



INFRASTRUCTURE SERVICES COMMITTEE
Thursday, January 30, 2020
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. Dave Hawkins Annex A
Regarding Implementation of Metered Water Services pp 1 - 10
3. Geoff Bedford and Karl Glackmeyer Annex B
Regarding Water Strategies pp 11 - 12

REPORTS

4. General Manager, Infrastructure Services Annex C
2019 Fare Review Update pp 13 - 18
(Voting –B, D, E, F, Sechelt, Gibsons, SIGD)
5. General Manager, Corporate Services / Chief Financial Officer Annex D
2020 – 2021 BC Transit Annual Operating Agreement Draft pp 19 - 24
Budget
(Voting –B, D, E, F, Sechelt, Gibsons, SIGD)
6. Manager, Transit and Fleet Annex E
Flume Road Safety Concern pp 25 - 28
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD)
7. General Manager, Infrastructure Services Annex F
Water and Watershed Governance pp 29 - 73
(Voting – All)
8. General Manager, Corporate Services / Chief Financial Officer Annex G
Manager, Solid Waste Programs pp 74 – 78
2020 Refuse Collection Fee Review
(Voting – B, D, E, F)
9. Manager, Solid Waste Programs Annex H
Food Waste Drop-off Program Update pp 79 - 88
(Voting – All)
10. Manager, Solid Waste Operations Annex I
Gypsum (Drywall) Screening Process Improvements pp 89 -93
(Voting – All)

- | | |
|---|--------------------------------|
| 11. Manager, Solid Waste Programs
RFP 19 350007 Contract Award for Islands Clean Up Services
(Voting – All) | Annex J
pp 94 - 96 |
| 12. Corporate Officer
Revised 2020 AVICC Resolutions
(Voting – A, B, D, E, F) | Annex K
pp 97 - 100 |
| 13. General Manager, Planning and Community Development
Community Recreation Facilities – Additional Information Planning
and Replacement of Non-Critical Assets
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD) | Annex L
pp 101 - 105 |
| 14. Manager, Asset Management
2020 Recreation Facilities Capital Funding Review
(Voting – B, D, E, F, Sechelt, Gibsons, SIGD) | Annex M
pp 106 - 126 |
| 15. Solid Waste Plan Monitoring Advisory Committee Meeting Minutes
of December 10, 2019
(Voting – All) | Annex N
pp 127 - 129 |
| 16. General Manager, Infrastructure Services
Infrastructure Services Department – 2019 Q4 Report
(Voting – All) | Annex O
pp 130 - 140 |

COMMUNICATIONS

- | | |
|--|--------------------------------|
| 17. Michele Babchuk, Co-chair, Comox Strathcona Waste
Management dated November 22, 2019
Regarding Special Committee on Solid Waste Management
(Voting – All) | Annex P
pp 141 - 142 |
| 18. Ed Pednaud, Executive Director, Sechelt and District Chamber of
Commerce dated December 4, 2019
Regarding Water Supply
(Voting – All) | Annex Q
pp 143 - 144 |

NEW BUSINESS

IN CAMERA

That the public be excluded from attendance at the meeting in accordance with Section 90 (1) (k) of the *Community Charter* – “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

Valuing Water

thoughts from a citizen about
effective water metering and rates

January 30, 2020

Dave Hawkins

NOT about...

- Water supply issues
 - Reservoirs
 - Wells
 - Pipelines
 - Provincial Parks

These are important, but being addressed already

Water metering and rates

- Don't install water meters if you aren't going to gather meter data
- Don't gather meter data if you're not going to use it
- Don't use meter data if you're not going to **enable citizens to make intelligent choices about how they can best use water**

What has me be here?

- Not a personal issue - taken out all my grass and installed drip line irrigation for my vegetable garden, trees and shrubs
- Have some experience
 - Planned, operated and maintained a small rural water coop for 23 years - well, pumps, community cistern, treatment, water distribution system, meters, usage data, rates, and charges
 - As a Professional Engineer, headed up the Engineering Economics department responsible for establishing electric power rates for \$5 billion in revenue per year
- I see an opportunity to do things smarter, get better results, and improve community engagement

Principles

- **Focus on the desired outcomes**
 - efficient use of all water
 - limits on total water use in emergency situations
- Tell citizens **how much water we can use**, and **how much it will cost us**
 - not when, where, how, with what type of device, or for what purpose
- Have the rate represent the **true cost of providing clean, adequate water**
- Ensure **basic** water needs are met for all citizens
 - drinking, washing, cleaning, waste disposal
- We can **manage what we measure**

Current Situation

- Only outdoor use is addressed, not total use
- Water use in emergencies is not directly limited
- Water is not universally metered
- Water rates are averaged and not usage based
 - **No information or incentives for managing water use**
- Water restrictions are complicated and describe when, where, how, for what purpose, **but not how much**
 - **Restricting choices, rather than supporting intelligent use**

An idea to consider

- **Obtain citizen support** for water metering and volume rates by offering something we value
 - **Convenience** - eliminate narrow, complicated, illogical restrictions
 - **Information** - set rates that provide the real cost of having healthy and adequate water supply
 - **Cost savings** - build in the anticipated savings of citizens making efficient use of water, reduction in leaks
 - **Reliable supply** - by not wasting what we have
 - **Fairness** - people pay based on their use

Another idea

- **Phased implementation** of water meters and volume based rates
 - Initial pilots: use “early adopters” who want to try it out, use the experience to learn what works and doesn’t
 - Initial water meter implementation is voluntary (but people who stay on average rates don’t have an opportunity to save money)
 - Optional: When **informed** popular opinion is supportive of meters, mandate their use

Examples

- Historical implementation of metering and volume based rates in Calgary, Alberta
 - Initial optional use of meters
 - Metered rates resulted in lower costs in many cases
 - Metering became preferred, smart thing to do
- Water budget approach
 - Coachilla Valley (California); City of Columbia (Missouri)
 - A volume budget for basic water use set for each property, charged at a basic rate
 - A higher rate charged for water use above budgeted volume

References

- City of Columbia (Missouri) Water and Light; <https://www.como.gov/utilities/water-and-light/water/>
 - Establishes summer water budget as a % of winter use
- Water Use Efficiency Guidebook, Washington State Department of Health; <https://www.doh.wa.gov/Portals/1/Documents/Pubs/331-375.pdf>
 - Guidelines for metering, data use, public goal setting
- Coachella Valley Water District; <https://www.cvwd.org/>
 - Tiered domestic water pricing based on individual water budgets

WATER STRATEGIES

Recent discussions at the SCRD concerning our current water deficit have been focused on conservation. Topics such as the amount of water used in urinals, and water served at local restaurants may be well intended, but are out of perspective with the problem at hand. While these measures would probably save a few thousand litres of water per day, the need during the summer months is an extra ten million litres of water per day. Are such conservation measures required because there is not another drop of new water to be found in the Sechelt area? We are sure that this is not the case.

A second SCRD proposal is the universal installation of water meters in Sechelt at a cost of \$10,000,000.00 (Ten million dollars, with loan interest included). This approach has been justified on two fronts and is endorsed by most board members. The first justification is for the detection of water leaks on private property. We agree that this is a very important point which should be vigorously pursued, but not by spending ten million dollars for water meters. The second justification for the use of water meters on individual households is to control consumption and overuse or abuse of the resource. This is another desirable goal but again not worth spending ten million dollars on. Let us now consider each justification separately.

Water meter installations as envisioned by the SCRD will detect leaks in individual households or service lines, but will not detect leaks on the main distribution lines. This is a severe fault in a ten million dollar system. Such leaks can be detected in both places by using modern acoustical detection instruments at a cost of around \$100,000.00 (One hundred thousand dollars). Much less costly than ten million dollars, which would be an ongoing, self renewing cost.

Secondly, controlling consumption and abuse, while a desirable end point, may just not be worth the money spent to achieve that goal. SCRD studies have shown that the general population have, and will voluntarily comply with watering restrictions, resulting in a 23% reduction of water use during the summer months in the period from 2009 to 2017. This despite the increase in population in that time period. The other 10% which would bring the total reduction to 33% (the SCRD's stated goal) is just not worth spending ten million dollars! The money would be better spent on finding new water supply to add to our water base.

In the area of adding new supply, we recommend an accelerated emphasis on ground water sources (aquifers) and the abandonment of the very costly raw water reservoir program. (25 to 40 million dollars). The cost of drilling wells is very cost effective in comparison. In recent talks with Fyfe Drilling, approximately 20 wells have been drilled in this area this year, with some wells producing hundreds of gallons per minute. This represents millions of litres per day.

We also recommend that the SCRD consider the North Vancouver model. With a population of around 85,000 people, North Vancouver has studied the problem for the last 15 years. With the results of a water meter pilot study in hand, they came to the conclusion that water abuse was minimal, and considering the cost of water, a full metering project was not justified. The expenditure of capital and staff time was just not feasible and the money could be better spent elsewhere. A better use of these funds would be the expansion of a water treatment center for example. We do agree that the current metering of industrial, commercial, and institutional water use is justified and cost effective.

Another item to be considered is a pending AAP vote (Alternative Approval Process) for the installation of water meters in Sechelt. This newly proposed vote couples the water meter issue (previously rejected by Sechelt rate payers) with the financing for well development in Gibsons. While the structure of this new vote is clever and inventive, it combines two diametrically opposed issues, and is completely unethical. Furthermore, people that do not live in Sechelt would be deciding an outcome that would directly impact Sechelt residents. We urge the SCRD to reconsider this train of thought and vote on these items separately.

If the residents of Sechelt are to avoid water restrictions next summer, then the time for action is now, November 21, 2019.

Respectfully submitted,

Geoff Bedford
Karl Glackmeyer
Howard Bishop

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee, January 30, 2020

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services

SUBJECT: 2019 FARE REVIEW UPDATE

RECOMMENDATION(S)

THAT the report titled 2019 Fare Review Update be received;

THAT the staff work with BC Transit on the implementation of the DayPASS on Board fare product at a rate of \$4.00 in Q2 2020;

AND THAT this recommendation be forwarded to the January 30, 2020 Special Board Meeting.

BACKGROUND

At the December 3, 2019 Special Infrastructure Services Committee meeting a report with the results of a review of the fare structure of the transit system on the Sunshine Coast was presented. This report can be found here: [Staff report 2019 Fare Review Results](#).

At its January 9, 2020 meeting the Board adopted the following recommendation:

311/19 **Recommendation No. 2** *2019 Fare Review Results*

THAT the report titled 2019 Fare Review Results be received;

AND THAT staff provide a report to a January 2020 Committee meeting with the analysis of the impact of removing transfers from the Sunshine Coast transit system;

AND THAT staff work with BC Transit and School District No. 46 to bring forward a report to a January 2020 Committee meeting regarding a youth transit fare program based on a nominal fee structure and options for implementation, including proposed timelines;

AND FURTHER THAT staff work with School District No. 46, Youth Council and Transportation Choices Sunshine Coast to assess the demand for youth transit on the Sunshine Coast.

The purpose of this report is to provide an update on the progress made to date on the implementation of this resolution.

DISCUSSION

At the December 3, 2019 Special Infrastructure Services Committee meeting, the following amendments to the fare structure or rates were presented as part of the fare review:

Fare Product	Riders	Current Fares	Option 1	Option 2	Option 3** (Free for Youth 18 and Under)
Cash	All	\$2.00	\$2.00	\$2.00	\$2.00
Tickets	All	\$18.00	\$18.00	\$18.00	\$18.00
DayPASS	All	\$5.00	\$4.00*	\$4.00*	\$4.00*
Monthly Pass	Adult	\$60.00	\$60.00	\$60.00	\$60.00
	Student/Senior	\$42.00	\$42.00	\$30.00	\$42.00

With the introduction of the DayPASS that is to be sold on the bus, these passes would no longer be available in presale and the fare product transfers would be discontinued.

Replacement of the fare product Transfer with DayPASS on Board

The Board requested an analysis of the impact on residents of the elimination of the fare product transfer and the introduction of the DayPASS on Board fare product with a fare rate of \$4.00. The transfer fare product currently allows for transfer between two bus routes in one direction (northbound or southbound) without incurring any additional costs as long as the total length of the combined trips does not exceed 90 minutes. The DayPASS would allow for unlimited travel on the transit system on the Sunshine Coast on the day of purchase.

Residents would be impacted by the elimination of transfers in the following circumstances:

1. Residents transfer between bus routes to get to their destination and are returning the same day.

These are residents, in most cases, transferring from route 2, 3, 4 to route 90 or 1 and are making the transfer on their return trip on the same day. These trips are most often associated with trips of a more regular nature like work, shopping, medical visits or social visits. These residents current pay \$4.00 per day and will continue to do so moving forward with the DayPASS on Board fare product

2. Residents transfer between bus routes to get to their destination and are not returning the same day.

These are residents, in most cases, transferring from route 2, 3, 4 to route 90 or 1 or vice versa. These residents most often are travelling to or from the Langdale Ferry Terminal and in most cases not making the return trip on the same day. These residents currently pay \$2.00 per trip and will pay \$4.00 moving forward.

Based on the best data currently available with BC Transit and the SCRD approximately 3% (approximately 11,000 trips) of the annual ridership use transfers. It is anticipated that the vast majority of all transfers are made by residents who are making the return trip on the same day and hence only several thousand trips by residents per year would be impacted by the change.

The reduction in the fare rate for the DayPASS from \$5.00 to \$4.00 residents would, based on 2019 data, have saved \$1.00 on approximately 1100 travel days.

The available ridership data does not allow for a further characterization of the riders potentially impacted by the replacement of the fare product Transfer with DayPASS on Board.

This change in fare product will reduce the amount of potentially confrontational discussions between drivers and passengers. Instead of administering transfers drivers would now sell the DayPASS.

Youth Transit Demand Assessment

A Youth Transit Demand Assessment could provide insight into:

- Current transit use by youth (e.g. when, where from and to and for what purpose).
- Youth's desire to use transit more often (e.g. why, when, where from and to and for what purpose)
- The limitations for doing so (e.g. fare rates, routes, service frequency)
- Possible solutions to address these limitations

Indications received to date from the community and the School District No. 46 (SD46) indicate that one of the barriers for increased transit use by youth is the service level outside of school hours. The low service frequency, especially in the evenings, limits the use of transit to attend extracurricular and non-school related activities.

Staff suggest developing an online survey targeting youth as well as their parents to gather additional insight in how best to increase the use of the Sunshine Coast Transit System by youth. Additionally SD46 staff indicated that they could support a Youth Transit Demand Assessment by having a selection of classes complete a survey.

The SCRDC recently received ideas regarding a Youth Transit Demand Assessment from Transportation Choices Sunshine Coast (TRAC). Staff will follow-up with TRAC to explore collaboration opportunities.

The SCRDC Collective Agreement does not allow for youth to perform SCRDC duties in support of a SCRDC led Youth Transit Demand Assessment initiative. All duties the SCRDC decides to undertake in support of this assessment have to be performed by SCRDC employed staff.

Youth Transit Fare Program - Collaboration with School District 46

Following the December 3, 2019 Special Infrastructure Services Committee meeting staff from the SCRDC and SD46 met to discuss the introduction of a Youth Transit Fare Program.

The following considerations for a Youth Transit Fare Program were discussed:

- Any such program should be designed to be complementary to the School Bus Program. This program is currently designed to get all students from their home to school and back, even if that requires crossing catchment boundaries.
- Both the school bus system and the conventional transit system are funded from taxation.

- The provincial funding the SD46 receives for their School Bus Program is intended to fund school bus travel for all their students to and from school.
- The School Bus Program is delivered by a private contractor and this contract will not expire for several years.
- SD46 relies, in only a very few instances, on the transit system to travel with their students.
- SD46 purchases monthly passes for a limited number of students who could use the school bus to get to and from school, but doing so would create personal challenges. Most of these students attend the Sunshine Coast Alternative School.
- Some students that are attending a school in a different catchment area may benefit by taking the conventional transit system instead of the school bus for part of their travel to and from school. The number of students for which this may be beneficial is estimated to be low (6.8%) while it would require a significant amount of effort to assess and implement required changes to the transit and school bus schedules.
- SD46's budget for 2019-2020 does not currently allow for any financial contributions to a Youth Transit Fare Program established by the SCRD.
- If the SCRD would fund and provide a significant number of monthly passes to SD46 for distribution amongst their students, they would be challenged to do so in a fair and transparent way and would not have the administrative resources to administer such a program.
- There is recognition that a Youth Transit Fare Program could benefit youth in financing their travel to extracurricular activities and their non-school related travel and could contribute to a more long-term commitment to more frequent transit use. This notion aligns with statements from several students who appeared as a delegation at the above mentioned December 3, 2019 Committee meeting.
- There is recognition that the frequency and routing of the conventional transit service could be a more significant limiting factor than cost of transit for youth using transit more frequently.

To date staff have not been able to identify feasible opportunities for a collaboration with SD46 that would result in the development and implementation of a Youth Transit Fare Program as sought by the Board. Staff would welcome direction from the Board to advance discussions with SD46 on any of the above listed items.

Youth Transit Fare Program – Development and Implementation considerations

In order to be effective and efficient a Youth Transit Fare Program is best to have clearly defined desired outcomes in terms of increased transit use by youth. The Youth Transit Demand Assessment should be able to guide defining these outcomes.

A Youth Transit Demand Assessment will also confirm the extent to which the current fare structure and rates are a barrier in achieving the desired increased transit use by youth.

Several conceptual formats for a Youth Transit Fare Program are possible such as 1) further reduced rates for youth for the regular fare products, 2) the introduction of a youth specific fare

product (e.g. semester pass) or 3) a certain amount of passes that are made available to the SCRD or another organization to distribute amongst youth.

Each of these conceptual formats would require a significant amount of time to further develop and implement. In doing so special consideration would need to be given to the practicality of the program for youth and transit staff, project administration and fraud resiliency.

The SCRD has been using conceptual format 3 for over a decade now to support community agencies in their assistance to low income residents. This program has an annual budget of \$14,000. Staff have not yet been able to identify one or more organizations that could take such a role for a Youth Transit Fare Program.

BC Transit indicated it currently only has a very limited amount of monthly passes available for a SCRD Youth Transit Fare Program, if initiated. Additional passes could be provided in Q3 2020 or sooner at a significant additional costs.

Timeline for next steps

Based on its findings to date staff suggest the Board considers whether it prefers to await the results of the Youth Transit Demand Assessment before the development of a Youth Transit Fare Program or another initiative is considered.

Alternatively, the Board could provide specific direction to staff on the desired outcomes, conceptual format and budget for a Youth Transit Fare Program. Based on that direction staff would, in collaboration with BC Transit, develop a project plan for the development and implementation of the program.

Financial implications

There is currently no budget to support the development and implementation of a Youth Transit Fare Program or the Demand Assessment included in the 2020 budget. It will depend on the direction received from the Board if these initiatives can be developed and implemented within the currently considered 2020 budget for the Transit service or whether additional budget would be required. If additional budget is required, staff will bring forward a Budget Proposal for the development and implementation of a Youth Transit Fare Program and Youth Transit Demand Assessment.

Organizational implications

Staff's work plan for 2020 did not account for the development and implementation of a Youth Transit Fare Program and the Youth Transit Demand Assessment. Based on the Board direction received, staff will provide the Board with insight on impacts on other priorities of the Board.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

Staff are proposing the following related to the Transit Fare structure and rates:

- Implementation of Option 1 as presented in the report 2019 Fare Review Results presented at the December 3, 2019 Special Infrastructure Services Committee meeting.
- Further collaboration with SD46 on a Youth Transit Fare Program.
- The intent of the Youth Transit Demand Assessment is to influence the development of a Youth Transit Fare Program or direction on the key parameters of such a program.

Reviewed by:			
Manager	X – J. Walton	Finance	
GM		Legislative	
CAO	X – D.McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee - January 30, 2020

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

SUBJECT: 2020-21 BC TRANSIT ANNUAL OPERATING AGREEMENT DRAFT BUDGET

RECOMMENDATION(S)

THAT the report titled 2020-21 BC Transit Annual Operating Agreement Draft Budget be received;

AND THAT the 2020-2024 Financial Plan be updated to reflect the draft Annual Operating Agreement budget values;

AND THAT the taxation increase for [310] Public Transit be reduced by \$59,981 in the 2020 Round 2 budget.

BACKGROUND

Each year BC Transit and the Sunshine Coast Regional District (SCRD) enter into an Annual Operating Agreement (AOA) which governs transit service costs and funding for the BC Transit fiscal year from April 1 to March 31.

In support of the AOA process, BC Transit provides a draft budget reflective of general industry trends, location-based operations and maintenance activities, and any specific initiatives planned for the transit system over the next three years. The draft budget becomes the basis for the AOA.

The purpose of this report is to highlight anticipated changes in the 2020-21 AOA based on the draft budget and the associated financial impact to the SCRD as a cost sharing partner.

DISCUSSION

The draft budget projections are prepared based on the most current information available; however, there is some risk associated with cost volatility. According to BC Transit, if there are material changes between the release of the draft budget and February 2020, these changes will be reflected in the final budget which accompanies the AOA in March.

As the SCRD budget process usually concludes prior to receipt of the final budget from BC Transit, it is not always possible to incorporate any changes into the annual SCRD Financial Plan. This can result in funding surpluses or shortfalls.

Historically, such changes have not had a material financial impact; however, the final 2019-20 AOA budget varied significantly from the draft due mainly to a significantly higher allocation from the BC Transit administered reserve fund based on the actual closing balance available as at March 31, 2019. As a result, taxation included in the 2019-2023 Financial Plan was \$94,913

higher than amount required under the final AOA which has contributed to a 2019 budget surplus for the Transit service.

Staff will report on any discrepancies between 2020-21 draft and final AOA budget when the AOA is presented to the Board for approval in April/May.

2020-21 System Specific Budget Notes

The following system specific budget notes have been provided by BC Transit:

Revenue:

- Assumptions for revenues related to Farebox Cash and Tickets & Passes are based on the most current information and trends.
 - 2020/21 budgets for revenue & passenger trips will be the same as the 2019/20 Q1 forecast to reflect current trends
- BC Bus Pass revenue is based on information provided by the Ministry of Social Development and Social Innovation.

Operations:

- Fuel is budgeted at \$1.27/litre for 2020/21, \$1.30/litre for 2021/22 and \$1.33/litre for 2022/23.
- Information Systems – Reflects costs associated with implementation and maintenance of SMART Bus AVL (Automated Vehicle Location), APC (Automated Passenger Counters), and AVA (Automated Voice Annunciator) systems. Year 2 includes an increase associated with the addition of advanced fare technology
- ICBC Insurance is based on actual results to date and 5% inflation year over year.
- Training Costs increase in 2020/21 in relation to implementation of SMART Bus technology
- BC Transit Management Services (BCTMS) – With advances and improvements made to fleet, operations, and inventory planning processes, adjustments have been made to reflect actual costs associated with maintaining and expanding services that supports the SCRD's system within the Shared Services Model. BCTMS was increased to a minimum of 7% of Total Direct Operating Costs in 2020/21 and 8% thereafter.
 - The Shared Services Model allows BC Transit to advise the SCRD community on planning efforts, provide administrative functions pertaining to finance, fleet, and infrastructure, works with the province to assess funding, arranges and manages operations, and turns municipal priorities into transit operating and capital plans.
- Custom Registration Program – Costs associated with the implementation of the BC Transit custom registration program have been accounted for. This reflects the costs for mobility assessments and occupational therapist expenses via a third party (RFP).

Maintenance

- Fleet maintenance is based on the 2019/20 Q1 forecast. This includes the budgets for major and accident repairs.

Lease Fees

- The lease fee summary reflects a discount to standardized lease fees from Public Transit Infrastructure Fund contribution.

- The Standardized Lease Fee (SLF) reflects estimated vehicle rates for 2020/21 and expected annual increases of 3% for 2021/22 onwards. A final review will occur of SLF rates for 2020/21 AOA budgets

Municipal Admin

- Increasing but will not exceed 2% of Total Direct Operating Costs (TDOC)

Reserve

- Conventional - \$48,324 remaining in operating reserve was utilized in 2020/21 to offset inflationary increases in budget.
- Custom - \$35,335 remaining in operating reserve was utilized in 2020/21 to offset inflationary increases in budget.

Note that the BC Transit AOA budget outlines cost-shared expenses only, as per the operating agreement between BC Transit and the SCRD. It does not include SCRD expenses that are not cost shared with BC Transit.

Financial Implications

Revenue and Cost Summary

The tables below summarize the changes between the 2019-20 AOA and the 2020-21 Draft budget for the Custom and Conventional services:

Custom Service	2019-2020 AOA Budget	2020-2021 Draft AOA Budget	Net Change	% Change
Total Revenue	11,000	11,000	-	-
Total Operating Costs	401,946	415,821	13,875	3.5%
Total Costs	453,457	467,230	13,773	3.0%
SCRD Net Share of Costs	152,787	161,016	8,229	5.4%

Conventional Service	2019-2020 AOA Budget	2020-2021 Draft AOA Budget	Net Change	% Change
Total Revenue	768,365	815,314	46,949	6.1%
Total Operating Costs	3,257,947	3,360,705	102,758	3.2%
Total Costs	3,770,666	3,862,101	91,435	2.4%
SCRD Net Share of Costs	1,354,948	1,418,318	63,370	4.7%

The figures above are based on the BC Transit fiscal year and are not reflective of actual SCRD budget values which incorporate pro-rated portions of both AOAs as well as non-shareable costs. Further information on each line item is detailed below.

Revenues

AOA revenues include fares and advertising and are applied against the local share of operating costs. 2020-21 AOA values are consistent with current trends; including a 6.1% increase over 2019-20 for conventional service. A conservative approach is preferred when budgeting for fare revenue as any deficit has a direct impact on taxation.

Operating Costs

Operating costs include fixed overhead, driver wages, fleet maintenance, insurance, information systems and BC Transit management services. The 2020-21 AOA includes a 6.4% increase for fixed overhead reflective of increased administrative duties associated with the new BC Transit information system and processes. Other material increases in operating costs include a 19% increase for BC Transit Management Services, a 13% increase for ICBC insurance, a 72% increase for training and a 24% increase for marketing. Overall, operating costs have increased by 3.2%

Total Costs

Total costs are reflective of operating costs plus the local share of lease fees for buses, equipment, land and buildings. Lease fees in the draft budget have decreased by 2%.

SCRD Net Share of Costs

The SCR D net share of costs is the portion of shareable costs funded from taxation. It is calculated as the SCR D share of total operating costs and lease fees less fare revenue, advertising revenue and reserve fund adjustment if applicable.

For 2020-21 draft budget, increases in total operating costs are mitigated through higher revenue and lower lease fees; however, the net share of costs still increases by \$71,599 due mainly to a decrease in the reserve fund adjustment as compared to the previous year.

In 2015 the Provincial Government, through an Order in Council (OIC) began using operating savings to fund future inflationary increases through the establishment of a reserve fund. Past reports have highlighted that this model is not sustainable and would result in significant taxation increases once the reserve fund has been depleted.

Analysis of the 2019-20 AOA estimated that a taxation increase of up to \$84,346 could be required in 2020-21 as a result of a decreased reserve fund adjustment. Based on the draft budgets, the impact will be \$71,349 which is reflected in the SCR D Net Share of Costs.

A summary of the items impacting SCRD net shareable costs is detailed below:

	Custom	Conventional	Total
Increase in Revenue	\$0	(\$46,949)	(\$46,949)
Increase in Total Operating Costs	4,502	54,122	58,624
Decrease in Lease Fees	(102)	(11,323)	(11,425)
Decreased Reserve Adjustment	3,829	67,520	71,349
Total	\$8,229	\$63,370	\$71,599

2020 Taxation Impact

Due to the difference in fiscal years between the SCRD budget and the BC Transit AOA budget, pro-rated values from both the 2019-20 and 2020-21 AOAs are used to calculate the budget values for the SCRD financial plan.

As a result, only a portion of the increase to the SCRD's net shareable costs identified in the 2020-21 AOA will require funding from 2020 taxation with the remainder applied in 2021. A portion of the increase identified in 2019-20 AOA will also require funding in 2020.

The calculated taxation increase required to fund the pro-rated portions of 2019-20 and 2020-21 AOAs in 2020 is \$77,391. This is approximately \$59,981 less than the amount that was included in the budget at the end of Round 1 based on preliminary estimates. Pending approval and confirmation of values, an adjustment will be made to reduce taxation funding prior to the Round 2 budget.

Timeline for next steps or estimated completion date

Staff will continue to liaise with BC Transit to identify any potential material changes between the draft and final budgets and will report back, as necessary, through the budget process and upon receipt of the final AOA targeted for April or May 2019.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

Each year, BC Transit and the SCRD enter into an AOA that governs transit service costs and funding for the fiscal year from April 1 to March 31. In support of the AOA process, BC Transit provides a draft budget that becomes the basis for the AOA.

The 2020-21 draft AOA budget projects a \$71,599 increase in the SCRD net share of costs as a result of increased operating costs and a decrease in the reserve fund adjustment, offset by higher revenue and lower lease fees.

After pro-rating the 2019-20 and 2020-21 AOAs to align with the SCRD fiscal year, a taxation increase of \$77,391 is required. This is approximately \$59,981 less than the amount that was included in the budget at the end of Round 1 based on preliminary estimates.

Reviewed by:			
Manager		Finance	
GM	X – R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30 2020

AUTHOR: James Walton, Manager, Transit and Fleet

SUBJECT: FLUME ROAD SAFETY CONCERN

RECOMMENDATION(S)

THAT the report titled Flume Road Safety Concern be received;

AND THAT Conventional Transit Service be rerouted to go up Marlene Road from Beach Avenue in the northbound direction bypassing Flume Road and taking a left onto Highway 101 from Marlene Road beginning in May 2020;

AND FURTHER THAT staff work with BC Transit and the Ministry of Transportation and Infrastructure on the implementation of long-term safety improvements at the Flume Road/Highway 101 crossing.

BACKGROUND

In September 2019 SCRD staff and BC Transit Safety Officers took part in a Safety Study regarding concerns about buses turning left from Flume Road onto Highway 101 when returning from Gibsons to Sechelt.

The purpose of this report is to present the results of further analysis of this concern and how these will be addressed moving forward.

DISCUSSION*Analysis*

In September 2019, BC Transit staff conducted a Safety Study as a result of safety concerns from BC Transit staff and SCRD transit drivers. The safety concern was regarding buses taking a left from Flume Road onto Highway 101. The belief is that there is a significant risk of a bus being involved in a motor vehicle accident which could harm the bus drivers, passengers, other vehicle operators and damage assets.

This risk is due to the steep slope of Flume Road as buses are not able to pull onto the highway in an appropriate amount of time, resulting in the risk of an accident with highway traffic. It takes a bus approximately eight seconds at full throttle to begin the left turn from Flume Road and pull into the lane of travel. It takes an additional two seconds to enter and stop in a bus stop immediately after the turn is complete. At the same time, it takes approximately 10 seconds for vehicles travelling at 80 km/h to reach the middle of the intersection after first coming into the field of view of the bus operators.

