

DATE: January 30, 2019**FILE:** 1700-02/2019/340**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer**R. Dyson****RE: 2019-2023 Financial Plan – Liquid Waste Management Planning Service –
Function 340****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2019-2023 Financial Plan and work plan highlights for the Liquid Waste Management Planning (LWMP) service, Function 340.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019-2023 Financial Plan for the Liquid Waste Management Planning service, Function 340, be approved.

Executive Summary

The LWMP service provides planning services to the rural areas with regard to liquid waste management, including rainwater management, wastewater management, and watershed planning. Financial Plan highlights for 2019 include:

- The proposed 2019 tax requisition remains unchanged from 2018 levels at \$425,492, which represents a tax rate of \$0.0573 per \$1,000 of assessed value. The estimated annual cost for a property valued at \$400,000 will be \$22.92.
- Senior government grant funding revenue totaling \$121,454 has been carried forward to 2019 to fund both rainwater strategy implementation as well as the on-site septic system management program.
- Personnel costs and operational costs remain relatively consistent with moderate increases proposed in 2019 for professional fees and septic education program costs.

The following key initiatives are proposed and recommended in the 2019 work plan and will be managed by the LWMP service:

- Options and analysis for improved wastewater management for the south region.
- Further development and implementation of the on-site septic system management program.
- Union Bay servicing framework.
- Implementation of the electoral areas rainwater management strategy.
- Phase two Lazo Creek watershed drainage study.
- Phase two Tsolum River watershed planning activities.

Prepared by:

Concurrence:

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Policy Analysis

Bylaw No. 2422, being the “Regional District of Comox-Strathcona Liquid Waste Management Planning Service Bylaw No. 2422, 2002”, provides planning services to the rural areas with regard to liquid waste management.

Financial Plan Overview

The LWMP function provides management, staff resources and funding in support of planning processes for liquid waste management in the rural areas. The following key initiatives are proposed and recommended in the 2019-2023 Financial Plan and work plan:

- **Rainwater management:** While the Comox Valley Regional District (CVRD) currently has limited jurisdiction or responsibility to manage rainwater and drainage in the electoral areas, staff continue to receive complaints and inquiries from residents with regards to flooding and drainage. Implementation of the electoral area rainwater management strategy remains an important focus of the LWMP service. The Financial Plan includes \$91,806 in 2019 for further study and implementation of rainwater management initiatives including options for local drainage service areas, improved regulatory tools and public education.
- **On-site wastewater management:**
 - In 2018, staff developed educational materials for the maintenance and operation of on-site septic systems, launched a program website and piloted two septic education workshops for homeowners. This program is proposed to continue with four homeowner workshops budgeted for each year in the 2019-2023 Financial Plan. Additional highlights include a realtor workshop in 2019 and a pilot rebate program in 2020. The proposed Financial Plan includes \$11,000 in 2019 for septic education.
 - Study work is planned for 2019 to evaluate options for a mandatory maintenance program for on-site septic systems. A \$10,000 infrastructure planning grant has been awarded to complete this work. Matching funds will be provided through community works funds (CWF) carried forward for on-site septic management.
 - Study work is planned for 2019 to evaluate off-site discharge options for composting toilet residuals for Hornby Island. Project oversight and management will be provided by this service. Funding for professional fees is included in the proposed 2019 Hornby Island feasibility studies budget, Function 155.
- **South region wastewater management:** In 2018, the Comox Valley Sewage Commission supported the further investigation of a proposal to deliver wastewater from Baynes Sound – Denman/Hornby Islands (Electoral Area A) to the Comox Valley Water Pollution Control Centre. Work to evaluate this proposal was initiated in 2018 and will continue through 2019. Project oversight and management will be provided by this service while funding for professional fees is included in the proposed 2019 Electoral Area A feasibility studies budget, Function 151.
- **Union Bay servicing framework:** Development of the Union Bay settlement node will bring with it unique infrastructure servicing challenges as urban-style service levels are contemplated within a regional district governance, legislative, and financing structure. Study work is recommended for 2019 to provide a servicing framework and options to ensure sustainable infrastructure development and service delivery. Project oversight and management will be provided by this service, while funding for professional fees is recommended to be included in the Electoral Area A feasibility studies, Function 151, recommended budget for 2019.
- **Lazo Creek watershed drainage improvements:** Phase two of the Queen’s Ditch drainage improvements options analysis was initiated in 2018 to further assess the viability of the managed retreat option to mitigate flooding. This work will continue through 2019 with


project oversight and management provided by this service while funding for professional fees is included in the proposed 2019 Electoral Area B feasibility studies budget, Function 152.

