



## **CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE**

**Thursday, November 23, 2017  
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.**

### **AGENDA**

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**CALL TO ORDER:** 9:30 a.m.

#### **AGENDA**

1. Adoption of Agenda

#### **PETITIONS AND DELEGATIONS**

#### **REPORTS**

2. SCRD Senior Leadership Team - Budget Project Status Report  
**(Voting – All Directors)** Annex A  
Pages 1-10
3. General Manager, Corporate Services / Chief Financial Officer –  
BDO Audit Planning Letter – year ended December 31, 2017  
**(Voting – All Directors)** Annex B  
pp. 11-42
4. General Manager, Corporate Services / Chief Financial Officer –  
Annual Support Service Allocation Policy Review  
**(Voting – All Directors)** Annex C  
pp. 43-52
5. Financial Analyst – 911 Emergency Telephone Capital Funding  
**(Voting – All Directors)** Annex D  
pp. 53-55
6. Senior Manager, Administration and Legislative Services –  
Municipal Ticket Information and Bylaw Notice Fine Review  
**(Voting – A, B, D, E, F, SIGD)** Annex E  
pp. 56-59
7. Chief Administrative Officer – Rural Areas' Grant-in-Aid Request  
for Howe Sound Marine Reference Guide  
**(Voting – All Directors)** Annex F  
pp. 60-65
8. Chief Administrative Officer – Grant Application for Community  
Emergency Preparedness Fund – Emergency Social Services  
**(Voting – All Directors)** Annex G  
pp. 66-67

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| 9. Senior Planner – BC Environmental Assessment Office Report and Potential Conditions for BURNCO Aggregate Project<br><b>(Voting – All Directors)</b>                | Annex H<br>pp. 68-81  |
| 10. Manager, Utility Services – Special Projects – Regional Groundwater Task Force Draft Terms of Reference<br><b>(Voting – A, B, D, E, F, Sechelt)</b>               | Annex I<br>pp. 82-86  |
| 11. General Manager, Corporate Services / Chief Financial Officer – Regional Water Service Area 2018 Rate Bylaw Amendment<br><b>(Voting – A, B, D, E, F, Sechelt)</b> | Annex J<br>pp. 87-89  |
| 12. General Manager, Corporate Services / Chief Financial Officer – North Pender Harbour Water 2018 Rate Bylaw Amendment<br><b>(Voting – A, SIGD)</b>                 | Annex K<br>pp. 90-91  |
| 13. General Manager, Corporate Services / Chief Financial Officer – South Pender Harbour Water 2018 Rate Bylaw Amendment<br><b>(Voting – All Directors)</b>           | Annex L<br>pp. 92-93  |
| 14. Senior Manager, Administration and Legislative Services – Removing Application Forms from Bylaws 422 and 428<br><b>(Voting - All Directors)</b>                   | Annex M<br>pp. 94-95  |
| 15. Manager, Solid Waste Services – 2018 Refuse Collection [355] Fee Review<br><b>(Voting – B, D, E, F)</b>   | Annex N<br>pp. 96-97  |
| 16. Manager, Solid Waste Services – Elected Officials Solid Waste Workshop Summary and Recommended Direction<br><b>(Voting – All Directors)</b>                       | Annex O<br>pp. 98-160 |

## COMMUNICATIONS

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| 17. <u>Government Finance Officers Association</u><br>Regarding Canadian Award for Financial Reporting for<br>SCRD 2016 Annual Report<br><b>(Voting – All Directors)</b> | Annex P<br>pp. 161-162 |
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## NEW BUSINESS

**IN CAMERA**

That the public be excluded from attendance at the meeting in accordance with Sections 90 (1) (g) and (k) of the *Community Charter* – “litigation or potential litigation affecting the municipality” and “negotiations and related discussion respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public”.

**ADJOURNMENT**

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** SCRD Senior Leadership Team

**RE:** **BUDGET PROJECT STATUS REPORT – NOVEMBER 2017**

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### RECOMMENDATION(S)

**THAT the report titled Budget Project Status Report – November 2017 be received.**

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### BACKGROUND

The Budget Project Status Report (BPSR) provides the Sunshine Coast Regional District (SCRD) Board updates on projects as approved through the 2017 Budget process and other major projects added throughout the year. The focus of the BPSR is to report on the status of the various projects and to ensure the projects are on time and on budget.

### DISCUSSION

Staff have updated the report and welcome comments / questions on the progress being made on the listed projects.

A report identifying all completed and carry-forward projects will be presented in February 2018 to allow time to incorporate in the Financial Plan.

Please see attached: Budget Project Status Report, November 2017

### STRATEGIC PLAN AND RELATED POLICIES

The BPSR is a metric for reporting on projects that move the Strategic Plan and various other documents such as the Integrated Five-Year Service Plan forward. It also meets the Core Value of “*Transparency*” and measures our Mission of being an “*effective and responsive government*”.

### CONCLUSION

The goal of the BPSR is to provide project status in a concise manner to the Board and Administration is working to streamline this process as we continue to use this tool.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X-J. Loveys	Other	



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## 2017 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
1	IS	312	Dykstra	\$20,000	Capital Reserve	2017	All	Regional	Rear Overhead Door on Fleet Wash Bay	<b>Will be carried over into 2018.</b>	Carryforward	Deferred
2	CS	220	Loveys	\$97,500	Capital Reserves	2014	All	All	Replace Gibsons Tower	Assessment of radio channels ongoing. Meeting in September set. Emergency Services staff are completing full evaluation of the project. Update in <b>Q1 2018</b> to come forward.	Carryforward	In Progress 75%
3	IS	345	Hall	\$99,594	Taxation	2016	B, D, E, F including Islands	F Islands	Gambier Float Replacement	Awarded in March 2017. Engineering completed September 2017. <b>Environmental review in progress. Construction in Q4.</b>	Carryforward	In Progress 50%
4	IS	352	Cooper	\$23,000	Operating Reserve	2017	All	Regional	Sechelt Landfill Design and Operations Plan Update	Work has commenced. Engineering consultants are preparing draft Plan Update for review. <b>Draft Plan Update has been completed. Staff are reviewing.</b>	Mandatory / BC	<b>In Progress 75%</b>
5	IS	370	Crosby	\$152,000	Capital Reserves / BC Hydro	2016	A, B, D, E, F, F Islands and DoS	All	Pump Station Energy Efficiency Upgrades	Selma 1 Pump Station upgrade scheduled for late September 2017. <b>Contractor commenced Selma 1 Pump Station upgrading project on October 30, 2017.</b>	Carryforward	In Progress 25%
6	CS	220	Loveys	\$180,000	Taxation / Capital Reserves	2015	All including Islands	All	Chapman Creek Tower	Assessment of radio channels ongoing. Emergency Services staff are completing full evaluation of the project. Update in <b>Q1 2018</b> to come forward.	Carryforward	In Progress 75%
7	IS	312	Dykstra	\$18,000	Capital Reserve	2017	All	Regional	Heavy Duty Hoist Refurbishment (Fleet)	Replacement components have been installed. Hoist has been tested and certified for proper functioning. <b>Waiting for final invoices to process, to complete costs.</b>	Mandatory / BC	In Progress 75%
8	IS	350	Cooper	\$5,000	Eco-Fee	2017	All	Regional	Waste Reduction Initiatives Program	Call for Applications scheduled for September. Applications opened Aug 25 and closed on Oct 20. <b>Applications are currently being reviewed by the staff.</b>	Low Cost / High Value	<b>In Progress 25%</b>
9	IS	350	Cooper	\$5,500	Taxation	2017	All	Regional	2017 Wildsafe BC Program	Wildsafe BC Program started in May. <b>Program is anticipated to end mid-November. Final report to be provided to the SCRD by WildSafeBC by the end of the year. 90% completed.</b>	Low Cost / High Value	<b>In Progress 75%</b>
10	IS	388	Walkey	\$20,000	Operating Reserve	2014	F	F	Langdale Waste Water Treatment Plant - Connection to Camp Elphinstone (YMCA) System	Trial study continuing into the 2017 fall. <b>Report to come forward in Q1 2018.</b>	Carryforward	In Progress 25%
11	IS	381-394	Walkey	\$85,000	Operating Reserve	2016	B	B	Square Bay Waste Water Treatment Plant [387] Replacement - Detailed Engineering Design	Design Phase with engineering company.	Carryforward	In Progress 25%
12	IS	365	Walkey	\$15,000	Operating Reserve	2016	A and SIGD	A	Water Rate Study	<b>To be re-evaluated in 2018 and report to come forward.</b>	Carryforward	Started
13	IS	366	Walkey	\$15,000	Operating Reserve	2016	A	A	Water Rate Study	<b>To be re-evaluated in 2018 and report to come forward.</b>	Carryforward	Started
14	IS	370	Walkey	\$75,000	Existing User Fees	2015	Regional	All	Zone 2 Reservoir Repairs	Repairs to Selma II/Chapman WTP Reservoir are required as a result of inspection which identified deficiencies. Staff have repaired accessible major leaks. <b>Ongoing assessment.</b>	Carryforward	Started
15	IS	135	Hall	\$35,000	CARIP / SS	2017	All	Regional	Corporate Energy Management Program	Scope of work for energy audits coordinated with Asset Management Plan completed. <b>Work will carryforward into 2018</b>	Strategic Plan	Started
16	PD	650	Robinson	\$25,000	Taxation	2017	A, B, D, E, F	A-F including Islands	Parks Bridge Engineering Assessments / Capital Plans	Engineer selection process completed. Work to commence late September. <b>Engineers have started and work will be completed in Q4 2017.</b>	Mandatory / BC	<b>In Progress 75%</b>
17	CA	114	Perreault	\$10,000	Support Services	2017	All	Regional	Fire Code Violation Improvements	<b>SCRD Building Maintenance team working on project to be completed by year end - awaiting invoices.</b>	Mandatory / BC	In Progress 75%

2017 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
18	IS	370	Crosby	\$16,700	User Fees	2016	A, B, D, E, F, F Islands and DoS	All	Universal Metering Phase 3 (Sechelt) - Public Engagement and Communications	Development of community and outreach strategy. Application for funding in process ETA November. <b>Awaiting a grant announcement.</b>	Carryforward	Started
19	CS	210	Michael	\$235,000	Capital Reserves	2017	E, F and ToG	ToG	Self Contained Breathing Apparatus Replacement	<b>RFQ issued for breathing air compressor. Requisition issued for SCBA.</b>	Mandatory / BC	Started
20	IS	370	Crosby	\$50,000	Existing User Fees	2015	Regional	All excluding B Islands and ToG	Universal Water Metering Phase 2 (Rural Areas) - Planning and Outreach	All four Public Open Houses have now been completed. <b>Outreach continues as Phase 2 nears completion.</b>	Carryforward	In Progress 75%
21	CS	210	Michael	\$840,000	Capital Reserves	2016	E, F and ToG	ToG	Ladder Truck Replacement for GDVFD	<b>Construction has begun on ladder truck and anticipated delivery date is Jan 1, 2018</b>	Carryforward	In Progress 50%
22	CS	615-621	Hall	\$309,174	Capital Maintenance Budget / Reserves	2016	B, D, E, F (no islands), DoS, ToG and SIGD	ToG	Gibsons and District Aquatic Facility (GDAF) Hot Tub Replacement	Construction manager and trades hired. Demolition completed. Communications plan to support new timeline in place. <b>Concrete work completed. Main pool reopening November. Hot tub opening January 2018.</b>	Carryforward	In Progress 75%
23	CS	650	Loveys	\$66,400	Capital Reserves	2015	All EA's including Islands	F	Granthams Hall Restoration Design and Engineering	Working with Community to support grants and fundraising initiatives. Architect selected and staff continue to work with community. Drawings of existing structure received. Site survey to be completed. Hazardous material testing complete. Received renovation options. Open house/option selection on September 22, 2016. Design option selected, waiting on grant updates. <b>Design and engineering complete; implementation funding plan in place pending grant application results. Update to be provided at December PCDC.</b>	Carryforward	In Progress 75%
24	PD	650	Robinson	\$4,000	Taxation	2017	A, B, D, E, F	F	Eric Cardinal Hall Hot Water Tank Replacement	Scoping complete. Grant opportunities being reviewed. Grant funding was not available. <b>Tendering complete. Work to proceed in Q4 2017.</b>	Mandatory / BC	In Progress 25%
25	PD	313	Robinson	\$10,000	MFA	2017	All	Regional	Building Maintenance Workshop Development	Project brief complete. Implementation during cold weather/indoor work season. <b>Materials have been obtained and area prepared.</b>	Mandatory / BC	In Progress 75%
26	IS	370	Crosby	\$200,000	Existing User Fees	2015	Regional	F	Soames Well Chlorination Project	Preliminary design of chlorination station completed and submitted to Serior Manager for approval. Design submitted to Ministry of Health for approval. <b>Permit approval received on October, 2017 from Ministry of Health. Construction of package chlorination station is underway.</b>	Carryforward	In Progress 75%
27	IS	370	Crosby	\$5,545,000	Grant / Capital Reserves	2016	A, B, D, E, F, F Islands and DoS	A, B, D, E, F	Universal Metering Phase 2 - Rural Areas	Meter installations are continuing in all the rural areas. The project is approximately 95% (4539 meters installed) complete. 222 installs are remaining due mainly to safety issues or unable to locate service connections. Staff are working on a plan to complete the remaining installations. <b>The Contract Completion date has been extended to February 28, 2018 in order for Neptune Technology Group to complete the remaining 222 meter installs.</b>	Carryforward	In Progress 75%

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## 2017 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
28	IS	350-353	Cooper	\$5,000	Surplus	2016	All	All	Review and Update Incentive Based Tipping Fee	Data collection in progress. <b>Data to be updated after the completion of the tender process for several materials. Will be carry-forwarded to 2018 for completion Q1 2018.</b>	Carryforward	In Progress 50%
29	CS	650	Allen	\$4,500	Taxation	2015	All excluding Munis	F	Gambier Island Community Information and Amenities	Trail questionnaire conducted in June 2016. Community meeting to share results is on July 16 2016. Bench has been installed. Picnic table and kiosk to still be installed upon completion of trail network planning process. Trail planning process task force commences 2017-May-27. <b>Task Force work complete. Public engagement session held on Gambier Island in October. Reports to follow.</b>	Carryforward	In Progress 75%
30	PD	650	Robinson	\$6,000	Taxation	2017	A, B, D, E, F	A-F including Islands	Hazard Tree Assessment Plan / Phase 1 Assessment	Started draft plan and some progress on internal assessments, scopes of work. <b>Training conducted in hazard tree assesments and chain saw safety to aid in implementation.</b>	Mandatory / BC	In Progress 50%
31	PD	616-621	Robinson	\$19,150	Taxation	2017	B, D, E, F (except F Islands)	ToG	Fall Protection Audit and Hazardous Materials Audit for Recreation Facilities	Scoping complete. <b>Project brief completed. Carryforward to Q1 2018.</b>	Mandatory / BC	In Progress 25%
32	CA	290	Legault	\$2,000	Operating Reserve	2017	B, D, E, F and SIGD	B, D, E, F and SIGD	Training - safety, legal framework, liability and public education	Pending completion of employee recruitment. Price quote, scheduling and agenda development underway.	Strategic Plan	Started
33	IS	350	Cooper	\$10,000	Eco-Fee	2017	All	Regional	Solid Waste Management Plan (SWMP) 5-Year Effectiveness Review	Not started yet. Will begin in Q4. <b>Will be carry-forwarded to 2018 for completion in Q1 2018.</b>	Mandatory / BC	Not Started
34	CS	650	Hall	\$113,033	Gas Tax	2016	All EA's including Islands	B	Coopers Green Park - Hall and Parking Design Plans	Approval from MoTI for parking on road right of way received. Application approved by Board of Variance (2016-Sep-30). Consulting with shishálh nation re archaeological review. Engagement activities completed. RFP released May 19. Archaeology permit application confirmed. Task Force applications being collated for Board appointment. <b>Architect hired; Task Force underway.</b>	Carryforward	In Progress 50%
35	PD	650	Robinson	\$25,000	Taxation	2017	A, B, D, E, F	A-F including Islands	Parks Bridge Capital Maintenance	Project brief for Cliff Gilker Purple Bridge completed and selection of new area for bridge and trees to use for bridge has been confirmed. Work on hold due to dry forest conditions and fire risk. <b>New Cliff Gilker Purple Trail Bridge completed, open for use November 10. Work on additional bridges being planned to complete project.</b>	Mandatory / BC	In Progress 50%
36	IS	370	Crosby	\$150,000	TBD	2016	Regional	D, E, F, TOG, DOS	Regional Water Groundwater Investigation Stage 1	Draft report received for review by SCRd staff September 19, 2017. Report and presentation by Consultant to be presented to Committee in the 4th Quarter. <b>Final report presented by Consultant at October 19, 2017 Infrastructure Services Committee with subsequet recommendations adopted at October 26, 2017 Board meeting.</b>	Carryforward	In Progress 50%
37	PD	345	Hall	\$379,300	Taxation / Reserves / Grant	2017	B, D, E, F and Islands	B, D, E, F and Islands	Ports Repairs	Scoping work underway. Engineer/project manager hired; material specifications and project designs to be completed in September, tendering to follow. <b>Timber procured, construction tendering in process.</b>	Mandatory / BC	In Progress 25%

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## 2017 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
38	IS	365	Crosby	\$20,000	Capital Reserves	2016	A and SIGD	A	Pool Road Waterline Replacement	Waterline installation completed May 25, 2017. Right-of-Way survey and acquisition of same yet to be completed.	Carryforward	In Progress 75%
39	CS	650	Allen	\$60,000	Taxation	2015, 2016, 2017	All EA including Islands	All EA including Islands	Signage Upgrade	Ongoing installation of Phase 1 and 2. 2017 Phase 3 \$20,000 is to be taxed in 2017. <b>Collaboration with First Nations on names/translation in progress.</b>	Carryforward	In Progress 50%
40	CS	617	Robinson	\$36,000	Capital Reserve	2015	All excluding A	All excluding A	Gibsons and Area Community Centre (GACC) - Plant Room Ventilation Extension Scope	Scope of work developed by Engineer. Equipment order in progress. <b>Carryforward; installation planned for 2018 shutdown.</b>	Carryforward	In Progress 25%
41	PD	210 / 650	Michael / Robinson	\$150,000	Capital Reserves	2017	A, B, D, E, F and ToG	E	Frank West Hall / Cliff Mahlman Fire Station Roof Replacement	Started to develop project brief. Will get quote for contractor to develop project scope in coming weeks. <b>Scope of work being reviewed and project being carried forward do to the seasonality of the project. Plan to complete in Q1 2018.</b>	Mandatory / BC	Started
42	CA	114	Perreault	\$75,000	Reserves / SS	2017	All	Regional	SCRD Corporate Space and Site Planning (including Field Road, Mason Works Yard and South Pender Water Office)	Project Charter/Plan in draft. Internal project team meeting initiated. <b>Project delayed due to organizational capacity. Target is to re-initiate in Q1 2018.</b>	Mandatory / BC	Started
43	CA	640	Perreault	\$125,000	Reserves / Loan	2017	E, F and ToG	E, F and ToG	HVAC Unit Replacement (controls) - Gibsons and District Public Library	Project Plan developed. <b>Work underway.</b>	Mandatory / BC	Started
44	CA	506 / 510	Nelson	\$80,000	Reserves / SS	2017	All	All	Ortho-Photo Acquisition	<b>RPF issued and vendor selection completed. Project completion will be delayed until Summer 2018 to allow for more favourable aerial photography conditions.</b>	Integrated 5-Year Plan	In Progress 25%
45	PD	504	Allen	\$75,000	Reserves	2017	A-F	B-F	Zoning Bylaw 310	Staff are preparing a project brief and background research for scope work for RFP. RFP released and open until June 23rd. Consultant selected. Initial meeting conducted in August. Consultant has prepared background report identifying areas of interest with preliminary set of recommendations. <b>Staff and consultant met in October to review background report. White paper coming to Q1 2018 Committee meeting.</b>	Strategic Plan	In Progress 25%
46	CS	650	Robinson	\$28,000	Surplus	2016	All EA's including Islands	A, B, D, E	Playground Surface Replacements	Completed in some parks identified for substructure for safety. Planning for project completion underway. <b>Shirley Macey Water Park resurfacing tendering process in progress.</b>	Carryforward	In Progress 25%

2017 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
47	CA	113	Perreault	\$412,000	Reserves / Grant	2016	All	Corporate	Asset Management / Maintenance Management System project	Total project \$412,000 - Cityworks portion of total \$285,111. First phase of Cityworks went live January 2017 and several modules and functionality related to Asset Management are still being developed. Tools, hardware, and consultant help is also being considered to assist in further assisting with maximizing the system. Cityworks portion of the project almost completed with project close out scheduled for end of June. Next phase associated will focus on maximizing system for Asset Management. Cityworks implementation project is closed. Looking for oportunities to maximize system utilization and effectiveness such as condition assessments. <b>Grant still has funds available so staff requested an extension to UBCM for Dec 31, 2018 and were successful in receiving. This will allow for more asset management work for the organization related to the sysytem.</b>	Carryforward	In Progress 75%
48	CS	667	Allen	\$30,000	Gas Tax	2013	A	A	Lily Lake Path (Area A) - Planning and Engineering	Engineering is completed for all sections. Waiting on permit for construction from MoTI. Applied for MOTI Permits. Construction on hold. <b>Discussions with MoTI resumed since UBCM and a report will come forward.</b>	Carryforward	In Progress 75%
49	CS	650	Allen	\$3,000	Taxation	2016	All EA's including Islands	B, D, E, F	Suncoaster Trail Planning	Met with stakeholders in June and July. Created preliminary route options from Halfmoon Bay to Roberts Creek (Phase 2) Phase 3 to Langdale to follow. Follow up meeting to be scheduled for September. Engagement with shíshálh Nation staff initiated. Draft engagement plan developed and on November PCD agenda. 2017 Carryforward. Public open houses held for Feb 27 and March 1. Proposed Route has been linked to Google Earth. Planning continues. SCRD has approval for a grant from VCH Healthy Communities for \$57,500 for detailed trail planning. <b>Grant funding has been received and drafting scope of work for RFP for detailed planning work in 2018.</b>	Carryforward	In Progress 50%
50	CS	665	Allen	\$100,000	Gas Tax	2015	B, D, E, F	F	Area E - Gower to Gibsons - Construction	Survey completed. SROW's required with property owners. On hold. <b>Discussions with MoTI resumed since UBCM and a report will come forward.</b>	Carryforward	In Progress 25%
51	CS	665	Allen	\$158,557	Gas Tax	2015	B, D, E, F	B	Area B Highway 101 to Mintie Road - Planning and Construction	Waiting for permit from MoTI. Applied for 2016 Bike BC grant. ROW denied so rerouting and engineering plan is completed. Legal survey in completed. Legal Survey complete. Carry forward. On hold. <b>Discussions with MoTI resumed since UBCM and a report will come forward.</b>	Carryforward	In Progress 25%
52	CS	665	Allen	\$46,000	Gas Tax	2015	B, D, E, F	D	Area D - Beach Avenue (south of Flume Park) curb retrofit - Construction	Drainage issues and catch basin required. Plans are being reviewed by MoTI. On hold. <b>Discussions with MoTI resumed since UBCM and a report will come forward.</b>	Carryforward	In Progress 50%

2017 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
53	CS	665	Allen	\$40,000	Gas Tax	2014	B D E F	E	Area E - Highway 101 Maintenance Repairs - East of Poplars Park (Phase I)	MoTI has completed internal engineering survey and is examining their funding and options. Pending response from MoTI. On hold. <b>Discussions with MoTI resumed since UBCM and a report will come forward.</b>	Carryforward	In Progress 25%
54	CS	665	Allen	\$20,000	Gas Tax	2015	B, D, E, F	D	Area D- Lower Road - Planning	Concept plans being reviewed by MoTI. Consultation required. On hold. <b>Discussions with MoTI resumed since UBCM and a report will come forward.</b>	Carryforward	In Progress 50%
55	CS	665	Allen	\$20,000	Gas Tax	2015	B, D, E, F	D	Area D - Roberts Creek Village to Pier - Planning	Concept plans being reviewed by MoTI. On hold. <b>Discussions with MoTI resumed since UBCM and a report will come forward.</b>	Carryforward	In Progress 50%
56	IS	370	Crosby	\$4,853,915	Debt / DCCs	2016	Regional	D	Chapman Lake Supply Expansion - Construction, Engineering, Environmental Assessment	Comments received from Sechelt First Nation, BC Parks & FLNRO regarding Chapman Lake EA Report. Staff Report regarding SCRD responses received at April ISC and forwarded on to BC Parks & FLNRO. <b>Awaiting BC Parks planning process to be completed.</b>	Carryforward	In Progress 50%
57	CA	112 / 520	Legault / Whittleton	\$50,000	Reserves	2017	Regional	Regional	Scan / Transfer Building Permit Microfiche to Portable Document Format (PDF) (3 year project)	Developing scope of work; RFP closed Aug 18; proposal review underway; <b>contract awarded; kickoff meeting Oct 18; 2017 shipment sent for scanning.</b>	Other	In Progress 25%
58	IS	378	Walkey	\$50,000	User Fees	2017	A, B, D, E, F and DoS	Regional	Chapman Water Treatment Plant Chlorination System Upgrade - Feasibility Study	<b>Contract awarded, report due by 2017 year end</b>	Other	In Progress 25%

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
1	IS	366	Crosby	\$30,000	Capital Reserves	2016	A	A	Air Release Automation System	Project Completed.	Carryforward	Completed
2	IS	352	Cooper	\$5,000	Tipping	2017	All	Regional	Sechelt Landfill Annual Report	Report has been completed and submitted to MoE Mar 30, 2017.	Mandatory / BC	Completed
3	CA	640	Perreault	\$30,000	Short Term Capital Financing	2016	E, F and ToG	ToG	Gibsons and District Public Library Lighting Replacement and retrofit	Scope of work developed by Engineer Complete. Project should be completed in 2016. Developing RFP with Engineer and Purchasing with target to go out in June. Project scheduled to co-incide with Library closure in August. RFP closed and to be awarded in July. Project scheduled to be complete in October. Project delayed to November due to backorder of supplies by contractor and contractors currently working on addressing the issues. Project has started and target completion by year end 2016. Project was completed in March 2017.	Carryforward	Completed
4	IS	310	Dykstra	\$5,000	Taxation	2017	All except Area A	Regional	Gas Line Lowering and Yard Grading at Mason Road Facility	Completed.	Integrated 5-Year Plan	Completed

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5	CA	640	Perreault	\$25,000	Short Term Capital Financing	2016	E, F and ToG	ToG	Gibsons and District Public Library - Anti-Slip Traffic Membrane	Completed a test patch and work scheduled for August when Library has a scheduled closure. This has been postponed to the fall 2016. Materials purchased and some preparation has been completed. Staff are waiting for 4 days of continuous warm and dry weather. This is a priority project due to safety. Estimated completion May/June 2017. Power washing scheduled for June 13th to prep surface and staff will await apply material as soon as there is 4-5days of continuous dry weather forecasted. Project was complete June 2017.	Carryforward	Completed
6	IS	352	Cooper	\$30,000	Operating Reserve	2017	All	Regional	Sechelt Landfill Battery Replacement	Work is scheduled to commence and be completed in June. Work was completed in June and July.	Mandatory / BC	Completed
7	IS	350-353	Cooper	\$25,000	Surplus	2016	All	All	Organics Management Strategy	Work has commenced. Resident questionnaire opened on May 8, closes on Jun 2. Draft Strategy presented at Jul 20 ISC and Jul 27 Board. Strategy was adopted as Draft until adoption of Implementation Plan.	Carryforward	Completed
8	IS	351/352	Cooper	\$50,000	Operating Reserve	2017	All	Regional	Sechelt Landfill and Pender Harbour Transfer Station Environmental Monitoring Program Upgrades	Not started yet. Will begin in Q3. Drilling work and installation of new monitoring wells were completed in August. Project is complete. (Invoices have not been processed yet.)	Mandatory / BC	Completed
9	PD	210	Michael	\$6,000	Taxation	2017	E, F and ToG	E, F and ToG	Turn-out Gear Replacement	Two sets of turnout gear have been ordered and are expected to arrive by Q3, 2017. Turnout gear has arrived and is being put into service.	Mandatory / BC	Completed
10	PD	625	Cole	\$23,000	Reserve	2017	A	A	Acoustic Remediation - Sound Absorption Panels / Acoustics	Project completed in August. 100 acoustic panels installed.	Other	Completed
11	CA	113	Perreault	\$1,362,352	Reserves / Grant	2016	All	Corporate	Corporate Software Project (Tempest and Agresso)	Tempest is 90% complete. Agresso is 100% complete from a project implementation perspective. Go live occurred on Jan 1st, 2017. Budget for Agresso was amended to add \$50K to Budget in early November. Unit 4 (Agresso) went live January 1, 2017 and project close occurred in February 2017. Tempest project close April 2017.	Carryforward	Completed
12	CS	210	Michael	\$23,000	Surplus / Operating Reserves	2015	E, F, TOG	TOG	Firehall Maintenance/Roof repair	Facility maintenance projects have begun. Fence replacement is complete. Landscaping project to be complete Q4. Emergency lighting upgrade complete Q4. Roofing audit complete Q4 2016, awaiting reports. Minor repairs to be completed in Q2 2017. Report has been received. Contractor has been contacted and asked to provide a quote to complete roof repairs. Quote has been received, PO currently being issued. Work is expected to be complete by Q3, 2017. Work is complete, invoice has been submitted for payment.	Carryforward	Completed
13	IS	310	Dykstra	\$10,000	Taxation / User Fees	2015	All except Area A	All Except A and Islands	Implement Transit Marketing Initiatives	May: Trip Planner launched. June: Participation in GradPASS for Gr. 12 Students completed. July: Day Pass announcement in Coast Current. Oct: Night Light promotion and giveaway completed. Dec: Holiday service communication.	Carryforward	Completed

2017 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
14	IS	312	Dykstra	\$4,000	Capital Reserve	2017	All	Regional	Engine Diagnostic Testing Instrument	Received and In use	Mandatory / BC	Completed
15	PD	313	Robinson	\$53,000	MFA	2017	All	Regional	Facility Maintenance vehicle replacement	Used vehicle purchased and now in use.	Mandatory / BC	Completed
16	IS	345	Dykstra / Hall	\$9,000	Operating Reserve	2016	B, D, E, F including Islands	B, D, E, F including Islands	Dock Engineering Inspections	Completed.	Carryforward	Completed
17	IS	345	Dykstra / Hall	\$38,000	Taxation	2016	B, D, E, F including Islands	B, D, E, F including Islands	Ports Capital Maintenance	Completed.	Carryforward	Completed
18	IS	370	Walkey	\$80,000	Short Term Capital Financing	2016	A, B, D, E, F, F Islands and DoS	All	Vehicle Replacements Units #444 and #448	Vehicles received and in use	Carryforward	Completed
19	IS	370	Crosby	\$20,000	User Fees	2012	All	All	Micro-Hydro Demonstration Project	Micro-hydro Feasibility Study and pre-design completed in 2015 for the Selma Park PRV micro-hydro project, which has been added to the SEMP as a potential 2018 project. Budget proposal to come forward in 2018.	Carryforward	Completed
20	IS	370	Walkey	\$20,000	User Fees	2012	All	All	Water Utility Performance Assessment	Draft report reviewed with consultant. Staff report on April 2017 ISC.	Carryforward	Completed
21	IS	370	Walkey	\$60,000	Capital Reserves / BC Hydro	2016	A, B, D, E, F and DoS	DoS	Chapman WTP Energy Conservation Project	Project completed	Carryforward	Completed
22	IS	370	Walkey	\$45,000	User Fees	2016	A, B, D, E, F, F Islands and DoS	E and F	Well Protection Planning	Report complete.	Carryforward	Completed
23	PD	650	Robinson	\$3,300	Reserves	2017	A, B, D, E, F	A-F including Islands	Purchase Small Riding Mower	New mower now in operation.	Low Cost / High Value	Completed
24	CS	667	Allen	\$240,000	Gas Tax	2014	A	A	Lily Lake Area Bicycle and Walking Path Project	Agreement reached and SROW being prepared for Tyner Park section. Construction of trail through school property completed. Madeira Park section waiting for permit to construct from MoTI. Staff have applied for permits. SRW to land title for registration. Trail construction is complete. Fencing along private property will be completed in March. Fencing complete. Some final landscaping to be completed, expected to be complete by the end of June. Complete.	Carryforward	Completed
25	CS	615-621	Robinson	\$40,000	Capital Maintenance Budget	2016	B, D, E, F (no islands), DoS, ToG and SIGD	ToG	Gibsons and Area Community Centre (GACC) - RTU Controls.	Lighting replacement portion of project cancelled. PO has been issued. PO was issued 2016. Detailed schedule to be confirmed; anticipated to require carryforward for completion in 2017. This project is now completed and final invoices from Modern have been submitted.	Carryforward	Completed
26	IS	310	Dykstra	\$4,500	Taxation	2017	All except Area A	All Except Area A	Purchase VHF Radios for Buses (Expansion)	Radios have been received; waiting for delivery of new Vicinity buses to complete installation. Aug: Three of six installed. Oct 16: All radios installed, project complete.	Strategic Plan	Completed



Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Function Participants	Work Location	Description	Current Status	Category	% Complete
27	IS	370	Crosby	\$15,000	User Fees	2013	All	All	Set-up Weather Monitoring Station	Base installation complete. Awaiting weather window to install equipment. Staff to bring forward a report to future ISC meeting. Installation of station is tentatively scheduled for September 11, 2017. Installation of weather station completed September 15, 2017.	Carryforward	Completed
28	CA	117	Nelson	\$13,418	Surplus	2015	All	Corporate	Consultant - Corporate Software Replacement	Approved report recommending: ...Corporate Software Replacement ... be reallocated for Information Technology overtime in the amount of \$13,418 for 2017.	Carryforward	Completed

Open Projects by Year	
Prior to 2015	5
2015	12
2016	17
2017	24
<b>TOTAL</b>	<b>58</b>

% Complete Summary		DEFINITION
Not Started	1	1.2% Work has not been started for project.
Started	10	11.6% Work is in preliminary stages.
In Progress 25%	16	18.6% Up to 25% progress
In Progress 50%	13	15.1% Up to 50% progress
In Progress 75%	17	19.8% Up to 75% progress
Completed	28	32.6% 100% Finished
Deferred	1	1.2% Project was deferred by motion.
Cancelled	0	0.0% The project listed as cancelled was determined as a) not required by Board or b) the project evolved into a new project and is referred to in status column (line number)
<b>TOTAL</b>	<b>86</b>	100%

Policy Codes Key
SP - Strategic Plan
WE - We Envision
ITSP - Integrated Transportation Study Plan
CRWP - Comprehensive Regional Water Plan
PRM - Parks and Rec Master Plan
SARP - Chapman Creek Watershed Source Assessment Response Plan
EVDF, HMBF, RCF, GF - Fire Departments (strategic plans)
PDTNP - Parks Division Trail Network Plan
TFP - Transit Future Plan
AAP - Agricultural Area Plan
AMP - Asset Management Plan
ZW/S - Zero Waste / Sustainability

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

**SUBJECT:** BDO AUDIT PLANNING LETTER

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### RECOMMENDATION

**THAT** the report titled BDO Audit Planning Letter be received;

**AND THAT** the Audit Planning Communication from BDO Canada LLP regarding the Audit of the Financial Statements of the Sunshine Coast Regional District (SCRD) and Foreshore Leases (Hillside) for the year ended December 31, 2017 be received.

