



INFRASTRUCTURE SERVICES COMMITTEE

Thursday, September 19, 2019
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.

AGENDA

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

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

2. Heinz Dyck and Jennifer Spencer, Ministry of Indigenous Relations and Reconciliation
Regarding Implementation of *shíshálh* Nation Foundation Agreement
VERBAL
3. Ed Pednaud, Interim Executive Director, Sechelt and District Chamber of Commerce
Regarding Water supply expansion funding
VERBAL

REPORTS

4. General Manager, Infrastructure Services
Water Supply Update
(Voting – All)
VERBAL
5. General Manager, Corporate Services / Chief Financial Officer
Water Supply Expansion Project Funding
(Voting – A, B, D E, F, Sechelt)
Annex A
pp 1 - 8
6. General Manager, Infrastructure Services
Transit Fare Review 2019
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD)
Annex B
pp 9 - 14
7. General Manager, Infrastructure Services
2020-2021 Transit Expansion Memorandum of Understanding
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD)
Annex C
pp 15 - 18
8. Manager, Solid Waste Programs
Rural Areas Curbside Food Waste Collection Services Financial Considerations
(Voting – All)
Annex D
pp 19 - 24
9. Manager, Solid Waste Programs
Food Waste Drop-off Program Considerations
(Voting – All)
Annex E
pp 25 - 29

10. Corporate Officer
Process and Implications for Establishing Curbside Recycling
Service in Electoral Areas B and D
(Voting – B, D) Annex F
pp 30 - 35

COMMUNICATIONS

11. Honourable Minister George Heyman, Ministry of the Environment
and Climate Change Strategy dated August 20, 2019
Regarding BC Recycling Regulation to include ICI sector
(Voting – All) Annex G
pp 36 - 39
12. Cayce Laviolette dated September 10, 2019
Regarding Youth Transit Fares
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD) Annex H
pp 40
13. Brian Smith dated September 12, 2019
Regarding Youth Transit Passes
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD) Annex I
pp 41
14. Marah and John Farmer dated September 12, 2019
Regarding Youth Transit Passes
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD) Annex J
pp 42

NEW BUSINESS

IN CAMERA

That the public be excluded from attendance at the meeting in accordance with Section 90 (1) (a), (e), (k) and 2(b) of the *Community Charter* – “personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality”, “the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality”, “negotiations and related discussions 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”, “the consideration of information received and held in confidence relating to negotiation between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party”.

ADJOURNMENT

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Service Committee - September 19, 2019

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

SUBJECT: WATER SUPPLY EXPANSION PROJECTS - FUNDING CONSIDERATIONS

RECOMMENDATION(S)

THAT the report titled Water Supply Expansion Projects - Funding Considerations be received.

BACKGROUND

Adopted in 2013, the Comprehensive Regional Water Plan (CRWP) identified a water supply deficit in the Chapman water system, in particular during dry summers. The plan outlines a strategy to address this deficit by balancing demand management and supply expansion. Four key projects were identified to address the water supply deficit which were the most feasible, cost effective, and had the least environmental impacts.

The Chapman Lake Infrastructure Improvement Project will not be moving forward following the refusal of a park boundary amendment by the Minister of Environment and Climate Change Strategies and the three remaining major projects currently underway and are as follows:

Project 1 - Groundwater Investigation

The goal of the groundwater investigation project is to develop additional groundwater wells to significantly supplement the supply from Chapman Creek. Early 2019 the decision was made to initiate the development of a well field in the Church Road area in Grantham's. The more detailed design and costs estimates for such development will be presented at a committee meeting in Q4 2019. It is expected that it could take until 2020 before this well field could be fully constructed and commissioned.

2021/2022 corrected at meeting

Additional efforts are undertaken to confirm the feasibility of the development of production wells at the Gray Creek area and the Dusty Road area. A report confirming the feasibility of these sites will be brought forward to a Q4 2019 committee meeting as well.

Project 2 - Raw Water Reservoirs

The goal of the raw water reservoirs is to allow for a large volume (approximately 1,000,000 m³) of water to be stored in the spring for augmentation of the water supply during dry summer months.

A series of selection criteria was developed and led to an analysis of all potential sites in the Chapman watershed area. This initial site selection has led to four potential sites with construction cost estimates ranging from \$8.7 to \$23.8 million.

More detailed study and design and financial analyses of the four sites is underway and will be subject of a report that will be brought forward at a committee meeting in Q4 2019. This would allow for a decision to be made to develop a raw water reservoir on any of these sites. The design, permitting, land acquisition, construction and commissioning of any such reservoir is currently anticipated to take until 2026.

Project 3 - Universal Water Metering

Universal water metering helps the SCRD detect leaks in the water supply infrastructure and increases awareness about water conservation. Water meters have been installed on all properties serviced by the SCRD except those in the District of Sechelt and shíshálh Nation. Further clarity on the installation of those remaining meters is expected in 2020. It is expected that the installation of meters could ultimately result in a 20% to 30% reduction in water demand.

At the July 26, 2019 Regular Board meeting, the following motion was passed, excerpt below:

Recommendation No. 6 *Sechelt and District Chamber of Commerce – Water Supply on the Sunshine Coast*

THAT the correspondence from the Sechelt and District Chamber of Commerce regarding water supply on the Sunshine Coast be received;

AND THAT the SCRD invite the Sechelt and District Chamber of Commerce as a delegation to present at a future Committee meeting;

AND FURTHER THAT staff provide a report to a future Committee on available funding and funding opportunities related to water supply expansion projects.

DISCUSSION

There are multiple sources of funding and funding opportunities available for use towards water supply expansion projects. The most relevant and likely of these include grants, development cost charges, reserves, rate increases and long term borrowing.

Ultimately, given the projected cost of the required work, it is likely that a combination of all of the above mentioned sources of funding will be utilized. The current status and related considerations for each of the above mentioned funding opportunities are detailed below.

Options and Analysis

Grants

There are currently four senior government grant funding programs for which project eligibility criteria aligns with the SCRD's water supply expansion projects:

- **Community Works Fund (Gas Tax)** – Drinking water is an eligible project category under the 2014-2024 Community Works Fund (CWF) Agreement. Funds are advanced twice annually to Municipalities and Regional Districts in British Columbia based on population with Regional Districts receiving funding based on rural area populations only.

The Sunshine Coast Regional District has approximately \$5,074,093 in uncommitted Gas Tax Funds available for use in 2019. These funds are allocated to each rural area based on

population when received and historically have been used exclusively to fund projects that benefit rural area services such as Community Parks and Bicycle and Walking Paths.

Allocation of Gas Tax CWF funding to the Regional Water Service has not previously been contemplated given the District of Sechelt is a participant within this service; however, the funding agreement allows for CWF funding to be transferred to another eligible recipient, defined as the 'Ultimate Recipient' within the agreement. Therefore, it is feasible for both the District of Sechelt and SCRD Rural Areas to contribute Gas Tax CWF funding towards drinking water projects.

The table below summarizes anticipated Gas Tax CWF Funding allocations over the final four years of the current funding agreement:

Entity	2020/21	2021/22	2022/23	2023/24	Totals
SCRD	\$ 664,548	\$ 694,797	\$ 694,797	\$ 725,087	\$ 2,779,229
District of Sechelt	485,148	507,303	507,303	529,558	2,023,312
Totals	\$ 1,149,696	\$ 1,202,100	\$ 1,202,100	\$ 1,254,645	\$ 4,802,541

- **Strategic Priorities Fund (Gas Tax)** – The Strategic Priorities Fund is intended to support infrastructure and capacity building projects that are large in scale, regional in impact or innovative. The most recent intake in 2017 funded up to 100% of eligible project costs to a maximum of \$6 million. Applications are not currently being accepted under this program but future intakes are expected.
- **Investing in Canada Infrastructure Program** – Announced in 2018, the first intake under this program closed in October 2018 to which the SCRD submitted an application for the Chapman Lake Supply Expansion Project. Although a formal notification has yet to be received, approval of grant funding is not anticipated due to the current status of this project. This program includes a 10 year funding commitment from the Federal Government so future funding intakes are expected.
- **Infrastructure Planning Grant Program** – This is a Provincial funding program which provides up to \$10,000 to local governments for plans and studies related to the development of sustainable community infrastructure. The SCRD has received two \$10,000 grants through this program to partially fund the Raw Water Reservoir(s) Feasibility Study and the Sunshine Coast Arena and Sports Fields Water Efficiency Study.

Staff continually monitor for new and existing grant opportunities that align with the Board's Strategic Plan and departmental work plans. In reviewing recent grant programs, Staff have noted an increasing emphasis on sustainability criteria that will be used to evaluate projects. For instance, the terms and conditions associated with the Infrastructure Planning Grant Program include the following clause:

Consideration for Future Grants:

The Sunshine Coast Regional District is advised that the allocation of any future study or capital grants will be subject to additional evaluation criteria developed by the Ministry of Municipal Affairs and Housing in consultation with the Ministries of Health; Environment & Climate Change Strategy; and Energy, Mines & Petroleum Resources. The criteria will require applicants for future grants to identify that:

1. They have considered one or more of the following matters in the plan or capital project:

- comprehensive water use efficiency planning;
- integration of water supply and wastewater infrastructure needs;
- Liquid Waste Management Plans;
- asset management;
- energy efficiency;
- low impact development;
- sustainable green infrastructure;
- use of public-private partnerships;
- smart growth.

