

DATE: February 4, 2021**FILE:** 1700-02/2021/330**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: 2021-2025 Financial Plan – Jackson Drive Sewer Service – Function 330**

Purpose

To provide the Electoral Areas Services Committee with the proposed 2021-2025 financial plan and work plan highlights for the Jackson Drive sewer service, function 330.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021-2025 financial plan for Jackson Drive Sewer Service, function 330, be approved.

Executive Summary

The proposed 2021-2025 financial plan for the Jackson Drive Sewer Service includes the following highlights:

- The 2021 parcel tax rate for the service is \$1,066 per user with a total annual revenue of \$17,056. A parcel tax amendment bylaw was adopted in January 2021 to align with the financial requirements outlined in the proposed financial plan.
- A review of the Jackson Drive asset management plan was completed in 2020. An approximate four per cent increase in parcel tax revenues is proposed in years 2022 through 2025 to ensure adequate reserves are being collected to meet the requirements of the asset management plan.
- The proposed financial plan includes \$4,813 for personnel costs required to operate the wastewater treatment plant. Resources are provided from the Comox Valley Regional District's (CVRD) pool of wastewater operators.
- Management of the service is provided by the Liquid Waste Management Planning (LWMP) service, function 340. The LWMP service is reimbursed \$500 for management fees.
- Annual operating costs in 2021 remains consistent with 2020 budgeted values.
- The reserve contribution for 2021 has decreased by approximately \$3,194. 2020 reserve contributions were higher due to a prior year surplus.
- Key expenditures for 2021 include contract services for system maintenance, personnel costs and a contribution to reserves.
- There are no capital projects planned for this service in 2021.
- Replacement of the disposal field is currently planned for 2023 and will be funded by a combination of reserves and a remaining \$60,223 in Community Works Funds (CWF) allocations.
- As of December 31, 2020, the capital works reserve fund balance for the service is projected to be \$49,369. Reserve funds are not planned to be expended until replacement of the disposal field.

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Concurrence:

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Services
Board Strategic Drivers

The CVRD Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table No. 1 notes the degree of influence the drivers have on projects and work plans.

Table No. 1: Board Strategic Drivers

Fiscal Responsibility:	Climate Crisis and Environmental Stewardship and Protection:
<ul style="list-style-type: none"> A review of the Jackson Drive asset management plan was completed in 2020 to ensure adequate reserves are being collected to fund system replacement. 	<ul style="list-style-type: none"> Annual inspection of the disposal field is completed to monitor system performance.
Community Partnerships:	Indigenous Relations:
<ul style="list-style-type: none"> Projects are not significantly influenced by this driver. 	<ul style="list-style-type: none"> Projects are not significantly influenced by this driver.

Rethink Comox Valley / COVID-19 Response and Renewal

The Jackson Drive Sewer Service was identified as a service both minor in scope and supporting environmental and public health requirements with a small participant base, thus limiting CVRD opportunities to find change. As such it was not included in COVID-19 Response and Renewal planning.

Financial Plan Overview

The Jackson Drive Sewer System was constructed by a developer in the early 1980s to service a 16 lot subdivision located adjacent to Anderton Road in Lazo North (Electoral Area B). The system was subsequently handed over to the regional district for operation and management.

The Jackson Drive Sewer System is made up of a small collection system connected to an extended aeration treatment plant, discharging to a land based disposal field. In 2011, \$150,000 of CWF was allocated towards replacement of the system. Based on a condition assessment completed in 2014, a complete replacement of the system was deemed to be premature and only \$89,777 of the funding was spent on system upgrades. The remaining \$60,223 of CWF will be used to replace the disposal field, currently planned for 2023.


The 2021-2025 financial plan includes an allocation of \$1,000 under contract services in 2021 for inspection of the disposal field to monitor system performance. \$4,000 is budgeted in 2022 for a more thorough condition assessment to confirm replacement is required in 2023.

The 2021-2025 proposed five-year financial plan for the Jackson Drive Sewer Service, function 330, including service establishment information, the requisition summary and the operating and capital

budgets, 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.

Table No. 2 summarizes the 2021 proposed budget as compared to the 2020 adopted budget.

Table No. 2: Financial Plan Highlights



2021

Proposed Budget

#330 Jackson Dr Sewer

Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)
Revenue			
Frontage/Parcel Taxes	17,056	17,056	-
Prior Years Surplus	4,325	1,840	2,485
	\$ 21,381	\$ 18,896	\$ (2,485)
Expenditures			
Personnel Costs	4,056	4,813	757
Operating	6,203	6,155	(48)
Contribution to Reserve	10,272	7,078	(3,194)
Tsfr Other Functions	850	850	-
	\$ 21,381	\$ 18,896	\$ (2,485)

Tax Impact

- The maximum levy for this service is the greater of \$11,500 or \$2.87 per \$1,000 of taxable assessed value, resulting in a maximum requisition available in 2021 of \$37,983 based on the 2021 completed assessment roll
- Revenues for this service however are currently near exclusively derived from a parcel tax and therefore no estimated residential tax rate is applicable over this five year financial plan.