



# INFRASTRUCTURE SERVICES COMMITTEE

**Thursday, November 18, 2021**  
**Held Electronically**  
**and Transmitted via the SCRD Boardroom,**  
**1975 Field Road, Sechelt, B.C.**

## AMENDED AGENDA

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**CALL TO ORDER      2:00 p.m.**

### AGENDA

1. Adoption of Agenda

### PRESENTATIONS AND DELEGATIONS

### REPORTS

2. 2022 Refuse Collection Rate Review  
General Manager, Corporate Services / Chief Financial Officer  
**Regional Solid Waste (Voting – All)**  
Annex A  
pp 1 - 4
3. Staffing Increase Utility Crew (3.0 FTE) Additional Information  
Manager, Utility Services  
**Regional Water (Voting – A, B, D, E, F and Sechelt)**  
Annex B  
pp 5 - 12
4. Regional Water Service Area 2022 Rate Bylaw Amendment  
General Manager, Corporate Services / Chief Financial Officer /  
Budget and Financial Analyst  
**Regional Water (Voting – A, B, D, E, F and Sechelt)**  
Annex C  
pp 13 - 19
5. South Pender Harbour Water Service Area 2022 Rate Bylaw  
Amendment  
General Manager, Corporate Services / Chief Financial Officer /  
Budget and Financial Analyst  
**(Voting – All)**  
Annex D  
pp 20 - 26
6. North Pender Harbour Water Service Area 2022 Rate Bylaw  
Amendment  
General Manager, Corporate Services / Chief Financial Officer /  
Budget and Financial Analyst  
**(Voting – All)**  
Annex E  
pp 27 - 33
7. Wastewater 2022 User Fee Reviews  
Manager, Utility Services / Utility Business Coordinator  
**(Voting – All)**  
**⇒REPLACE**  
Annex F  
pp 34–39a

8. Wastewater 2022 Frontage Fee Reviews  
Manager, Asset Management  
**Waste Water (Voting – A, B, D, E, F)** Annex G  
pp 40 - 50
9. Chapman Creek WTP On-Site Hypochlorite Generation Project -  
Contract Amendment No. 1  
Manager, Capital Projects / Manager Purchasing and Risk  
Management  
**Regional Water (Voting – A, B, D, E, F and Sechelt)** Annex H  
pp 51 - 53
10. RFP 2137013 Contract Award Groundwater Investigation Round 2  
Phase 3 - Langdale Wellfield Well  
Capital Projects Coordinator  
**Regional Water (Voting – A, B, D, E, F and Sechelt)** Annex I  
pp 54 – 57
11. RFQ 2137015 Contract Award for Pipes, Valves, Hydrants &  
Fittings  
Manager, Utility Services  
**Regional Water (Voting – A, B, D, E, F and Sechelt)** Annex J  
pp 58 – 60
12. RFP 2135101 Contract Award for Site Operations Services for the  
Pender Harbour Transfer Station  
Manager, Solid Waste Services  
**Regional Solid Waste (Voting – All)** Annex K  
pp 61 – 63
13. Landfill Engineering Services Contract Amendment  
Manager, Solid Waste Services  
**Regional Solid Waste (Voting – All)** Annex L  
pp 64 – 65
14. Mattress Recycling Program Contract Updates  
Manager, Solid Waste Services  
**Regional Solid Waste (Voting – All)** Annex M  
pp 66 – 69
15. Metal Container Hauling Recycling Services – Contract Extension  
Manager, Solid Waste Services  
**Regional Solid Waste (Voting – All)** Annex N  
pp 70 - 72
16. 2021 Q3 – Quarterly Report  
General Manager, Infrastructure Services  
**(Voting – All)** Annex O  
pp 73 - 86
17. Transportation Advisory Committee Meeting Minutes of  
October 21, 2021  
**(Voting – All)** Annex P  
pp 87 – 90
18. Water Supply Advisory Committee Meeting Minutes of  
November 8, 2021  
**Regional Water (Voting – A, B, D, E, F and Sechelt)** Annex Q  
pp 91 – 93

## **COMMUNICATIONS**

- 19.** Minister Conroy, Ministry of Forests, Lands, Natural Resource  
Operations and Rural Development dated November 2, 2021  
Regarding water decisions under the *Water Sustainability Act*