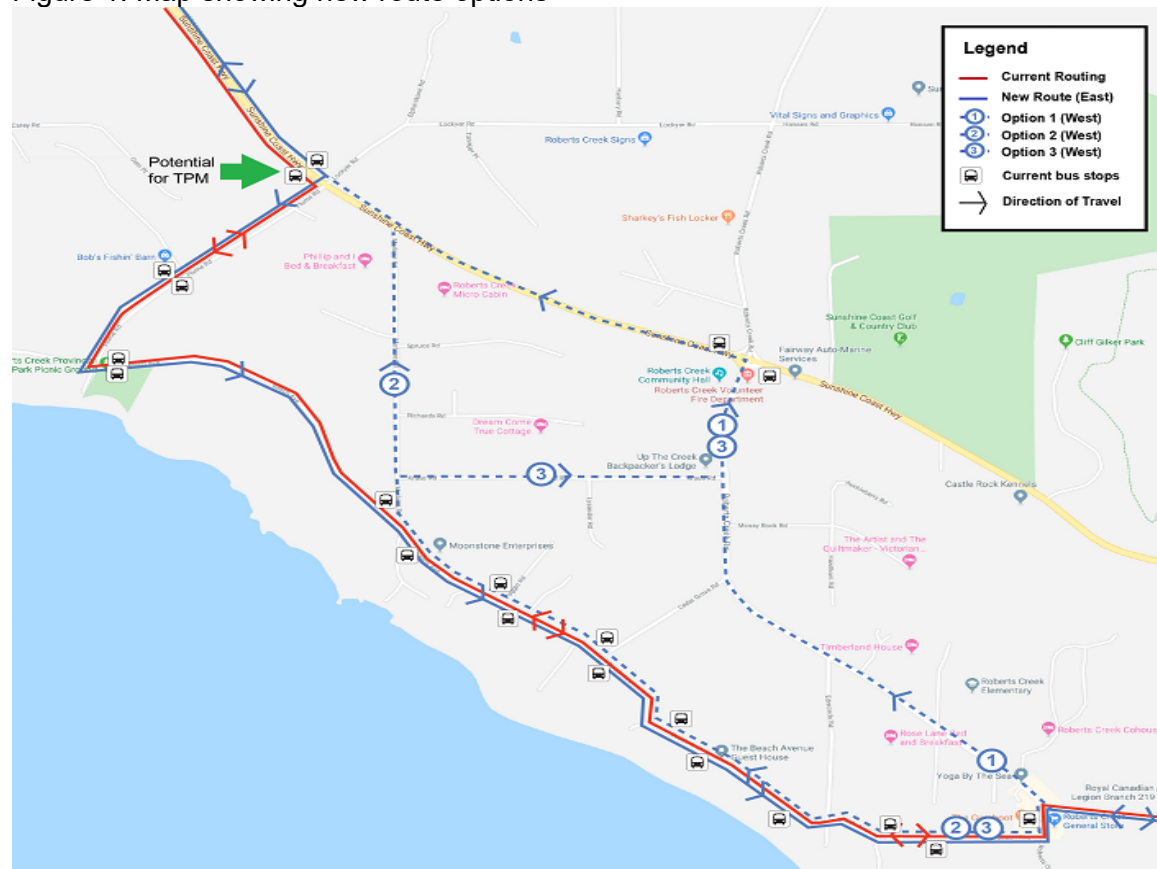
Short-term Resolution Options

Staff have identified three different short-term options to address this safety concern (see Figure 1):

- Option 1 - Reroute the buses to go up Roberts Creek Road in the northbound direction bypassing Beach Ave and Flume Road and take a left onto highway 101 from the Roberts Creek Road and Highway 101 intersection.
- Option 2 - Reroute the buses to go up Marlene Road from Beach Ave in the northbound direction bypassing Flume Road and take a left onto Highway 101 from Marlene Road.
- Option 3 - Reroute the buses to go up Marlene Road from Beach Ave, turn right on Kraus Road, turn left onto Roberts Creek Road and take a left onto Highway 101 from the Roberts Creek Road and Highway 101 intersection.

In all three options buses travelling in the southbound direction would continue on the current route utilizing Flume Road and Beach Ave.

Figure 1. Map showing new route options



In comparing these options staff considered factors such as, the extent general road safety would be improved, the physical road conditions, the impacts to residents as well as any operational impacts (see Table 1).

Depending on which option is chosen, the eight bus stops in the northbound direction between Roberts Creek Road and where Flume Road intersects Highway 101 have an average of 4 boardings/disembarkings per stop per day. Passengers affected by rerouting will have to board/disembark at the stop closest to their destination. In all three options additional bus stops will be created on roads currently not served by a bus route.

Table 1: Comparison of Impacts of Short-term Resolution Options

	Road Safety Improvement	Bus Stops requiring riders to cross Highway 101	Increased distance to bus stop	Operational impacts
Option 1	Significant	2 current stops	All current stops	-
Option 2	Moderate	2 current stops	2 current stops	-
Option 3	Significant	2 current stops	2 current stops	Increased trip time resulting in service delays and over-time for drivers

Option 1 is considered the safest as it would eliminate this particular road safety concern, it would also impact all current riders.

Option 2 partly addresses but does not eliminate the safety concern, as buses will still be taking a left turn onto Highway 101 without the assistance of a traffic light. This option would substantially reduce the number of impacted riders compared to Option 1.

Staff do not recommend Option 3 as it would impact operating costs significantly due to the fact that travel time would be increased several minutes per trip. Staff do recognize this option also eliminates the safety concern.

Staff recommend implementing Option 2 as this would improve the road safety and limits the number of impacted riders. Staff will evaluate the actual improvement to road safety in late 2020.

Long-term Resolution

One of the long-term resolutions to address this safety concern would be to implement a transit priority measure such as a pedestrian crossing with flashing lights at Flume Rd and Highway 101. The crossing could be tripped by two vehicle detection loops on Flume Road and could only be enabled by a bus waiting. This would involve Ministry of Transportation and Infrastructure (MOTI) as Highway 101 is their right of way. Staff would need to engage with MOTI and BC Transit on funding and implementation opportunities, as well as completing a comprehensive study which would require a longer time period to complete. This could include an application to have this funded through MOTI's Minor Betterments Program.

MOTI could also identify other potential infrastructure upgrades to improve the safety of this intersection as part of the Highway Corridor Study currently being undertaken.

Timeline for next steps

The implementation of any of the short-term changes to the bus route could be implemented with the bus schedule change in May 2020.

Communications Strategy

Staff will communicate the bus service change utilizing the Sunshine Coast Transit System “Trips Alerts”, by posting information at the affected bus stops and by providing print advertising on all buses and delivering notices to affected residents.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

Due to safety concerns regarding buses taking a left turn from Flume Road onto Highway 101, beginning in May 2020, staff recommend that all buses travelling along Beach Avenue in the northbound direction be rerouted up Marlene Road. Additional stops will be created along Marlene Road instead of Flume Road.

Staff will work with MOTI and BC Transit on identifying a long-term solution which would allow the northbound buses to take Flume Road again.

Reviewed by:			
Manager		Finance	
GM	X – R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee, January 30, 2020

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services

SUBJECT: **WATER AND WATERSHED GOVERNANCE**

RECOMMENDATION(S)

THAT the report titled Water and Watershed Governance be received;

AND THAT a feasibility study to undertake Watershed Governance be conducted to develop a proposal for a new Sunshine Coast Regional District (SCRD) service;

AND THAT the feasibility study be funded by all SCRД participants;

AND THAT a budget proposal for \$30,000 for a Watershed Governance feasibility study be brought forward to 2020 Round 2 Budget;

AND THAT the report be forwarded to the District of Sechelt, Town of Gibsons, Sechelt Indian Government District, shishálh Nation, and Skwxú7mesh Úxwumixw for comment;

AND FURTHER THAT THAT this recommendation be forwarded to the January 30, 2020 Special Board Meeting.

BACKGROUND

The Province of BC uses the following definitions for Water Governance and Watershed Governance:

Water governance includes the laws and regulations, the agencies and institutions responsible for decision-making and the policies and procedures used to make decisions and manage water resources. Governance also includes the way science, information and community and traditional knowledge inform laws, policies and decisions.

Watershed governance builds on water governance to include potentially all activities (and sectors) within a watershed and the related impacts that these have on watershed function (i.e. both land and water).

The SCRД's 2019-2023 Strategic Plan identifies several strategies and supporting tactics associated with the management of the SCRД's water resources and the watersheds on the Sunshine Coast, they include:

- Plan for and ensure year round water availability now and in the future
 - Complete and adopt water sourcing policy
 - Investigate and/or develop water supply plans/sources for North and South Pender, Langdale, Soames, Granthams, Eastbourne, Cove Cay, Egmont and Chapman Creek water systems
 - Develop strategic watershed protection action plan

- Enhance first nations relations and reconciliation
 - Meet at the governance and administration levels to discuss opportunities for collaboration and process improvement
- Increase intergovernmental collaboration
 - Identify and implement opportunities for joint initiatives, collaboration and information sharing between local governments

At its March 28, 2019 meeting the Board adopted the following recommendation:

093/19 **Recommendation No. 5** *Water Governance*

THAT the Town of Gibsons be requested to initiate discussion around a water governance model for the Sunshine Coast.

As a follow-up to this request the SCRD received a letter from the Town of Gibsons dated November 20, 2019 regarding watershed management and governance (Attachment A).

The purpose of this report is to provide an analysis of current watershed governance on the Sunshine Coast and outline the steps required for the SCRD to engage in the proposed watershed governance activities.

DISCUSSION

Improved Water governance

The *Water Sustainability Act* sets out the legislative and regulatory framework for the management of all ground and surface water resources in BC. The main tool for doing so is the issuance of water licences. Each water licence authorizes the diversion of a set amount of water for a defined purpose in a defined area as well as the terms and conditions under which this is authorized.

Staff will bring forward a report on options to increase the public participation in the SCRD decision making process regarding water supply at a future Q1 2020 Committee meeting.

Improved watershed governance

Statutory decisions regarding the management of watersheds on the Sunshine Coast are made by a large variety of provincial and local governments and agencies, including:

- Ministry of Forestry, Lands, Natural Resource Operation and Rural Development (including BC Timber Sales)
- Ministry of Environment and Climate Change Strategies (including BC Parks)
- Ministry of Transportation and Infrastructure
- Ministry of Mines
- Managed Forest Council
- Vancouver Coastal Health
- District of Sechelt
- Town of Gibsons
- Islands Trust
- shíshálh Nation

- Sechelt Indian Government District
- Skwxú7mesh Úxwumixw
- SCRD

Besides the interests of these agencies, many organizations could be considered to be a stakeholder of some sort when it comes to the management of the watersheds on the Sunshine Coast. These include, for example, organizations representing the residential and commercial use as well as the ecological and cultural values of these watersheds.

There is currently no platform for information sharing, collaboration, discussion or coordination between all these organizations with an interest in the management of watersheds on the Sunshine Coast.

Over the past several decades the SCRD has been involved in several attempts to improve the water and watershed governance on the Sunshine Coast. Each of these attempts required substantial staff and funding. Staff could provide a full overview of these attempts at a future committee meeting.

Other previous watershed governance efforts include the Integrated Watershed Management Plan of 1998, which the SCRD did not sign-off on, and the SCRD's Watershed Committee, which was primarily focused on drinking water quality issues in the late 2000s.

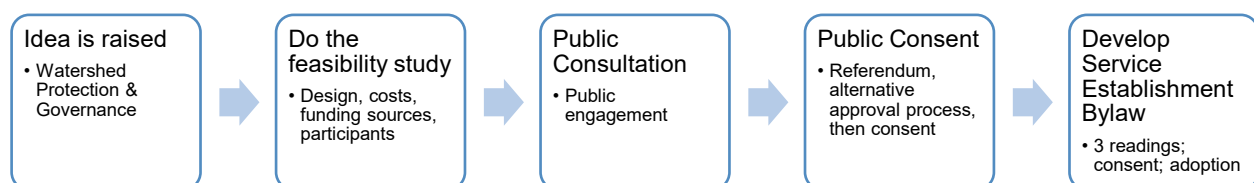
The We Envision - Community Sustainability Roundtable had some watershed governance components included amongst many others. After meeting most of the actions identified in the 2012 We Envision Plan, SCRD staff resources for convening and facilitating the Roundtable were refocused.

In 2005 a Joint Watershed Management Advisory Committee was established with representation from the SCRD and the shíshálh Nation. The objective of this committee was to jointly improve the management of the Chapman Watershed. This committee has not been active since 2015.

The attached letter from the Town of Gibsons seeks the SCRD's endorsement of the collaborative development of an integrated watershed management approach with supporting governance structure. Such collaborations would support the implementation of the above listed strategic plan strategies and is therefore recommended to be considered for endorsement.

Feasibility Studies

Under the *Local Government Act* (LGA) the establishment of a new service requires several formal steps to be completed.



The SCRD Board Feasibility Study Funding Policy, approved in 2010 (Attachment B), provides that when there is no existing service, the costs of undertaking a feasibility study will be

apportioned among the areas that the Board provides (by resolution) which may benefit from the proposed service. The Policy aligns with the LGA (Part 11; Division s; Section 380-Appportionment of costs), excerpt below:

(2)If the method of apportionment is not set by establishing bylaw, the costs of providing a service must be apportioned on the basis of the converted value of land and improvements in the service area as follows:

(b)if there is no establishing bylaw and the method of apportionment is not otherwise set under this or another Act, among all the municipalities and electoral areas participating in the service, with the service area deemed to be the entire regional district;

The purpose of the feasibility study would be to confirm the rationale for pursuing the establishment of a new SCRD service and:

- create a defined and agreed-upon scope;
- measurable goals have been identified;
- identification of all short and long-term costs to operate and manage the service;
- given consideration to any unique regulatory authority or limitations; and,
- clear support of the resident rate-payers of the area(s) to be served.

Based on information received from staff from other Regional Districts that have established a Watershed Governance service, this process could take several years to complete and includes substantial engagement with other local governments, First Nations, stakeholders and the general public.

In the case of the Cowichan Valley Regional District, which completed such feasibility study in 2018, it took several iterations of defining the scope, goals, implementation plan, and associated budget with all involved parties before electoral approval was sought for the establishment of the actual service. This process took almost three years to complete and resulted in electoral approval for the implementation of the Drinking Water and Watershed Protection Plan through a new Drinking Water and Watershed Protection service.

It is proposed that the Watershed Governance feasibility study be funded by all participants of the SCRD, including all rural areas as well as the member municipalities.

For 2020 a budget of \$30,000 is proposed to cover SCRD staff time, travel and meeting expenses and a contractor to provide strategic support. If approved, these costs would be recovered through the SCRD's Regional Feasibility Function (through General Government), function 150.

Watershed Working Group

The proposal from the Town of Gibsons includes the establishment of a Watershed Working Group and includes a membership proposal.

It is recommended to appoint Chief Administrative Officer and General Manager, Infrastructure Services to this working group as SCRD representatives. If the working group subsequently decides to initiate supporting committees, like a Technical Advisory Committee, it is recommended that the Chief Administrative Officer appoints SCRD staff to these committees.

In order to obtain clarity about which organizations would appoint representatives to this working group, the SCRD could propose to the members to organize the first meeting of this working group. At that meeting the working group itself would decide on who is to (co)chair this working

group as well as who is to provide administrative support, funding, and other roles the working group decides are required.

It is expected that the development of the Terms of Reference of the working group and a multi-year project plan would be the first priorities of this group. These documents will be brought forward to the Board for consideration.

Organizational and intergovernmental implications

The proposed watershed governance initiative will require significant staff resources, primarily the General Manager Infrastructure Services and to a lesser degree the Chief Administrative Officer and technical and administrative staff. Consideration should be given to how this could impact other Board priorities.

As the proposed Watershed Working Group is proposed to have representation from all First Nations and Local Governments on the Sunshine Coast, this initiative will enhance the intergovernmental collaboration on watershed management. Therefore, it is recommended that this report be forwarded to the District of Sechelt, Town of Gibsons, Sechelt Indian Government District, shíshálh Nation, and Skwxú7mesh Úxwumixw for comment.

Financial implications

As part of the Round 1 2020 Budget deliberations, Water Governance proposals were presented for the North, South and Regional Water Services, with the subsequent motion passed (partial excerpt below):

AND THAT the following budget proposal be referred to 2020 Round 2 Budget pending further information to be included in the Budget Proposals (such as adding to rationale / service impacts, scope of work, funding required, funding sources):

Budget Proposal 7-,9 & 29 – Water Governance Program 2020

Based on the direction received from the Board, staff could bring a 2020 budget proposal of \$30,000 for a Water Governance 2020 project to the Round 2 budget meeting scheduled for February 2020.

Finance staff have also identified a prior year surplus from a 2009 feasibility project within function 150 in the amount of \$8,135 which could be used to fund the proposed \$30,000 of taxation required for the Watershed Governance feasibility project. This option would be included as part of the Budget Proposal.

The multi-year work plan developed by the working group will inform on a 2021 budget proposal, if required.

Timeline for next steps or estimated completion date

Once the 2020-2024 Financial Plan Bylaw is approved, the SCRD has authority to proceed with the Watershed Governance feasibility project.

The timeline for a first meeting of the Watershed Working Group is depended on the timing of the appointment of representatives of all proposed members and is anticipated for early Q2 2020 at the earliest.

STRATEGIC PLAN AND RELATED POLICIES

The proposed initiatives to improve the water governance and watershed governance are supporting the following strategies and tactics of the Board's Strategic Plan:

- Plan for and ensure year round water availability now and in the future
 - Develop strategic watershed protection action plan
- Enhance first nations relations and reconciliation
 - Meet at the governance and administration levels to discuss opportunities for collaboration and process improvement
- Increase intergovernmental collaboration
 - Identify and implement opportunities for joint initiatives, collaboration and information sharing between local governments

CONCLUSION

Included in the Board's Strategic Plan are tactics to improve the engagement with First Nations, the general public and other Local governments, including on the development of long-term water supply strategies for the SCRD's water systems and the protection of watersheds.

As per the Watershed governance proposal received from the Town of Gibsons, staff recommend a feasibility study to undertake Watershed Governance be conducted to develop a proposal for a new SCRD service. It is proposed that the feasibility study be funded by all SCRD participants.

Based on the direction received from the Board, staff could bring a 2020 budget proposal of \$30,000 for a Water Governance 2020 project to the Round 2 budget meeting scheduled for February 2020.

As the proposed Watershed Working Group is proposed to have representation from all First Nations and Local Governments on the Sunshine Coast, this initiative will enhance the intergovernmental collaboration on watershed management. Therefore, it is recommended that this report be forwarded to the District of Sechelt, Town of Gibsons, Sechelt Indian Government District, shíshálh Nation, and Skwxú7mesh Úxwumixw for comment.

Attachments:

A – Town of Gibsons- November 20, 2019- watershed management and governance

B – SCRD Board Feasibility Study Funding Policy

Reviewed by:			
Manager		CFO/Finance	X-T.Perreault
GM		Legislative	X –S. Reid
Interim CAO / CAO	X - M. Brown X – D. McKinley	Other	



TOWN OF GIBSONS

PO Box 340
474 South Fletcher Road
Gibsons BC | V0N 1V0

COPY

T 604-886-2274

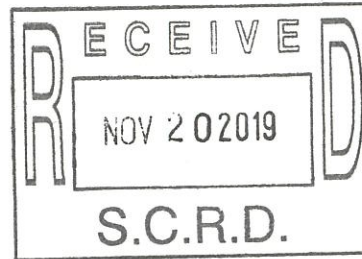
F 604-886-9735

info@gibsons.ca
www.gibsons.ca

OFFICE OF THE MAYOR | WILLIAM BEAMISH

November 20, 2019

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



0530-60

Dear Chair & Board,

RE: Watershed Management and Governance

This letter follows up on the presentation, "*Options for Pursuing a Regional Approach to Watershed Management and Governance: Recommendations for the Sunshine Coast Region*" made to your Board on October 24, 2019.

The rationale for a regional approach to watershed management and governance is clear. One of the proposed next steps in advancing the work is to establish a *Technical Advisory Committee* and a *Regional Watershed Working Group*.

- The Technical Advisory Committee would provide scientific and technical support to the working group, create a comprehensive inventory of existing watershed data, Indigenous knowledge, relevant plans and advise on priorities for watershed action plan/strategy.
- The Regional Watershed Working Group would serve as an advisory body including shaping a Terms of Reference, providing strategic direction on the development of a regional watershed plan/strategy and exploring sustainable funding and governance options.

This work will be pursued with a commitment to collaboratively co-developing an integrated watershed management and governance approach for the region. The approach will be pursued in partnership with the shíshálh Nation and Sk̓wx̓wú7mesh Úxwumixw, recognizing that this work is being undertaken on their traditional territories, and the leadership their communities bring to watershed governance and management.

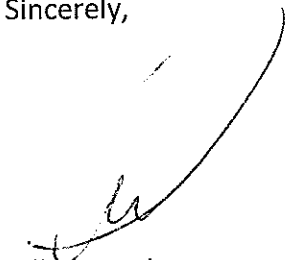
TOWN OF GIBSONS

"Nature is our most valuable asset"

We are requesting that you formally endorse seeking a regional watershed management and governance approach through a resolution to proceed with the next phase of this work. We also ask that you appoint a staff member to participate on the Technical Advisory Committee and another for the Regional Watershed Working Group. An initial task for these groups will include developing Terms of Reference.

We strongly believe that working collaboratively is essential to solving our regional water challenges, which touch every aspect of our lives. We look forward to working together on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Beamish', is written over a faint, larger version of the same signature in the background.

Bill Beamish
Mayor

Options for Pursuing a Regional Approach to Watershed Management and Governance: *Recommendations for the Sunshine Coast Region*

October 2019



The extremely low water levels at Chapman Lake outlet Sept. 22 2018 (SCRD photo)

Prepared for



Prepared by



DRAFT

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Introduction

Water is vital to every aspect of life for the 29 000 residents of the Sunshine Coast, holding critical ecological, economic, social, and spiritual importance. In recent years, the region has experienced increasingly significant water pressures and management issues. Water conservation, drinking water quality and the human effects on aquifers are becoming critical challenges. In the *Water Dialogues* sponsored by the Sunshine Coast Regional District (SCRD) in June 2019, the public confirmed that they are deeply concerned about short and long-term water security and resiliency and are anxious for the SCRD to address these pressing challenges.¹ The top two concerns expressed were the need to diversify water supply and the need to protect watershed and aquifers.

Water cannot be managed effectively in isolation. Water moves across political and regulatory boundaries and in B.C., freshwater decision-making responsibilities are held by Indigenous, federal, provincial, and local governments. However, these authorities too often operate in silos and with little coordination. Both upstream and downstream users and decision-makers from different levels of government can have significant impacts on the state of the local watershed and/or access to safe and reliable drinking water supplies and the Sunshine Coast has experienced the impacts of uncoordinated decision making.

Typically, local governments oversee drinking water management and source water protection. They also directly influence water through land-use and zoning decisions, often expressed in community plans and regional growth initiatives. The Sunshine Coast does not have a regional growth strategy, so there is no comprehensive regional vision for land use and growth.

The provincial government has primary responsibility for making decisions about water and watersheds. It has the most direct powers related to land use, water management, and control over local government. The shíshálh and Skwxwú7mesh Nations have protected rights to land and water resources requiring proper consultation to ensure that their interests are accommodated. There are examples around the province of all levels of government examining how to work with their Indigenous neighbors and rights holders. Engaging a full range of users and rights holders on a watershed scale, in a collaborative process brings unique knowledge, experience, and expertise to watershed management and governance. Without coordination in management and governance, the impact of each authority is limited by its ability to address the challenges that arise from overlapping jurisdictions. The lack of coordination makes it difficult to respond to urgent water challenges and to implement solutions at a watershed scale. [Figures 1](#) and [Figure 2](#) outline the diversity of decision makers in both the Gibsons and Chapman watersheds. The figures also show a number of local and regional plans that influence how decisions are made in the watershed.

The purpose of this document is to make recommendations for a region-wide integrated watershed approach for the Sunshine Coast. These recommendations build on a previous discussion paper commissioned by the Town of Gibsons, “Considering the Future of Watershed Management and Governance for the Sunshine Coast” (February 2018). Local governments on the Sunshine Coast are showing leadership by exploring options for collaboratively addressing the region’s water challenges.

¹ Impact Resolutions (2019) A New, Integrated Approach: Sunshine Coast Regional District Water Public Participation Events.

The proposed approach

This work is being undertaken with the Town of Gibsons serving as the convener of this exploratory process and with the guidance of a third-party consultant, and with the support of the SCRD Board. The Town has demonstrated its leadership in many areas of water management, including water conservation, aquifer mapping and monitoring and natural asset management. This work also builds on the water management work that has been completed to date throughout the region, including existing plans, assessments and monitoring data.

The local governments of the Sunshine Coast would like to co-develop this approach in partnership with the shíshálh Nation and Skwxwú7mesh Úxwumixw, recognizing that this work is being undertaken on their traditional territories and the leadership their communities bring to watershed governance and management. This work would be undertaken with a commitment to building a meaningful ongoing partnership with shíshálh Nation and Skwxwú7mesh Úxwumixw. Discussion as to how the approach can be structured to ensure that engagement is accessible and respectful of Skwxwú7mesh Úxwumixw knowledge, rights, and governance will be part of the formative process.

It is recommended that the region work together to create a *Regional Watershed Working Group* to further develop this process and undertake focused engagement with relevant stakeholders and other levels of government. The goal is to co-develop an integrated watershed management and governance approach for the region.

Rationale for a regional approach to watershed management and governance

One of the primary reasons for local governments to engage in collaborative governance is to better protect drinking water sources, which lack robust legal protections from land uses and other activities that can negatively impact them.² Currently, the SCRD deals with water distribution and land use planning and integrated decision making tends to be ad hoc. SCRD leadership recognizes the need to explore new ways of addressing water management and governance challenges and is considering how to move forward with a more integrated and collaborative approach. In the June 2019 Water Dialogues sessions, the local government representatives expressly acknowledged they must work together. Maintaining and enhancing community and ecosystem health at watershed scale requires the engagement of many governments and touches on a diversity of both land and water-use decisions.

Examining models of regional watershed governance

While examining watershed governance models is complementary to pursuing an integrated watershed management plan, it does require asking different questions. A governance model would need to be compatible with the objectives of a regional integrated watershed plan, as it would influence how the management plan is operationalized and how decisions would be made.

Existing Watershed Governance Models

In BC, there are different arrangements along the spectrum of watershed governance, from the large, formalized entity of the Okanagan Basin Watershed Board (OBWB), to the medium-scale Cowichan

² Auditor General of British Columbia (July 2019) *The Protection of Drinking Water -An Independent Water Report*.

DRAFT

Watershed Board to smaller-scale organizations such as the Nechako Watershed Roundtable or the Coquitlam River Watershed Roundtable. Most of these organizations are partnerships that provide a forum for information-sharing and discussing and negotiating management actions, while formal government agencies retain decision-making power. The OBWB is a unique entity in BC as it is an autonomous, formalized body, established for the long term with a wide range of stakeholders (public and private) that is empowered to implement water management decisions.³

The role that local governments play in these organizations vary from model to model. Recently, the Cowichan Watershed Board and its members revisited their model of co-governance with the Cowichan Tribes. At the same time, the Cowichan Valley Regional District is examining how the Cowichan Watershed Board helps to deliver the regional district's watershed management objectives. In the Canadian context, we do not have examples of delegated collaborative water governance where local actors (watershed entity, municipality, or region) have delegated in decision-making authority for watershed management.

In the case of the Sunshine Coast, examining potential regional watershed governance models is an opportunity to find the appropriate approach to bring together relevant rights holders and stakeholders to pursue shared regional objectives, specific to your watershed.

Regardless of the preferred option, developing a *regional water action plan or strategy* is recommended for the SCRD to lead with a clear direction on water-related priorities. Watershed organizations and several local governments across the province have undertaken locally led watershed action plans including the Cowichan Watershed Board, the Coquitlam River Watershed Roundtable, Salt Spring Island Integrated Watershed Protection Alliance, Nechako River Watershed Strategy, Kettle River Watershed Management Plan, Shuswap Watershed Council, Nanaimo Regional District's Drinking Watershed Protection Program and City of Dawson Creek Watershed Stewardship Program. These plans and programs vary in scope and scale but they all reflect communities that have identified key regional issues and pressures, and developed management strategies to proactively map out water resource capacity and data needs to provide valuable guidance to decision-makers, resource managers, water users and residents regarding land and water resources in the watershed.

The SCRD's Comprehensive Water Plan (2013) and the results of the Watershed Dialogues (2019) are a good launching point for developing a modern, climate-conscious approach to water management and governance that will improve the SCRD's ability to deliver services and effectively partner with senior levels of government and First Nations, while ensuring the social, ecological and economic sustainability of the region. Revisiting the regional water plan with First Nation partners will also support reconciliation and build water resiliency for the Sunshine Coast. Ideally, this would be a long-term plan (i.e. 10+ years) with clear milestones and a funding plan.

Watershed Governance Options

Watershed governance models can be as unique as the watershed. A "one size fits all" approach does not work and the scope and scale of the collaboration will depend on local factors such as: geographic conditions, existing collaborations, the capacity of potential partners such as local, provincial

³ Ontario's Conservation Authorities are another example of a formal watershed governance entity.

governments and First Nations, along with political will, leadership and financial support.⁴ Two watershed governance models for developing a regional watershed governance approach for the Sunshine Coast are discussed below.

Option 1 – Sunshine Coast Watershed Organization

Description

This approach suggests that the SCRD could approve developing a regional watershed organization such as a Council or Board. This organization would serve in an advisory and coordinating capacity by engaging representatives of key groups with water interests in the region, including, municipal, provincial, First Nations and federal governments; industrial sectors; conservation groups; academia; and the public. This coordinating management function can provide a means for member agencies to gather and share information, develop strategies to address water quality and quantity, and watershed protection and promote opportunities for policy development, integration or coordination. The organization would not have regulatory authority.

Different governance structures could be used for a watershed organization (see the [Appendix 1](#) for examples). The organizational membership would include representatives from different jurisdictions with interests in water management. [Table 1](#) (below), suggests organizations with water-related responsibilities or interests that could form the membership of a regional watershed organization. When creating this type of organization, several key governance issues need to be considered, including scope, representation and voting, committees, legal structure, cost sharing, and the reporting relationship between the organization and the SCRD. The Cowichan Watershed Board has recently undergone a governance review with the Cowichan Tribes to clarify their [co-governance approach](#).⁵ A council or board may offer more flexibility to co-create and design a governance entity with Indigenous governments in a collaborative way.⁶

Consideration should be given to ensuring administrative transparency, inclusivity and respect for the various roles of each jurisdiction and agency, while balancing the need for an effective and cost-efficient governance model. An important role of the watershed organization could be to guide the development and implementation of a *regional water action plan* that would prioritize actions for improving water management and governance within the region's watersheds. In some B.C. examples, a watershed organization has been created before a watershed action/strategic plan (Cowichan Watershed Board, Nechako Watershed Roundtable). Alternately, organizations have been created after a watershed plan has been developed (Shuswap Watershed Council, Salt Spring Island Watershed Protection Alliance).

⁴ Brandes, O.M., & Morris, T. with Archer, J.L., Brandes, L., Moore, M.L., O'Riordan, J., Overduin, N. (2016, June). *Illumination: Insights and Perspectives for Building Effective Watershed Governance in B.C.* Victoria, Canada: POLIS Project on Ecological Governance, University of Victoria.

⁵ Cowichan Watershed Board Governance Manual 2018.

⁶ Phare, Merrell-Ann, R. Simms, O. Brandes, M. Miltenberger. 2018 Collaborative Consent and Water in BC: Towards Watershed Co-Governance (2018)

Table 1 - Suggested Membership for a Sunshine Coast Watershed Organization

Agency	Partner	Water-related Responsibilities
Federal Government	Fisheries and Oceans Canada	Fish and fish habitat protection and conservation, boating safety and licensing
First Nations	Skwxwu7mesh Nation Sechelt Indian Government District shishálh Nation	Protection of right and title to water, land and fish; Stewardship and management of water resources
Provincial Government	BC Ministry of Environment and Climate Change Strategy	Legislation and policy for environmental protection, promoting and restoring environmental quality, environmental standards for liquid waste, water quality monitoring and reporting, protection of fish and fish habitat.
	BC Ministry of Forest, Lands, Natural Resources and Rural Development	Policy and standards for forest practices, water resource management including water licensing and permits under Water Sustainability Act
	BC Ministry of Health, Vancouver Coastal Health	Legislation for health protection, including Drinking Water Protection Act
	BC Ministry of Transportation and Infrastructure	Approval of major projects and infrastructure
	BC Ministry of Municipal Affairs and Housing	Local government Infrastructure Grants
Local Government	Sunshine Coast Regional District Municipalities: District of Sechelt Town of Gibsons Electoral Areas: <ul style="list-style-type: none"> Electoral Area A - Egmont/Pender Harbour Electoral Area B – Halfmoon Bay Electoral Area C – Roberts Creek Electoral Area D- Elphinstone Electoral Area E – West Howe Sound 	Land-use planning, liquid waste management, water supply and treatment, rainwater management, Riparian Areas Regulation bylaws, drainage'
	Vancouver Coastal Health	Public health and health protection, water quality monitoring of recreational water, and posting of drinking water advisories
Other potential organizations	<ul style="list-style-type: none"> Forest Practices Board BC Wildfire Service 	These organizations are engaged in a variety of advocacy activities on the Sunshine Coast.

- Environment and Water Stewardship groups
- Outdoor recreation groups
- Fisheries and wildlife groups
- Office of MLA - Nicholas Simons
- Capilano University
- Private water purveyors
- SCREDO
- Sunshine Coast Tourism

Given the complexity of this work, the support of a technical advisory committee is advised to help provide expert input to the watershed organization.

Technical Advisory Committee

The purpose of Technical Advisory Committee is to provide scientific and technical support and advice to the decision-making arm of the organization. It would be comprised of both local and non-local representatives. The non-local representatives are typically subject matter experts in the fields of water management, drinking water and watershed protection. There would likely be representatives from multiple third-party agencies and organizations who have appropriate expertise. The role of this group would be to communicate their perspectives and observations on technical components of the regional watershed planning, infrastructure, monitoring, management, protection and restoration work.

Issues to Consider

A watershed organization may require additional resources and administrative infrastructure to support, compared to a model that is nested within the SCRD's administration. Creating a watershed organization outside of the regional government structure provides impartiality. A body that is outside of any one group's institutional structure means that the organization can be neutral, which helps to establish and build trust and credibility among a wide breadth of stakeholders with a variety of interests. Public perception and confidence are often higher in independent organizations.⁷ With diverse membership and strong organizational governance, a local watershed organization is well-positioned to build strong partnerships, play an important role in breaking down decision-making silos and create an effective forum for planning, learning and action.

