

DATE: February 4, 2021**FILE:** 1700-02/2021/791**TO:** Chair and Directors
Electoral Areas Services CommitteeSupported by Russell Dyson
Chief Administrative Officer**FROM:** Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: 2021-2025 Financial Plan – Courtenay Flats Drainage Service – Function 791****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2021-2025 financial plan and work plan highlights for the Courtenay Flats Drainage service, function 791.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021-2025 financial plan for Courtenay Flats Drainage service, function 791, be approved.

Executive Summary

The proposed 2021-2025 financial plan for the Courtenay Flats Drainage Service includes the following highlights:

- The parcel tax rate for the service remains at \$47.90 per hectare with a total annual revenue of \$7,329. The service is completely funded by annual parcel tax for each of the 15 participating properties.
- No direct Comox Valley Regional District (CVRD) staff time is allocated to this service; instead management is provided by the Liquid Waste Management Planning (LWMP) service, function 340, which is compensated \$1,000 in management fees from the Courtenay Flats Drainage service.
- Annual operating costs in 2021 remains consistent with the 2020 budgeted values with a moderate increase in liability insurance.
- Key expenditures for 2021 include an allowance for contract services for minor maintenance activities and a contribution to reserves.
- There are no capital projects planned for this service until 2024.
- Replacement of the tide gates planned for 2024 will be funded by reserves. Planning for this replacement will need to consider the long term impacts of climate change, the needs of local producers and residents who rely on the service to provide flood control and the interests of agency, First Nations and environmental stakeholders.
- As of December 31, 2020, the capital works reserve fund balance for the service is projected to be \$45,146, while the balance in the future expenditure reserve is projected to be \$75,949 at the end of 2020. Capital reserve funds are not planned to be used until replacement of the tide gates in 2024.

Prepared by:

Concurrence:

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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: <ul style="list-style-type: none"> The parcel tax has remained consistent for many years and is proposed to remain unchanged across the plan. Reserves are being set aside to fund capital works required in 2024. 	Climate crisis and environmental stewardship and protection: <ul style="list-style-type: none"> Climate change and sea level rise will have a significant impact on this service. Opportunities for improved connectivity between Dyke Slough and the estuary will be considered in project planning work.
Community partnerships: <ul style="list-style-type: none"> Consultation with K'ómoks First Nation (KFN), agency and community stakeholders will be undertaken to discuss the best way to manage the tide gate system and identify opportunities for partnership. 	Indigenous relations: <ul style="list-style-type: none"> Given the proximity of the tide gates to IR1 and the importance of the area to the KFN, consultation with the KFN will be an important part of project planning.

Rethink Comox Valley / COVID-19 Response and Renewal

The Courtenay Flats Drainage service was identified as a service both minor in scope and supporting environmental 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 Courtenay Flats drainage specified service area was created to drain fresh water and limit tide water intrusion into the Dyke Slough. The service has been in place for over 25 years and relies on parcel tax collected from benefiting property owners for operation and maintenance, as well as for contributions to reserves. In addition to providing flood control, the system also provides habitat for fish and water fowl. The existing infrastructure was installed in 1988/1989 and financed through the Municipal Finance Authority of BC. Service area debt was fully repaid in 2009.


A 2015 condition assessment showed that two of the three tide gates were not operating as intended and provided recommendations for restoration of the gates. The minimum recommended remedial work was completed in fall 2017 to improve functionality of the two tide gates in advance of replacement. The 2021-2025 proposed financial plan includes full replacement of the tide gates. Planning for this replacement will need to consider the impacts of climate change and the results of the CVRD coastal flood mapping project currently underway. Consultation with producers, residents, KFN, agency and environmental stakeholders will also be undertaken to discuss the best way to manage the tide gate system.

The 2021-2025 proposed five-year financial plan for Courtenay Flats Drainage service, function 791, 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

 #791 Courtenay Flats Drainage				
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
Revenue				
Frontage/Parcel Taxes	7,329	7,329		-
Prior Years Surplus	3,039			(3,039)
	\$ 10,368	\$ 7,329	\$	(3,039)
Expenditures				
Operating	4,329	4,522		193
Contribution to Reserve	5,039	1,807		(3,232)
Tsfr Other Functions	1,000	1,000		-
	\$ 10,368	\$ 7,329	\$	(3,039)

Tax Impacts

- The parcel tax rate for the service remains at \$47.90 per hectare with a total annual revenue of \$7,329 based on 153.01 total hectares being levied. The service is completely funded by annual parcel tax for each of the 15 participating properties.