Annex R  
pp 94

## **NEW BUSINESS**

## **IN CAMERA**

## **ADJOURNMENT**

## ANNEX F

**SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT**

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**TO:** Infrastructure Services Committee – November 18, 2021**AUTHOR:** Shane Walkey, Manager, Utility Services / Bobby Rebner, Utility Business Coordinator**SUBJECT:** WASTEWATER 2022 USER FEE REVIEWS

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**RECOMMENDATIONS****THAT the report titled Wastewater 2022 User Fee Reviews be received for information;****AND THAT the respective rate Bylaws (428, 430, 644, and 714) be amended to reflect the proposed 2022, 2023 and 2024 User Fees for residential properties detailed and amended in Table 2 of the report as follows:**

<b>Service</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Greaves	\$487.81	\$502.44	\$517.52
Woodcreek	\$658.28	\$678.03	\$698.37
Sunnyside	\$745.23	\$767.59	\$790.62
Jolly Roger	\$845.03	\$870.38	\$896.49
Secret Cove	\$723.26	\$744.96	\$767.30
Lee Bay	\$487.67	\$502.30	\$517.37
Square Bay	\$645.56	\$664.93	\$684.87
Langdale	\$1,126.43	\$1,160.22	\$1,195.03
Canoe	\$985.31	\$1,014.87	\$1,045.32
Merrill Crescent	\$1,948.25	\$2,006.70	\$2,066.90
Curran Road	\$627.98	\$646.82	\$666.22
Roberts Creek	\$865.67	\$891.64	\$918.39
Lily Lake	\$711.89	\$733.25	\$755.24
Painted Boat	\$586.13	\$603.72	\$621.83
Sakinaw Ridge	\$1,323.63	\$1,363.34	\$1,404.24

**AND THAT the respective rate Bylaws (428 and 644) be amended to reflect the proposed 2022, 2023 and 2024 User Fees for commercial wastewater properties detailed and amended in Table 3 of the report as follows:**

<b>Commercial User</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Secret Cove Marina	\$1,275.57	\$1,313.83	\$1,353.25
Secret Cove Restaurant	\$1,814.73	\$1,869.17	\$1,925.24
Painted Boat Spa	\$1,226.78	\$1,263.59	\$1,301.49
Painted Boat Restaurant	\$2,494.46	\$2,569.29	\$2,646.37

**AND THAT the draft 2022-2026 Financial Plan be amended accordingly.**

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**Staff Report to Infrastructure Services Committee - November 18, 2021****Wastewater 2022 User Fee Reviews****Page 2 of 7****BACKGROUND**

In November 2020 a report titled 'Wastewater 2021 User Fee Review' summarized the review and analyses of the Operating and Maintenance (O&M) budgets for 15 wastewater service areas. The report presented a review of wastewater funding and provided recommendations for sustainable wastewater user fees for all 15 wastewater services managed by the SCRD.

Following that report at the December 3, 2020 Board meeting it was resolved to adjust User Fees for all of the 15 wastewater services.

398/20 THAT the report titled Wastewater 2021 User Fee Review be received;  
AND THAT the respective rate Bylaws be amended to reflect the proposed 2021 User Fees detailed and amended in Table 2 of the report as follows:

<b>Service</b>	<b>2020</b>	<b>2021</b>
Greaves	\$ 595.84	\$ 480.60
Woodcreek	\$ 554.17	\$ 648.55
Sunnyside	\$ 691.47	\$ 734.22
Jolly Roger	\$ 682.19	\$ 832.54
Secret Cove	\$ 616.36	\$ 712.57
Lee Bay	\$ 412.50	\$ 480.46
Square Bay	\$ 501.19	\$ 636.02
Langdale	\$ 924.98	\$ 1,109.78
Canoe	\$ 1,076.58	\$ 970.75
Merrill	\$ 1,739.43	\$ 1,663.25
Curran	\$ 536.75	\$ 618.70
Roberts Creek	\$ 687.94	\$ 852.88
Lily Lake	\$ 640.69	\$ 701.37
Painted Boat	\$ 537.50	\$ 577.47
Sakinaw	\$ 1,205.94	\$ 1,304.07

AND FURTHER THAT the 2021-2025 Financial Plan be amended accordingly.