2. The plan or capital project, where appropriate and cost effective, incorporates one or more of these matters.

Where a future capital grant or planning grant program evaluates projects according to a matrix based on the protection of human health and the environment, preference will be given to those applications that address the criteria listed above.

Development Cost Charges

The most recent Development Cost Charge (DCC) review occurred in 2014 after adoption of the Comprehensive Regional Water Plan with an updated Bylaw and rates adopted on September 10, 2015. The bylaw states that DCC's are collected to assist the SCR D pay capital costs of providing, constructing, altering or expanding water facilities to service, directly or indirectly, the development for which the charge is being imposed.

DCC rates established per the bylaw were based on a DCC program which estimated \$25,000,000 in full or partial growth related projects expected to occur over the next 20 years. The target DCC recovery (growth related component) for these projects was \$15,572,700 as detailed in Appendix B of the Regional Water Service DCC Background Report (June, 2014) and reproduced in the table below:

Project	Project Cost	DCC Portion	DCC Cost	Assist Factor	Net DCC Recovery
Chapman Lake Storage Access	\$ 750,000	100%	\$ 750,000	1%	\$ 742,500
Groundwater Testing	350,000	100%	350,000	1%	346,500
Property Acquisition	100,000	100%	100,000	1%	99,000
Small Systems Assessments	150,000	40%	60,000	1%	59,400
Chapman Water Treatment	7,000,000	100%	7,000,000	1%	6,930,000
Soames Point Well Treatment	50,000	40%	20,000	1%	19,800
Chapman Transmission Main Upgrades	2,500,000	70%	1,750,000	1%	1,732,500
Chapman Fire Protection Upgrades	12,000,000	40%	4,800,000	1%	4,752,000
Chapman Distribution Upgrades	1,500,000	40%	600,000	1%	594,000
Intensive Demand Management Programs	600,000	50%	300,000	1%	297,000
Totals	\$25,000,000		\$15,730,000		\$15,572,700

The current Regional Water Service DCC balance is \$1,968,439 of which \$415,608 is committed to the Regional Water Storage Capacity project (\$550,000 net of \$134,392 previously allocated).

It is evident that circumstances have changed significantly since the current DCC Bylaw was adopted. The Province of British Columbia publishes a *Development Cost Charge Best*

Practices Guide which recommends that major amendments to DCC bylaws should be completed at least once every five years and involve a full review of DCC issues and methodology including:

- underlying DCC assumptions;
- broad policy considerations;
- development projections;
- DCC program costs;
- timing of proposed capital projects;
- addition of new projects to the DCC program, where necessary; and,
- deletion from the DCC program of those capital projects that have been completed or are no longer required.

Reserves

The Regional Water Service currently has \$4.5 million in uncommitted capital reserves and \$2.8 million in uncommitted operating reserves. Although these funds are not committed to fund projects in the current financial plan, potential use of reserves for water supply expansion projects must be balanced against the future lifecycle costs of maintaining and replacing existing water infrastructure.

For perspective, the current replacement costs for existing water supply and distribution infrastructure is estimated at over \$180 million in 2019 dollars (based on 2013 Corporate Asset Management Plan values and 5% inflation factor).

Parcel Taxes

Parcel taxes are intended to fund the ongoing capital maintenance, upgrading, renewal and expansion of water supply, treatment and distribution infrastructure as well as any associated debt servicing costs. However, a historical imbalance exists between user fee and parcel tax revenue resulting in a portion of parcel taxes being used to fund operations. The current distribution of parcel tax revenue is as follows:

Cost Category	Amount	Percentage
Operations	\$ 943,112	32%
Base budget capital programs (mains replacement, meter installation, minor capital upgrades & equipment replacement)	808,940	27%
Debt servicing	221,485	7%
Capital reserve contribution	1,014,367	34%
Total	\$ 2,987,904	100%

Continued development of the asset management plan in the years to come will provide more certainty with respect to ongoing capital funding requirements for renewal of existing infrastructure. In the meantime, it is recommended that upcoming utility rate reviews focus on addressing the imbalance between user fees and parcel taxes until such time as 100% of parcel tax revenue is allocated to capital funding and associated debt servicing.

Long Term Borrowing

Long term borrowing through the Municipal Financing Authority (MFA) is a cost effective option for funding water supply expansion projects. The MFA has the highest credit rating available to commercial investors which means that Local Governments in British Columbia have access to some of the lowest long term borrowing rates (2.66% for MFA Issue 147, Spring 2019). In addition to low borrowing rates, a repayment term of 20 to 30 years allows for future benefitting growth to contribute towards the cost of infrastructure built today thereby reducing the burden on the existing tax base.

There are a number of considerations which must be factored into any decisions related to funding projects through long term borrowing:

- **Elector approval** – in most cases, borrowing exceeding 5 years must receive approval of the electors through an Alternate Approval Process or referendum prior to adoption of a Loan Authorization Bylaw. Reliance on debt funding should always be considered contingent on elector approval being obtained as there is always a risk that the electorate will reject a borrowing proposal.
- **Timing** – Perhaps the most crucial element in the long term borrowing process is timing. The authority to borrow under a loan authorization bylaw extends for five years from the date of adoption. With multiple supply expansion projects expected to continue through 2026, a strategy must be in place to ensure approved borrowing fits within project timelines. This can include multiple elector approval processes or issuing borrowing prior to project completion and investing proceeds until such time as they are required.

Timing is also crucial for grant funding applications if debt funding is proposed to fund the SCRD's share of costs. Grant funders typically want to see that any proponent funding has been confirmed and will ask for loan authorization bylaws to be submitted with the application if applicable.

- **Debt Servicing Ratio** – There is no legislated debt servicing limit for Regional Districts in British Columbia; however, an internal restriction exists through the SCRD Debt Management Policy which states that 'the maximum debt servicing costs be limited to 15% of the Regional District's revenues'.

Based on current revenues and debt servicing costs, including authorized unissued borrowing, the SCRD could incur approximately \$35 million in additional borrowing today, based on 20 year term and 3% interest rate, and remain within the specified limit.

In addition, approximately two thirds of current debt servicing costs will expire by spring 2026 which will allow for additional borrowing of approximately \$45 million at that time based on a 20 year term, 3% interest rate and 2% annual increase in revenues.

Regardless of other funding opportunities for water supply projects, it is a virtual certainty that a significant portion of funding will be required from long term borrowing. Given debt servicing costs for the Regional Water Service are funded through parcel taxes, it is prudent to consider the potential impact on parcel tax rates for any additional borrowing incurred.

As an example, if the Regional District were to borrow \$10 million over a 20 year term at a 3% interest rate, the estimated annual debt servicing cost would be \$672,157 which is equivalent to 22.5% of current parcel tax revenue. That would equate to an increase of \$60 to the parcel tax rate for a property up to one acre in size based on the 2019 rate of \$263 for that property class.

Water Metering Program

Although the focus of this report is on available funding and funding opportunities related to water supply expansion projects, the water metering program should also be considered in the same context given the estimated cost to complete the final phase and the following resolutions which were adopted by the Board at regular meetings on May 23, 2019 and July 25, 2019 respectively:

158/19 Recommendation No. 10 Universal Water Metering Program Update

THAT the report titled Universal Water Metering Program be received;

AND THAT Option 1 – hold another AAP when additional water supply sources are confirmed to authorize long term borrowing to support the financing of both the development of the Church Road well field and the Phase 3 water meter installation project be approved.

205/19 Recommendation No. 2 Water Metering Program

THAT staff bring forward a 2020 budget proposal to develop a water metering program.

Financial Implications

As previously stated, regardless of other funding opportunities for water supply projects, it is a virtual certainty that a significant portion of project costs will need to be funded through long term borrowing.

The actual amount to be borrowed will be contingent on a number of variables including actual project costs, timing, interest rates, grant funding, applicability of DCC's, availability of reserves and most importantly, approval of the electors. Furthermore, consideration must be given to emerging financial needs which may require significant borrowing in other critical services such as Solid Waste.

That being said, based on current information, the SCRD financial position is such that any future borrowing required for water supply projects over the next 10 years can be accommodated within the debt servicing limit of 15% of revenues as prescribed in the Debt Management Policy.

Parcel tax revenue which is intended to fund ongoing capital requirements and associated debt servicing will undoubtedly need to increase in order to fund increased debt servicing and asset lifecycle costs associated with any new infrastructure. These considerations will be factored into upcoming utility rate reviews.

STRATEGIC PLAN AND RELATED POLICIES

This report aligns with the Board's Strategic Plan Strategy to secure a sustainable water supply, as well as the Board's Financial Sustainability Policy and Debt Management Policy.

CONCLUSION

The Comprehensive Regional Water Plan identified four key projects to address the water supply deficit in the Chapman water system. Work is proceeding on the Groundwater Investigation, Raw Water Reservoirs and Universal Water Metering projects while the Chapman Lake Infrastructure Improvement Project will not be moving forward following the refusal of a park boundary amendment.

There are multiple sources of funding and funding opportunities available for use towards water supply expansion projects including grants; development cost charges; reserves; rate increases; and long term borrowing.

