

Report

Date April 1, 2026

File:

Subject Climate Action and Energy Plan Terms of Reference Update

PURPOSE

To consider the revised Terms of Reference for the Climate Action and Energy Plan Reserve Fund.

BACKGROUND

On [September 17, 2025](#), Council adopted a motion establishing “Wildfire Preparedness” as a strategic priority, directing staff to develop a North Cowichan strategy to prepare for and respond to wildfire threats and to report back on the most effective approach for implementing this work. On [December 3, 2025](#), Council adopted the following motion:

THAT Council:

- 1. Allocates the 2026 0.5% annual Climate Action and Energy Plan taxation contribution to wildfire preparedness initiatives; and,*
- 2. Directs staff to amend the Climate Action and Energy Plan Reserve Terms of Reference to enable climate-adaptation expenditures for wildfire preparedness.*

The Environmental Advisory Committee provided their support to this motion during their meeting on December 11, 2025:

THAT the Environmental Advisory Committee commends Council for allocating the Climate Action Energy Plan (CAEP) Reserve Fund 2026 0.5% annual taxation contribution to support wildfire protection planning and acknowledges that this action demonstrates the importance of the issue and the CAEP Reserve Fund.

The Climate Action and Energy Plan (CAEP) Reserve Fund is guided by a Terms of Reference which provides the framework to fund climate mitigation and, to a limited extent, climate-adaptation work. The CAEP Reserve Fund and its corresponding Terms of Reference were first established in 2014, after the adoption of the original CAEP by Council in 2013. The Terms of Reference were later updated in 2017 and 2022 to reflect updated environmental priorities, provide outside organizations with the ability to receive funds and align with the 2022 CAEP update.

DISCUSSION

The current CAEP Reserve Terms of Reference allows for climate-adaptation work through community climate grant applicants but does not explicitly reference municipal use for corporate or community adaptation projects. In the [December 3, 2025 Report to Council](#), staff recommended adding eligibility language in the CAEP Reserve Fund Terms of Reference for municipally supported adaptation initiatives.

The proposed modifications to the Terms of Reference are included as a redlined version in Attachment 1 and the final CAEP Reserve Fund Terms of Reference proposed for adoption by Council as Attachment 2.

The majority of these changes are primarily editorial for clarity and flow. The amendments update the Terms of Reference to improve clarification on eligible climate adaptation projects in line with the Climate Adaptation Strategy adopted by Council in 2024, which includes actions to reduce wildfire risk.

During the [December 3, 2025](#) meeting, Council provided direction on the two wildfire projects to fund from the Reserve Fund in 2026: the hiring of a Wildfire Specialist and the creation of a Strategic North Cowichan Wildfire Plan. While these two projects are not specifically called out in the Adaptation Strategy, they are eligible as they will both enable and advance five actions including:

- Action 2.9: Identify options to mitigate the impact of wildfire risk management on developable areas and development project viability
- Action 3.8: Conduct a review of FireSmart practices for critical infrastructure systems and enhance FireSmart maintenance activities
- Action 7.2: Implement the Community Wildfire Protection Plan and advance fuel hazard reduction treatments in identified high risk areas
- Action 8.1: Engage with landowners on land use practises to reduce flood and wildfire risk and protect adjacent properties and infrastructure
- Action 8.3: Collaborate with Emergency Management Cowichan to provide information to support homeowner preparedness initiatives and neighbourhood resilience programs

OPTIONS

1. **(Recommended Option)** THAT Council adopts the revised Terms of Reference for the Climate Action and Energy Plan Reserve Fund as presented in Attachment 2 of the Climate Change Specialist's report dated April 1, 2026.
 - The updates bring the Terms of Reference in line with supporting policy (2024 Climate Adaptation Strategy) and support for wildfire in 2026 is supported by the Environmental Advisory Committee.
2. THAT Council adopts the revised Terms of Reference for the Climate Action and Energy Plan Reserve Fund as presented in Attachment 2 of the Climate Change Specialist's report dated April 1, 2026, subject to the following amendments: *(Council to identify)*

IMPLICATIONS

The adoption of the proposed Terms of Reference with amendments provides clarify on climate adaptation project funding. The financial implications to the CAEP Reserve Fund remain the same. A formalized accounting of the transactions made each year is presented to the Environmental Advisory Committee and Council.

Adoption of the proposed Terms of Reference will align with Council’s adopted plans and support communications and messaging by North Cowichan with the community on emissions reduction and climate adaptation priorities.

RECOMMENDATION

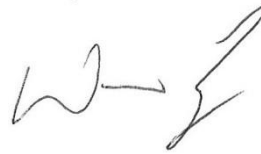
THAT Council adopts the revised Terms of Reference for the Climate Action and Energy Plan Reserve Fund as presented in Attachment 2 of the Climate Change Specialist’s report dated April 1, 2026.

Report prepared by:

Jennifer Aldcroft

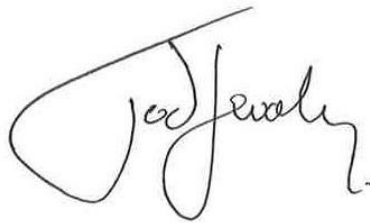
Jennifer Aldcroft
Climate Change Specialist

Report reviewed by:



David Conway PEng
Director, Subdivision and Environmental Services

Approved to be forwarded to Council:



Ted Swabey
Chief Administrative Officer

Attachments:

- (1) CAEP Reserve Fund Terms of Reference 2026 Redline
- (2) CAEP Reserve Fund Terms of Reference 2026 Final