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### BACKGROUND

The purpose of BDO's "*Audit Planning Report to the SCRD Board*" is to communicate key issues, responsibilities and audit strategy which will be undertaken for the SCRD's annual financial audit. The audit conducted by BDO is in accordance with Canadian Generally Accepted Auditing Standards (GAAS), which requires the explicit communication for roles and responsibilities by both parties.

### DISCUSSION

BDO's "Audit Planning Report," summarizing the plans and other matters pertinent to the 2017 audit for the SCRD, SCRHD, and Foreshore (Hillside), which is attached for reference. The 2017 interim audit is being conducted in November 2017 with the final audit expected to be scheduled for the beginning of March 2018. The draft financial statements and audit report is scheduled for presentation at the April 2018 Corporate and Administrative Services Committee in preparation for the SCRD Board's final Adoption.

The SCRD Board has the responsibility of providing oversight of the financial reporting process. As part of the two way communication with the auditors, the Board may highlight any areas of specific concerns or questions it may have for the auditors prior to the final audit.

### STRATEGIC PLAN AND RELATED POLICIES

The annual financial audit aligns with the Boards Strategic Value of "*Transparency*".

### CONCLUSION

It is recommended that the Committee receive BDO's "*Audit Planning Report*" and that if there are any questions or concerns that they be forwarded to BDO prior to the final audit.

Reviewed by:			
Manager – Finance	X- S. Zacharias	CFO	X – T. Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	



# **Sunshine Coast Regional District and Sunshine Coast Regional Hospital District**

Planning Report to the Members of the Board

Prior to audit of the fiscal year ended December 31, 2017





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vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
600 Cathedral Place  
925 West Georgia Street  
Vancouver BC V6C 3L2 Canada

E-mail: bcox@bdo.ca

November 16, 2017

Members of the Boards  
Sunshine Coast Regional District and Sunshine Coast Regional Hospital District  
1975 Field Road  
Sechelt, BC V0N 3A1

Dear Board Members:

We are pleased to present our audit plan for the audit of the financial statements of the Sunshine Coast Regional District ("SCRD") and Sunshine Coast Regional Hospital District ("SCRHD") for the year ended December 31, 2017.

Our report is designed to highlight and explain key issues which we believe to be relevant to the audit including audit risks, the nature, extent and timing of our audit work and the terms of our engagement. The audit planning report forms a significant part of our overall communication strategy with the Boards and is designed to promote effective two-way communication throughout the audit process. It is important that we maintain effective two-way communication with the Boards throughout the entire audit process so that we may both share timely information. The audit process will conclude with a Board meeting and the preparation of our final report to the Board.

This report has been prepared solely for the use of the Boards and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

The Boards play an important part in the audit planning process and we look forward to meeting with you to discuss our audit plan as well as any other matters that you consider appropriate.

Yours truly,

Bill Cox, FCPA, FCA  
Partner through a corporation  
BDO Canada LLP  
Chartered Professional Accountants

BC/mkn



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## EXECUTIVE SUMMARY

### ENGAGEMENT LETTER

The terms and conditions of our engagement are included in the most recent engagement letter, dated November 15, 2017.

### RESPONSIBILITIES

It is important for the Board to understand the responsibilities that rest with the external auditor and the responsibilities of those charged with governance. BDO's responsibilities are outlined within the annual engagement letter. The oversight and financial reporting responsibilities of the Board as they pertain to the annual audit are summarized below.

- Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor's report.
- Report on all non-audit services to be provided to the SCRD and SCRHD by the external auditor.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters, if any.
- Refer to Appendix E for full details on the responsibilities of the Board.

### ENGAGEMENT OBJECTIVES

- Express an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in its net debt, and cash flows of the SCRD and SCRHD in accordance with Public Sector Accounting Standards ("PSAS").
- Present significant findings to the Board including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit. See Appendix K for prior year's management letter.
- Consult regarding accounting, indirect taxes and reporting matters as requested throughout the year.
- Read the other information included in the SCRD's Annual Report to identify material inconsistencies, if any, with the audited financial statements.



## AUDIT STRATEGY

We plan to focus much of our review of transaction streams using “tests of controls” (compliance procedures) in combination with analytical review and testing. Balances will be tested using a combination of compliance procedures and substantive procedures (such as analysis of data and obtaining direct evidence as to the validity of the items).

Refer to Appendix B for a high level overview of our audit strategy.

## MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

For purposes of our audit, we have set preliminary materiality at \$800,000 for the SCRD and a preliminary performance materiality at \$600,000. For the audit of the SCRHD, we have set preliminary materiality at \$43,000 and a preliminary performance materiality at \$32,250.

Our materiality calculation is based on the SCRD and SCRHD’s prior year results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to Board members as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Boards, other than those which we determine to be “clearly trivial”. Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We encourage management to correct any misstatements identified throughout the audit process.

## KEY AUDIT AREAS AND PLANNED AUDIT RESPONSES

Based on our knowledge of the SCRD and SCRHD’s operations, our past experience, and knowledge gained from management and you, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following key risks and whether there are any other areas of concern that the Board members have identified.

## KEY AUDIT AREAS AND PLANNED AUDIT RESPONSES (CONTINUED)

	Audit Risk	Proposed Audit Approach
<b>Management Override of Internal Controls</b>	The SCRД and SCRHD's current internal control systems could be subject to an override of existing controls by management resulting in unauthorized transactions or unauthorized adjustments to the accounting records.	Review of significant transactions recorded in the various ledgers for unusual or non-recurring adjustments not addressed by other audit procedures.
<b>Recognition of Revenue</b>	Accounting standards are complex and open to interpretation. There is a risk that revenue may be incorrectly deferred into future periods.	<p>Grant funding will be confirmed through a review of the agreements, which ensures that the amounts recorded exist, are complete and are recorded accurately.</p> <p>Grant expenditures will also be reviewed to ensure that they meet the requirements per the grant agreement.</p> <p>Other revenues streams also contain revenue recognition issues which will be reviewed in accordance with latest revenue recognition standards.</p>
<b>System Conversion January 1, 2017</b>	There is a risk that data may have been transferred incorrectly from the old system to the new system.	<p>Comparison of closing balances in the old system to opening balances in the new system.</p> <p>Additionally, we expect that the implementation of this new system will result in significant changes to the controls and processes within SCRД. As a result, particular emphasis will be placed on updating our understanding of processes and controls, and revising our testing accordingly.</p>



Other key audit areas are as follows:

	Audit Risk	Proposed Audit Approach
<b>Cash and Investments</b>	<p>Cash planning and investment management are important aspects of good financial controls.</p> <p>Due to its nature, cash and investments are almost always considered to be a risk area in any audit.</p>	<p>Our planned audit procedures include review of reconciliations, substantive testing of transactions and confirmations of end of period balances. We will also review reports on return and investment strategies.</p>
<b>Staff Salaries</b>	<p>A significant single type of expenditure that covers many employees and departments. As a regional district, this figure is often of particular interest to financial statement users (taxpayers and members).</p>	<p>We will perform payroll system testing and a test of controls over the payroll system.</p> <p>We will additionally perform variance and other analytical procedures, and investigate all significant fluctuations or otherwise unexpected results.</p>
<b>Tangible Capital Assets and Accumulated Amortization</b>	<p>It is important that the useful lives of tangible capital assets owned by the SCRHD and SCRHD are appropriate and remain accurate. This involves a high level of estimation and coordination of the finance department with other departments.</p>	<p>We will perform tests of controls for appropriate authorization of purchases combined with substantive testing of additions and disposals in the year and amortization calculations. Useful lives of existing assets will be reviewed for changes in estimates, if applicable.</p>
<b>Liability for Landfill Closure</b>	<p>A significant liability that is calculated based on management assumptions and engineering reports. Due to the nature of the high level of estimates required and the possibility of new information becoming available this calculation is liability is considered a risk area.</p>	<p>We will review calculations related to the liability recorded, as well as review engineering reports. We will also perform an audit of significant assumptions used for the calculation.</p>

## FRAUD RISK

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board on an annual basis. We have prepared the following comments to facilitate this discussion.

Required Discussion	BDO Response	Question to Boards
Details of existing oversight processes with regards to fraud.	<p>Through our planning process, and based on prior years' audits, we have developed an understanding of your oversight processes including:</p> <ul style="list-style-type: none"> <li>• Annual Board meeting with management to discuss fraud;</li> <li>• Discussions at regular Board meetings and our attendance at some of those meetings;</li> <li>• Review of related party transactions; and</li> <li>• Consideration of tone at the top.</li> </ul>	Are there any new processes or changes in existing processes relating to fraud that we should be aware of?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the SCRD and SCRHD?

Refer to Appendix F for our considerations of possible fraud and illegal activities during the performance of our audit.

## FINAL ENGAGEMENT REPORTING

As part of our final reporting to the Boards, we will provide a communications package to support the Board in discharging their responsibilities. This communication will include any identified significant deficiencies in internal controls. See Appendix H for a comprehensive list of communication requirements throughout the audit.

## OTHER MATTERS

Timing	<p>The following schedule has been agreed to with management:</p> <ul style="list-style-type: none"><li>• Interim audit fieldwork - November 20 - 22, 2017</li><li>• Year-end audit fieldwork - March 5 - 14, 2018</li><li>• Review of draft financial statements with the Board - To be determined (approximately end of April 2018)</li><li>• Finalization of financial statements - Immediately subsequent to approval by Board members</li></ul>
Independence	<p>Our annual independence letter has been included as Appendix G.</p>
Management Representations	<p>As part of our audit finalization we will obtain written representation from management, a copy of these representations will be included as part of our final report.</p>
New Accounting Standards	<p>Refer to Appendix J for changes in standards.</p>



## APPENDIX A - Your BDO Engagement Team

Name	Title	E-mail	Phone
Bill Cox, FCPA, FCA	Engagement Partner	bcox@bdo.ca	604.443.4716
Patrick Chan, CPA, CA	Senior Manager	pchan@bdo.ca	604.443.4710
Andrew Davies	Senior Staff	andavies@bdo.ca	604.688.5421
Jane Park	Audit Staff	jspark@bdo.ca	604.688.5421

## APPENDIX B - Audit Strategy

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the SCRD and SCRHD.

We will perform a risk-based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Board.

To assess risk accurately, we need to gain a detailed understanding of the SCRD and SCRHD's operations and the environment it operates in. This allows us to identify, assess and respond to the risks of material misstatement.

To identify, assess and respond to risk, we obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the financial statements. We then determine whether adequate accounting records have been maintained and assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.



Based on our risk assessment, we design an appropriate audit strategy to obtain sufficient assurance to enable us to report on the financial statements.

We choose audit procedures that we believe are the most effective and efficient to reduce audit risk to an acceptably low level. The procedures are a combination of testing the operating effectiveness of internal controls, substantive analytical procedures and other tests of detailed transactions.

Having planned our audit, we will perform audit procedures maintaining an appropriate degree of professional skepticism, in order to collect evidence to support our audit opinion.

## APPENDIX C - Management Responsibilities

All facets of the SCR D and SCRHD's internal controls including those governing the accounting records, systems and financial statements will be impacted by the organization's complexity, the nature of risks, and the related laws, regulations, or stakeholder requirements. It is management's responsibility to determine the level of internal control required to respond reasonably to the SCR D and SCRHD's risks.

The preparation of the SCR D and SCRHD's financial statements including all disclosures in accordance with Canadian public sector accounting standards is the responsibility of management. Among other things, management is responsible for:

1. Designing and implementing internal controls over financial reporting to enable the preparation of financial statements that are free of material misstatements;
2. Informing the SCR D and SCRHD's auditors of any deficiencies in design or operation of internal controls;
3. Updating the SCR D and SCRHD's auditors for any material change in the SCR D and SCRHD's internal controls including if the individuals responsible for the controls that have changed;
4. Identifying and complying with any laws, regulations, and/or agreements which apply to the SCR D and SCRHD;
5. Recording any adjustments required to the financial statements to correct material misstatements;
6. Safeguarding of assets;
7. Providing the auditor with all financial records, and related data which may be related to the recognition, measurement and or disclosure of transactions in the financial statements;
8. Providing accurate copies of all minutes of the regular and closed meetings of Board members;
9. Providing timely, accurate information as requested for the completion of the audit;
10. Allowing unrestricted access to persons or information as requested as part of the audit; and
11. Notifying the auditor of any circumstances which arise between the date the audit work is completed and the approval date of the financial statements.

### Representation Letter

We will make specific inquiries of the SCR D and SCRHD's management about the representations embodied in the financial statements and internal control over financial reporting. During the completion of our audit documentation, we will require management to confirm in writing certain representations in accordance with Canadian generally accepted auditing standards. These representations are to be provided to us in the form of a representations letter which will be provided as near as practicable to, but not after the date of our auditor's report on the financial statements.

## APPENDIX D - Circumstances Affecting Timing and Fees

Our professional fee for the audit is based on careful consideration of the time required to complete the required work. Circumstances may arise during the engagement which could significantly impact the targeted completion dates and or the extent of work required to complete the audit. As a result, additional fees may be necessary. Such circumstances include, but are not limited to, the following:

### Significant Issues

1. Changes in the design or function of internal controls can impact the audit and result in additional substantive testing;
2. Significant number of proposed adjustments which are identified during the audit work;
3. Significant changes are required to the format or information contained in the financial statements;
4. New issues resulting from changes to:
  - a. Accounting standards, policies or practices
  - b. Special events or transactions which were not contemplated in the original budget
  - c. The financial reporting process or systems involved
  - d. Accounting personnel or availability of accounting personnel
  - e. The requirement to include specialists in the audit work
5. Changes to the scope of the audit.

### Audit Execution

1. Audit schedules are not provided in a timely manner, are not mathematically correct, or do not agree to the underlying accounting records.
2. There are significant delays in responding to our requests for information or responses require significant further investigation.
3. The quality of the supporting information for the audit work has deteriorated from our previous experience.
4. A complete working paper package is not provided on the agreed upon date.
5. There is a limitation of access to the financial staff required to complete the audit.

## APPENDIX E - Board Responsibilities

### General Responsibilities

It is the Board's responsibility to provide oversight of the financial reporting process. This includes management's preparation of the financial statements, monitoring of the SCRHD and SCRHD's internal controls, overseeing the work of the external auditor, facilitating the resolution of disagreements between management and the auditor, as well as the final review of the financial statements and other annual reporting.

### Significant Audit Findings

Based on the work we perform, any significant identified deficiencies in internal control will be reported to you in writing. The purpose of our audit is to express an opinion on the financial statements. While our audit includes a consideration of the internal control structure of the SCRHD and SCRHD, our work is focused on those controls relevant to financial reporting. As such, our work was not designed to provide an opinion on the effectiveness of the internal controls.

We will communicate our views regarding any significant qualitative aspects of the SCRHD and SCRHD's accounting practices. This would include the selection and application of accounting policies, estimates and financial statement disclosure. If during our audit we feel that the selected policies, estimates or disclosures are not appropriate for the SCRHD and SCRHD under its reporting framework, we will communicate these matters to the Board.

In addition, we will communicate:

- Any significant difficulties which arose during the audit;
- Any reasons identified which may cause doubt as to the SCRHD and SCRHD's ability to continue as a going concern;
- The written representations we will request from management;
- Any identified unadjusted misstatements; and
- Any identified or suspected fraudulent activities.



## APPENDIX F - Auditor's Considerations of Possible Fraud and Illegal Activities

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- Identifying and assessing the risks of material misstatement due to fraud;
- Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion, as well as sophisticated and carefully organized schemes designed to conceal it.

During the audit, we will perform risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the SCRD and SCRHD's internal control system, to obtain information for use in identifying the risks of material misstatement due to fraud and make inquiries of management regarding:

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud in the SCRD and SCRHD including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the SCRD and SCRHD; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behavior.

In response to our risk assessment and our inquiries of management, we will perform procedures to address the assessed risks, which may include:

- Inquiring of management, members of the Board and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Performing disaggregated analytical procedures and considering unusual or unexpected relationships identified in the planning of our audit;
- Incorporating an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Performing additional required procedures to address the risk of management's override of controls including:
  - Testing internal controls designed to prevent and detect fraud;
  - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
  - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
  - Evaluating the business rationale for significant unusual transactions.



## APPENDIX G - Independence Letter

Direct Line: 604-443-4716  
E-mail: bcox@bdo.ca

November 16, 2017

Members of the Boards  
Sunshine Coast Regional District and Sunshine Coast Regional Hospital District  
1975 Field Road  
Sechelt, BC V0N 3A1

Dear Board Members:

We have been engaged to audit the financial statements of the Sunshine Coast Regional District (the "SCRD") and the Sunshine Coast Regional Hospital District (the "SCRHD") for the year ended December 31, 2017.

Canadian generally accepted auditing standards (GAAS) no longer require that we communicate formally to you in regard to Independence Matters, however we consider it to be a good practice. As such, we are reporting to you regarding all relationships between the SCRD and SCRHD (and its related entities) and our firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of British Columbia and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We are not aware of any relationships between the SCRD and SCRHD and our firm that, in our professional judgment, may reasonably be through to bear on our independence.

We hereby confirm that we are independent with respect to the SCRD and SCRHD within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of the date of this letter.

This letter is intended solely for the use of Board members and management and should not be used for any other purposes.

Yours truly,

Bill Cox, FCPA, FCA  
Partner through a corporation  
BDO Canada LLP  
Chartered Professional Accountants

BC/mkn

## APPENDIX H - Communication Requirements

Required Communication	Audit Planning Letter	Audit Results Letter	Communication Completed
1. Our responsibilities under Canadian GAAS	✓		Y
2. Our audit strategy and audit scope	✓		Y
3. Fraud risk factors	✓		Y
4. Going concern matters		✓	N
5. Significant estimates or judgments		✓	N
6. Audit adjustments		✓	N
7. Unadjusted misstatements		✓	N
8. Omitted disclosures		✓	N
9. Disagreements with Management		✓	N
10. Consultations with other accountants or experts		✓	N
11. Major issues discussed with Management in regards to retention		✓	N
12. Significant difficulties encountered during the audit		✓	N
13. Significant deficiencies in internal control		✓	N
14. Material written communication between BDO and Management		✓	N
15. Any relationships which may affect our independence	✓		Y
16. Any illegal acts identified during the audit		✓	N
17. Any fraud or possible fraudulent acts identified during the audit		✓	N
18. Significant transactions with related parties not consistent with ordinary business		✓	N
19. Non-compliance with laws or regulations identified during the audit		✓	N
20. Limitations of scope over our audit, if any		✓	N
21. Written representations made by Management		✓	N
22. Any modifications to our opinion, if required		✓	N

## APPENDIX I - Resources and Services

### OTHER BDO SERVICES

<b>Advisory</b>	<p>As Canada's leading financial advisory firm, BDO helps organizations and their management teams effectively assess, develop and manage strategic initiatives, such as:</p> <p><b>Asset Reserve Policies</b> - Asset reserves seem to be on everyone's agenda these days. Municipalities and Regional Districts across the country are asking themselves if they have enough money for infrastructure, how much they have, how much they will need and so on. BDO is excited to host interactive workshops on Managing Asset Reserves.</p> <p><b>Internal Control Assessments</b> - BDO has been engaged by many clients to perform a review and assessment of current processes and key internal controls over financial reporting (ICFR), as well as the structure of accounting/finance departments. The engagements include identification of gaps in control, as well as assessment of the current governance and reporting structure of the accounting/finance department.</p> <p>Visit the following link to find out more:</p> <p><a href="http://www.bdo.ca/en/Services/Advisory/Financial-Advisory/pages/default.aspx">http://www.bdo.ca/en/Services/Advisory/Financial-Advisory/pages/default.aspx</a></p>
<b>Solutions</b>	<p>BDO Solutions provides accounting software management tools need to run a better operation. Our expert team understands the complex reporting requirements government entities must adhere to, as well as the limited resources they have to address these needs. Spend more time serving your constituents, better manage budgets, allocate time and resources more effectively and improve your ability to focus on the work that really matters to your organization.</p> <p>For more information, please visit the following link:</p> <p><a href="http://www.bdosolutions.com/ca/">http://www.bdosolutions.com/ca/</a></p>
<b>Succession Planning</b>	<p>Having a strong strategic plan, such as a succession plan for key employees and strategic planning for the Board, is critical to an organization's success. With our succession planning services, we can help your organization with:</p> <ul style="list-style-type: none"> <li>• Planning for a change in leadership</li> <li>• Setting a strategic direction for the Board</li> <li>• Develop a strategic business plan for operations</li> <li>• Aligning all three groups of stakeholders (Board, employees and members) and enhancing communication</li> </ul> <p>For more information, please visit the following link:</p> <p><a href="http://www.bdo.ca/en/Services/Advisory/Business-Transition/pages/default.aspx">http://www.bdo.ca/en/Services/Advisory/Business-Transition/pages/default.aspx</a></p>

### Outsourcing

Our dedicated team of professional bookkeepers across Canada combined with our powerful Microsoft cloud technology platform can provide you and your organization with a world class bookkeeping solution that gives you anytime access to your financial information. Our BDO Client Portal provides you with access to comprehensive business management functionality and enables you to make proactive and informed decisions for your organization.

Visit the link below to find out how we can create a customized bookkeeping solution for your organization:

<http://www.bdo.ca/en/Services/Outsourcing/Bookkeeping/pages/default.aspx>

### Indirect Tax

Government Entities operating in Canada are impacted by commodity taxes in some way or another. These include GST/HST, QST, PST, various employer taxes, and unless managed properly, can have a significant impact on your organization's bottom line. The rules for Government Entities can be especially confusing, and as a result many organizations end up paying more for indirect tax than they need to.

Government Entities must keep on top of changes to ensure they are taking advantage of the maximum refund opportunities. At BDO, we have helped a number of organizations of all sizes with refund opportunities, which can reduce costs for the organization and improve overall financial health.

For more information, please visit the following link:

<http://www.bdo.ca/en/Services/Tax/Indirect-Tax/pages/default.aspx>

## BDO PUBLICATIONS

BDO's national and international accounting and assurance department issues publications on the transition and application of Public Sector Accounting Standards. In addition, we offer a wide array of publications on Accounting Standards for Private Enterprises (ASPE), International Financial Reporting Standards (IFRS), and Accounting Standards for Not-for-profit organizations (ASNPO).

For additional information on PSAS, including links to archived publications and model financial statements, refer to the link below:

<http://www.bdo.ca/en/library/services/assurance-and-accounting/pages/default.aspx>.

## MYPDR

Class is in session! Meeting Your Professional Development Requirements (MYPDR) is an educational program designed to support our clients, contacts and alumni in achieving their ongoing professional development requirements.

Through the MYPDR program, we are committed to providing timely, relevant topics that can support you in meeting your ongoing professional development needs. For more information on the MYPDR program or to register, please visit <https://www.bdo.ca/en-ca/events/>.

## APPENDIX J - Changes in Accounting Standards With Potential to Impact the SCRD and SCRHD

*The following summarizes the status of new standards and the changes to existing standards as of the fall of 2017. The Appendix also reviews Exposure Drafts, Statements of Principles, Projects and Post Implementation Reviews that provide information on the future direction of CPA Public Sector Accounting Handbook.*

### NEW STANDARDS - PSAS (NOT YET EFFECTIVE)

#### *Amendments to the Introduction*

PSAB amended the introduction to Public Sector Accounting Standards to clarify the applicability of the CPA PSA Handbook for various public sector entities. A government component, for example a provincial Ministry, that prepares standalone statements, would be directed to use PSAB effective on or after January 1, 2017.

#### *Section PS 1201, Financial Statement Presentation*

This Section revises and replaces Financial Statement Presentation, Section PS 1200. The following changes have been made to the Section:

- Remeasurement gains and losses are reported in a new statement;
- Other comprehensive income that can arise when a government includes results of government business enterprises and government business partnerships in its summary financial statements is reported in the statement of remeasurement gains and losses; and
- The accumulated surplus or deficit is presented as the total of the accumulated operating surplus or deficit and the accumulated remeasurement gains and losses.

Part of this standard will not have much of an impact until Section PS 3450 - Financial Instruments has been adopted.

The standard is effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements are effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end, this means that 2020 is the first year that the standard must be followed. However, we are expecting that the Standard will be further deferred. Earlier adoption is permitted.

#### *Section PS 2200, Related Party Disclosures*

This new Section defines a related party and establishes disclosures required for related party transactions.

A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include individuals that are members of key management personnel and close family members.

- Disclosure of key management personnel compensation arrangements, expense allowances and other similar payments routinely paid in exchange for services rendered is not required.
- Two entities that have a member of key management personnel in common may be related depending upon that individual's ability to affect the policies of both entities in their mutual dealings.

- Disclosure is only required when transactions and events between related parties have or could have a material financial effect on the financial statements.
- Determining which related party transactions to disclose is a matter of judgment based on the assessment of certain factors.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 2601, Foreign Currency Translation***

This Section revises and replaces *PS 2600, Foreign Currency Translation*. The following changes have been made to the Section:

- The definition of currency risk is amended to conform to the definition in *PS 3450, Financial Instruments*;
- The exception to the measurement of items on initial recognition that applies when synthetic instrument accounting is used is removed;
- At each financial statement date subsequent to initial recognition, non-monetary items denominated in a foreign currency that are included in the fair value category in accordance with Section PS 3450 are adjusted to reflect the exchange rate at that date;
- The deferral and amortization of foreign exchange gains and losses relating to long-term foreign currency denominated monetary items is discontinued;
- Until the period of settlement, exchange gains and losses are recognized in the statement of remeasurement gains and losses rather than the statement of operations; and
- Hedge accounting and the presentation of items as synthetic instruments are removed.

The new requirements are to be applied at the same time as *PS 3450, Financial Instruments*, and are effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements have been delayed and are now effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end this means 2020 is the first year that the standard must be followed. However, we expect that the standard will be further deferred. Earlier adoption is permitted.

#### ***Section PS 3041, Portfolio Investments***

This Section revises and replaces Section *PS 3040, Portfolio Investments*. The following changes have been made:

- The scope is expanded to include interests in pooled investment funds;
- Definitions are conformed to those in *PS 3450, Financial Instruments*;
- The requirement to apply the cost method is removed, as the recognition and measurement requirements within Section PS 3450 apply, other than to the initial recognition of an investment with significant concessionary terms; and
- Other terms and requirements are conformed to Section PS 3450, including use of the effective interest method.

This Section is to be applied for government organizations and is effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements are effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end, this means that 2020 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3420, Inter-Entity Transactions***

This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The main features are:

- Inter-entity transactions involving the transfer of assets or liabilities should be recognized by both a provider and a recipient at carrying amount, exchange amount or fair value depending on the particular circumstances of each case.
- Inter-entity transactions in the normal course of operations or under a policy of cost allocation and recovery should be recognized on a gross basis at the exchange amount.
- A recipient may recognize unallocated costs as a revenue and expense at carrying amount, fair value or another amount based on existing policy, accountability structure or budget practice depending on the particular circumstances of each case.
- Information about inter-entity transactions would be disclosed in accordance with the new Section on related party disclosures.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3210, Assets***

This new Section provides additional guidance on the definition of assets and establishes general disclosure standards for assets. Disclosure of types of assets that are not recognized is required.

