



Seacow Pond

HISTORIC POND NOW A BUSTLING HARBOUR

Unprepared for a harsh North Atlantic winter, the first Scottish settlers in Prince Edward Island were facing starvation in the winter of 1770 until Aboriginals led them to Seacow Pond, a two-hectare pond full of wintering walrus on the Island's northern tip.

"All they had to do was kill and eat. That was their work for the rest of the winter. There is no doubt but that was what saved their lives," wrote a descendant of these early settlers. Island residents continued to visit Seacow Pond to harvest walrus over the next century, until fishers and farmers settled there in the 1880s. Many of the original settlers' families are still there.

"My family has been here for at least four generations," says Francis Morrissey, President of the Harbour Authority of Seacow Pond. "My grandfather gave the land to build the harbour in 1965." The original pond is now divided in half by a road bridge, he explains. The outside section, used by fishing boats, is separated from the Gulf of St. Lawrence by a sand spit.

All the fishers of Seacow Pond hold lobster licences. Each also holds licences for herring, mackerel, tuna, snow crab or Irish moss. Harbour facilities consist of three buying stations (the catch is then trucked to processing plants in nearby Tignish), an ice machine and the harbour fuel system. Fishers store their seasonal gear in outbuildings at their homes.

After it was formed in 1996, one of the Harbour Authority's first projects was to increase mooring space. The small



Photo: Vincent K. Chan

The harbour at Seacow Pond, Prince Edward Island.

harbour is home to 42 fishing boats, each 14 m by 4.6 m. It's a tight fit, especially at the beginning and end of the lobster season when the fishers move their lobster traps from storage to the water and back again.

The Harbour Authority decided to line the harbour shore with floating docks. The two-metre-wide floating docks are moored to the harbour's shore and hinged to allow movement with the tides. The docks are removed in the winter to prevent ice damage. Where the shore is exposed bedrock, the floating dock is moored to concrete anchor points.

Space is still at a premium, but the situation is much improved. "Boats moor five and six deep along the wharves," says Jim Morrissey, Area Chief for Prince Edward Island (no relation to Francis Morrissey.) "It's not very convenient, but it's the best they can do." "You try to do as much as

you can with as much as you have," agrees Francis Morrissey.

A subsequent project improved access to and shelter of the harbour. "The original channel into the harbour faced full east," explains Mr. Morrissey. The prevailing wind blew straight into the harbour and the resulting swell often damaged the boats. A new steel-faced channel, built in 2001, and supported and reinforced with concrete pilings, now curves southward, protecting the interior of the harbour. By diverting the movement of water and wave-borne sand away from the channel, "it also saves about \$30,000 a year in dredging costs," adds Mr. Morrissey.

The well-established and traditional community of Seacow Pond initially viewed the Harbour Authority with scepticism and some trepidation. "To be honest,

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SCH REVIEWS MANDATE AT NHAAC MEETING

The fifth meeting of the National Harbour Authority Advisory Committee (NHAAC) was held on May 8 and 9, 2003 in the gorgeous setting of Quebec's Îles-de-la-Madeleine. The main topics of discussion during this meeting between NHAAC members and Small Craft Harbours (SCH) officials were SCH's mandate and long-term planning.

After learning about the Department of Fisheries and Oceans' (DFO) internal Departmental Assessment and Alignment Project (the department's review of priorities and budgetary restraints), NHAAC members were asked to provide ideas on how SCH could continue to provide services within these new parameters. In particular SCH sought NHAAC members' feedback on five issues: the need to support aquaculture and to examine its effects on current users and existing structures, the growing participation of First Nations in the commercial fishery, including the possibility of integrated fishing communities, pressure to fund non-DFO fishing harbours and resulting

equity issues, other needs of small craft harbours, and long-term planning of harbour requirements.

SCH officials emphasized the importance of determining the nature and extent of its role in support of aquaculture. Many NHAAC members said they see aquaculture as a way of generating additional revenue through an increased client base. Others expressed environmental and associated liability concerns.

Day two of the meeting commenced with a discussion on the Life Cycle Management Study of repair and maintenance costs necessary to preserve harbour infrastructure. It came as no surprise that SCH's maintenance budget is well below the estimated cost of maintaining current structures in good condition. However, NHAAC members appreciated knowing that the Department is aware of this problem and actively looking for solutions.