Regardless of other funding opportunities for water supply projects, it is a virtual certainty that a significant portion of project costs will need to be funded through long term borrowing. Based on current information, the SCRD financial position is such that any future borrowing required for water supply projects over the next 10 years can be accommodated within the parameters of the Board's Debt Management Policy.

User rates will undoubtedly need to increase in order to fund increased debt servicing and lifecycle costs associated with any new infrastructure. These considerations will be factored into upcoming utility rate reviews.

Reviewed by:			
Manager		Finance	X – B. Wing
GM	X – R. Rosenboom	Legislative	
Interim CAO	X – M. Brown	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – September 19, 2019

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services

SUBJECT: TRANSIT FARE REVIEW 2019

RECOMMENDATION(S)

THAT the report titled Transit Fare Review 2019 be received for information;

AND THAT BC Transit be requested to undertake a Fare Review and the results be presented at a Committee meeting in Q1 2020.

BACKGROUND

While BC Transit develops fare products, it is the sole discretion of the SCRD Board to determine which fare products are offered and at what price for the SCRD transit system. The Transit Fees and Charges Bylaw No. 626 includes the fare products and pricing that are currently in place. Fare revenue is not shared with BC Transit and is used by the SCRD to offset the cost of providing transit service.

The current Tariff of Fares for the Sunshine Coast came into effect on May 1, 2016. At that time minor changes in fare structure to simplify options were introduced.

The BC Transit Fare Strategy on recommended products and pricing has four objectives:

- I. The fare structure is attractive to customers and encourages ridership
- II. The fare structure is marketable and is easy to produce and sell
- III. The fare structure has low costs of operation and debt service
- IV. The fare structure is secure and hard to defraud

The 2014 SCRD Transit Future Plan states (p.63):

Goal 4: Deliver Cost Efficient and Cost Effective service: Financial Sustainability

- Ensure the Sunshine Coast Transit System maintains a high cost-recovery ratio.
- Improve fare options for passengers and encourage the use of prepaid fares targeted at key transit markets.

A Fare Review was highlighted in the Transit Future Plan as one avenue to ensure the goal of financial sustainability was being maintained. Fare reviews are recommended by BC Transit every 3-4 years, which would result in a 2019-2020 timeline for the SCRD.

The purpose of this report is to provide an overview of current and upcoming changes related to transit fares and to seek direction to undertake a Fare Review in Q1 2020.

DISCUSSION

Developments in fare products and collection system

Once a passenger purchases a single ticket they can use it on more than one bus within a limited amount of hours, this is called a transfer. Transfers have proven to be common points of conflict with passengers and fraud. A day pass does provide the same benefit and is currently only sold in presale locations.

In order to eliminate transfers and to encourage ridership, several years ago a number of communities in BC introduced the option of purchasing day-passes on the bus instead of only at a presale location. If the ratio between a cash-fare and a day-pass is about 1:2, the introduction of the DayPASS on Board product will allow for the elimination of transfers in the SCRD Transit system and result in reduced fraud and increased ridership, including from tourists.

At the May 2019 Infrastructure Services Meeting, BC Transit staff introduced the concept of the SmartBus which would allow for tools to be implemented allowing customers to more easily know which bus to take, the bus schedule and any service interruptions. Another feature of the SmartBus concept is the Advanced Fare Collection Systems, which would allow for payment with a credit card similar to the Compass card currently in use in Metro-Vancouver. This system would improve both convenience and the customer experience, as well as simplify the revenue collection process and improve staff safety and security for the SCRD.

The Advanced Fare Collection Systems will ultimately be introduced in all BC Transit systems. Given the high usage of our transit system by passengers familiar with the Metro-Vancouver system, there would be a benefit for the SCRD to change to this collection system sooner rather than later. Doing so would require the DayPASS on Board to be part of the fare products offered by the SCRD.

Product Fares

An initial review of the SCRD's product fares by BC Transit and SCRD staff indicated that the current fare ratios for day and monthly passes are disproportioned compared to the cash fare. There is potential to encourage passengers to purchase more day and monthly passes instead of cash fare tickets by changing the ratio between the cash fare and the day and monthly passes. Doing so could ultimately increase ridership and subsequently revenue.

On September 9, 2019 the SCRD received a letter from a parent requesting a reduced rate for youth (18 year and younger) to promote them to take transit to go back and forth to their school (Attachment A). The letter included several options to achieve such rate and each of these options would require the introduction of a new fare type and an actual fare to be determined.

A review of the financial implications of introducing a DayPASS on Board or any of the options to achieve a reduced rate for youth would be required before any changes to the fares could be recommended to the Board.

Fare Review

BC Transit has offered to assist the SCRD in Q4 2019 with undertaking a Fare Review. This review would be a first step in introducing new fare products and confirming improved fares for

cash, day and monthly passes. The results of the Fare Review would be presented to the Board for their consideration.

Staff recommend BC Transit be requested to undertake a Fare Review for the SCRD's transit system.

Financial Implications

An analysis of the financial implications of an updated fare structure would be part of a Fare Review.

Communications Strategy

A communication plan for the implementation of a new fare structure would be developed in collaboration with BC Transit once direction is received to actually update the fare structure based on the completed Fare Review.

Timeline for next steps

BC Transit indicated that it could commence a Fare Review of the SCRD's system this fall which would allow for its results to be presented at a Committee in Q1 2020.

Any change to the fare structure would require an update to Bylaw 626 and an updated Annual Operating Agreement with BC Transit prior to implementation.

Any changes to the fare structure could be introduced in Q2 or Q3 2020 at the earliest.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

In 2016, Transit Fees and Charges Bylaw No. 626 was last updated and the current fare structure has been in place since May 1, 2016.

Staff recommend BC Transit be requested to undertake a Fare Review of the SCRD's transit system, assess the implications of introducing the selling of day passes on the bus, a reduced rate for youth as well as improving the ratio between cash fare and the fares for day and monthly passes.

The results of the Fare Review would be presented in Q1 2020 and changes to the fare structure could be introduced in Q2 or Q3 of 2020.

Attachments:

Attachment A: September 9, 2019 letter from Silas White regarding Youth Transit Passes

Reviewed by:			
Manager		Finance	
GM		Legislative	
Interim CAO	X – M. Brown	Other	

SCRD
RECEIVED

SEP 10 2019

CHIEF ADMINISTRATIVE
OFFICER

September 9, 2019

Board of the Sunshine Coast Regional District
1975 Field Road
Sechelt, BC V0N 3A1

Dear Chair Pratt and Directors,

I am writing on behalf of many parents in the NEST (Nature Education) program at Davis Bay elementary, but no doubt many more at both the elementary and secondary levels across the district. A point of contention for our program, for many years, has been that no reasonable busing is offered by the school district to students living outside of the catchment area. By "reasonable," I mean that in order to get home to Gibsons, my children would need to be bused to Wilson Creek, then back to Sechelt and all the way up to Chatelech, then finally south to Gibsons with many stops along the way for a ride of over an hour. They've never even attempted this long run; we are left to pick them up by car. I will be clear that my family did choose the NEST program... but only after the traditional learning environment was determined to be a poor fit for one of my children and we were referred to NEST by the principal of our neighbourhood school.

Carpools have also proved to be impossible due to the busy and changing schedules all families navigate these days. All it takes is for a kid to get sick, an email to get lost, a parent's plans to change last-minute and carpools tend to fall apart forever, unfortunately. So, *many* vehicles on the Sunshine Coast clutter up our roads and parking lots driving kids to and from school, creating a traffic and GHG problem beyond the concerns of the school district. Meanwhile, we all observe public transit buses roaring around the Coast with plenty of space on them.

No different from when I grew up here, it is still not a norm on the Sunshine Coast that children are exposed to the transit system. They are shuttled around by their parents, and once they reach age sixteen, get their driver's licences as soon as they can. Even after transit has significantly expanded on the Sunshine Coast, little has been done to encourage younger riders. I understand a promotional campaign was held in schools last year, but to little effect.

Undoubtedly the biggest obstacle to youth ridership is fares. Monthly passes are definitely not expenses youth can take on themselves, unless they are older and taking transit to work (and if they're working these days, it's probably because they desperately need the money and may even be helping to support their families with it). And for the parents, I can say from personal experience that it isn't affordable to pay for passes for both my kids... so neither of them get passes, and neither of them become transit riders. And it's even more unattainable for parents of three or more children.

Considering the strong need on the Sunshine Coast for some children to require transit to and from school, and the great community, environmental and social benefits to get younger people on our public transit buses and encourage them to ride transit for life, I urge you to consider the following options:

- 1) Follow the City of Victoria and institute a free youth pass for residents 18 years old and younger. In Victoria, the biggest challenges to this initiative are that buses are often full as it is, and that many youth already ride the bus given Victoria's urban density and extensive transit system. None of these challenges exist on the Sunshine Coast, so this is the most attractive option. If Victoria can do it even with these challenges, clearly we can on the Sunshine Coast.
- 2) Or, approach the school district about the viability of purchasing bulk, subsidized passes with their targeted transportation budget provided by the Ministry of Education to offer free to students

who need them for transportation to and from school. In the past, my experience is that SCRD boards would try to “drive a hard bargain” and get the most money out of the school district as possible for such an initiative, dooming it to failure. I have confidence that the new board of the SCRD would be more likely to see the long-term community, environmental and social benefits of getting students on the bus, so would be more reasonable about negotiating a subsidized price to make it happen. I should add that getting parents and other family members off the road after school also has its economic benefits, as many of us can’t work full-time when we need to pick up our children from school on a frequent basis.