However, this standard does not address intangible assets which are still not recognized under the PSAB accounting framework.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3320, Contingent Assets***

This new Section defines and establishes disclosure standards on contingent assets. Disclosure about contingent assets is required when the occurrence of the confirming future event is likely.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3380, Contractual Rights***

This new Section defines and establishes disclosure standards on contractual rights. Disclosure about contractual rights is required including the description about their nature and extent and the timing.

This Section is effective for fiscal periods beginning on or after April 1, 2017. For entities with a December year end, this means that 2018 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3430, Restructuring Transactions***

This Section addresses a problem area for public sector accounting. In the past there was no Canadian standard that addressed acquisition of services and service areas, therefore, accountants looked to the US and international standards for guidance.



This new Section defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities, that does not involve an exchange of consideration based primarily on the fair value of the individual assets and liabilities transferred.

- The net effect of the restructuring transaction should be recognized as a revenue or expense by the entities involved.
- A recipient should recognize individual assets and liabilities received in a restructuring transaction at their carrying amount with applicable adjustments at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- A transferor and a recipient should disclose sufficient information to enable users to assess the nature and financial effects of a restructuring transaction on their financial position and operations.

This Section applies to restructuring transactions occurring in fiscal years beginning on or after April 1, 2018. For entities with a December year, end this means that 2019 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3450, Financial Instruments***

PSAB approved amendments to *Section PS 3450, Financial Instruments*, to align the reporting of income on externally restricted assets that are financial instruments with the requirements in Section PS 3100, Restricted Assets and Revenues. The amendments clarify the application of Section PS 3100 (paragraphs PS 3100.11 - .12) when accounting for:

- A change in the fair value of a financial asset in the fair value category that is externally restricted;
- Income attributable to a financial instrument that is externally restricted; or
- A gain or loss associated with a financial instrument that is externally restricted.

These amendments recognize the importance of the nature of restrictions and the terms of contractual agreements in reporting such transactions and events when externally restricted assets and income are involved.

This new Section, although not as demanding as the private sector section, establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.

The main features of the new Section are:

- Items within the scope of the Section are assigned to one of two measurement categories: fair value, or cost or amortized cost;
- Almost all derivatives, including embedded derivatives that are not closely related to the host contract, are measured at fair value;
- Fair value measurement also applies to portfolio investments in equity instruments that are quoted in an active market;
- Other financial assets and financial liabilities are generally measured at cost or amortized cost;
- Until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses;
- Budget-to-actual comparisons are not required within the statement of remeasurement gains and losses;
- When the reporting entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category;

- New requirements clarify when financial liabilities are derecognized;
- The offsetting of a financial liability and a financial asset is prohibited in absence of a legally enforceable right to set off the recognized amounts and an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously; and
- New disclosure requirements of items reported on and the nature and extent of risks arising from financial instruments.

The new requirements are to be applied at the same time as *PS 2601, Foreign Currency Translation* and for government organizations are effective for fiscal years beginning on or after April 1, 2012. In the case of governments, the new requirements have been delayed, mainly due to concerns of the senior government, and are effective for fiscal years beginning on or after April 1, 2019. For entities with a December year end this means 2020 is the first year that the standard must be followed. However, we expect that this Standard will be further deferred. Earlier adoption is permitted. This Standard should be adopted with prospective application except for an accounting policy related to embedded derivatives within contracts, which can be applied retroactively or prospectively.

Note also the exposure draft “Financial Instruments: Transition” (discussed below) that proposed clarification of some detailed aspects of the Financial Instruments standard.

## EXPOSURE DRAFTS - PSAS

### *Asset Retirement Obligations: Deliberating (Closed for comment)*

A new accounting standard that addresses the reporting of legal obligations associated with the retirement of tangible capital assets is required.

Reporting guidance on asset retirement obligations was covered in the pre-changeover accounting standards in Part V of the CPA Canada Handbook – Accounting. There is not yet specific accounting guidance in this area in the CPA Canada Public Sector Accounting (PSA) Handbook. Government organizations transitioning to the PSA Handbook would need guidance in this area.

This project will address the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets.

### *Revenue (Closed for comment)*

Revenue recognition principles that apply to revenues of governments and government organizations other than government transfers and tax revenue require development.

The Public Sector Accounting Handbook has two Sections that address two major sources of government revenues, government transfers and tax revenue. Revenues are defined in Section PS 1000, Financial Statement Concepts. Recognition and disclosure of revenues are described in general terms in Section PS 1201, Financial Statement Presentation.

This project will address recognition, measurement and presentation of revenues that are common in the public sector.



## INVITATIONS TO COMMENT - PSAB

### *Employment Benefits*

Identified as the top priority in PSAB's 2014 Project Priority Survey, the Board has approved a project to review Section PS 3250, Retirement Benefits, and Section PS 3255, Post-employment Benefits, Compensated Absences and Termination Benefits. Since the issuance of these Sections decades ago, new types of pension plans have been introduced and there have been changes in the related accounting concepts.

The first stage of this project will involve looking at issues such as deferral of experience gains and losses, and discount rates. The second stage will involve determining how to account for shared risk plans, multi-employer defined benefit plans and vested sick leave benefits. Other improvements to existing guidance will also be considered.

A new, comprehensive Handbook Section on employment benefits will replace the two existing Sections.

## STATEMENTS OF PRINCIPLES - PSAB

### *Concepts Underlying Financial Performance (Statement of principles being developed)*

The conceptual framework in Sections PS 1000, Financial Statement Concepts, and PS 1100, Financial Statement Objectives, require review with a focus on measuring the financial performance of public sector entities.

This review was identified as a high priority in the Public Sector Accounting Board's (PSAB) 2010-2013 Strategic Plan in response to a suggestion from the senior government finance community.

This project will consider the concepts underlying the measure of financial performance. The review may result in amendments to the conceptual framework and could also affect Section PS 1201, Financial Statement Presentation.

### *Public Private Partnerships (Closed for comments)*

Identified as a priority in PSAB's 2014 Project Priority Survey, the Board approved a project to develop authoritative guidance specific to public private partnerships.

In recent years, governments across Canada are increasingly using various forms of public private partnership arrangements for the provision of assets and delivery of services.

This project is expected to develop in two stages. The first stage will involve contemplating specific issues, including project scope, recognition and measurement of a public private partnership and disclosure requirements. Other issues will also be considered. The second stage will involve determining how to account for public private partnerships.

The objective is to develop a public sector accounting standard specific to public private partnerships.

## PROJECTS - PSAB

### Financial Instruments - Subsequent Issues

Since the issuance of Section PS 3450, Financial Instruments, there have been reports of transition and other issues that have been brought to the Public Sector Accounting Board's (PSAB) attention.

The objective of this project is to consider these issues as they arise.

## POST IMPLEMENTATION REVIEW - PSAB

### Government Transfers

This post-implementation review of Section PS 3410, Government Transfers, will help the Public Sector Accounting Board (PSAB) assess any implementation challenges encountered by stakeholders, and the nature, extent and cause of any ongoing issues.

This is the first post-implementation review undertaken by PSAB. Such reviews consider whether the standard has been implemented and achieved the intended objectives.

## STATUS OF CURRENT PROJECTS - PSAB

Standards for public sector organizations	2017	2017	2018	2018
	Q3	Q4	Q1	Q2
Asset Retirement Obligations				
Concepts Underlying Financial Performance				
Employment Benefits		Invitation to Comment		
Financial Instruments - Subsequent Issues				
Public Private Initiative	Statement of Principles			
Revenue				
Impairment of Non-Financial Assets	Project Deferred			
PSA Handbook Terminology	Project Deferred			



## NEW STANDARDS - AUDITING AND ASSURANCE STANDARDS BOARD (AASB)

### *Auditor Reporting*

Users of audited financial statements are asking auditors to provide more information in their reports about significant matters in the financial statements, as well as about the conduct of the audit.

The International Auditing and Assurance Standards Board (IAASB) and the AASB believe that a quality audit should be accompanied by an informative auditor's report that delivers value to the entity's stakeholders. The IAASB has undertaken a project to revise the auditor reporting standard.

Revisions that the IAASB makes to its auditor reporting standard (i.e., ISA 700, Forming an Opinion and Reporting on Financial Statements) will be reflected in the equivalent CAS with limited Canadian-specific amendments, if any are necessary.

### *Auditor Reporting - Special Considerations*

The IAASB is proposing amendments to ISA 800, Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks, and ISA 805, Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, resulting from significant revisions to its auditor reporting standards.

The IAASB will address the voluntary communication of key audit matters and naming the engagement partner in the auditor's report on a single financial statement or an element of a financial statement.

Revisions that the IAASB makes to these standards will be reflected in the equivalent CASs with limited Canadian-specific amendments, if any are necessary.

### *Auditor Reporting - Summary Financial Statements*

The IAASB is proposing amendments to ISA 810, Engagements to Report on Summary Financial Statements, resulting from significant revisions to its auditor reporting standards.

The IAASB will address issues related to key audit matters, going concern and other information.

Revisions that the IAASB makes to this standard will be reflected in the equivalent CAS with limited Canadian-specific amendments, if any are necessary.

### *Financial Statement Disclosures*

Financial statement disclosures have become more detailed and complex as a result of evolving financial reporting standards.

The International Auditing and Assurance Standards Board (IAASB) has commenced a project to develop guidance on the audit of financial statement disclosures.

The objective of the IAASB project is to gain robust understanding of the views and perspectives on issues relevant to auditing disclosures in a financial statement audit. The IAASB's objectives further include:

- determining whether revisions (in the form of new or revised requirements, or additional application material) to the International Standards on Auditing (ISAs) with respect to auditing disclosures are required;
- considering how such revisions should be presented (for example, within the relevant ISAs or in a separate ISA); and
- determining whether another type of non-authoritative guidance should be developed and, if so, developing the content.

The Auditing and Assurance Standards Board (AASB) is committed to adopting the ISAs. Revisions that the IAASB makes to the ISAs will be reflected in the equivalent Canadian Auditing Standards (CASs). Should the IAASB develop a new ISA, the AASB will adopt the standard in an equivalent CAS. Amendments, if any, that the AASB makes to the ISA wording would be in accordance with the AASB's criteria for such amendments, as set out in Appendix 1 of the Preface to the CPA Canada Handbook – Assurance.

### ***Responsibilities Relating to Other Information***

International Standard on Auditing (ISA) 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements, is being revised by the International Auditing and Assurance Board (IAASB) to ensure that it continues to be capable of enhancing the credibility of financial statements.

Revised ISA 720 will specify appropriate responsibilities of the auditor relating to the range of other information in documents containing audited financial information. Revisions will also be made to take into account how such information is disseminated.

The AASB is committed to adopting the ISAs. Accordingly, revisions that the IAASB makes to ISA 720 will be reflected in Canadian Auditing Standard (CAS) 720. Amendments, if any, that the AASB would make to the ISA wording would be in accordance with the AASB's criteria for such amendments, as set out in Appendix 1 of the Preface to the CPA Canada Handbook – Assurance.

## **EXPOSURE DRAFTS – AASB**

### ***Auditing Accounting Estimates (Closed for comments)***

Accounting estimates and related disclosures have become more complex. Stakeholders have indicated that clearer or additional guidance is needed to enable auditors to appropriately deal with these complexities.

The International Auditing and Assurance Standards Board (IAASB) is proposing revisions to ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*.

The IAASB proposals include establishing more robust requirements and appropriately detailed guidance to foster audit quality. This would be done by driving auditors to perform appropriate procedures in relation to accounting estimates and related disclosures.

It is anticipated that these revisions would also seek to emphasize the importance of the appropriate application of professional skepticism.

### ***Quality Control (Exposure draft being developed)***

Auditors must effectively manage audit quality, both at the firm and the engagement level, with high-quality audits supporting financial stability.

Through consultations with stakeholders, the International Auditing and Assurance Standards Board (IAASB) identified a need to strengthen standards addressing quality control.

Therefore, the IAASB is proposing revisions to:

- ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*; and
- ISA 220, *Quality Control for an Audit of Financial Statements*.

The IAASB proposals includes revisions to these standards to:

- Strengthen and improve a firms' management of quality for all engagements by more explicitly incorporating a quality management approach, fostering the ability of the standards to be applied to a wide range of circumstances; and
- Focus on identifying, assessing and responding to quality risks in a broad range of engagement circumstances.

## **PROJECTS - AASB**

### ***Group audits***

Many audits today are audits of group financial statements – also known as group audits – these type of engagements can be very challenging.

This is a result of complex group structures, cultural and language barriers, differences in laws and regulation, involvement of component auditors and many other factors.

The IAASB is proposing revisions to ISA 600, *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* to:

- Strengthen the auditor's approach to planning and performance of a group audit; and
- Clarify the interaction of ISA 600 to the other ISAs.

### ***Identifying and Assessing the Risks of Material Misstatement***

There are challenges involved in identifying and assessing audit risks for entities – in particular, those that vary in size and nature. Clearer or additional guidance is needed to help address these challenges.

As a result, the International Auditing and Assurance Standards Board (IAASB) is proposing revisions to ISA 315, *Identifying and Assessing the Risks of Material Misstatement through Understanding of the Entity and its Environment*.

The IAASB proposal includes establishing more robust requirements and appropriately detailed guidance to drive auditors to perform appropriate risk assessment procedures in accordance with the size and nature of the entity. This would be done by focusing on enhancing the auditor's approach to understanding the entity and risk assessment activities in light of the changing environment.

It is anticipated that the IAASB will consider whether and how ISA 315, in organization and structure, can be modified to promote a more effective risk assessment.



## APPENDIX K - Prior Year's Management Letter (for information purposes)

Direct Line: 604-443-4716  
E-mail: bcox@bdo.ca

April 18, 2017

Ms. Tina Perreault, General Manager Corporate Services/Chief Financial Officer  
Sunshine Coast Regional District  
1975 Field Road  
Sechelt, BC V0N 3A1

Dear Ms. Perreault:

**RE: Auditor's Management Letter**

As your external auditors, we are engaged to provide an audit opinion on your year-end financial statements. An external audit requires testing of transactions and balances and review of those internal control systems upon which we may place reliance. A positive opinion on the financial statements does not necessarily mean that your internal control systems are all operating effectively. This is because we review only those internal control systems where we feel that failure in those systems could result in a material error on the financial statements. With those systems that we do review, our focus is on the assertions necessary to meet our financial statement audit objectives.

Our review of systems, transactions and balances as well as discussions with staff at various levels gives us a unique insight into your operations. While conducting this work we make note of items that come to our attention where we feel that improvement could be made or alternatives could be considered. We are fortunate in that we work with a great number of clients and observe a wide variety of processes. We see firsthand any procedures that are emerging as best practices.

As matters come to our attention, we make note of these for subsequent follow-up. For minor matters we discuss directly with the staff involved. More important matters are brought forward in this letter (known as a "management letter").

It is worth noting that we have management letter comments for virtually all audits of all clients. The existence of points does not mean that there are significant problems with your systems or staff. They are just recommendations to make good systems better.





## Follow-up on Prior Year Observation

### *Disable User Access at Termination*

We noted last year that the user access from the previous IT consultant was not disabled immediately in Pacific Scale when he left the vendor company SCR D uses. This created a risk that data from Pacific Scale might be stolen or changed without anyone knowing.

### *Recommendation*

We recommended that SCR D review the user access rights on a regular basis (e.g. at least quarterly every year). The access rights should be disabled immediately once the employee/contractor leaves the company.

### *2016 update*

*Beginning in 2016 user access rights are being reviewed on at least a quarterly basis.*

## Current Year Observations

### *Grant-in-Aid Policy and Usage*

In our annual "Audit Results and Communications" report subsequent to the audit this year (of which this letter forms part) we commented on the results of our review in this area which included noting currently existing inconsistencies in practice.

We made a recommendation for SCR D to develop an updated comprehensive policy that clearly outlines funding items and sources.

For the year ended December 31, 2016, we did not note any significant matters requiring further management attention.

This communication is prepared solely for the information of management and those charged with governance and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the co-operation and assistance which we received from you, Sara Zacharias and the rest of the Finance Department during the course of the audit.

We shall be pleased to discuss with you further any matters mentioned in this letter at your convenience.

Yours truly,

Bill Cox, FCPA, FCA  
Partner through a corporation  
BDO Canada LLP  
Chartered Professional Accountants

BC/mkn

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

**SUBJECT:** ANNUAL SUPPORT SERVICE ALLOCATION POLICY REVIEW

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### RECOMMENDATION(S)

**THAT the report titled Annual Support Service Allocation Policy Review be received.**

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### BACKGROUND

The Support Services Allocation Policy (Attachment A) is the method used to apply various support costs to benefiting functions. The Policy is to be reviewed on an annual basis as part of the pre-budget process for the upcoming year. The last review presented at the November 24, 2016 Corporate and Administrative Services Committee (Attachment B - Staff Report) resulted in the following changes and amendments, excerpt from Sunshine Coast Regional District (SCRD) Board motion below:

452/16 cont. **Recommendation No. 3** *Support Services Allocation – Review and Amendments*

THAT the report titled Support Services Allocation – Review and Amendments be received;

AND THAT the 2017 Support Services Allocation Policy be amended to reflect the change to Property Information and Mapping Section (PIMS) / Geographical Information Systems (GIS) recovery model and the inclusion of Purchasing and Risk Management, as well as to add a description of how the Tempest-Land Management system is allocated and to delete the section titled “Support Service Costs Fixed After Round 2 Budgets”;

AND FURTHER THAT the Support Services Allocation Policy be approved as amended.

The purpose of this report is to review the Support Service Allocation Policy prior to the 2018-2022 Financial Planning process and to ensure support costs continue to be apportioned in an equitable and transparent manner.

## **DISCUSSION**

For 2018, Staff have no recommended changes to the Support Service Allocation Policy. The full impacts of the 2017 changes will not be known until the year-end process has been completed. The preliminary impacts will be presented as part of the pre-budget meeting at the November 30, 2017 Special Corporate & Administrative Services Committee meeting. It appears the revised allocations will have a better alignment to where services are provided, especially in the areas of purchasing support for divisions.

Staff continue to look at areas where support allocations can be apportioned in a more equitable manner as systems and processes change.

### *Financial Implications*

The financial allocations for the preliminary 2018 Support Service Allocations for each function will be included as part of the Round one budget deliberations in January.

### *Communications Strategy*

Budget managers have been provided the draft 2018 Support Service Allocations which will be reflected in their 2018 budgets. This information is also available to the public and included as part of the budget deliberations.

## **STRATEGIC PLAN AND RELATED POLICIES**

Regular amendments to the Support Services Allocation Policy aligns with the Boards values of transparency and strategic priority of ensuring fiscal sustainability.

## **CONCLUSION**

The Support Services Allocation Policy is to be reviewed on an annual basis as part of the pre-budget process with impacts for the coming year. For 2018, Staff have no recommended changes and continue to look at area where support allocations can be apportioned in a more equitable way.

### Attachments:

- A – Support Services Allocation Policy
- B - November 24, 2016-CAS Staff Report

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X – J. Loveys	Other	

## Sunshine Coast Regional District

### BOARD POLICY MANUAL

Section:	Finance	5
Subsection:	General	1610
Title:	Support Service Allocation	1

#### POLICY

The Sunshine Coast Regional District will allocate all costs incurred in relation to a particular service to that service. This includes the cost of administration attributable to that service.

#### REASON FOR POLICY

The policy's purpose is to define the process for allocating the costs of general administration (support service costs) for the Regional District to all budgeted functions within the Regional District on an equitable basis.

#### AUTHORITY TO ACT

The Chief Financial Officer will administer the allocation of all support services consistent with this policy. Exceptions to this policy may be made by the Chief Administrative Officer or designate.

#### PROCEDURE

##### **Definitions:**

***Direct costs*** – those that can be specifically identified and assigned to a particular project or function relatively easily and with a high degree of accuracy;

***Indirect costs*** – those incurred that cannot be identified readily and specifically with a particular project or function;

***Support Services*** (includes the following functions):

- i. Administrative Expenses:
  - a. Liability Insurance and Legal Fees
  - b. Photocopier and Reception
  - c. Mail and Records Management
  - d. Communications Officer
  - e. Chief Administrative Officer
- ii. Financial Management
  - a. Asset Management
  - b. Financial Services
  - c. Payroll
  - d. Purchasing and Risk Management
- iii. Field Road Administrative Offices Building Maintenance]
- iv. Human Resources
- v. Information Services

- vi. Corporate Sustainability Services
- vii. Property Information and Mapping Services (PIMS) / Geographical Information Systems (GIS);

**Net operating budget** – the total operating budget for each function of the Regional District, exclusive of Administrative Services (Line Item 200), Transfer to Capital (Line Item 480), Transfer to Reserves (Line Items 485 and 486), Debt Payments (Line Items 505 to 513) and Prior Year's Deficit (Line Item 550);

**Tangible Capital Assets** – are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets; have useful economic lives extending beyond an accounting period; are to be used on a continuing basis; and are not for sale in the ordinary course of operations;

**Recoverable costs** – the total current year budget less any offsetting revenues.

**Principles:**

- Fairness – functions should pay for the administrative services they consume;
- Transparency – it should be clear what administrative services a function pays for and the amount for those services;
- Consistent and equitable application;
- Application of generally accepted accounting principles;
- Ease of administration;
- Easily understood by the Board, administration and service participants.

**Allocation Method:**

Where costs can be identified as direct costs, they will be budgeted and charged to the function or project to which they apply.

a. Overall Allocation

Fifteen percent (15%) of the total recoverable costs for all support service functions will be allocated proportionately to all functions, based on the function's prior year net operating budget. This allocation is in recognition that all functions receive a benefit from support services that may not be recognized in the allocation method utilized.

b. Liability Insurance and Legal Fees

Liability Insurance and Legal Fees are included in function 112 and will be allocated proportionately to individual functions, based on the function's prior year net operating budget.

c. Photocopier and Reception

Includes the cost associated with the photocopiers and reception for the Field Road Administrative Building. The recoverable costs of this function will be allocated proportionately, based on the square footage of office space assigned to each department.

d. Mail and Records Management

The costs for mail and records management are included in function 112 and will be allocated proportionately to individual functions, based on the function's prior year net operating budget.

e. Communications Officer

Includes costs associated with providing advertising, media and communications for the Regional District. The recoverable costs for function 112 will be allocated based on prior year's historical use.

f. Chief Administrative Officer

Includes the staffing and related costs to provide core administrative oversight to the Regional District. The recoverable costs for this function will be allocated proportionately to individual functions, based on the function's prior year net operating budget.

g. Asset Management

Includes costs associated with the development, implementation, and ongoing operation of the Corporate Asset Management Plan and Program, which ensures that all corporate capital assets/infrastructure are operated and maintained to optimize life cycle costs and that there are long term financial strategies in place for their end of life replacement. The recoverable costs for function 113 will be allocated proportionately, based on prior year's historical cost value of the "Tangible Capital Assets" (excluding land or work-in progress) managed by each individual function.

h. Financial Services

Includes the staffing and related costs to provide core financial services to the Regional District. The recoverable amounts of this function, excluding costs associated with payroll, will be allocated proportionately to individual functions, based on the function's prior year net operating budget, excluding the cost of wages and benefits, multiplied by the usage factor. The usage factor is a ratio from 1 to 3 that reflects the draw on financial resources by a particular service.

The recoverable amount associated with Payroll will be allocated proportionately to individual functions, based on the function's prior year wages and benefits budget (Line Items 220 to 227).

i. Payroll

The recoverable amount associated with Payroll will be allocated proportionately to individual functions, based on the function's prior year wages and benefits budget (Line Items 220 to 227).

j. Purchasing and Risk Management

Includes costs associated with providing the support for procurement of goods and services and risk management for the Regional District. The recoverable costs will be allocated based on prior year's historical use with a portion for general benefit to the organization.

k. Field Road Administrative Offices Building Maintenance

Includes the cost of maintenance, utilities and debt costs associated with the Field Road Administrative Building. The recoverable costs of this function will be allocated proportionately, based on the square footage of office space assigned to each department.

l. Human Resources

Includes the Human Resources' staffing costs, legal fees, and corporate training. The recoverable costs will be allocated proportionately to individual functions, based on the function's prior year wages and benefits budget (Line Items 220 to 227).

m. Information Services

Includes costs of providing computer hardware and software, telephones, network connectivity, and support for the Regional District. The recoverable costs of this function will be allocated based on the following methods:

- i. The costs associated with computer hardware and software and networks will be allocated based on the number of computers assigned to each department.
- ii. The costs of telephone service will be allocated based on the number of telephones assigned to each department.
- iii. The cost of support will be allocated based on the number of users.

n. Corporate Sustainability

Includes costs to support the Regional District's Sustainable Community Policy and Integrated Community Sustainability Policy. The recoverable costs for this function will be allocated proportionately to individual functions, based on the function's prior year net operating budget. When a sustainability project is undertaken that is of regional nature, the costs of that project will be recovered by way of direct taxation.

o. Property Information and Mapping Services (PIMS)

Includes costs associated with providing core spatial data services, systems and mapping for the Regional District. The recoverable costs for function 506 will be allocated based on the following:

Allocation	Methodology	Percent of Budget
General Administration/Overall	40% overall	40%
Tempest-Land Management	Apportioned based on the overall allocation of Tempest Software Maintenance Fees.	10%
Cityworks (Enterprise Asset Management)	Apportioned based on same method as Asset Management	30%
Project based	Only 20% of the budget will be reserved/apportioned to projects and reviewed annually	20%

**Five-Year Plan Allocation:**

Budget Years 2 through 5 of the five-year financial plan will be based on the Year 1 (current budget year) allocation, adjusted for any significant changes in individual operating plans.

**New Services:**

A new service with no base year will be allocated a support services charge based on a projected budget amount or a charge as set by the Chief Financial Officer.

**Review:**

In the fall of each year, as part of the base budget process, each function's allocations are updated according to the policy, and the changes are applied. This may result in an increase or decrease to the respective functions support service cost for the following year.

Once the amendments have been made, the Support Service Policy and Allocation Method will be brought to the Board for review on an annual basis, as part of the pre-budget. At this time, any questions or concerns regarding specific functions allocations can be identified. Resolutions will be addressed prior to Round 2 of the proceeding year's budget.

Approval Date:	November 25, 2010	Resolution No.	484/10 Rec. No. 5
Amendment Date:	February 14, 2013	Resolution No.	048/13 Rec. No. 1
Amendment Date:	December 12, 2013	Resolution No.	577/13 Rec. No. 3
Amendment Date:	December 11, 2014	Resolution No.	579/14 Rec. No. 8
Amendment Date:	December 10, 2015	Resolution No.	443/15 Rec. No. 5
Amendment Date:	December 8, 2016	Resolution No.	452/16 Rec. No. 3



## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 24, 2016

**AUTHOR:** Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

**SUBJECT:** SUPPORT SERVICES ALLOCATION – REVIEW AND AMENDMENTS

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### RECOMMENDATION(S)

**THAT** the report titled **Support Services Allocation – Review and Amendments** be received;

**AND THAT** the 2017 **Support Services Allocation Policy** be amended to reflect the change to **Property Information and Mapping Section (PIMS)/Geographical Information Systems (GIS)** recovery model and the inclusion of **Purchasing and Risk Management**;

**AND FURTHER THAT** the **Support Services Allocation Policy** be approved as amended.

---

### BACKGROUND

The Support Services Allocation Policy was originally adopted in 2010 and is the method used to apply the various support costs to benefiting functions. The Policy is to be reviewed on an annual basis as part of the pre-budget process to identify any changes or improvements for the upcoming year. It was revised to include the addition of the Communications Officer in 2013, Asset Management in 2014 and Chief Administrative Officer in 2015.

The purpose of this report is to provide recommended amendments to the Policy to ensure support costs continue to be apportioned in an equitable and transparent manner.

### DISCUSSION

#### *Purchasing and Risk Management*

The original Policy apportioned core financial services costs from Finance [113], segregating payroll support to the various functions of the SCRD. In 2014 Asset Management was added as a support service in Finance [113]. As Purchasing and Risk Management services are currently recovered in the same manner as Financial Services, it is recommended that the Policy be amended to recover these costs based on the prior year's net operating budget as well as a portion being recovered for the overall corporate benefit. Examples of some tasks that benefit the organization as a whole are: the administration of property insurance, liaison for the Municipal Insurance Association of BC (MIABC), policy development for procurement and risk management, project management support, and small claims support.

Staff recommend that starting in 2017 the department track their time (similar to PIMS and the Communications Officer) to each project or task worked on. The time spent for each project in 2017 will then be charged and recovered through Support Services in 2018.

*Property Information and Mapping Systems (PIMS) / Geographical Information Systems (GIS)*

As part of this year's annual review process, staff have identified that the current recovery method for PIMS no longer reflects the organizational use of the service and has also become cost prohibitive under the existing model.

The current policy recovers the costs where 85% of the budget is recovered on functions historical use of the service and the remaining 15% is recovered overall (See Attachment A Support Services Policy). For example, in 2015 only 13% of PIMS time was attributable to project specific work (2014-11% and 2013- 20%). This means that 85% of the budget must be recovered by only those functions that used the service. For 2016 Budget, it meant those services paid almost \$430 per hour used in the prior year.

The PIMS and GIS is a public service provided by the SCRD. This tool provides information on properties, land use, parks and trails, utilities, roads, topographic features and aerial imagery. Common examples of public GIS data include real estate information, route selection and conservation, as well as bike and trail networks. The main function of the department is to maintain this data for the general public, which benefits all services of the regional district.

The GIS is integral to the organizations Land Management System (Tempest) and the Enterprise Asset and Maintenance Management System (Cityworks). Maintaining these two systems has resulted in a considerable amount of new work.

Therefore, based on 2016 data, it is recommended that the Support Services Policy reflect the current reality of the PIMS/GIS service as follows:

<b>Proposed Allocation</b>	<b>Methodology</b>	<b>Percent of Budget</b>
General Administration/Overall	40% overall	40%
Tempest-Land Management	Apportioned on same recovery as those functions that use the Land Management System	10%
Cityworks (Enterprise Asset Management)	Apportioned based on same method as Asset Management	30%
Project based	Only 20% of the budget will be reserved/apportioned to projects and reviewed annually	20%

*Financial Implications*

For changes related to Purchasing and Risk Management from Corporate Services, there would not be a financial impact to functions for the 2017 Budget. However, it is anticipated that in 2018 there may be some changes. It is difficult to estimate at this time what the impact will be, however, approximately \$285,000 worth of costs will be apportioned under the new model with this same amount being reduced from the Corporate Services component of the Policy. Staff will provide an update during 2018 pre-budget.

If the proposed allocation method for PIMS/GIS was implemented in 2017, it would result in a decrease of approximately \$46,000 to tax recovering functions. This is due to the majority of the costs now being attributed to user rate based functions such as Regional Water. This is mostly attributed to the change to apportion costs for the maintenance of the Enterprise Asset Management System.

A summary of the preliminary 2017 Impact of Proposed Changes to Support Service Allocation Method for each function is attached as Attachment B.

#### *Communications Strategy*

Budget managers have been advised of the proposed changes and that these amendments will be reflected in their 2017 and 2018 budgets.

### **STRATEGIC PLAN AND RELATED POLICIES**

Regular amendments to the Support Services Allocation Policy aligns with the Boards values of transparency and strategic priority of ensuring fiscal sustainability.