Regional directors then provided an update on progress and future plans for addressing harbour authority fatigue in their respective regions. SCH officials

gave progress reports on the third-party liability insurance policy for 2003–2004, personal injury insurance coverage for harbour authority board members, workers and volunteers, and property taxes.

The meeting proved to be successful both in terms of information exchange and consultation. It was an ideal opportunity for discussion on matters that directly affect fishing communities across the country.

The next meeting will take place in Ottawa, November 19 to 21, 2003.

Îles-de-la-Madeleine: No Sun, but Plenty of Warmth

The NHAAC meeting coincided with the start of the lobster season on the Îles-de-la-Madeleine, the most important region in Quebec for this activity. However, it should not be assumed that the organizers planned it this way. On the contrary, they had initially decided to meet before the start of the season but had to settle for this date since not all NHAAC members were available earlier. Participants therefore had an opportunity to make a highly appreciated tour of the harbour facilities during the height of activities.

Unfortunately the weather brought wind and rain and the hosts had to make special efforts to organize a large number of activities in conjunction with the meeting. These included a welcome reception, a visit to fishing harbours and a farewell "happy hour" at Brophy's, naturally with local musicians.

All the members without exception thoroughly enjoyed their stay. They especially appreciated the residents' hospitality and are eagerly looking forward to their next visit.

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Seacow Pond

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we thought it would be a nightmare," says Mr. Morrissey. "But it's turned out to be the best thing that could have happened to us." The Harbour Authority works very well and has an excellent relationship with the Prince Edward Island Small Craft Harbours office. "They are very understanding and helpful when we have questions or a problem that needs solving."

In addition, he explains, the opportunity to have a say in the control and management of their harbour facilities has increased the local fishers' understandable pride in their historic harbour.

PROTECTING HISTORIC SHIPWRECK SITES

The part of an oil rig that is visible above the water is so enormous that it is easy to forget that there's a correspondingly large portion underwater. Yet the underwater portion was the first concern of the Harbour Authority of Bay Bulls when the *Glomar Grand Banks* entered the harbour for repair and upgrading at the Bay Bulls Marine Terminal in May 2003.

Bay Bulls harbour is the site of six historic shipwrecks, all protected under provincial legislation, explains Martha Drake, Provincial Archaeologist for Newfoundland and Labrador. In the past, boat anchors have struck the shipwrecks, and wash from propellers and thrusters may have disturbed the sites. The movement into the harbour and anchoring of the oil rig put those sites at still greater risk.



The *Glomar Grand Banks* dominates the harbour of Bay Bulls, but thanks to planning and cooperation between all involved parties, does not damage the historic shipwreck sites on the harbour floor.

"The Harbour Authority acted as a facilitator to get everyone working together," explains Don Drew, President of the Harbour Authority of Bay Bulls. The president of the marine terminal contacted him as soon as the oil rig contract was finalized and they began working together with Ms. Drake to protect the shipwrecks.

They had only a month to prepare, but "things can really work if everyone works together," comments Mr. Drew. "I'm really pleased with the complete cooperation of the harbour authority," agrees Ms. Drake. "At this point, I'm totally satisfied that every precaution has been taken to protect the shipwreck sites."

To prepare for the arrival of the *Glomar Grand Banks*, the staff at the marine terminal used GPS to confirm the exact locations of the wrecks in the harbour. Divers hired by the marine terminal were then able to avoid the shipwreck sites as they charted out the course for the chains and anchors needed to hold the rig in place. They were also able to ensure that the wrecks remained undisturbed as the oil rig entered the harbour.

"In one spot, they weren't able to place an anchor so a permanent structure was built on shore to accommodate tying the rig down," explains Mr. Drew. This permanent structure was also helpful while moving the massive oil rig into the harbour. Rather than tugboats towing the rig, with the increased risk of backwash damage to the shipwreck sites, the oil rig "pulled itself" into the harbour with winch cables attached to the shore.

Local businesses have benefited from the *Glomar Grand Banks* visit, says Mr. Drew. About 250 workers are employed on the oil rig maintenance, in addition to some 60 local jobs that have been created. As long as the same care and attention is taken bringing other oil rigs into the harbour, Mr. Drew said he would welcome them.