- 3) Or, change the fare structure to offer a family pass, so that any family with children (not couples as that would be another consideration completely) could more affordably purchase a pass that all the family members could use, including children going to and from school.

The 2019–20 school year has begun. Now that my kids are old enough and motivated to ride the bus (which was, to its credit, in part because of BC Transit’s promotional program last year), we now need a way to offer them passes, as with many other kids. I encourage your board to explore the options and try to make something happen quickly. I understand that the current rider’s guide expires October 14. So that would be a good target, to get a free fare for youth into the next transit guide... but considering how long things usually take maybe you could at least aim for November 1?

My understanding is that your board could immediately make a request to BC Transit to work out the economic viability of changing the fare structure (i.e. How many monthly youth passes do you sell right now? This would be a key number), and when they bring their report back to you, you can make a decision. BC Transit has told me that you don’t even need to take this step, though they prefer it when you do... You could also immediately meet with the school district to try to determine a cost level at which it might be willing to purchase bulk passes for students in need.

Perhaps a quick, “pilot” compromise to most precisely serve students who need the service for school, and not even change the fare structure at this point, would be to immediately offer the school district a limited number of youth passes to gauge the need, either free or at a very low cost. The school district could then provide these passes to students who currently aren’t sufficiently served by the SD#46 busing system.

In summary, your board could direct staff to take both the following actions:

- request that BC Transit cost out the options of a) offering free public transit to riders 18 and under, b) offering a family pass to families with school-age children, and c) reducing the youth pass to \$15/month.
- approach School District #46 to explore the viability of offering youth passes to the school district at a subsidized rate for students not sufficiently served by school district busing.

Thank you for considering this issue.

Sincerely,



Silas White

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – September 19, 2018
AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services
SUBJECT: 2020-2021 TRANSIT EXPANSION MEMORANDUM OF UNDERSTANDING

RECOMMENDATION(S)

THAT the report titled Updated 2020-2021 Transit Expansion Memorandum of Understanding be received;

AND THAT staff work with BC Transit to research options and resources required to implement service expansions in 2021-2022 and report back to the Board in Q1 2020;

AND THAT staff work with BC Transit to develop a project plan to update the Transit Future Plan to guide future expansion decisions.

BACKGROUND

The Sunshine Coast Regional District (SCRD) Board approved the Sunshine Coast Transit Future Plan (TFP) in early 2014. Following several items designated as “Quick Wins”, the TFP outlines 14 service priorities across three timeframes: Short Term (1-3 years), Medium Term (4-6 years), and Long Term (7yrs+). The “Quick Win” items were implemented in mid and late 2014. Following Board approval, an MOU was signed on May 2, 2016 approving the implementation of expansion in the fall of 2017 resulting in an increased frequency between Gibsons and Sechelt.

As per the direction from the Board in September 2018, Service Priority 3: providing service to Chatelech School will be implemented as of October 15, 2019.

The purpose of this report is to provide an update on transit service expansion and to seek direction regarding next steps.

DISCUSSION

Current service expansions

On September 27, 2018, the Board approved the following recommendation (in part):

266/18 **Recommendation No. 5** *2019-20 Transit Expansion Memorandum of Understanding*

THAT the report titled Updated 2019-2020 Transit Expansion Memorandum of Understanding be received;

AND THAT any decisions on further service expansions be deferred until costs and impacts of the current service levels are determined;

On March 26, 2019 the SCRD received a letter from BC Transit regarding the Board’s decision to seek any expansions to its service for the provincial fiscal year of 2020-2021 (Attachment A).

The current financial situation of the transit service and the costs and impacts of the current service levels are determined was discussed in the following report:

- Transit Service Overview, presented at the January 24, 2019 infrastructure services committee.
- 2019-20 BC Transit Annual Operating Agreement (AOA), presented at the May 16, 2019 infrastructure services committee.

The Q1 2019 and Q2 2019 Quarterly reports Infrastructure Service Department are indicated an ongoing increase in ridership and fare revenue. This expected revenue levels resulting from the expansion in the fall of 2017 are expected to be reached by the end of 2019 which is a slightly sooner than expected.

Short-term service expansions

At the May 2019 Infrastructure Services Committee meeting BC Transit staff presented an overview of the Transit Future Plan and Transit Improvement Program. One of the suggestions included in that presentation was to undertake research and analysis on:

- possible changes to Route 1 and 90 in combination with the introduction of a Route 5; and,
- the introduction of a new service along the Sechelt Inlet towards Sandy Hook/Tuwanek.

The introduction of Route 5 was already included as a service expansion option in the Transit Future Plan. A service expansion towards along the east side of Sechelt Inlet would introduce transit service (conventional and custom) to this quickly developing area.

Staff recommend to start the process with BC Transit to have them undertake the suggested research and analyses on the suggestion expansion options. This research would include an analysis on expected ridership, costs, revenue, taxation impacts, additional resource requirements and implementation options.

The results of such research would be presented for consideration of inclusion in the 2021-2012 Transit Expansion Memorandum at a committee meeting in Q1 2020.

Long-term service expansions

BC Transit indicated that it had staff resources available to update the Transit Future Plan adopted by the SCRD Board in 2014. This work could be initiated in 2020 and would result in recommendations to the Board on long-term expansion possibilities.

Staff recommend that staff work with BC Transit to develop a project plan to update the Transit Future Plan to guide future expansion decisions. This project plan would include a description of process steps, public consultation process and financial and staff resources required to complete this process. This project plan could be presented at a committee meeting in Q1 2020.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

The Transit Future Plan adopted in 2014 outlines several expansion options, of which some have been implemented. Staff recommend to work with BC Transit to confirm the feasibility of two service expansion options in 2021 and develop a project plan to update the Transit Future Plan to confirm any long-term expansion possibilities.

Attachments:

Attachment A: March 26, 2019 BC Transit 2020-201 Memorandum of Understanding

Reviewed by:			
Manager		CFO/Finance	
GM		Legislative	
Interim CAO	X – M. Brown	Other	



March 26, 2019

Attn: Remko Rosenboom
General Manager Infrastructure Services
Sunshine Coast Regional District

Re: 3 Year Expansion Initiatives

Dear Remko,

As part of BC Transit's effort to secure expansion funding from the province, we have initiated the process to secure provincial funding on behalf of transit systems requiring expansion funding. This letter is to inform you that your transit system has **not** been identified for expansion for the Annual Operating Agreement periods of 2020-2021 through to 2022-2023. If this correctly reflects the understanding of your board or council, we will not be seeking expansion funding on your behalf and will be unable to deliver service expansion in your community in the coming 20/21 year.

Expansion initiatives are primarily derived from the most recent service plan(s) approved by your council/board and validated in collaboration with local government staff. If you feel you have not been identified in error, or your community has an interest in pursuing expansion funding not identified in a service plan, please contact me to discuss.

By communicating proposed expansion initiatives as far in advance as possible we are trying to achieve three important goals:

1. Ensure 3 year expansion initiatives are aligned with the expectations of local governments.
2. Attain a commitment from local governments that will allow BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions.
3. Provide local government partners with enhanced 3 year forecasts that identify longer term funding requirements.

I look forward to working with you on the continued improvement of your transit service and encourage you to contact me if you have any questions.

Yours truly,

Lisa Trotter
Senior Manager, Government Relations
BC Transit

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee Name – September 19, 2019

AUTHOR: Robyn Cooper, Manager, Solid Waste Services

SUBJECT: RURAL AREAS CURBSIDE FOOD WASTE COLLECTION SERVICES FINANCIAL CONSIDERATIONS

RECOMMENDATION(S)

THAT the report titled Rural Areas Curbside Food Waste Collection Services Financial Considerations be received;

AND THAT the base budget for Function 355 Refuse Collection be increased by \$385,900 based on the estimated net increase to operating and overhead costs required to fund a weekly curbside food waste collection service and bi-weekly garbage collection service beginning in 2020;

AND THAT the increase for 2020 be pro-rated at \$231,100 based on an anticipated mid-year start date for the change in service;

AND THAT the increase be funded through additional user fee revenue subject to results of an RFP and amendment of SCRD Waste Collection Bylaw No. 431;

AND FURTHER THAT the Financial Plan 2019-2023 be amended accordingly.

BACKGROUND

The following resolution was adopted at the May 23, 2019 Board Meeting (in part):

159/19 **AND THAT** staff proceed with a Request for Proposal (RFP) for weekly curbside food waste collection that includes a bin of approximately 46 L with wheels and a locking mechanism, a starter kit, a collection App and does not include a kitchen catcher.

The Board direction provided by resolution 159/19 outlines the service delivery model for a curbside food waste collection service, however, the estimated cost of the service is not included in the 2019-2023 Financial Plan and thus, staff cannot yet proceed to RFP.

It should be noted that the above resolution is for a food waste collection service for those residences in SCRD Electoral Areas B, D, E and F that currently receive garbage collection.

