

2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

- 1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Establish park-and-ride facilities at key locations based on the Integrated Transportation Study per Resolution #383/11 Rec. #12. Locations include Redrooffs Road at #101, Trail Bay Mall and in the vicinity of the Gibsons swimming pool. Final locations would be subject to a detailed assessment.
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional
	2013 Funding Implications:	\$3,000 (excludes any costs for property).
	Funding Source(s):	2012 Surplus
	Future Financial Implications:	Further expansion of park-and-ride infrastructure could lead to additional capital and maintenance expenses
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes the project is identified through the Integrated Transportation Study in regards to reducing car travel by promoting carpooling and transit use.
	Staff Capacity:	A minor amount of time to organize site preparation and signage.
	Last Fee Schedule Review (provide details):	N/A
	Rational / Service Impacts:	This proposal seeks to provide park-and-ride lots that will allow carpooling and / or transfers between cars and transit or other modes. The concept of providing park-and-ride lots recognizes that many residents are outside the service area of the transit system including those north of Halfmoon Bay.

Five-Year Capital Reserve Plan (or longer, if applicable)					
(use table illustrating capital contributions and expenditures, if available)					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 96,600	\$ 28,600	\$ 28,600	\$ 28,600	\$ 28,600
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Bus Replacement Costs *	-\$ 80,000	\$ -	\$ -	\$ -	\$ -
Other/Proposals	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 28,600	\$ 28,600	\$ 28,600	\$ 28,600	\$ 28,600
* Conditional upon BC Transit fleet changes					

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 (IN PRIORITY ORDER):

1. Establish park-and-ride facilities at key locations based on the Integrated Transportation Study

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DEFINITION OF MANDATORY PROJECTS INVOLVES:

1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Replace deteriorated structural components at Keats Landing
	Rating (see Diagram +3 to -3):	+ 1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	F Islands
	2013 Funding Implications:	\$5,000
	Funding Source(s):	Capital Reserve
	Future Financial Implications:	None except through capital asset maintenance plan.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes through the maintenance of capital assets which contributes to financial sustainability by reducing the likelihood of major unforeseen repairs. This project is also consistent with the Ports capital maintenance plan.
	Staff Capacity:	Staff would oversee contractor work.
	Last Fee Schedule Review (provide details):	2012 budget considered public user fees but that option was not pursued.
Rational / Service Impacts:	These repairs were identified through the major inspection that was completed in 2010.	

2	Proposed Enhancement / Project / Reduction	Replace deteriorated cross bracing at Eastbourne (Keats Island) and Halfmoon Bay
	Rating (see Diagram +3 to -3):	+ 1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	B/F Islands
	2013 Funding Implications:	\$10,000
	Funding Source(s):	Capital Reserve
	Future Financial Implications:	None except through capital asset maintenance plan.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes through the maintenance of capital assets which contributes to financial sustainability by reducing the likelihood of major unforeseen repairs. This project is also consistent with the Ports capital maintenance plan.
	Staff Capacity:	Staff would oversee contractor work.
	Last Fee Schedule Review (provide details):	2012 budget considered public user fees but that option was not pursued.
Rational / Service Impacts:	These repairs were identified through the major inspections completed in 2010.	

3	Proposed Enhancement / Project / Reduction	Repair float flanges, chocks and floatation at Halkett Bay, Eastbourne and Hopkins Landing
	Rating (see Diagram +3 to -3):	+ 1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	F and F Islands
	2013 Funding Implications:	\$10,000
	Funding Source(s):	Capital Reserve
	Future Financial Implications:	None except through capital asset maintenance plan.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes through the maintenance of capital assets which contributes to financial sustainability by reducing the likelihood of major unforeseen repairs. This project is also consistent with the Ports capital maintenance plan.
	Staff Capacity:	Staff would oversee contractor work
	Last Fee Schedule Review (provide details):	2012 budget considered public user fees but that option was not pursued.
	Rational / Service Impacts:	These repairs were identified through the major inspections that were completed in 2010.

4	Proposed Enhancement / Project / Reduction	Replace deteriorated pilings at Hopkins Landing, West Bay and Halfmoon Bay
	Rating (see Diagram +3 to -3):	+ 1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	B/F and F Islands
	2013 Funding Implications:	\$16,000
	Funding Source(s):	Capital Reserve
	Future Financial Implications:	None except through capital asset maintenance plan.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes through the maintenance of capital assets which contributes to financial sustainability by reducing the likelihood of major unforeseen repairs. This project is also consistent with the Ports capital maintenance plan.
	Staff Capacity:	Staff would oversee contractor work
	Last Fee Schedule Review (provide details):	2012 budget considered public user fees but that option was not pursued.
	Rational / Service Impacts:	These repairs were identified through the major inspections that were completed in 2010.