Examples of this model: Shuswap Watershed Council, Okanagan Basin Watershed Board, Cowichan Watershed Board, Coquitlam River Watershed Roundtable, Salt Spring Island Watershed Protection Alliance.

⁷ British Columbia tended to have below-average confidence in institutions (Spotlight on Canadians: Results from the General Social Survey Public confidence in Canadian institutions 2015). <https://www150.statcan.gc.ca/n1/pub/89-652-x/89-652-x2015007-eng.htm>

Option 2 - SCRD Watershed Management Program

Description

The SCRD could create a SCRD Watershed Management Program that is administered within the regional district administrative structure. In this model, the SCRD would create a mandate to deliver a watershed type service through a bylaw and seek assent approval via an Alternative Approval Process or assent voting (referendum). A staff position within the regional district would be established to undertake leading the development of a watershed action plan or strategy and the responsibilities of implementing a watershed program. The role of the staff person would be as a coordinator (internally and externally) and convener. Depending on the scope of the service, the coordinator could also lead education and outreach, coordinate regional policy alignment with the watershed management plans, liaise with senior levels of government, First Nations, industry, and support the work of stewardship groups. In this case, the SCRD Board would be responsible for program governance. Additional expertise may be needed to support the data gathering and planning. This model has been successfully used in the Nanaimo Regional District, which established a *Drinking Water and Watershed Protection Program* in 2008.⁸ More recently, in fall 2018, the Cowichan Valley Regional District developed a *Drinking Water and Watershed Protection Service* and the Kootenay Boundary Regional District created a sub-regional *Boundary Integrated Watershed Service*.

Advisory Committee

In this case, it is recommended that an Advisory Committee provide advice and expertise on broader issues including technical and scientific, planning and governance, delivering the program and a regional watershed plan. There may be a need for specific subcommittees e.g. a Technical Advisory subcommittee. The recommended composition is similar to the membership of the Watershed Advisory Organization in *Option 1*, with a subject matter expert sub-committee.

Issues to Consider

Developing a watershed management program internal to the SCRD may not be well received by the public and some stakeholders. When using this approach, there may be a perception among the public and stakeholders that the regional government is seeking to control the process or “empire build”. The recent 2018 referendum discourse relating to the Cowichan Valley Regional District’s Drinking Water and Watershed Protection Service saw this perspective reflected in both traditional and social media.⁹

Using the existing administrative infrastructure and functionally embedding and integrating water management across the district’s services could be an effective approach to ensuring that water is part of all decision making at the regional level. This approach can have limited effectiveness in engaging other actors, as the scope of work is often focused on the regional district’s reporting requirements, whereas an independent organization has the ability to collaboratively develop the scope and priorities of the work. Having an external, neutral organization to coordinate efforts and build relationships and partnerships may also be a more successful approach for developing a co-governance approach with the shíshálh Nation.

⁸ For a review of the first 10 years see: Regional District of Nanaimo Drinking Water & Watershed Protection Program: 10 Year Action Plan Implementation Review September 2018. https://www.rdn.bc.ca/dms/documents/dwwp-reports/region-widereports/10_year_action_plan_implementation_review_-_september_2018.pdf

⁹ Personal correspondence with Sutton Eaves, Communication Consultant for One Cowichan, August 8, 2018.

Examples of this model are Nanaimo Regional District's *Drinking Water and Watershed Protection Program*, Cowichan Valley Regional District's *Drinking Water and Watershed Protection Service* and the City of Dawson Creek *Watershed Stewardship Program*.

Option 3 - A Combination of a Management Program & Watershed Organization

Description

This option would require the SCRD to create a Watershed Management Program that is administered within the regional district as in Option 2, but it would allocate resources to contribute core funding to a watershed organization who would help deliver elements of the regional watershed action plan. In this model, the SCRD would create a mandate to deliver a watershed service through a bylaw and seek assent approval via an Alternative Approval Process or assent voting (referendum). A staff position within the regional district would still be established to lead or partner on the development and implementation of a watershed action plan and the responsibilities of implementing a watershed program. The role of the staff coordinator and convener would work closely with both local government staff and watershed organization staff. This relationship between the SCRD and the watershed organization could be formalized in a variety of ways.

The governance arrangement in this option would be similar to Option 1, with a multi-party organizational membership. Important organizational governance issues to consider would be reporting, partnership and the legal relationship between the watershed organization and SCRD. In this option, the watershed organization would eliminate the need for additional advisory committee but would still require a Technical Advisory Committee.

Issues to Consider

This model creates a robust approach to addressing both regional watershed management issues and regional watershed governance. This option builds on the strengths of both models. Having the watershed organization has the strengths identified in Options 1, such being a neutral entity that can be well-positioned to build strong partnerships, play an important role in breaking down decision-making silos and create an effective forum for planning, learning and action. A with a regional district program coupled with a watershed organization, could provide significant, focused capacity and resources to address the variety of watershed management and governance challenges facing the region now and into the future.

Budget recommendations

Regardless of the model selected, sustainable funding to support watershed work in the region is critical to success.¹⁰ The average budget for a comprehensive watershed organization or program is between \$100 -500 000/year depending on the scope and scale of the work. This budget generally covers salaries and benefits (varies with half time, full time, and staff numbers), travel, administration, operations, water monitoring, data management and contracts. The low end of an operational budget is \$100K and generally additional resources are required for data collection, restoration, and contracting. See Appendix 2 for budget examples of several B.C. watershed organizations and programs.

The work can start on a small budget and scale. The Cowichan Watershed Board began with an operating budget of approximately \$70,000 to support basic administration coordination, communication, and a part-time coordinator. Having a stable budget and a staff member are crucial steps to build momentum for a watershed organization or program, as it allows a coordinator or Executive Director to develop relationships, understand the issues and help identify additional funding opportunities and priorities.

A significant challenge for local governments and partners in this work is a lack of resources. Though local governments in B.C. are developing water policies, integrated watershed management plans and strategies, most local governments and community organizations have limited capacity to scale up these efforts or lead and collaborate with others around watershed protection due to a lack of sustainable funding options. In 2018, the Cowichan Valley Regional District recently developed the largest watershed-related service in B.C. with a budget of \$750 000. The proposed funding allocation for this service is largely focused on regional district costs, with a small portion allocated to the watershed stewardship community and the Cowichan Watershed Board. At the time of writing, the service implementation planning is being developed and the results of this approach will only be determined in the coming years. The scale of this regional service demonstrates the significant watershed management needs in some regions and the citizens' willingness to pay through local taxes (the referendum was approved by almost 2:1). In another part of the province, the Regional District of Kootenay Boundary also established a sub watershed service, the Boundary Integrated Watershed Service, with a successful referendum result during the 2018 local government election. The referendum results approved for a requisition of up to \$160,000 on the net taxable value of land and improvements.¹¹

¹⁰ Brandes, O.M., & Morris, T. with Archer, J.L., Brandes, L., Moore, M.L., O'Riordan, J., Overduin, N. (2016, June). Illumination: Insights and Perspectives for Building Effective Watershed Governance in B.C. Victoria, Canada: POLIS Project on Ecological Governance, University of Victoria.

¹¹ <https://www.civicinfo.bc.ca/electionreports/referendum-results.php?year=2018>

Table 2 - B.C. Watershed Organizations/Service/Program Budgets

Organization/Program/Service	Annual Budget	Sources
Coquitlam River Watershed Roundtable	\$80 000 - \$100 000	Philanthropy, Sr. government grants In-kind City of Coquitlam
Cowichan Valley Regional District: <i>Drinking Watershed Protection Service</i>	\$750 000	Drinking Water and Watershed Protection Service (Passed Oct 2018)
Cowichan Watershed Board	\$108 000 - \$128 000	Sr. Government grants (DFO, MOE), Philanthropic grants, Cowichan Valley Regional District, Cowichan Tribes
Nanaimo Regional District – <i>Drinking Water and Watershed Program</i>	\$510 000	Drinking Water shed Protection Service (2008) City of Nanaimo, District of Lantzville, City of Parksville, and Town of Qualicum Beach and 7 electoral areas.
Shuswap Watershed Council	\$400 000	Columbia Shuswap Regional District \$180 000 Thompson Nicola Regional District \$160 000 City of Salmo Arm \$30 000 Adams Band \$1500
Salt Spring Island Watershed Protection Alliance	\$181 000	Islands Trust Council, Salt Spring Island Local Trust Council Special property tax (\$98 500). This money is leveraged to access grants from Sr. levels of government (e.g. FLNROD) and philanthropic grants.

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Nechako Watershed Roundtable	\$200 000	Sr. levels of government, local government, Fraser Basin Council, philanthropic grants
Boundary Integrated Watershed Service (Kettle Valley Watershed Authority)	\$160 000	Kootenay Boundary Regional District - Electoral Area 'C'/Christina Lake, Electoral Area 'D'/Rural Grand Forks, Electoral Area 'E'/West Boundary, Grand Forks, Greenwood and Midway

Recommended Next Steps

The recommended first step by the SCRD is to establish a *Regional Watershed Working Group*. This approach would ideally be co-developed in partnership with the shíshálh Nation and Skwxwú7mesh Úxwumixw. This initial group could begin discussions for options for developing a regional watershed action plan. Members of this group could also support and advise an initial engagement process with key stakeholders. The work should build on the findings of the *Water Dialogue* sessions held in June 2018. *Figure 3* (below) outlines suggested activities for the working group. This initial working group will need to balance being nimble enough to develop short-term goals identifying watershed management priorities based on current data and/or data gaps and with the medium-long term goals of establishing a regional watershed governance approach.

A second step would be developing an interim *Technical Advisory Committee*, to begin creating an inventory of relevant reports, local knowledge, plans and watershed data. The membership of the working group may expand to include key stakeholders. The *Technical Advisory Committee* (TAC) would provide advice and expertise to the *Regional Watershed Working Group*. It is anticipated that key members of the TAC would need to also participate in the *Regional Watershed Working Group*.

Below, *Figure 4* outlines the recommended list of next steps. These sequence of steps may vary, depending on decisions made by the *Regional Watershed Working Group*. A workplan with detailed activities would be developed for each recommended stage.

Figure 3 - Suggested activities for establishing a regional watershed approach

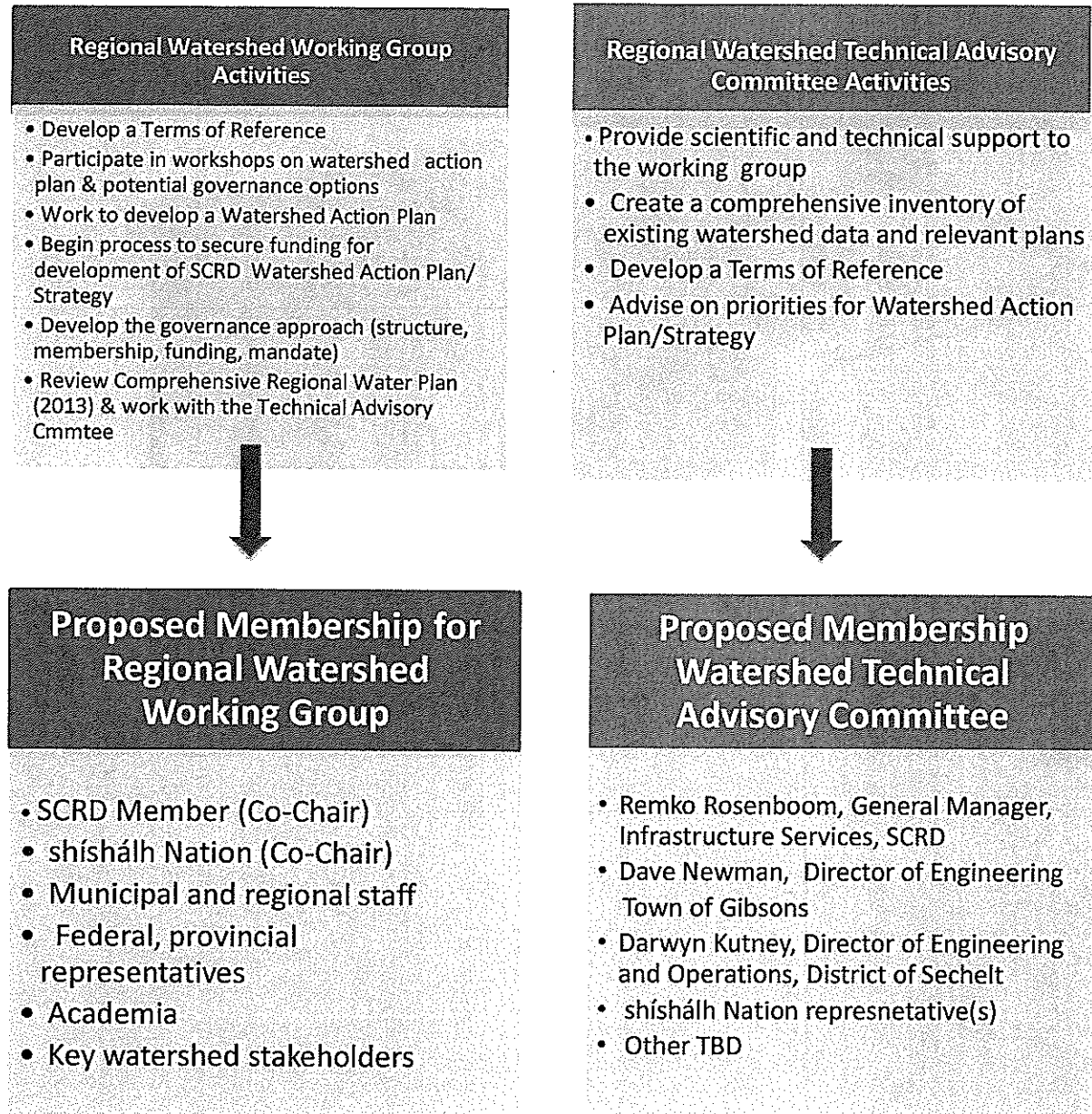
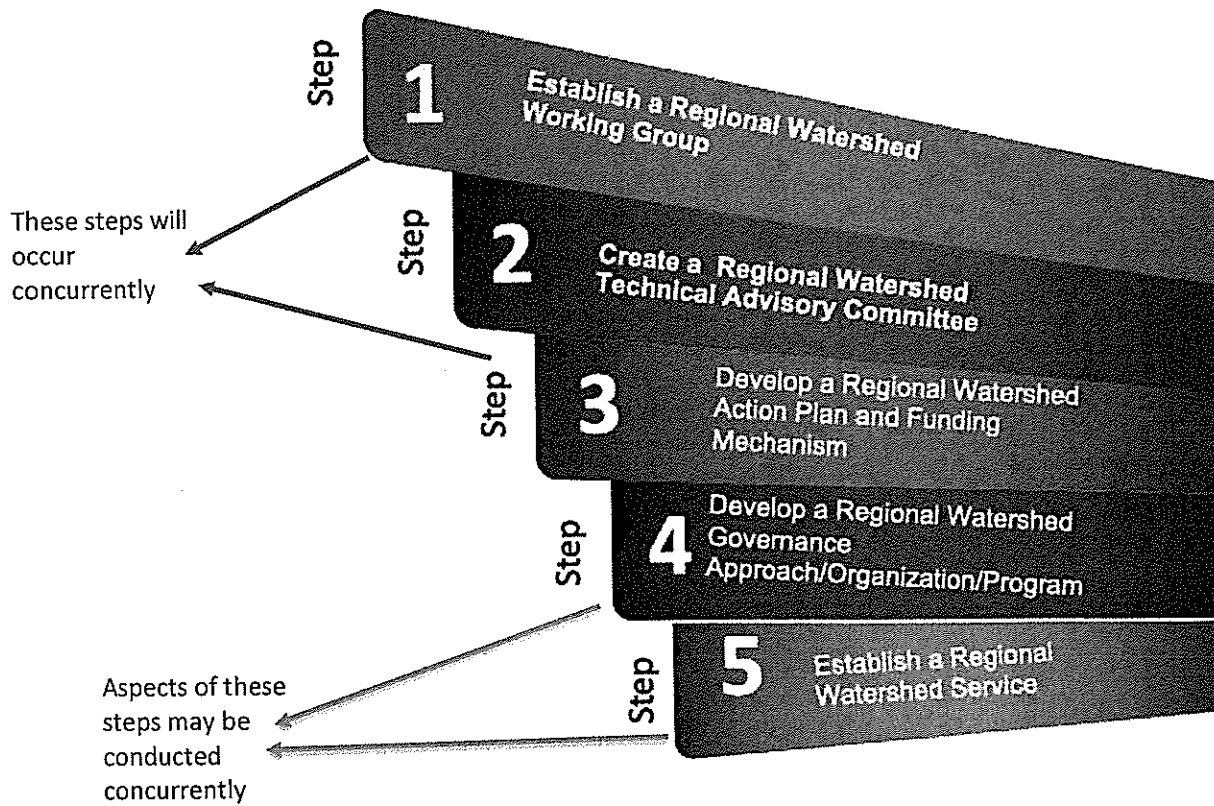
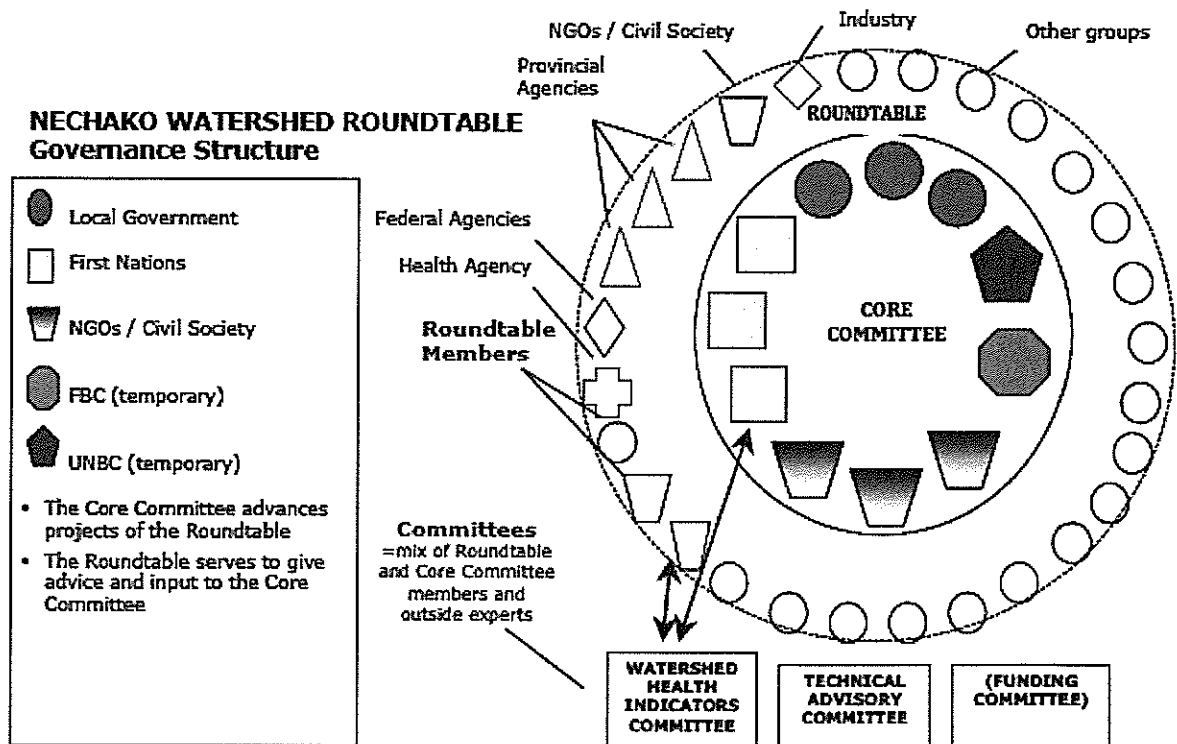


Figure 4 - 5 Steps to a Developing a Regional Watershed Approach for the Sunshine Coast



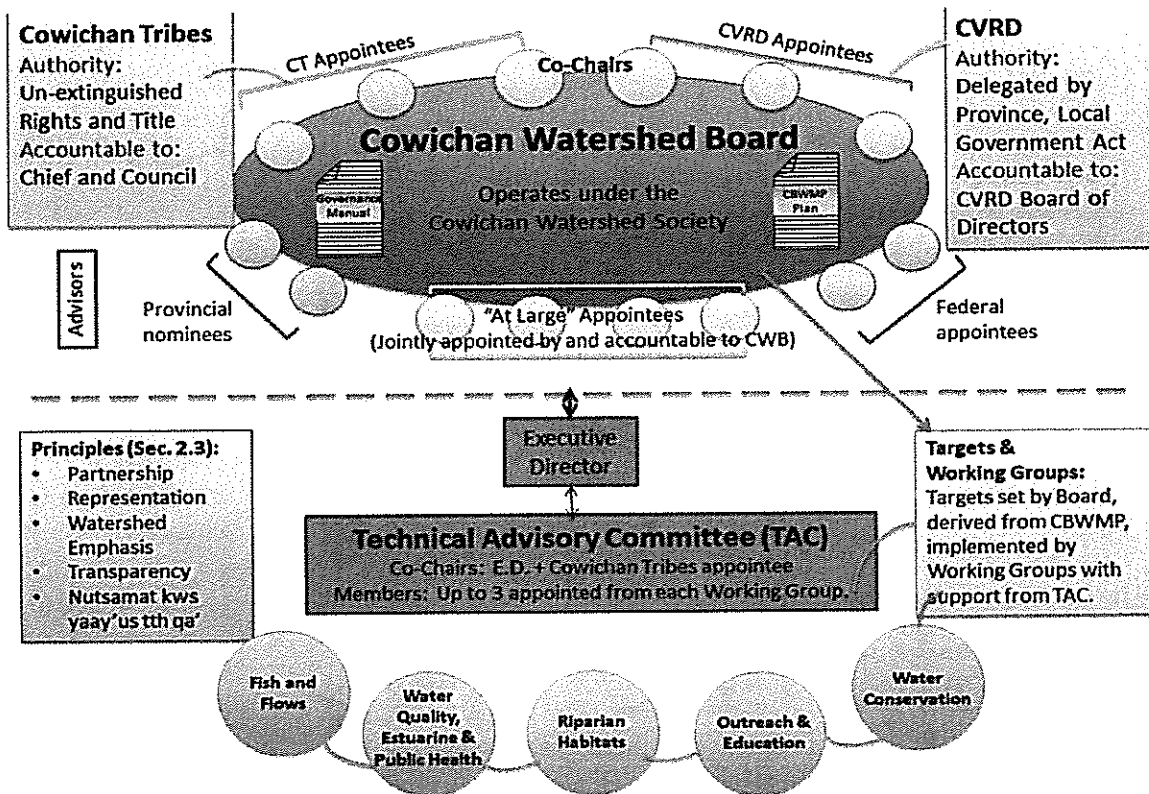
Appendix A Examples of Watershed Organization Structures

Figure 5 - Governance Structure of the Nechako Watershed Roundtable



Source: Nechako Watershed Roundtable & Core Committee Terms of Reference (2015)

Figure 6 - Governance Structure of the Cowichan Watershed Board



Source: Cowichan Watershed Board Governance Manual (2018)

Appendix B - Budget Examples

Table B1 Shuswap Lake Integrated Planning Process (SLIPP) Project Revenue

SLIPP PILOT PROJECT REVENUE (\$)						
	2011/12	2012/13	2013/14	Totals		
Local government contributions						
Columbia Shuswap Regional District	258,900	281,401	241,399	781,700		
Thompson-Nicola Regional District	53,600	53,600	53,600	160,800		
City of Salmon Arm	20,000	20,000	20,000	60,000		
District of Sicamous	2,500	0	0	2,500		
Total Local Government Contributions	335,000	355,001	314,999	1,005,000		
	2011/12		2012/13		2013/14	
	Budget	Actual	Budget	Actual	Budget	Actual
Strategic Plan Goals						
Foreshore/Shoreline	50,000	13,195	50,000	48,460	50,000	43,039
Water Quality	130,000	98,855	130,000	130,331	165,000	165,708
Recreation	35,000	23,450	35,000	75,200	35,000	19,458
Compliance and Enforcement	35,000	33,604	35,000	4,431	0	0
Education, Communication, Engagement	45,000	49,390	45,000	25,180	45,000	25,418
Administration, Reporting, Meetings	40,000	45,316	40,000	46,431	40,000	67,576
Totals	335,000	263,809	335,000	330,033	335,000	321,199
Surplus as of March 31, 2014	89,959					

Source: Shuswap Lake Integrated Planning Process (SLIPP) Final Report (2014) p.15

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Table B2 Shuswap Watershed Council Projected SWC 5-Year Budget

SWC Financial Requirements 2016-2020	
Water Quality Program, Water Monitoring Initiatives	\$340,450
Water Quality Program, Water Protection Initiative	\$328,500
Recreation Safety Program	\$32,500
Communication Plan	\$115,000
Program Management and Administration	\$145,000
TOTAL	\$961,450

Source: Water Quality Program & Recreation Safety Education Program in the Shuswap watershed for 2016 to 2020 (2015) Fraser Basin Council.

Table B3 Nanaimo Regional District Watershed Protection Program 10-Year Budget Summary

Summary off 10-year Budget	
Program costs (w/o staffing)	\$4.46 M
Staffing Costs	\$1.10M
Total Budget	\$5.56 M
Grants/other income	\$985,000
RDN funds required (over 10 years)	\$4.57 M (\$3.94 M in 2007 dollars)
Average annual RDN budget	\$457,000

Source: Drinking Water and Watershed Protection Action Plan, Report to the Board of the Regional District of Nanaimo (2007) Drinking Water-Watershed Protection Committee and LANARC.

Table B4 Boundary Integrated Watershed Service Budget

Draft Year 1 Expenses			
Expense	Year 2019-2020		
Salaries and Benefits			
Travel Expense	149,490		
Public Participation Program	2021		
Administration	2022		
Library and Research	2023		
Contracts			
Office Expenses	10,700		
Vehicle Operation	3,000		
Contingencies	1,000		
Total	150,013		

Proposed 5-Year Budget

Year	Budget (\$)
2019	150,013
2020	149,490
2021	152,017
2022	156,594
2023	157,223

Source: Regional District of Kootenay Boundary, Donna Dean (2017). Analysis of Establishing a Service for Kettle River Watershed Management. Prepared for the Kettle River Watershed Management Plan Steering Committee.

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Table B5 Salt Spring Island Water Protection Alliance (SSIWPA) Income Statement 2017-2018

SSIWPA PROGRAM INCOME STATEMENT FOR THE PERIOD APRIL 1, 2017 – MARCH 31, 2018		
Revenue for SSIWPA	YTD Actuals	Budget
Coordination		
Islands Trust Special Property Tax 2017-18	\$98,500.00	98,500.00
Coordination Reserve	7106.00	7,106.00
Matching Funds for Projects Coordinated by SSIWPA	YTD Actuals	Budget
Islands Trust SSI Local Trust Committee Watershed Management Fund	\$18,000.00	18,000.00
Capital Regional District	4,000.00	4,000.00
Ministry of Forests, Lands, Natural Resources Operations & Rural Devt.	32,000.00	32,000.00
Grant to SSIWPA from BC for Integrated Freshwater Mgmt. Program	15,000.00	15,000.00
Grant* * to Islands Trust from Real Estate Foundation of BC for SSI	6426.00	6,426.00
Groundwater Wells Pilot		
Total revenue	181,032.00	181,032.00

Source: Salt Spring Island Watershed Alliance Annual Report (2017)

Appendix C - Watershed Entities/Programs/Regional Services in British Columbia

Region	Mandate	No. of Seats	Meeting Frequency	Membership	Decision Type	Funding Model
Okanagan Region - North Okanagan, Central Okanagan, and Okanagan-Similkameen	Local government agency (Municipal Enabling and Validating Act 1970 and supplementary letters patent) Coordination function	12	Monthly	12 appointed Directors North Okanagan, Central Okanagan, and Okanagan-Similkameen for one-year term <ul style="list-style-type: none">1 Dir. appointed by the Okanagan Nation Alliance1 Dir. is appointed by the Water Supply Association of B.C.;1 Dir. is appointed by the Okanagan Water Stewardship Council; term length for these 3 roles set by their parent organizations	Non regulatory	Proportional taxation by Basin Water Board
Okanagan Water Stewardship Council	Advisory to OBWB and communicates to communities	28	Monthly	Invited by OBWB: municipal/electoral district reps, and selected organizational reps such as water stewardship, industry. 18-month terms (renewable). All members ratified by OBWB. Council Chair and Vice Chair elected by majority of the Council. Chair is a full voting member of council in all matters except financial. Council sends liaison as full voting member of OBWB.	Non regulatory	Council is funded through OBWB operating budget
Regional District Service						
Nanaimo RDN Drinking Water and Watershed Protection Service, Technical Advisory Committee (2008)	Advisory to RDN Regional District Board	14	Monthly	Regional District Elected, City Councilors Elected, Provincial, Water Purveyors, Academic, Stewardship/Conservancy Groups, Islands Trust, General, Public (2). Ex officio: RDN Staff advisory. Manager of Water, Services (RDN) Chairs the committee. By application, or appointment. 2 yr. terms. No alternates.	Non regulatory	Regional District Service operating budget. Avg. \$500K/yr. incl staffing, outreach and education, research
Cowichan Watershed Board (2010)	Advisory to CVRD Regional District Board	14	Monthly	Regional District Elected (3 - Chair plus 2), Cowichan Tribes (3), Members at-large/public (4), Federal (1-2 non-elected), Provincial (1-2	Non-Regulatory	

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				staff). Up to 6 members at large (appt by CVRD & CT) Ex officio: Staff advisory from member agencies.		
Boundary Integrated Watershed Service (2018) & Kettle Valley Watershed Council (2014)	Regional District Board	TBD	Monthly	Under development	Non-Regulatory	Operated budget of \$160 000/yr. for 5 yrs. (\$140K staff)
Salt Spring Island Local Trust Area & Salt Spring Island Watershed Protection Alliance (SSIWPA) Steering and Committee (2014)	Authority to Advise Member Agencies delegated by Islands Trust Council through Bylaw 154. Salt Spring	5	Monthly	Island Trust Local Trustee (1) Regional District Elected (1), Water District Commissions Elected (up to 9). Members at large (up to 6), First Nations (1-3). Ex officio advisory. Terms are not limited. Alternates may be named.	Non Regulatory	Special Tax, \$98 500/yr. for coordination outreach meetings
Coquitlam River Watershed Roundtable & Core Committee (2011)	Advisory to member organizations	18	Every 2 months	Municipal Elected (5) First City of Coquitlam, City of Port Coquitlam, Metro Vancouver, Kwikwetlem First Nation, BC Hydro. Other members represent a diversity of watershed interests. 18-month terms	Non-regulatory	Part-time coordinator with support of Environmental Manager
Shuswap Watershed Council (2014)	Collaborative program of the Columbia Shuswap Regional District (CSRD), Thompson-Nicola Regional District (TNRD), District of Sicamous, City of Salmon Arm, Secwepemc Nation and BC Ministry of Agriculture and BC Ministry of Environment and Climate Change Strategy	18	Quarterly	First Nations (2) groups; 3 Regional Districts Elected (3) Dist. - some have multiple reps); Members-at-large (2). Ex officio: Provincial staff (2 at 3 yr. terms). 1 yr. renewable terms. All are appointed by the CSRD, but only at-large reps need apply. Elected reps from agencies making financial contribution may have voting rights for financial decisions.	Non-regulatory	Part-time coordinator (FBC staff) Funded by local taxes