The purpose of this report is to seek Board approval of a budget for the curbside food waste collection service and to amend the Financial Plan accordingly to allow for procurement to proceed.

DISCUSSION

Financial Implications

The current curbside refuse collection service is one 77L can of garbage collected weekly and disposed at the Sechelt Landfill.

The existing budget for Function 355 - Refuse Collection is approximately \$900,500 and is itemized in Table 1.

Table 1 – 2019 Budget for Refuse Collection

Garbage Collection Service	2019 Budget
Weekly Garbage Collection	\$454,900
Garbage Disposal	309,900
Overhead	135,700
Total	\$900,500

To fund the Refuse Collection service, user fees are collected as per Bylaw 431. The 2019 annual user fees are \$154.25 per service for a residential premise and \$130.04 per service for mobile homes.

The Board direction has been to reduce garbage collection service to bi-weekly (every-other-week) once a food waste collection service is established. This reduction in service will help offset the costs of food waste collection. Additionally, food waste processing is typically at a lower rate than garbage disposal, allowing for the existing garbage disposal budget to be re-allocated to food waste processing.

The curbside food waste collection service would similarly be funded from user fees, through Function 355 - Refuse Collection.

Creating a budget within Function 355 is required for food waste collection and processing. As well, an annual user fee needs to be established and Bylaw 431 updated accordingly.

Calculations were based on fifty percent of garbage being food waste with sixty additional participating households added per year.

Anticipated costs for the garbage collection service are summarized in Table 2 with the 2020 budget based on six months of weekly collection and six months of bi-weekly collection and 2021 based on a full year of bi-weekly collection service. The overhead costs decrease as the costs are split between garbage and food waste collection services. Additionally, the overhead costs incorporate annual increases to wages and administration support services allocation.

Table 2 – Garbage Collection Service Costs Summary

Garbage Collection Service	2019 Budget	Anticipated 2020 Budget	Anticipated 2021 Budget
Garbage Collection	\$454,900	\$372,100	\$272,400
Garbage Disposal	309,900	232,400	155,000
Overhead & Support Service Allocation	135,700	77,500	86,900
Total	\$900,500	\$682,000	\$514,300
Difference from 2019 Budget	-	\$(218,500)	\$(386,200)

Anticipated costs for a weekly curbside food waste collection service are summarized in Table 3 with 2020 budget based on six months of service and 2021 a full year of service. The processing calculations assume fifty percent of garbage is food waste. The overhead incorporates annual increases to wages and administrative services. The containers and delivery costs are the estimated annual debt servicing costs over a five-year term, the anticipated length of the collection contract. If the costs of the containers, fully or partially, were recovered from Function 355 operating reserves, then the annual budget amount and annual user fees would decrease accordingly.

Table 3 – Food Waste Collection Service Costs Summary

Food Waste Collection Service	Anticipated 2020 Budget	Anticipated 2021 Budget
Food Waste Collection	\$244,300	\$500,600
Food Waste Processing	56,800	113,600
Containers	71,000	71,000
Overhead & Support Service Allocation	77,500	86,900
Total	\$449,600	\$772,100

Table 4 summarizes the base budget costs for both services combined. These costs are estimates and will be refined prior to adopting the 2020-2024 Financial Plan based on the results of the procurement process and contract award. Once specific variables such as timing of service start, collection and processing costs, container funding options and inflationary factors are known, base budgets for 2020 and 2021 will be updated and strategies to mitigate or smooth rate increases can be considered.

Table 4 – Combined Base Budget Costs Summary

Refuse Collection Service	2019 Budget	Anticipated 2020 Budget	Anticipated 2021 Budget
Garbage Collection & Disposal	\$ 764,800	\$ 604,500	\$ 427,400
Food Waste Collection, Processing & Containers	-	372,100	685,200
Overhead & Support Service Allocation	135,700	155,000	173,800
Total	\$ 900,500	\$1,131,600	\$1,286,400
Increase over 2019	-	\$231,100	\$385,900

Tables 5 and 6 summarize the combined anticipated user fees for both services. The user fees include an annual increase to the participating households of sixty. Approximately \$12 of the anticipated user fee is attributable to food waste containers on the assumption that the initial capital expenditure would be financed over 5 years.

Table 5 – User Fees Summary per Residential Premise

Collection Service	2019 User Fees	2020 Anticipated User Fees	2021 Anticipated User Fees
Garbage	\$154.25	\$117	\$87
Food Waste	-	\$77	\$131
Total	\$154.25	\$194	\$218

Table 6 – User Fees Summary per Mobile Home

Collection Service	2019 User Fees	2020 Anticipated User Fees	2021 Anticipated User Fees
Garbage	\$130.04	\$98	\$73
Food Waste	-	\$65	\$110
Total	\$130.04	\$163	\$183

Once the programs have been implemented, a further report on funding mitigation options will be brought to Committee.

In addition, SCRD Waste Collection Bylaw No. 431 includes a clause that allows for a ‘Fee Reduction for Eligible Properties’. This allows owners of eligible properties who meet specific criteria to apply for a reduction of their annual waste collection fee up to the amount specified in the Bylaw. This amount is currently set at \$154.25, equivalent to the annual garbage collection rate for a residential premises. In 2019, sixty-seven fee reductions were approved for garbage collection. If the specified amount were to be increased in line with the anticipated combined rates for both garbage and food waste collection, and sixty-seven waivers were approved in subsequent years, the financial impact would be approximately \$10,921 in 2020 and \$12,261 in 2021.

It is recommended to allocate an initial annual budget of \$449,600 for food waste collection, processing and overhead for six months of service. The actual budget amounts and annual user fees will be determined after the procurement process. The total new funds required for a food waste collection service is offset by decreased costs for garbage collection of approximately \$218,500 and \$386,200 for 2020 and 2021 respectively.

Impacts to Landfill Tipping Fees

Diverting food waste will result in a decrease in garbage disposed and thus a decrease to tipping fee revenue.

Once the SCRD, District of Sechelt and Sechelt Indian Government District curbside food waste collection programs are initiated, along with the existing Town of Gibsons curbside food waste collection program and the SCRD's residential and commercial food waste landfill ban, it is anticipated that there may be a 15%-25% overall reduction in tipping fee revenue.

Mitigation options include increased taxation, increase to the garbage tipping fee or a combination of the two. Once the program has been implemented a further report on funding mitigation options will be brought to Committee.

Staff recommend conducting a tipping fee review in Q2 2021, one year after the anticipated initiation of the SCRD's curbside food waste collection program and after the initiation of the food waste ban to determine the overall impacts to tipping fee revenue.

Timeline for next steps

If Board direction to approve a budget and amend the financial plan is given, the next step is procurement.

Procurement is required for the curbside food waste collection service as well as for food waste processing.

The procurement process from preparing the RFP documents to contract award will take approximately three to four months. The RFP will be issued as soon as possible after Board adoption.

An amendment to Bylaw 431 (Refuse Collection) will be required by Q1 2020 at the latest.

The end of Q2 2020 is currently being considered as the earliest possible start date for curbside collection of food waste.

Communications Strategy

If a curbside collection of food waste service is implemented, a communications plan will be developed that will incorporate print materials, paid advertising, corporate newsletter, social media, the SCRD website and other engagement opportunities.

STRATEGIC PLAN AND RELATED POLICIES

This report is in support of the SCRD's Solid Waste Management Plan's targets of 65%-69% diversion and residential food waste collection is one of the SWMP's recycle initiatives.

CONCLUSION

It is anticipated that with a curbside food waste collection service, approximately 50% of garbage will be food waste.

The anticipated costs for a curbside food waste collection service is \$449,600 for six months of service in 2020 and \$772,100 for a full year of service in 2020.

The total new funds required for a curbside food waste collection service is offset by decreased costs to the garbage collection service of approximately \$218,500 and \$386,200 for 2020 and 2021 respectively. The decreases are attributed to the lower collection costs for bi-weekly garbage collection and decrease to garbage disposed.

The purpose of this report is to seek Board approval of a budget for the curbside food waste collection service and to amend the Financial Plan accordingly to allow for procurement to proceed.

An amendment to Bylaw 431 (Refuse Collection) will be required by Q1 2020 at the latest.

The end of Q2 2020 is currently being considered as the earliest possible start date for curbside collection of food waste.

The food waste diverted from landfill through curbside collection programs and from a landfill ban are anticipated to result in a 15%-25% overall reduction in tipping fee revenue. Mitigation options include increased taxation, increase to the garbage tipping fee or a combination of the two.

Staff recommend conducting a tipping fee review in Q2 2021, one year after the anticipated initiation of the SCRD's curbside food waste collection program and after the initiation of the food waste ban to determine the overall impacts to tipping fee revenue.

Reviewed by:			
Manager		Finance	X – T. Perreault
GM	X - R. Rosenboom	Legislative	X – S. Reid
Interim CAO	X – M. Brown	Other	X – B. Wing

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – September 19, 2019

AUTHOR: Robyn Cooper, Manager, Solid Waste Programs

SUBJECT: FOOD WASTE DROP-OFF PROGRAM CONSIDERATIONS

RECOMMENDATION(S)

THAT the report titled Food Waste Drop-off Program Considerations be received for information;

AND THAT the Board provide direction regarding the scope of a 2020 Budget Proposal for implementation of a Food Waste Drop-off Program.

