agreement of the **governance role** of the DAO, specifically its **responsibility, its accountability, and its authority**.

- There should be a clear understanding of the **decision making processes** that will be used by the DAO, and said decision making processes should be understood and accepted by all parties
- There should be a defined communications plan and processes in place, accepted by all parties
- The values of the GoA and the partners (DAO) should be fully congruent and should be discussed extensively such that no disagreement is evident at any level

6.0 Proposed DAO Corporate Governance

Corporate governance can be defined as a set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the stakeholders involved and the goals for which the corporation is governed.

With this definition in mind the proposed DAO will operate with the following basic principles in place:

- The DAO will be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities
- The DAO will protect and facilitate the exercise of members' rights
- The DAO will ensure the equitable treatment of all members
- The DAO will recognize the rights of members established by law or through mutual agreements and encourage active collaboration between member stakeholders
- The DAO will ensure that timely and accurate disclosure is made on all matters regarding the organization, including the financial situation, performance, and governance of the organization
- The DAO will ensure the strategic guidance of the organization, the effective monitoring of management by the board, and the board's accountability to the member organizations and the GoA

7.0 Government Action **Required**

7.1 **ONGOING** Mandatory Provincial Helmet Legislation

- This requires GoA Legislation
- The AOHVA has been advocating to GoA for the past 5 years and has sent letters to various ministries supporting this legislation

7.2 **ONGOING** Enforcement

- The respective departments of GoA will retain responsibility for enforcement and is supported by the current \$54 OHV registration fee that is directed to general revenue
- The GoA has to ensure that municipal government agencies have the mandate to enforce legal regulatory and safe access to and the use of recreational trails in Alberta

7.3 **NEW Landuse Frame Work Consultation and Stakeholder Structure**

- This stage is critical in laying a framework for future recreation uses on the landscape
- There needs to be written departmental policy that does not change with each new manager or GoA bureaucrat as consistency is needed for this process to be repeatable
- Before Porcupine Hills management plan is initiated this policy should be finalized
- The AOHVA will be making a final presentation with recommendations in October of 2015 to the land-use framework committee

7.4 **NEW Random Camping Requires Action**

- Current campgrounds in Alberta do not meet the needs of the OHV users
- Update the definition of random camping to be “camping with limited services” which would meet the needs of campers as well to ensure the sustainability of the area
- The AOHVA will be making a detailed submission on this in October of 2015

7.5 **NEW Recreation Trail Disposition Required**

- This is an area that requires Government of Alberta action and development
- There is no current disposition available from Environment and Parks or Culture and Tourism, that service delivery organizations can use
- The OHV community requires a defined footprint on the landscape that allows for managed public access and infrastructure liability assumption
- The Service Delivery Organization could then be responsible for the ongoing maintenance and GOA disposition responsibility

Without this the implementation and success of the proposed DAO (the AOHVA service delivery plan) will not be possible

7.6 **NEW Defined Trail Approval Framework Required**

- This is an area that requires Government of Alberta action and development
- There needs to be clear written policy on how recreation access management plans are consulted on and approved
- The current process is inoperative as land managers do not have the tools to approve OHV trails within the current regulatory framework
 - In 2005 SRD had set up the **Ghost-Waiparous Access Management Plan (GAMP)** multi-stakeholder committee to manage the Ghost Area and it has not been successful in achieving the expected results on approving new trail projects and infrastructure
 - In 2007 Parks had set up the **Eagle Point-Blue Rapids (EPBR)** multi-stakeholder council to manage Eagle Point Blue Rapids Park and it has not been successful in achieving the expected results on approving, maintaining, funding or creating lasting multi-stakeholder trail user collaborations