With thanks to The Telegram in St. John's and Bradley Bouzane.

A MAN OF CHARACTER

On June 20, 2003, Pierre-Yves Lévesque resigned from his position as President of the Ste-Anne-des-Monts Multipurpose Harbour Authority. During his eight years of service in this Gaspé harbour in Quebec, Mr. Lévesque had to deal with every type of problem. At the time of his arrival, things were not running as smoothly at Ste-Anne-des-Monts as they are at present, but as a member of the military, Mr. Lévesque was the obvious choice to rectify the situation.

It was while he was in charge of Canadian Forces cadet training at Cap-Chat (his native village, also on the Gaspé Peninsula) that Mr. Lévesque was invited to become a member of the Multipurpose Harbour Authority at Ste-Anne-des-Monts, where his pleasure boat was moored. His decision was greatly influenced by the memory of his father who, as a cod fisherman at Cap-Chat, had devoted himself to his harbour for many years.

Initially, as the Harbour Authority's Vice-president, and later as President, Mr. Lévesque took very few holidays, even after retiring from the Canadian Forces. There was so much to do! He first established regulations in 41 areas and ensured that they were observed. He also took care of summer contracts. There are now five full-time employees.

There was no lack of excitement over the years! On two occasions, a salt boat smashed into the wharf. A shrimp boat and, in 2002, a wood barge, were shipwrecked at the Ste-Anne-des-Monts wharf, where summer storms hit with great force.

Pierre-Yves Lévesque will therefore enjoy a well-deserved rest, close to his "peaceful harbour." Many thanks for all these years of excellent work!



Pierre-Yves Lévesque and his wife Lucie Therrien anticipating their retirement.

MARITIMES AND GULF REGIONS HOLD CONFERENCE



The latest Maritimes and Gulf Regions Harbour Authority Conference held March 3–5 in Charlottetown was

judged an unequivocal success by the participants.

Intended to provide a forum for harbour authority representatives to develop relationships with other harbour authorities, Small Craft Harbours staff, other federal and provincial partners and industry trade groups, the conference featured presentations to the entire group, smaller roundtable discussions and the tradeshow-like Partnering Forum of information kiosks.



Emilie Thériault, Harbour Authority Coordinator, and Pat Evers, CAD Operator (both with the Small Craft Harbours office in Moncton) look at the displays at the 2003 Maritimes and Gulf Regions Harbour Authority Conference.

The 350 conference participants included one or more representatives from 170 harbour authorities, which is slightly more than 70 percent of the 243 harbour authorities in the Maritimes and Gulf Regions.

The conference began with an evening reception on March 3 and welcoming addresses from Sandra Gaudet, Area Director for Prince Edward Island, George MacDonald, mayor of Charlottetown, and Jim Jones, Regional Director General for the Gulf Region.

The first full day of the conference featured guest speaker Dr. James Wheelhouse, Assistant Deputy Minister, Corporate Services, and several informative presentations, including those from Dennis Aucoin, Maritimes and Gulf Regions Harbour Authority Advisory

Council Chairperson, and Don Maynard, Senior Environmental Officer, Public Works and Government Services Canada, on project work, environmental responsibility and the marine environment.

Participants also had time to visit the kiosks in the Partnering Forum to meet and gather information from representatives from the Canadian Coast Guard, provincial departments of fisheries, construction, engineering and consulting companies, and professional organizations.

The last day of the conference — devoted to roundtable discussions — was too short for most participants, who nonetheless appreciated the opportunity to share their experiences with other harbour authorities and regional Small Craft Harbours staff. The six sector roundtable discussions (for Gulf New Brunswick, Southern New Brunswick, Prince Edward Island, Gulf Nova Scotia, East Nova Scotia and Southwest Nova Scotia) focussed on exchanging information, developing relationships and determining methods to improve communication between sector stakeholders.



Charles Gaudet, Area Chief, Gulf New Brunswick (at the podium), introduces Alain Noël, Business Manager, Northeast New Brunswick, at the 2003 Maritimes and Gulf Regions Harbour Authority Conference.

