

**DATE:** January 29, 2018

**TO:** Chair and Directors  
Electoral Areas Services Committee

**FROM:** Russell Dyson  
Chief Administrative Officer

**RE:** **2018 – 2022 Financial Plan – Liquid Waste  
Management Planning – Function 340**

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**FILE:** 1700-02/2018/340

Supported by Russell Dyson  
Chief Administrative Officer

***R. Dyson***

### **Purpose**

To provide the Electoral Areas Services Committee with the proposed 2018 - 2022 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 2018 - 2022 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 agricultural watershed planning. Financial plan highlights for 2018 include:

- The proposed 2018 tax requisition remains unchanged from 2017 levels at \$450,492 which represents a tax rate of \$0.069 per \$1,000 of assessed value.
- The estimated annual cost for a property valued at \$400,000 will be \$27.64.

The following key initiatives are included in the plan and will be managed by the LWMP Service:

- A continued focus on identifying options for the Comox Valley Regional District's (CVRD) South Sewer project.
- Further development and implementation of the on-site septic system education and maintenance program.
- Completion of agricultural watershed planning for the lower Courtenay River.
- Continued development of rainwater management strategies for rural areas.
- Completion of phase two of the lower Lazo watershed drainage area study.
- Implementation of the King Coho Wastewater Service.

Prepared by:

***M. Rutten***

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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 and staff resources and funding in support of planning processes for liquid waste management in the rural areas. The 2018 – 2022 financial plan and work plan includes the following key initiatives.


- Rainwater Management – while the CVRD currently has limited jurisdiction or responsibility to manage rainwater and drainage, implementation of the rainwater management strategy completed in 2014 remains an important focus. The financial plan includes \$66,806 towards the further study and implementation of rainwater management initiatives.
- South Sewer Project – in the summer of 2016, a referendum for the South Sewer project was defeated and the project has been on hold since that time. In 2017 staff worked to analyze various project options and identify a possible path forward for the project. The results of these efforts are expected in spring 2018. Funding for the South Sewer project is mainly from feasibility funds and grant funding.
- Lower Lazo Watershed – in 2017 staff worked to identify potential options to help mitigate flooding in the lower Lazo watershed. The next phase of this work is planned for 2018 with project oversight and management provided by function 340, while funding for third party study work is provided by the Electoral Area B Feasibility funds budget, function 152.
- On-site Septic Management System – in 2017 staff worked to develop and produce educational materials for the maintenance and operation of on-site septic systems. This work will be further enhanced in 2018 with workshops and the study of a mandatory maintenance system for the rural areas. The financial plan includes \$18,340 towards this item.

The proposed tax requisition remains at 2017 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 2018 financial plan are closely linked to CVRD strategic priorities, including:

- South Sewer project.
- Rainwater management.
- Lazo watershed drainage.
- On-site sewage disposal system management.

Table No. 1 below summarizes the 2018 proposed budget as compared to the 2017 adopted budget. Significant variances from 2017 adopted budget will be discussed in the financial plan highlights section below.

Table No. 1: Financial Plan Highlights

			
#340 Liquid Waste Management			
Operating	2017 Budget	2018 Proposed Budget	Increase (Decrease)
<b>Revenue</b>			
Senior Government Grants	124,206	85,146	(39,060)
Requisition	450,492	450,492	-
Other Revenue/Recoveries	1,500	2,500	1,000
Prior Years Surplus	1,356	9,392	8,036
	<b>\$ 577,554</b>	<b>\$ 547,530</b>	<b>\$ (30,024)</b>
<b>Expenditures</b>			
Personnel Costs	369,807	364,672	(5,135)
Operating	196,247	161,896	(34,351)
Contribution to Reserve		18,262	18,262
Tsfr Other Functions	11,500	2,700	(8,800)
	<b>\$ 577,554</b>	<b>\$ 547,530</b>	<b>\$ (30,024)</b>

The entire 2018 - 2022 proposed five year financial plan for the LWMP service, including the requisition summary and operating budget, is available through the online budget binder at [www.comoxvalleyrd.ca/proposedfinancialplan](http://www.comoxvalleyrd.ca/proposedfinancialplan).

Highlights of the 2018 - 2022 proposed financial plan for 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 \$66,806 allocated to rainwater and \$8,340 towards septic system management in 2018.
- Infrastructure planning grant proceeds of \$10,000 are also allocated towards the septic system management program in 2018.
- Proposed 2018 tax requisition remains at the 2017 level at \$450,492 or \$0.069 per \$1,000 assessed value. Tax requisition is projected to increase by \$25,000 in 2020 to support increasing staff costs associated with regular increases and also to support modest reserve contributions year over year. 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.

*Personnel*

There is a small reduction in 2018 for proposed personnel costs. Actual spending in 2017 was under budget by \$95,000 as the Manager of LWMP position has not yet been replaced. The recruitment for this position was delayed pending the outcome of various project priorities and updating of the two settlement node Master Development Agreements, both of which were completed in 2017. A recruitment strategy will be developed in early 2018. In 2019 and in future years the budget shows an approximate two per cent increase in salaries and wages over time.

### *Operations*

The majority of 2018 operating expenses remain unchanged, however some accounts have varied when compared to the 2017 financial plan:

- Other professional fees have decreased by \$47,000 as the Brooklyn Creek Blueprint project has been removed from the work plan.
- Postage and education programs have increased with further implementation of the on-site septic system education program in 2018.
- The Transfer to Other Functions has reduced by \$8,800 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, 2017 the reserve balance for function 340 is estimated at \$12,728. The proposed 2018 financial plan shows a reserve contribution of \$18,262. Reserves are projected to grow over time with an estimated 2022 balance of \$79,385.

### **Citizen/Public Relations**

The proposed 2018 tax requisition remains at 2017 levels.

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. The following highlights the citizen/public relations for some of the key projects:

- Longstanding issues with drainage in the lower reaches of the Lazo watershed continues to be an issue for many local residents. LWMP Staff have completed phase one of a process aimed at identifying options for the area with the next phase planned for 2018. The process has included the advice of a public advisory committee.
- Achieving community support for the South Sewer project is crucial to the project's success. In 2018 staff will work to identify a possible path forward for the project. Any potential solution will require a strong public consultation component.
- Proper management of rainwater runoff and drainage is an important issue to many residents in the electoral areas and has significantly impacted their properties. These residents are often in contact with the CVRD as the local government in their area. Many residents also care deeply about the health of the region's rivers and streams and staff work closely with other local governments, environmental organizations and community groups to protect and restore these important habitats so that they may act as natural assets in the management of rainwater.