### **CONCLUSION**

The Support Services Allocation Policy is to be reviewed on an annual basis as part of the pre-budget process to identify any changes or improvements for the upcoming year. For 2017, it is recommended that the Support Services Allocation Policy be amended to reflect the change to PIMS/GIS recovery model and the inclusion of Purchasing and Risk Management within Corporate Services.

Attachments:

“A”- Draft Amended Support Services Policy

“B”- 2017 Impact of Proposed Changes to Support Service Allocation Method

Reviewed by:			
Manager		Finance	X-TP
GM		Legislative	
CAO	X-JL	Other	

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee- November 23, 2017

**AUTHOR:** Brad Wing-Financial Analyst

**SUBJECT:** 911 EMERGENCY TELEPHONE CAPITAL FUNDING

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### RECOMMENDATION(S)

**THAT** the report titled 911 Emergency Telephone Capital Funding be received;

**AND THAT** the current funding for debt servicing of the 911 Emergency Telephone long term debenture be transferred to increase the annual contribution to capital reserves for asset maintenance and renewal by \$84,800 beginning in 2018;

**AND FURTHER THAT** the 2018-2022 Financial Plan be amended accordingly.

---

### BACKGROUND

In 2007, the 911 Emergency Telephone Service borrowed \$665,000 through a long-term 10 year debenture for the purpose of upgrading the 911 Emergency Telephone Services, specifically with communications towers and radio equipment to provide greater redundancy and reliability focused on fire dispatch for all Sunshine Coast Fire Departments.

The annual debt servicing cost for this debenture over the 10 year term was \$87,441 with a slight reduction in the final year to \$84,808 based on timing of the final interest payment. Debt servicing costs for this loan are funded from taxation.

The 911 Emergency Telephone Service capital reserve balance as at December 31, 2016 totaled \$402,383 with an annual budgeted contribution of \$25,000 included in the five year financial plan. Preliminary estimates of short term capital funding requirements are estimated at approximately \$900,000.

### DISCUSSION

#### *Options and Analysis*

As debt expires, the servicing costs and associated funding are automatically removed from the financial plan. For the 911 Emergency Telephone debenture, this would result in a reduction to taxation of approximately \$84,808 in 2018.

Given the estimated short term capital funding requirements for maintenance and renewal of communication towers, any reduction in taxation would be temporary if service levels are to be maintained.

Staff recommend that the existing taxation funding for debt servicing of the 911 Emergency Telephone debenture be maintained in the 2018-2022 Financial Plan by increasing the annual contribution to capital reserves rather than reducing taxation. This measure would be included in the draft 2018-2022 Financial Plan and subject to final budget adoption in March 2018. The table below summarizes the proposed changes.

	<b>2017</b>	<b>2018</b>
<b>Long Term Debenture</b>	\$84,808	\$0
<b>Annual Contribution to Capital Reserves</b>	\$25,000	\$109,800
<b>Total</b>	<b>\$109,808</b>	<b>\$109,800</b>

By increasing the annual contribution to capital reserves, funding for tower and equipment maintenance and renewal will be sufficient to meet estimated requirements over the next 5 years thereby eliminating the need for future borrowing.

Staff continue to work on refining the capital renewal plans through the Corporate Asset Management Plan in order to extend the planning horizon for 911 communication towers and determine the long-term annual funding requirement.

#### *Financial Implications*

Residential property owners currently pay approximately \$0.72 in taxation annually for every \$100,000 of assessed improvements towards the cost of servicing the long term debenture.

Existing taxation levels would be maintained if funding for debt servicing costs are redirected to fund future critical asset renewal.

Alternatively, if the funding is removed, taxation will decrease in the near term but will be offset by future increases of equal or greater value if assets are to be maintained at the current service level.

### **STRATEGIC PLAN AND RELATED POLICIES**

This measure is consistent with the strategic objective to align service levels with the sustainable funding policy incorporating the Asset Management Plan and Financial Sustainability Policy as they relate to debt servicing, capital maintenance and replacement of existing assets.

### **CONCLUSION**

The 911 Emergency Telephone long term debenture expires in December, 2017. Annual debt servicing costs of \$84,808 are funded from taxation.

The preliminary estimated short term funding requirement for 911 tower maintenance and renewal is approximately \$900,000. The current capital reserve balance and annual contribution are \$402,383 and \$25,000 respectively.

Staff recommend that the current funding for debt servicing of the 911 Emergency Telephone debenture be transferred to increase the annual contribution to capital reserves for asset maintenance and renewal by \$84,800 beginning in 2018 and that this change be reflected in the 2018-2022 Financial Plan.

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Angie Legault, Senior Manager, Administration and Legislative Services

**SUBJECT:** MUNICIPAL TICKET INFORMATION AND BYLAW NOTICE FINE REVIEW

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### RECOMMENDATION(S)

**THAT** the report titled **Municipal Ticket Information and Bylaw Notice Fine Review** be received;

**AND THAT** staff prepare amendments to the **Municipal Ticket Information Bylaw No. 558** and **Bylaw Notice Enforcement Bylaw No. 638** to:

1. Increase penalties for obstructing SCRD staff to \$500
  2. Increase penalties for building bylaw contraventions to \$250
  3. Increase all \$50 penalties to \$100
  4. Increase penalties for zoning contraventions from \$100 to \$150
  5. Add offence for land use contrary to zoning with a \$150 penalty
  6. Add offences for obstructing SCRD staff in relation to zoning and dog regulation bylaws with a \$500 penalty
  7. Add offences related to parks regulations for disorderly/offensive conduct, noise which disturbs and use contrary to regulations with a \$100 penalty
  8. Add offence for interfering with waterworks appurtenances with a \$500 penalty under BEN and \$1000 penalty under MTI
  9. Harmonize schedules of offences and penalties.
- 

### BACKGROUND

Many of the penalties for contravening Sunshine Coast Regional District (SCRD) bylaws were set in the 1990's and in some instances, no longer appear to act as a deterrent to ongoing offences. A comparison of fines for select bylaw contraventions was completed.

During the review staff also identified some gaps in the list of offenses that should be addressed.

The purpose of this report is to seek the Committee's direction to update the list of offences and the corresponding penalties.

Staff reviewed municipal ticketing information (MTI) and/or bylaw notice (BEN) bylaws from:

- |                                   |  |
|-----------------------------------|--|
| 1. Town of Gibsons                | 6. Fraser Valley Regional District     |
| 2. District of Sechelt            | 7. Columbia Shuswap Regional District. |
| 3. City of Delta                  | 8. Fraser Valley Regional District     |
| 4. District of North Vancouver    | 9. Squamish-Lillooet Regional District |
| 5. Comox Valley Regional District | 10. Capital Regional District          |

The focus of the review was on offences related to dog control, noise, building and zoning.

Overall, SCRD fines in these areas are low. (See Attachment 1)

## **DISCUSSION**

Based on a review of SCRD bylaws and those of other jurisdictions, staff are proposing a number of changes.

The SCRD currently has an offence under the building bylaw for obstructing an authorized employee. As the corporation has a legislated responsibility to provide for the health and safety of its workers, and given the serious nature of this offence, staff recommend increasing the penalty for obstructing an employee to \$500.

Other offences related to the building bylaw have penalties ranging from \$100-\$150. In consideration of the safety aspects of building regulations and the potential gain to be had by an individual ignoring the regulations, staff recommend increasing penalties for building bylaw contraventions (other than obstructing an employee) to \$250.

The SCRD has a variety of penalties set at \$50 for dog related offences, as well as dock and water use. In most cases, \$50 is not a significant deterrent or incentive to achieve compliance; nor does it reflect the cost of the enforcement action. Staff recommend that all \$50 penalties be increased to \$100.

Penalties for contravention of the SCRD's two zoning bylaws are currently set at \$100. While safety may be compromised to a lesser degree than contraventions of building regulations, the impact on neighbourhoods/community and the resources required to manage these files can be significant. Staff recommend increasing penalties for zoning contraventions from \$100 to \$150. The Committee may also wish to consider higher penalties for specific offences (e.g. unauthorized Bed and Breakfast accommodations where revenues can significantly outweigh the penalty).

During the review, staff also identified areas where additional offences should be established as follows:

1. Add offence for use of a property in contravention of zoning. This addition would be useful when one of the existing, very specific offences is not applicable. Staff recommend the penalty be set at \$150.
2. Add offences for obstructing SCRD staff in relation to zoning and dog regulation bylaws. This offence already exists for other SCRD regulatory bylaws. Staff recommend this penalty be set at \$500.
3. Add offences related to parks regulations for disorderly/offensive conduct, noise which disturbs and use contrary to regulations. Staff recommend these penalties be set at \$100 for consistency with other parks related penalties.
4. Add offence for interfering with waterworks appurtenances. This will allow the SCRD to address situations where property owners interfere with infrastructure such as water meters or hydrants, etc. Given the serious nature of this offense and the cost to repair the infrastructure, staff recommend setting the penalty to \$500 for BEN (maximum allowable) and \$1000 under MTI.
5. Harmonize schedules of offences and penalties. Staff have identified some inconsistencies between the MTI and BEN bylaws with respect to the bylaws and offences listed.



*Options and Analysis*

1. Prepare amendments to the Municipal Ticket Information Bylaw No. 558 and Bylaw Notice Enforcement Bylaw No. 638 to update penalties, contraventions and harmonize schedules between MTI and BEN bylaws.

Staff recommend this option.

2. Status quo

Staff do not recommend this option.

*Communications Strategy*

Information on changes will be posted to the SCRD website and communicated to staff.

**STRATEGIC PLAN AND RELATED POLICIES**

The fine review is consistent with the section 4.2.2 of the Financial Sustainability Policy regarding the regular review of fees and charges.

**CONCLUSION**

Staff have completed a review of bylaw contraventions and penalties. The review indicated that SCRD fines are low in contrast to comparator local governments and that some gaps exist within our current list of contraventions. To provide an incentive to compliance with SCRD regulations, staff recommend approval of the revised fine structure.

Attachment 1: Comparison of contraventions and penalties across select local governments.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X-J. Loveys	Other	

# Attachment 1

	SCRD	District of Sechelt	Town of Gibsons	Comox Valley RD	City of Delta	District of North Vancouver	Columbia ShuswapRD	Fraser Valley RD	Squamish-Lillooet RD	Capital RD
<b>DOG CONTROL</b>										
No Dog Licence	\$50.00	\$100.00	\$100.00	\$100.00	\$150.00	\$150.00	\$50.00	\$200.00		\$100.00
Fail to Affix License Tag	\$50.00	\$75.00	\$100.00	\$100.00	\$100.00	\$50.00	\$50.00			\$50.00
Dog at Large	\$50.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$50.00	\$100.00	\$100.00	\$100.00
Fail to Contain Bitch in Heat	\$50.00		\$200.00					\$100.00		\$75.00
Vicious Dog not Muzzled	\$150.00		\$200.00	\$150.00	\$200.00			\$500.00		
Vicious Dog not Confined	\$150.00	\$250.00		\$500.00		\$250.00		\$500.00		\$150.00
Failure to Control a Noisy Dog	\$100.00	\$100.00	\$200.00	\$500.00		\$200.00	\$100.00	\$100.00		\$100.00
Harbour More than 3 Dogs (or jurisdiction's max)	\$75.00		\$150.00		\$150.00	\$100.00	\$50.00	\$100.00		
<b>BUILDING</b>										
No Building Permit	\$150.00	\$100.00	\$400.00	\$300.00	\$250.00	\$150.00		\$500.00		\$100.00
Fail to Obey Stop Work Order	\$100.00		\$400.00	\$200.00	\$250.00	\$300.00		\$500.00		\$100.00
No Occupancy Authorization	\$100.00	\$100.00	\$400.00	\$1,000.00	\$250.00	\$150.00		\$500.00		
Remove Stop Work Notice	\$100.00		\$200.00	\$100.00	\$250.00			\$500.00		\$50.00
Work at Variance with Plans	\$100.00		\$200.00	\$200.00						\$100.00
Obstruct District Employee	\$150.00	\$100.00	\$400.00	\$300.00		\$150.00		\$500.00		\$100.00
<b>NOISE</b>										
Noise Which Disturbs	\$100.00	\$100.00	\$200.00		\$200.00	\$200.00		\$100.00	\$200.00	\$100.00
Construction Noise Which Disturbs (outside permitted hours)	\$100.00		\$200.00		\$200.00	\$500.00			\$300.00	\$100.00
Machine Noise/Mechanical Device Which Disturbs	\$100.00			\$500.00	\$200.00	\$200.00			\$300.00	
<b>ZONING</b>										
Keeping Livestock	\$100.00		\$100.00		\$100.00	\$100.00				
Unauthorized Occupancy During Construction	\$100.00								\$100.00	
Visible Home Occupation	\$100.00	\$100.00	\$100.00	\$100.00	\$200.00	\$100.00	\$200.00		\$100.00	\$100.00
Unauthorized Bed & Breakfast	\$100.00								\$150.00	\$100.00
Unauthorized Sign	\$100.00	\$100.00	\$200.00		\$200.00	\$100.00			\$100.00	\$100.00
Signs Exceeding Allowed Number	\$100.00		\$150.00							
Over Height Structure	\$100.00						\$200.00			
Over Height Fence	\$100.00	\$100.00	\$100.00		\$200.00	\$100.00			\$150.00	\$100.00
Structure Within Setback	\$100.00				\$200.00		\$200.00		\$250.00	
Unauthorized Siting of Building	\$100.00									
Storage of Junk	\$100.00	\$100.00	\$200.00	\$500.00	\$200.00	\$100.00	\$200.00	\$500.00	\$300.00	\$100.00
Motor Vehicle Wrecking	\$100.00									
Storage of Un-Licensed Vehicle	\$100.00				\$200.00	\$100.00		\$200.00		
Use contrary to zone		\$100.00	\$200.00				\$200.00	\$200.00		\$100.00
Obstruct authorized officer		\$100.00					\$500.00		\$300.00	

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 7, 2017

**AUTHOR:** Janette Loveys, Chief Administrative Officer

**SUBJECT:** **RURAL AREAS' GRANT-IN-AID REQUEST FROM HOWE SOUND COMMUNITY FORUM FOR HOWE SOUND MARINE REFERENCE GUIDE**

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### RECOMMENDATION(S)

**THAT the report titled Rural Areas' Grant-in-Aid Request from Howe Sound Community Forum for Howe Sound Marine Reference Guide be received.**

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### BACKGROUND

The Howe Sound Community Forum is organized for local governments, Regional Districts and First Nations to have discussions to maintain and enhance the economic, environmental, cultural and social well-being of the Howe Sound for the benefit of present and future generations. At the October 13, 2017 Forum a resolution was made as follows:

“That the Task Force recommends to the Howe Sound Community Forum (Forum) that its members endorse the preparation of the Howe Sound Marine Reference Guide (Guide) and that the Forum members communicate this endorsement to their respective local governments with a request for a financial commitment to cost-share a regional total of \$20,000.00 per year for three years as the local government contribution to the production of the "Guide.”

### DISCUSSION

#### *Financial Implications*

The Director from Electoral Area F has requested an update to his Rural Areas' Grant-in-Aid Function balance to consider the cost share requests provided as options in the “Howe Sound Marine Reference Guide Summary – Ocean Watch Tax Force” below.

Function 129 currently has a balance of available funding of \$8,661.05. Recognizing this a three year commitment the request would be included in future discretionary grant funding for 2018 and 2019. There are different funding scenarios laid out in the attachment for the Board's consideration.

### STRATEGIC PLAN AND RELATED POLICIES

Working with other Howe Sound area local governments provides opportunity to further the SCRD's Vision and Mission by fostering relationships and partnerships. All aspects of the Strategic Plan benefit from the comparative learnings and experiences shared by other areas.

## **CONCLUSION**

At the October 13, 2017 Howe Sound Community Forum a resolution to request a three year financial commitment to cost-share in a regional project for the production of a Howe Sound Marine Reference Guide was adopted. An update to Rural Areas' Grant-in-Aid funds for Electoral Area F was provided for consideration of the request and recognition of a three year commitment. This report is for information and direction should the Board wish to proceed.

Reviewed by:			
Manager		CFO	X-T Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	

## Howe Sound Marine Reference Guide Summary Ocean Watch Task Force October 2017

### i. Background

The Ocean Watch Task Force was formed in June 2017 by members of the Howe Sound Community Forum (HSCF). Task Force members are elected officials and staff representatives of the HSCF member communities. The Task Force has a mission to advance the implementation of action items outlined in the [Ocean Watch – Howe Sound Edition](#). To achieve this goal, the Task Force will provide recommendations to Howe Sound's local governments to support initiatives and projects that further marine ecosystem protection and ocean health. This document will outline one such project proposal.

### ii. The Howe Sound Marine Reference Guide

Action 1 in the Ocean Watch – Howe Sound Edition [Executive Summary](#) is to create a marine guide for Howe Sound that pulls together information on the region's marine ecosystem. This guide will be a non-binding informative tool that will help Howe Sound develop into an international leader in marine sustainability.

The Howe Sound Marine Reference Guide will use scientific, indigenous, and local knowledge to identify areas of significant ecological and human value. It will consist of an interactive map accompanied by narrative documentation, education resources, and media. It will be a unified resource on marine data for planning and decisions by all government levels and community groups, and will support collaborative management and stewardship of the region's marine ecosystems.

The information will be openly accessible, subject to privacy concerns, and is intended to be used by local governments and First Nations to support zoning and marine planning, official community planning, and by community groups to strategize stewardship initiatives. However, it alone will hold no authority beyond providing data and recommendations.

Data collection for this project will involve workshops, meetings, interviews, field work, and surveys. Part of this knowledge gathering has already occurred through the work of the Coastal Ocean Research Institute and the David Suzuki Foundation. Their data on spatial attributes of Howe Sound, and ecosystem, recreation, cultural, economic, spiritual, and conservation values associated with Howe Sound's marine habitats will be a valuable resource for the Howe Sound Marine Reference Guide to use and build off of.

iii. **West Coast Aquatic's Marine Ecosystem Reference Guide: an existing template for Howe Sound's Project**

The Ocean Watch Task Force suggests that to better understand this project proposal, local governments familiarize themselves with West Coast Aquatic's Marine Ecosystem Reference Guide (MERG): [marineguide.ca](http://marineguide.ca).

WCA's MERG is an interactive map developed to support decision-making and integrated ecosystem-based management on the west coast of Vancouver Island. MERG provides hundreds of data layers on ecosystems, marine resources, human activities, conservation needs, and social systems within the Barkley and Clayoquot Sound regions. It divides each region into marine units, which are based on administrative boundaries, biophysical characteristics, and common uses and activities. Each marine unit is accompanied by documentation that provides recommendations on suitable uses and activities, as well as each unit's vulnerability to stressors.

This model will provide a useful framework that the Howe Sound Marine Reference Guide can build off of.

iv. **Financial breakdown**

The projected budget for this initiative is approximately \$200,000 per year over the course of three years. Funding sources may include local, provincial, and federal governments, First Nations, supporting NGOs, and private funders.

To help acquire external funding, local governments are asked to give their official support to the project, and to participate in a cost-share of \$20,000/year, which will be shared amongst participating local governments. The task force is recommending a three-year commitment from local governments to provide a sound baseline for the large financial requests to non-governmental granting organizations for this project.

To help understand each community's potential contribution to this project, the Ocean Watch Task Force asks the HSCF member communities **to determine the worth of this tool to their community, and the financial contribution they are willing to make towards it**. Following these determinations, member communities of Howe Sound can construct a cost-share breakdown.

RECOMMENDATION TO THE HOWE SOUND COMMUNITY FORUM MEMBERS

**"That the Task Force recommends to the Howe Sound Community Forum ("Forum") that its members endorse the preparation of the Howe Sound Marine Reference Guide ("Guide") and that the Forum members communicate this endorsement to their respective local governments with a request for a financial commitment to cost-share a regional total of \$20,000.00 per year for three years as the local government contribution to the production of the Guide."**

**Ocean Watch Task Force Monetary breakdown for Howe Sound Marine Reference Guide**

Project timeline	3 years
Annual project budget	\$200,000 / year
Total project budget	\$600,000
Annual LG budget	\$20,000/ year
Total LG budget	\$60,000

Population estimates are obtained from Canadian Census data:

<http://www.bcstats.gov.bc.ca/StatisticsBySubject/Census/2016Census/PopulationHousing/CensusSubdivisions.aspx>

**Scenarios for breaking down annual Local Government financial contribution**

**Scenario A\***

Local Government	Area Type	Population	Ppltn % Contribution to Regional %	Annual financial contribution
Bowen Island	IM	3680	8.71	1742.80
Gibsons	T	4605	10.90	2180.86
Lions Bay	VL	1334	3.16	631.76
Sunshine Coast Area F	RDA	1743	4.13	825.46
Squamish	DM	19512	46.20	9240.61
Squamish-Lillooet D	RDA	1057	2.50	500.58
Islands Trust Local Trust Committee		300	0.71	142.08
Metro Vancouver Electoral Area A**	RDA	1000	2.37	473.59
West Vancouver**	DM	9000	21.31	4262.27
<b>Total</b>		<b>42231</b>	<b>100</b>	<b>20000</b>

**Scenario B\*\*\***

Local Government	Area Type	Population	Ppltn % Contribution to Regional %	Annual financial contribution
Bowen Island	IM	3680	4.05	810.24
Gibsons	T	4605	5.07	1013.90
Lions Bay	VL	1334	1.47	293.71
Sunshine Coast Area F	RDA	1743	1.92	383.76
Squamish	DM	19512	21.48	4296.05
Squamish-Lillooet D	RDA	1057	1.16	232.72

Islands Trust Local Trust Committee		300	0.33	66.05
Metro Vancouver				
Electoral Area A	RDA	16133	17.76	3552.08
West Vancouver	DM	42473	46.76	9351.48
<b>Total</b>		<b>90837</b>	<b>100</b>	<b>20000</b>

\*This scenario depicts each government's contribution based on population estimates for Howe Sound

\*\*Please note the population amount for Metro Vancouver Electoral Area A and West Vancouver are estimates based on the Biosphere Working Group assessment and need to be confirmed with data.

\*\*\*This scenario depicts each government's contribution based on population estimates for whole municipality, regional district etc.



## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee Meeting – November 23, 2017

**AUTHOR:** Janette Loveys, Chief Administrative Officer

**SUBJECT:** GRANT-APPLICATION FOR COMMUNITY EMERGENCY PREPAREDNESS FUND –  
EMERGENCY SOCIAL SERVICES

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### RECOMMENDATION(S)

**THAT the report titled Grant Application for Community Emergency Preparedness Fund – Emergency Social Services be received;**

**AND THAT the grant application to the Union of British Columbia Municipalities for \$25,000 to support the Sunshine Coast Emergency Social Services be approved.**

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### BACKGROUND

The Community Emergency Preparedness Fund (CEPF) is intended to enhance the resiliency of local governments and residents in responding to emergencies. The Union of British Columbia Municipalities (UBCM) administers funds for this program. One of the funded programs is Emergency Social Services (ESS) which provides local capacity building for emergency social services through training, volunteer recruitment and retention, and the purchase of equipment.

### DISCUSSION

#### *Options and Analysis*

In October 2017 UBCM announced the CEPF programs. Staff and Emergency Management Teams met to discuss expanding group lodging capacity and training. An application for the Sunshine Coast ESS Group Lodging Resilience Project was completed which requests funding for portable emergency shelter provisions and volunteer training that benefits all Municipalities and Electoral Areas of the South Sunshine Coast.

#### *Financial Implications*

If successful, this \$25,000 funding will provide valuable emergency social service equipment to the Sunshine Coast Emergency Management Teams.

#### *Timeline for next steps or estimated completion date*

The application deadline for the CEPF to UBCM was November 17, 2017, staff requested that the application be received with a Board Resolution to follow, per the Program and Application Guide requirement.

## **STRATEGIC PLAN AND RELATED POLICIES**

In the event of a successful application, many of the Strategic Priorities will be achieved as the ESS provides support to all Sunshine Coast communities and will enable volunteers to be adequately equipped and trained in the event of emergency situations.

## **CONCLUSION**

In October 2017 UBCM announced the CEPF programs. Staff and Emergency Management Teams met to discuss expanding group lodging capacity and training. An application for the Sunshine Coast ESS Group Lodging Resilience Project was completed, which if successful will provide valuable emergency social service equipment to the Sunshine Coast Emergency Management Teams. As the application deadline for the CEPF to UBCM was November 17, 2017, staff requested that the application be supported with a Board Resolution.

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	X-B. Elsner

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** David Rafael, Senior Planner

**SUBJECT:** BC ENVIRONMENTAL ASSESSMENT OFFICE REPORT AND POTENTIAL CONDITIONS FOR BURNCO AGGREGATE PROJECT – ELECTORAL AREA F

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### RECOMMENDATIONS

**THAT** the report titled BC Environmental Assessment Office Report and Potential Conditions for Burnco Aggregate Project – Electoral Area F be received;

**AND THAT** the following comments be forwarded to the BC Environmental Assessment Office with a copy to the Canadian Environmental Assessment Agency:

- a. the draft conditions are recommended to be amended as follows:
  - i. SCRD should also be named as a referral agency under each plan required in the Table of Conditions or as an overarching requirement in Condition No. 2;
  - ii. If the Community Advisory Group (CAG) is not established, pursuant to Condition No. 21, the EAO will review this decision in consultation with SCRD and Burnco in order to establish an alternative community consultation method; and
  - iii. The CAG Terms of Reference should set out which conditions are of specific interest and information should be provided on these matters;

**AND THAT** if the related zoning bylaw amendment is adopted for the gravel processing area, the EAO should be aware that SCRD may establish conditions relating to hours of operation and construction that differ from those set out in the environmental assessment certificate;

**AND FURTHER THAT** this recommendation be forwarded to the November 23, 2017 Regular Board meeting for Adoption.

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### BACKGROUND

The BC Environmental Assessment Office (EAO) announced that the public is invited to comment on the proposed Environmental Assessment Certificate (the Certificate) for the Burnco Aggregate Project (the Project). The documents for consideration are:

- Draft Summary Assessment Report
- Draft Provincial Assessment Report
- Final Draft Certified Project Description, and
- Draft Table of Conditions

All materials are available on the EAO website at:  
<https://projects.eao.gov.bc.ca/p/burnco-aggregate/detail>

The consultation period commenced on October 27, 2017 and concludes on November 27<sup>th</sup>. The purpose of this report is to provide information on the proposed conditions and obtain direction on moving forward.

At its meeting of March 23, 2017, the SCRD Board adopted the following resolution:

111/17     **Recommendation No. 1**     *BURNCO Environmental Assessment Responses to SCRD Input*

THAT the report titled BURNCO Environmental Assessment Responses to SCRD Input be received;

AND THAT the SCRD send a letter and a copy of the staff report to the BC Environmental Assessment Office (EAO) and BURNCO noting that:

a) The SCRD must have opportunities to consider subsequent plans, such as Marine Transport Management and Noise, and provide input to the approval agency before the plans are approved;

b) The SCRD requests that the results of all monitoring by the proponent and any other agency be made publically available through a common independent website;

c) Reference Numbers BURNCO 618-7 & SCRD A-vi regarding Sea Level Rise: The response is unclear about longer term impact of sea-level rise beyond the closure of the mine thus BURNCO should comment on potential impact beyond 2035;

d) Reference Numbers BURNCO 618-30 & SCRD F-iv regarding Community Benefit:

The SCRD will contact BURNCO to discuss the McNab Community Enhancement Fund (CEF), project identification and SCRD's Community Contribution for Independent Power and Resource Projects Policy;

e) Reference Numbers BURNCO 618-31 & SCRD G-i regarding Recreational Anchorages: The SCRD requests further clarification with respects to impacts on the existing anchorages in the area and if they will be maintained or not.

The letter was sent on March 24, 2017.

## **DISCUSSION**

### *Summary Assessment Report and Assessment Report*

The Assessment Report details the procedures and findings of the Environmental Assessment (EA) for the project as conducted by the EAO. The EAO prepares this report for the Provincial Ministers who are responsible for making a decision on the Project. The Report also provides the rationale for the conditions that could form part of the environmental assessment certificate (Certificate). A summary version of the report is also produced.

The assessment was based on Burnco's application, supplemental materials provided during the EA, and consultation with the working group, First Nations and the public.

The EAO proposes 25 conditions and a Certified Project Description to be included in the Certificate. These would become legally binding and subject to compliance and enforcement oversight.

### Key Conclusions of the EA set out in the Assessment Report

After considering the application documents, Working Group review, First Nations consultation, public comments, revisions/additional information from the applicant, and proposed mitigation measures, the EAO reached the following conclusions (page references and extracts are from the Summary Assessment Report):

- (a) "the EAO is satisfied that the Burnco Project would not have significant adverse residual effects on fisheries or the freshwater environment." (p. 12);
- (b) "the EAO is satisfied that the Burnco Project would not have significant adverse residual effects on wildlife." (p. 13);
- (c) "Increased noise levels are expected to be most audible during construction, year 1 of operations, and during barge loading activities. Mining operation noise would incrementally decrease from year 1 through years 10 – 12 of operations. It is expected that in later phases noise will increase as operations move to the southeast portion of the mine, about 500 m from the nearest residence in the McNab Creek Strata." (p. 13)

"The EAO acknowledges that these changes to land use, noise levels, and visual conditions, could cause a downward pressure on real estate values for properties in proximity to the mine. The impacts of these factors on real estate values are uncertain and difficult to quantify, given the multitude of factors that contribute to property values. The Application referenced a 2006 report on impacts to property values near a proposed gravel mine in Minnesota suggesting that properties located 800 m away may experience an estimated 20 percent reduction in value. The nearest residences to the Burnco Project are the 16 McNab Creek Strata lots and at its closest, during years 10 – 12, operations would be located approximately 500 m from the nearest residence." (p. 14)

The EAO “is satisfied that the Burnco Project would not have significant adverse residual effects on real estate values” (p. 15).

Staff note that nearby residents have also indicated a concern about the loss of the recreational character and their enjoyment of the area if the mine develops.

- (d) “The EAO’s Assessment Report assesses the impacts of the Burnco Project on various other VCs (Valued Components), and identifies key mitigation measures for each and reaches conclusions on their residual effects, none of which are determined to be significant. To ensure the effects of the Burnco Project are sufficiently mitigated, the EAO proposes a number of other conditions, which are discussed in the Assessment Report and listed in the Table of Conditions” (p. 15).

- (e) First Nations Consultation

Staff note that the Report describes the engagement process with First Nations both as members of the Working Group and as part of parallel direct engagement between the applicant, the EAO and each Nation.

The Report states that the Sk̓wx̓wú7mesh Nation is developing a set of conditions in bilateral discussions with Burnco. These are not available for EAO consideration as negotiations are ongoing. The Report states that the EAO has made “has made reasonable efforts to meaningfully consult Squamish Nation, to understand the impacts of the Burnco Project on Squamish Nation’s Aboriginal Interests...” (p. 19). The EAO concluded that the Project would have minor impact on the Nation’s right to hunt and fish, negligible impact on gathering and minor impact on title. However, due to the ongoing bilateral discussions, the EAO “is unable to appropriately provide an assessment of the adequacy of accommodation for Squamish” (p. 19). Future amendments to the Certificate conditions may take place once the negotiations conclude.

The EAO has concluded that “the seriousness of the potential impacts of the Burnco Project on Tsleil-Waututh Nation’s right to fish would be negligible-to-minor, and potential impacts on their right to hunt and gather would be negligible” (p. 20).