Claude Burry, Acting Director of the Small Craft Harbours program for the Maritimes and Gulf Regions, says that “Small Craft Harbours’ post-conference efforts will concentrate on information gathered through these roundtable discussions, to promote harbour authority renewal, program awareness and improved communications throughout the regions.”

The next conference is expected to take place in 2005, with a series of mini-roundtable discussions being held throughout the six sectors during 2004.

LEARN ABOUT EMPs

As outlined in the Spring 2003 issue of *Harbour Authorities Forum*, Small Craft Harbours in Pacific Region has developed environmental fact sheets to support its Clean Harbour Initiatives, promoting environmental awareness and management in Pacific Region harbours. The first environmental fact sheet includes the following information.

How Does an Environmental Management Plan (EMP) Benefit the Harbour?

- The harbour is clean and healthy for fishers and the public.
- Reduces operating costs for such things as clean-ups, waste disposal and maintenance expenses, which in turn can lower moorage fees.
- Attracts clients and partners to participate in the harbour.
- Reinforces credibility as a well-managed and valued community harbour.
- Demonstrates and documents “due diligence” to reduce or eliminate liabilities or accidents.

For more information or to obtain a copy of the fact sheet, contact Small Craft Harbours, Pacific Region, Fisheries and Oceans Canada, Suite 200, 401 Burrard St., Vancouver BC V6C 3S4. Tel.: (604) 666-4875; Fax: (604) 666-7056.

TRAINING CREATES “AMBASSADORS FOR SAFETY”

Twenty project workers and harbour authority representatives from Boxey, Wreck Cove and Harbour Breton on the south coast of Newfoundland attended a two-day occupational health and safety course organized by Small Craft Harbours in early July 2003.

“Strengthened occupational health and safety legislation, coupled with a forklift accident in Harbour Breton, made it clear that we needed to look more closely at safety precautions at harbour work sites,” says Bill Jenkins, Program Officer, Eastern Newfoundland, who organized the course. “Fortunately, the forklift operator only needed stitches, but it could have been much more serious.”

Provincial occupational health and safety regulations state that a certified worker health and safety representative must be present at a work site when a project is to last longer than 30 days or when fewer than 10 employees are hired to do the work.

But for short work projects lasting only eight to ten weeks, such as a wharf or breakwater repair, it can be difficult to guarantee that the workers hired have those qualifications, explains



Project workers and harbour authority representatives from three Newfoundland and Labrador harbours participated in an occupational health and safety training session hosted by Small Craft Harbours.

Mr. Jenkins. “So we decided to train all the workers in the Harbour Breton area to create a base level of knowledge in health and safety that local employers can draw on in the future.”

In the workshop-style two-day course, participants spent a day-and-a-half examining health and safety issues, provincial health and safety legislation, and hazard recognition, evaluation and control, explains course facilitator Bruce Rogers, a private consultant with Rogers Enterprises Ltd. “We emphasize taking a proactive, positive attitude towards safety,” says Mr. Rogers. “The course teaches the participants how to approach an employer with not only a safety concern but also a safety solution.”

The final half-day of the course covered the provincial Workplace Hazardous Materials Information System and examined standards and procedures for the safe storage, handling and use of hazardous products in the workplace, and proper emergency procedures. The participants completed a course critique at the end of the session with very positive evaluations and comments, reports Mr. Jenkins.

“We see this training as creating ‘ambassadors for safety,’ who, through their training, ultimately benefit employers, workers and the community,” concludes Mr. Rogers.

FISHH HELPS SUPPORT HARBOUR AUTHORITY



While the major industry in most small craft harbours is indeed fishing, this fish supports one harbour authority a bit differently. Friends In Support of Hall's Harbour (FISHH) is a non-profit charitable organization set up to receive donations and issue tax receipts.

Hall's Harbour is a small harbour on the south shore of the Nova Scotia's Minas Channel. With a home fleet of only six boats, its revenue opportunities are very limited. “It takes a lot of effort to keep the

Harbour Authority going,” says Harbour Authority of Hall's Harbour, Nova Scotia, President Fred Houghton. “We're always working closely with all our supporting organizations to make sure we're making the most of our funds.” Community fundraising is necessarily an important part of the Harbour Authority's revenue.

