

**DATE:** February 6, 2020

**FILE:** 1700-02/2020/340

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

Supported by Russell Dyson  
Chief Administrative Officer

**FROM:** Russell Dyson  
Chief Administrative Officer

*R. Dyson*

**RE: 2020-2024 Financial Plan – Liquid Waste Management Planning Service –  
Function 340**

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### **Purpose**

To provide the Electoral Areas Services Committee (EASC) with the proposed 2020-2024 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 2020-2024 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 2020 include:

- The proposed 2020 tax requisition remains unchanged from 2019 levels at \$425,492, which represents an estimated residential tax rate of \$0.0543 per \$1,000 of assessed value. The estimated 2020 tax impact for a property assessed at \$500,000 will be \$27.15.
- Senior government grant funding revenue totaling \$107,506 has been carried forward to 2020 to fund both rainwater strategy implementation as well as the on-site septic system management program study.
- Personnel costs have been decreased by \$37,043 due to the reallocation of positions within the Engineering Services Branch.
- Operational costs have increased by \$42,996 in 2020 largely due to higher professional fees and septic education program costs.
- As of December 31, 2019, the reserve fund balance for the service is projected to be \$210,639.

The following key initiatives are proposed in the 2020 work plan and will be managed by the LWMP service, with specific project funding included in either this service or one of the Comox Valley Regional District's (CVRD) feasibility study services as indicated:

- Analysis and planning for improved wastewater management for the south region (function 151)
- Phase two Tsolum River watershed planning activities (function 153)
- Further development and implementation of the on-site septic system management program (function 340)
- Implementation of the electoral areas rainwater management strategy (function 340)

- Union Bay servicing framework (function 151)
- Watershed governance scoping study (functions 151, 152 and 153)

Prepared by:

Concurrence:

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### Board Strategic Drivers

The Comox Valley Regional District Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table 1 notes the degree of influence the drivers have on projects and work plans.

**Table 1: Strategic Drivers**

<p><b>Fiscal responsibility:</b></p> <ul style="list-style-type: none"> <li>• Much of the work completed within this service includes evaluation of improved wastewater/rainwater management through the creation of new services. Service creation must always consider fiscal responsibility as a driver and part of sustainable service delivery.</li> </ul>	<p><b>Climate crisis and environmental stewardship and protection:</b></p> <ul style="list-style-type: none"> <li>• The climate crisis has significant implications for water management (flooding, drought, water quality). This is a significant driver for all planning projects within this service.</li> </ul>
<p><b>Community partnerships:</b></p> <ul style="list-style-type: none"> <li>• Much of the work completed within this service includes consultation with multiple stakeholders and with the general public in project specific areas.</li> </ul>	<p><b>Indigenous relations:</b></p> <ul style="list-style-type: none"> <li>• Much of the work completed within this service includes consultation with the KFN.</li> </ul>

### Financial Plan Overview

The following key initiatives are proposed in the 2020-2024 financial plan and work plan:


- **Rainwater management:** Implementation of the electoral areas rainwater management strategy is an important focus of the LWMP service for 2020. The 2020 work plan includes a service structure options analysis, improved regulatory tools, public education and an Ecological Accounting Protocol (EAP) demonstration application for Saratoga Beach to be led by the Partnership for Water Sustainability in BC.
- **On-site wastewater management:**
  - The septic education program is proposed to continue, with four homeowner workshops budgeted for each year in the 2020-2024 financial plan. Additional highlights include a realtor workshop in 2020 and a pilot rebate program in 2020.
  - Study work to evaluate options for a mandatory maintenance program for on-site septic systems is underway and will be completed in 2020.
  - A Hornby Island composting toilet study is underway and will be completed in 2020. Project oversight and management for this project is provided by this service. Funding for professional fees is included in the proposed 2020 Hornby Island feasibility studies budget, function 155.