The EAO is of the view that the Project would have “a negligible-to-minor impact on Musqueam Indian Band’s right to fish, and a negligible impact on Musqueam Indian Band’s right to hunt and gather. Further information may be forthcoming regarding Musqueam’s Aboriginal Interests in the area, and the Project’s potential to impact these interests” (p. 22).

The EAO is of the view that “marine shipping would result in a negligible impact to HTG Nations’ (Hul’qumi’num Treaty Group) marine harvesting activities” (p. 23).

(f) Local Government Consultation

“Representatives of the Sunshine Coast Regional District and Gambier Island Local Trust Committee were invited to participate in the EAO’s working group. The input provided by the Sunshine Coast Regional District and Gambier Island Local Trust Committee was reviewed and considered during the EA. The Sunshine Coast Regional District’s main concerns were based around Marine Resources, specifically the presence of glass-sponge reefs and acoustic injury or disturbance to Marine Mammals, and Socio-economic concerns such as the effect on real estate values, recreation and tourism because of changes to air quality, noise, and visual quality. Gambier Island Local Trust Area expressed concern about the mineral composition of the mine site, cumulative effects, noise generation and air quality monitoring. With regard to glass-sponge reefs, it was determined during the EA that they were at a depth and in locations that would be unaffected by the project. As far as the other concerns raised by local governments, there are proposed conditions for fish and fish habitat, marine mammals, air quality, noise and visual impacts, and the implementation of a Community Advisory Group that both local governments will be invited to participate on. This information and key concerns are discussed in more detail in the relevant sections of the Assessment Report” (p. 23-24).

The comments set out above are a fair representation of issues the SCRD raised during the EA.

(g) Public Consultation

The Report sets out the public consultation process and level of input received. Key issues raised are also set out.

“The EAO notes that many topics raised by the public were also raised by the working group and Aboriginal Groups and are therefore discussed further in the relevant sections of the Assessment Report. Key issues raised by the public helped inform the EAO’s assessment of the Burnco Project, including requests for supplemental information during the EA, the completion of the provincial Assessment Report and federal Comprehensive Study Report and the development of the EAO’s Decision Materials” (p. 26).

(h) Additional Considerations

The Report sets out the economic benefits anticipated by the applicant. This includes employment, direct and indirect expenditure and taxation.

Staff note that the introduction of the aggregate mine is likely to alter the apportionment between current residential and industrial/commercial portions of West Howe Sound’s taxation. The actual impact will be influenced by the value and final classification BC Assessment gives to the land and improvements for the Burnco site.



(i) Conclusions

“Based on:

- Information contained in Burnco's Application and the supplemental information provided during Application Review;
- The EAO's efforts at consultation with Aboriginal Groups, government agencies and members of the public, and Burnco's commitment to ongoing consultation;
- Comments on the Burnco Project made by Aboriginal Groups and government agencies, as members of the EAO's working group, and Burnco's responses and best efforts to address these comments;
- Comments on the Burnco Project received during public comment periods, and Burnco's responses to these comments;
- The design of the Burnco Project as specified in the proposed Schedule A (Certified Project Description) of the EAC, if issued, to be implemented by Burnco during all phases of the Burnco Project; and
- Mitigation measures identified as proposed conditions in Schedule B (Table of Conditions) of the EAC, if issued, to be undertaken by Burnco during all phases of the Burnco Project;

The EAO is satisfied that:

- The EA process has adequately identified and addressed the potential adverse environmental, economic, social, heritage and health effects of the Burnco Project, having regard to the proposed conditions set out in Schedule B (Table of Conditions) to the EAC, if issued;
- Consultation with Aboriginal Groups, government agencies, and the public have been adequately carried out and that efforts to consult with Aboriginal Groups will continue on an ongoing basis;
- Issues identified by Aboriginal Groups, government agencies and members of the public, which were within the scope of the EA, were adequately and reasonably addressed during Application Review;
- Practical means have been identified to prevent or reduce any potential adverse environmental, social, economic, heritage or health effects of the Burnco Project such that no direct or indirect significant adverse effect is predicted or expected;
- The potential for adverse impacts to the asserted Aboriginal Interests of Aboriginal Groups have been avoided, minimized or otherwise accommodated to an acceptable level;



- The provincial Crown has fulfilled its obligations for consultation and accommodation to Aboriginal Groups relating to the issuance of an EAC for the Burnco Project;
- The potential for adverse effects on the Aboriginal rights and title of Aboriginal Groups has been avoided, minimized or otherwise accommodated to an acceptable level; and
- The provincial Ministers of Environment and Climate Change Strategy and the Minister of Energy, Mines and Petroleum Resources will consider this assessment report and other accompanying materials in making their decisions on the issuance of an EAC to Burnco under the Act” (p. 27-28).

#### *Certified Project Description*

An Environmental Assessment Certificate includes a Certified Project Description (CPD), forming Schedule A of the Certificate, which describes the project design including project components and their locations. Three maps are included that show the general location, Certified Project Areas and Certified Marine Transport routes (Attachment A).

Key points in the CPD are:

- a) Maximum production volume of up to 1.6 million tonnes per annum of sand, gravel and rock, up to a maximum of 20 million tonnes over a maximum mine life of 16 years;
- b) The floating clamshell dredge, crushers, wash plant and conveyors, including the floating conveyor system, must be electric-powered;
- c) Barge loading will occur, on average, every other day with no more than 260 round trips per year, and materials will be transported to Burnco’s existing facilities in Burnaby and Langley.

Staff note that these are important statements that establish limits on the Project and may reduce impacts.

The CPD also provides details on the various components relating to:

- i. the excavation and conveyance of sand, gravel and rock;
- ii. processing and storage;
- iii. habitat compensation;
- iv. marine loading facility; and
- v. supporting infrastructure.

#### *Table of Conditions*

The EAO sets out a Table of Conditions (TOC) which describes how the project is to be undertaken and includes all legally binding conditions that will be part of the Certificate. At this stage, 25 draft conditions have been proposed and form part of the consultation.

Conditions with specific interest to the SCRD are:

No. 2 (Plan Development)

This condition sets out the required content for any plan program or other document required from the certificate holder. At this stage 25 conditions are proposed and form part of the current consultation. The TOC requires a number of plans to be developed including:

- No. 8 (Construction Environmental Management Plan)
- No. 9 (Care and Maintenance Plan)
- No. 12 (Fish and Fish Habitat)
- No. 13 (Environmental Flow Needs Report)
- No. 14 (Water Management)
- No. 15 (Wildlife Protection)
- No. 16 (Noise Management), and
- No. 17 (Air Quality Management and Monitoring)

The Noise Management Plan is an important provision and could be the means to mitigate a significant issue raised by the McNab Strata owners and SCRD.

Staff note that, while it is likely that all of the above will be considered in draft form as part of the Community Advisory Group noted under Condition No. 21 below, the SCRD should also be named as a referral agency under each plan or as an overarching requirement in Condition No. 2.

The TOC should also expressly state that the plans along with monitoring reports need to be available on the Project-specific, public webpage.

No. 3 (Consultation), No. 21 (Community Engagement), No. 22 (Public Communication)

These conditions set out the required process for consultation, that a Community Advisory Group (CAG) be established and that a dedicated Project website is created and maintained.

The CAG is to provide a mechanism for communication and engagement between the Holder, local governments and local stakeholder groups. Burnco is required to invite representation from at least:

- residents of the McNab Creek Strata and the Community of Douglas Bay;
- Sunshine Coast Regional District;
- First Nations;
- Gambier Island Local Trust Committee; and
- Thunderbird and Burrard Yacht Clubs

The Terms of Reference will be developed by Burnco in consultation with the CAG. There may be yearly reviews regarding the benefit of CAG and Burnco may then submit a request to the EAO to dissolve the group if it proves to be no longer beneficial.

Staff note that consideration needs to be given to alternatives if the potential members do not wish to or are unable to participate. The Assessment Report and Condition No. 21 should note that if the CAG cannot be established that the EAO will review the condition in consultation with the SCRD and Burnco in order to establish an alternative community consultation method.

**No. 7 (Independent Environmental Monitor)**

The monitor would be hired by Burnco and report to the EAO, regarding compliance and provide information to federal/provincial ministries and First Nations.

Staff recommend that if the CAG is established that information also be provided to it for review. The CAG Terms of Reference should set out which conditions are of specific interest and information should be provided on these matters. Noise is likely to be one such matter.

**No. 10 (Hours of Construction and Operation)**

The condition sets out hours of operation that match those in *Sunshine Coast Regional District Noise Control Bylaw No. 597, 2008* with an exception for barge loading. Barge loading times are limited to Monday to Friday and not on holidays.

“The following activities such as, routine maintenance work, office work, non-Construction activities and activities that do not involve the extraction of sand, rock and gravel, that do not generate excessive noise or light emissions are exempt from these requirements.”

Staff recommend that the EAO be notified that should the SCRD move forward with and adopt the rezoning application that the Board may establish conditions relating to hours of operation and construction. A local government may establish conditions of operation of a use permitted by a zoning bylaw amendment; this is secured by a covenant but could be incorporated in the zoning bylaw.

**No. 19 (Marine Transportation) and No. 20 (Marine Access Plan)**

“Tug and barge vessels transiting to or from the Burnco Project must use Ramillies Channel as the primary Certified Marine Transportation Route as defined in the Certified Project Description. If the Captain of the tug determines that, due to poor weather conditions or for other exceptional circumstances, the tug must use Thornbrough Channel, then any variation from the primary Certified Marine Transportation Route will be recorded and the reason for the deviation posted on the Project website required by condition 22 within seven days of that deviation.”

The Marine Access Plan will establish steps to avoid or mitigate “any disruption caused by the Project to access for members of Aboriginal Groups to carry out marine-based traditional use activities that have been identified and communicated by Aboriginal Groups to the Holder...”

No. 23 (Reclamation Management)

A Qualified Professional will be retained by Burnco to develop a reclamation and closure plan in consultation with EMPR, FLNR and Aboriginal Groups.

Conditions are also proposed to cover transfer of the Certificate and of interest in the Project.

*Organization and Intergovernmental Implications*

Burnco submitted an application to rezone the site to include processing as a permitted use. SCRDC has placed consideration of the application on hold until the results of the EA are known.

*Financial Implications*

Impact on taxation is noted above.

*Timeline for next steps or estimated completion date*

The EAO will review comments submitted during the 30-day period and may alter the draft documents. The EAO review is submitted to Provincial Ministers for decision. The EA process establishes a 45-day deadline for ministerial decision.

The Canadian Environmental Assessment Agency (CEAA) is also reviewing Burnco's proposal and has up until this point merged its process with that of the BC EAO. However, the review processes diverge at the decision stage.

The CEAA decision process is similar to that of the Province. CEAA is targeting commencing a 50-day public comment period in early December. CEAA's recommendations will be sent to the Federal Ministers who will make the decision. Staff will review any CEAA documents when they are available and provide further analysis.

In order to meet the EAO deadline for comments the Recommendations should be forwarded to the Board meeting of November 23, 2017.

*Communications Strategy*

Notice of the review was placed on the SCRDC website front page with a link to a project page (<http://www.scrdc.ca/BURNCO-Aggregate-Mine>) which includes a link to the EAO's Burnco project page (<https://projects.eao.gov.bc.ca/p/burnco-aggregate/detail>).

**STRATEGIC PLAN AND RELATED POLICIES**

Participation in the environmental assessment process contributes to the Strategic Priority to Embed Environmental Leadership.

## CONCLUSION

The BC EAO announced that the public is invited to comment on its proposed conditions and report regarding Burnco's application for an aggregate mine. The consultation period started on October 27 and closes on November 27, 2017.

Staff recommend that the following comments be provided to the EAO on to the draft conditions:

1. SCRD should also be named as a referral agency under each plan required in the Table of Conditions or as an overarching requirement in Condition No. 2;
2. Condition No. 21 should note that if the CAG cannot be established that the EAO will review the condition in consultation with the SCRD and Burnco in order to establish an alternative; and
3. The CAG Terms of Reference should set out which conditions are of specific interest and information should be provided on these matters.

If the SCRD moves forward with and adopts BURNCO's rezoning application for the processing area, the EAO should be aware that the Board may establish conditions relating to hours of operation and construction that differ from those set out in the environmental assessment certificate.

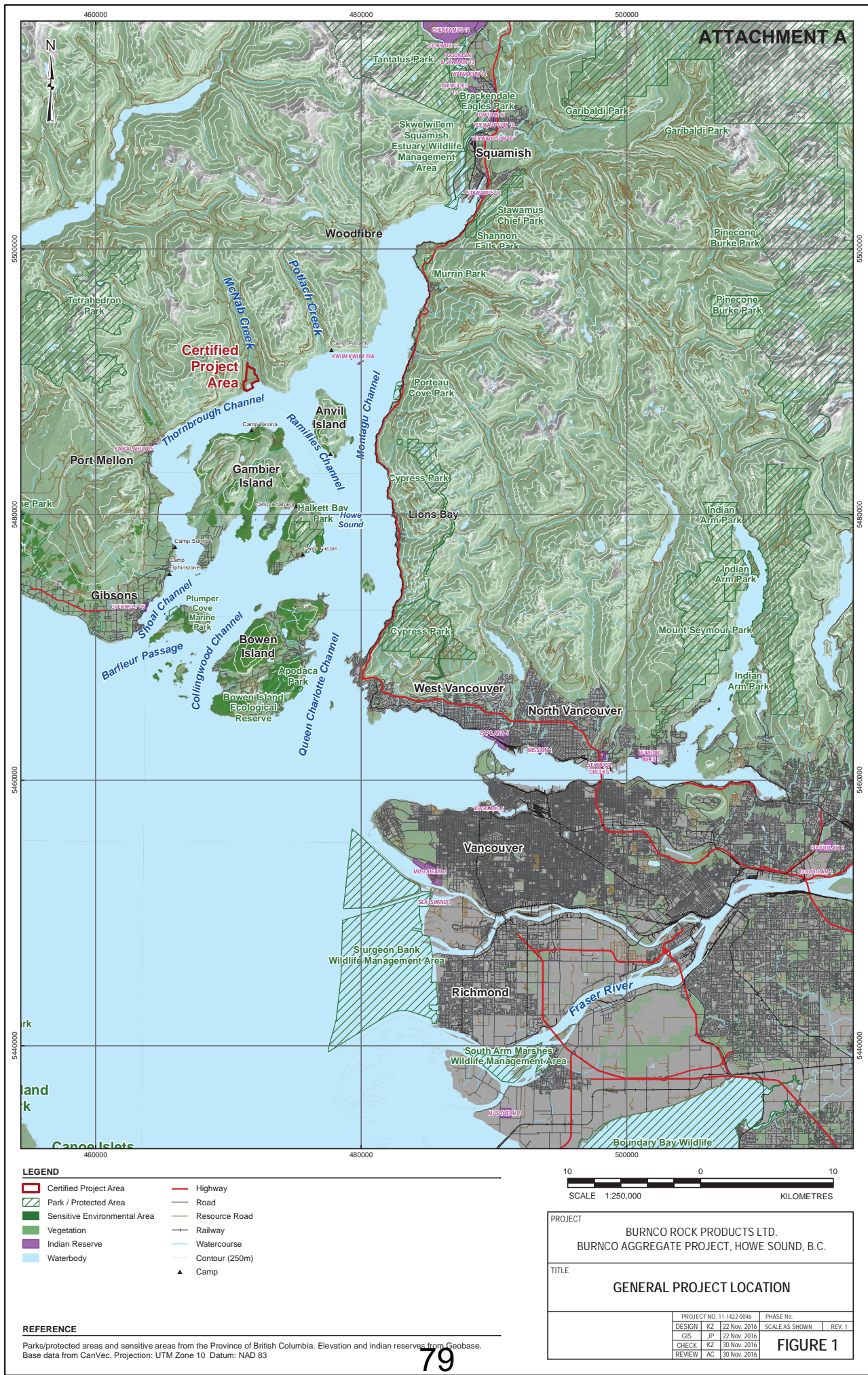
The recommendation should be forwarded to the Board meeting of November 23<sup>rd</sup> in order to meet the EAO deadline for comment.

### *Attachments*

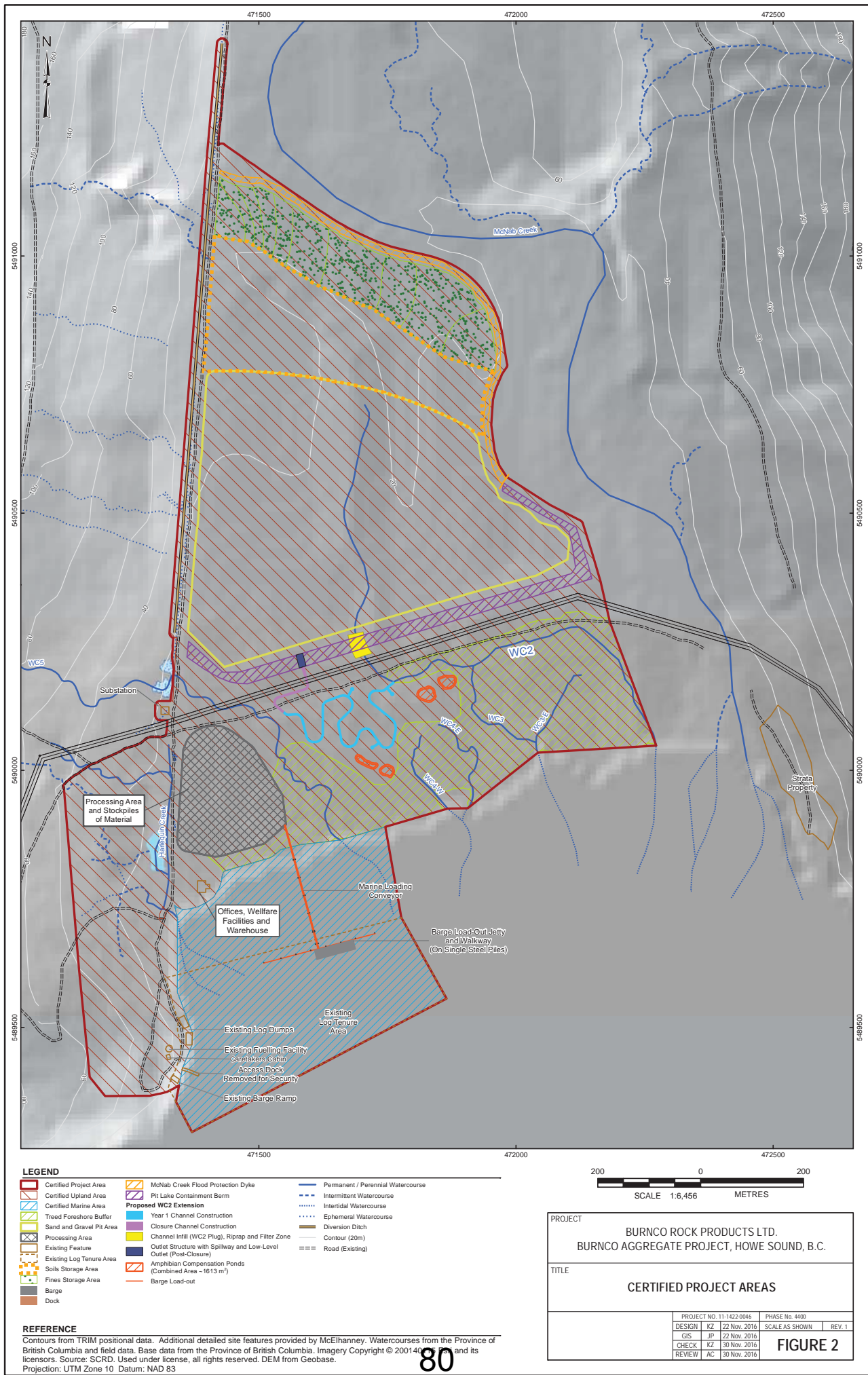
Attachment A – Figure 1 (Location of Burnco Project),  
Figure 2 (Burnco Project Area), and  
Figure 3 (Certified Barging Routes)

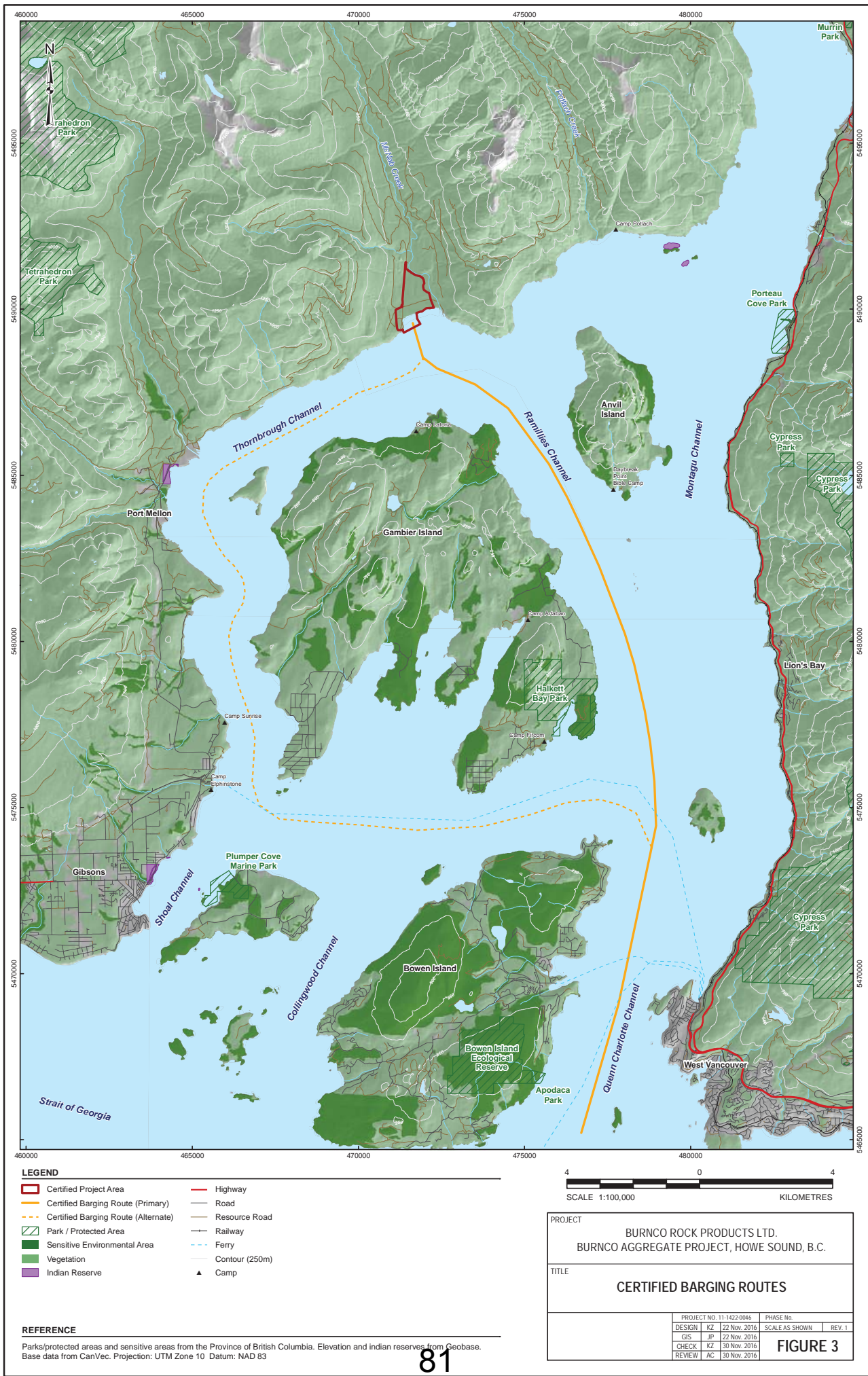
Reviewed by:			
Manager	X – A. Allen	Finance	
GM	X - I. Hall	Legislative	
CAO	X – J. Loveys	Other	













## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services – November 23, 2017  
**AUTHOR:** Dave Crosby, Manager, Utility Services – Special Projects  
**SUBJECT:** REGIONAL GROUNDWATER TASK FORCE DRAFT TERMS OF REFERENCE

---

### RECOMMENDATION(S)

**THAT the report titled Regional Groundwater Task Force Draft Terms of Reference be received;**

**AND THAT Regional Groundwater Task Force Terms of Reference be adopted.**

---

### BACKGROUND

The purpose of this report is to provide information and recommendations with respect to forming a Regional Groundwater Task Force (RGTF).

The following resolution was adopted at the October 26, 2017 Regular Board meeting:

300/17      **Recommendation No. 1**    *Groundwater Investigation to Supplement Chapman Creek Water Supply*

THAT the report titled Groundwater Investigation to Supplement Chapman Creek Water Supply be received;

AND THAT recommendations from the Groundwater Investigation to Supplement Chapman Creek Water Supply Report be brought forward to the 2018 Budget process;

AND FURTHER THAT the SCRD consult with the Town of Gibsons, District of Sechelt, and Sechelt Indian Government District regarding proposed aquifer exploration identified in the report, prior to concluding the 2018 Budget process.

**Recommendation No. 2**    *Terms of Reference*

*THAT terms of reference for a groundwater consultation process involving local government and stakeholders be prepared for Board review.*

## **DISCUSSION**

The purpose of the RGTF is to provide a forum for the staff of all four local governments to work towards solutions to address the region's water supply concerns.

Duties of the RGTS will include identifying all the local governments' concerns, sharing information and providing potential solutions.

Membership is to be comprised of no more than two staff from each local government on the Sunshine Coast, no more than two Waterline Resources consulting staff and no more than two Vancouver Coastal Health staff. Additional Sunshine Coast Regional District (SCRD) staff will serve as facilitator/co-chair (1) and administrative staff (1).

The RGTF will hold a minimum of three meetings with more meetings upon consensus. The last meeting will be held no later than March 2, 2018 to allow for time to prepare the summary report by March 15, 2018.

Staff recommend the RGTF Draft Terms of Reference be adopted.

### *Financial Implications*

The resources required to support a meeting varies; however, SCRD staff are allocated to the preparation of reports, agendas, minutes, providing meeting space as well as meeting attendance and follow-up.

### *Further Financial Implications*

The estimated cost to move forward with Stage 2 of the Groundwater Investigation study, which includes drilling and well installation at four sites, hydrogeological support during the field work, 48 hour pump testing, water quality testing and a technical report is \$325,000.

## **STRATEGIC PLAN AND RELATED POLICIES**

This report directly links to the set of values identified in the Strategic Plan.

The Regional Groundwater Task Force directly links to the set of values identified in the Strategic Plan.

More specifically, the Groundwater Investigation aligns with the following Strategic Priorities:

- Strategic Priority: Enhance Collaboration with *shíshálh* and Skwxwu7mesh Nations by respecting their review/comment process and their rights.
- Strategic Priority: Embed Environmental Leadership through the responsible management of the regions' water supply.
- Strategic Priority: Facilitate Community Development

The Comprehensive Regional Water Plan recommends to undertake a groundwater investigation (CRWP, p. 8-12).

## **CONCLUSION**

This report provides information and next steps with respect forming a RGTF consisting of the four Sunshine Coast local governments. The RGTF will provide a forum to address concerns with the region's water supply and provide the opportunity to work collaboratively and address solutions.

Staff recommend the RGTF Draft Terms of Reference be adopted.

Attachment: Regional Groundwater Task Force Draft Terms of Reference

Reviewed by:			
Manager		Finance	
GM	X-M. Day	Legislative	X-A. Legault
CAO	X-J. Loveys	Other	

## TERMS OF REFERENCE

### REGIONAL GROUNDWATER TASK FORCE

#### **1. Purpose**

- 1.1 The purpose of the “Regional Groundwater Task Force” is to:
- a. Provide for a forum for the staff at all 4 local government on the Sunshine Coast to work towards - in the spirit of cooperation and collaboration - solutions to address the region’s water supply concerns.

#### **2. Duties**

- 2.1 The “Regional Groundwater Task Force” will:
- a. Review, analyze and discuss the recommendations found in the report titled Groundwater Investigate to Supplement Chapman Creek Water Supply dated October 10, 2017.
  - b. To share information and knowledge on the topic of groundwater as it relates to the *Water Sustainability Act* and to build a common understanding of the environmental, technical and legislative requirements.
  - c. To identify all the local governments concerns and potential solutions to resolve their respective concerns.
  - d. Provide an agreed upon written summary outlining the concerns and potential solutions for the elected officials of all 4 local governments for their consideration no later than March 15, 2018.
- 2.2 The “Regional Groundwater Task Force” will be dissolved no later than March 15, 2018 or sooner if their objective has been met.

#### **3. Membership**

- 3.1 The “Regional Groundwater Task Force” is comprised of the following members:
- a. No more than 2 staff from each local government on the Sunshine Coast.
  - b. No more than 2 Waterline Resources consulting staff
  - c. No more than 2 Vancouver Coastal Health staff
- 3.2 Additional Regional District staff will be assigned to serve in the following capacity:
- a. 1 staff member to facilitate and/or co-chair Task Force meetings;
  - b. 1 staff member to provide administrative staff to assist in writing minutes and the final summary report.

#### 4. Operations

- 4.1 The “Regional Groundwater Task Force” will hold no less than 3 meetings and with consensus of Task Force members, agree to hold additional meetings. The last meeting will be held no later than March 2, 2018 to allow for time to prepare the summary report by March 15, 2018.
- 4.3 All Committee meetings must be open to the public except where the committee resolves to close a portion of it pursuant to Section 90 of the *Community Charter*.
- 4.4 The authority of the Committee is limited as follows:
- a. The “Regional Groundwater Task Force” does not have the authority to bind the SCRD in any way, nor engage or otherwise contact third parties, consultants, organizations or authorities in a manner which may appear to be officially representing the SCRD.
  - b. The “Regional Groundwater Task Force” may communicate with external organizations and agencies to collect information and make inquiries.
  - c. Where the “Regional Groundwater Task Force” wishes to express opinions or make recommendations to external organizations and agencies, it must first obtain authorization from the SCRD Board.
- 4.5 Task Force members are encouraged to:
- a. attend and participate in discussions in a meaningful and constructive manner
  - b. share experiences and ideas while maintaining an open mind to others’ perspectives
  - c. be able to dedicate approximately 6 - 10 hours to the work of the Task Force.
- 4.6 Unless otherwise provided for, meetings shall be conducted in accordance with the rules of procedure set out in the Board Procedure Bylaw.
- 4.7 Task Force members are subject to the Conflict of Interest legislation outlined in Section 100 – 109 of the *Community Charter*. The terms “Council” and “Committee” shall be interchangeable for the purpose of interpretation of these sections.
- 4.8 Committee members must respect and maintain the confidentiality of the issues brought before them.

#### 5. Reference Documents

- 5.1 SCRD Procedure Bylaw No. 474
- 5.2 *Community Charter*, Section 100 – 109 – Conflict of Interest
- 5.3 *Community Charter*, Section 90 – Open/Closed Meetings

Approval Date:		Resolution No.	
Amendment Date:		Resolution No.	
Amendment Date:		Resolution No.	