5	Proposed Enhancement / Project / Reduction	Replace deteriorated float at Halfmoon Bay
	Rating (see Diagram +3 to -3):	+2
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	B
	2013 Funding Implications:	\$45,000
	Funding Source(s):	Capital Reserve
	Future Financial Implications:	None except through capital asset maintenance plan.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes the replacement of the float will avoid risk of unforeseen costs which contributes to financial sustainability. This project is also consistent with the Ports capital maintenance plan.
	Staff Capacity:	Staff would oversee contractor work
	Last Fee Schedule Review (provide details):	2012 budget considered public user fees but that option was not pursued.
Rational / Service Impacts:	The need for replacement is based on the damage to flanges identified in the 2010 inspection.	

6	Proposed Enhancement / Project / Reduction	Capital Maintenance Budget
	Rating (see Diagram +3 to -3):	+2
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	B/F Islands
	2013 Funding Implications:	\$85,000
	Funding Source(s):	Taxation
	Future Financial Implications:	Annual taxation per the five year financial plan in support of major repairs.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes through the maintenance of capital assets which contributes to financial sustainability. Capital repairs are based on the major inspections that are undertaken every five years.
	Staff Capacity:	Staff would oversee capital work by contractors.
	Last Fee Schedule Review (provide details):	2012 budget considered public user fees but that option was not pursued.
Rational / Service Impacts:	Undertaking regular assessments of each dock and incorporating those results into the five year repair plan helps to ensure sustainable service to the public.	

Five-Year Capital Reserve Plan (or longer, if applicable)					
(use table illustrating capital contributions and expenditures, if available)					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 306,381	\$ 197,881	\$ 220,881	\$ 215,881	\$ 227,881
Contributions	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Surplus					
Proposals *	-\$ 86,000	-\$ 62,000	-\$ 90,000	-\$ 73,000	-\$ 85,000
Other (Carry Forwards)	-\$ 103,000	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 202,381	\$ 220,881	\$ 215,881	\$ 227,881	\$ 227,881

*Yearly amounts between 2014 and 2017 subject to annual budget approval

The annual contributions and closing balance in the capital reserve is based on the following direction from the Board (Ref. #305/10 in part):

Recommendation No. 6 *Dock Repairs*

AND THAT the work plan for 2011 to 2014 be approved, subject to annual budget discussions and a minimum capital reserve of \$200,000;

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN 2013 (IN PRIORITY ORDER):

1. Replace deteriorated structural components at Keats Landing
2. Replace deteriorated cross bracing at Eastbourne (Keats Island) and Halfmoon Bay
3. Repair float flanges, chocks and floatation at Halkett Bay, Eastbourne and Hopkins Landing
4. Replace deteriorated pilings at Hopkins Landing, West Bay and Halfmoon Bay
5. Replace deteriorated float at Halfmoon Bay
6. Capital Maintenance Budget

2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

- 1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Universal Metering
	Rating (see Diagram +3 to -3):	Mandatory
	If Mandatory specify category above:	Condition of Grant Agreement with FCM
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	\$450,000
	Funding Source(s):	\$55,000 – Green Municipal Fund Grant \$185,000 – Green Municipal Fund Loan \$60,000 – Operating Reserves \$90,000 – Capital Reserves \$30,000 – 2012 Surplus \$30,000 – User Fees
	Future Financial Implications:	<p>Installations of meters will occur in 2013. For a period of 9-12 months following the installation, “mock” quarterly meter bills will be issued to customers and meter reading by SCR D staff will begin. Following this monitoring period, where water consumption figures are recorded and analyzed, a user-pay rate structure will be established and a quarterly billing cycle based on actual consumption will commence, likely in 2015.</p> <p>Water meters have an estimated useful life of 20 years. It is recommended that once meters are installed and the rate structure is implemented, an annual meter replacement fee of at least \$20 be levied against all metered properties with the resulting funds deposited into a meter replacement reserve fund.</p> <p>Other operating costs such as bank charges, postage, office expenses, software licensing, advertising and administrative services (payment processing) are expected to incur nominal increases due to the increased number of billing cycles. These potential increases are not expected in 2013 and will be addressed in future budget proposals (2014/2015) if necessary.</p>