- **South region wastewater management:** Work to evaluate partnership opportunities with the Comox Valley sewerage service is underway and will be completed in 2020. Further Baynes Sound – Denman/Hornby Islands (Electoral Area A) wastewater planning work will be dependent on direction provided by the EASC. Project oversight and management will be provided by this service, while funding for professional fees is included in the proposed 2020 Electoral Area A feasibility studies budget, function 151.
- **Union Bay servicing framework:** Study work to evaluate sustainable infrastructure development and service delivery options for Union Bay is underway and will continue into 2020. Project oversight and management will be provided by this service, while funding for professional fees is included in the proposed 2020 Electoral Area A feasibility studies budget, function 151.
- **Tsolum River watershed planning:** Phase two watershed planning activities will be completed in 2020. Project oversight and management will be provided by this service while funding for professional fees is recommended to be included in the proposed 2020 Puntledge – Black Creek (Electoral Area C) feasibility studies budget, function 153.
- **Watershed governance scoping study:** Study work is proposed for 2020 to better understand potential watershed governance roles of the CVRD to best serve the needs of the electoral areas. Project oversight and management will be provided by this service while funding for professional fees is included in the proposed 2020 budgets for Electoral Area A (Baynes Sound), Electoral Area B and Electoral Area C feasibility studies services, functions 151, 152 and 153.

The 2020-2024 proposed five-year financial plan for Liquid Waste Management Planning service, function 340, including service establishment information, the requisition summary and the 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](http://www.comoxvalleyrd.ca/currentbudget).

Table 2 summarizes the 2020 proposed budget as compared to the 2019 adopted budget. Significant variances from 2019 adopted budget will be discussed in the financial plan sections that follow.

Table 2: Financial Plan Highlights

 <b>2020 Proposed Budget</b>			
<b>#340 Liquid Waste Management</b>			
<b>Operating</b>	<b>2019 Budget</b>	<b>2020 Proposed Budget</b>	<b>Increase (Decrease)</b>
<b>Revenue</b>			
Senior Government Grants	117,506	108,406	(9,100)
Requisition	425,492	425,492	-
Other Revenue/Recoveries	2,500	2,500	-
Transfer from Reserve	2,166		(2,166)
Prior Years Surplus	222,379	40,000	(182,379)
	<b>\$ 770,043</b>	<b>\$ 576,398</b>	<b>\$ (193,645)</b>
<b>Expenditures</b>			
Personnel Costs	359,064	322,021	(37,043)
Operating	200,340	243,336	42,996
Contribution to Reserve	210,639	11,041	(199,598)
	<b>\$ 770,043</b>	<b>\$ 576,398</b>	<b>\$ (193,645)</b>

Highlights of the 2020-2024 proposed financial plan for function 340 include:

Revenue Sources

- 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 \$15,700 towards septic system management in 2020.
- A carry forward of \$900 in infrastructure planning grant proceeds is estimated for 2020 to complete the septic system management program study.
- The proposed 2020 tax requisition remains at the 2019 level of \$425,492
- A small amount of revenue is also provided by a recovery from other functions for the management of those services.

Personnel

There is a reduction in 2020 for personnel costs due to the reallocation of positions within the Engineering Services Branch. The LWMP service function provides management and staff resources for liquid waste management in the rural areas, as well as management services for Jackson Drive and King Coho wastewater, functions 330 and 331, and Courtenay Flats drainage, function 791.

Operations

The majority of 2020 operating expenses remain unchanged; however, significant variances from 2019 include:

- Other professional fees have increased by \$28,600 to advance implementation of the rainwater management strategy and evaluation of a septic management program, along with a larger allowance for engineering services relating to sewage/drainage issues and development to account for the increasing complexity of development proposals in the rural areas.
- Program supplies and education programs have increased by \$10,600 with further implementation of the on-site septic system education program in 2020, including a proposed pilot rebate program.

Professional fees for some projects are provided through the electoral areas feasibility studies services and therefore not included in the operations budget of this service.

#### Capital

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

#### Reserves

As of December 31, 2019, the reserve balance for the LWMP service is estimated at \$210,639.

#### Tax Impacts

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0543 per \$1,000 of taxable assessed value.
- The residential tax rate in 2019 was \$0.0575 per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$27.15.

#### **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.