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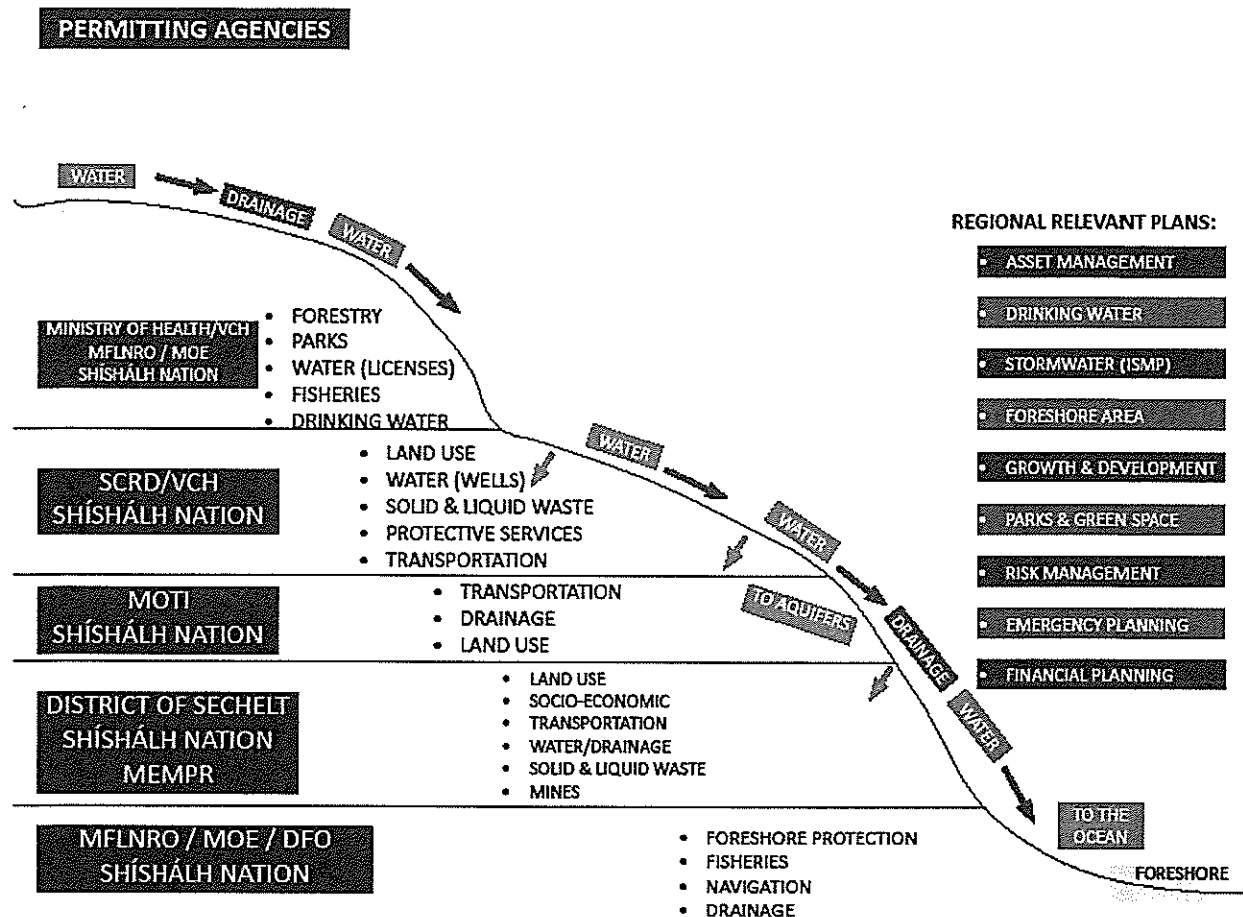
Nechako Watershed Roundtable (2015)	Advisory to member organizations	Core Cmmt : 11 Round table: 28	Monthly	Local Government Elected (3), First Nations Government, elected (3), Civil (4) mix of community groups, academics and general public) 1-2 yr. terms renewable. Three times/year Roundtable Meetings	Non-regulatory	Municipal Grants in Aid Philanthropy
Nicola Watershed Governance Project (2018)	<u>Government-Government Memorandum of Understanding</u> 5 Nicola First Nations (Nooaitch, Shackan, Upper Nicola, Lower Nicola, and Coldwater) with Province of BC	TBC	Monthly	TBC Core Committee Steering Committee	TBC	BC Government BC Freshwater Legacy Initiative

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Chapman Watershed Decision-Making Snapshot (2019)¹²

Agencies who have a responsibility for legislation and regulation of various aspects of watersheds and freshwater resources in the Chapman Watershed

Figure 1



List of organizations:

- DFO - Fisheries and Oceans Canada
- MEMPR - Ministry of Energy, Mines & Petroleum Resources
- MOE - Ministry of Environment & Climate Change Strategy
- MFLNRO - Ministry of Forests, Lands, Natural Resource Operations & Rural Development
- MOTI - Ministry of Transportation and Infrastructure
- SCRD - Sunshine Coast Regional District
- VCH - Vancouver Coastal Health

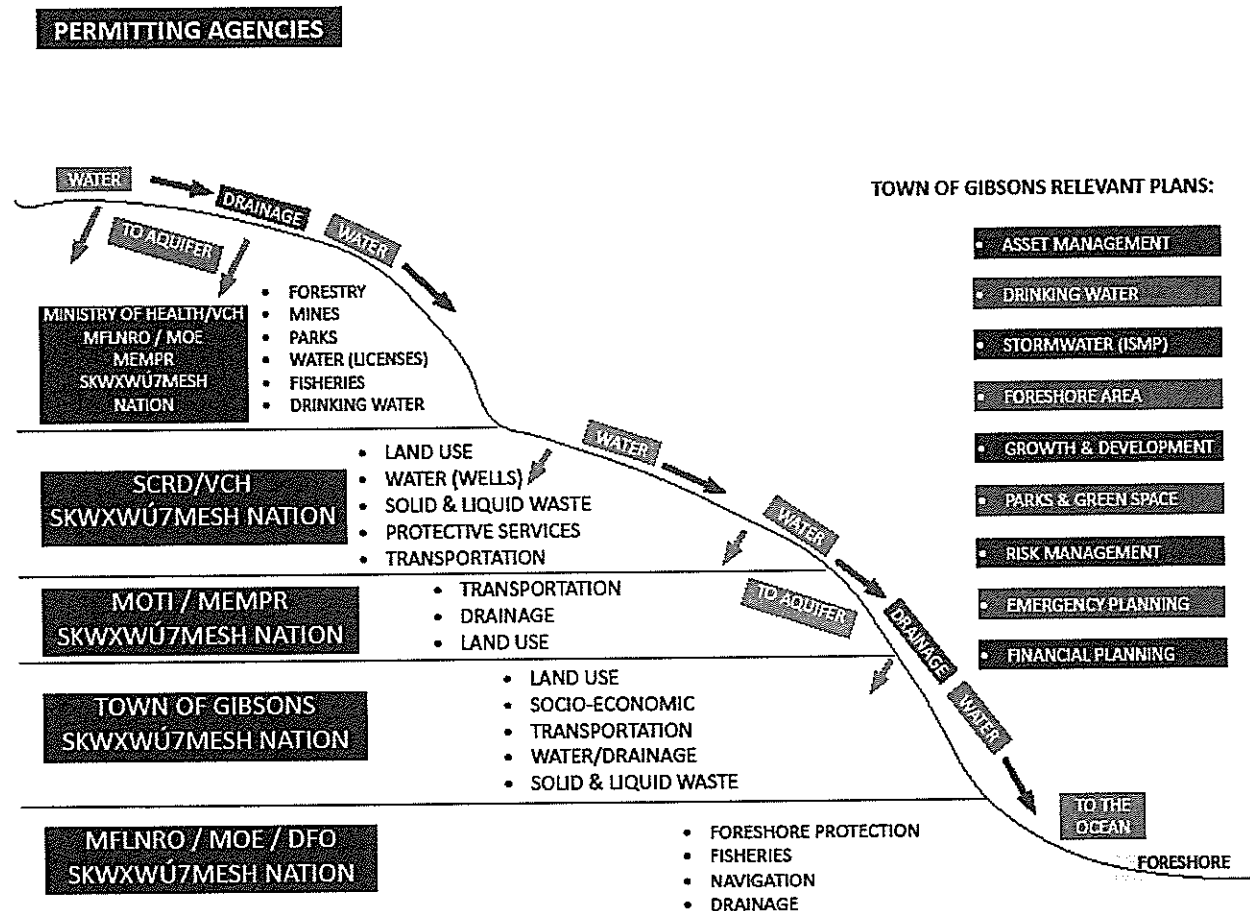
¹² Developed by Emanuel Machado (2019)

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Gibsons Watershed Decision-Making Snapshot (2019)¹³

Agencies who have a responsibility for legislation and regulation of various aspects of watersheds and freshwater resources in the Gibsons Watershed

Figure 2



Organizational Acronyms:

- DFO - Fisheries and Oceans Canada
- MEMPR - Ministry of Energy, Mines & Petroleum Resources
- MOE - Ministry of Environment & Climate Change Strategy
- MFLNRO - Ministry of Forests, Lands, Natural Resource Operations & Rural Development
- MOTI - Ministry of Transportation and Infrastructure
- SCRd - Sunshine Coast Regional District
- VCH - Vancouver Coastal Health

¹³ Developed by Emanuel Machado (2019)

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Considering the Future of Watershed Management and Governance for the Sunshine Coast





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Introduction

Water is a strategic asset to the Sunshine Coast, which has critical ecological, economic, social, and spiritual importance. In recent years, the Sunshine Coast Regional District (SCRD) has experienced increasingly significant water pressures and management issues. On October 3, 2017, the Sunshine Coast Regional District (SCRD) declared Stage 4 water restrictions, the most severe level of restriction, banning all commercial use of water and residential outdoor tap use. To help ease the crisis, it also installed a siphon to extend the draw of water from Chapman Lake. The regional district also declared Stage 4 water restrictions in 2015, while in both 2014 and 2016, areas of the region were under Stage 3 water restrictions. In fact, the status of the Sunshine Coast's water shortages has received extensive national news coverage over the last several years.

The water challenges the region is experiencing affect the quality of life of all citizens, the local economy and the overall sustainability of the Sunshine Coast. While this is well-recognized by local governments, it is also clear that existing management and planning tools, such as the 2013 Comprehensive Regional Water Plan, are proving ineffective at addressing this critical issue. Furthermore, these challenges are only expected to worsen, as they are exacerbated by the impacts of climate change, regulatory changes and population growth.

Recently, the SCRD administration responded to the water supply issue by proposing groundwater as a water source to supplement the Chapman Creek surface water supply. This option is consistent with the SCRD's Comprehensive Regional Water Plan and four sites were identified for further exploration. These sites included one that would draw water from the Gibsons Aquifer, which would jeopardize the Town of Gibson's ability to provide water for its future buildout. This situation exemplifies the need for a fully integrated approach to water management, to ensure that proposed solutions are coordinated and actively engage all affected rights and stakeholders.

Overlapping Jurisdictions

The Sunshine Coast is not alone in its water challenges. Regions across the province are addressing similar issues associated with the provision of safe water supplies but also of overall watershed health, management and governance. Ideally, watersheds should be managed as whole systems. Jurisdictional complexity makes this difficult because, generally, several levels of government are involved. Local governments typically oversee drinking water management and source water protection. They also directly influence water through land-use and zoning decisions, as is often articulated in community plans and regional growth initiatives. The provincial government has primary responsibility for making decisions about water and watersheds. It has the most direct constitutional powers related to land use, water management, and control over local government. First Nations have constitutionally protected rights to land



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and water resources requiring proper consultation to ensure that their interests are accommodated. This situation can be especially challenging in cases of undefined water rights in advance of formal treaties or claims of aboriginal title.¹ Unresolved aboriginal rights and title influence all aspects of resource decision-making and development in the province.

Given the complexity created by these overlapping jurisdictions and the significance of local conditions in both watershed management challenges and solutions, we strongly believe it makes sense to work collaboratively to find effective solutions for our communities.

The purpose of this document is to propose a process to consider a modernized watershed management plan and a regional approach to watershed governance.

What is Watershed Governance?

Governance is a complex concept but it generally refers to who has power, who makes decisions, who has the ability to influence, shape and execute decisions and how accountability is determined. Governance is a product of the context including laws, regulations, and formal institutions and incentives coupled with the norms, values, behaviours, and ethics influencing decisions and how they flow through the social networks of influence and action.² Watershed governance refers to the full range of watershed issues - water resources and delivery of water services, as well as the protection and conservation of water and aquatic ecosystems including their associated riparian area, and land use issues as they impact water at a watershed scale.³

What is Watershed Management?

Watershed management is the process of implementing land use and water management practices to protect and improve the quality of the water and other natural resources within a watershed by managing the use of those land and water resources in a comprehensive way. Watershed features that governments manage include water supply, water quality, drainage, stormwater runoff, water licensing, and the overall planning and utilization of watersheds. Effective watershed management ensures the sustainable distribution of its resources and the process of creating and implementing plans, programs, and projects to sustain and enhance watershed functions. Many different actors play an integral part in watershed management including landowners, government, engineers, environmental specialists, water purveyors and communities.

¹ See *Tsilhqot'in Nation v. British Columbia*, 44 (SCC 2014).

² Oliver Brandes and J. O'Riordan POLIS (2014) *A Blueprint for Watershed Governance in British Columbia*.

³ Linda Nowlan and K. Bakker, (2007) *Delegating Water Governance: Issues and Challenges in the BC Context* Report for BC Water Governance Project.



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What are we proposing?

We are proposing that the Sunshine Coast Regional District members undertake the exploration of two key initiatives:

1. The development of an integrated, regional watershed management approach, with supporting management strategies, programs, projects, bylaws, policies and tools.
2. The examination of models for regional watershed governance that would provide an opportunity for collaborative governance by bringing together relevant rights holders and stakeholders.

What would be required to undertake this work?

The Town of Gibsons would be willing to act as the Convenor of this exploratory process. The Town has demonstrated its leadership in many areas of water management, including water conservation, monitoring, and aquifer mapping. It is leading the country in implementing natural asset management, which formally recognizes natural assets and the civic services they deliver as an essential part of a community's infrastructure. As Convenor, the Town of Gibsons would take a leadership role to steward the exploration process in partnership with the SCRD. This work would build on the water management work that has been completed to date, including existing plans, assessments and monitoring data.

Below is a discussion of both the rationale and the next steps for the above-mentioned issues.

1. Develop an Integrated Regional Watershed Management Approach

Currently, the SCRD deals only with water distribution and land use planning – integrated decision making is ad hoc at best. The development of a comprehensive, integrated watershed plan which identifies key regional issues and pressures, and proactively maps out its water resource capacity and data needs, would provide valuable guidance to decision-makers, resource managers, water users and residents regarding land and water resources in the watershed.

Developing a modern, forward-thinking regional approach will improve the SCRD's ability to deliver services and effectively partner with senior levels of government and First Nations, while ensuring the social, ecological and economic sustainability of the region.



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Characteristics of a plan

An integrated watershed plan would likely be characterized by objectives such as:

- Healthy aquatic ecosystems that sustain native biodiversity and aquatic life;
- Reliable and adequate flows of clean water to support a sustainable economy and food system, and;
- Safe and secure water to support healthy communities.

Suggested guiding principles that could characterize the work include:

- Adaptive management;
- Natural asset management;
- Long-term monitoring, and;
- Two-eyed seeing (a framework for understanding indigenous and non-indigenous knowledge).⁴

The initial steps would include:

1. Convening an Advisory Committee with appropriate representation from all stakeholders to steward the process and to initially assess the capacity and resource requirements to pursue this work.
2. Developing a Terms of Reference and Project Charter that would define the scope and scale of the work to be undertaken.
3. Creating a Technical Advisory Committee with representatives from multiple third-party agencies and organizations.

Based on examples of similar work undertaken by other jurisdictions⁵, we have learned that:

- the process typically works to identify a driving vision for the plan, guiding principles, key objectives or outcomes, and related activities to achieve the objectives;
- other jurisdictions have been able to secure external funding to help support this process, and;
- developing an integrated regional watershed management approach through an inclusive process could take up to two years.

⁴ Two-Eyed Seeing is a principle created by Mi'kmaw Elder Albert Marshall that "refers to learning to see from one eye with the strengths of Indigenous knowledges and ways of knowing, and from the other eye with the strengths of Western knowledges and ways of knowing ... and learning to use both these eyes together, for the benefit of all." <http://www.integrativescience.ca/Principles/TwoEyedSeeing/> for more information and background

⁵ Examples include the Kettle River Watershed Management Plan, Comox Valley Regional Water Supply Strategy, Kiskatinaw Watershed Management Strategy (Dawson Creek), Shuswap Lake Integrated Planning Process.



2. Examine Models of Regional Watershed Governance

While examining watershed governance models is complementary to pursuing an integrated watershed management plan, it does require asking different questions. A governance model would need to be compatible with the objectives of a regional integrated watershed plan, as it would influence how the management plan is operationalized and how decisions would be made. In many communities, mounting concern about the sustainability of their water is driving demand to have more local engagement in decision-making with the Province. At the same time, many First Nations want collaborative consent or government-to-government agreements on decisions about water.⁶ Local governments and First Nation communities around the province are considering watershed governance options given the potential provisions in the *Water Sustainability Act* for alternative governance arrangements. To date, the provincial government has not clearly identified what these arrangements could look like.

Collaborating with First Nations

The systematic exclusion of First Nations from governing water is no longer socially or legally acceptable under the provincial commitment to the principles of UNDRIP (UN Declaration on the Rights of Indigenous Peoples) or the federal and provincial commitments to government-government relationships. First Nations' strong historical, spiritual, cultural, and economic ties to the land and water make them a unique and important force in BC. First Nations are a level of government that must be properly acknowledged and hold an important place in any efforts to improve the governing of watersheds to ensure more ecologically and socially sustainable outcomes. The Sunshine Coast makes up part of the traditional territory of the Sechelt Nation (Shishálh) and the Squamish Nation (Skwxwu7mesh Uxwumixw). Examining how local governments work together with First Nations on water is an important step towards reconciliation and meeting the principles of UNDRIP.

Existing Watershed Governance Models

In BC, there are different arrangements along the spectrum of watershed governance, from the large, formalized entity of the Okanagan Basin Watershed Board (OBWB), to the medium-scale Cowichan Watershed Board to smaller-scale organizations such as the Nechako Watershed Roundtable or the Coquitlam River Watershed Roundtable. Most of these organizations are partnerships that provide a forum for information-sharing and discussing and negotiating management actions, while formal government agencies retain decision-making power. The

⁶ Collaborative consent describes an ongoing process of committed engagement between Indigenous and non-Indigenous governments— acting as equal partners, each with their asserted authority—to secure mutual consent on proposed paths forward related to matters of common concern and all aspects of governance. Phare, M-A., Simms, R., Brandes, O.M., Miltenberger, M. (2017). *Collaborative Consent and Water in British Columbia: Towards Watershed Co-Governance*.



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OBWB is a unique entity in BC as it is an autonomous, formalized body, established for the long term with a wide range of stakeholders (public and private) that is empowered to implement water management decisions.⁷

The role that local governments play in these organizations vary from model to model. Currently, the Cowichan Watershed Board and its members are examining their model of co-governance with the Cowichan Tribes. At the same time, the Cowichan Valley Regional District is examining how the Cowichan Watershed Board helps to deliver the regional district's watershed management objectives. In the Canadian context, we do not have examples of delegated collaborative water governance where non-state actors (watershed entity, municipality, or region) are directly engaged in decision-making for water management.

In the case of the Sunshine Coast, examining potential regional watershed governance models is an opportunity to find the appropriate approach to bring together relevant rights holders and stakeholders to pursue shared regional objectives, specific to our watershed.

The initial steps in developing an appropriate watershed governance model would include:

1. Convening an Advisory Committee, including Sechelt Nation and Squamish Nation to discuss guiding principles.
2. Reviewing the related work that has been done in other jurisdictions around the province.
3. Developing a proposal for a regional watershed governance model with options specific to the Sunshine Coast context to bring before SCRD Council.

We are fortunate that BC has generated significant literature on watershed governance, Indigenous Co-Governance and Collaborative Consent. These resources would provide invaluable assistance in guiding this work, should the relevant parties agree to proceed.

Conclusion

Given the significant water management challenges, complexities of land use, interests and rights holders in our region, we think that future proofing the Sunshine Coast's social, ecological and economic prosperity requires closely examining our options for both **integrated watershed management planning and watershed governance**.

The *BC Water Sustainability Act* and associated enabling regulations are evolving and they will influence watershed management and governance. Positioning the Sunshine Coast as a

⁷ Ontario's Conservation Authorities are another example of a formal watershed governance entity.



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proactive region on these issues will make it an appealing partner for collaboration with the Province and other levels of government.

Prepared for the Town of Gibsons by Zita Botelho, M.A

Sunshine Coast Regional District

BOARD POLICY MANUAL

Section:	Finance	5
Subsection:		
Title:	Feasibility Study Funding	

1.0 POLICY

When there is no existing service, the costs of undertaking a feasibility study will be apportioned among the areas that the board provides (by resolution) may benefit from the proposed service.

2.0 SCOPE

This Policy applies to feasibility studies for new services.

3.0 REASON FOR POLICY

To provide direction with regard to feasibility study funding for new services.

4.0 AUTHORITY TO ACT

Retained by the Board.

5.0 PROCEDURE

The Board will resolve, on a case-by-case basis, the benefitting area or areas that will pay the costs of feasibility studies for new services.

Feasibility study costs will be apportioned to the whole area. If the service is established, the costs of the actual service and the subsequent recovery of the Feasibility Study costs will be paid by the properties that make up the actual service area. This may be the entire area or a subset of the area.

Approval Date:	March 12, 2010	Resolution No.	134/10
Amendment Date:		Resolution No.	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30, 2020

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

SUBJECT: 2020 REFUSE COLLECTION [355] FEE REVIEW

RECOMMENDATION(S)

THAT the report titled 2020 Refuse Collection [355] Fee Review be received;

AND THAT Schedule A of Sunshine Coast Regional District Waste Collection Bylaw No. 431 be amended to increase waste collection fees by 14% for 2020 and to allow for food waste collection as part of the annual fees;

AND THAT the 2020-2024 Financial Plan be amended accordingly;

AND THAT this recommendation be forwarded to the Special Board meeting on January 30, 2020.

BACKGROUND

At the January 9, 2020 Regular Board Meeting, the following recommendations were adopted (in part):

Recommendation No. 6 *Request for Proposal (RFP) 1935005 Contract
Award Curbside Collection of Food Waste*

AND THAT the contract for Curbside Collection of Food Waste in Electoral Areas B, D, E and F be awarded to Waste Management of Canada Corporation in the amount up to \$2,343,586 (plus GST);

AND THAT the SCRD purchase food waste collection containers from Waste Management of Canada Corporation, with a capital expenditure in the amount of \$193,670 (\$181,000 plus applicable taxes) be approved and funded from Operating Reserves;

Recommendation No. 7 *Request for Proposal (RFP) 1935004 Contract
Award Green and Food Waste Processing Services*

AND THAT the contract for Food Waste Processing Services in Electoral Areas B, D, E and F be awarded to Salish Environmental Group Inc. in the amount up to \$205,800 (plus GST);

The purpose of this report is to review the funding requirements associated with the implementation of weekly curbside food waste collection service and make recommendations for the 2020 refuse collection service fees and charges.

For reference, a copy of the current Schedule A from Bylaw No. 431 is attached to this report (Attachment A)

DISCUSSION

Refuse collection rates are set based on the revenue required to fund the service level and contract values approved by the Board. Any surplus revenue not required to fund expenditures in the financial plan is budgeted as a transfer to operating reserves. Conversely, operating reserves can be used to stabilize or smooth out rate increases if sufficient funds exist.

The estimated uncommitted refuse collection operating reserve balance for 2020 is \$54,000 after accounting for committed funding of \$193,668 for food waste containers. This is equivalent to approximately 6% of 2019 collection fee revenue.

It is recommended that for 2020, collection fee rates be set to allow for a small contribution to operating reserves in order to maintain the existing reserve balance and financial sustainability of the service until the full scope of service level changes have been implemented.

Service Changes

Along with initiating the new weekly food waste collection service, Board direction was to decrease garbage collection to bi-weekly. These service changes will be aligned and launched concurrently and are anticipated for Q3 2020. For the purposes of preparing a 2020 user fee for refuse and food waste collection services, July 7, 2020 is being utilized as the start date.

Required Revenue

The service level changes and contract values have been incorporated into the 2020-2024 financial plan based on a July 7, 2020 start date and user fee revenue has been updated based on 2019 actual values to account for customer growth.

The resulting revenue requirement in each year of the 2020-2024 financial plan is summarized in the table below.

Year	Minimum Required Revenue to Balance Budget
2020	\$118,995
2021	208,828
2022	228,792
2023	247,330
2024	266,568

2020 Refuse Collection User Fees

Refuse collection user fee revenue totalled \$889,497 in 2019. Based on the 2020 revenue requirement, a 14% increase would generate an additional \$124,530 in revenue and result in an estimated \$5,535 budgeted contribution to operating reserves pending final support service and wage allocation considerations.

Staff recommend proceeding with a 14% user rate increase for 2020.

The proposed rate along with historical rates over the past five years are detailed in the table below:

	2015	2016	2017	2018	2019	2020*
Residential Single Family Dwelling						
Annual Collection Fee	\$139.82	\$144.01	\$145.45	\$146.90	\$154.25	\$175.85
\$ Increase over Prior Year	\$6.66	\$4.19	\$1.44	\$1.45	\$7.35	\$21.60
% Increase over Prior Year	5%	3%	1%	1%	5%	14%
Mobile Home in a Mobile Home Park						
Annual Collection Fee	\$117.87	\$121.41	\$122.62	\$123.85	\$130.04	\$148.25
\$ Increase over Prior Year	\$8.61	\$3.54	\$1.21	\$1.23	\$6.19	\$18.21
% Increase over Prior Year	5%	3%	1%	1%	5%	14%
<i>*2020 rates are based on the recommended rate increase and are subject to Bylaw amendment</i>						

2021-2024 Refuse Collection User Fees

The current projected rate increase for 2021 is 9% based on the required revenue resulting from full year implementation of the service changes and annual contract increases. The minimum required increases for 2022-2024 are projected to be 2% or less.

Consideration can be given to utilizing reserves for rate stabilization in 2021 once the service level changes have been fully implemented.

Applicability to Garbage and Food Waste Collection

The recommended user fee is applicable to both garbage and food waste collection as the service standards and application of fees are identical for both waste streams. Fee descriptions will be updated to ensure certainty with respect to allowing for food waste collection.

The approximate funding allocation of the proposed fees for 2020 and 2021 between the two waste streams is detailed in the table below. These amounts are based on applicable contract values an estimated tipping fees with a proportionate allocation of overhead costs.

	2019	2020	2021
Residential Single Family Dwelling			
Garbage	\$154.25	\$124.04	\$87.13
Food Waste	-	51.81	104.55
Total	\$154.25	\$175.85	\$191.68
Mobile Home in a Mobile Home Park			
Garbage	\$130.04	\$104.57	\$73.46
Food Waste	-	43.68	88.13
Total	\$130.04	\$148.25	\$161.59

Timeline for next steps

In order to meet the annual utility billing distribution for curbside collection services, the fees and charges portion of Bylaw 431 need to be amended. The Bylaw will be forwarded to the February 13, 2020 Board meeting for three readings and adoption.

Additional amendments to provisions within Bylaw 431 are required prior to service initiation and are forthcoming to a future Committee meeting.

Communications Strategy

The increase to the user fees will be communicated through the SCRD website, budget documentation and presentations, as well as a memo included in the invoice itself.

Additional communication and engagement will be conducted as part of the implementation of food waste collection.

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 revised service level and contract values from Waste Management for bi-weekly manual garbage collection and weekly food waste collection with an estimated start date of July 1, 2020, a 14% increase to the refuse collection fee is required for 2020.

The anticipated required user fee increase for 2021 based on current projected revenue requirements is 9%.

In order to meet the annual utility billing distribution for curbside collection services, the fees and charges portion of Bylaw 431 need to be amended. The Bylaw will be forwarded to the February 13, 2020 Board meeting for three readings and adoption.

Attachments:

Attachment A - Schedule A from Bylaw No. 431

Reviewed by:			
Manager		Finance	
GM	X - R. Rosenboom	Legislative	
CAO	X - D. McKinley	Other	X - R. Cooper

**SUNSHINE COAST REGIONAL DISTRICT
 BYLAW NO. 431**

“SCHEDULE A”

1.0 Fees

- | | | |
|-----|--|-------------------------|
| 1.1 | Residential Premises Owners
Rate for Garbage Collection:
allows for setting out one 77 litre
garbage can on any collection day | \$ 154.25 per annum |
| 1.2 | Mobile Home in Mobile Home
Park - per occupied pad
allows for setting out one 77 litre
garbage can on any collection day | \$ 130.04 per annum |
| 1.3 | Tags for disposal of extra garbage:
allows for setting out additional 77 litre
garbage cans over and above those
permitted under items 1 and 2. | \$ 2.50 per garbage can |

2.0 Fee Reduction for Eligible Properties

- 2.1 For the purpose of this section
- a) “eligible property” means property that is:
 - i) liable to property taxation; and
 - ii) owned by a person entitled to receive the Additional Homeowner’s Grant in respect of that property.
 - b) “eligible property reduction” means an amount equal to the portion of the Additional Homeowner’s Grant that an owner of an eligible property was unable to claim during the year for which the charge under section 1.0 is payable to a maximum of \$154.25 in respect of any property.
- 2.2 Despite section 1.0 of this Schedule, the level of fee for a person who owns and occupies an eligible property shall be the fee set out in section 1.1 or 1.2, as applicable, less the amount of the eligible property reduction.
- 2.3 A person who owns and occupies an eligible property must apply for the refuse fee reduction each year prior to the bill due date. Failure to apply prior to this date results in forfeiture of the eligible property reduction for the current year.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30, 2020

AUTHOR: Robyn Cooper, Manager, Solid Waste Programs

SUBJECT: FOOD WASTE DROP-OFF PROGRAM - UPDATE

RECOMMENDATION(S)

THAT the report titled Food Waste Drop-off Program – Update be received;

AND THAT staff prepare a 2020 Round 2 Budget Proposal for three food waste drop-off sites for residents and small businesses funded from taxation with a volume restriction of 50L;

AND FURTHER THAT this recommendation be forwarded to the January 30, 2020 Special Board Meeting.

BACKGROUND

The following recommendation is from the October 10, 2019 Board meeting (in part):

244/19 **Recommendation No. 8** *Food Waste Drop-offs*

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.

As such, staff prepared the 2020 Budget Proposal as per recommendation #244/19.

Subsequently, the following recommendation is from the December 5, 2019 Special Round 1 Budget Corporate and Administrative Services Committee (in part):

Recommendation No. 15 *Regional Solid Waste [350] – 2020 R1 Budget Proposals*

AND THAT the following budget proposal be referred to 2020 Round 2 Budget pending a staff report to January 2020 Infrastructure Services Committee meeting with a further explanation of the scope, a cost benefit analysis and a list of potential users in Area A and including options for small businesses if there will be a full ban on food waste:

- Budget Proposal 5 – Food Waste Drop-Offs – Increase to Base Budget, \$160,000 funded through Taxation;

The purpose of this report is to provide further information regarding the proposed Food Waste Drop-off Program to help inform the 2020 Round 2 Budget deliberations.

DISCUSSION

The Sunshine Coast Regional District's (SCRD) Regional Organics Diversion Strategy (Strategy) culminates with a landfill disposal ban of food waste for the residential and commercial/business sectors. Currently, the implementation date is on hold pending the outcome of the 2020 budget deliberations which will impact which food waste diversion programs the SCRD will be offering and thus affects the community engagement. The proposed approach for the landfill disposal ban of food waste and timelines will be brought forward to a Committee in Q2 2020.

At the September 19, 2019 Infrastructure Services Committee meeting, a staff report titled Food Waste Drop-off Program Considerations was presented. The report outlined considerations for a food waste drop-off program and included three options for the Committee's consideration including the financial considerations. This report is included as Attachment A.

Current Food Waste Diversion Opportunities – Commercial/Business Sector

Currently, these are the following food waste diversion opportunities for the commercial/business sector:

- Contract private hauler for collection (hauls to Salish Soils for processing)
- Self-haul to Salish Soils
- Compost at home

Current Food Waste Diversion Opportunities – Residential Sector

For residents, food waste can be composted at home or self-hauled to Salish Soils in Sechelt.

For residents of the Town of Gibsons or Davis Bay in Sechelt, food waste can also be placed curbside for collection.

The SCRD Electoral Areas B, D, E and F and the District of Sechelt have plans to launch curbside collection of food waste in 2020. The Sechelt Indian Government District does not have a date as of yet. Residents of Electoral Area A do not receive curbside collection services from the SCRD.

Food Waste Diversion

The following food waste items could be collected as part of a food waste drop-off program and mirror that of a curbside collection program.

- Food waste e.g. meat, bones, cooked foods, egg shells, fruits and vegetables
- Soiled paper e.g. paper towels, coffee filter, tea bag, paper plates
- House plants e.g. cut flowers

Food Waste Drop-off Program Users

It is anticipated that the food waste drop-off program would see usage within the residential sector from weekend residents, tourists and visitors, as well as residents in Electoral Area A.

For the small business sector, it is anticipated that small businesses in the medical or health field such as massage, or physio therapists, chiropractors, veterinarians, doctors or dentists, as well as small retail stores, art galleries, museums would participate. As well as, public service related businesses such as the ambulance, newspaper or community services. These small businesses would primarily have food waste from staff and minimal food waste from the public.

Additionally, a food waste drop-off program with a limit of 50L as per resolution #244/19 would allow food waste from small community events such as running or sporting events, arts, crafts or cultural events, or farm markets.

The purpose of the food waste drop-off program is to maximize food waste diversion opportunities. Staff recommend that small businesses and small events be included in the food waste drop-off program.

Food waste from large businesses such as grocery stores or restaurants are excluded as the food waste generated would likely be a large volume requiring a contracted service with scheduled collection.