FISHH sent letters to individuals and businesses in the area in 2000, urging them to support the harbour as a vital element of the cultural and economic life of the community. As the organization became known in the community, several bereaved families asked that memorial donations be made to FISHH. Visitors receive a coaster with the FISHH logo on it in return for a donation, which can be made at one of several donation boxes placed around the community.

To make a donation, you may also contact David Houghton, President, FISHH, 4166 Highway 359, Hall's Harbour, King's County NS BOP 1J0. Tel.: (902) 679-7173.

ON LAND AND SEA: CLEANLINESS ABOVE ALL



How should harbour authorities deal with hazardous waste, solid wastes and waste oil, and what is the best way to intervene during an oil spill?

Quebec harbour authorities now have very concrete answers to these questions. In recent months, they have all received an environment management manual describing good practices to adopt to avoid contaminating harbours, and explaining what to do in environmental emergencies such as a fire or an oil spill. Emergency telephone numbers are also provided.

In addition to this manual, harbour authorities have received indispensable tools for taking action in their area. In the

past, not all harbour authorities had the tools needed to recover waste oil. They are now equipped with tanks where this oil can be salvaged, thereby ensuring better waste management.

Harbour authorities have also been supplied with cabinets to house the salvage drums with strainers that are used to collect oil from motor filters. The filters are placed on the strainer (a sort of funnel) and, when drained, are put in a bag and discarded. There is also a spill kit containing various absorbent materials (hydrophobic sheets, an absorbent roll and pads, and sphagnum moss) as well as gloves, salvage bags and a shovel. Some harbour authorities store this kit in their cabinet in place of the second salvage drum, which is then stored elsewhere.



Two salvage drums, housed in their cabinet.

The kit is used for large as well as small spills (e.g. a small motor filter oil spill).

In short, a large amount of excellent material to keep our ports “sparkling clean!”

WASTE OIL CONTAINMENT SYSTEM HELPS KEEP HARBOUR CLEAN

Newly developed waste oil collection and storage systems installed in 16 Maritimes Region harbours are not only keeping the harbour area environmentally clean and safe but are also saving money.

Each harbour authority lease specifies that the harbour and surrounding area must be maintained in an environmentally responsible manner (Section 12, Part 7). “The proper disposal of waste oil and related debris, like rags and used oil filters, is an important part of that responsibility,” says Raymond Richard, Business Manager for Small Craft Harbours, South-west Shore, Nova Scotia. “It’s also a major expense in some harbours.”

Disposal companies charge more to collect unsorted oil rags and filters and waste oil contaminated with water or debris than they do for sorted, uncontaminated waste oil and related debris, Mr. Richard explains. Yet, if these materials are simply stored in barrels or drums,

“the wind can lift the lids, allowing rain water in and blowing rags out.” In addition, busy fishers can’t always take the time to store waste oil, filters and oily rags correctly.

To address this problem, Small Craft Harbours organized the design and installation of a waste oil collection and storage system that allows users to separate and securely store waste oil and related debris, and is streamlined and simplified enough that everyone will use it consistently.

Eastern Environment Services was already involved in waste oil collection, says Brad Howland, president of Howland Industries and Eastern Environment Services. “When the Department of Fisheries and Oceans approached us to design a system, we were already aware of the need for a unified waste oil collection, containment and disposal system.”

The resulting small (3 m x 5.4 m x 2.5 m) steel buildings are designed

individually for each harbour on the principle of “a place for everything and everything in its place,” says Mr. Howland. Clearly labelled and colour-coded drums and bins for rags, filters and other debris are arranged along one wall of the well-lit building. An oil tank with a high-level indicator sits to one side. (There is also a high-level warning light outside the building.) Rubber mats to prevent slipping cover the false floor, which has a sump underneath to retrieve spilled oil. Spill kits, fire extinguishers and instructional posters are hung on the walls. Outside, six posts protect the building’s corners and door. The building sits on hemlock skids and a bed of gravel, making it easy to move, when necessary.

All harbours should have such a waste oil containment system, recommends Mr. Richard. He is moving quickly to make the buildings available to the harbours in his area.