	<p>Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?</p>	<p>Yes. This project meets Objective 4.1 to reduce water consumption through the implementation of universal metering.</p> <p>It is consistent with Section 4.11.1 of the Financial Sustainability Policy which states that the full initial costs of a capital project plus future operating and replacement costs must be clearly stated and a source of sustainable funding for such costs has to be demonstrated.</p> <p>This project relates to the core values of Water Stewardship in 'We Envision' by addressing the environmental responsibility of reducing consumption of water resources.</p>
	<p>Staff Capacity:</p>	<p>There will be significant staff resources required to develop and manage the tender process and communications.</p> <p>In addition, 2014 staffing levels may need to be increased (incrementally by an estimated 0.1 FTE's) to support meter maintenance, meter reading, billing, and customer service inquiries. Any recommended changes to the HR plan will be addressed in 2014 by means of future budget proposals.</p>
	<p>Last Fee Schedule Review (provide details):</p>	<p>February 2012; result was a 10% increase in user rates and land charges.</p>
	<p>Rational / Service Impacts:</p>	<p>The implementation of universal metering is an initiative identified in the Area A Water Master Plan. This plan was used to secure grant funding from the Federation of Canadian Municipalities, Green Municipal Fund, to be used in supporting the implementation of the initiatives identified in the plan. As a condition of the grant agreement, the SCR D must provide proof that a water metering system has been implemented prior to January 31, 2014. (An extension request of one (1) year can be made 90 days prior to this deadline if necessary).</p>

2	Proposed Enhancement / Project / Reduction	Daniel Point Reservoir Maintenance
	Rating (see Diagram +3 to -3):	+2 Special Projects (Capital)
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	\$10,000
	Funding Source(s):	\$10,000 – Capital Reserves
	Future Financial Implications:	No future financial implications
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	This project is not specifically identified in the Strategic Plan but is consistent with <i>Section 4.10 – Capital Maintenance and Replacement</i> of the Financial Sustainability Policy.
	Staff Capacity:	One-time project; 2-3 days of SCRD works crew time involved.
	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1
Rational / Service Impacts:	Currently the drain line from the Daniel Point reservoir flows onto private property. This project will relocate the drain line away from its current location into an adjacent ditch on road right of ways.	
3	Proposed Enhancement / Project / Reduction	10% Land Charge, User Fee and Meter Rate Increase
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	To meet 2013 operating requirements and contributions to reserves.
	Funding Source(s):	\$19,500 – Land Charges \$9,800 – User Fees
	Future Financial Implications:	Increased annual cost of approximately \$42.50 for a single family residential dwelling
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Consistent with <i>Section 4.2 – Fees and Charges</i> of the Financial Sustainability Policy.
	Staff Capacity:	N/A
	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1

Rational / Service Impacts:	<p>It is recommended that land charge, user fee and meter rates be increased by 10% for 2013. This increase would amount to an additional \$29,300 in revenue at an increased cost of approximately \$42.50 for a single family residential dwelling.</p> <p>The additional revenue is required primarily to help fund future capital projects in this service area, namely universal metering.</p>
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Five-Year Reserve Plans (or longer if applicable)

The North Pender Harbour Ten Year Waterworks Upgrading Plan, currently in development, includes a detailed cash flow projection table that, once adopted, will identify existing and future required contributions to reserves and specific capital projects for which those funds will be allocated.

The table below is based on the cash flow projection table contained in the draft Ten Year Waterworks Upgrading Plan.

Five-Year Capital Reserve Plan					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Capital Reserve	\$ 90,000	\$ 6,500	\$ -	\$ 10,000	\$ 20,000
Contributions	\$ 16,500	\$ 13,500	\$ 10,000	\$ 10,000	\$ 10,000
2012 Surplus	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Universal Metering	-\$ 120,000	\$ -	\$ -	\$ -	\$ -
Other Capital Projects	-\$ 10,000	-\$ 20,000	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 6,500	\$ -	\$ 10,000	\$ 20,000	\$ 30,000

Five-Year Operating Reserve Plan					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Operating Reserve	\$ 70,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 55,000
Contributions	\$ 10,000	\$ -	\$ 20,000	\$ 25,000	\$ 25,000
Universal Metering	-\$ 60,000	\$ -	\$ -	\$ -	\$ -
Garden Bay Lake Control (2012 CF)	-\$ 10,000		\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 10,000	\$ 10,000	\$ 30,000	\$ 55,000	\$ 80,000

The projected uncommitted reserve and deferred revenue account balances for the North Pender Harbour Water Service as at December 31, 2012 are as follows:

<u>Development Cost Charges</u>	\$21,195
Total	\$21,195

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 (IN PRIORITY ORDER):