Options and Analysis

As per the September 19, 2019 Infrastructure Services Committee staff report (Attachment A), the food waste drop-off program considerations are:

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

The options presented in that report were:

- Option 1a – Support maximization for food waste diversion, no tipping fee
 - 3 sites, residential and small business, 50L restriction, taxation funded
- Option 1b – Support maximization for food waste diversion, with tipping fee
 - 3 sites, residential and small business, 50L restriction, tipping fee funded
- Option 2 – Provide complementary service to residential collection services
 - 1 site in Pender Harbour, residents only, 50L restriction, tipping fee funded

An additional option is included for consideration:

- Option 3 – Provide complementary service to residential collection services
 - 1 site in Pender Harbour, residential and small businesses, 50L restriction, tipping fee funded

The total program costs will differ depending on the scope of the program. However, those costs would include site operations, container and hauling services and processing.

Financial Implications

The estimated costs from the September 19, 2019 Infrastructure Services Committee staff report (Attachment A), are summarized in Table 1. The hauling and processing costs would be variable depending on the volume received.

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
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

Timeline for next steps

The following decisions are required to prepare a 2020 Round 2 Budget Proposal for a food waste drop-off program:

- Number of sites – one, two, three or none
- Program users – residential or residential and small business
- Volume restrictions – a 50L restriction is recommended to ensure truck-loads of food waste are out of scope
- Cost recovery – taxation or tipping fee

Should a food waste drop-off program proceed, procurement for site operations (mid-coast, south-coast) as well as container and hauling services would be required. Food waste screening to assist with addressing contamination would part of the responsibilities of the site operator. Additionally, to allow for program evaluation after one year, the contract term could be one year with extension options.

The scope of the food waste drop-off program should be considered in the context of maximizing diversion of organics from the landfill and the impact to landfill life.

Given the intent to maximize diversion of organic materials from the landfill and to establish services, staff recommend to implement three food waste drop-off sites for use by residents and small businesses funded from taxation with a volume restriction of 50L.

STRATEGIC PLAN AND RELATED POLICIES

The SCRD's 2019-2023 Strategic Plan includes implementing the Regional Organics Diversion Strategy.

The Regional Organics Diversion 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

A 2020 Round 2 Budget Proposal for a food waste drop-off program needs to identify the number of sites, program users, volume restrictions and cost recovery method.

Given the intent to maximize diversion of organic materials from the landfill and to establish services, staff recommend to implement three food waste drop-off sites for use by residents and small businesses funded from taxation with a volume restriction of 50L.

Alternatively, to reduce costs while ensuring a food waste disposal option for Electoral Area A, a drop-off service only at the Pender Harbour Transfer Station could be considered. Such service would be recommended for residents and small businesses funded from tipping fees with a volume restriction of 50L.

Attachments:

A – September 19, 2019 ISC Staff Report Food Waste Drop-off Program Considerations

Reviewed by:			
Manager		Finance / CFO	X – T. Perreault
GM	X - R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

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 – January 30, 2020

AUTHOR: Arun Kumar, Manager, Solid Waste Operations

SUBJECT: GYPSUM (DRYWALL) SCREENING PROCESS IMPROVEMENTS

RECOMMENDATION(S)

THAT the report titled Gypsum (Drywall) Screening Process Improvements be received;

AND THAT a budget proposal for \$47,680 for the implementation of Option 3 be brought forward to the 2020 Round 2 Budget;

AND FURTHER THAT this recommendation be forwarded to the January 30, 2020 Special Board Meeting.

BACKGROUND

As with most landfills in BC, the Operating Certificate (OC) for Sechelt Landfill (SLF) does not allow drywall disposal within the landfill itself. The OC for the SLF is issued by the Ministry of Environment and Climate Change Strategies, and dictates the conditions under which the SLF is permitted to operate.

The primary reason drywall is not to be disposed into SLF has to do with the fact that, when disposed, drywall produces leachate that is harmful to the environment. SLF is an unlined landfill, therefore it is not adequately equipped to treat the leachate from drywall.

Used drywall is also a common source of asbestos. Asbestos can be buried in the SLF under the current OC, however, it cannot be buried in the landfill if identified as part of used drywall. In drywall, asbestos can be present in the coating applied to the drywall, rather than the drywall itself. Asbestos containing coatings were used in drywall finishing up to the introduction of date stamps on drywall.

Because of the above restrictions and in order to provide disposal options to the region, the SCRD only collects asbestos-free drywall and exports it to the one and only drywall recycling facility in B.C.

In the fall of 2019, two loads of drywall collected at SCRD facilities were rejected by our recycling processor as the loads contained asbestos. The purpose of this report is to provide more details of the incidents and options to improve our screening process.

DISCUSSION

Indicant Details:

On two separate back-to-back incidents, 90yd trailer loads of drywall were rejected due to asbestos contamination. As they were identified to contain asbestos, the loads were now considered hazardous waste. The trailers ended up at the hauler's facility on the mainland until a solution for the disposal of the materials was secured. Staff explored several options and concluded that hauling of the material to a private landfill in Alberta was the only option to dispose of the now-hazardous waste classified drywall. In addition to hauling the material to Alberta, the work involved significant manual labor of transferring the drywall from the two 90yd trailers to specially lined transportation bins. Not including internal SCRD staffing resources, the cost to dispose of the two rejected loads accumulated to be \$60,000 with an additional \$14,400 for trailer rental; for a total unbudgeted cost of \$74,400.

Analysis

Following these incidents, staff analyzed our current drywall screening process which is currently done at the scale at SLF and Pender Harbour Transfer Station (PHTS).

The current process requires the customer to fill out a declaration claiming that the drywall they are disposing is free of asbestos contamination. Furthermore, if the drywall is not new, i.e. has a coating on it and is not date stamped, then an independent lab test results indicating no asbestos contamination must accompany each load delivered to an SCRD facility. Such test must not be more than six months old.

In the case of the two asbestos contaminated loads rejected at our processor this screening process turned out to be not fail-proof.

It has been confirmed that only a small amount within both 90yd bins rejected at our processor contained asbestos. However, as these amounts were comingled with other loads when put in the 90yrd bins, these entire bins were considered to be hazardous waste.

Staff assessed the current practice and compared them to the recommended best practice by the processor.

Findings

Staff identified several opportunities for improvement in the current process for screening for asbestos containing drywall. Not implementing these improvements could result in a continued financial liability if future loads may get turned away by our processor. Our processor also indicated that future asbestos contamination of drywall loads could result in discontinuation of our collaboration with this company. This would leave the SCRD with no other option than to bury our drywall at a landfill authorized to do so, most likely at a significantly higher cost.

Staff have identified and are in the process of implementing measures to improve our screening of the documentation provided with every drywall load.

Our drywall processor has suggested that the screening of loads also take place while they are being dumped as this would allow for the verification that the entire load is indeed not potentially

asbestos containing by checking all dumped drywall is date stamped. Such additional physical screening is currently not in place at the SCRD facilities.

Options

The current staffing levels at the SLF and PHTS are insufficient to implement the physical screening of every delivered drywall load. Staff developed several options to address the identified screening gaps to better align the two facilities.

Option 1: Implementing physical drywall screening during full opening hours.

This would require customers to physically put each piece of drywall into the bin rather than using a tipping dump method. Using a tipping dump method eliminates the possibility of inspecting the drywall before it is dumped.

Currently, drywall is accepted at both locations during all opening hours. One additional staff would be required for each site (SLF and PHTS) for a continuation of the current practice of accepting drywall during the full opening hours.

Option 2: Implementing physical drywall screening during limited opening hours on two days a week

Just like with Option 1, customers would be required to physically place each piece of drywall into the bin.

In order to limit financial implications of physical drywall screening, drywall would only be accepted during a set amount of hours per week. In the selection of these days and opening hours, consideration is given to minimize the impacts on the traffic flows and daily operations on these in general already busy site while still providing adequate drywall disposal options for residents and contractors.

At SLF – Limiting acceptance to Mondays and Saturdays

The SLF is currently closed to the public on Mondays and is only open to accept residential curbside garbage collection waste. Under this option the SLF would be open for the general public to only accept drywall on Mondays between 12:00 pm and 4:30 pm. Additionally on Saturday morning drywall would be accepted between 8:30 am and 1 pm.

To accomplish this, one additional five hour site attendant shift would be required for Monday and for the Saturday morning. The additional site attendant staff would focus on screening of all the incoming drywall loads while they are being dumped.

At PHTS - Limiting acceptance between 8:30 am and 10:30 am, two days per week

At PHTS, the site attendant shift is aligned with the six most busy hours of operation per day, from 10:00 am to 4:30 pm. During the remaining two and a half hours of operation the scale attendant oversees the entire site operations.

Under this option the site attendant shift would be extended on a Monday and Saturday to full opening hours to accommodate the acceptance of drywall between 8:30 and 10:30

am. The site attendant staff would, during these hours, focus on screening of all the incoming drywall loads while they are being dumped.

Option 3: Implementing physical drywall screening during limited opening hours on 3 days a week (recommended)

In addition to what is proposed in Option 2, SLF would also accept drywall on Friday between 8:30 am and 1 pm and PHTS on Friday morning between 8:30 am and 10:30 am. The increased service level provided through this option would be that contractors would, in addition to the Monday, have an additional weekday to dispose of drywall from construction or demolition projects.

Option 4: Not implementing a physical screening of accepted drywall

Not implementing physical screening would result in the continuation of the above described financial and operational risks. Given the significance of those risk, doing so is not recommended.

Option 1, 2 and 3 would require substantial outreach to residents and contractors. Staff also would need to receive training on the physical screening of drywall and the safety procedures to follow once potentially asbestos containing drywall has been identified.

Financial Implications

The following financial implications are likely to apply to these proposed changes. Based on Board direction, a 2020 budget proposal for Round 2 will be forthcoming.

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
<i>Additional site attendant</i> <i>(yearly ongoing cost)</i>	\$178,067 (2.41FTE)	\$28,453 (0.39FTE)	\$42,680 (0.58FTE)
<i>Public outreach (one-time cost)</i>	\$2,500	\$2,500	\$2,500
<i>Staff training and safety equipment (one-time cost)</i>	\$2,500	\$2,500	\$2,500
<i>Total</i>	\$183,067	\$33,452	\$47,680

While Option 1 would not result in a service level change for residents and contractors, the implementation costs would be substantial. Given the substantial benefit for contractors resulting from Option 3 compared to Option 2, staff are recommending the implementation of Option 3.

Timeline for next steps

Based on Board direction received, a 2020 budget proposal for Round 2 will be forthcoming.

If approval of this budget is received late February, staff would immediately commence with the development of the outreach plan and materials and staff training. Full implementation of the new process is therefore anticipated for late April to early May 2020.

Staff will actively monitor the impacts and effectiveness of the recommended process change and would recommend additional process changes to the Board when warranted.

Communications Strategy

Because this is a significant change for the residents and contractors, public outreach and an education campaign will be required. This will consist of SCRD website update, social media accounts and print advertising. Brochures will be distributed via the scale attendants at SLF and PHTS prior and after the implementation of this process change.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

The SCRD collects drywall and hauls it to the one and only processor in B.C. The processor only accepts drywall without asbestos contamination. Recently the processor rejected several loads from the SCRD due to asbestos contamination. Future rejected loads are not only a financial burden but may lead to the SCRD not having a disposal option for this material stream.

Several improvement opportunities were identified for the screening process for asbestos containing drywall. In addition to an already implemented improved screening of required documentation, staff are recommending the implementation of physical screening of all drywall received. To limit the financial impacts associated with the additional staff resources required while maintaining an adequate service level for residents and contractors, staff are recommending limiting the acceptance of drywall to certain opening hours on Monday, Friday and Saturday (Option 3).

Reviewed by:			
Manager		Finance	
GM	X -- R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30, 2020

AUTHOR: Robyn Cooper, Manager, Solid Waste Programs

SUBJECT: REQUEST FOR PROPOSAL (RFP) 19 35007 CONTRACT AWARD ISLANDS CLEAN UP SERVICES

RECOMMENDATION(S)

THAT the report titled Request for Proposal (RFP) 1935007 Contract Award Islands Clean Up Services be received;

AND THAT the contract for Islands Clean Up Services be awarded to Mercury Transport Inc. in the amount up to \$376,465 (plus GST);

AND THAT the 2020-2024 Financial Plan be amended accordingly;

AND FURTHER THAT the delegated authorities be authorized to execute the contract.

BACKGROUND

The Sunshine Coast Regional District (SCRD) currently provides a once-per-year collection service of specific materials for residences on the following islands:

- Gambier, Anvil, Keats, Ragged, Mickey, Pasley, Worlcombe, Popham, Hermit, New, Trail, Thormanby and Nelson.

The Islands Clean Up program is a series of events based on the island serviced and access. Service is provided at individual docks for residences that do not have road access. For those residences that do have road access, containers are delivered onto the island and residents self-haul materials to the containers. In 2019, seven events were provided between July and August.

To provide the Islands Clean Up service, a barge, containers and hauling services are required and are provided by a contracted service provider.

On September 30, 2019, the Islands Clean Up Services contract for barge, containers and hauling services expired. In accordance with Sunshine Coast Regional District's (SCRD) Procurement Policy, Request for Proposal (RFP) 1935007 for Islands Clean Up Services was issued on December 3, 2019 and closed on January 10, 2020. Two addendums were issued. The RFP sought qualified companies to provide barge, container and hauling services to support the SCRD's Islands Clean Up program. The RFP sought proposals for a contract term of three years with options to extend up to two additional one year terms.

DISCUSSION

Analysis

Two compliant proposals were received. Led by Purchasing, the evaluation team consisted of three members. The evaluation team reviewed and scored the proposal against the criteria set out in the RFP. Staff recommend that a three year contract be awarded to Mercury Transport Inc. Their proposal met the specifications as outlined in the RFP and are the best value overall for the above-mentioned project.

Name	Total Contract Value (in the amount up to, not including GST)
Mercury Transport Inc.	\$376,465

A summary of the estimated budget for each year of the three year contract term is in Table 1.

Table 1 – Estimated Budget for Islands Clean Up Barge, Container and Hauling Services

Contract Year	Estimated Budget
Year 1	\$120,600
Year 2	\$125,424
Year 3	\$130,441
Total	\$376,465

Financial Implications

The Islands Clean Up program is administered through the [350] Regional Solid Waste Service and is funded entirely through taxation. The total cost of the program is currently budgeted at \$110,297 for 2020 with \$102,000 of that attributable to the barge, container and hauling services. The remaining budget is to fund recycling and disposal fees, materials and supplies and SCRD staff to be present during each island clean up event.

Based on the existing 2020 budget and RFP results, there would be a shortfall for barge, container and hauling services of approximately, \$18,600 in year 1 of the contract.

Subject to contract award, an amendment to the 2020-2024 Financial Plan for the Islands Clean Up program will be required to fund increased barge, container and hauling services. Taxation will increase by \$18,600 in 2020 and by a further \$4,824 in 2021 and \$5,017 in 2022 to fund the increased costs.

Total direct program costs and funding from taxation will be \$128,897 in 2020, \$133,721 in 2021 and \$138,738 in 2022.

STRATEGIC PLAN AND RELATED POLICIES

The purchasing process followed for this service is aligned with the SCRD Purchasing Policy.

CONCLUSION

In accordance with the SCRD Procurement Policy, RFP 1935007 was issued for Islands Clean Up Services. The term of the contract is three years with two additional one-year renewal options, at SCRD's discretion.

Two compliant proposals were received.

It is recommended that RFP 1935007 Islands Clean Up Services be awarded to Mercury Transport Inc. in the amount up to \$376,465 (plus GST).

A budget and Financial Plan amendment are required.

Reviewed by:			
Manager		Finance	X - B.Wing
GM	X - R. Rosenboom	Legislative	
CAO	X - D. McKinley	Other/Purchasing	X - G.Rischanek

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30, 2020

AUTHOR: Sherry Reid, Corporate Officer

SUBJECT: REVISED 2020 AVICC RESOLUTIONS

RECOMMENDATION(S)

THAT the report titled Revised 2020 AVICC Resolutions be received;

AND THAT the draft resolutions be approved or amended and submitted to AVICC prior to the February 6, 2020 deadline;

AND FURTHER THAT this recommendation be forwarded to the January 30, 2020 Special Board Meeting.

BACKGROUND

The following recommendation was adopted at the January 9, 2020 Planning and Community Development Committee:

Recommendation No. 9 *Proposed 2020 Association of Vancouver Island and Coastal Communities (AVICC) Resolutions*

The Planning and Community Development Committee recommended that staff amend the resolutions on Medical Cannabis Safety Concerns, Stormwater Management, Secondary Rural Road Maintenance and Abandoned Vehicles as follows:

- simplify the medical cannabis resolution to specifically focus on medical cannabis safety concerns and the lack of local oversight;
- add a request that the Ministry of Transportation and Infrastructure incorporate the impacts of planned upstream forestry activities in their drainage assessments for stormwater management;
- specify the need for more frequent refreshment of pavement lane markings with respect to secondary rural road maintenance; and,
- include unlicensed vehicles and add the Ministry of Transportation and Infrastructure as a responsible authority for abandoned vehicles.

AND THAT the amended resolutions be forwarded to the January 16, 2020 Infrastructure Services Committee.

DISCUSSION

Staff have prepared four revised resolutions for the Committee's consideration as follows:

Medical Cannabis Safety Concerns

WHEREAS the federal *Cannabis Act* controls the production, distribution, sale and possession of cannabis in Canada, including the application and licensing of medical cannabis production facilities which should be compliant with local bylaws according to criteria set out for applicants in the process administered by Health Canada as the agency responsible for approval of cannabis production facilities;

AND WHEREAS local governments have responsibility for the enforcement of local bylaws and ensuring life-safety compliance with fire and building code regulations but Health Canada has no process in place to share licensing information with local authorities about the location of medical cannabis production facilities in BC communities:

THEREFORE BE IT RESOLVED that AVICC advocate for an expanded legislative framework that provides options for local authorities to oversee building and fire safety requirements for cannabis production facilities from the outset of the license application process and prior to the commencement of construction of cannabis production facilities in local communities;

AND BE IT FURTHER RESOLVED that AVICC advocate for federal and provincial collaboration with local governments to develop information sharing agreements so local governments are informed of the locations and licensing particulars of small and large-scale medical cannabis production facilities in their communities and can thereby ensure enforcement of local bylaws to mitigate safety risks within BC communities.

Stormwater Management

WHEREAS stormwater run-off and drainage related problems such as flooding, erosion, and slope instability are becoming increasingly prevalent in rural areas due to development pressures and are being exacerbated by the effects of climate change which results in more variable, intense, and frequent storm events;

AND WHEREAS the Ministry of Transportation and Infrastructure, as the subdivision approving authority, is primarily responsible for the design and maintenance of drainage works related to public roads in rural areas, and does not enforce or regulate stormwater and drainage related problems from one property to the next once development has been approved;

THEREFORE BE IT RESOLVED that the Association of Vancouver Island and Coastal Communities (AVICC) advocate for increased collaboration between the Ministry of Transportation and Infrastructure, regional districts, and municipalities to develop and implement management strategies that:

- recognize the need for an integrated stormwater management approach that plans at the watershed level as well as at the individual development level;
- are responsive to ongoing development pressures and challenges associated with climate change;
- increase provincial oversight of the implementation of stormwater related components of subdivision approvals on an ongoing basis;

- increase the Province's ability to address concerns from residents on an ongoing basis about property damage and safety issues that arise from stormwater and drainage related problems; and,
- incorporate the impacts of planned upstream forestry activities in their drainage assessments.

Secondary Rural Road Maintenance

WHEREAS there is growing concern about the state of secondary roads in rural communities that are in need of safety improvements such as more frequent refreshment of pavement lane markings which are essential to ensuring the safe flow of vehicle, bicycle, and pedestrian traffic, especially in more remote areas where street lighting may be minimal or non-existent;

AND WHEREAS the Ministry of Transportation and Infrastructure, as the responsible authority for the public road network in rural areas, oversees rural road maintenance through highway maintenance service contracts according to terms set out by the Province that define levels for maintenance standards and a budget for each specific service area:

THEREFORE BE IT RESOLVED that the Association of Vancouver Island and Coastal Communities (AVICC) urge the provincial government to review service level standards and increase funding for the upkeep of secondary roads in the provincial road network to ensure safe and accessible transportation options for rural communities who depend on them for day-to-day personal and business transportation needs.

Abandoned Vehicles

WHEREAS the RCMP and the Ministry of Transportation and Infrastructure have authority for enforcing parking regulations outside of municipal boundaries, including the removal of abandoned or unlicensed vehicles that may be illegally parked on rural roads, which is time consuming, costly, and takes away resources from other important community priorities;

AND WHEREAS regional districts have no authority for parking enforcement or removal of abandoned vehicles from rural roads but, as the representative local government with a direct connection to the community, must address resident concerns about abandoned vehicles that may be illegally parked or impacting the safe movement of pedestrians, traffic, or emergency vehicles in areas such as accesses to docks, boat launches, roads near waterfront parks, or areas where parking is limited:

THEREFORE BE IT RESOLVED that the Association of Vancouver Island and Coastal Communities (AVICC) urge the provincial government to provide additional funding resources to support rural RCMP detachments or the Ministry of Transportation and Infrastructure in responding to time consuming and costly removal and disposal of abandoned vehicles from rural roads, and to ensure that community safety concerns are prioritized and adequately attended to.

Timeline for next steps or estimated completion date

Resolutions must be submitted to AVICC by February 6, 2020 and therefore will need to be adopted no later than the January 30, 2020 Special Board meeting.

STRATEGIC PLAN AND RELATED POLICIES

Submission of resolutions to AVICC is in alignment with SCRD's strategic focus areas for regional collaboration and partnerships and advocacy through effective and responsive government.

CONCLUSION

In response to the Recommendation made at the January 9, 2020 Planning and Community Development Committee, staff have prepared amendments for AVICC resolutions on Medical Cannabis Safety Concerns, Stormwater Management, Secondary Rural Road Maintenance, and Abandoned Vehicles.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO		Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30, 2020

AUTHOR: Ian Hall, General Manager, Planning and Community Development

SUBJECT: **Community Recreation Facilities – Additional Information: Future Planning & Replacement of Non-Critical Assets**

RECOMMENDATION(S)

THAT the report titled Community Recreation Facilities – Additional Information: Future Planning & Replacement of Non-Critical Assets be received.

BACKGROUND

At the Round 1 2020 Budget meeting, Community Recreation Budget Proposals 3 and 4 were discussed, and the following direction provided:

004/20 Recommendation No. 20 *Community Recreation Facilities [615] – 2020 R1 Budget Proposals*

AND FURTHER THAT the following budget proposals be referred to the 2020 Round 2 Budget pending further information in relation to the two projects, outlining options and providing a funding source for Budget Proposal 3:

- Budget Proposal 3 – Community Recreation Facilities – Future Planning, \$25,500 funding source TBD;
- Budget Proposal 4 – Community Recreation Facilities – Capital – Classified as “non-critical” in Asset Management Plan, \$166,500 funded through Taxation.

This report, along with a separate Recreation Capital Funding update, provide context to assist the Committee with making decisions within the annual budget process.

DISCUSSION

1. Future Planning for Community Recreation Facilities

SCRD maintains a 20-year capital plan for 4 of the Regional District's 5 recreation facilities. A plan for the Pender Harbour Aquatic and Fitness Centre is under development.

The capital plan forecasts, based on a comprehensive asset management planning approach, when key building components will reach end of life and need to be replaced. Using this approach it is theoretically possible to renew every part of a building and to operate it forever. Doing so could miss opportunities for lifecycle cost optimization including but not limited to innovation in energy efficiency and building systems and for accessibility upgrades. Facility planning also presents an opportunity for reflecting on service levels, how well facilities are meeting community needs, etc.

For these reasons, determining a potential end of life date for facilities is commonly undertaken with a goal of maximizing community benefit from public investment. A review of legacy recreation facilities was included as a recommendation in the Parks and Recreation Master Plan (2014).

For reference, the industry average expected lifespan for arenas is 32 years (as quoted by Recreation Facilities Association of BC). Expected life for pools is typically less due to the corrosive environment. There are a range of long range planning options available when planning for facilities: they may be overhauled/renovated, transitioned to a new purpose, decommissioned, operated at a different service level, etc. It is generally understood that buildings reach a tipping point where technology has significantly improved, significant code changes have occurred and operating costs are substantially higher than what they would be with new construction. At this stage, it may be less expensive to build new than to renew. As these facilities age it is also possible they may no longer meet the community's changing needs.

Options and Analysis

At the current time, staff recommend engaging with a facility planning consultant to review facilities, taking into account the location, amenities, development history and capital needs for each building.

Although Gibsons and District Aquatic Facility (built circa 1977) and Sunshine Coast Arena (built circa 1974) are the older facilities, staff also suggest that considering a review of Sechelt Aquatic Centre be completed at this time, based on the generally shorter lifespan of aquatic centres and early conversion of the facility from saltwater to a chlorinated water system.

Project rationale:

- By determining end of life dates staff can create efficiencies by not replacing some existing capital items as we get closer to end of life dates for facilities.
- Old facilities cost more to operate and maintain. These costs would be looked at as part of the analysis to determine end-of-life dates based on the overall age and condition of the facilities. It would take into account not only the structure condition but also age and condition of equipment, capital planning costs, estimated operating cost, and potential savings if new facilities were constructed.

- To identify end-of-life dates well in advance allows time for SCRD and the community to plan and determine next steps well in advance of the facilities reaching their end of life.
- Some of the major equipment recently installed in the GDAF and the SCA has a 15 to 25-year life span. As such this would be a good time to determine end of life dates to potentially align when the major capital items might be up for replacement.

Staff estimate a project cost of approximately \$25,000 for a review of at least the two older recreation facilities, with Sechelt Aquatic Centre included if budget allows.

2. Replacement of Non-Critical Building Components – Sechelt Aquatic Centre and Sunshine Coast Arena

The Recreation Capital Plan provides annual funding to support end-of-life replacement of “critical” building components (those related to keeping the building safe and open) only. Some items, essential to operating the buildings as recreation centres, are not funded. These items are included in the asset management plan as unfunded items.

Replacement of these items is a service level decision.

Options and Analysis

Several non-critical (defined as not required to keep building open) capital items have reached the end of their service life and will impact service levels at the recreation facilities if not replaced. Items are:

1. Sunshine Coast Arena parking lot lighting \$15,000.
2. Sechelt Aquatic Centre diving board \$28,600.
3. Sechelt Aquatic Centre sound baffles \$122,900.

Total cost: \$166,500

SCA parking lot light fixtures are obsolete, replacement parts are costly and increasingly difficult to source. Current lighting is not dark sky compliant or energy efficient (LED would save approximately 50% of consumption). It is unlikely the SCA parking lot lighting will need another lifecycle replacement during the remaining serviceable life of the facility due to the age of the facility. Average annual maintenance costs for the parking lot lighting are estimated to be under \$500 per year.

SAC diving board is reaching end of recommended service life and will likely need to be taken out of service if not replaced in 2020. Life expectancy was shortened when the pool was operated as a saltwater pool. Staff have replaced numerous smaller individual components, performed annual maintenance and resurfacing of the diving board over the past years to maximize the life of the board and maintain a safe condition. The SAC diving board will likely require end of life replacement again in 2030. Average annual maintenance costs for the diving board are \$1,000-\$1,500 per year.

SAC sound baffles were installed with hanging wires that are beginning to fail due to the corrosive environment. Life expectancy was shortened when the pool was operated as a saltwater pool. Hangers require replacement or baffles will need to be removed so they do not pose a risk to staff and patron safety. Removal of the sound baffles would have a negative

impact on the acoustics of the facility rendering the facility unusable for most aquatic programs and degrade user experience. A major portion of the expense to replace the hanging wires for the sound baffles is to have contractors set up platforms and scaffolding to gain access to the wires in the ceiling space of the facility over the pools. The current sound baffles while functional are showing their age and should be replaced. For cost efficiency and overall project value the hanging wires and sound baffle replacement should be done concurrently.

SAC sound baffles and hangers will likely require end of life replacement again in 2035 which could possibly be extended to 2040 with the use of fade resistant fabrics in the baffles and plastic-coated, corrosion-resistant hanger materials.

Organizational and Intergovernmental Implications

There are intergovernmental implications associated with long range planning for recreation facilities. When responsibility for the SCA and GDAF was transferred to SCRD from member municipalities in 2006, MOUs and leases were developed to define responsibilities.

- The lease that SCRD holds from District of Sechelt for SCA (District of Sechelt) expires in 2033. This lease states that Sechelt owns the arena including all appurtenances (which has been interpreted to mean tractors, Zambonis, etc.) on the lands.
- SCRD and Town of Gibsons maintained an MOU for GDAF until late 2014. A draft lease has been prepared and provided to Town of Gibsons but has not been signed. The parties continue to rely on the terms of the legacy MOU, which states that Gibsons owns the facility, equipment and building, including all equipment and supplies for operating the pool.

The results of a future planning analysis can help inform further work on intergovernmental financial implications related to the SCRD's lease/MOU for these facilities.

Organizationally, there is a relationship between service levels and asset management/capital planning decisions. Decisions about replacement (or not) of building components and the specification of components (e.g. refrigeration load) influence the type and level of service that can be delivered. The proposed facility analysis could be an input into further exploration of service levels.

If non-critical assets are not replaced, changes would be planned to aquatic and arena programs.

Financial Implications

Both projects are proposed to be funded from taxation.

At this time staff have not identified grant opportunities that fit for these items, but will continue to scan for possibilities.

Timeline for next steps or estimated completion date

If approved as part of the 2020 budget, these project would be undertaken in late 2020, with work potentially continuing into 2021 depending on work schedules/timing with facility shutdown, etc.

Results would be reported to a future Committee.

Communications Strategy

If the projects proceed, information to patrons and user groups can be provided as part of regular updates such as seasonal planning meetings, info boards, recreation guides, etc.

STRATEGIC PLAN AND RELATED POLICIES

Thoughtful, proactive facility planning supports quality **Infrastructure Management** can support efforts to act on **Climate Change and Resilience**.

CONCLUSION

At Round 1 budget, further information was requested regarding two Community Recreation budget proposals. Staff have provided this report, along with a separate report on facility capital planning, prior to Round 2 budget.

Reviewed by:			
Manager	X - K. Robinson	Finance	
GM	X – I. Hall	Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30, 2020

AUTHOR: Kyle Doyle, Manager, Asset Management

SUBJECT: 2020 RECREATION FACILITIES CAPITAL FUNDING REVIEW

RECOMMENDATIONS

THAT the report titled 2020 Recreation Facilities Capital Funding Review be received;

AND THAT retirement dates be established for the Sunshine Coast Arena and the Gibsons and District Aquatic Facility;

AND THAT the Recreation Facilities Capital Funding be confirmed once a lifecycle audit has been completed;

AND FURTHER THAT staff bring forward results prior to the 2021 Budget.

BACKGROUND

Description of the Facilities

The Sunshine Coast Regional District (SCRD) operates four main recreation facilities, through the Community Recreation Service [615], providing aquatic, ice rink, fitness, and other recreation services to the Sunshine Coast. This includes the Sunshine Coast Arena (SCA), Sechelt Aquatic Centre (SAC), the Gibsons and District Aquatic Facility (GDAF), and the Gibsons and Area Community Centre (GACC).

The four facilities are a mixture of leased assets (Sunshine Coast Arena and Gibsons and District Aquatic Facility) and owned assets (Sechelt Aquatic Centre and Gibsons and Area Community Centre).

The Pender Harbour Aquatic and Fitness Centre is operated through a distinct service.

2016 Recreation Capital Review

In 2016 a staff report was presented to the Board titled 'Recreation Facilities Capital Plan Update 20 Years'. This report established three budgetary estimates for capital expenditures anticipated over a 20-year period grouped by criticality ranking of the assets to be funded. The following three asset brackets were identified; **Critical, High Priority, and Desirable**. Critical assets are 'essential to the primary service of the facility', High Priority assets are 'essential to secondary services of the facility', and Desirable assets affect the quality of the service provided but not the delivery of the service. Staff recommended a budget increase to ensure continued delivery of the implicit levels of service at SCRD Recreation Facilities (Attachment A).

The budgetary values did not consider building envelope asset renewal costs. These components of the SCA and GDAF are not owned by the SCRD under the current lease and these components have been deferred at the GACC and SAC facilities until debt repayment is completed in 2025.

Following the presentation of the 2016 report, the SCRD resolved to fund Critical assets. Actual funding was resolved to be \$500,000 for 2016, \$548,000 for 2017, and the full targeted \$725,000 in 2018.

2019 Recreation Capital Review

In January 2019, a SCRD staff report titled '2019 Recreation Facility Capital Funding Review' was received by the Board (Attachment B). This report presented analysis of the work performed since the 2016 Recreation Capital Review. A \$93,000 increase in the annual contribution to Recreation Capital Reserves was suggested due to the renewal of three critical assets that were not captured in the 2016 Recreation Facilities Capital Plan Update. A \$15,000 (2%) increase to \$740,000 was approved in 2019 (037/19 No. 7).