## **SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT**

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Bob Rebner, Operations Support Technician

**SUBJECT:** REGIONAL WATER SERVICE AREA 2018 RATE BYLAW AMENDMENT

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### **RECOMMENDATION(S)**

**THAT the report titled Regional Water Service Area 2018 Rate Bylaw Amendment be received;**

**AND THAT the Water Rates Bylaw 422, Schedule 'B' be amended to increase the Regional Water Service Area Land Charges (Parcel Taxes) by 0.95%, User Fees by 2.87%, and Metered Usage Fees by 3.85% in 2018;**

**AND FURTHER THAT the 2018-2022 Financial Plan be amended accordingly.**

---

### **BACKGROUND**

The Sunshine Coast Regional District (SCRD) Board adopted the 2013 Comprehensive Regional Water Plan (CRWP) in June 2013. The Plan outlines how to sustain desired service levels through a balance of demand management (conservation) initiatives, supply-side development (infrastructure expansion), asset replacement and rehabilitation.

The purpose of this report is to recommend 2018 rate increases for the Regional Water Service Area (RWSA) which aligns with the current model.

### **DISCUSSION**

The primary objective in rate determination is setting appropriate, sustainable and equitable charges and fees that help the utility achieve full cost recovery by determining the funding envelope required to service RWSA customers over the long term while maintaining financial sustainability.

The two primary sources of revenue for the RWSA are parcel taxes and user fees. Parcel taxes are calculated as a function of parcel size and levied against all parcels within the RWSA. User fees are composed of flat rate water user fees, which are levied on all residential water users within the RWSA, as well as metered water rates that are levied on ICI (industrial, commercial and institutional) water users.

The desired methodology for the allocation of expenditures and revenues within the RWSA is based on the principle that parcel tax revenues fund capital expenditures (and associated debt) and that user fee revenues fund operating related expenditures. Under the current rate structure, parcel taxes are subsidizing user fees, which requires a revenue adjustment period

that will result in user fees increasing at a faster rate than parcel taxes in order to ensure that revenues are equitably aligned over time.

Staff utilize a financial modelling tool designed by Opus DaytonKnight to determine water rates on an annual basis which incorporates numerous variables, in order to set required revenues to support the operating and capital expenditure requirements of the service area in the short and long term.

The financial modelling tool takes into account the consideration that the RWSA will be moving towards universally metered water rates in the future. Based on existing residential consumption estimates and current flat and metered water rate charges, this would require that existing metered rates increase at a faster rate than non-metered rates over the next several years in order to be at an equitable rate when the SCRD completes the transition.

The current rate determination process is largely built off of the CRWP document and associated capital project initiatives, however there is a process to update rates which can considerably be impacted by updated cost estimates, newly identified capital initiatives, amendments in budgeted funding sources (i.e. grant funding, debt, etc.), and/or service level increases. Staff review and update the financial modelling tool annually to account for any of these revisions.

### *Financial Implications*

Table 1 (below) identifies the projected increases to parcel taxes, non-metered water user fees, and ICI metered water rates for the next year.

Table 1: RWSA Rate Increase Recommendations

	<b>2017</b>	<b>2018</b>
Residential Parcel Taxes	\$255.41	\$257.84
% Annual Increase		0.95%
Residential User Fees	\$266.00	\$273.63
% Annual Increase		2.87%
ICI Metered Usage Rate (per m <sup>3</sup> )	\$0.78	\$0.81
% Annual Increase		3.85%

### *Communications Strategy*

Information regarding rate changes will be communicated on utility invoices sent to customers in 2018.

## **STRATEGIC PLAN AND RELATED POLICIES**

Annual reviews and adjustments of fees and charges is consistent with Section 4.2.2 of the Financial Sustainability Policy, and aligns with the key strategic priority – ‘Ensure Fiscal Sustainability’ of the 2015-2018 Strategic Plan.

## **CONCLUSION**

In order to maintain current service levels, meet future operational expenses, proceed with the RWSA Capital Plan and fund future asset replacement and rehabilitation, it is recommended that the Regional Water Rates Bylaw 422, 'Schedule B' be amended to incorporate the annual increases identified in Table 1, for 2018.

Reviewed by:			
Manager	X-S. Walkey	CFO/Finance	X-T. Perreault
GM	X-M. Day	Legislative	
CAO	X-J. Loveys	Other	



## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Bob Rebner, Operations Support Technician

**SUBJECT:** NORTH PENDER HARBOUR WATER 2018 RATE BYLAW AMENDMENT

---

### RECOMMENDATION(S)

**THAT the report titled North Pender Harbour Water Service Area 2018 Rate Bylaw Amendment be received;**

**AND THAT the Water Rates Bylaw 422, Schedule 'D' be amended to increase the North Pender Harbour Water Service Area User Fees and Metered Usage Fees by 8.5% in 2018;**

**AND FURTHER THAT the 2018-2022 Financial Plan be amended accordingly.**

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### BACKGROUND

The North Pender Harbour Water Service Area (NPHWSA) consists of approximately 770 parcels and 530 billable water users. Current parcel tax and user rates per single family dwelling are \$320.23 and \$235.93 respectively.

Water rate reviews are performed on an annual basis to ensure fiscal responsibility and to meet revenue requirements in current and future periods. The purpose of this report is to recommend 2018 rate increases for the NPHWSA

### DISCUSSION

Since the Sunshine Coast Regional District (SCRD) assumed the management and fiscal responsibility of the NPHWSA in 2007, it has been the organization's goal to work towards upgrading the capital infrastructure in the service area while meeting and exceeding the Canadian Drinking Water Quality Standards in the area.

Due to the small tax/user base that the area is composed of, funding major capital upgrades while mitigating large increases in rates is a challenge. Through the availability of federal and provincial grants and careful financial management, the SCRD has been able to keep rate increases moderate over the years.

### *Options and Analysis*

The NPHWSA 10-Year Plan (*draft*) identifies approximately \$2.25M in future capital upgrades required over the next 8 years, primarily to the water distribution network. In addition, the plan recognizes inflationary pressures related to rising infrastructure and materials and other operating costs.

Establishing the desired levels of parcel taxes and user fees to fund both capital and operating budget requirements is important in long term planning. In the review of water rates for the NPHWSA, staff have followed the approach that has been taken in the Regional Water Service Area (RWSA), where parcel tax revenues should fund capital expenditures, while user fees should cover annual operating expenditures. Under the existing NPHWSA rate schedule, parcel taxes are subsidizing user fees which means that user fees need to be increased to ensure that revenues are equitably recovered over time.

### *Financial Implications*

A conservative and realistic approach was taken when updating the 10-Year Capital Plan for the NPHWSA, taking into account available reserve funds, capital project plans, and available grant funding programs such as the Clean Water and Wastewater Fund, through which the SCRD was successful in its application for \$1.65M to fund high priority water main upgrades in the region.

Taking into account all of the variables that impact revenue requirements, it is recommended that user fees and meter rates be increased by 8.5% for 2018 and parcel taxes be maintained at current levels. The proposed rate increase will amount to an annual increase of \$20.05 per single family dwelling in 2018. Total annual user fee revenue for the NPHWSA will increase by an estimated \$12,750.

### *Communications Strategy*

Information regarding rate changes will be communicated on utility invoices sent to customers in 2018.

## **STRATEGIC PLAN AND RELATED POLICIES**

Annual reviews and adjustments of fees and charges is consistent with Section 4.2.2 of the Financial Sustainability Policy, and aligns with the key strategic priority – ‘Ensure Fiscal Sustainability’ of the 2015-2018 Strategic Plan.

## **CONCLUSION**

In order to maintain current service levels and meet future operational and capital expenditures, an 8.5% increase to water user fees and meter rates is recommended for 2018.

Reviewed by:			
Manager	X-S. Walkey	CFO/Finance	X-T. Perreault
GM	X-M. Day	Legislative	
CAO	X-J. Loveys	Other	

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Bob Rebner, Operations Support Technician

**SUBJECT:** SOUTH PENDER HARBOUR WATER 2018 RATE BYLAW AMENDMENT

---

### RECOMMENDATION(S)

**THAT the report titled South Pender Harbour Water Service Area 2018 Rate Bylaw Amendment be received;**

**AND THAT the Water Rates Bylaw 422, Schedule 'E' be amended to increase the South Pender Harbour Water Service Area User Fees and Metered Usage Fees by 5.5% in 2018;**

**AND FURTHER THAT the 2018-2022 Financial Plan be amended accordingly.**

---

### BACKGROUND

The South Pender Harbour Water Service Area (SPHWSA) consists of approximately 1,045 parcels and 900 billable water users. Current parcel tax and user rates per single family dwelling are \$372.86 and \$324.38 respectively.

Water rate reviews are performed on an annual basis to ensure fiscal responsibility and to meet revenue requirements in current and future periods. The purpose of this report is to recommend 2018 rate increases for the SPHWSA

### DISCUSSION

Since the Sunshine Coast Regional District (SCRD) assumed the management and fiscal responsibility of the SPHWSA in 2007, it has been the organization's goal to work towards upgrading the capital infrastructure in the service area while meeting and exceeding the Canadian Drinking Water Quality Standards in the area.

Due to the small tax/user base that the area is composed of, funding major capital upgrades while mitigating large increases in rates is a challenge. Through the availability of federal and provincial grants and careful financial management, the SCRD has been able to keep rate increases moderate over the years.

#### *Options and Analysis*

The SPHWSA 10-Year Plan (*draft*) identifies approximately \$5.6M in future capital upgrades required over the next 8 years, primarily to the water distribution network as well as upgrades to the Francis Peninsula and Dogwood Reservoir. In addition, the plan recognizes inflationary pressures related to rising infrastructure and materials and other operating costs.

Establishing the desired levels of parcel taxes and user fees to fund both capital and operating budget requirements is important in long term planning. In the review of water rates for the SPHWSA, staff have followed the approach that has been taken in the Regional Water Service Area (RWSA), where parcel tax revenues should fund capital expenditures, while user fees should cover annual operating expenditures. Under the existing SPHWSA rate schedule, parcel taxes are subsidizing user fees which means that user fees need to be increased to ensure that revenues are equitably recovered over time.

#### *Financial Implications*

A conservative and realistic approach was taken when updating the 10-Year Capital Plan for the SPHWSA, taking into account available reserve funds, capital project plans, and available grant funding programs such as the Clean Water and Wastewater Fund, through which the SCRD was successful in its application for \$1.65M to fund high priority water main upgrades in the region.

Taking into account all of the variables that impact revenue requirements, it is recommended that user fees and meter rates be increased by 5.5% for 2018 and parcel taxes be maintained at current levels. The proposed rate increase will amount to an annual increase of \$20.80 per single family dwelling in 2018. Total annual user fee revenue for the SPHWSA will increase by an estimated \$22,000.

#### *Communications Strategy*

Information regarding rate changes will be communicated on utility invoices sent to customers in 2018.

### **STRATEGIC PLAN AND RELATED POLICIES**

Annual reviews and adjustments of fees and charges is consistent with Section 4.2.2 of the Financial Sustainability Policy, and aligns with the key strategic priority – ‘Ensure Fiscal Sustainability’ of the 2015-2018 Strategic Plan.

### **CONCLUSION**

In order to maintain current service levels and meet future operational and capital expenditures, a 5.5% increase to water user fees and meter rates is recommended for 2018.

Reviewed by:			
Manager	X-S. Walkey	CFO/Finance	X-T. Perreault
GM	X-M. Day	Legislative	
CAO	X-J. Loveys	Other	

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Angie Legault, Senior Manager, Administration and Legislative Services

**SUBJECT:** REMOVING APPLICATION FORMS FROM BYLAWS 422 AND 428

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### RECOMMENDATION(S)

**THAT** the report titled Removing Service Application Forms from Bylaws 422 and 428 be received;

**AND THAT** bylaw amendments be prepared for the December 14, 2017 Board meeting to remove Schedule A from Bylaws 422 and 428.

---

### BACKGROUND

As was the custom at the time, both *SCRD Water Rates and Regulations Bylaw No. 422* and *SCRD Sewage Treatment Facilities Service Unit Bylaw No. 428* include service application forms as schedules attached to and forming part of the bylaws. This outdated practice limits the SCRD's flexibility to modify forms and respond to changing requirements.

### DISCUSSION

The SCRD has continued to use the forms contained in Bylaws 422 and 428; however updates are required. The forms are completed manually, which is time consuming and doesn't meet current service expectations.

As part of the SCRD's investment in land management software, an opportunity has been identified to improve business efficiencies by utilizing eForm functionality for water and sewer service applications. The new software can automatically populate ownership information and property details and the electronic form can be linked to the subject property to provide quick access for future reference.

#### Option 1

Prepare amendments for Bylaws 422 and 428 to remove the application forms from the bylaws. This option provides staff with the flexibility to make adjustments to application forms to meet changing requirements in a timely manner and improve efficiency. Staff recommend this option.

#### Option 2

Status quo. Staff do not recommend this option.

**STRATEGIC PLAN AND RELATED POLICIES**

n/a

**CONCLUSION**

SCRD Bylaws 422 and 428 include service application forms as schedules attached to and forming part of the bylaws. This outdated practice limits the SCRD's flexibility to modify forms, respond to changing requirements in a timely manner, and best utilize new software functionality.

Staff recommend that housekeeping amendments be prepared to remove service application forms from Bylaws 422 and 428.

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Robyn Cooper, Manager, Solid Waste Services

**SUBJECT:** 2018 REFUSE COLLECTION [355] FEE REVIEW

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### RECOMMENDATION(S)

**THAT** the report titled 2017 Refuse Collection [355] Fee Review be received;

**AND THAT** Schedule A of Bylaw 431 be amended to increase annual refuse collection fees by 1% for 2018;

**AND FURTHER THAT** the 2018-2022 Financial Plan be amended accordingly.

---

### BACKGROUND

The purpose of this report is to present the results of the 2017 refuse collection fee annual review that includes a recommended increase to fees for 2018.

The following resolution was approved at the Regular Board meeting on January 26, 2012:

#### **034/12 Recommendation No. 7 (Part)**

*AND THAT the following decision packages be approved and incorporated into the Round 2 Budget:*

- *Package 2 - \$42,000, Increase to base budget in Contracts Operating, Line Item 01-2-355-262, for collection contract costs and an 11% increase to refuse collection fees in 2012 and 5% per year thereafter and reviewed on an annual basis;*

### DISCUSSION

#### *Financial Implications - Refuse Collection User Fees*

Refuse collection fees were increased by 11% in 2012, 5% in 2013, 2014 and 2015, 3% in 2016 and 1% in 2017 to fund increased collection contract costs and increased disposal costs resulting from landfill tipping fee increases.

The existing refuse collection contract expires February 28, 2019 and includes annual increases to collection costs.

The current base budget has been reviewed and it is recommended that a 1% increase be implemented in 2018 to fund increases to the collection contract and support service costs.

This proposed rate increase would result in an additional \$8,353 in annual revenue.

Table 1 below is a summary of past rate increases dating back to 2012 and includes the recommended rate increase for 2018.

<b>Table 1: Refuse Collection Rates 2012-2017*</b>							
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>
<b>Residential Single Family Dwelling</b>							
Annual Collection Fee	120.78	126.82	133.16	139.82	144.01	145.45	146.90
\$ Increase over Prior Year	11.97	6.04	6.34	6.66	4.19	1.44	1.45
% Increase over Prior Year	11%	5%	5%	5%	3%	1%	1%
<b>Mobile Home in a Mobile Home Park</b>							
Annual Collection Fee	101.82	106.91	112.26	117.87	121.41	122.62	123.85
\$ Increase over Prior Year	10.09	5.09	5.35	5.61	3.54	1.21	1.23
% Increase over Prior Year	11%	5%	5%	5%	3%	1%	1%
*2018 rates are based on the recommended 1% increase and are subject to Bylaw amendment							

### *Financial Implications - Rate Stabilization Operating Reserve*

The rate stabilization operating reserve currently has a balance of \$46,000 which is equivalent to 5.5% of annual user fee revenue. A surplus is being projected for 2017 which will likely result in a further contribution to the reserve fund.

The recommended rate increase of 1% will allow for a balanced budget in 2018 based on current preliminary estimates. With no increase in user rates, the reserve fund would need to be drawn down to balance the budget.

## **STRATEGIC PLAN AND RELATED POLICIES**

Consistent with Section 4.22 of the Financial Sustainability Policy:

4.2.2. Policy: Fees and charges will be reviewed annually and adjusted where appropriate. Reviews will include an analysis of the Regional District's costs of providing the service, as well as a comparison to other similar local governments.

## **CONCLUSION**

Based on current projections, to fund increases to the collection contract as well as to allow for a modest contribution to the operating reserve, it is recommended to increase the refuse collection fee by 1% for 2018.

Reviewed by:			
Manager	X-R. Cooper	CFO/Finance	X-T. Perreault
GM	X-M. Day	Legislative	
CAO	X-J. Loveys	Other	



## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 23, 2017

**AUTHOR:** Robyn Cooper, Manager, Solid Waste Services

**SUBJECT:** **ELECTED OFFICIALS SOLID WASTE WORKSHOP SUMMARY AND RECOMMENDED DIRECTION**

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### RECOMMENDATION(S)

**THAT the report titled Elected Officials Solid Waste Workshop Summary and Recommended Direction be received;**

**AND THAT the following agreed upon direction heard at the Elected Officials Solid Waste Workshop be integrated into the SCRD Solid Waste work plan:**

- Implementation of regional disposal bans for recycling and commercial organics
- Investigate engineering options for increased capacity at the Sechelt Landfill

**AND FURTHER THAT an updated SCRD Solid Waste work plan be presented at the December 21, 2017 Infrastructure Services Committee meeting.**

---

### BACKGROUND

An Elected Officials Solid Waste Workshop was held on October 24, 2017.

The workshop was an opportunity for all local government elected officials to engage in dialogue together and for everyone to gain a better understanding of the state of solid waste on the Sunshine Coast.

The guiding theme for the workshop was that the Sechelt Landfill has an estimated life span of ten to twelve years with business as usual and that substantive decisions need to be made by the Sunshine Coast Regional District (SCRD) Board soon on how to proceed with bans, bylaw updates, and program delivery options.

The workshop was facilitated by the SCRD Chief Administrative Officer (CAO) and included presentations given by the Manager, Solid Waste Services and financial information on solid waste provided by the General Manager, Corporate Services / Chief Financial Officer. Carey McIver from Carey McIver and Associates provided a presentation on best practices in BC and provided solid waste expertise throughout the workshop.

After the presentations, a facilitated discussion was held to help gauge the Member Municipalities' Councils interest in regional cooperation and collaboration for programming and services.

## **DISCUSSION**

Elected Officials from the District of Sechelt, Sechelt Indian Government District, Town of Gibsons, and all the SCRD Electoral Area Directors participated in the workshop.

During the discussion, workshop participants were asked:

1. Will you support the implementation of regional bans with the following:
  - a. Recycling bans
  - b. Food scraps – commercial
  - c. Food scraps – residential
2. Do you want to be a part of a regional service for curbside collection with the following:
  - a. Garbage
  - b. Recycling
  - c. Organics
3. How can policy decisions and communications be improved?

In summary, there was agreement to implement regional bans for recycling and commercial food scraps. A residential food scraps ban could be considered in the future once residential food scraps diversion programs are in place.

There was not agreement for participating in any regional curbside services.

Suggestions for improving policy decisions and communications included continuing to host Elected Officials solid waste workshops, creating a task force with representatives from all governments including elected officials and staff, and SCRD representatives to attend member municipality meetings.

After the facilitated discussion, the workshop participants were asked if there were any other questions or comments related to landfill management. There was agreement to investigate what, if any, engineering options exist to increase capacity at the Sechelt Landfill.

A detailed summary of the workshop is included as Attachment A.

### *Timeline for next steps*

An updated Solid Waste work plan incorporating the agreed upon direction from the October 24, 2017 Elected Officials Solid Waste Workshop is being prepared and will be brought forward to the December 21, 2017 Infrastructure Services Committee meeting.

The Draft Organics Diversion Strategy and Timeline will be brought forward to the December 21, 2017 Infrastructure Services Committee meeting for adoption.

### *Financial Implications*

Based on the results from upcoming Board decisions, budget proposals for Solid Waste will be prepared and presented at the Round 1 budget meeting in January 2018.

## **STRATEGIC PLAN AND RELATED POLICIES**

There are a number of Strategic Priorities which relate to the overall objective of the workshop such as Embed Environmental Leadership, Ensure Fiscal Sustainability and Enhance Board Structure and Processes.

The 2011 Solid Waste Management Plan continues to be a guiding policy document.

## **CONCLUSION**

An Elected Officials Solid Waste Workshop was held on October 24, 2017.

As part of the workshop, a discussion was held to help identify opportunities for regional cooperation and collaboration. There was agreement that regional disposal bans be implemented for recycling and commercially generated organics as well as, exploring engineering options for increasing capacity at the Sechelt Landfill.

Staff are preparing an updated Solid Waste work plan that incorporates the direction provided at the workshop. The report will be brought forward to the December 17, 2017 Infrastructure Services Committee meeting.

## **ATTACHMENT – Elected Officials Solid Waste Workshop Summary**

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X-J. Loveys	Other	



# Sunshine Coast Regional District

## **Elected Officials Solid Waste Workshop**

## **Summary Report**

Report to the Corporate and Administrative Services Committee

November 23, 2017

Solid Waste Services

Sunshine Coast Regional District

## SUNSHINE COAST REGIONAL DISTRICT

### SUMMARY REPORT

#### Elected Officials Solid Waste Workshop

#### Elected Officials Solid Waste Workshop Summary Report

This report serves as a summary of the Elected Officials Solid Waste Workshop that was held on October 24, 2017 at Frank West Hall located in SCRD Electoral Area E, Elphinstone.

#### Structure of the Report

- Overview of Workshop Attendance
- Overview of the Presentation
- Overview of the Solid Waste Discussion
- Overarching Themes of the Solid Waste Discussion
  - Material Bans from Landfill – General Discussion
  - Regional Ban on Recyclable Items
    - Support Expressed
    - Concerns Expressed
  - Regional Food Scraps Ban – Commercial and Residential
    - Support Expressed
    - Concerns Expressed
    - Questions/Comments
  - Regional Curbside Collection Service
    - Support Expressed
    - Concerns Expressed
    - Questions/Comments
  - Policy Decisions and Communication Improvement
    - Questions/Comments
  - Landfill Management
    - Support Expressed
    - Concerns Expressed
    - Questions/Comments
- Supporting Documents
  - Appendix 1: Summary Results of the Discussion by Jurisdiction
  - Appendix 2: Workshop presentation

## **Workshop Attendance**

In total, 14 elected officials and 1 municipal staff attended the workshop. A summary is provided below. There were no members of the public or media present.

\*Indicates municipal elected official who is also an SCRD Director as of October 24, 2017.

### District of Sechelt

Mayor Milne, Councillor Inkster\*, Councillor Siegers, and Councillor Wright.

### Sechelt Indian Government District

Councillor Julius\*, and Diane Hill, Financial Officer.

### Town of Gibsons

Mayor Rowe, Councillor Lumley, Councillor Valeriote\* and Councillor White.

### SCRD Electoral Area Directors

Director Lebbell (Area B – Roberts Creek), Director Lewis (Area E – Elphinstone), Director Mauro (Area A – Pender Harbour & Egmont), Director Nohr (Area B – Halfmoon Bay) and Director Winn (Area F – West Howe Sound).

### SCRD Staff and Consultant Services

Janette Loveys, CAO, Tina Perrault, General Manager, Corporate Services/Chief Financial Officer, Robyn Cooper, Manager, Solid Waste Services, Kara McDougall, Waste Reduction Coordinator, Tracy Ohlson, Infrastructure Services Assistant and Carey McIver, Carey McIver and Associates.

## **Presentations**

The workshop included two presentations on solid waste.

SCRD staff Ms. Cooper and Ms. Perrault gave the first presentation which summarized the SCRD's current solid waste management context including the legislative framework, disposal and diversion rates, funding and expenditures related to the landfill, current service delivery model and upcoming service delivery decisions.

The consultant, Ms. McIver, provided an overview of best practices in solid waste in BC and a history of solid waste diversion and disposal options in the Regional District of Nanaimo (RDN). Ms. McIver attended the workshop as a subject matter expert and has 30+ years' experience in municipal solid waste management, both at the RDN and for the past six years as a consultant for regional districts across BC.

Using RDN as a case study, topics from Ms. McIver's presentation included the landfill siting process, landfill capacity expansion, alternative disposal options and best practices in waste diversion including bans on regulated materials (i.e. food scraps), curbside collection programs and regional cooperation on solid waste service delivery.

Key points raised during Ms. McIver's presentation included:

- A landfill capacity crisis tends to spur action to significantly reduce and divert waste in a region.
- Siting a landfill is a lengthy and difficult process. After many years of research and consultation, the RDN abandoned plans to site a new landfill in their region.
- It is highly unlikely to recover costs of a new landfill, unless it is expected to receive 100,000 tonnes of waste per year. The SCRD currently disposes less than 13,000 tonnes per year.
- In general, options for waste disposal in BC include waste export, landfill expansion (to extend existing landfills) and siting a new landfill. Options for residuals processing are incineration, gasification and pyrolysis\*.

\*Note: The SCRD's 2011 Solid Waste Management Plan asserts that the SCRD will not use incineration.

A copy of each presentation is included as Appendix 2.

### **Overview of the Discussion**

CAO Loveys led a facilitated discussion in the latter half of the workshop.

Elected officials sat in groups at three tables. CAO Loveys asked workshop attendees to first write down answers to three overarching questions and to share their answers with other elected officials at their tables. At the end of this exercise, all member municipality elected officials and Electoral Area Directors were invited to report back their responses to the group. The SCRD recorded notes of the responses to the questions, summarized in Appendix 1.

### **Discussion Questions**

- 1) Will you support the implementation of regional bans with the following:
  - a) Recycling bans
  - b) Food scraps – commercial
  - c) Food scraps – residential
- 2) Do you want to be part of a regional service for curbside collection with the following:
  - a) Garbage
  - b) Recycling
  - c) Organics
- 3) How can policy decisions and communications be improved?

## Overarching Themes from Discussion

Common themes recorded from the discussion included:

- An overall sense of urgency regarding the current Sechelt Landfill lifespan projected at 10 years.
- Broad desire for SCRD staff to investigate options to expand existing Sechelt Landfill.
- Broad support for regional bans for recycling (regulated items) and commercial food scraps.
- Probable support for a regional ban on residential food scraps. However, broad support for first prioritizing education and implementing a commercial food scraps ban before a residential ban.
- Limited support, in the short term, for a regional curbside collection service for garbage, recycling and/or organics.
- Broad support for depot recycling model over curbside collection except for Area B which prefers a curbside service and for DOS and SIGD, which have curbside recycling services already in place.
- Support for continued meetings between the SCRD Board members and municipal elected officials on specific issues.



### MATERIALS BANS FROM LANDFILL – GENERAL COMMENTS

#### Questions/Comments

- Question asked of what is difference between a ban and a regulated item? Ms. Cooper explained that a regulated item is a method of a ban where if a regulated item is disposed as garbage (based on a pre-determined threshold), a higher tipping fee is applied to the entire load and paid for at the time of disposal. The SCRD currently uses this model. Items become regulated either as directed by the Ministry of Environment or as identified in SCRD bylaws.
- Some elected officials prefer materials being regulated vs a ban to encourage rather than enforce.
- Majority support an education period first, then implementing and enforcing bans on certain materials.
- One comment regarding need to update SCRD bylaws to include regulated or banned materials.
- One comment regarding unique barriers for residents in townhomes/condos.



### REGIONAL BAN ON RECYCLABLE MATERIALS

#### Support Expressed

- Broad support to implement a regional ban on regulated recyclable materials (i.e. materials accepted via a provincial stewardship program)
- One suggestion to have significant fines for non-compliance with regulated materials.

#### Concerns Expressed

- No concerns mentioned.





## REGIONAL FOOD SCRAPS BAN – COMMERCIAL AND RESIDENTIAL

### Support Expressed

- Broad support for a ban on commercial food scraps from the landfill and prioritizing this initiative over a residential food scraps ban.

### Concerns Expressed

- No concerns mentioned.

### Questions/Comments

- Some comments regarding how to enforce a food scraps ban and having thresholds at the landfill.
- One comment to budget for a commercial food scraps ban for implementation in 2018.
- One comment to implement both commercial and residential food scrap bans to be fair and keep a level playing field.



## REGIONAL CURBSIDE COLLECTION SERVICES

### Support Expressed

- Very limited support for regional curbside collection services.
- Some elected officials from member municipalities indicated that support for regional curbside services may occur in a few years if and once municipalities and SCRD have their own curbside services and programs in place.
- May be opportunities for regional cooperation on services and programs (i.e. consistent messaging or joint negotiations with haulers) rather than service delivery.

### Concerns Expressed

- Concerns from member municipalities regarding regional service costs and cross-subsidization of regional services.
- Comments from member municipalities regarding losing autonomy on service provision and slow pace at the regional level regarding contract tendering.
- Frustration expressed regarding current lack of willingness to collaborate on a regional service.

### Questions/Comments

- Comments regarding ability at municipal level to be more flexible and nimble than at the regional level.
- One comment stating that if curbside organics happens, then curbside garbage collection could shift to every-other-week (EOW).



## POLICY DECISIONS AND COMMUNICATIONS IMPROVEMENT

### Suggestions/Comments

- Broad support for continued opportunities for SCRD Board to Council communications and information sharing via issue-specific workshops/meetings, presentations to councils, etc.
- Create a formal task force made up of elected officials and staff.
- Improve SCRD staff to municipal staff communications.
- Suggestion to use community associations as a communication tool to residents.

- Continued support for the SCRD Community Dialogues and SCRD Bulletin Board ad in Coast Reporter.

## **LANDFILL MANAGMENT**

### **Support Expressed**

- Broad support for SCRD staff to investigate engineered options and financial implications to extend the lifespan of the Sechelt Landfill at its current location.
- Some support to begin landfill siting research now.
- Some support to begin analysis now regarding various disposal options and costs.

### **Concerns Expressed**

- One concern about the possible inability to site a new landfill in the remaining landfill capacity timeframe. Siting a landfill takes time and there is limited time.
- One concern about the current site of the Sechelt Landfill.
- Concerns if landfill were to close that the SCRD would have limited to no control or authority over its waste flow and could be held hostage to external forces and market conditions.

### **Suggestions/Comments**

- One comment that the Ministry of Environment will want to see that the SCRD is doing all it can regionally regarding waste reduction and diversion prior to landfill siting.