1. Universal Metering
2. Daniel Point Reservoir
3. 10% Land Charge, User Fee and Meter Rate Increase

2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Universal Metering
	Rating (see Diagram +3 to -3):	Mandatory
	If Mandatory specify category above:	Condition of Grant Agreement with FCM and BCF
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	\$1,100,000
	Funding Source(s):	\$600,000 – Green Municipal Fund Loan \$370,000 – Green Municipal Fund Grant \$130,000 – Capital Reserves
	Future Financial Implications:	<p>Installations of meters will occur in 2013. For a period of 9-12 months following the installation, “mock” quarterly meter bills will be issued to customers and meter reading by SCRD staff will begin. Following this monitoring period, where water consumption figures are recorded and analyzed, a user-pay rate structure will be established and a quarterly billing cycle based on actual consumption will commence likely in 2015.</p> <p>Water meters have an estimated useful life of 20 years. It is recommended that once meters are installed and the rate structure is implemented, an annual meter replacement fee of at least \$20 be levied against all metered properties with the resulting funds deposited into a meter replacement reserve fund.</p> <p>Other operating costs such as bank charges, postage, office expenses, software licensing, advertising and administrative services (payment processing) are expected to incur nominal increases due to the increased number of billing cycles. These potential increases are not expected in 2013 and will be addressed in future budget proposals (2014/2015) if necessary.</p>

	<p>Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?</p>	<p>Yes. This project meets Objective 4.1 to reduce water consumption through the implementation of universal metering.</p> <p>It is consistent with Section 4.11.1 of the Financial Sustainability Policy which states that the full initial costs of a capital project plus future operating and replacement costs must be clearly stated and a source of sustainable funding for such costs has to be demonstrated.</p> <p>This project relates to the core values of Water Stewardship in 'We Envision' by addressing the environmental responsibility of reducing consumption of water resources.</p>
	<p>Staff Capacity:</p>	<p>There will be significant infrastructure staff resources required to develop and manage the tender process and communications.</p> <p>In addition, 2014 staffing levels may need to be increased (incrementally by an estimated 0.1 FTE's) to support meter maintenance, meter reading, billing, and customer service inquiries. Any recommended changes to the HR plan will be addressed in 2014 by means of future budget proposals.</p>
	<p>Last Fee Schedule Review (provide details):</p>	<p>February 2012; result was a 10% increase in user rates and land charges.</p>
	<p>Rational / Service Impacts:</p>	<p>The implementation of universal metering is an initiative identified in the Area A Water Master Plan. This plan was used to secure grant funding from the Federation of Canadian Municipalities, Green Municipal Fund, to be used in supporting the implementation of the initiatives identified in the plan. As a condition of the grant agreement, the SCR D must provide proof that a water metering system has been implemented prior to January 31, 2014. (An extension request of one (1) year can be made 90 days prior to this deadline if necessary).</p>

2	Proposed Enhancement / Project / Reduction	McNeil Lake Dam Stability Analysis
	Rating (see Diagram +3 to -3):	+2 Special Project
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	\$25,000
	Funding Source(s):	Operating Reserves
	Future Financial Implications:	Depending on what this analysis reveals, remediation measures in future years might be required to repair/improve dam stability.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	This project is not specifically identified in the Strategic Plan but is consistent with Section 4.10 of the Financial Sustainability Policy – <i>Capital Maintenance and Replacement</i> .
	Staff Capacity:	None. Third party review.
	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1
	Rational / Service Impacts:	<p>In 2012, EBA Engineering Consultants Ltd. was retained by the SCRD to conduct a preliminary Dam Safety Review for McNeil Lake Dam. A simplified stability analysis contained in this Safety Review indicated that the dam does not meet current standards, particularly under extreme flood or seismic conditions.</p> <p>Based on these preliminary findings it was recommended that a more detailed investigation and analysis be undertaken to more definitively establish the dam stability.</p> <p>A stepwise approach has been proposed by EBA Engineering Consultants to provide incremental analysis of the dam's stability. The following three detailed analysis methods are being considered and depending on the results of each step, the need to proceed may or may not be necessary:</p> <p>Method 1: Pseudostatic Analysis - \$17,500 Method 2: Spectral Linear Analysis - \$22,400 Method 3: Time History Analysis - \$50,200 The 2012 Dam Safety Review is also currently under review by the Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) which may affect the</p>