The purpose of this report is to provide a summary of the 2022 wastewater operations and maintenance budget and associated user fee review and to recommend User Fees for the 15 wastewater services.

**DISCUSSION**Introduction

An annual review of the operations and maintenance budgets for 15 wastewater services has been conducted which has involved a detailed evaluation of existing base operating budget levels and current year (i.e. 2021) expenditures. This review is following a considerable implementation/update of a new user fee rate structure in 2019 and an annual rate review in 2020.

Table 1 (below) outlines the estimated surpluses and deficits of the various wastewater service areas in 2021. Due to several of these facilities having relatively small budgets and that work on

**Staff Report to Infrastructure Services Committee - November 18, 2021****Wastewater 2022 User Fee Reviews**

these facilities is ongoing and given the timeframe of the drafting of this report, these values may vary by the end of the year.

Table 1: 2021 Anticipated Surplus(es)/Deficits

Function	Facility	Base Budget Values – 2021		
		Annual Budget	Year-End Estimate	Variance Surplus / (Deficit)
381	Greaves	\$2,630	\$3,153	<b>(\$523)</b>
382	Woodcreek Park	\$54,311	\$60,770	<b>(\$6,459)</b>
383	Sunnyside	\$3,552	\$3,301	<b>\$251</b>
384	Jolly Roger	\$27,424	\$20,835	<b>\$6,589</b>
385	Secret Cove	\$24,919	\$15,579	<b>\$9,340</b>
386	Lee Bay	\$54,043	\$45,840	<b>\$8,203</b>
387	Square Bay	\$78,429	\$50,634	<b>\$27,795</b>
388	Langdale	\$53,149	\$41,463	<b>\$11,686</b>
389	Canoe Rd	\$3,709	\$1,762	<b>\$1,947</b>
390	Merrill Cres	\$20,849	\$22,862	<b>(\$2,013)</b>
391	Curran Rd	\$34,281	\$28,761	<b>\$5,520</b>
392	Roberts Creek	\$36,323	\$31,222	<b>\$5,101</b>
393	Lily Lake	\$26,607	\$25,915	<b>\$692</b>
394	Painted Boat	\$19,875	\$12,820	<b>\$7,055</b>
395	Sakinaw Ridge	\$37,017	\$17,940	<b>\$19,077</b>

Projected budgets for 2021 were based on a full provision of utility staff, however, due to vacancies, as well as unanticipated leave there was a notable reduction in maintenance and operational projects resulting in some of the variances (i.e. surpluses) identified in Table 1. In addition, further variances in actual vs budgeted spending can be contributed to certain spending that has been annualized over a period of several years but doesn't necessarily occur every year such as large pump outs performed once every couple of years for some facilities.

Service Area Specific Details

**381 – Greaves Rd**

Operating expenditures were higher than anticipated primarily due to higher than budgeted spending on staff wages related to the one-time Feasibility Project and other maintenance work at the facility. On average this wastewater service area has been within budget in prior years and does not require a rate increase for 2022. Any deficits will be funded from operating reserves.

**382 – Woodcreek Park**

This facility is in poor condition and is in the process of engineering and upgrading various components of its treatment system. A grant application under the 'Investing in Canada Infrastructure Program - British Columbia - Rural and Northern Communities Infrastructure' has been submitted and is pending funding announcements. The 2021 anticipated deficit was primarily due to higher than anticipated wastewater pumping

expenses as it relates to the engineering review as well as the facilities' overall condition. No rate increase is recommended for 2022 since it is anticipated that the capital remediation work planned should alleviate future deficits in the operations and maintenance budget.

#### 391 – Merrill Crescent

Merrill Crescent continues to have increasing operating and maintenance costs due to the condition of the system. A feasibility study performed by Aurora Professional Group (APG) in 2021 identified several issues with the existing system that need addressing (i.e. upstream trash tank requirement, influent quality issues, infiltration, etc.) and that are currently contributing to increased maintenance work at Merrill. In order to meet the short-term operations and maintenance requirements of this facility and given that there are currently no funds available to implement APG's recommendations, staff are recommending an increase in annual user fees to continue to provide service and move towards a more sustainable funding of the operations of this facility.