The review also articulated the lack of defined service level commitments for recreation facilities, indicating the current implied Levels of Service are derived from the 2014 Parks and Recreation Master Plan and the approval of the 2016 Recreation Facility Capital Plan. An established Level of Service for each facility would provide clarity for staff with respect to prioritizing annual expenditures and assessing funding requirements. The development of a governance structure was also identified as a means to ensure that timely updates to the capital plan were implemented and that the updates aligned with the service commitments established by the SCRD Board.

The 2019 Recreation Facility Capital Funding Review suggested that a flat rate funding model was inequitable to ratepayers due to inflationary impacts on income. Future rate payers would be subject to lower percentage of their annual salary being allocated to this service. As such annual increases of 2% were proposed to the recreation capital funding to account for inflation.

The 2019 Recreation Facility Capital Funding Review indicated an update of the 20-year capital model would be provided, in the subsequent funding review, to ensure 2036-2039 capital expenditures, and facility end-of life were considered.

DISCUSSION

Maintain Existing Levels of Service (Fund Critical Assets)

A review of the 20-year Recreation Facilities Capital Budget identified that cost estimates were consistently less than the actual cost of capital upgrades over the last three years. As a result adjustments were made that impacted the projected minimum funding requirements necessary to maintain the existing levels of service:

1. Interest rates used to forecast reserve interest accumulation and debt servicing obligations were revised to more accurately reflect actual observed rates.
 - a. Previous values of 3% and 6% for savings and loan interest respectively were replaced with 3.87% for savings based on historical Municipal Finance Authority (MFA) Money Market Fund performance since inception and with 4.27% for

lending interest based on 20-year historical rates across 10, 15, 20 and 25-year terms.

2. A cost adjustment was applied to all cost estimates determined using a construction cost estimating tool to account for an observed 15% discrepancy in construction costs when comparing Lower Mainland construction costs with Sunshine Coast construction costs.
3. Adjustments to all replacement cost estimates to account for uncertainty correlative to the source of the estimate were imposed. The source for cost estimates were divided into four categories: i) supplier estimates, ii) estimates developed from a construction cost estimator tool, iii) estimates extracted from previous invoices, and iv) estimates developed from staff experience. It was determined through referencing historical discrepancy between actual and estimated costs that respectively: i) 10%, ii) 20%, iii) 25% and iv) 30% cost adjustments should be added based on the estimate source.
4. 20% contingency was added to cost estimates with values greater than \$100,000 where Project Management and Engineering costs were expected to be associated with the purchase and installation of these items.
5. This review forecast capital expenditures through 2039, including projected expenditures occurring within 2036-39 that were not included in the previous budget review. The following anticipated asset replacements represent the most significant impacts on the annual budget requirements:

- 2037:	SAC:	Air Handling Unit (AHU)	\$526,500
		Sprinklers	\$248,100
	GACC:	Dehumidifier	\$217,500
- 2038:	GACC:	Condenser	\$350,700
		Brine Chiller	\$751,600
	SCA:	Condenser	\$250,500
- 2039:	SAC:	UV Light (Main Pool)	\$211,900
	GACC:	Packaged Rooftop Units	\$441,100
		Zamboni	\$370,600

As a result the changes listed above, the annual capital reserve contribution required to sustainably fund **Critical** assets has been determined to be \$869,000 with a 2% annual increase over the period of this budget model.

The approved budget for 2019 was \$740,000 with a 2% inflationary increase of \$14,800 incorporated into the draft 2020-2024 Financial Plan at Round 1 for a budgeted contribution of \$754,800 in the draft 2020-2024 Financial Plan. A further increase of \$114,200 is required in to bring annual funding up to the sustainable level of \$869,000. This increase would be proposed to be funded from taxation.

Continued Operation of the Sunshine Coast Arena and Gibsons and District Aquatic Facility

The Sunshine Coast Arena and Gibsons and District Aquatic Facility were constructed in 1975 and 1977 respectively. It is widely understood that operations and maintenance costs rise as a

facility ages. Both these facilities are approaching the maximum expected useful life and it is anticipated that operation costs will continue to climb.

Additionally, recent directives from the Public Sector Accounting Standards on Asset Retirement Obligations have increased the level of consideration required when contemplating retirement of assets. This has prompted an ongoing examination of the effects of these directives on SCRD policy regarding asset retirement.

Conducting a lifecycle audit of SCRD recreation facilities would allow staff more clarity when developing long term capital funding strategies. This would allow staff to establish facility retirement dates which would enable staff to strategically plan for the retirement of these assets. Additionally, budget reductions may be realized by establishing a retirement date as staff may choose to extend the life of components that would otherwise be replaced (e.g. patching the roof instead of replacing it).

- **It is recommended that lifecycle audits of all SCRD Recreation Facilities be conducted.**

In addition to the capital funding needs, staff have included a report as part of this agenda titled *“End of Life Planning 615 Community Recreation Facilities”* which support a lifecycle audit. Since this work is recommended to proceed and may have implications to the long term funding needs of the facilities, it is recommended that the increase to the capital plan be deferred for 2021. Once the outcomes of the report are known, staff bring forward recommended funding needs for the 2021-2025

STRATEGIC PLAN AND RELATED POLICIES

This report aligns with the Boards Strategic focus area of Infrastructure Management.

Financial Sustainability Policy – Sections 4.2.2.

Corporate Asset Management Plan V. 1.1

CONCLUSION

A review of the 20-year budget for Recreation Facilities Capital Funding has identified an additional required budget increase of \$114,200 to \$869,000 annually in order to ensure sufficient funding is available to replace critical assets.

Clear direction on retirement strategies for aging assets are required to ensure staff is able to meet new Provincial Asset Retirement Obligations and to assist staff when determining future capital budgets.

Attachments

Attachment A – Staff Report to CAS – 28 July, 2016 – Recreation Facilities Capital Plan Update 20 Years

Attachment B – Staff Report to CAS – 31 January, 2019 – 2019 Recreation Facility Capital Funding Review

Attachment C – 2020 – Recreation 20-Year Capital Plan – Annual Expenditure by Criticality

Attachment D – 2020 – Recreation 20-Year Capital Plan – Critical Component Capital Fund Model

Attachment E – 2020 – Recreation 20-Year Capital Plan – Critical/High Priority Capital Fund Model

Attachment F – 2020 – Recreation 20-Year Capital Plan – All Assets Capital Fund Model

Reviewed by:			
Manager		CFO	X-T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – July 28, 2016

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

SUBJECT: RECREATION FACILITIES CAPITAL PLAN UPDATE 20 YEARS

RECOMMENDATION(S)

THAT the report titled Recreation Facilities Capital Plan Update 20 Years be received for information.

BACKGROUND

The Parks and Recreation Master Plan and 2010 Facility Audits detailed a short to long term plans for capital repairs at the Recreation Facilities which provided some additional background for previous updates presented to the Board.

In 2014, Sunshine Coast Regional District (SCRD) staff provided an update to the Board regarding Recreation Funding to review options to “fund major capital needs for Recreation Facilities and initiate steps as a high priority...” and to “...address the potential cost for enhancements in the 20-year period.”

Three options were suggested to maintain a Capital Repairs and Maintenance Reserve plan; “Pay as you go”, Debt Funding, or AAP Referendum for 5-10 year funding. The Board opted for the Pay as you go option and a \$500,000 Capital contribution plan commenced as follows:

579/14 **Recommendation No. 6** *Recreation Facilities [615] Capital Maintenance and Replacement*

THAT the Acting General Manager, Community Services’ report titled “SCRD Recreation Facilities {Function 615} Capital Maintenance and Replacement” be received;

AND THAT a minimum of \$500,000 annually for capital repairs and maintenance be included in the 5-Year Recreation Services Financial Plan starting in 2015;

AND THAT staff report annually at Round 1 budget regarding projects recommended for funding through the capital repairs and maintenance budget;

AND FURTHER THAT any unexpended funds in any year be placed in capital reserves for future large capital projects.

Recent facility audits and the Asset Management Program have revealed a more detailed plan for the Recreation Facilities. The purpose of this report is to provide an update of the 20-year capital plan and funding required for all identified building components and equipment (assets), highlighting critical and high priority assets for each facility. Staff from Facility Operations, Finance and Asset Management Coordination worked collaboratively to develop a more detailed plan.

DISCUSSION

A detailed inventory of assets for the four Recreation facilities was established in preparation for the enterprise asset management software. The inventory included all assets that would need to be identified for maintenance, repair, and eventual renewal. For the purpose of long-term financial forecasting, the following was identified for each asset:

- Asset quantities;
- Year of construction or installation;
- Estimated number of years that the asset would be serviceable for before requiring renewal;
- Estimated asset renewal cost, including demolition and removal of existing;
- Criticality of the asset. Assets that are essential to continue the primary operation of the facility (i.e. use of the pool and arena) are classified as Critical. Assets that enhanced the use of the facility (e.g. fitness equipment and sauna) are classified as High Priority. Assets that maintain the esthetics of the facility (e.g. flooring and interior doors) are classified as Desirable. If High Priority and Desirable assets are not scheduled for replacement in the approved capital plan, they will be replaced through the operating budget as failures occur and as the budget allows; and
- Projected year(s) and cost(s) for renewal, assuming a 2% annual inflation rate. For the most part, assets were projected for renewal based on their age alone.

From the detailed inventory, staff produced three 20-year capital plans based on the criticality ranking assigned to each of the assets. Each of these plans (Attachment A for reference) showed that there is a significant shortfall when compared to the existing Recreation capital budget.

Financial Implications

The following values are required annually in each of the plans:

- \$1,120,000 for the renewal of all assets. It is projected that no debt would be incurred for the duration of this plan; or
- \$970,000 for the renewal of all high priority and critical assets. It is projected that no debt would be incurred for the duration of this plan; or

- \$727,000 for the renewal of only critical assets. It is projected that debt would need to be incurred after the first ten years of this plan.

As a general rule, building assets become more costly to maintain the older that they become.

Therefore, if the approved capital plan does not address the renewal of all assets, staff anticipate an increase in asset failure, service interruption, and maintenance costs over the next 20 years.

Asset Maintenance

A significant contributing factor to the projected year(s) of asset renewal is the level to which the asset has been maintained. Frequent preventative maintenance leads to better conservation of assets and increased life expectancy of assets, thereby eliminating premature replacement.

Existing preventative maintenance plans exist at each of the Recreation facilities. These plans include daily, weekly, monthly, quarterly, and annual scheduled maintenance tasks. These scheduled maintenance tasks were created to maximize the serviceable life of the assets. However, the annual maintenance tasks have become increasingly more costly due to assets not being replaced in a timely manner. With limited funds available, many projects have not been completed and are being differed, which compounds the problem.

There are many factors to consider when determining the facility's end of life. Major determining factors to consider are the building's age, condition, and the value of the building weighed against continued operating and capital costs. These can include deficiencies of the structure or major building components that are not feasible for repair or the level of service provided no longer meets the needs of the community.

When the SCRD took over operations of Gibsons and District Aquatic Facility in 2008, no capital or preventative maintenance budgets were allotted for the first several years. Only emergency repairs to continue the facility's operation were expensed. Since then, a preventative maintenance program was established and a substantial amount has been invested in capital projects. This work has extended the life of the pool and overall the building is in reasonable condition for its age. Based on the capital plan for this building, and a pending assessment to determine if there are any concerns with the structural integrity of the building, there are no major capital projects anticipated for this building in the next 20 years (it is projected that this building will require approximately \$2,250,000 in capital investment over the duration of this plan).

Timeline for next steps

With the implementation of the enterprise asset management software, revised capital plans could be produced by the software based on the age and condition of the assets. This will have a significant effect on future iterations of the capital plan as asset condition is more likely to determine when an asset requires renewal than its age. The first of these software produced capital plans could be available to staff by 2018.

The software will also be able to track accurate renewal costs as staff start tracking work orders against individual assets. These costs will replace the estimated values, which will improve projected costs and future iterations of the Recreation capital plan.

STRATEGIC PLAN AND RELATED POLICIES

With the growth of the Sunshine Coast the Recreation Facilities may experience greater traffic and attendance, to ensure fiscal sustainability, environmental leadership and community development ongoing capital maintenance and upgrade to the recreation facilities will be required over time and a plan for these needs is required. The efficiency of these Recreation Facilities provides public and staff enjoyable use to play and work.

CONCLUSION

With new information presented to the SCRD Board, a revised 20 year capital plan has been created. In the next 20 years the Recreation Facilities will require capital maintenance and repairs, which requires increased capital funding contribution.

This report is for information purposes and, in context of the Gibsons and District Aquatic Facility hot tub replacement.

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

Attachment A: Recreation 20-Year Capital Plan – All Assets
Recreation 20-Year Capital Plan – Critical and High Priority Assets
Recreation 20-Year Capital Plan – Critical Assets
Recreation 20-Year Capital Plan – By Criticality

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administration Services Committee

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
Ben Smale, Asset Management Coordinator

SUBJECT: 2019 RECREATION FACILITY CAPITAL FUNDING REVIEW

RECOMMENDATIONS

THAT the report titled 2019 Recreation Facility Capital Funding Review be received;

AND THAT the funding model change from a flat annual contribution to an increasing annual contribution, accounting for inflation;

AND THAT the annual contribution to the Recreation Facility Capital Fund be increased by an additional \$15,000 (or 2%) in 2019 and funded through taxation;

AND THAT the Recreation Facility Capital Funding Review be conducted annually prior to budget to account for changes in capital requirements at the facilities;

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

BACKGROUND

Description of the Facilities

The Sunshine Coast Regional District (SCRD) operates four main recreation facilities, through the Community Recreation Service [615], that provide aquatic, ice rink, fitness, and other services to the Sunshine Coast. This includes the Sunshine Coast Arena, Sechelt Aquatic Centre, the Gibsons and District Aquatic Facility, and the Gibsons and Area Community Centre.

The four facilities are a mixture of leased assets (Sunshine Coast Arena and Gibsons and District Aquatic Facility) and owned assets (Sechelt Aquatic Centre and Gibsons and Area Community Centre).

The Pender Harbour Aquatic and Fitness Centre is operated through a distinct service.

Transfer of the Sunshine Coast Arena and Gibsons and District Aquatic Facility

In 2007, the SCRД acquired the operational responsibility of the Sunshine Coast Arena from the District of Sechelt and the Gibsons and District Aquatic Facility from the Town of Gibsons. The intent of moving these services to the SCRД was to centralize the operation of these services and to create a regional funding strategy for the regionally utilized facilities.

These two facilities were moved to the SCRD under separate memoranda of understanding (MOUs) in 2007. These MOUs dictated the terms of the service transfer including the financial responsibilities of both parties. The MOUs provided the legal basis for collection of user fees, taxes, and other funds to operate the facilities.

The initial term of the MOU was set with the intention that the Sunshine Coast Arena and the Gibsons and District Aquatic Facility would be replaced by newly constructed facilities to be constructed by the SCRD. At the time, the SCRD was in the process of designing and constructing a new pool facility in Sechelt (Sechelt Aquatic Centre) and a new arena facility in Gibsons (Gibsons and Area Community Centre).

Construction of the Sechelt Aquatic Centre and the Gibsons and Area Community Centre

The Sechelt Aquatic Centre was commissioned in 2007. The project was funded through a combination of grant funding, internal funding, and long-term debt funding. Debt repayment funds are collected through the Community Recreation Facilities Loan Authorization Bylaw 1058.1, 2005.

The Gibsons and Area Community Centre was commissioned in 2008. The project was funded through a combination of grant funding, internal funding, and long-term debt funding. Debt repayment funds are collected through the Community Recreation Facilities Loan Authorization Bylaw 1058.1, 2005.

The SCRD is still repaying the debt incurred by the construction of these facilities. Expected maturity year of this debt is 2025.

Continued Operation of the Sunshine Coast Arena and Gibsons and District Aquatic Facility

Following commissioning of the Sechelt Aquatic Centre and the Gibsons and Area Community Centre, the SCRD established a continued need for the operation of the Sunshine Coast Arena and the Gibsons and District Aquatic Facility. The MOUs for both facilities were extended in 2007 and 2011 to reflect that need. These MOUs have since been replaced by lease agreements.

Since the establishment of the original MOUs, the SCRD has made substantial capital investments in both the Sunshine Coast Arena and the Gibsons and District Aquatic Facility. This has included a capital repair program for the hot tub in the Gibsons and District Aquatic Facility (\$400,000), a capital replacement program for the Sunshine Coast Arena rink slab (\$1,200,000), a capital replacement program for the condenser at the Sunshine Coast Area (\$200,000), among many other small projects that are in aggregate value of more than \$1,000,000. Therefore, the SCRD has a vested interest to continue funding the capital replacement programs at the Sunshine Coast Arena and the Gibsons and District Aquatic Facility.

2016 Recreation Capital Planning Review

The SCRD completed a capital planning review of the major recreation facilities in 2016. This review included:

1. A complete inventory of all internal assets within the recreation facilities;
2. An assessment of their condition;
3. An estimate of their remaining service life; and,
4. A scheduled cost of replacement.

This information was collected and analyzed to determine the contribution to the Recreation Facilities Capital Fund required to sustainably fund facility capital renewal.

The results of this analysis indicated that the required contribution to fund all assets within the major recreation facilities could not be supported by a bulk increase to taxes, user fees, or other funding mechanisms. Accordingly, the SCRD identified three asset brackets for funding considerations: **critical**, **high priority**, and **desirable**.

Critical assets were identified by the SCRD as essential to the primary service of the facility. High priority assets were identified by the SCRD as secondary services provided by the facility. Desirable assets were identified by the SCRD as those that do not affect service delivery, but do affect quality of the service delivery.

It is important to note that building envelope assets were not considered for funding in the first iteration of the capital model (structural components, thermal/moisture envelope, heating/ventilation/air conditioning, etc.). For the Sunshine Coast Arena and Gibsons and District Aquatic Facility, these items were not considered for funding because the SCRD does not own these aspects of the building under the current lease. In the Sechelt Aquatic Facility and the Gibsons and Area Community Centre, these items were not considered for funding until the SCRD completes the debt repayment from facility construction (2025).

The asset brackets were tiered to provide three balanced funding cases for asset replacement over a 20 year period. The targeted Recreation Facilities Capital Fund contributions presented in this report were:

1. All Assets (Critical, High Priority, and Desirable): \$1,120,000 (no annual increase)
2. All Service Assets (Critical and High Priority): \$970,000 (no annual increase)
3. Primary Service Assets (Critical): \$725,000 (no annual increase)

Following presentation of this report, the SCRD resolved to fund the **Primary Service Assets** and/or the **Critical** asset pool. Actual funding was resolved to be \$500,000 for 2016, \$548,000 for 2017, and the full targeted \$725,000 in 2018.

Recreation Capital Planning Review, 2019

SCRD staff have continued operation of the facilities since the approval of the 2016 Recreation Facilities Capital Plan Update (Attachment A). This has included performing most of the project work identified, deferring some of the work deemed not currently required, acceleration of work included in future years, and inclusion of new work that was deemed required.

The approval of the capital plan did not include a governance structure around the review or control of the capital plan. This governance structure is currently under review by SCRD staff. Staff have identified the need to review, update, and recalculate components of the capital plan on an annual basis.

This year's review involved a thorough analysis of the work performed since the creation of the capital plan in 2016. This included reviewing all project work performed since 2016, posting actual completed project values into the capital plan, revising the estimates for this year's work, and creating an ongoing list of assets not funded that have passed their expected replacement year (high priority and desirable).

Due to time constraints in this year's process, the capital model horizon in the analysis was not updated from 2036 to 2039 (20 years from 2019). Additionally, this year's process did not account for the addition of fitness equipment to critical funding, which has been identified by staff in 2018 and will require replacement in 2019. These items will be reviewed in the 2020 Recreation Facility Capital Funding Review.

Results of Review

This review focused on three of considerations that have material impact to capital funding:

1. The projected increased cost and accelerated replacement schedule of the chiller at the Sunshine Coast Arena to the annual capital reserve.
 - a. The projected increased cost of the chiller project at the Sunshine Coast Arena, including all engineering, project management, and a contingency for risk management, is \$505,000 above the initial estimate of \$236,000 funded in the capital plan.
 - b. This is a **Critical** asset that maintains the implied **Primary Service Assets** Level of Service for the facility.
 - c. This project creates a total capital shortfall of \$505,000 (over 20 years) or an amortized annual capital shortfall of \$32,000.
2. All other capital changes incurred since the completion of the Recreation Capital Plan in 2016.
 - a. The changes to our capital projects, including revisions for additional projects such as the Sunshine Coast Arena condenser project, the Gibsons and District Aquatic Facility hot tub project, regulatory work at the Sunshine Coast Arena, and others (not including the chiller project) have increased the 20-year capital funding requirement by \$248,000.
 - b. These projects were performed on **Critical** assets that maintain the implied **Primary Service Assets** Level of Service at each facility.
 - c. These projects create a total capital shortfall of \$248,000 (over 20 years) or an amortized annual capital shortfall of \$26,000.

3. The annual contributions in 2016 and 2017 years being under the estimated annual contribution target of \$725,000 (\$500,000 and \$548,000, respectively):
 - a. The annual capital funding compared to the original target of \$724,000 was not met in 2016 and 2017. The capital shortfall produced in those years was \$224,000 and \$176,000, respectively.
 - b. This funding is required to replace **Critical** assets and to maintain financially sustainable delivery of the implied **Primary Service Assets** Level of Service at each facility.
 - c. The funding shortfall in 2016/2017 creates a total capital shortfall of \$400,000 (over 20 years) or an amortized annual capital shortfall of \$37,000.

The ratio between total shortfall and amortized annual shortfall changes due to variations caused by year of project completion, inflation, interest (borrowing vs. saving), and other financial factors.

The results of the above three considerations impact the required flat annual funding contribution in 2019:

1. 2019 - All Assets (Critical, High Priority, and Desirable): \$1,284,000 (no annual increase)
2. 2019 - All Service Assets (Critical and High Priority): \$1,140,000 (no annual increase)
3. 2019 - Primary Service Assets (Critical): \$818,000 (no annual increase)

This can be compared to the 2016 required flat annual funding rates for each asset bracket:

1. 2019 - All Assets (Critical, High Priority, and Desirable): \$1,120,000 (no annual increase)
2. 2019 - All Service Assets (Critical and High Priority): \$970,000 (no annual increase)
3. 2019 - Primary Service Assets (Critical): \$725,000 (no annual increase)

The detailed results of the model, including all of the above funding brackets and their targeted rates, are provided in Attachments B-E of this report.

DISCUSSION

Maintain Existing Level of Service (Fund Critical Assets)

The SCR D does not have a clearly defined and Board approved Service Plan or Asset Management Plan for the Community Recreation Facilities. There are no clearly defined documents that establish the Level of Service at each facilities.

The SCR D established an *implied* Level of Service for each facility as part of the Parks and Recreation Master Plan (adopted in 2014) and when the 2016 Recreation Facility Capital Plan Update was approved:

1. The SCRD will commit operational funding to continue operation of **all** assets including **critical, high priority** and **desirable** assets.
2. The SCRD will fund the capital replacement of **critical** assets, but not **high priority** or **desirable** assets.

It is recommended to maintain the practice of funding Critical assets and therefore preserve the implied Level of Service at each recreation facility established in 2016.

Development of Service Plans for SCRD services is work in progress.

Increase Overall Capital Funding Pool to Address Shortfalls

The outcome of the capital funding review indicated three key changes to the capital funding model. These changes result in an overall 20-year cycle capital shortfall of \$1,153,000. This shortfall amortized over the remaining term of the capital model is \$98,000 per year (including inflation of expenses, borrowing interest, and savings interest). If funding is not increased to address this shortfall, the SCRD will not have sufficient funds to replace all **Critical** assets in the future. This will impact the implied Level of Service for at least one of the facilities.

It is recommended that the targeted Recreation Capital Fund Contribution be increased to account for the key considerations discussed in the *Results of Review* section of this report.

Change the Funding Model from a Flat Annual Contribution to an Increasing Annual Contribution

The 2016 Recreation Facilities Capital Plan Update recommended a flat annual rate of \$725,000 to sustainably fund **Critical** assets. Flat annual rate contributions in long-term capital planning are to a certain degree inequitable.

The spending power of the dollar decreases over time through inflation. Inflation is the sustained increase in the price of goods and services over time. In general, as the cost of goods and services increases, average annual salary of a contributor (user or parcel tax payer) increases as well.

A flat annual rate over a 20-year span is inequitable for 2019 contributors (current year) compared to 2037 contributors (end of capital model), because the \$725,000 user fee/taxation contribution is worth a higher percentage of average resident annual salary in 2019 than it is in 2037.

Additionally, increasing the Recreation Facilities Capital Fund flat annual contribution from \$725,000 to \$818,000 in 2019 would be difficult to support considering other budget proposals in the 2019 SCRD budget.

The best practices alternative to a flat annual rate contribution is an increasing annual contribution of 2% (compounded annually) to account for inflation. The continuity schedule of the proposed rate increase is provided in Table 1.

*Table 1: Recommended Recreation Facility Capital Fund contribution continuity schedule for funding **Critical** assets.*

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Capital Project Estimate	\$ -	\$ 428,846	\$ 465,600	\$ 1,359,000	\$ 739,000	\$ 473,000	\$ 436,000	\$ 1,394,000	\$ 1,168,000
Accumulated Capital Project Estimate	\$ -	\$ 428,846	\$ 894,446	\$ 2,253,446	\$ 2,992,446	\$ 3,465,446	\$ 3,901,446	\$ 5,295,446	\$ 6,463,446
Annual Contribution to Reserves	\$ 500,000	\$ 548,000	\$ 725,000	\$ 739,500	\$ 754,290	\$ 769,376	\$ 784,763	\$ 800,459	\$ 816,468
Estimated Reserve Balance	\$ 624,060	\$ 637,876	\$ 916,412	\$ 324,404	\$ 349,427	\$ 656,285	\$ 1,024,737	\$ 461,938	\$ 124,264
Estimated Interest	\$ 18,722	\$ 19,136	\$ 27,492	\$ 9,732	\$ 10,483	\$ 19,689	\$ 30,742	\$ 13,858	\$ 3,728

The values in Table 1 represent our current best estimate of the expected annual capital project requirements at each facility. Actual values required for each capital project will vary from these estimated values, some projects may be required before their specified interval, some projects may be required after their specified interval, etc. Accordingly, SCRD staff will conduct an annual review similar to this review to update the model and changing funding targets accordingly.

Increasing the contribution to the Recreation Facility Capital Fund by 2% in 2019 and by 2% annually thereafter could result in a capital surplus at the end of the modeled period. This is currently estimated to be \$1,393,000. It is financially prudent to fund the 2% increase starting in 2019 and reviewed annually thereafter with the expectation that future reviews may increase the annual funding requirement and eventually reduce/eliminate this surplus.

It is recommended that the funding model for the contribution to the Recreation Facilities Capital Fund be changed from a flat annual rate to an increasing annual rate of 2%.

The desired contribution to the Recreation Facility Capital Fund in 2019 is \$740,000. This should be reviewed annually to ensure compliance with targeted rates.

Financial Implications

It is the responsibility of the Board of Directors to establish Level of Service and ensure funding is adequate for the Level of Service provided.

The three key considerations discussed in the *Results of Review* section of this report contribute to creating a capital shortfall if funding is not increased to match the increased capital project requirements. If funding is not increased, the **Primary Service Assets** Level of Service cannot be maintained at all facilities. Certain assets would need to be removed from the **Critical** asset bracket in order to balance the required capital funding of other asset replacements. The removal of these assets could reduce the established Level of Service at all or some facilities.

If funding is increased and the funding model is changed according to the recommendations in this report, all assets within the **Critical** asset bracket will continue to be funded. Further iterations of this review should include either a Board and/or Special Committee workshop to evaluate the Level of Service at each facility and to fund each Level of Service accordingly. This is not recommended as part of the 2019 budget process due to time constraints.

Communications Strategy

The communication strategy for the ad valorem tax increase discussed in this report will be refined following determination of the taxation impact of the proposed increases. As with other increases to fees or taxation, this will likely be communicated to the public through the SCRD website, the SCRD social media pages, local newspapers, and other relevant local publications.

STRATEGIC PLAN AND RELATED POLICIES

Annual reviews and adjustments of fees and charges are consistent with Section 4.2.2 of the Financial Sustainability Policy.

CONCLUSION

The SCRD operates four major recreation facilities that are a combination of leased and owned assets. These facilities provide recreation services to all residents of the Sunshine Coast.

A 20-year capital plan was created for these facilities in 2016. This capital plan determined the requisite annual contribution to fund asset renewal in the facilities over the 20 year time frame. The results of that process indicated that the SCRD could not fully fund all asset renewal. The SCRD selected to only fund **Critical** assets in these facilities deemed to be crucial to the **Primary Service Assets** Level of Service. This annual contribution was estimated to be a flat annual rate of \$725,000 per year.

The SCRD resolved to create the Recreation Facilities Capital Fund and started by contributing \$500,000 in 2016, \$548,000 in 2017, and \$725,000 in 2018.

Numerous changes in both the funding strategy and the expected costs in the 2016 capital plan have resulted in a need for a capital plan review in 2019. The results of this review indicated three areas that are currently creating capital shortfall:

1. The increased cost of the chiller replacement project at the Sunshine Coast Arena planned for 2019.
2. The increased aggregate cost of several other projects completed since 2016.
3. The under target funding in 2016 and 2017.

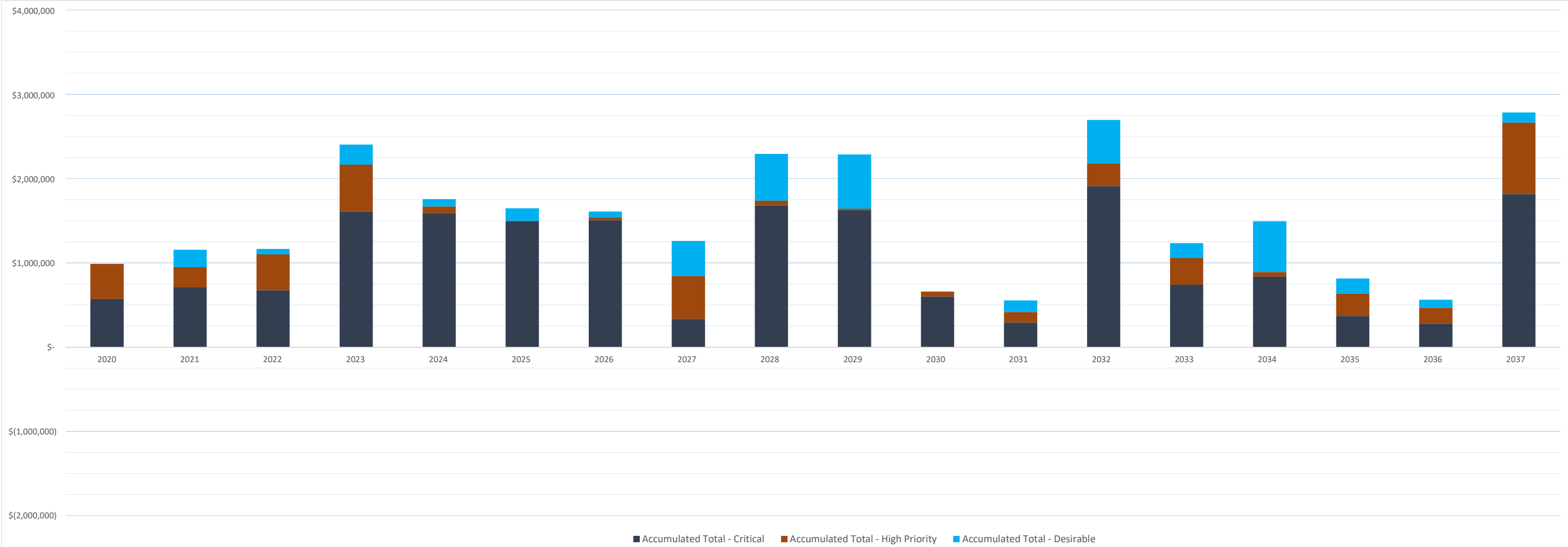
This report contains the recommendations to resolve those potential sources of capital shortfall. It is recommended the capital shortfall be resolved through changing the funding model for the Recreation Facilities Capital Fund from a flat annual contribution to an increasing annual contribution following inflation and maintaining the implied Level of Service at each facility.

This would increase the annual contribution from \$725,000 in 2018 to \$740,000 in 2019 with additional annual increases provided in Table 1 of this report.