		<p>decision on which stability analysis method the SCRD decides to pursue.</p> <p>For budgeting purposes, it is being recommended that for 2013, we budget \$25,000 for the next stage of stability analysis. This is meant to fund either of Methods 1 or 2 in addition to a consultant site visit.</p>
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3	Proposed Enhancement / Project / Reduction	McNeil Lake Dam Upgrades
	Rating (see Diagram +3 to -3):	+2 Special Project (Capital)
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	\$48,000
	Funding Source(s):	Capital Reserves
	Future Financial Implications:	No future financial implications
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	This project is not specifically identified in the Strategic Plan but is consistent with Section 4.10 – <i>Capital Maintenance and Replacement</i> of the Financial Sustainability Policy.
	Staff Capacity:	Some staff time will need to be allocated to satisfy certain recommendations outlined in the Dam Safety Review. These recommendations include (but are not limited to) managing dam maintenance records, reservoir level recording and staff training on dam safety.
Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1	
Rational / Service Impacts:	<p>In 2012, EBA Engineering Consultants Ltd. was retained by the SCRD to conduct a preliminary Dam Safety Review for McNeil Lake Dam.</p> <p>The study revealed that the dam does not meet current standards, particularly under extreme flood or seismic conditions and recommendations to improve deficiencies and safety concerns were listed in the review study.</p> <p>Included in the recommendations that address infrastructure improvements are:</p>	

		<ul style="list-style-type: none"> • Installation of debris/log boom • Rehabilitation of sluice gate • Decommissioning of the saddle dam • Installation of a reservoir staff gauge • Infilling of gaps in the dam base/bedrock
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4	Proposed Enhancement / Project / Reduction	10% Land Charge, User Fee and Meter Rate Increase
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	To meet 2013 operating requirements and contributions to reserves.
	Funding Source(s):	\$26,700 Land Charges \$29,800 User Fees
	Future Financial Implications:	Increased annual cost of approximately \$53.10 for a single family residential dwelling
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Consistent with Section 4.2 – Fees and Charges of the Financial Sustainability Policy.
	Staff Capacity:	N/A
	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1
	Rational / Service Impacts:	<p>It is recommended that land charge, user fee and meter rates be increased by 10% for 2013. This increase would amount to an additional \$56,500 in revenue at an increased annual cost of approximately \$53.10 for a single family residential dwelling.</p> <p>The additional revenue is required to fund the increased operating costs in late 2013 (and future years) associated with the new South Pender Harbour Water Treatment Plant.</p> <p>The South Pender Harbour 10-Year Waterworks Upgrading Plan draft has identified substantial upgrades required in this water system over both the short and long term, which will mainly be funded by debt. Rate Stabilization and Operating Reserve balances will help mitigate future rate increases and offset future debt payments, while Capital Reserves and Development Cost Charge funds will assist in</p>

		<p>funding capital projects identified in future years.</p> <p>(The 2012-2016 Financial Plan identified a 8.0% proposed rate increase for 2013, however this plan did not include some of the expected increases in operating costs as listed above).</p>
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Five-Year Reserve Plan (or longer if applicable)

The South Pender Harbour Ten Year Waterworks Upgrading Plan, currently in development, includes a detailed cash flow projection table that, once adopted, will identify existing and future required contributions to reserves and specific capital projects for which those funds will be allocated.

The tables below are based on the cash flow projection table contained in the draft Ten Year Waterworks Upgrading Plan.

Five-Year Capital Reserve Plan					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Capital Reserve	\$ 186,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Universal Metering	-\$ 130,000	\$ -	\$ -	\$ -	\$ -
McNeil Lake Dam Upgrades	-\$ 48,000	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000

Five-Year Operating Reserve Plan					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Operating Reserve	\$ 184,903	\$ 394,903	\$ 394,903	\$ 394,903	\$ 394,903
2012 Surplus	\$ 180,000	\$ -	\$ -	\$ -	\$ -
Contributions	\$ 55,000	\$ -	\$ -	\$ -	\$ -
McNeil Lake Stability Analysis	-\$ 25,000	\$ -	\$ -	\$ -	\$ -
Transfers	\$ -	\$ -	\$ -	\$ -	-\$ 25,000
Closing Balance in Reserve	\$ 394,903	\$ 394,903	\$ 394,903	\$ 394,903	\$ 369,903

The projected uncommitted reserve and deferred revenue account balances for the South Pender Harbour Water Service as at December 31, 2012 are as follows:

Rate Stabilization	\$226,643
Development Cost Charges	\$131,602
Total	\$358,245

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 (IN PRIORITY ORDER):

1. Universal Metering
2. McNeil Lake Dam Stability Analysis
3. McNeil Lake Dam Upgrades
4. 10% Land Charge, User Fee and Meter Rate Increase

SCRD STAFF REPORT

DATE: January 7, 2012
TO: Special Corporate & Administrative Services Committee – January 16, 2013
FROM: Dave Crosby, Manager of Utility Services
 Bobby Rebner, Operations Support Technician
RE: **REGIONAL WATER SERVICE [370, 376-378] – 2013 R1 BUDGET PROPOSAL**

RECOMMENDATION(S)

THAT the Manager of Utility Service’s Report regarding Regional Water Service [370, 376-378] – 2013 R1 Budget Proposal be received.