BACKGROUND

In 2017, the SCRD engaged Carey McIver & Associates Ltd. to develop a [Regional Organics Diversion Strategy \(Strategy\)](#). The Strategy was adopted by the SCRD Board on January 18, 2018 and contains eight key initiatives to divert organic waste in the region.

A report outlining an update on the [Strategy implementation plan](#) was presented at the April 18, 2019 Infrastructure Services Committee meeting.

One of the Strategy's initiatives to support a landfill ban for food waste is to implement residential food waste drop-off in Pender Harbour, mid-coast and south coast.

The purpose of this report is to outline the considerations for the implementation of a food waste drop-off program and seek Board direction.

DISCUSSION*Options and Analysis*

A food waste drop-off program would incur costs for site operations, container and hauling services and processing. The total program costs will differ depending on the scope of the program.

To determine the scope of the program, the following program considerations have been identified:

- Number of sites
- Program users
- Volume restrictions
- Cost recovery

In terms of these four program considerations, the Strategy proposed three sites (Pender Harbour, mid-coast and south coast), drop-off for residents only and did not address volume restrictions or cost recovery.

The Strategy did propose a drop-off for commercial loads (large bins) of food waste at the Pender Harbour Transfer Station. However, staff do not recommend pursuing this at this time and instead to direct large commercial bin loads of food waste directly to the processor, Salish Soils, as per the current practice.

Based on the four program considerations, three options have prepared and Board direction is being sought.

Option 1a – Support maximization for food waste diversion, no tipping fee

- Sites: 3, Pender Harbour, mid-coast and south coast as per the Strategy
- Program users: residents and small businesses
- Volume restriction: maximum 50L container
- Cost recovery: Fully funded from taxation

Option 1a provides the maximum support for food waste diversion by including small businesses in addition to residents, the costs are free at the time of drop-off and would have three sites along the Sunshine Coast for drop-off. With a volume restriction of 50L, any loads of food waste over 50L would be out of scope of the program and can be brought directly to the processor. This option has the highest cost but would likely have the highest participation and diversion opportunity.

Option 1b – Support maximization for food waste diversion, with tipping fee

- Sites: 3 (Pender Harbour, mid-coast and south coast) as per the Strategy
- Program users: residents and small businesses
- Volume restriction: maximum 50L container
- Cost recovery: 50% tipping fee and 50% taxation

Option 1b differs from 1a only in the cost recovery method. The tipping fee would be set at a flat rate per container with a maximum of 50L container. This option would have a lower taxation implication than Option 1a. A tipping fee for food waste may deter participation and thus diversion, however, establishing a tipping fee is in line with materials accepted for diversion at the SCRD landfill and transfer station.

Given that participation is unknown (e.g. the total number of containers of food waste per year), funding from 50% tipping fees may not be realistic. At the high end of estimates, at \$158,000 per year of annual costs, to fund \$79,000 (50%) at \$5 per container, 15,800 containers of food waste would be required.

For Option 1a or 1b, if funded from taxation under Function 350, in whole or in part, all properties within the SCRD would pay, including Electoral Area B and F islands and those who pay a user fee for curbside food waste collection service.

Option 2 – Provide complementary service to residential collection services

- Sites: Pender Harbour Transfer Station only
- Program users: residents only
- Volume restriction: maximum 50L container
- Cost recovery: 100% tipping fee

Option 2 provides food waste drop-off for Pender Harbour residents only to compensate for not having curbside collection services in the area. Food waste from small businesses or loads of food waste over 50L would be out of scope of the program and can be brought directly to the processor. All other Sunshine Coast residents would be directed to utilize their curbside collection service for food waste or backyard composter. The tipping fee would be set at a flat rate per container with a maximum of 50L container.

A tipping fee for food waste may deter participation and thus diversion, however, establishing a tipping fee is in line with materials accepted for diversion at the transfer station. With participation being unknown, funding 100% from tipping fees may be cost prohibitive or may not receive the minimum number of containers to fund the program. For example, at \$35,000 per year of estimated annual costs and at \$5 per container, 7,000 containers would be required in order to recover costs.

Financial Considerations

There is not currently a budget for this program as this would be a new program.

Based on current market conditions and projected tonnes of food waste extrapolated from the Strategy, a high-level annual cost estimate for a food waste drop-off program ranges from approximately \$24,000 to \$34,000 for one-site at Pender Harbour Transfer Station, residential only to \$113,000 to \$158,000 for three sites residential and small business.

The estimated costs are summarized in Table 1. These costs assume curbside collection of food waste in the District of Sechelt, Sechelt Indian Government District, Town of Gibsons and SCRD Electoral Areas B, D, E and F.

Table 1 – Estimated Annual Costs for Food Waste Drop-off Program

Estimated Annual Costs for Food Waste Drop-off Program			
	Pender Harbour Transfer Station	Mid-Coast	South-Coast
Site Operations	existing operations	\$10,000	\$10,000
Container & Hauling Services	\$20,000-\$30,000	\$10,000	\$15,000-\$20,000
Processing - residential	\$4,000	\$5,000	\$9,000
Total	\$24,000-\$34,000	\$25,000	\$34,000-\$39,000
Processing – small business	\$10,000-\$20,000	\$10,000-\$20,000	\$10,000-\$20,000
Total	\$34,000-\$54,000	\$35,000-\$45,000	\$44,000-\$59,000

The actual costs will depend on the Board direction regarding program options and the results from a procurement process.

Timeline for next steps

Staff are seeking Board direction regarding the implementation of a food waste drop-off program. Depending on the direction provided staff will prepare a 2020 Budget Proposal for the implementation of this new program.

A date for a regional landfill ban for organics will be reviewed after Board decisions regarding the food waste drop-off program and SCRD rural areas curbside food waste collection services of which there is a report on the Agenda of this meeting. Both the food waste drop-off program and curbside food waste collection service would need to be implemented prior to the start date of a landfill organics ban.

Suggested recommendations

If the committee wants to direct staff to start the implementation of one of the options presented in this report the following recommendations could be considered to do so:

Option 1a – Support maximization for food waste diversion, no tipping fee

AND THAT staff prepare a 2020 Budget Proposal for three food waste drop-off sites for residents and small businesses funded from taxation with a volume restriction of 50L.

Option 1b – Support maximization for food waste diversion, with tipping fee

AND THAT staff prepare a 2020 Budget Proposal for three food waste drop-off sites for residents and small businesses funded 50% from tipping fees and 50% from taxation with a volume restriction of 50L.

Option 2 – Provide complementary service to residential collection services

AND THAT staff prepare a 2020 Budget Proposal for one food waste drop-off site, at the Pender Harbour Transfer Station for residents only funded from tipping fees with a volume restriction of 50L.

STRATEGIC PLAN AND RELATED POLICIES

The Strategy is in support of the SCRD's Solid Waste Management Plan's targets of 65%-69% diversion and organics diversion is one of the SWMP's reduction initiatives.

CONCLUSION

The SCRD's Regional Organics Diversion Strategy was adopted by the SCRD Board on January 18, 2018 and contains eight key initiatives to divert organic waste in the region.

One of the initiatives is to implement residential food waste drop-off in Pender Harbour, mid-coast and south coast.

There are four key program considerations, number of sites, program users, volume restrictions and cost recovery that were incorporated into three program options.

Staff are seeking Board direction on next steps regarding the implementation of food waste drop-off sites.

Once Board direction is provided then a 2020 Budget Proposal will be prepared for the Board's consideration.

Reviewed by:			
Manager		CFO/Finance	X – T. Perreault
GM	X - R. Rosenboom	Legislative	
Interim CAO	X – M. Brown	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – September 19, 2019

AUTHOR: Sherry Reid, Corporate Officer
Robyn Cooper, Manager, Solid Waste Programs

SUBJECT: **PROCESS AND IMPLICATIONS OF ESTABLISHING A CURBSIDE RECYCLING SERVICE FOR ELECTORAL AREAS B AND D**

RECOMMENDATION(S)

THAT the report titled Process and Implications of Establishing a Curbside Recycling Service for Electoral Areas B and D be received.

BACKGROUND

The purpose of this report is to provide an overview of the process and implications of establishing a new service for curbside recycling in Electoral Areas B and D.

The current contract with Recycle BC does not allow the SCRD to equalize the costs for providing curbside recycling collection service to the four participating Electoral Areas in the Refuse Collection Service. At present, only Electoral Areas B and D qualify for financial incentives from Recycle BC. The cost for providing curbside collection recycling services for Electoral Areas E and F would therefore have to be entirely funded by the SCRD.

At the June 27, 2019 Board Meeting, the following resolution was adopted (in part):

181/19 **Recommendation No. 6** *SCRD Recycling Depots – Overview*

AND THAT staff provide a report to Committee on the process and implications of creating a new service for rural area curbside recycling for Electoral Areas B and D.

It should be noted that Recycle BC determines what materials are accepted curbside and at depots. Not all materials accepted at depots are accepted at the curb. Table 1 summarizes the difference.