### **Supporting Documents**

The following supporting documents are attached to this report:

Appendix 1: Summary Results of the Discussion by Jurisdiction

Appendix 2: Presentation

# Appendix 1

## Discussion Summary

Questions for Workshop Participants	Member Municipality
	District of Sechelt
<b>#1. Will you support the implementation of regional bans with the following:</b>  <b>1a) Recycling bans?</b> <b>1b) Food scraps – commercial?</b> <b>1c) Food scraps – residential?</b>	<p>1a) Yes</p> <p>1b) Three council members yes; one prefers education first then ban.</p> <p>1c) Two council members yes; one yes but need to determine threshold; one prefers education first, then ban.</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>• <i>Budget now and start commercial diversion program for 2018</i></li> </ul>
<b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b>  <b>2a) Garbage</b> <b>2b) Recycling</b> <b>2c) Organics</b>	<p>2 a - c) Two members of the DOS Council said yes if contracts can be coordinated.</p> <p>2 a - c) Two members of the DOS Council said no to a regional service for curbside collection but could see opportunities for regional collaboration.</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>• <i>Municipalities can be more flexible than regional districts.</i></li> <li>• <i>Regional service has cross-subsidization across the region; a question for municipalities is whether they want to cost subsidize more rural areas/islands; would want to know benefits of regional service.</i></li> <li>• <i>See opportunities for regional cooperation rather than regional service (ie. all parties sitting down with haulers to negotiate a better deal)</i></li> </ul>
<b>#3. How can policy decisions and communications be improved?</b>	<ul style="list-style-type: none"> <li>• <i>Expertise from SCRD on particular issues is beneficial to the member municipalities and is beneficial to share information to municipal councils.</i></li> <li>• <i>Does not want regular coordinated meetings but happy to have presentations at council meetings by SCRD and/or meetings about specific issues.</i></li> </ul>
<b>Additional question asked at the end of the workshop:</b>  <b>Is there something elected officials would like to see in terms of better landfill management?</b>	<ul style="list-style-type: none"> <li>• <i>Would like to know options and financial implications to extend life of the landfill and would like to know if current landfill site can be expanded.</i></li> <li>• <i>Need to start siting/landfill options research now.</i></li> <li>• <i>Public needs to know about the work being done, the challenges and decisions needed to be made; need to know we are looking at all options and impact.</i></li> </ul>

Questions for Workshop Participants	Member Municipality Town of Gibsons
<p><b>#1. Will you support the implementation of regional bans with the following:</b></p> <p>1a) Recycling bans? 1b) Food scraps – commercial? 1c) Food scraps – residential?</p>	<p>1a) Yes</p> <p>1b) Yes</p> <p>1c) One Councillor said probably and two Councillors said yes.</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>•One Councillor said do education first and then do a ban if and when necessary.</li> <li>•Another Councillor commented that SCRD should do both commercial and residential bans; needs both to be fair and everyone should be on the same playing field.</li> </ul>
<p><b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b></p> <p>2a) Garbage 2b) Recycling 2c) Organics</p>	<p>2a) May be possible to have regional garbage service to have economies of scale; can't provide bulk pricing when there are 4 separate tenders being issued.</p> <p>2 b – c) No to a regional service of this nature; depot service has worked quite well.</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>•Municipalities can be more nimble than regional districts. In short term may want to move ahead with municipal-level program for organics and then could consider a regional service in the future if everyone has a program.</li> <li>•Would need to be a good reason to give up autonomy regarding service provision.</li> <li>•One councillor would prefer regional efforts go to a model resource recovery facility similar to Ladysmith.</li> </ul>
<p><b>#3. How can policy decisions and communications be improved?</b></p>	<ul style="list-style-type: none"> <li>•SCRD Board to municipal council communication is key.</li> <li>•Recommendation from SCRD to have council/board member to meet bimonthly or quarterly to build connection between SCRD and municipalities.</li> <li>•Issue-specific meetings for elected officials are helpful</li> </ul>
<p><b>Additional question asked at the end of the workshop:</b></p> <p>Is there something elected officials would like to see in terms of better landfill management?</p>	<p>None.</p>

Questions for Workshop Participants	Member Municipality Sechelt Indian Government District
<b>#1. Will you support the implementation of regional bans with the following:</b>  <b>1a) Recycling bans?</b> <b>1b) Food scraps – commercial?</b> <b>1c) Food scraps – residential?</b>	1a) Yes  1b) Yes  1c) Yes
<b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b>  <b>2a) Garbage</b> <b>2b) Recycling</b> <b>2c) Organics</b>	2a – c) Would support a regional model  <i>Additional Comments:</i>  •Has curbside garbage and recycling service  •Very much supports curbside organics
<b>#3. How can policy decisions and communications be improved?</b>	•SCRD is doing a great job
<b>Additional question asked at the end of the workshop:</b>  <b>Is there something elected officials would like to see in terms of better landfill management?</b>	•Would like staff to report on landfill siting and do this research.  •SIGD does not like current landfill location, would like the site to be moved to a different location.

Questions for Workshop Participants	<div>SCRD</div> <div>Electoral Area A: Pender Harbour &amp; Egmont</div>
<p><b>#1. Will you support the implementation of regional bans with the following:</b></p> <p>1a) Recycling bans? 1b) Food scraps – commercial? 1c) Food scraps – residential?</p>	<p>1a) Yes 1b) Yes 1c) Yes</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>•Have significant fines for non-compliance for any regulated items</li> </ul>
<p><b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b></p> <p>2a) Garbage 2b) Recycling 2c) Organics</p>	<p>2a – c) No, unless there is a feasibility study.</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>•Could be possible with cost and options presented.</li> <li>•Would be expensive to implement in Area A.</li> <li>•Curbside services wouldn't eliminate the need for the transfer station/recycling depot.</li> </ul>
<p><b>#3. How can policy decisions and communications be improved?</b></p>	<ul style="list-style-type: none"> <li>•Thinks meetings where Board and municipal councils get together is critical to make proper policy decisions.</li> </ul>
<p><b>Additional question asked at the end of the workshop:</b></p> <p><b>Is there something elected officials would like to see in terms of better landfill management?</b></p>	<ul style="list-style-type: none"> <li>•Would like to see disposal and landfill options in a report.</li> <li>•Engineered solutions at current landfill need to be considered.</li> <li>•SCRD cannot eliminate option for new landfill siting, research should be done.</li> </ul>

Questions for Workshop Participants	SCRD
	Electoral Area B: Halfmoon Bay
<b>#1. Will you support the implementation of regional bans with the following:</b>  <b>1a) Recycling bans?</b> <b>1b) Food scraps – commercial?</b> <b>1c) Food scraps – residential?</b>	1a) Yes  1b) Yes  1c) No  <i>Additional Comments:</i>  •Target commercial organics
<b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b>  <b>2a) Garbage</b> <b>2b) Recycling</b> <b>2c) Organics</b>	•Curbside recycling is more of a need for Area B than curbside organics.
<b>#3. How can policy decisions and communications be improved?</b>	•Get word out via community associations.  •Community Dialogues are a big move for opening up communications channels.  •SCRD Bulletin Board is useful.
<b>Additional question asked at the end of the workshop:</b>  <b>Is there something elected officials would like to see in terms of better landfill management?</b>	None.

Questions for Workshop Participants	SCRD
	Electoral Area D: Roberts Creek
<b>#1. Will you support the implementation of regional bans with the following:</b>  1a) Recycling bans? 1b) Food scraps – commercial? 1c) Food scraps – residential?	1a) Yes  1b) Yes  1c) Yes
<b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b>  2a) Garbage 2b) Recycling 2c) Organics	2a) Yes  2b) More of a challenge to justify as a regional service  2c) Yes for regional organics service as long as it is part of a regional effort, more difficult to justify to residents if it is piecemeal  <i>Additional Comments:</i>  <ul style="list-style-type: none"> <li>•Expressed frustration regarding regional collaboration.</li> <li>•Decisions have been made to prioritize certain initiatives in SWMP; feels regional collaboration is the way to do it; now is the time to collaborate.</li> </ul>
<b>#3. How can policy decisions and communications be improved?</b>	<ul style="list-style-type: none"> <li>•Feels there is an opportunity for improved communication from the Board to municipal council level; host more workshops and meetings between Board and municipal councils.</li> <li>•Improve communications on a staff to staff level.</li> <li>•May need to increase staff capacity at regional district.</li> </ul>
<b>Additional question asked at the end of the workshop:</b>  <b>Is there something elected officials would like to see in terms of better landfill management?</b>	<ul style="list-style-type: none"> <li>•Landfill next steps will need Ministry of Environment (MOE) involvement</li> <li>•MOE will want due diligence and will want to see that we are doing all we can regionally regarding waste reduction and diversion prior to landfill siting.</li> </ul>



Questions for Workshop Participants	SCRD Electoral Area E: Elphinstone
<b>#1. Will you support the implementation of regional bans with the following:</b>  1a) Recycling bans? 1b) Food scraps – commercial? 1c) Food scraps – residential?	<i>Comments:</i>  •Prefers regulations over bans  •Encourage people to do the right thing over enforcement.
<b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b>  2a) Garbage 2b) Recycling 2c) Organics	<i>Comments:</i>  •Constituents never ask for curbside service.  •Constituents do ask how to get better depot services or what is happening to the recycling depot.
<b>#3. How can policy decisions and communications be improved?</b>	•Keep the public updated on progress even if no decisions are made.
<b>Additional question asked at the end of the workshop:</b>  <b>Is there something elected officials would like to see in terms of better landfill management?</b>	<i>None.</i>

Questions for Workshop Participants	SCRD Electoral Area F: West Howe Sound
<p><b>#1. Will you support the implementation of regional bans with the following:</b></p> <p>1a) Recycling bans? 1b) Food scraps – commercial? 1c) Food scraps – residential?</p>	<p>1a) Yes 1b) Yes 1c) Yes</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>• <i>Would need to have bylaw amendments.</i></li> <li>• <i>ICI should be prioritized; more organics in ICI than in residential.</i></li> </ul>
<p><b>#2. Do you want to be a part of a regional service for curbside collection with the following:</b></p> <p>2a) Garbage 2b) Recycling 2c) Organics</p>	<p>2a – c) Thinks a regional service makes a lot of sense for all three.</p> <p><i>Additional Comments:</i></p> <ul style="list-style-type: none"> <li>• <i>Efficiencies, communications, consistency makes sense for regional organics service.</i></li> <li>• <i>Regarding recycling, as long as there is a depot, then community will find ways to maximize that location for recycling.</i></li> <li>• <i>Curbside organics could be rolled out incrementally in more dense neighbourhoods in Area F.</i></li> <li>• <i>If curbside organics happens then garbage service could then become every other week.</i></li> </ul>
<p><b>#3. How can policy decisions and communications be improved?</b></p>	<ul style="list-style-type: none"> <li>• <i>Create a formalized task force from all 4 levels of government.</i></li> <li>• <i>This could be a mix of elected officials and staff to continue the communication and collaboration to ensure proper representation and take message back to respective Board/Councils.</i></li> </ul>
<p><b>Additional question asked at the end of the workshop:</b></p> <p><b>Is there something elected officials would like to see in terms of better landfill management?</b></p>	<ul style="list-style-type: none"> <li>• <i>Unsure how landfill siting options will get resolved in the remaining landfill capacity timeframe.</i></li> <li>• <i>Should be looking at other things rather than landfill siting.</i></li> </ul>

Presentation

## Elected Official Solid Waste Workshop

Tuesday, October 24, 2017

[www.scrd.ca](http://www.scrd.ca)



## Purpose of Elected Official Workshop

- Gain a better understanding of where there are opportunities for collaboration and where member municipalities have a desire to manage their own programs.
- To identify strategies to effectively manage diversion programs to extend the life of the Sechelt Landfill.

[www.scrd.ca](http://www.scrd.ca)



# Workshop Agenda

- 1) Legislation Overview
- 2) Understanding Today's Context & Service Delivery
- 3) Best Practices in BC

Lunch

- 4) Opportunities for Collaboration (discussion)
- 5) Making Decisions for Tomorrow
- 6) Next Steps

[www.scrd.ca](http://www.scrd.ca)



## Legislation Overview

### Local Government Act

- Copy in binders for reference.
- Requires Regional Districts to manage solid waste and landfill services.
- 1 of 2 legislative services; the other is 911/emergency.

[www.scrd.ca](http://www.scrd.ca)



## Legislation Overview

### Ministry of Environment

#### Environmental Management Act

- Landfill development, operations, closure, environmental monitoring
- Solid Waste Management Plan (SWMP)
- Recycling Regulation
- Reporting
- Performance Measures

[www.scrd.ca](http://www.scrd.ca)



## Legislation Overview

### Ministry of Environment

#### 2016/17 – 2018/19 Service Plan

#### Solid Waste Performance Measures by 2019/2020

- 350 kg/pp/yr
  - Kg of solid waste disposed per person per year
- 75%
  - BC population covered by organic waste disposal restriction

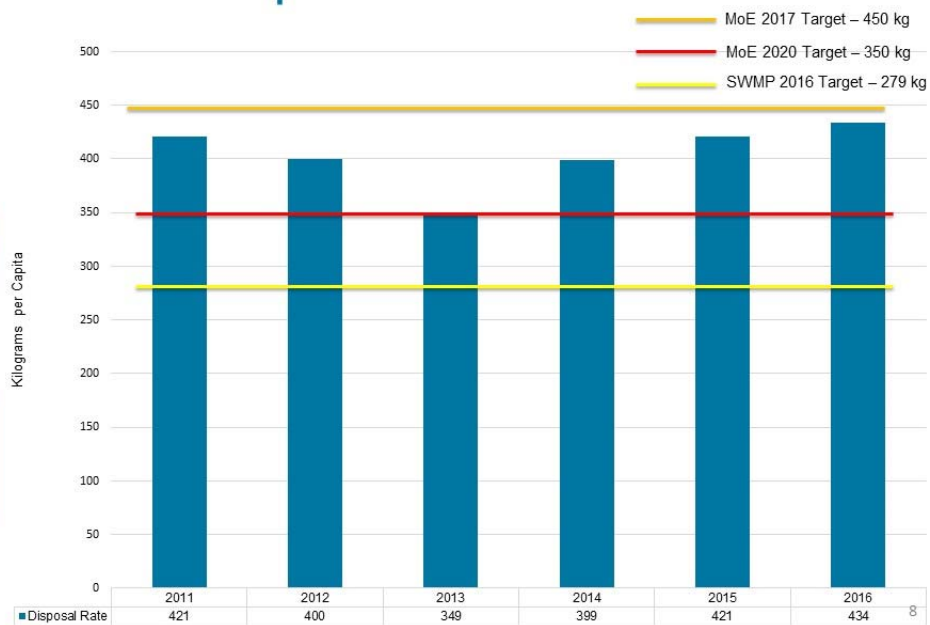
[www.scrd.ca](http://www.scrd.ca)



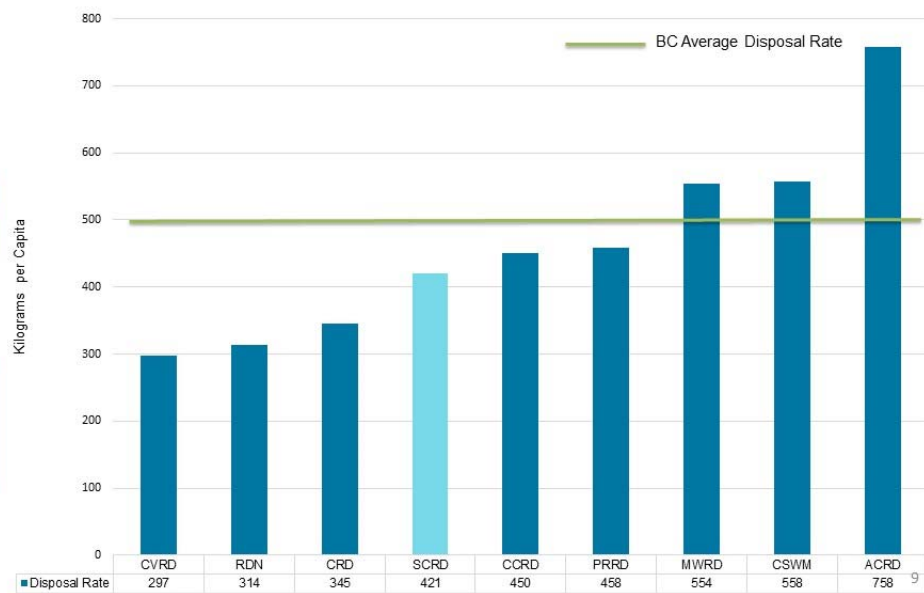
## SCRD's SWMP



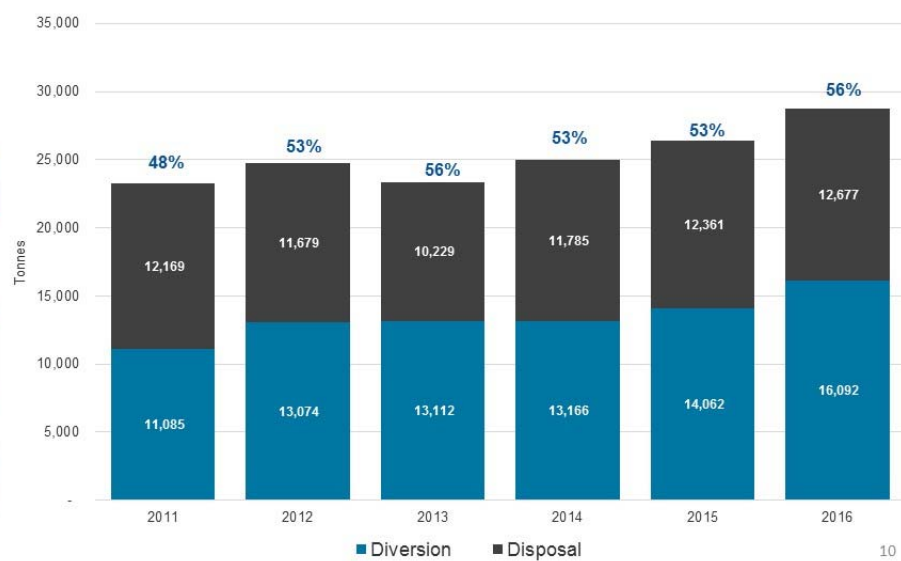
## SCRD Disposal Rate



## AVICC Disposal Rates 2015



## SCRD Regional Diversion





## Current Context

- 1 landfill, 1 transfer station, 3 closed landfills
- 3 recycling depots
- Sechelt Landfill site life of 10 years, to the end of 2026
- Landfill & Transfer Station subject to varying conditions
  - Many materials require delivery off-coast for processing
  - Good economy = increased tonnage received
  - Commodity prices for revenue of recyclables (metal) fluctuate
  - Influx of new residents and development
  - Influenced by seasonal residents and visitors

[www.scrd.ca](http://www.scrd.ca)



## Funding & Expenditures

**Sechelt Landfill**



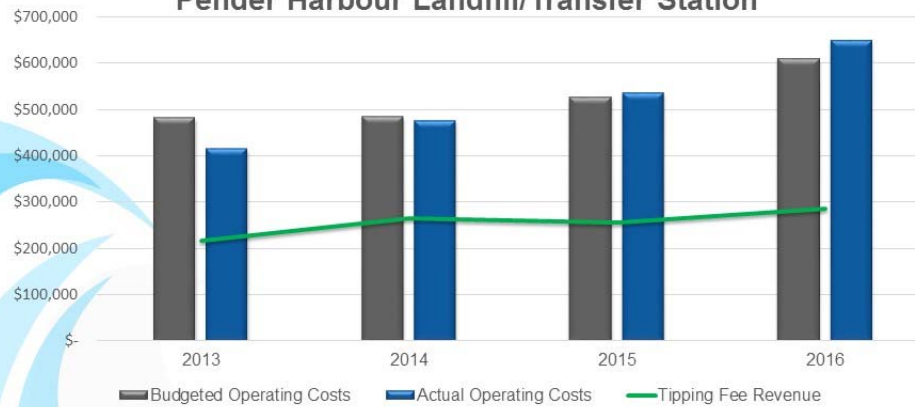
[www.scrd.ca](http://www.scrd.ca)





## Funding & Expenditures

**Pender Harbour Landfill/Transfer Station**

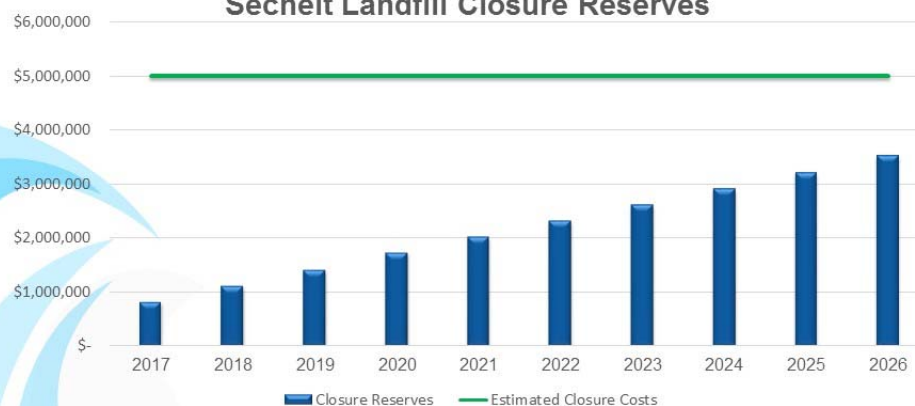


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## Funding & Expenditures

**Sechelt Landfill Closure Reserves**



- Includes \$300,000 annual contribution from taxation.
- Estimated closure costs are as of 2017. Estimate is not adjusted for inflation and does not include post-closure costs.
- Estimated closure costs provided by XCG Consulting Ltd.

[www.scrd.ca](http://www.scrd.ca)



## Current Service Delivery Model

### Pender Harbour Solid Waste

Funded from tipping fees

### Pender Harbour Transfer Station

- Open Mon, Wed-Sun summer only
- Closed Tue year round
- Closed Sundays & stat holidays in winter
- 1 scale
- Site operation by contractor

### Recycling at Transfer Station

- Appliances, cardboard, drywall, mattresses, metal, propane tanks, tires, wood
- Shareshed

[www.scrd.ca](http://www.scrd.ca)



## Current Service Delivery Model

### Sechelt Solid Waste

Funded from tipping fees

### Sechelt Landfill

- Open Tue-Sun
- Closed Mon year round & stat holidays in winter
- 1 scale
- Site operation by contractor

### Recycling at Landfill

- Appliances, cardboard, drywall, mattresses, metal, paint, propane tanks, tires, wood
- Shareshed

[www.scrd.ca](http://www.scrd.ca)



## Current Service Delivery Model

### Residential Green Waste

Funded from taxation

#### Depot Services – Residential only

Drop-off at 3 locations

- i. Gibsons - Town of Gibsons
- ii. Sechelt - Salish Soils
- iii. Pender Harbour - Transfer Station (SCRD)

#### Commercial Green Waste

Funded from Tipping Fees

Commercial Drop-off at 2 locations

- i. Sechelt: at Landfill
- ii. Pender Harbour: at Transfer Station

[www.scrd.ca](http://www.scrd.ca)



## Current Service Delivery Model

### Regional Recycling

Funded from taxation

#### Depot Recycling Service – Residential Only

Drop-off at 3 depots

- i. Gibsons - Gibsons Recycling
- ii. Sechelt - Salish Soils
- iii. Pender Harbour - GRIPS

#### Materials Accepted

- RecycleBC: Cardboard, glass, paper, plastic & metal containers, plastic film, polystyrene
- Books: Gibsons only

Note: Depots may accept other materials in addition to the SCRd funded materials.

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# Current Service Delivery Model

## SCRD Refuse Collection

Funded from user fees

### Garbage

- Weekly collection, curbside, one 77L can limit
  - Remote container service in 3 locations
- Extra garbage with tag, \$2.50 per tag
- Portions of Areas B, D, E, F

### Clean Up Coupon

- 1 “free” load up to 450 kg
- Requires being delivered to Sechelt Landfill
  - Includes one month drop-off at a South Coast location (contracted service)
- For SCRd residences that receive garbage collection

Note: Area A residences do not receive curbside garbage collection

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# Current SCRd Bylaws

## Bylaw 405 – Landfill Site Regulations, Rules & Fees

- Tipping fee based on material type
- Identifies recyclables materials that must be diverted or double tipping-fee applies at time of transaction
- Gaps:
  - Cardboard, EPR items are not listed as recyclable material
  - Food scraps is not listed as recyclable material

## Bylaw 431 – Refuse Collection Regulations, Rules & Fees

- “Collectible Garbage” provides exclusions
- One can limit, 77L
- Extra garbage with use of tag
- Gaps:
  - No exclusion for: recyclables or food scraps
  - Does not indicate place garbage out morning of collection (wildlife)

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## SWMP Initiatives & Timeline

### 2016-2017

Curbside Collection for Food Scraps

Every-other-week (EOW) Garbage Collection

Pay-as-you-throw Garbage Collection

### 2017-2018

Enhanced Drop-off and Resource Recovery Facilities in:  
Pender Harbour, Sechelt, Gibsons

### 2019

Business Waste Diversion

C&D Waste Diversion

Deconstruction & Salvaging

### 2020

Community Swap Day Pilot Program

Waste Stream Control System

Land Use Policies

### On Hold

Curbside Collection for recyclables

Timeline adopted by SCRD Board Dec 2015

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## 2017 Progress

- March 2 Solid Waste Board Workshop was held
  - Agreement to extend the life of the Sechelt Landfill
  - Agreement on the need to be able to measure the effectiveness of the programs impact (+/-) on the landfill
  - The work plan has taken the approach that the landfill will be managed through diversion programs
- Jul 20 Draft Organics Diversion Strategy was presented
  - Adopted as Draft
  - Sep 21 Timeline was presented; deferred until after Oct 24

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## Upcoming Service Delivery Decisions

Date	Service	Extension Option
December 2017	Draft Organics Diversion Strategy: adopt final Strategy and implement	n/a
October 31, 2018	Expiration of Green Waste contracts for processing and hauling	Yes
November 30, 2018	Expiration of contracts with RecycleBC and the 3 Recycling Depot operators	Yes
December 31, 2018	Expiration of Residential Green Waste Site Operations contract	No
February 28, 2019	Expiration of curbside garbage collection contract; issue RFP in March 2018	No

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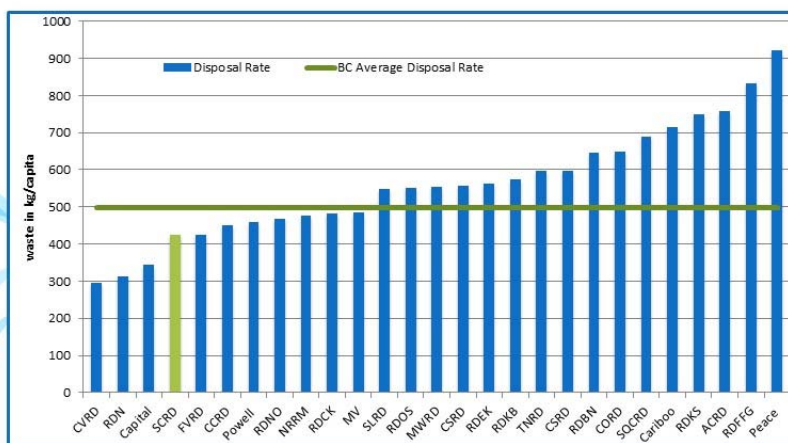
Best Practices in BC  
Regional District of Nanaimo Solid Waste Management Planning  
Presented by: Carey McIver

## CRISIS & COLLABORATION

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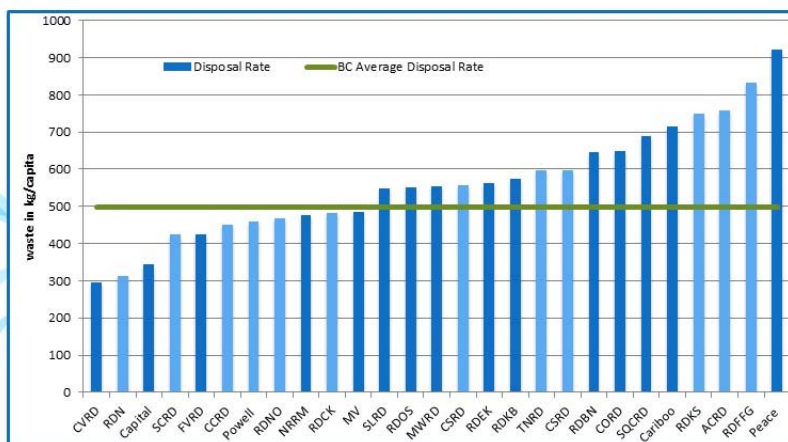
## Regional District Disposal Rates 2015



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## Regional District Clients



[www.scrd.ca](http://www.scrd.ca)



# Regional District of Nanaimo



## RDN Demographics

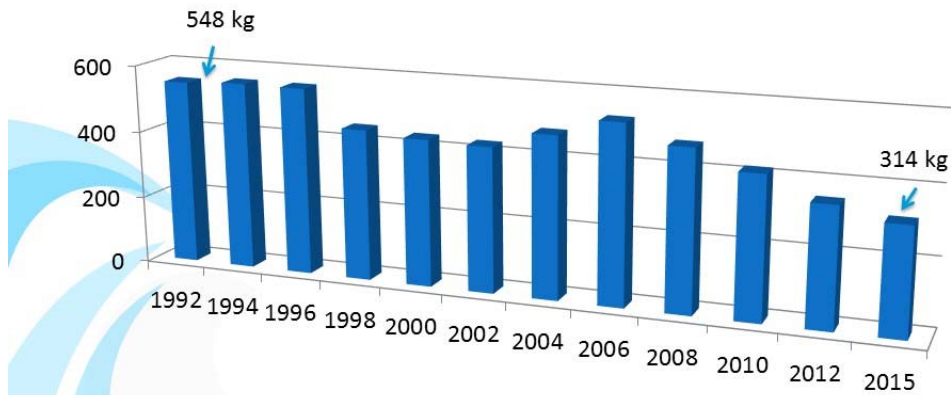
- Population 156,000
  - Residential collection:
    - City of Nanaimo: 27,600 single family households
    - RDN: 28,130 single family & SFE households
  - ICI collection : Private Sector
    - Commercial waste
    - Multi-Family residential
      - 6,000 townhouses in City of Nanaimo
      - 5,700 apartments region-wide
  - RDN responsible for planning and disposal
    - Regional Landfill
    - Church Road Transfer Station

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## Annual Per Capita Disposal Rate



[www.scrd.ca](http://www.scrd.ca)



## Why Did RDN Succeed?

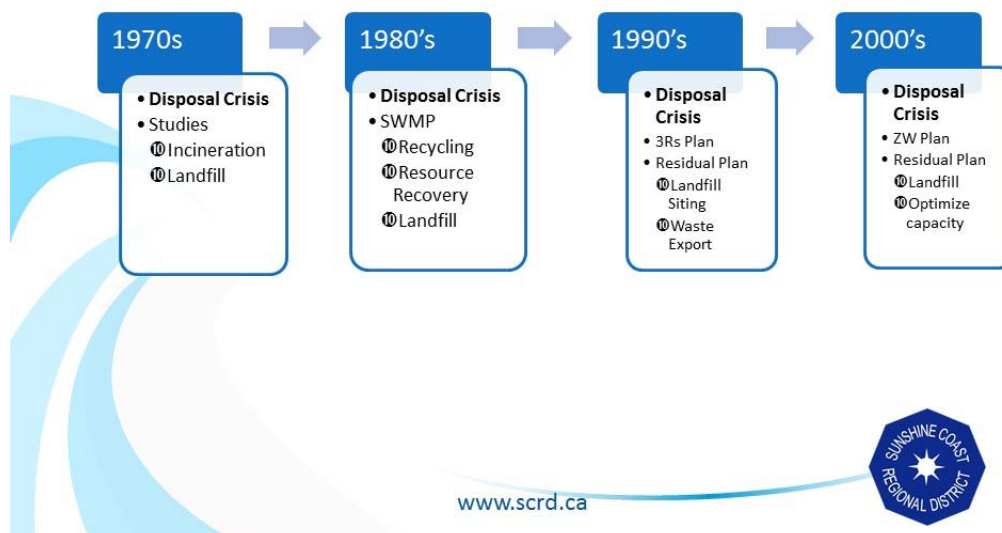
### *"Visionary Politicians and Activist Staff"*