BACKGROUND

As part of the Base Budget Process, staff are to report potential Budget adjustments to the Board based on Budget Proposals that will allow the Board to make informed decisions regarding funding projects or service enhancements, as well as a way to reduce the budget.

The Regional Water Service Proposed 2013 Work Plan was received by the Corporate and Administrative Services Committee on November 9, 2012, leading to the following resolution that was adopted by the Board at its regular meeting held December 13, 2012 (456/12 No. 20):

AND THAT the Manager of Utility Services’ Regional Water Service [370-379] – 2013 Proposed Initiatives be received, the following inclusion:

- *7a to Identified in Strategic Plan – under Project Title “Implement Source Assessment Response Plan (SARP) Initiatives”, under Recommendation “Budget Proposal” and under Purpose-Description – “prioritize and implement selected SARP initiatives”;*

AND FURTHER THAT, for 2013 Round 1 budget discussions, staff present budget proposals for the following:

- *Meter Installations for new and upgraded service connections;*
- *Water Treatment Plant Residual Drying Trial – Increase to Capital Project Budget;*
- *Vehicle Replacement – 1 Ton Utility Vehicle*
- *Chapman Lake Engineer’s Report – Drought Mitigation Options; and*
- *Implement Source Assessment Response Plan (SARP) Initiatives*

Of the projects listed above, the Water Treatment Plant Residual Drying Trial – Increase to Capital Project Budget has been renamed to “Water Treatment Plant Residuals Management Area Expansion” (see Budget Proposal No. 1). Phase one of this project, the Water Treatment Plant Residual Drying Trial, was identified in the Regional Water Service [370,376-378] Carry-Forward Request report. This project has now been substantially completed and will not be

carried forward to 2013. It is recommended that any unspent funds on this project should go towards helping fund the completion of phase two of this project, (see Budget Proposal No. 1).

In addition to the projects specified in the resolution, two budget proposals (see Budget Proposals No. 2 & 3) are being recommended to replace the project listed above, 'Implement Source Assessment Response Plan (SARP) Initiatives'. Also, a budget proposal recommending a 4% rate increase for the Regional Water Service area is being presented (see Budget Proposal No. 7).

DISCUSSION

2012 PROJECT YEAR-END SURPLUS / (DEFICIT)

Projected Year-End Surplus / (Deficit)	\$325,000 (Operating) \$200,000 (Capital)
Reason(s):	
The operating surplus is mainly due to lower than budgeted salaries and wages as well as lower than budgeted operating expenses.	
The capital surplus is attributed mainly to lower than budgeted spending on the water main replacement project, new meter installations, and minor capital upgrades.	
Options (select as appropriate):	
<input checked="" type="checkbox"/>	Transfer to Reserves
<input type="checkbox"/>	Transfer to Rate Stabilization
<input checked="" type="checkbox"/>	Use for One-time Expenditure (Budget Proposal No. <u>1</u>)
<input type="checkbox"/>	Repay Outstanding Debt (Leases)
As per Section 4.4 of the SCRD Financial Sustainability Policy.	

2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Water Treatment Plant Residuals Management Area Expansion
	Rating (see Diagram +3 to -3):	+2 Special Project (Capital)
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional Water
	2013 Funding Implications:	\$70,000
	Funding Source(s):	\$45,000 – Capital Reserves \$25,000 – Appropriated Surplus (unspent funds from the 2012 project, Water Treatment Plant Residual Drying Trial)
	Future Financial Implications:	Costs incurred in the removal/management of sludge from the expanded residuals area will be funded through line item 02-2-370-428 – Sludge Removal/Maintenance which is part of the net operating budget.