#### Operation and Maintenance Reserves

In a January 2020 a report titled 'Wastewater Asset Management and Rate Review', staff presented a comprehensive review of wastewater funding and provided suggestions to adjust User and Frontage Fees as a part of an effort to progress towards sustainable funding for these services.

The January 2020 report suggested that several wastewater services have a temporary additional fee to build operating reserve levels to meet the minimum targets as listed in that report. They are \$5,000 for the four smallest systems (Merrill Crescent, Greaves Road, Sunnyside, and Canoe Road) and \$10,000 for the others. Most services are projected to exceed the target minimum for operating reserves by the end of 2021 which is ahead of the original 5-year schedule due to 2020 and 2021 surpluses.

The only wastewater service area that has not been able to reach its required operating reserve level is the Merrill Crescent WWTP service and as such will require a rate increase for 2022 to ensure that the minimum desired reserve threshold is met within the next 5 years.

#### User Fee Recommendations

It is recommended to set the rates for all systems for not only 2022 but also for 2023 and 2024. Doing so would provide certainty to the users of the system and would reduce the administrative workload associated with recommending user fees annually.

The staffing situation is currently such that it can be anticipated that in 2022 all planned maintenance and operating budget will be depleted, limiting the likelihood of year-end surpluses for services as occurred in 2020 and 2021.

Due to inflation and wage increases the actual costs of operating these facilities will increase annually by about 3%. Except for Merrill Crescent, the current operating reserve levels for all systems are sufficient to fund minor deficits resulting from the regular operations and maintenance of those plants. It is recommended to limit the annual increase for those systems to 1.5% for 2022.

**Staff Report to Infrastructure Services Committee - November 18, 2021****Wastewater 2022 User Fee Reviews****Page 5 of 7**

For Merrill Crescent it is recommended to increase the user fee such that 1) both the annual operating budget is increased and 2) the minimum operating reserves level for this system of \$10,000 is reached within the next 5 years. This would require a \$285 increase in user fee for 2022. The overall increase in operating revenue for the Merrill Crescent WWTP area would be \$3,990 annually. It is recommended that \$2,000 of this goes towards building the minimum operating reserve level of \$10,000 and the remaining \$1,990 is incorporated into the annual base operations and maintenance budget to help alleviate some of the increases in operations and maintenance expenditures the facility has been experiencing.

In support of the long-term sustainable funding of the operations of the WWTPs a 3% increase is recommended for all systems for 2023 and 2024 to compensate for the anticipated inflation and annual staffing costs increases.

Staff will annually confirm the sustainability of the funding of the operations and maintenance of the WWTPs and will bring forward recommendations to increase or decrease the user fees for certain WWTPs, as warranted.

***Commercial Wastewater User Fees***

Both the Secret Cove and Painted Boat wastewater areas include commercial properties that are levied commercial wastewater user fees that differ from the other properties within the service area. The rates for these commercial users were not amended in 2020 or 2021 and a comparable increase as for the residential fees is recommended.

Table 3 in the following section outlines the historic and proposed user fees for the commercial users within these two areas. The recommended rate increases for the commercial users in 2022 were calculated by examining the percentage (%) increases of the non-commercial users between 2019 and 2021 as well as the recommended 2022 rates, and adjusting the commercial rates accordingly so that they increase proportionally over the same period of time.

***Financial Implications***

Based on the analyses discussed above for the existing user fee rates, current and short-term operations and maintenance spending and operating reserves, the following rates are recommended for 2022, 2023 and 2024:

**Table 2: Residential Waste Water Users - Historic and Proposed (\*) User Fees**

<b>Service</b>	<b>2020</b>	<b>2021</b>	<b>2022*</b>	<b>2023*</b>	<b>2024*</b>
Greaves	\$595.84	\$480.60	\$487.81	\$502.44	\$517.52
Woodcreek	\$554.17	\$648.55	\$658.28	\$678.03	\$698.37
Sunnyside	\$691.47	\$734.22	\$745.23	\$767.59	\$790.62
Jolly Roger	\$682.19	\$832.54	\$845.03	\$870.38	\$896.49
Secret Cove	\$616.36	\$712.57	\$723.26	\$744.96	\$767.30
Lee Bay	\$412.50	\$480.46	\$487.67	\$502.30	\$517.37