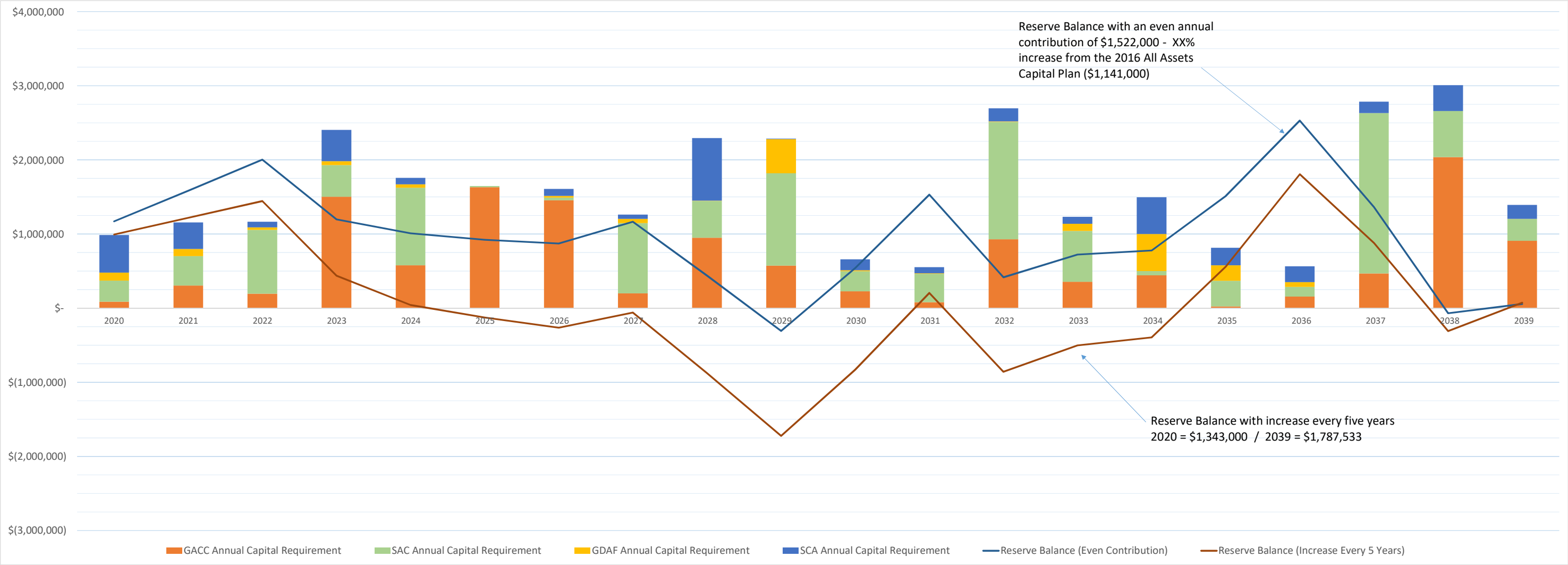
Reviewed by:			
Manager		CFO/Finance	
GM	X-I. Hall	Legislative	
CAO	X-J. Loveys	Other	

Attachments:

- A - 2016-JUL-28 CAS STAFF REPORT - Recreation Facilities Capital Plan Update 20 Years
- B - 2019-Recreation 20-Year Capital Plan-Annual Expenditure By Criticality
- C - 2019- Recreation 20-Year Capital Plan-Critical Component Capital Fund Model
- D - 2019-Recreation 20-Year Capital Plan-Critical/High Priority Capital Fund Model
- E - 2019-Recreation 20-Year Capital Plan-All Assets Capital Fund Model



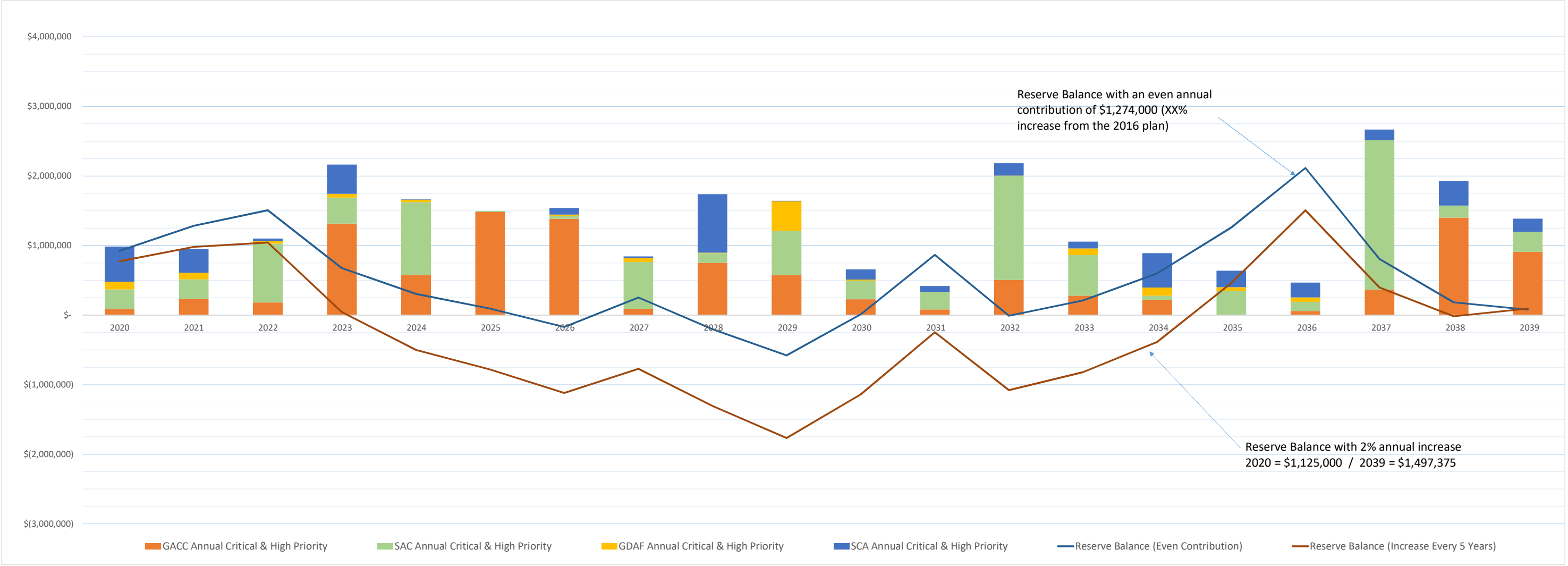
ACCUMULATED TOTAL BY CRITICALITY	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTAL
Accumulated Total - Critical	\$ 572,300	\$ 710,200	\$ 675,000	\$ 1,608,500	\$ 1,591,100	\$ 1,492,600	\$ 1,508,000	\$ 333,700	\$ 1,683,900	\$ 1,625,500	\$ 600,300	\$ 292,300	\$ 1,911,300	\$ 742,300	\$ 836,100	\$ 367,800	\$ 276,200	\$ 1,818,200	\$ 1,667,300	\$ 1,284,100	\$ 18,645,300
Accumulated Total - High Priority	\$ 414,400	\$ 239,100	\$ 425,300	\$ 557,000	\$ 78,400	\$ 5,300	\$ 32,900	\$ 509,100	\$ 55,300	\$ 17,000	\$ 58,600	\$ 126,400	\$ 271,500	\$ 313,500	\$ 55,400	\$ 269,800	\$ 191,300	\$ 848,000	\$ 258,600	\$ 102,100	\$ 4,468,300
Accumulated Total - Desirable	\$ -	\$ 206,400	\$ 64,100	\$ 238,600	\$ 87,400	\$ 149,000	\$ 68,700	\$ 418,600	\$ 553,400	\$ 644,100	\$ -	\$ 135,700	\$ 512,900	\$ 177,100	\$ 603,600	\$ 177,700	\$ 96,500	\$ 119,000	\$ 1,083,100	\$ 6,600	\$ 4,252,800



ALL ASSETS	2019 Reserve Balance	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Accumulated Total	\$ (636,386)	\$ 350,314	\$ 1,506,014	\$ 2,670,414	\$ 5,074,514	\$ 6,831,414	\$ 8,478,314	\$ 10,087,914	\$ 11,349,314	\$ 13,641,914	\$ 15,928,514	\$ 16,587,414	\$ 17,141,814	\$ 19,837,514	\$ 21,070,414	\$ 22,565,514	\$ 23,380,814	\$ 23,944,814	\$ 26,730,014	\$ 29,739,014	\$ 31,131,814

Budget Plan 1: Even Annual Contribution	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTAL
Required Annual Budget	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 1,522,000	\$ 30,440,000
Reserve Balance (Even Contribution)	\$ 1,171,686	\$ 1,583,330	\$ 2,002,205	\$ 1,197,590	\$ 1,009,037	\$ 923,187	\$ 871,314	\$ 1,165,634	\$ 440,144	\$ (307,422)	\$ 542,551	\$ 1,531,148	\$ 416,703	\$ 721,929	\$ 776,768	\$ 1,513,529	\$ 2,530,103	\$ 1,364,818	\$ (69,364)	\$ 56,874	
Interest	\$ 45,344	\$ 61,275	\$ 77,485	\$ 46,347	\$ 39,050	\$ 35,727	\$ 33,720	\$ 45,110	\$ 17,034	\$ (13,127)	\$ 20,997	\$ 59,255	\$ 16,126	\$ 27,939	\$ 30,061	\$ 58,574	\$ 97,915	\$ 52,818	\$ (2,962)		\$ 748,688

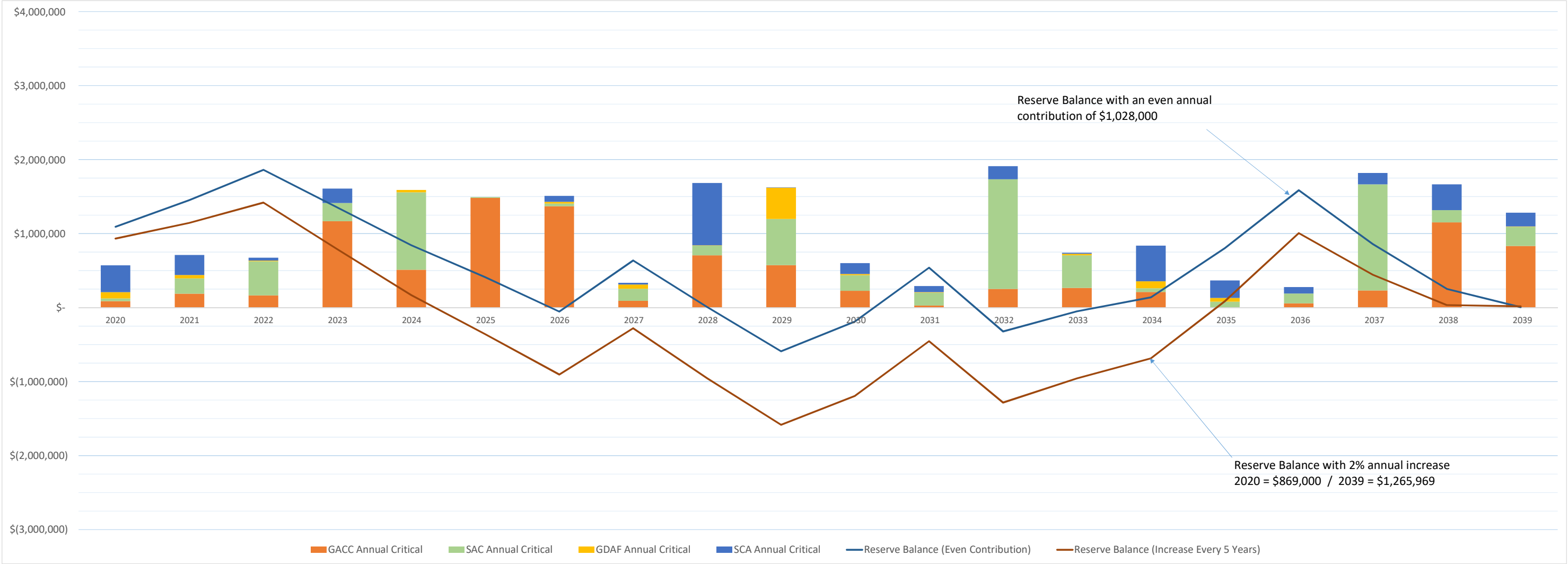
Budget Plan 2: 10% Increase Every Five Years	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTAL
Required Annual Budget	\$ 1,343,000	\$ 1,343,000	\$ 1,343,000	\$ 1,343,000	\$ 1,343,000	\$ 1,477,300	\$ 1,477,300	\$ 1,477,300	\$ 1,477,300	\$ 1,477,300	\$ 1,625,030	\$ 1,625,030	\$ 1,625,030	\$ 1,625,030	\$ 1,625,030	\$ 1,787,533	\$ 1,787,533	\$ 1,787,533	\$ 1,787,533	\$ 1,787,533	\$ 31,164,315
Reserve Balance (Increase Every 5 Years)	\$ 992,686	\$ 1,218,403	\$ 1,444,155	\$ 438,944	\$ 42,031	\$ (125,942)	\$ (263,620)	\$ (58,977)	\$ (876,795)	\$ (1,723,534)	\$ (830,999)	\$ 204,147	\$ (858,622)	\$ (503,155)	\$ (394,710)	\$ 560,669	\$ 1,805,900	\$ 878,121	\$ (309,363)	\$ 72,161	
Interest	\$ 38,417	\$ 47,152	\$ 55,889	\$ 16,987	\$ 1,627	\$ (5,378)	\$ (11,257)	\$ (2,518)	\$ (37,439)	\$ (73,595)	\$ (35,484)	\$ 7,901	\$ (36,663)	\$ (21,485)	\$ (16,854)	\$ 21,698	\$ 69,888	\$ 33,983	\$ (13,210)		\$ 39,660



HIGH PRIORITY & CRITICAL ASSETS	2019 Reserve Balance	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Accumulated Total	\$ (636,386)	\$ 350,314	\$ 1,299,614	\$ 2,399,914	\$ 4,565,414	\$ 6,234,914	\$ 7,732,814	\$ 9,273,714	\$ 10,116,514	\$ 11,855,714	\$ 13,498,214	\$ 14,157,114	\$ 14,575,814	\$ 16,758,614	\$ 17,814,414	\$ 18,705,914	\$ 19,343,514	\$ 19,811,014	\$ 22,477,214	\$ 24,403,114	\$ 25,789,314

Budget Plan 1: Even Annual Contribution	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTAL
Required Annual Budget	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 1,274,000	\$ 25,480,000
Reserve Balance (Even Contribution)	\$ 923,686	\$ 1,284,133	\$ 1,507,529	\$ 674,370	\$ 304,968	\$ 92,870	\$ (170,436)	\$ 253,487	\$ (201,903)	\$ (579,025)	\$ 11,351	\$ 867,090	\$ (8,153)	\$ 209,699	\$ 600,314	\$ 1,259,946	\$ 2,115,206	\$ 804,865	\$ 184,113	\$ 79,038	
Interest	\$ 35,747	\$ 49,696	\$ 58,341	\$ 26,098	\$ 11,802	\$ 3,594	\$ (7,278)	\$ 9,810	\$ (8,621)	\$ (24,724)	\$ 439	\$ 33,556	\$ (348)	\$ 8,115	\$ 23,232	\$ 48,760	\$ 81,858	\$ 31,148	\$ 7,125		\$ 388,352

Budget Plan 2: 2% Increase Annually	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTAL
Required Annual Budget	\$ 1,125,000	\$ 1,125,000	\$ 1,125,000	\$ 1,125,000	\$ 1,125,000	\$ 1,237,500	\$ 1,237,500	\$ 1,237,500	\$ 1,237,500	\$ 1,237,500	\$ 1,361,250	\$ 1,361,250	\$ 1,361,250	\$ 1,361,250	\$ 1,361,250	\$ 1,497,375	\$ 1,497,375	\$ 1,497,375	\$ 1,497,375	\$ 1,497,375	\$ 26,105,625
Reserve Balance (Increase Every 5 Years)	\$ 774,686	\$ 980,366	\$ 1,043,007	\$ 42,871	\$ (499,970)	\$ (781,719)	\$ (1,118,498)	\$ (771,558)	\$ (1,306,204)	\$ (1,766,978)	\$ (1,140,078)	\$ (246,210)	\$ (1,078,273)	\$ (818,865)	\$ (384,081)	\$ 459,294	\$ 1,506,944	\$ 396,437	\$ (16,745)	\$ 93,715	
Interest	\$ 29,980	\$ 37,940	\$ 40,364	\$ 1,659	\$ (21,349)	\$ (33,379)	\$ (47,760)	\$ (32,946)	\$ (55,775)	\$ (75,450)	\$ (48,681)	\$ (10,513)	\$ (46,042)	\$ (34,966)	\$ (16,400)	\$ 17,775	\$ 58,319	\$ 15,342	\$ (715)		\$ (222,596)



CRITICAL ASSETS	2019 Reserve Balance	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Accumulated Total	\$ (636,386)	\$ (64,086)	\$ 646,114	\$ 1,321,114	\$ 2,929,614	\$ 4,520,714	\$ 6,013,314	\$ 7,521,314	\$ 7,855,014	\$ 9,538,914	\$ 11,164,414	\$ 11,764,714	\$ 12,057,014	\$ 13,968,314	\$ 14,710,614	\$ 15,546,714	\$ 15,914,514	\$ 16,190,714	\$ 18,008,914	\$ 19,676,214	\$ 20,960,314

Budget Plan 1: Even Annual Contribution	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTAL
Required Annual Budget	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 1,028,000	\$ 20,560,000
Reserve Balance (Even Contribution)	\$ 1,092,086	\$ 1,452,150	\$ 1,861,348	\$ 1,352,882	\$ 842,139	\$ 410,129	\$ (53,999)	\$ 637,996	\$ 6,786	\$ (590,451)	\$ (187,964)	\$ 539,710	\$ (322,703)	\$ (50,782)	\$ 138,949	\$ 804,527	\$ 1,587,462	\$ 858,697	\$ 252,628	\$ 6,305	
Interest	\$ 42,264	\$ 56,198	\$ 72,034	\$ 52,357	\$ 32,591	\$ 15,872	\$ (2,306)	\$ 24,690	\$ 263	\$ (25,212)	\$ (8,026)	\$ 20,887	\$ (13,779)	\$ (2,168)	\$ 5,377	\$ 31,135	\$ 61,435	\$ 33,232	\$ 9,777		\$ 406,619

Budget Plan 2: 2% Annual Increase	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTAL
Required Annual Budget	\$ 869,000	\$ 886,380	\$ 904,108	\$ 922,190	\$ 940,634	\$ 959,446	\$ 978,635	\$ 998,208	\$ 1,018,172	\$ 1,038,535	\$ 1,059,306	\$ 1,080,492	\$ 1,102,102	\$ 1,124,144	\$ 1,146,627	\$ 1,169,560	\$ 1,192,951	\$ 1,216,810	\$ 1,241,146	\$ 1,265,969	\$ 21,114,414
Reserve Balance (Increase Every 5 Years)	\$ 933,086	\$ 1,145,376	\$ 1,418,810	\$ 787,408	\$ 167,414	\$ (359,261)	\$ (903,966)	\$ (278,058)	\$ (955,659)	\$ (1,583,430)	\$ (1,192,036)	\$ (454,744)	\$ (1,283,359)	\$ (956,315)	\$ (686,622)	\$ 85,819	\$ 1,005,891	\$ 443,428	\$ 34,435	\$ 17,637	
Interest	\$ 36,110	\$ 44,326	\$ 54,908	\$ 30,473	\$ 6,479	\$ (15,340)	\$ (38,599)	\$ (11,873)	\$ (40,807)	\$ (67,612)	\$ (50,900)	\$ (19,418)	\$ (54,799)	\$ (40,835)	\$ (29,319)	\$ 3,321	\$ 38,928	\$ 17,161	\$ 1,333		\$ (136,464)

SUNSHINE COAST REGIONAL DISTRICT

SOLID WASTE MANAGEMENT PLAN MONITORING ADVISORY COMMITTEE

December 10, 2019

MINUTES FROM THE SOLID WASTE MANAGEMENT PLAN MONITORING ADVISORY COMMITTEE MEETING HELD IN THE CEDAR ROOM AT THE SUNSHINE COAST REGIONAL DISTRICT OFFICES, 1975 FIELD ROAD, SECHELT, BC

PRESENT: (Voting)	Chair Members	Ian Winn Jann Boyd Barb Hetherington Silas White Peter Robson Marie Cambon David New-Small Shirley Higginson
ALSO PRESENT: (Non-voting)	Director, Electoral Area E General Manager, Infrastructure Services Manager, Solid Waste Programs Solid Waste Programs Coordinator/Recorder Public	Donna McMahon Remko Rosenboom Robyn Cooper Andrea Patrao 2
REGRETS:	Director, Electoral Area A PMAC Member	Leonard Lee Gareth Bennett

CALL TO ORDER 11:02 a.m.

AGENDA The agenda was adopted as amended to add the following items of New Business:

- Board decisions related to Solid Waste.
- Review of items received from Recommendation No. 1 and No. 3 from the November 5, 2019 PMAC meeting.

MINUTES**Recommendation No. 1** *PMAC Meeting Minutes of November 5, 2019*

The Solid Waste Management Plan Monitoring Advisory Committee recommended that the meeting minutes of November 5, 2019 be received.

Roundtable Chair

Committee members shared a short description of their engagement and interest in PMAC.

PMAC Processes Manager, Solid Waste Programs

Manager, Solid Waste Programs provided a presentation regarding PMAC processes.

SCRD Solid Waste Staffing General Manager, Infrastructure Services

General Manager, Infrastructure Services provided a presentation to PMAC members with an overview of SCRД organizational structure and Solid Waste staffing.

Key points of committee discussion included the following points:

- Organization chart helpful.
- Clarification requested around recent SCRД solid waste job posting.
- Recycle BC and the SCRД have a contract for depot collection and recycling of residential packaging and paper products.
- The SCRД and three private depot operators have three separate contracts for the depot collection and recycling of residential packaging and paper products.
- Clarification requested around Recycle BC revenue.
- Recycle BC as a future PMAC agenda item.

Recommendation No. 2 2019 staff report SCRД's depot recycling service

The Solid Waste Management Plan Advisory Committee recommended that the 2019 staff report on the SCRД's depot recycling service be provided to PMAC Members.

Recommendation No. 3 Recycle BC depot recycling contract template

The Solid Waste Management Plan Advisory Committee recommended that a copy of the Recycle BC depot recycling contract template be provided to PMAC Members.

SCRД Regional Organics Diversion Strategy Overview Manager, Solid Waste Programs

Manager, Solid Waste Programs provided a presentation to PMAC committee members with an overview of the SCRД's Regional Organics Diversion Strategy.

Discussion included the following points:

- 2020 will be a year of significant changes with potential for curbside collection for food waste on the Sunshine Coast and working towards landfill disposal bans of food waste for the residential and commercial sectors.
- Awareness, education and enforcement, along with options available to recycle food waste are critical pieces to ensuring successful diversion from landfill and successful landfill disposal ban.
- Concern regarding small commercial food waste diversion.
- Contamination of food waste should be focus of education for residential and commercial sectors.
- Committee expressed differing levels of knowledge of the waste industry (local and global) within the committee and interest in improving understanding.

Recommendation No. 4 *Local Government Food Waste Collection Programs*

The Solid Waste Management Plan Advisory Committee recommended that SCRD staff confirm with staff from all Sunshine Coast local governments the status of their curbside food waste collection programs and discuss the timing of the SCRD's proposed landfill disposal ban of food waste.

Recommendation No. 5 *Options for Food Waste Diversion*

The Solid Waste Management Plan Advisory Committee recommended that options for food waste diversion in addition to curbside collection of food waste be considered and aligned with proposed timing of landfill disposal ban of food waste.

NEW BUSINESS

Board decisions related to Solid Waste

Discussion included the following points:

- New Standing Items on Future PMAC Agendas
 - SCRD reports related to solid waste from the month of the PMAC meeting.
 - SCRD Board resolutions related to solid waste from month prior to PMAC meeting.

Review of items received from Recommendation No. 1 and No. 3 from the November 5, 2019 PMAC meeting

Discussion included the following points:

- Marine debris is outside the jurisdiction of the SCRD, however is of great concern to the committee members.
- Global Ghost Gear Initiative and Steveston Harbour Authority have programs in place for recycling ghost gear (fishing gear).
- New regulations for docks to require encapsulated expanded polystyrene.

NEXT MEETING Tuesday, February 18, 2020

ADJOURNMENT 12:55 p.m.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – January 30, 2020

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services

SUBJECT: INFRASTRUCTURE SERVICES DEPARTMENT – 2019 Q4 REPORT

RECOMMENDATION(S)

THAT the report titled Infrastructure Services Department – 2019 Q4 Report be received.

BACKGROUND

The purpose of this report is to provide an update on activities in the Infrastructures Services Department for the Fourth Quarter (Q4) of 2019: October 1 – December 31.

The report provides information from the following divisions: Water, Wastewater, Transit and Fleet, Solid Waste Programs and Solid Waste Landfill Operations.

Utilities Services Division [365, 366, 370]

The Utilities Division serves three water service areas, the North Pender Water Service Area [365], the South Pender Water Service Area [366], and the Regional Water Service Area [370]. The Regional Water Service Area includes the Chapman water system as well as the smaller systems of Egmont, Cove Cay, Granthams, Soames Point, Langdale, and Eastbourne. The Utilities Division is also responsible for 18 wastewater facilities in Areas A, B, D, E, and F.

The SCRD water systems supply potable water to approximately 23,000 residents between Egmont and Langdale. This includes operations and maintenance of the Langdale, Soames Point, Granthams Landing, Eastbourne (Keats Island), Chapman/Gray Creek including the Chapman Creek Water Treatment Plant, the South Pender Harbour Water Treatment Plant, Cove Cay, Egmont and the North Pender Harbour Water Systems. In addition to water for drinking, these water systems supply potable water used for fire protection, recreation (pools and ice rinks), industrial use and irrigation.

Combined, the SCRD Water Systems consist of over 407 km of watermain, 16 storage reservoirs, 15 pump stations, 29 pressure reducing valve stations, 1,407 fire hydrants, 10 chlorination stations and approximately 11,354 water connections.

The quarterly report includes information about larger capital works and projects, and noteworthy program developments, as well as, monthly water treatment volumes from the Chapman Creek Water Treatment Plant and the South Pender Water Treatment Plant, and a summary of work orders.

PROJECTS - CAPITAL WORKS

- **Watermain Replacement Program**

- Exposed Watermain Rehabilitation
 - The first tender process was unsuccessful, one bid was received and over budget. Staff explored alternate methods and construction techniques to complete the work as required and concluded that due to the current market conditions this project could not be completed within the existing budget. A R1 2020 budget proposal was brought forward for additional budget to complete the project in 2020.

- **Water Projects**

- Groundwater Investigation– Phase 4 Church Road well field
 - Staff will bring forward a budget proposal to Round 2 budget to complete the development of the well field at this site and all auxiliary infrastructure.

If approved this could result in completion of the final design, procurement of all the required permits and issuance of formal tender documents in Q3 2020. Construction on the well field is estimated to begin in Q4 2020 followed by completion of construction estimated for summer 2021. Award of the construction tender is contingent upon receipt of electoral approval for a long term loan, the required water license from the Province, along with the BC Hydro and other related permits.
- Raw Water Reservoir(s) – Feasibility Study Phase 4
 - Staff will bring forward a budget proposal to Round 2 budget for Feasibility Study Phase 4, which will include geotechnical investigation of the preferred Site B location to further investigate and define the soil types and depths at this location. This information will be used to update the assessment of the feasibility of the development of a reservoir at this site as well as the design and cost estimate. The results of the phase are anticipated to be brought back to the Board during Q3 2020.
- Town of Gibsons Zone 3 uncoupling
 - Staff met in early July 2019 to discuss next steps and align project planning. With the Town of Gibsons having secured funding for the implementation their uncoupling of the Chapman water system and in anticipation of the SCRD's Board approval of the Reed Road water main replacement 2020 budget proposal staff will schedule a follow-up meeting to ensure continued alignment between the planning and discuss the potential cost-sharing on these and other infrastructure projects of the Town and the SCRD.
- Review Bulk Water Agreement Town of Gibsons
 - This process has been delayed due to other work priorities and will be re-energized in Q1 2020.

- Chapman Water Treatment Plant Chlorination Project
 - The contract for engineering services of an On-Site Generation system was awarded to Associated Engineering Ltd. in November 2019. The intent is to complete the engineering in Q2 2020 followed by construction in Q3 2020 and commissioning in Q4 2020.
- Chapman and South Pender Water Treatment Plant Water Quality Monitoring Upgrades
 - 2019 budget included monitoring equipment in need of replacement. The bench top lab equipment has been received and installed. The inline instrumentation has been received and will be installed in Q1.
- Garden Bay UV Reactor Purchase
 - 2019 budget included the purchase of a second UV reactor for the Garden Bay pump station to provide redundancy as there is currently only one unit. The reactor has been received and will be installed in Q1.
- Langdale Well Upgrade
 - Staff determined that the scope of work would needed to be expended and therefore prepared a R1 2020 budget proposal which was approved. If included in the 2020 budget, the upgrades to the well, its auxiliary infrastructure and the well building is anticipated for late Q4 2020.
- Mark Way / Chris Way Water Main Replacement
 - The replacement of a 50 mm PVC water main is required due to ongoing emergency repairs. Planning and design are ongoing and construction is scheduled to take place in Q1-Q2 2020.
- **Wastewater Projects**
 - Woodcreek Wastewater Plant
 - A RFP for engineering and design services for the replacement sand-filter septic system will be issued in Q1 2020. The results of the engineering and design services, to be completed in Q4 2020, will identify the best replacement sewage treatment system along with an accurate construction cost estimate for the replacement treatment system. A 2021 budget proposal for the construction phase could follow.

- Wastewater Service Public Information Sessions
 - Lead by the Asset Management Team and supported by the Infrastructure Services Team information sessions were held as follows.

Roberts Creek Co-housing, December 9, 2019

Area A, December 11, 2019

Area B, January 7, 2020

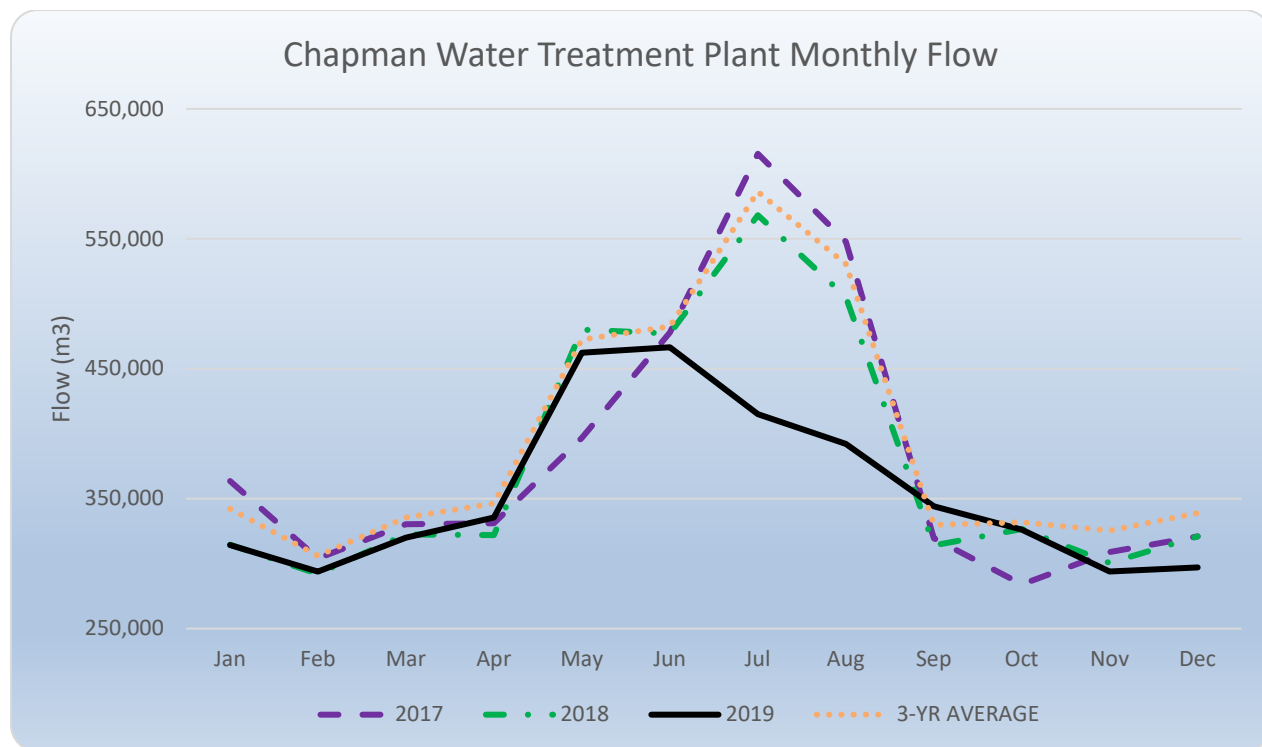
Area E & F, January 8, 2020

Input from these Public Information Sessions will be included in a report to be presented at the January 23, 2020 CAS meeting.