	<p>Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?</p>	<p>This project is not specifically identified in the Strategic Plan.</p> <p>It is consistent with 4.11.1 of the Financial Sustainability Policy which states that each capital project submitted for consideration must clearly state its full initial cost, including operating and upgrade/replacement costs.</p>
	<p>Staff Capacity:</p>	<p>Some staff time involved in the land tenure application process. Impact on Engineering staff for project management associated with the implementation of the expansion plan.</p>
	<p>Last Fee Schedule Review (provide details):</p>	<p>February 2012; result was a 4% increase in user fees, meter rates, and land charges.</p>
	<p>Rational / Service Impacts:</p>	<p>Residual waste water from the SCRD's Chapman lake water treatment plant is currently discharged into a residual management area to facilitate the settling of residual solids. In 2008, this residual management system reached capacity and began to overflow due to solids lining the bottom of the soak away pits. Since then, the residual solids have been managed by the following short term measures: an operational scale drying trial which allowed the soak away pits to recover temporarily; the development of several temporary soak away pits; and hiring contractors to remove residual solids from the existing management area.</p> <p>In an effort to develop a long term plan for managing the residual solids, the SCRD submitted a proposed residual management area expansion plan to Lehigh and the Sechelt Indian Band, which included seeking support in applying for a transfer of tenure for a portion of land currently within Lehigh's tenure area.</p> <p>In order to expand the existing residual management area, additional funds are required to:</p> <ol style="list-style-type: none"> 1. Transfer land tenure from Lehigh to the SCRD 2. Land survey 3. Clear the land that the SCRD will acquire tenure over (5 acres); 4. Hire contractors to excavate and grade the proposed pits; and 5. Install the necessary infrastructure (piping, valves, etc)

2	Proposed Enhancement / Project / Reduction	Weather Monitoring Station – SARP Initiative
	Rating (see Diagram +3 to -3):	+3 New Services (Capital)
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional Water
	2013 Funding Implications:	\$15,000
	Funding Source(s):	User Fees
	Future Financial Implications:	There may be future financial implications associated with maintenance / repairs of station and / or equipment. This will be funded through the operating budget.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	This project addresses Objective 4.3 in the Strategic Plan in relation to the implementation of items identified in the Chapman Creek Source Assessment Response Plan (SARP).
	Staff Capacity:	Some Engineering / Environmental Technician staff time involved in the analysis of data that is collected electronically.
	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1
Rational / Service Impacts:	To collect meteorological data at Chapman Lake in order to develop and analyze trends in lake levels and storage from precipitation and weather patterns.	

3	Proposed Enhancement / Project / Reduction	Re-Instate Snow Survey – SARP Initiative
	Rating (see Diagram +3 to -3):	+3 New Services
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional Water
	2013 Funding Implications:	\$5,000
	Funding Source(s):	User Fees
	Future Financial Implications:	There may be future financial implications associated with repairs / replacement of the measurement equipment as well as costs associated with annual helicopter flights to the data collection points in the watershed.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	This project addresses Objective 4.3 in the Strategic Plan in relation to the implementation of items identified in the Chapman Creek Source Assessment Response Plan (SARP).
	Staff Capacity:	Minimal. Coordinating trips to sample site(s) and management of data.
Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1	

	Rational / Service Impacts:	<p>As proposed, this recommendation would involve a partnership between with SCRD and the Tetrahedron Outdoor Club to re-instate a snow survey in the Chapman Creek Watershed / Tetrahedron Provincial Park.</p> <p>The goal is to implement a systematic method of measuring snowpack to assist in monitoring climate change impacts.</p>
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4	Proposed Enhancement / Project / Reduction	Chapman Lake Engineer's Report – Drought Mitigation Options
	Rating (see Diagram +3 to -3):	+ 2 Special Project
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional Water
	2013 Funding Implications:	\$15,000
	Funding Source(s):	User Fees
	Future Financial Implications:	Capital funding to implement recommended option subject to Board direction.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	This project is not specifically identified in the Strategic Plan but is related to Water Stewardship in 'We Envision' by addressing the target of increasing the supply of water for future populations.
	Staff Capacity:	Third party consultant to complete the report. Minimal engineering and management staff time to manage project and review the report.
	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1
Rational / Service Impacts:	<p>The Chapman Lake water supply is accessed via a control structure that diverts water down Chapman Creek to the treatment plant that supplies water to approximately 10,000 water service connections on the Sunshine Coast. In periods of extreme drought, as experienced in 2012, lake levels can be drawn down to a point that water cannot be accessed by the current system, which has a fairly shallow intake point.</p> <p>It is recommended that a detailed report be completed that identifies and evaluates options beyond a floating pump station, to access a larger percentage of Chapman Lake's water storage in times of extreme drought.</p>	

5	Proposed Enhancement / Project / Reduction	Meter Installations
	Rating (see Diagram +3 to -3):	+ 2 Special Project (Capital)
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional Water
	2013 Funding Implications:	\$200,000
	Funding Source(s):	Parcel Taxes
	Future Financial Implications:	Water meters have an estimated useful life of 20 years. It is recommended that any unspent funding be transferred to capital reserves for future water meter installation or replacement.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Yes. This project addresses Objective 4.1.4 in the Strategic Plan: To Continue to install metering in the regional water system with the rural areas being the priority areas before the urban areas.
	Staff Capacity:	Infrastructure operations staff time is involved in maintaining this program.
	Last Fee Schedule Review (provide details):	Refer to budget proposal No.1.
Rational / Service Impacts:	This program provides for the installation of water meters on new water service connections and on existing water service connections when a cost effective opportunity (service locates, repairs, etc) exists during the course of normal operations.	