- **Tsolum River watershed planning:** In 2018, staff completed phase one of an agricultural watershed study for the Tsolum River watershed. Pending approval, staff will apply for phase two funding in 2019 to proceed with watershed planning activities in the area. Project oversight and management will be provided by this service while funding for professional fees is recommended to be included in the Electoral Area C feasibility studies, Function 153, recommended budget for 2019.

The proposed tax requisition for Function 340 remains at 2018 levels. The service continues to focus on analyzing a wide array of liquid waste issues in the rural areas. Many of the initiatives included in the 2019 Financial Plan are closely linked to CVRD strategic priorities, including south region wastewater management and Lazo Creek Watershed drainage improvements.

Table 1 summarizes the 2019 proposed budget as compared to the 2018 adopted budget. Significant variances from 2018 adopted budget will be discussed in the Financial Plan highlights section below.

Table 1: Financial Plan Highlights

 2019 Proposed Budget #340 Liquid Waste Management			
Operating	2018 Budget	2019 Proposed Budget	Increase (Decrease)
Revenue			
Senior Government Grants	96,454	121,454	25,000
Requisition	425,492	425,492	-
Other Revenue/Recoveries	2,500	2,500	-
Transfer from Reserve		2,166	2,166
Prior Years Surplus	132,322	11,740	(120,582)
	\$ 656,768	\$ 563,352	\$ (93,416)
Expenditures			
Personnel Costs	364,672	359,064	(5,608)
Operating	172,704	204,288	31,584
Contribution to Reserve	116,692		(116,692)
Tsfr Other Functions	2,700		(2,700)
	\$ 656,768	\$ 563,352	\$ (93,416)

The 2019 - 2023 proposed five-year financial plan for LWMP service, including the requisition summary and operating budget, is available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the CVRD Financial Plan web page at www.comoxvalleyrd.ca/currentbudget.

Highlights of the 2019 - 2023 proposed Financial Plan for the LWMP service, Function 340, include:

Revenue Sources

Revenue is provided from various sources as follows:

- Community works funds are used to fund both rainwater strategy implementation as well as the on-site septic system management program with \$91,806 allocated to rainwater and \$19,648 towards septic system management in 2019.
- Infrastructure planning grant proceeds of \$10,000 are also allocated towards the septic system management program in 2019.
- The proposed 2019 tax requisition remains at the 2018 level at \$425,492 or \$0.0573 per \$1,000 assessed value. Tax requisition is projected to increase by \$50,000 in 2021 to support increasing staff costs associated with regular increases and continued implementation of the septic education program. No other requisition changes are shown in the five year plan.
- A small amount of revenue is also provided by a recovery from other functions for the management of those services.
- A transfer from reserves of \$2,166 is proposed in 2019 to advance project work.

Personnel

There is a small reduction in 2019 for personnel costs following recruitment for the Manager of Liquid Waste Planning. Actual spending in 2018 was under budget as the Manager of Liquid Waste Planning position was not filled until mid-year. Future years show an approximate two per cent increase in salaries and wages over time.

Operations

The majority of 2019 operating expenses remain unchanged; however, some accounts have varied when compared to the 2018 Financial Plan:

- Other professional fees have increased by \$25,000 to advance implementation of the rainwater management strategy in 2019.
- Program supplies and education programs have increased by \$6,500 with further implementation of the on-site septic system education program in 2019. In 2018, septic workshop invitations were successfully delivered to targeted neighbourhoods by unaddressed mail. Unaddressed mail will continue to be used in 2019 to advertise for septic workshops. This has allowed for postage fees to be decreased in 2019 by \$3,500.
- Telephone and alarm lines has been reduced by \$1,560 with the closure of the Royston South Sewer Project office. There were no actual expenditures for this item in 2018.
- Training and development has increased by \$1,700 in 2019 to allow for training for new staff.
- The 'transfer to other functions' has been eliminated with the closure of the Royston South Sewer Project office.

Capital

The LWMP service establishment bylaw does not include provision for capital expenditures.

Reserves

As of December 31, 2018, the reserve balance for the LWMP service is estimated at \$129,515.

Citizen/Public Relations

The LWMP Service provides planning services to the rural areas with regard to liquid waste management and as such much of the work completed within the service includes consultation with multiple stakeholders and with the general public in project specific areas.