MANY BENEFITS TO OWNING FUEL SYSTEM

The Harbour Authority of Margaree Harbour in Nova Scotia took a “sow’s ear” — its old underground fuel system — and turned it into the proverbial “silk purse.” The Harbour Authority’s new above-ground system provides regular income for the Harbour Authority, improved administrative control and better environmental protection for the harbour and surrounding area.

In 1997, Small Craft Harbours began a program of inspections and consultations to ensure that all fuel systems on Department of Fisheries and Oceans property meet environmental regulations and standards. Unwilling to undertake the necessary repairs and upgrades, the owners of Margaree Harbour’s underground fuel system approached the Harbour Authority board with a proposal to transfer ownership to the Harbour Authority.

The board discovered that a modern above-ground system would be environmentally safer, less expensive to operate than repairing and maintaining the existing system would be, and easier to repair in the future, explains Ted Chiasson, Business Manager for Gulf Nova Scotia, Cape Breton.

With the approval of the membership at the annual general meeting, the Harbour Authority borrowed \$25,000 to purchase a 9000 L above-ground, diesel, key access system. The Harbour Authority hired a certified fuel system installer to put in the new system, while the owners of the old underground system removed it and cleaned up the site.

Although this process was very tedious, requiring permits, licences, approvals and inspections from various agencies, departments and other interest groups, the Harbour Authority now benefits from all the hard work and effort.

Revenues from fuel sales, plus an innovative incentive system offering fishers a \$0.01 per litre discount off their fuel price for each \$500 share purchased, enabled the Harbour Authority to pay off the entire system in just two years. The Harbour

Authority continues to earn an average of \$15,000 per year from the sale of fuel to the local and transient fleets.

Ownership of the fuel system has also improved the Harbour Authority’s administrative control of the harbour. Users and visitors are informed that access to fuel is based on their payment of berthing and other fees. “It’s a win-win for everyone,” says Mr. Chiasson. “I’m encouraging all harbour authorities to at least consider ownership of their fuel systems.”

Currently, 6 of the 18 harbour authorities in Gulf Nova Scotia, Mainland, own their own fuel systems. In Gulf Nova Scotia, Cape Breton, 5 of the 11 harbour authorities own their own systems.

Don MacDonald, Chief, Northeastern Nova Scotia, adds that another seven harbour authorities in these areas have privately owned fuel systems. (The remaining 11 harbours have no on-site

fuel system.) Either way, he says there are a couple of points to keep in mind about fuels systems. “The harbour authorities with fuel systems normally tender the supply of fuel to get the most favourable price,” he says. As well, the harbour authorities require fishing vessels to use the harbour authority-owned fuel system, rather than permitting fuel trucks on the wharf facilities, for economic, environmental and safety reasons.

The purchase and installation of the fuel system has been beneficial to the Harbour Authority of Margaree Harbour. However, the ownership and operation of a fuel system requires much work, since there are many rules and regulations to follow. Therefore, if you think the control of a fuel system could be beneficial to your harbour authority, please contact your local Small Craft Harbours business manager.

NEW BUSINESS BUILDS NEW WHARF

The community of Bay Bulls, Newfoundland and Labrador, welcomed the construction of the Pennecon Energy Bay Bulls Marine Terminal in Bay Bulls harbour in 2001 for the new industry it brought to an economically stressed area. Yet at the same time, the construction raised concerns. Situated on a formerly empty beach area, the construction changed the wave action in the harbour and threatened to damage boats.

In addition, with 19 fishing boats, 8 tour boat vessels, pleasure boats and several fishing boats visiting the harbour during the fishing season from other areas, “we were really stuck for wharf space in the harbour,” says Don Drew, President of the Harbour Authority of Bay Bulls. Because of the lack of space, boats were moored in the basin and channel, which interfered with movement around the marine terminal.

A spirit of cooperation and negotiations between the Harbour Authority, Pennecon and Small Craft Harbours solved both problems. To alleviate the wave action, Pennecon first built a new 46 m breakwater. Next, the company built a 30 m pile-driven finger pier to provide more mooring space in the harbour. “All at no cost to Small Craft Harbours or the Harbour Authority of Bay Bulls,” says Mr. Drew. “It really worked out well.” Pennecon owns the finished structure and the Harbour Authority controls and charges fees for usage.