Table 1 – Recycle BC Accepted Materials Summary

Material Category	Examples	Accepted at Depots	Accepted Curbside
Printed papers	office paper, newspaper	✓	✓
Cardboard	cardboard box	✓	✓
Other paper packaging – containing liquids when sold	ice cream container, coffee cup, frozen juice concentrate, cartons for soup or milk	✓	✓
Other paper packaging – not containing liquids when sold	cereal box, cookie or cracker box	✓	✓
Metal packaging	soup can, aerosol can, foil take out container, aluminum cans	✓	✓
Plastic packaging	plastic bottles, jars and jugs e.g. mayo, laundry detergent, plastic take-out bowl, cup or lid	✓	✓
Glass packaging	Glass bottles and jars – clear & coloured e.g. pickle jar	✓	x
Polystyrene foam - white	packaging around electronics, take-out cups or trays	✓	x
Polystyrene foam – coloured	meat trays, egg cartons	✓	x
Plastic bags and overwrap	shopping bags, bread bag	✓	x
Other flexible plastic packaging	chip bags, candy bar wrappers, mesh produce bags, zipper lock bags	✓	x

DISCUSSION

The Refuse Collection Service area is established by *Sunshine Coast Regional District Refuse Collection Local Service Bylaw No. 1021*. Electoral Areas B (excluding islands), D, E and F are the participating areas in that service. If the existing Refuse Collection service bylaw is to be used to provide an enhanced service, such as curbside collection for recycling, then it should be a service established for all participating areas within that bylaw. The process to establish a curbside recycling service for Electoral Areas B and D only will therefore require the establishment of an entirely new service in a newly defined service area.

The decision to establish a new service is voted on by the entire regional district Board and passes with a majority vote. However, before a service establishment bylaw can be enacted it must also be approved by the electors within the benefitting area of the service.

Steps to Implement a Curbside Recycling Service

Establishing a new curbside recycling service in Areas B and D requires the development of a new service establishment bylaw to define what the service will be, what participating areas will benefit, how it will be delivered, what the maximum cost will be, and the method for cost recovery. The establishing bylaw will also require the approval of the provincial Inspector of Municipalities and elector approval before it can be adopted.

An Alternative Approval Process (AAP) would be the most cost effective manner to obtain the elector approval required to establish the new service. The AAP process is a form of approval that allows electors to indicate whether they are against moving forward with the adoption of the bylaw to establish the service. Eligible electors may register their opposition to the creation of the service by signing and submitting response forms during the AAP. In order for elector approval to be obtained, response forms would need to be received by less than 10% of eligible electors. If 10% or more of eligible electors sign and submit response forms, the service establishing bylaw may not proceed without first holding an assent vote (referendum).

The estimated timeline for a process to establish a new curbside recycling service would take between six months and one year to complete.

The following steps are required:

- **Feasibility Study/Consideration of service decisions**
 - Define service area, service level and proposed annual budget
 - Determine the method of cost recovery
 - Calculate tax rate (should be sufficient to ensure amendment isn't required for at least five years) and estimated user fees
 - Public consultation via online survey/information sessions to determine community support for a curbside service
 - Staff report to Board summarizing community response
- **Draft bylaw**
 - Bylaw must receive 3 readings and be approved by the Inspector of Municipalities prior to commencing AAP
- **Prepare for and initiate AAP**
 - Order and prepare voters lists, calculate eligible electors
 - Develop response forms and AAP information package
 - Report to Board to authorize AAP process
 - Draft statutory advertising (run for two consecutive weeks)
 - Manage communications - website updates, respond to public inquiries
 - Receive and register elector responses, determine final results
- **If elector approval obtained - bylaw adoption and submission to Province**
- **Information to BC Assessment for service area coding**

Financial Implications – curbside recycling service costs

Based on the staff report titled *Rural Area Curbside Collection Services Award Report* presented at the January 25, 2019 Special Infrastructure Services Committee meeting, the estimated annual cost and user rate for curbside recycling services for Electoral Areas B and D at that time was as follows in Table 2:

Table 2 – Summary of Annual Costs for Curbside Recycling in Electoral Areas B and D

Option (Electoral Area B and D)	Projected Annual Cost	Projected User Rate
Manual Collection (Resident supplies cart)	\$63,540	\$20
Semi-automated Collection (SCRD buys cart)	\$108,018	\$34

The estimated user rates and annual costs noted above incorporate the financial incentives that would be received by Recycle BC. These values would need to be reviewed and possibly updated prior to proceeding with an AAP.

Financial Implications – impacts to depot recycling service costs

The implementation of a curbside recycling collection service in Electoral Areas B and D would reduce the incentives the SCR D receives from Recycle BC to support the Sechelt depot service by an estimated \$10,000 annually. This is based on reduced tonnages of accepted materials as well as lower incentive rates.

Depot services are funded through the Solid Waste service funded from taxation with incentive revenue used to offset taxation. Based on current service levels and contract commitments, any decrease in incentive revenue will need to be offset by higher taxation. The Solid Waste service is funded by all SCR D Electoral Areas, including Islands, the District of Sechelt, Sechelt Indian Government District and the Town of Gibsons.

Financial Implications – AAP Process

The amount of staff time required for the AAP will depend on the level of elector response. Given past experience with matters related to solid waste, it would be reasonable to expect a high level of community interest. Legislative Services staff would deal with elector response forms and inquiries about process. Solid Waste staff would deal with service related inquiries.

Estimated costs for an AAP are as follows:

Legal (contingency)	\$	500
Statutory Advertising		1,500
Meetings & Supplies		500
Staff Time*		<u>9,500</u>
Total		\$12,000

** Staff time will be dependent on the amount of public interest generated.*

These costs would initially be funded through Electoral Areas B and D Feasibility functions 152 and 153. If a service is ultimately established, the costs are deemed to be a cost of the service and would be recovered as such.

A financial plan amendment is required to initiate the AAP process within the feasibility functions. Initial funding for this would generally come from taxation which would ultimately be refunded if a service was established; however, in 2014 the Board adopted the following resolution (excerpt) at its regular meeting on February 27:

131/14 **Recommendation No. 36** *Area B [152] Feasibility and Area D [153] Feasibility*

THAT the \$50,000 required for a Request for Proposal and other costs for the Electoral Areas B and D Curbside Recycling Program in 2014 be funded out of Area B Feasibility [152] and Area D Feasibility [153] and apportioned by assessment;

The intent of this funding was to conduct a feasibility pilot project in advance of establishing a new service; however, the project was never initiated and the majority of these funds were not spent and were subsequently placed in reserves. With interest earned, the combined balance is now \$52,944. These funds are available to cover the upfront costs associated with the AAP but will ultimately be recovered through the service if it is established. If the service does not proceed by or if funds are not used in full by 2020, they can be returned to the Area B and D tax payers.

Organizational and Intergovernmental Implications

If direction is to proceed with a process to establish a curbside recycling service for Electoral Areas B and D, staff recommend aligning the timeline for all the required steps with other SCRD electoral approval, public engagement processes and other solid waste initiatives.

Timeline for next steps

If direction is to proceed with a process to establish a curbside recycling service for Electoral Areas B and D, staff recommend delaying the commencement of the AAP process until early January 2020. This will ensure the availability of adequate staffing resources and will provide more optimal timing for community engagement and the elector approval process.

If the AAP passes, then the following sequential steps can be initiated that are anticipated to take a minimum of six to eight months:

- Board report to amend the financial plan
- Procurement for curbside collection services
- Amendment of Waste Collection regulatory bylaw for operation and administration of the service, including fees and charges
- Amendment to Recycle BC contract
- Outreach and Education
- Launch service

Based on the timelines for completion of an AAP and the actual implementation steps of the new service the earliest anticipated start date for a curbside collection service would be in Q1 or Q2 2021. A more detailed timeline would be included in an implementation plan to be presented at a future committee meeting.

Should elector approval not be obtained through the AAP, the bylaw cannot proceed to adoption and if the Board wishes to proceed with the service, an assent vote (referendum) must be held within 80 days after the deadline established for submitting AAP response forms. This will require significant staff and financial resources.

STRATEGIC PLAN AND RELATED POLICIES

N/A

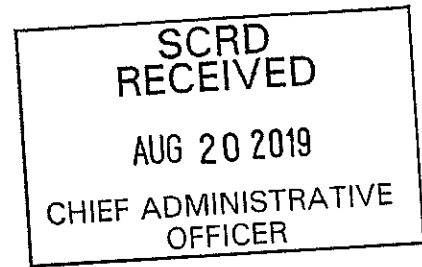
CONCLUSION

This report provides an overview of the process and implications of establishing a new service for curbside recycling in Electoral Areas B and D. Staff are seeking direction based on the information provided.

Reviewed by:			
Manager		CFO/Finance	X – T. Perreault
GM	X – R. Rosenboom	Legislative	
Interim CAO	X – M. Brown	Finance	X – B. Wing

Tracey Hincks

From: Lori Pratt
Sent: Tuesday, August 20, 2019 9:35 AM
To: DL - Directors
Cc: Tracey Hincks; Sherry Reid
Subject: Fw: BC Recycling Regulation



Board Correspondence. Should go on a committee agenda as well.