OPERATIONS - WATER DISTRIBUTION SYSTEM

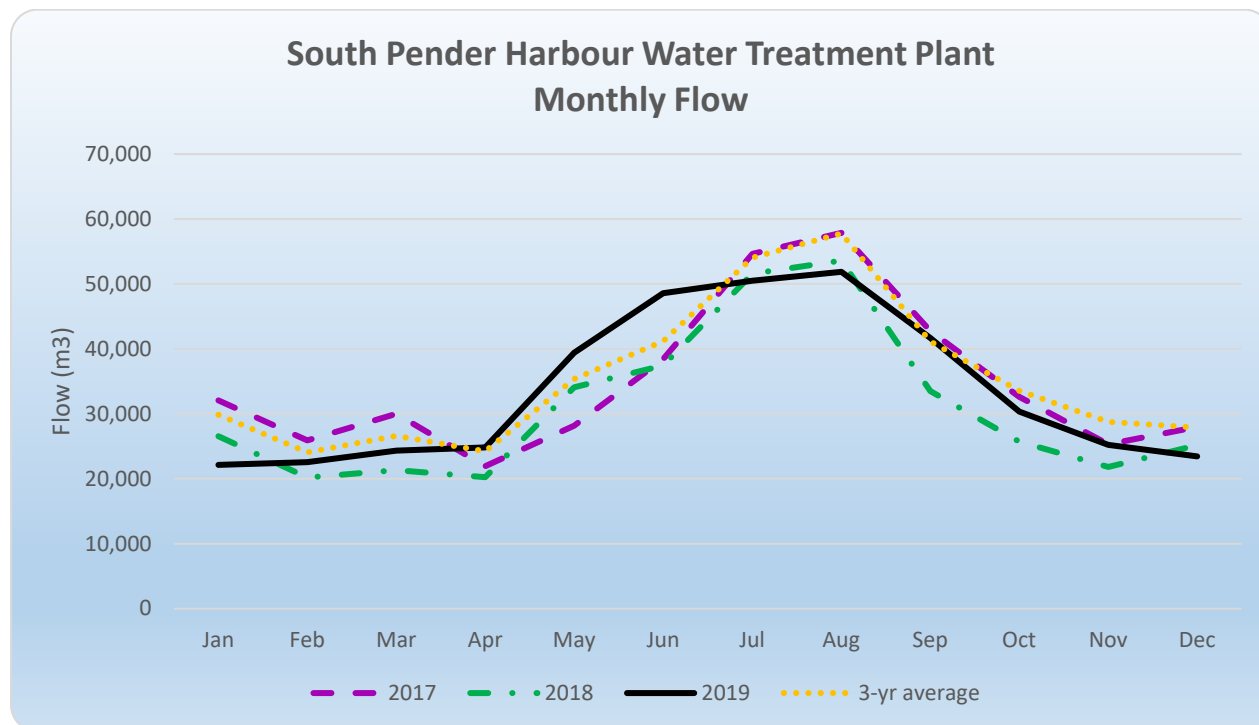
CHAPMAN WATER TREATMENT PLANT

In the Q4 2019, the Chapman Creek Water Treatment Plant produced and supplied 917,286 m³ of potable water to residents, an 8% decrease over the three year average.



SOUTH PENDER WATER TREATMENT PLANT

In the Q4 2019, the South Pender Water Treatment Plant produced and supplied 79,007 m³ of potable water to approximately 2,300 full and part-time residents of Madeira Park, Francis Peninsula and the surrounding area. This is an 18.1% decrease over the three year average.



Transit and Fleet Maintenance [310, 312]

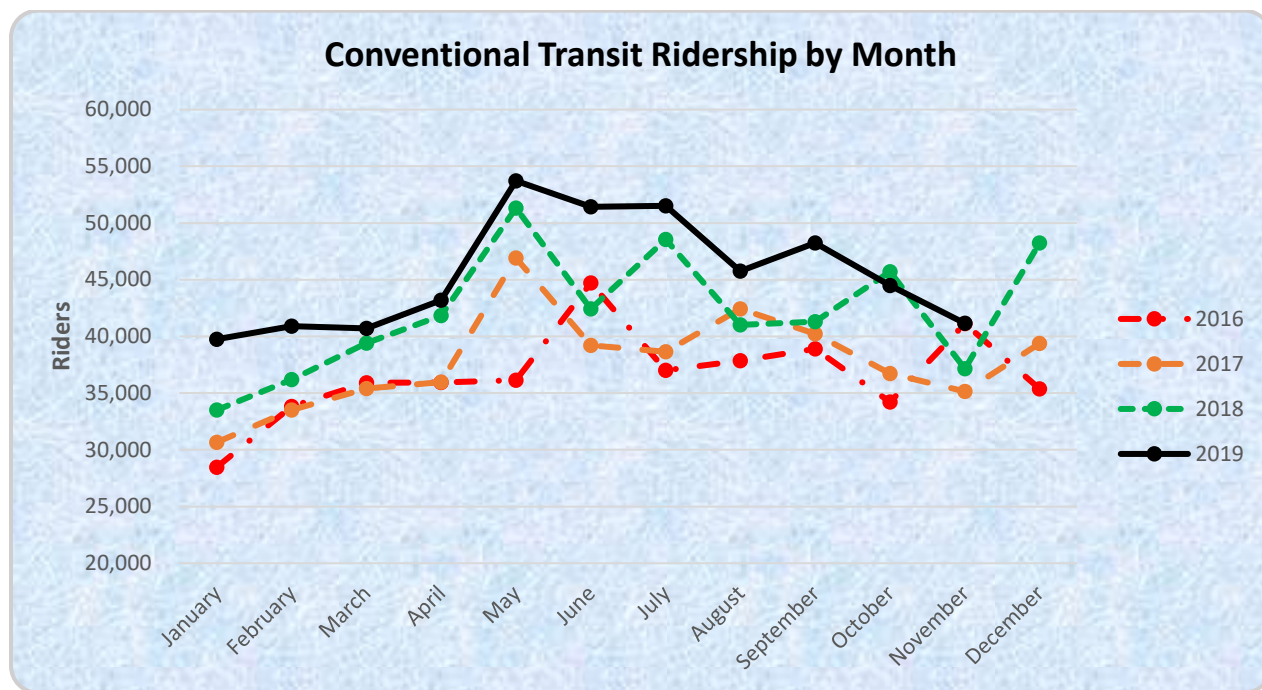
In contrast to most BC Transit systems, the SCRD functions as both the Local Government partner and the service contractor in relationship with BC Transit. This provides a clearer picture of costs than would otherwise be the case.

PROJECTS

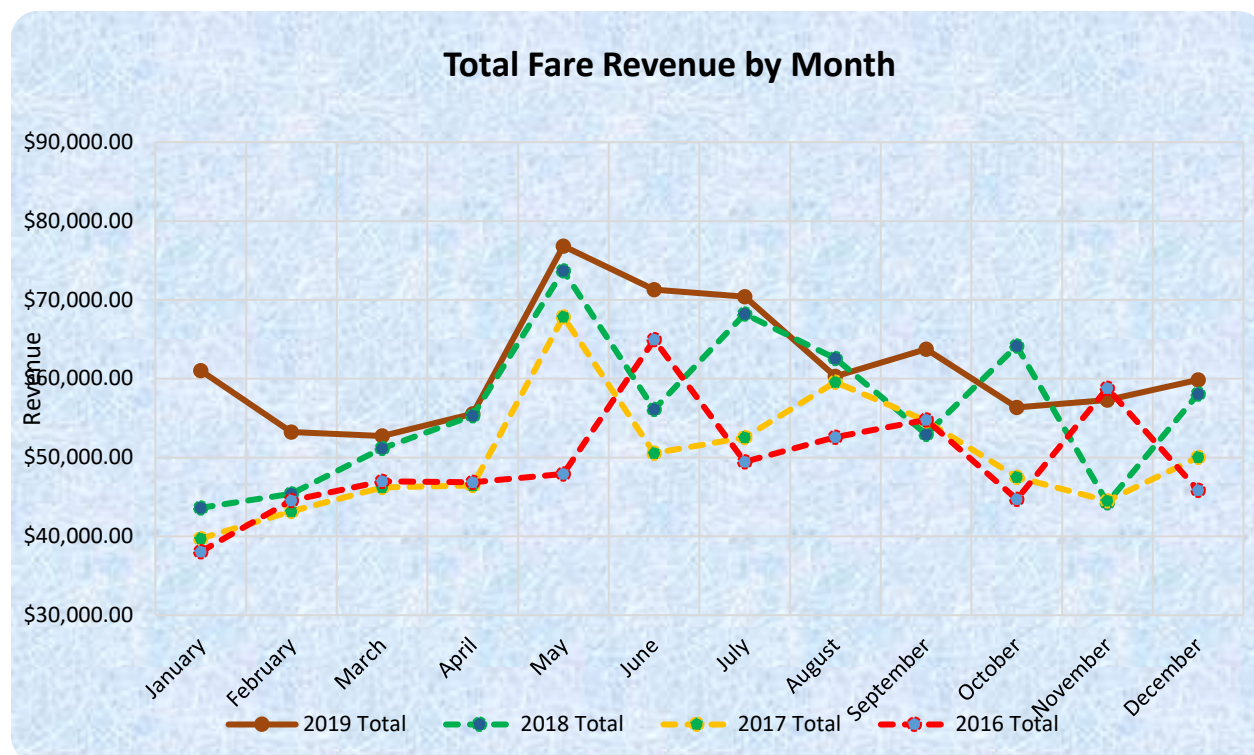
Transit

Transit ticket sales have shown a decline throughout the fall months with a marginal decrease from fall of 2018. However, monthly pass sales continue to increase indicating transit riders' commitment to using transit. Resulting in overall revenue of \$738,668 which is 9.34% above 2018. Conventional transit ridership has risen with fall 2019 outperforming fall 2018 numbers.

The implementation of additional recovery time and scheduling have contributed to an improvement in on-time performance results.



*Includes all data received from BC Transit to date



The new Manager of Transit and Fleet started on November 18, 2019 and is working on the follow-up on the Fare Review and will lead the review of the Custom transit service and the development of a bus shelter program.

Fleet

The replacement of the entire motor of eight Nova buses has started, taking several weeks per bus to complete.

All SCRD and Pender Harbour fire department trucks were received were serviced.

Solid Waste [350, 351, 352, 355]

The Solid Waste Division provides solid waste management for the Sunshine Coast. In British Columbia, Regional Districts are mandated by the Provincial *Environmental Management Act* to develop Solid Waste Management Plans. The SCRD's Solid Waste Management Plan 2011(SWMP) guides how the SCRD manages its solid waste including waste diversion programs, services and disposal activities.

The division oversees the operation and maintenance of the Sechelt Landfill and the Pender Harbour Transfer Station. The division also maintains the contracts for curbside garbage collection services for Electoral Areas B, D, E and F, three recycling depots and green waste recycling program.

The SCRD adopted the Regional Organics Diversion Strategy in January 2018. The goal of the Strategy is to develop a financially sustainable roadmap that will lead to a robust, region-wide organics diversion program.

The quarterly report provides an update on current projects, diversion programs, services and monthly statistics.

SOLID WASTE PROGRAMS

Love Food Hate Waste 2019 Provincial Campaign

Staff were provided with updated social media content that was subsequently shared on the SCRD's social media platforms. Staff also incorporated targeted holiday messaging on the Holiday Recycling page of the SCRD's website which was referenced in December social media content.

Waste Reduction Week (October 20-26, 2019)

Staff provided waste reductions tips for the public through the SCRD's social media platforms as well as hosted two events for SCRD staff. There was a lunch and learn on recycling that was attended by 18 staff and a clothing swap where 20 staff participated by donating clothing and finding an article of clothing to give a new home.

Coast Waste Management Association Conference

From October 23 to 25, 2019 staff attended the CWMA's annual conference in Victoria. Some of the session highlights include local government round table, factors influencing depot recycling habits, First Nations Solid Waste Management Initiative, marine nylon, food rescue and food waste reduction.

Annual Inter Agency Illegal Dumping Meeting

Staff hosted the annual Inter Agency Illegal Dumping meeting on October 30, 2019 to discuss prevention, education, and enforcement of illegal dumping on the Sunshine Coast. Attendees included staff from local governments, BC Hydro and Conservation Officers.

Tackling Plastics Business Forum

Staff were invited to present at the community-organized Tackling Plastics Business Forum on November 8, 2019. The event involved a series of speakers, followed by break out groups that brainstormed what next steps could be taken on the Sunshine Coast in terms of reducing single-use plastics. Approximately forty people attended. Staff's presentation included governance of solid waste (which levels of government can regulate businesses and/or the environment), SCRD solid waste services, what's in our garbage (2014 and 2015 waste composition study results) and the SCRD's Board advocacy in 2019.

Metro Vancouver Municipal Waste Reduction Coordinator Committee (MVMWRCC)

On November 20, 2019 staff attended a MVMWRCC meeting. The Committee discussed updates to the Create Memories Not Garbage Campaign that is available for all municipalities to share with residents this holiday. The Committee was also provided with an update on the illegal dumping campaign successes of the Waste in its Place campaign. The final version of the Single-Use Item Reduction toolkit, developed by Metro Vancouver is also available and it was requested that updates be provided as municipalities make progress on this topic.

British Columbia Product Stewardship Council (BCPSC)

Staff attended a council meeting on November 26, 2019 where an update from the Ministry of Environment and Climate Change Strategy was provided regarding stewardship plans and approval processes, discussion regarding recycling depots, an update regarding BCPSC working groups including a summary from Product Stewardship BC regarding service levels.

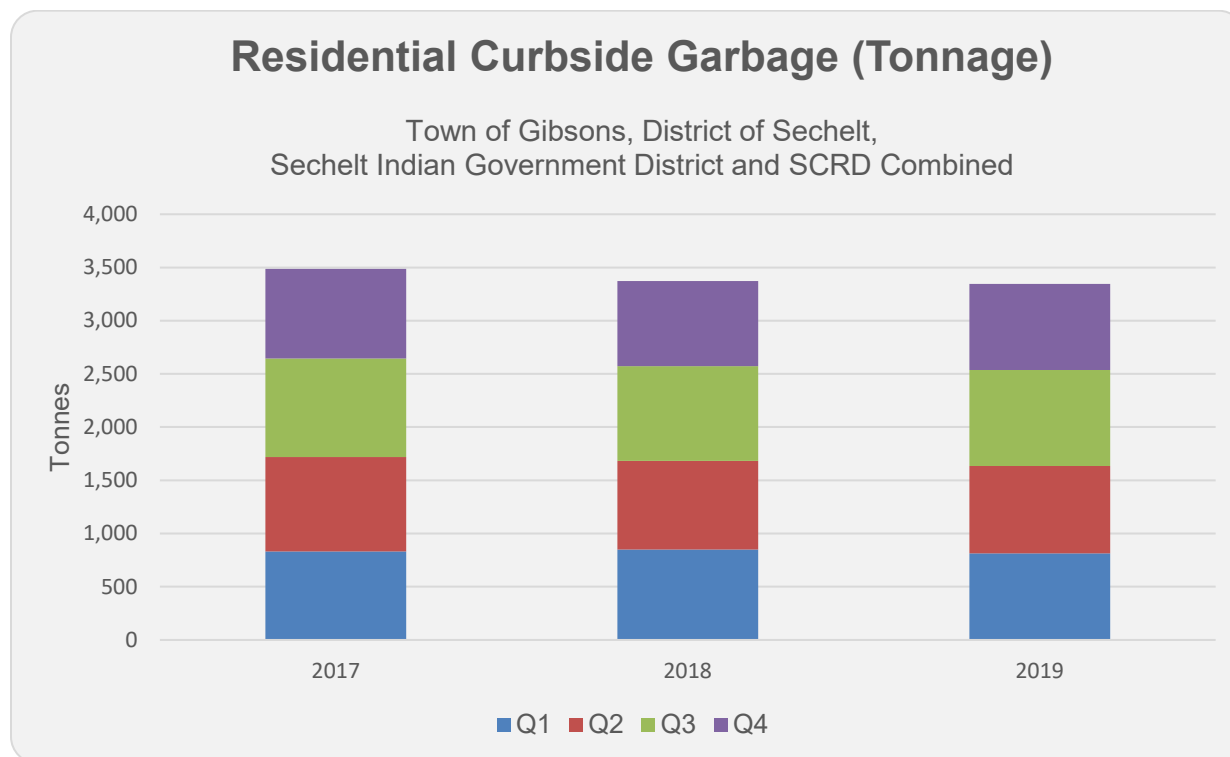
Curbside Recycling

A report with an update regarding curbside recycling is forthcoming to the February 20, 2020 Infrastructure Services Committee meeting.

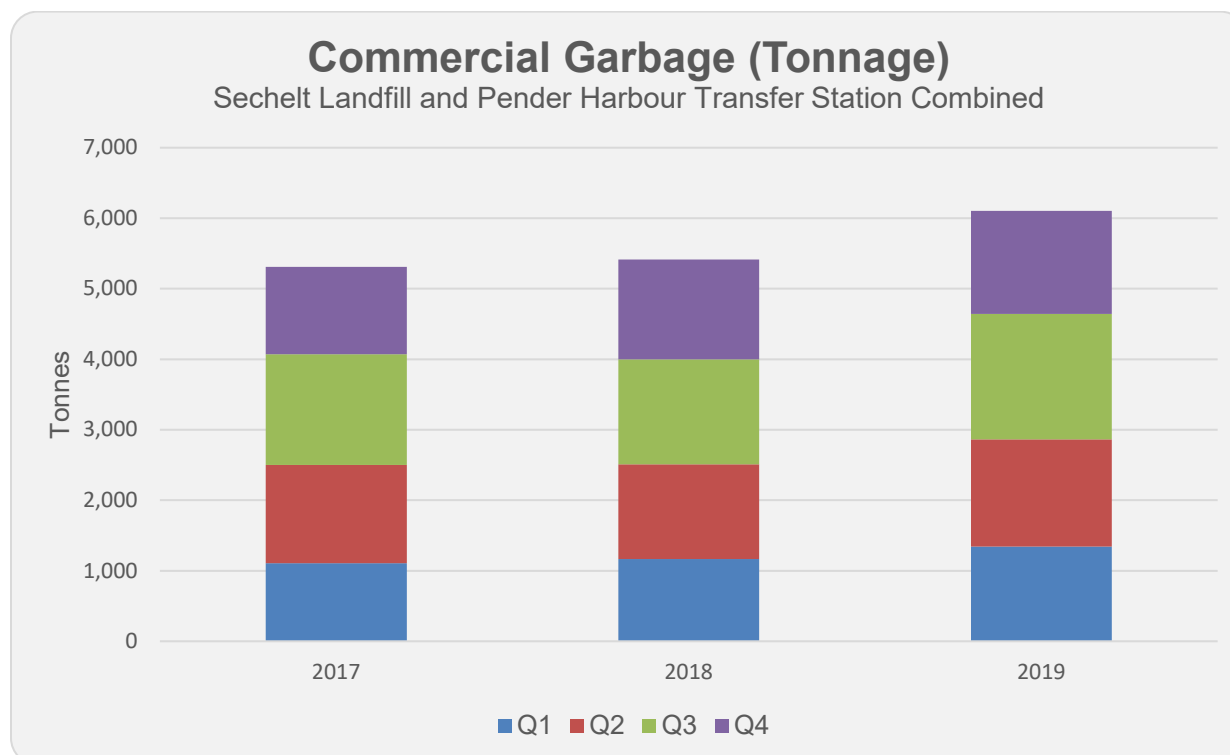
SOLID WASTE OPERATIONS

Statistics – Landfill

The residential curbside garbage tonnage presented includes a combined total of garbage collected curbside from residential dwellings in the Town of Gibsons, Sechelt Indian Government District, District of Sechelt and Sunshine Coast Regional District. Curbside residential garbage is then delivered to the Sechelt landfill and buried.

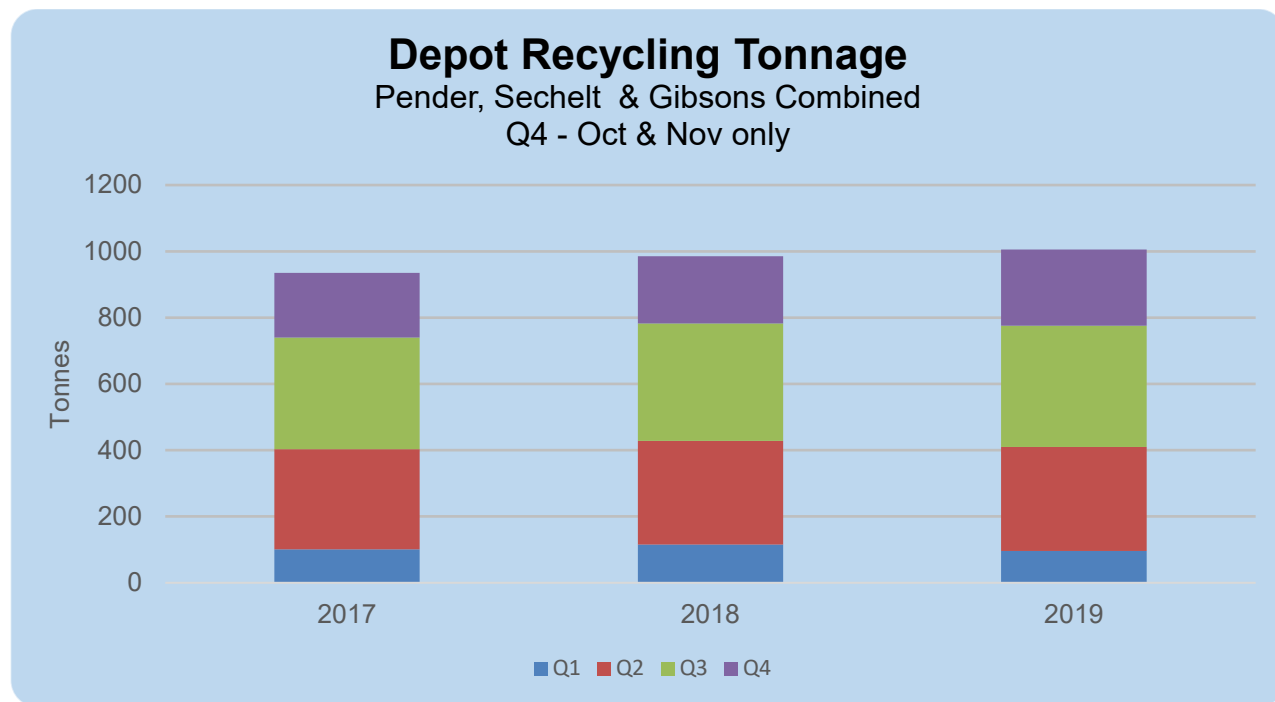


The commercial garbage tonnage presented includes garbage generated by commercial activity picked up from businesses and multi-family dwellings, or dropped off at the Sechelt Landfill and Pender Harbour Transfer Station. This does not include other landfilled items such as construction/demolition waste, asbestos or furniture.



Statistics – Recycling

The SCRCD has an agreement with Recycle BC to provide residential packaging and paper products (PPP) Depot Recycling Services in Gibsons, Pender Harbour and Sechelt. The SCRCD contracts these services to Gibsons Recycling, GRIPS and Salish Soils respectively. The data presented is provided by RecycleBC and is updated as it is received. The data represents the combined monthly weight (by tonne) of the materials dropped off at the three recycling depots.

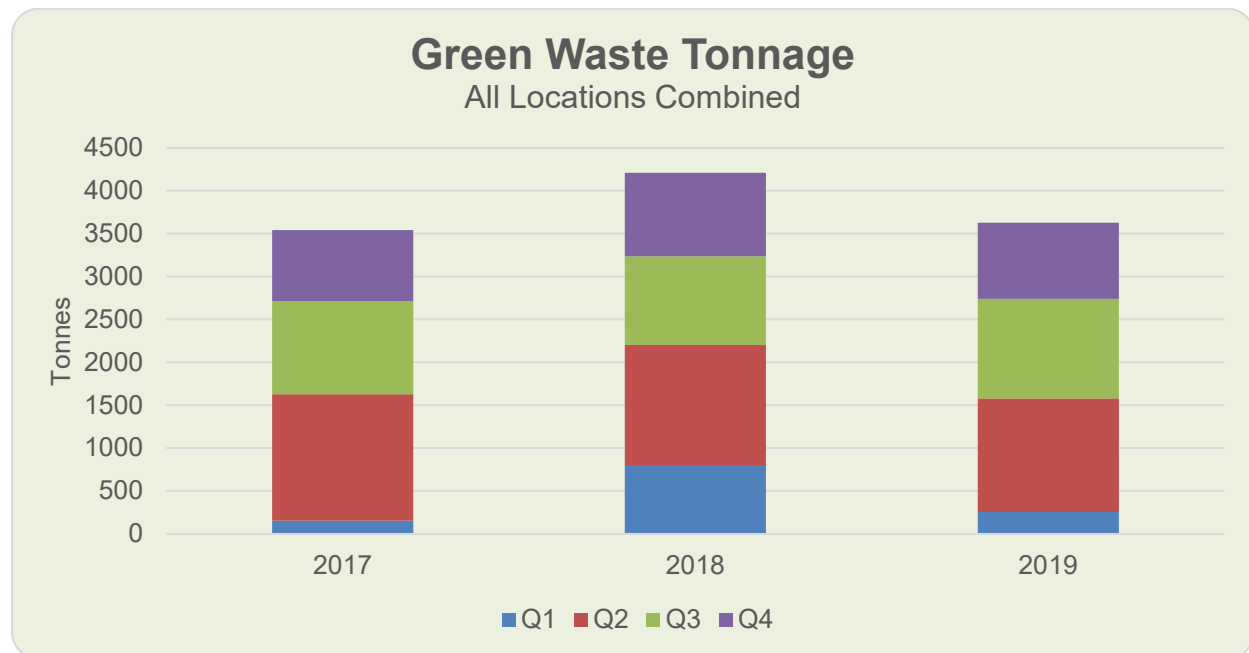


*December data is not yet available from RecycleBC

Statistics - Green Waste

The SCRCD green waste recycling program provides collection locations for residents to self-haul and drop-off yard and garden green waste at the South Coast Residential Green Waste Drop-off Depot, Pender Harbour Transfer Station, and Salish Soils. The SCRCD also provides commercial sector green drop-off at the Pender Harbour Transfer Station and Sechelt Landfill. The collected green waste is hauled and processed in Sechelt into compost.

The data presented provides the combined monthly weight (by tonne) of green waste dropped off at the SCRCD locations.



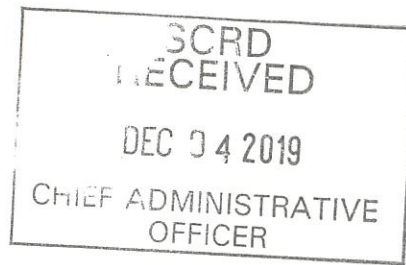
INFRASTRUCTURE SERVICES OUTREACH EVENTS

Event	Event Date	Attendees
Questionnaire: Water Regulations and Conservation Programs	September 30 to October 30, 2019	555
Community Check In: Water Regulations and Conservation Programs	October 23, 2019	7
Community Check In: Water Regulations and Conservation Programs	October 28, 2019	15
Banff Centre Mountain Film Festival World Tour: Water, Solid Waste, Parks	November 22, 2019	757 attended 30 conversations

Reviewed by:			
Manager	X – A. Kumar X – R. Cooper X – S. Walkey X – S. Misiurak X – J. Walton	Finance	
GM		Legislative	
CAO	X – D. McKinley	Other	

Office of the Chair

600 Comox Road, Courtenay, BC V9N 3P6
Tel: 250-334-6000 Fax: 250-334-4358
Toll free: 1-800-331-6007
www.comoxvalleyrd.ca



November 22, 2019

File: 230-20/UBCM

COPY

Sent via email only: mtait@sooke.ca
ubcm@ubcm.ca

President Maja Tait
Union of BC Municipalities
Local Government House
525 Government Street
Victoria, BC V8V 0A8

Dear President Tait:

Re: Special Committee on Solid Waste Management

I am writing to follow-up on the positive discussions that took place during the workshop on solid waste management at the 2019 Union of British Columbia Municipalities (UBCM) convention. We greatly appreciate the support for holding this workshop and feel it was both productive and well-received by the many attendees.

As you may be aware, some of the local government attendees expressed an interest in establishing a province-wide solid waste committee or partnership, coordinated through UBCM. The Comox Strathcona Waste Management (CSWM) Board supports this notion, particularly for the following reasons:

- Changes to regulations and guidelines that govern solid waste in BC are increasing costs to operate the service, often with little control to limit the creation of waste;
- Grant funding to support compliance within the updated landfill criteria in 2016 has not been provided as with other regulatory changes in water and waste water;
- Often we conduct our activities in silos and our regional districts throughout the province are typically addressing the same issues related to solid waste services, an example being the industrial / commercial / institutional recycling in our remote and small regional districts;
- Sharing of our best practices and providing the opportunity to connect with others who are facing similar challenges can lead to advancing discussions and system improvements – collaboration helps us all.

The CSWM Board considered the matter during its meeting on November 14, 2019 and resolved to forward a request to the UBCM to form a special committee on solid waste management that can explore best practices, regulatory changes, funding models, environmental protection and social impacts. The goal would be to have a unified voice across the province in order to help advance solid waste issues that all regional districts are facing.

Comox Strathcona Waste Management manages over 100,000 tonnes of waste and recycled material annually and oversees a number of diversion and education programs for the Strathcona and Comox Valley Regional Districts.

Thank you for considering this request. Please contact Marc Rutten, General Manager of Engineering Services, at 250-334-6080 or via email at mrutten@comoxvalleyrd.ca if you have any further questions.

We look forward to hearing from you.

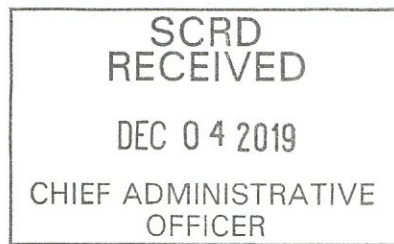
Sincerely,

M. Babchuk

Michele Babchuk
Co-Chair

cc: Chair Jesse Ketler, Comox Valley Regional District (CSWM)
Vice Chair Arzeena Hamir, Comox Valley Regional District (CSWM)
Russell Dyson, Chief Administrative Officer

COPY



December 04, 2019

Chair and Directors
Sunshine Coast Regional District

In June, The Sechelt & District Chamber of Commerce ("The Chamber") wrote to you regarding the Regional District's water supply shortage. In that letter, we expressed various concerns including the slow pace of identifying solutions and the lack of financial information provided to the Directors.

Then, in September, we presented to the Infrastructure Services Committee outlining specific actions we believe need to be undertaken. In particular, we recommended that the constructing of one or more reservoirs not be pursued and that resources be directed to identify options for true long-term water supply.

We are therefore pleased to note the Board's recent direction to further assess the options for supply from Gray Creek. This is one important step forward. However, we continue to have questions and concerns about how this water supply crisis is being addressed:

1. Rather than spending additional money assessing very expensive reservoirs, we believe such funds will be better spent having independent experts propose additional water supply options. Such options need to have the potential to supply sufficient water for the next 50 years or more.

We are confident that there are world class industry experts that would be prepared to provide proposals for creative solutions to meet the Regional District's needs. Surely, it makes sense to retain such organizations with the expertise and experience in undertaking such major infrastructure solutions?

2. We appreciate the tremendous amount of work and time that you and the regional district staff have put into this matter. However, with respect, seeing the recent "revision" of costs for the reservoir go from \$20M to over \$50M demonstrates a deficiency in the approach being taken in identifying and assessing supply options.

Major infrastructure projects are, by definition, unusual and even unique matters for local government staff to address. It is unrealistic to expect staff to have the experience and expertise required to undertake projects of this

Sechelt & District Chamber of Commerce

Phone: +1 604 885-0662

PO Box 360, Sechelt, BC V0N 3A0

www.SecheltChamber.bc.ca

exec@SecheltChamber.bc.ca

scope. Such projects require a wide knowledge of the latest technologies, what options have worked elsewhere and how to effectively design the best solution for our community.

3. We continue to have concerns that leaks, particularly in the Regional District's water mains infrastructure, are not being adequately considered. There are many technologies to identify these leaks that appear to be very cost effective. We recommend that the SCRD retain one or more industry experts to conduct tests for such leaks as an immediate priority.
4. We are strongly opposed to any Alternative Approval Process which couples the funding required for the Church Road Well with costs for water meters. These are very separate projects and combining them runs the risk of both being unable to proceed if the AAP is unsuccessful. We do not have the time to risk this happening.

We have heard that installation of water meters could be a requirement to obtain grants for other projects. We believe however, there are options which will allow grants for the water supply issue to be addressed independently.

5. Over the last several months, The Chamber has been approached by numerous people with expertise in various aspects of water sourcing and supply. Many of these are local residents. While they are willing to help where appropriate, they primarily want to see this vitally important project addressed, both effectively, and soon.

We are convinced that a viable, affordable solution is available to increase our water supply while ensuring we more effectively conserve what we use. We encourage you to be bold and decisive in moving forward in new ways, with qualified experts, to address this challenge.

Yours sincerely,

For and on behalf of
SECHELT & DISTRICT CHAMBER OF COMMERCE



Ed Pednaud
Executive Director