1. A Sense of Urgency – Disposal Crisis
2. Creating a Guiding Coalition – Regional Collaboration
3. Developing a Vision and Strategy - SWMP
4. Employees for Broad Based Action/Collaborative Implementation

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# Solid Waste Management Planning



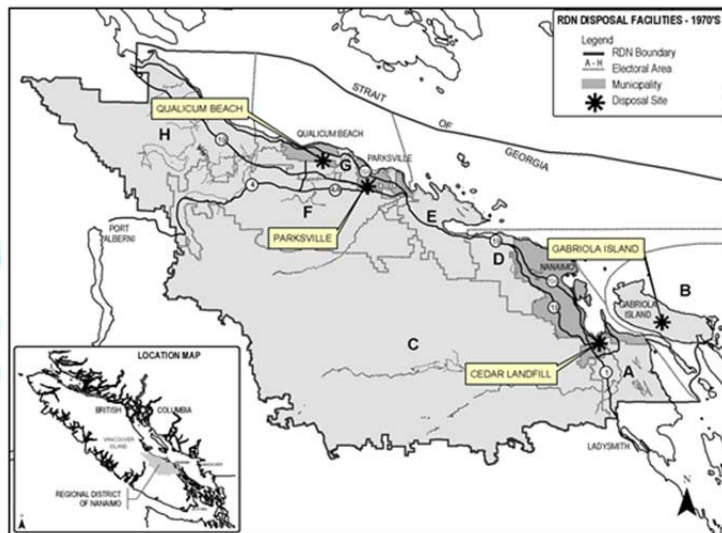
## SWMP – 1970's



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## The 1970's



[www.scrd.ca](http://www.scrd.ca)



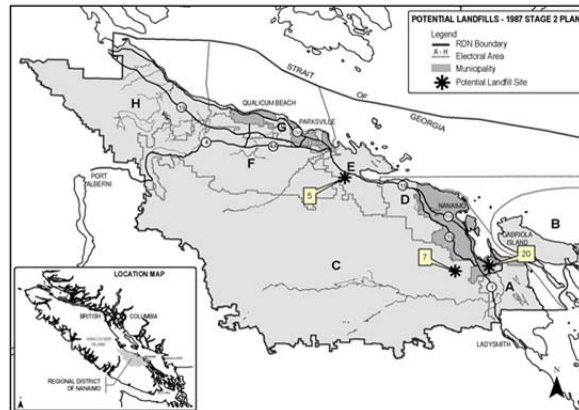
## SWMP– 1980's



[www.scrd.ca](http://www.scrd.ca)



## Stage 2 Potential Sites - 1987



[www.scrd.ca](http://www.scrd.ca)



## 1988 Solid Waste Management Plan

- A recycling program to service all of the RDN
- A resource recovery plant at Site 20 (Cedar Landfill)
- A transfer station in School District 69.
- A landfill at Site 20 with a liner and leachate collection system sized to last 60 years provided it is supplemented with a resource recovery plant
- A review process every few years to determine any changes to the Plan

[www.scrd.ca](http://www.scrd.ca)





## Recycling Coordinator 1989



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## 1991 RDN Blue Box Program



- Partnership
  - City of Parksville
  - Town Qualicum Beach
  - 8 Electoral Areas
  - City of Nanaimo  
separate but similar
- Utility billing
- Weekly garbage
- Bi-Weekly Recycling
- Can Limits and Tags

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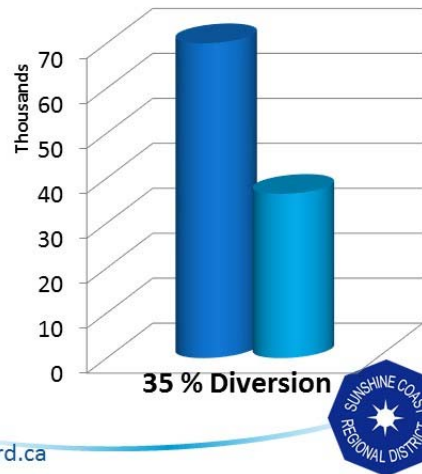


# SWMP – 1990's

## Disposal Crisis



## Collaboration



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# 1991 SWMP Review



- Brini plant fails to obtain financing
- Cedar landfill full in 8-10 years without increased diversion
- Province sets new goal of 50% diversion by 2000

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## 1992 SWMP Review

- Public information and education programs promoting the 3Rs;
- Policy initiatives which provide low or no cost incentives for the 3Rs;
- Expanded source-separated material recovery systems;
- Convenient composting sites for the public drop-off of clean yard wastes;

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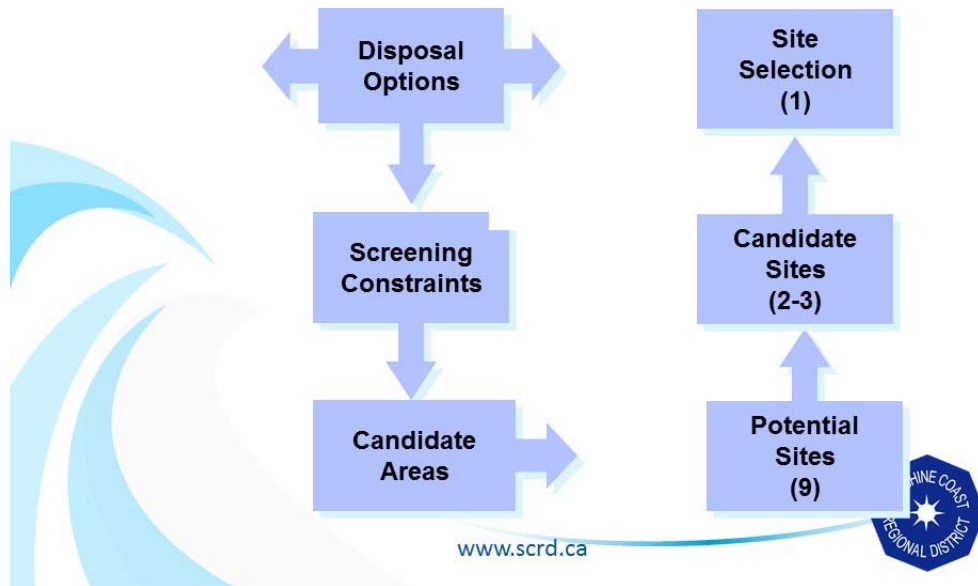
## 1992 SWMP Review

- Facilities which process source-separated recyclables, which compost source-separated food and yard waste; and which process/recover the remaining mixed waste stream;
- Continued use of the transfer station in School District 69;
- Optimal use of the new landfill; and,
- Selection of a new landfill site no later than 1995

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## Landfill Site Selection Process



## Landfill Site Selection Process

- May 1995 – Screening Constraints
- June 1995 – Candidate Area Map
- Sept 1995 – Selection of Potential Sites (process on hold)
- May 1996 – Plan Nanaimo



www.scrd.ca





# 1996 Plan Nanaimo

"The Forgotten People"



Landfill Host Community 1960's

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## Landfill Siting Process

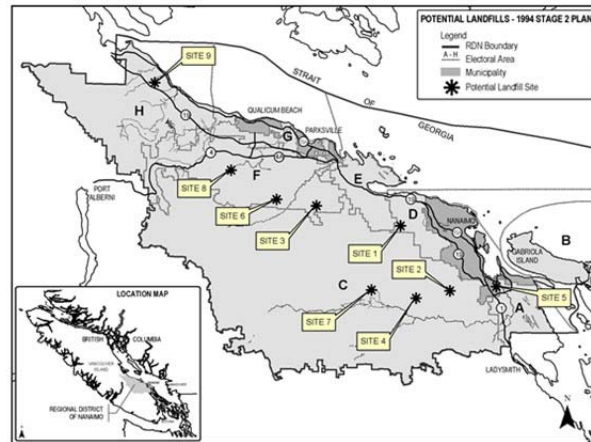
- Oct. 1996 – Ranking Potential Sites
- Dec. 1996 – Alternative Disposal Options
- January 1997 – Public Review of Potential Sites
- April 1997 – Recommendation of Candidate Sites



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## Potential Sites 1997



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## Landfill Siting Process

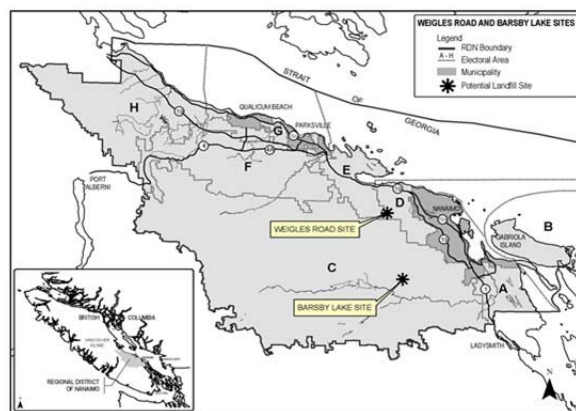
- May–Sept 1997 - Alternative Residual Waste Management Options
- October 1997: Waste Export RFP
- January 1998: Alternative Disposal Options
- Feb 1998: Landfill Siting Process Resumes
- Oct 1998 – On-Site Investigation of Candidate Sites



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## 1998 Candidate Sites



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## 1998 Disposal Options Review

Preliminary  
Investigation  
Candidate Sites

Alternative  
Options  
Review

1998

Technical  
Economic  
Environmental  
Social  
Analysis

Technical  
Economic  
Environmental  
Social  
Analysis

Decision  
Landfill or  
Alternative

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## Landfill Siting Process

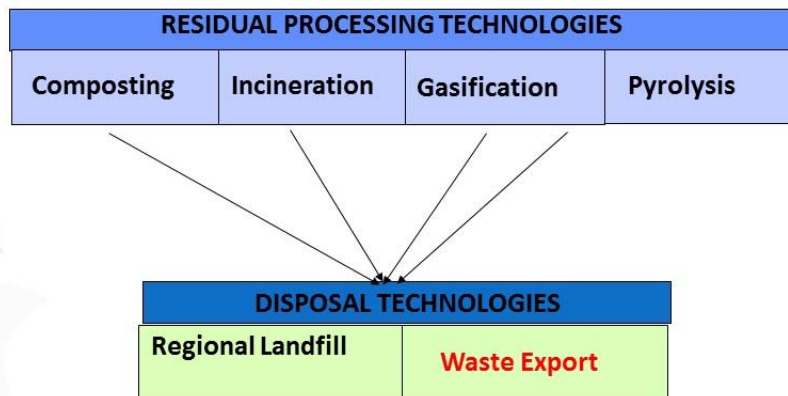
- Nov 1998 – Alternative Disposal Options
- Jan 1999 – MSW Composting RFP
- April 1999 – Alternative Residual Management Options Working Papers
- April 1999 – Candidate Sites Assessment Working Papers
- August 1999 – Comparative Analysis of Processing and Disposal Options



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## 1999 Comparative Analysis

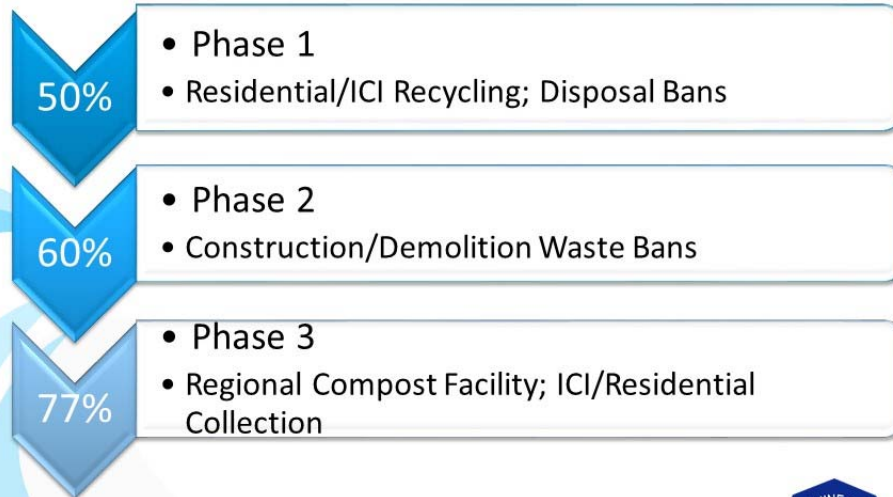


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## 1995 3RS Plan



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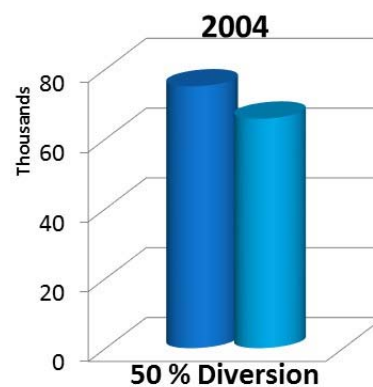


## SWMP– 2000's

### Disposal Crisis – Export \$\$



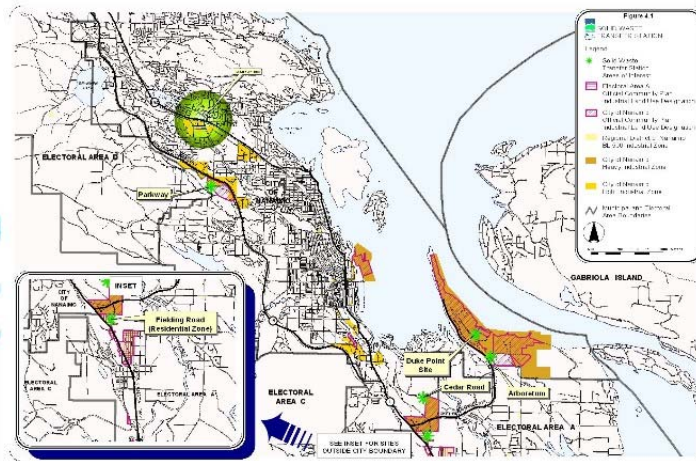
### Collaboration



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## Transfer Station Siting Process



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## Is Waste Export Sustainable?

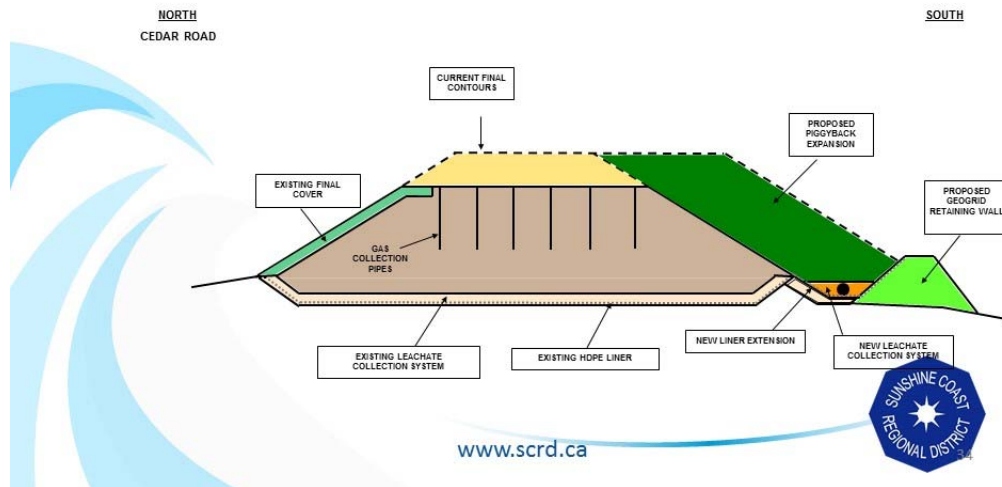


- Waste export will require significant increase in tipping fees and taxes
- Risk of waste leakage
- Insufficient funds for post closure
- Investigate optimizing capacity at Regional Landfill

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# Capacity Optimization at Landfill





## Post Closure Nature Park



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# Public Park Concept – Phase 1

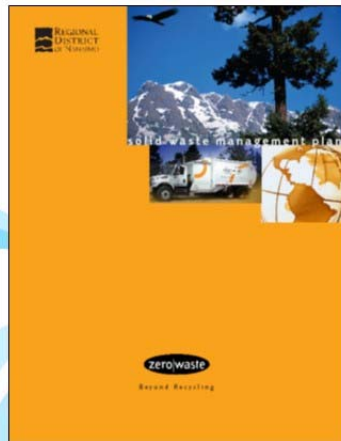


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## 2004 Solid Waste Management Plan



- Mandated by Province (EMA)
- RDN SWMP
  - Prepared 1988
  - Amended 1996 – 3R's Plan
  - Amended 2004
- Zero Waste Plan (75%)
  - Demand Management
  - WSML Bylaw
- Residual Waste Management Plan
  - Disposal infrastructure - supply
  - Optimize existing capacity

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## 2004 Zero Waste Plan

*"...continuously strive to reduce the amount of waste requiring disposal."*



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## RDN Zero Waste Program

- Waste Stream Management Licensing
  - Private sector infrastructure
  - Level playing field
- Landfill Disposal Bans
  - Regulate
  - Collaborate
  - Educate
  - Enforce
- Single Family Collection Programs
  - Garbage, food waste & recyclables
  - User fees
  - Can limits
- Zero Waste Education & Promotion

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## WSML Bylaw

- Environmental protection
- Encourage private sector investment
- High standards in the operation of recycling facilities
- Common regulatory framework
- Illegal dumping prevention



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## Landfill Disposal Bans

- Gypsum (1991)
- Land clearing waste (1992)
- Corrugated cardboard (1993)
- Recyclable Paper (1997)
- Scrap Metal (1997)
- Tires (1997)
- Commercial organic waste (2005)
- Garden waste (2007)
- Wood Waste (2007)
- Stewardship Materials (2007)
- Household Plastic Containers (2009)
- Metal Food & Beverage Containers (2009)



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## Bans – Collaborate & Educate

- Collaborate with haulers
  - Regular meetings
  - Build trust
- Educate generators
  - Create data base
  - Workshops
  - Promotion/education materials
  - Follow-up



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## Enforcement

- Load inspection
- Violation notices
  - Issue to Hauler
  - 3x tipping fee
- Zero Waste Compliance Officer
  - Collaborate with hauler to educate generator
  - Site visits
  - Monitor violations



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## Zero Waste Compliance



- **Observe, record, report**
  - Investigate complaints
  - Identify responsible party
  - Responsible for clean-up
  - Contractor clean up for sites with no identification
  - Signage posted

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## User Pay Garbage Collection

- Full user-pay
- Utility bill \$147.50/yr
- Food waste weekly
- Garbage & recycling alternating bi-weekly
- Tags for extra garbage- \$2.00 per can



[www.scrd.ca](http://www.scrd.ca)



## Promotion & Education



### Beans to bones in the bin!

Green bin curbside food and kitchen waste is coming in October. Watch the mail for your spring Zero Waste newsletter.

The Green Bin Program is a partnership of the Regional District of Kamloops and its member municipalities: Kamloops, Langville, Parksville and Qualicum Beach. [www.beyondcomposting.ca](http://www.beyondcomposting.ca)



Beyond Composting

[www.scrd.ca](http://www.scrd.ca)



## RDN Green Bin Program

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Green bin curbside food and kitchen waste is coming in October. Watch the mail for your spring Zero Waste newsletter.

The Green Bin Program - a partnership of the Regional District of Nanaimo and its member municipalities - Nanaimo, Lantzville, Parksville and Qualicum Beach. [www.beyondcomposting.ca](http://www.beyondcomposting.ca)



[www.scrd.ca](http://www.scrd.ca)



## 2007 Residential Food Waste Pilot



- 1,985 homes on three routes (mix of demographics including a rural route)
- Three partnering jurisdictions
  - Regional District
  - City of Nanaimo
  - Town of Qualicum Beach
- 12 month pilot project started October 2007

[www.scrd.ca](http://www.scrd.ca)





## What is collected, and when?



- Target materials include cooked and raw food wastes and non-recyclable paper (kitchen towel, paper plates etc).



- Collection schedule is -
  - Food Waste weekly
  - Garbage and Recycling on alternate weeks

Week 1 – Food waste & garbage

Week 2 – Food waste & recycling

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## ... to curb ...



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... to compost



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## Results of Pilot

- Participation running at 75% +/-
- Set out weights range between
  - 2.0kg/week (Cedar) to
  - 2.43 kg/week (Chartwell)
  - 2.45 kg/week (Nanaimo)
- Diversion rates range from 55% (Cedar) to 68% (Nanaimo)



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## Green Bin in Rural Areas



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## Beyond Backyard Composting

- Fruit and vegetable scraps
- Egg Shells
- Coffee grounds, filters, tea bags
- Houseplants, cut & dried flowers
- *Food leftovers, plate scrapings*
- *Meat, fish, giblets, and bones*
- *Dairy products, butter, mayonnaise*
- *Bread, cereal, grains*
- *Pasta, pizza*
- *Baked goods, candies*
- *Soiled paper towels & tissues*
- *Ice cream cartons, milk & cream cartons*
- *Baking ingredients, herbs, spices*
- *Nuts and shells*



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## Some respondents' comments

"Best idea in years. Please expand to include entire area"  
*Chartwell resident*

"I thought I would not use it very much. We use it all the time because it is very convenient"  
*Nanaimo resident*

"We no longer have a raccoon problem"  
*Nanaimo resident*

"This program has made us more conscious of the amount of garbage we produce"  
*Chartwell resident*

"If everyone in the regional district used (it) that would certainly reduce waste going to the dump"  
*Cedar resident*

"Of course it takes a little care...(but) great benefits for very little additional time"  
*Cedar resident*

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## Infrastructure Requirements

### Collection



### Transfer



### Processing



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# Program Implementation

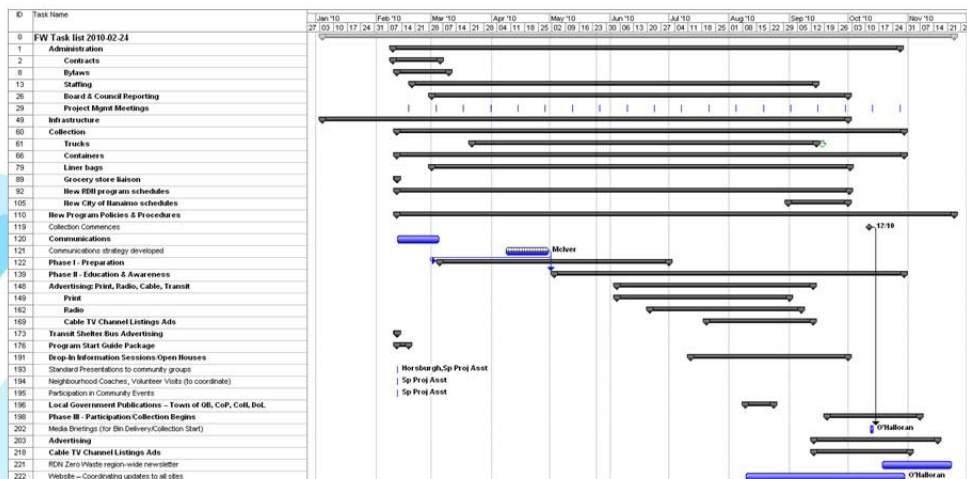
**Green Bin Program Launch October 2010!**



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## Integrated Project Plan

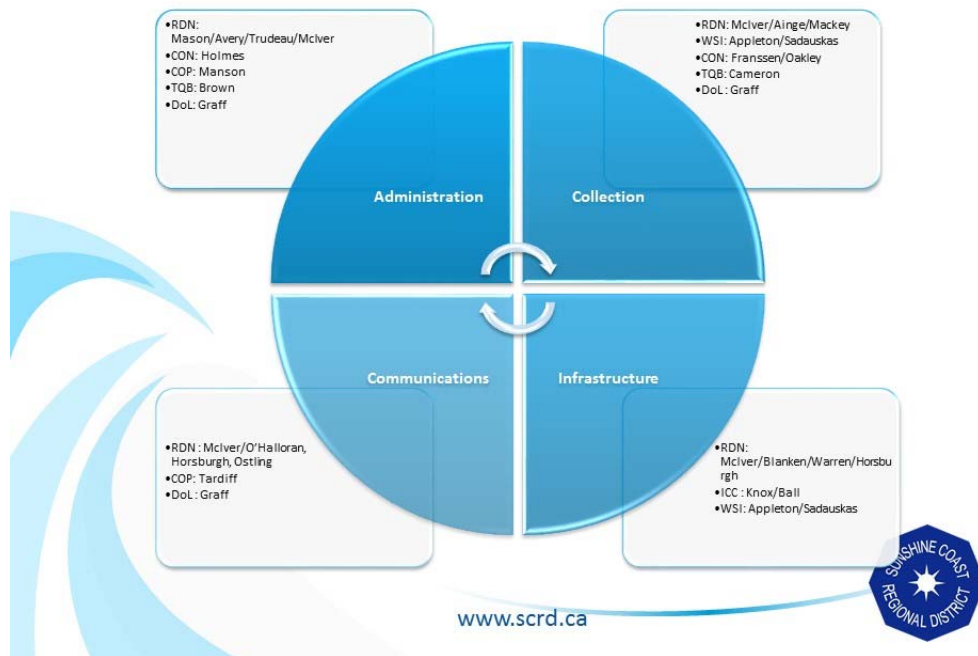


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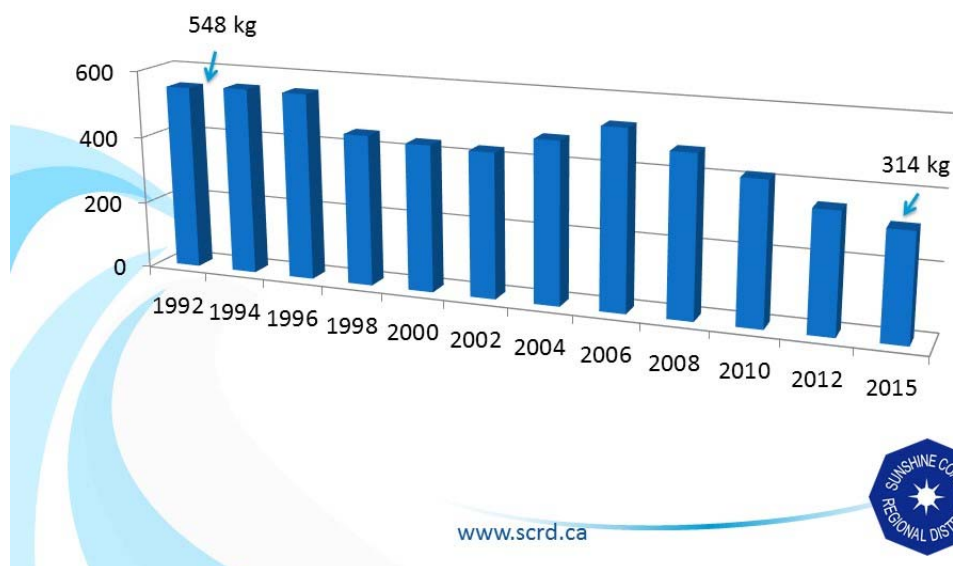




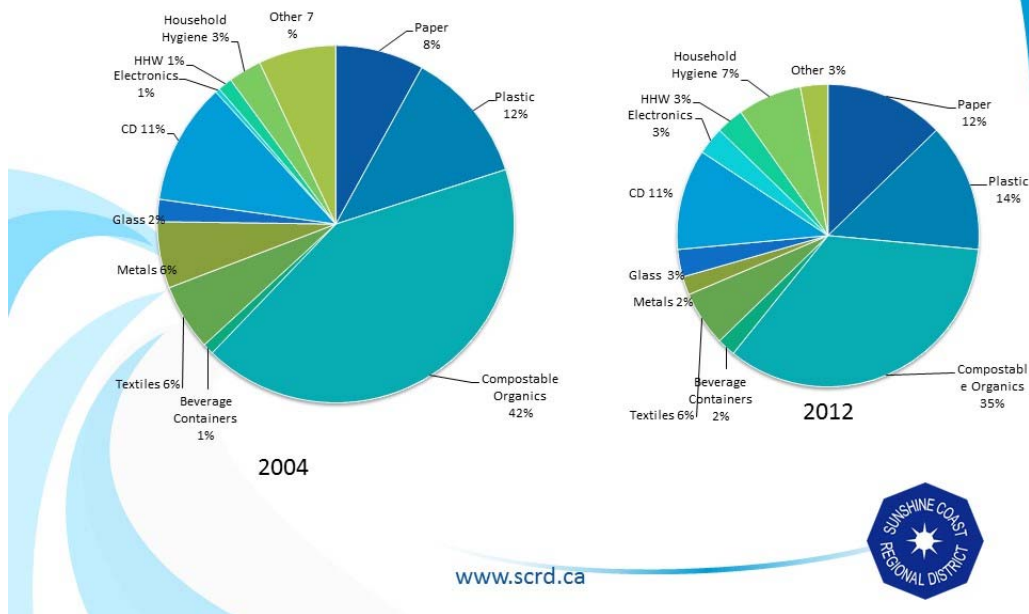
## Collaborative Planning Team



## Annual Per Capita Disposal Rate



## RDN Waste Composition



## Church Road Transfer Station



## Regional Landfill



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## Landfill Environmental Controls

- **Leachate Management**
  - 4.4 km buried collection system
  - 1.9 km sanitary line
  - 2 lift stations with chemical addition
  - 13 h. closure
- **Storm Water Management**
  - Storm water diversion system
- **Ground/Surface Water Monitoring**
  - 10 surface water sampling stations
  - 20 ground water stations with 38 wells
  - 2 leachate sampling stations



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# Keys to Success

## *“Visionary Politicians and Activist Staff”*

1. A Sense of Urgency – Disposal Crisis
2. Creating a Guiding Coalition – Regional Collaboration
3. Developing a Vision and Strategy - SWMP
4. Employees for Broad Based Action/Collaborative Implementation

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# Questions/Comments?



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Government Finance Officers Association  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

P

October 20, 2017

MASTER FILE COPY



Mr. Garry Nohr  
Chair  
Sunshine Coast Regional District  
1975 Field Road  
Sechelt, British Columbia V0N 3A1

Dear Mr. Nohr:

We are pleased to notify you that your annual financial report for the fiscal year ended December 31, 2016, qualifies for a Canadian Award for Financial Reporting (CAnFR). The Canadian Award for Financial Reporting recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a municipal government and its management.

When a Canadian Award for Financial Reporting is awarded to a government, a Canadian Award for Financial Reporting Achievement is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the CAnFR. Accordingly, an Award for Financial Reporting Achievement for the **Corporate Services Department** is enclosed.

We hope that you will arrange for a formal presentation of both the CAnFR and the Canadian Award for Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. To assist you in this regard, a sample news release is enclosed.

We hope that your example will encourage other government officials in their efforts to achieve and maintain excellence in their own financial reporting.

Sincerely,

Todd Buikema  
Acting Director, Technical Services Center

Enclosures



# Government Finance Officers Association of the United States and Canada

presents this

## CANADIAN AWARD FOR FINANCIAL REPORTING ACHIEVEMENT

to

CORPORATE SERVICES DEPARTMENT  
SUNSHINE COAST REGIONAL DISTRICT, BRITISH COLUMBIA

*The Canadian Award for Financial Reporting Achievement is presented by Government Finance Officers Association to those individuals who have been instrumental in their government unit's achieving a Canadian Award for Financial Reporting. A CAnFR is presented to those government units whose annual financial reports are judged to adhere to program standards.*

Executive Director

*Christopher P. Moir*

Date

OCTOBER 20, 2017