Lori Pratt

Director Area B - Halfmoon Bay & Chair
 Sunshine Coast Regional District
 Direct: 604-740-2370
 1975 Field Road, Sechelt, BC V0N 3A1 604-885-6800
www.scrd.ca

From: Minister, ENV ENV:EX <ENV.Minister@gov.bc.ca>
Sent: Tuesday, August 20, 2019 9:02 AM
To: Lori Pratt
Subject: RE: BC Recycling Regulation

Reference: 346984

August 20, 2019

Lori Pratt, Chair
 and Directors
 Sunshine Coast Regional District
 Email: lori.pratt@scrd.ca

Dear Chair Pratt and Directors:

Thank you for your letter of June 28, 2019, regarding expansion of the Recycling Regulation for packaging and paper products (PPP) to include materials generated by the Industrial, Commercial and Institutional (ICI) sector. I apologize for the delay in responding.

BC has one of the most successful extended producer responsibility (EPR) programs for residential packaging in the country; this is the largest and most involved of any of our 22 EPR programs in place today.

As you point out, the situation is changing for the ICI sector. The costs involved in meeting China's restrictions on imports of recyclables have negatively impacted the ability of many local ICI recycling collectors to continue offering services or to offer services without steep increases in pricing.

Regarding the broader issue of managing PPP material from the ICI sector, the ministry is researching and consulting on additional products that may be suitable to manage under the regulation. This research will help inform the ministry on product/material gaps, including how ICI recycling is currently managed. This is the first

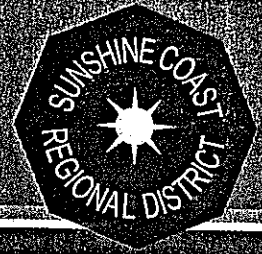
step in that process and, as always, the ministry will consult with stakeholders, Indigenous communities, local governments and the public with respect to any future actions in this regard.

Thank you again for taking the time to write.

Sincerely,

George Heyman
Minister

This email was scanned by Bitdefender



June 28, 2019

COPY

The Honourable George Heyman
Minister of the Environment and Climate Change Strategy
PO Box 9047 Stn Prov Gov
Victoria, BC
V8W 9E2

Dear Minister Heyman,

Re: BC RECYCLING REGULATION

BC is known across Canada and North America as a leader in Extended Producer Responsibility (EPR).

Most recently, in 2014, the BC Recycling Regulation was expanded to include Packaging and Paper Products (PPP) which changed the landscape of recycling in BC and has resulted in improved recycling for the residential sector.

However, there is a gap in service and the Sunshine Coast Regional District is writing to ask that the Ministry of Environment and Climate Change Strategy (MoE) amend the BC Recycling Regulation to expand the scope for Packaging and Paper Product (PPP) to include the Industrial Commercial and Institutional (ICI) sector.

In 2014, many British Columbian local governments, including the Sunshine Coast Regional District (SCRD) signed on to the Multi Materials BC (now Recycle BC) program. The program is only responsible for residential PPP, leaving the ICI sector including schools, hospitals, restaurants and grocery stores dependent on the private sector or in some cases, local governments for access to recycling and does not hold the producers of the ICI PPP accountable to fund the costs for recycling. ICI also includes residential sector recycling collected outside the provincial program, which is the situation for many of the rural residences of the Sunshine Coast.

Regional Districts, through their Solid Waste Management Plans are required to set waste diversion targets and restrict recyclable material from the garbage. With recent changes in the global commodity market, as a result of the Chinese National Sword, local governments are facing challenges that include reduced access or lack of access to recycling for the ICI sector. Without being included in the Recycling Regulation, ICI recyclables such as cardboard, paper, metal, plastic and glass containers run a risk of being landfilled.

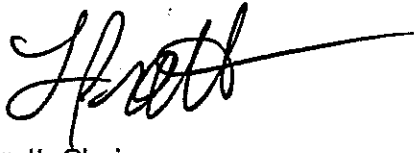
This shortfall in services will delay the ability of local governments to meet diversion targets set out in their Solid Waste Management Plans and Provincial waste reduction targets. As well, if landfilled, landfill site life is decreased, of which the SCRD's only landfill has less than eight years remaining.

The SCRD is proposing a solution, to amend the Recycling Regulation to expand the scope for PPP to include the ICI sector. This amendment will avoid ICI recyclables from being disposed of in the landfill, shifts the costs to the producers of ICI PPP and allows the SCRD to implement initiatives such as recycling bans to help reach diversion targets in our SWMP.

Thank you for your time. We respectfully ask that you move expediently on this amendment request to assist in promoting a healthy and sustainable environment.

Sincerely,

SUNSHINE COAST REGIONAL DISTRICT

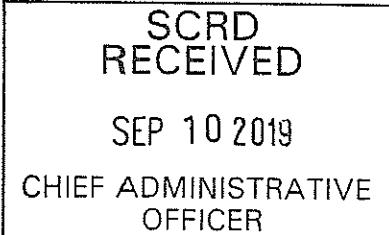
A handwritten signature in black ink, appearing to read 'L. Pratt', with a long horizontal stroke extending to the right.

Lori Pratt, Chair

cc: Patrick Brabazon, Chair qathet Regional District

Tracey Hincks

From: Lori Pratt
Sent: Tuesday, September 10, 2019 7:48 PM
To: DL - Directors
Cc: Tracey Hincks
Subject: Fw: [Sent to board@scrd.ca] Transit Student Fares



Another letter re: transit fares for students.

Lori Pratt

Director Area B - Halfmoon Bay & Chair
 Sunshine Coast Regional District
 Direct: 604-740-2370
 1975 Field Road, Sechelt, BC V0N 3A1 604-885-6800
www.scrd.ca

From: Cayce Laviolette <caycelaviolette@gmail.com>
Sent: Tuesday, September 10, 2019 2:31 PM
To: Board Chair
Subject: [Sent to board@scrd.ca] Transit Student Fares

Dear SCRD Board

I am a parent of a child in Grade 7 who attends Davis Bay Elementary for the NEST program. We live in Area E so she is crossing school boundaries to attend. For the last 3 years, parents of children in this program have petitioned the SD46 to provide school bus service to and from Gibsons and Davis Bay so that our children can attend school. However SD46 has always only been able to provide morning service from Gibsons to Davis Bay. Now that my daughter is old enough, she will be taking public transit home after school.

At \$2.00 per trip X approx. 20 school days per month this comes to an added cost of \$40 per month or \$480.00 per year so my daughter can get home from school. It would seem reasonable for the SCRD to offer free or at least discounted bus passes for students who attend school outside of their catchment area, at least in these cases where the school district does not provide service.

I would ask that you review this matter and consider an affordable bus program for students. I know there are many others who are facing the same issue.

Best regards,

Cayce Laviolette
 992 Fircrest Rd, Gibsons, V0N1V4
 604-886-8125

Tracey Hincks

From:	Lori Pratt	<div style="border: 1px solid black; padding: 5px; text-align: center;"> SCRD RECEIVED SEP 12 2019 CHIEF ADMINISTRATIVE OFFICER </div>
Sent:	Thursday, September 12, 2019 9:53 AM	
To:	DL - Directors	
Cc:	Tracey Hincks	
Subject:	FW: [Sent to board@scrd.ca] Letter regarding youth transit passes	
Attachments:	Youth transit.pdf	

More support for Youth Transit passes

Lori Pratt
Chair & Director Area B (Halfmoon Bay)

Sunshine Coast Regional District
1975 Field Road, Sechelt, BC V0N 3A1

Phone: 604-740-2370

Follow us on Twitter at sunshinecoastrd
Like us on Facebook
Visit us: www.scrd.ca

-----Original Message-----

From: Brian Smith [mailto:bricyclist@gmail.com]
Sent: September 12, 2019 6:49 AM
To: Board Chair <board@scrd.ca>
Subject: [Sent to board@scrd.ca] Letter regarding youth transit passes

Greetings SCRD Leadership,

Please accept my support for the attached letter authored by Silas White. You can count all three of my kids as would-be transit users if the fees were not a barrier. Please seriously consider this request and do what you can to support our young people (and environment) by way of transit passes for the Coast.

Cheers,
Brian

Brian Smith
604-928-8931

This email was scanned by Bitdefender

SCRD RECEIVED

Tracey Hincks

From: Lori Pratt
Sent: Thursday, September 12, 2019 9:53 AM
To: DL - Directors
Cc: Tracey Hincks
Subject: FW: [Sent to board@scrd.ca] Letter in Support of Youth Transit Passes
Attachments: Youth transit.pdf

SEP 12 2019

CHIEF ADMINISTRATIVE OFFICER

More support for youth transit passes.

Lori Pratt
 Chair & Director Area B (Halfmoon Bay)

Sunshine Coast Regional District
 1975 Field Road, Sechelt, BC V0N 3A1

Phone: 604-740-2370

Follow us on Twitter at [sunshinecoastrd](#)
 Like us on [Facebook](#)
 Visit us: www.scrd.ca

From: Marah Farmer [mailto:marah.farmer@gmail.com]
Sent: September 12, 2019 8:39 AM
To: Board Chair <board@scrd.ca>
Subject: [Sent to board@scrd.ca] Letter in Support of Youth Transit Passes

To the Board of Directors, SCR D,

Please accept my support, and my husband's support, of Silas White's letter requesting Youth Transit Passes.

Sincerely,
 Marah and John Farmer
 Parents of two children in NEST at DBES

This email was scanned by Bitdefender