The Harbour Authority of Bay Bulls would like to thank Ches Penney and Pennecon for this much needed addition to the harbour facilities, and Gary Sooley and Ann Marie Tucker of Small Craft Harbours for the help they provided during the project.

REPORT ADDRESSES INSURANCE CONCERNS

A report submitted to the Freshwater Harbour Authority Advisory Council (FHAAC) annual general meeting, held in Hecla, Manitoba, in April, responds to concerns of its member harbour authorities about their personal liability in an increasingly lawsuit-driven environment.

The report, *Insurance Needs of Small Craft Harbours — Their Directors, Officers, and Various Users*, takes an in-depth look at the types of liability affecting harbour authorities and the various classes of insurance coverage available.

The report recommends that FHAAC actively pursue directors' and officers'

(D&O) insurance to protect its members from lawsuits that specifically name harbour authority board members, in addition to the harbour authority and other organizations. "Some harbours have already gone ahead and bought this insurance themselves," says Darcy Bedard of Boundary Management Services, who was hired by FHAAC to write the report. The report also recommends that SCH cover the costs of the policy as part of its support of harbour authorities. An insurance policy covering all the harbours in the Central and Arctic Region would be cheaper per individual harbour than are

the current few separate policies, Mr. Bedard points out.

After receiving the report, FHAAC instructed Mr. Bedard to pursue quotes and details on the purchase of D&O insurance for its member harbour authorities.

The report was also raised at the National Harbour Authority Advisory Committee (NHAAC) meeting held in the Îles-de-la-Madeleine in May, and it will be discussed again at the NHAAC meeting in November in Ottawa.

For a copy of the report, contact Darcy Bedard at (204) 389-3223 or by e-mail at boundary@mts.net.



DEAR HARBY

When our harbour authority was formed, we were incorporated as a non-profit organization and issued letters patent by Industry Canada. How does incorporation benefit our harbour authority and how do we maintain our status as a non-profit corporation?

The following is intended as general information only, and harbour authorities are advised to consult their lawyers and accountants for specific information and advice applicable to them.

The act of incorporation and the issuing of a certificate stating that you are a non-profit organization (the letters patent) make your harbour authority a legal entity with both rights and obligations under Canadian law. A corporation can acquire assets, go into debt, enter into contracts, sue or be sued, be convicted of an offence, and even in some situations be found guilty of committing a crime. A corporation's money and other assets belong to the corporation, not to the members (a non-profit corporation has "members" while a for-profit corporation has "shareholders").

There are several advantages to incorporation. First and foremost, the individual members are generally protected from personal liability for debts incurred by the harbour authority or for lawsuits brought against it.

Second, as a legal entity, a corporation is taxed separately from its members (and therefore must file its own tax returns), generally at a lower tax rate. It may also be eligible for lower rates of interest on loans.

Incorporation also maintains the legal and business identity of the harbour authority, despite regular changes in the membership

and board of directors. Any changes to the letters patent and by-laws have to be submitted to Industry Canada for approval.

Finally, in many cases, a corporation may apply for a GST or HST number from the Canada Customs and Revenue Agency and get GST or HST refunds. This can constitute significant savings for a harbour authority.

To maintain your status as a non-profit corporation, you must complete the Annual Summary sent to you each year by Corporations Canada, and submit it with the filing fee of \$30 by the first of June. (If you do not receive the form, perhaps because of an address change, you must get a copy and file it on time.) The one-page return verifies important corporation information, such as your address, the date of your last annual meeting and the names of your board of directors.

Failure to file the Annual Summary is an offence under the *Canada Corporations Act*, and may also result in dissolution of the corporation by Industry Canada. Completing and submitting your Annual Summary should be a high priority for a board of directors meeting prior to the June filing deadline.

For more information about incorporation, visit the Corporations Canada Web site (<http://strategis.ic.gc.ca/engdoc/main.html>; click on Federal Incorporation) or call 1 866 333-5556.

To find out about applying for a GST or HST number, visit the Canada Customs and Revenue Agency Web site (www.ccradrc.gc.ca/tax/business/smallbusiness/menu-e.html) or call 1 800 959-5525.