**Staff Report to Infrastructure Services Committee - November 18, 2021****Wastewater 2022 User Fee Reviews**

Square Bay	\$501.19	\$636.02	\$645.56	\$664.93	\$684.87
Langdale	\$924.98	\$1,109.78	\$1,126.43	\$1,160.22	\$1,195.03
Canoe	\$1,076.58	\$970.75	\$985.31	\$1,014.87	\$1,045.32
Merrill Crescent	\$1,739.43	\$1,663.25	\$1,948.25	\$2,006.70	\$2,066.90
Curran Road	\$536.75	\$618.70	\$627.98	\$646.82	\$666.22
Roberts Creek	\$687.94	\$852.88	\$865.67	\$891.64	\$918.39
Lily Lake	\$640.69	\$701.37	\$711.89	\$733.25	\$755.24
Painted Boat	\$537.50	\$577.47	\$586.13	\$603.72	\$621.83
Sakinaw Ridge	\$1,205.94	\$1,304.07	\$1,323.63	\$1,363.34	\$1,404.24

**Table 3: Commercial Wastewater User Fees – Historic and Proposed (\*) User Fees**

<b>Commercial User</b>	<b>2020</b>	<b>2021</b>	<b>2022*</b>	<b>2023*</b>	<b>2024*</b>
Secret Cove Marina	\$727.50	\$727.50	\$1,275.57	\$1,313.83	\$1,353.25
Secret Cove Restaurant	\$1,035.00	\$1,035.00	\$1,814.73	\$1,869.17	\$1,925.24
Painted Boat Spa	\$1,125.00	\$1,125.00	\$1,226.78	\$1,263.59	\$1,301.49
Painted Boat Restaurant	\$2,287.50	\$2,287.50	\$2,494.46	\$2,569.29	\$2,646.37

*Timeline for next steps or estimated completion date*

Once approval is received to amend user fees, the appropriate bylaw amendments will be drafted and presented to the December 9, 2021 Board Meeting for three readings and adoption.

*Communication Strategy*

A Communication Plan has been developed to inform homeowners of the rate increases. Information regarding rate changes will be communicated via print advertising, social media and on utility invoices sent to customers. The rate changes will also be posted on the SCRD website.

**STRATEGIC PLAN AND RELATED POLICIES**

The basis for the establishment of sustainable rate structures for SCRD services is borne from the guiding policies adopted by the Board. This report aligns with the Board's Strategic focus area of Asset Stewardship and Engagement and Communication.

Other related corporate guiding documents are the Financial Sustainability Policy and the Corporate Asset Management Plan.

**CONCLUSION**

The SCRD manages 15 wastewater treatment facilities and is responsible for the operation and maintenance of these facilities and the establishment of sustainable funding models. Following a detailed review of existing user rates, operating reserve levels and current and short-term operations and maintenance budget requirements, there are a few service areas that may be in an operating budget deficit position for 2021. The majority of wastewater service areas will see surpluses for 2021, primarily due to vacancies which resulted in differed maintenance of the facilities.

The current user fee structure for Merrill Crescent does not provide sufficient revenue to meet the annual operations and maintenance budget obligations or the minimum required operating reserve threshold recommended and outlined in previous reports. It is therefore recommended to increase the user fee for this system by \$285 in 2022. In support of the long-term sustainable funding, a 1.5% user fee increase is recommended for the remainder of the systems. A 3% increase is recommended for all systems for 2023 and 2024.

Commercial user fees for the Secret Cove and Painted Boat wastewater service areas have not seen proportional increases compared to the non-commercial rates since 2019, and require rate increases for 2022 (and onwards) to bring the rates to a level that corresponds with the increases the residential user fees have experienced.

Staff will perform annual reviews of user rates for all other service areas and recommended user fee amendments if warranted.

Reviewed by:			
Manager	X – S. Walkey	CFO	X – T. Perreault
GM	X – R. Rosenboom	Legislative	X – S. Reid
CAO	X – D. McKinley	Other	