6	Proposed Enhancement / Project / Reduction	Vehicle Replacement of Unit #351
	Rating (see Diagram +3 to -3):	+ 2 Enhancement – Special Project
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional Water
	2013 Funding Implications:	\$50,000
	Funding Source(s):	Capital Reserves
	Future Financial Implications:	No material future financial implications; replacement of existing fleet and service costs
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Consistent with Section 4.10 Capital Maintenance and Replacement
	Staff Capacity:	N/A

	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1
	Rational / Service Impacts:	The SCR D Fleet Maintenance Supervisor has recommended replacement of the following unit with a full size truck with cabin chassis and service body. <ul style="list-style-type: none"> • 351 – 2000 Ford Ranger Pickup

7	Proposed Enhancement / Project / Reduction	4% Land Charge, User Fee and Meter Rate Increase
	Rating (see Diagram +3 to -3):	+ 1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Regional Water
	2013 Funding Implications:	\$200,000 – Contribution to Capital Reserves
	Funding Source(s):	\$102,000 – Land Charges (02-1-370-003) \$98,000 – User Fees (02-1-370-093)
	Future Financial Implications:	Increased annual cost of approximately \$17.00 for a single family residential dwelling.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Provides funding towards projects identified in the strategic plan including, but not limited to, the extension of universal metering to all areas and implementation of the Comprehensive Regional Water Plan.
	Staff Capacity:	N/A
	Last Fee Schedule Review (provide details):	Refer to budget proposal No. 1
	Rational / Service Impacts:	It is recommended that land charge, user fee and meter rates be increased by 4% for 2013. This increase would amount to an additional \$200,000 in revenue at an increased annual cost of approximately \$17.00 for a single family residential dwelling. The additional revenue will be contributed to capital reserves to fund future capital projects, specifically those relating to implementation of the Comprehensive Regional Water Plan which is currently in development.

FIVE-YEAR CAPITAL RESERVE PLAN (OR LONGER, IF APPLICABLE)

The Comprehensive Regional Water Plan, currently in development, will include a detailed analysis of future funding requirements for a ten year period. This analysis and accompanying business plan will be used as a basis for the development of a capital reserve plan.

Five-Year Capital Reserve Plan					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 126,341	\$ 624,341	\$ 624,341	\$ 624,341	\$ 624,341
2012 Surplus	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Contributions	\$ 393,000	\$ -	\$ -	\$ -	\$ -
Vehicle Replacement	-\$ 50,000	\$ -	\$ -	\$ -	\$ -
Other Capital Projects	-\$ 45,000	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 624,341	\$ 624,341	\$ 624,341	\$ 624,341	\$ 624,341
Five-Year Operating Reserve Plan					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 273,249	\$ 473,249	\$ 473,249	\$ 473,249	\$ 473,249
Contributions	\$ 200,000				
Closing Balance in Reserve	\$ 473,249	\$ 473,249	\$ 473,249	\$ 473,249	\$ 473,249

As of December 31, 2012, the Regional Water Service had uncommitted reserve and deferred revenue account balances as follows”

Land Reserve	\$15,628
<u>Development Cost Charges</u>	<u>\$657,503</u>
Total	

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 (IN PRIORITY ORDER):

1. Water Treatment Plant Residuals Management Area Expansion
2. Weather Monitoring Station – SARP Initiative
3. Re-instate Snow Survey – SARP Initiative
4. Chapman Lake Engineer’s Report – Drought Mitigation Options
5. Meter Installations
6. Vehicle Replacement of Unit #351
7. 4% Land Charge, User Fee and Meter Rate Increase

Options (select as appropriate):	
<input checked="" type="checkbox"/>	Transfer to/from Reserves
<input type="checkbox"/>	Transfer to Rate Stabilization
<input type="checkbox"/>	Use for One-time Expenditure
<input type="checkbox"/>	Repay Outstanding Debt (Leases)

As per Section 4.4 of the SCRD Financial Sustainability Policy.

2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	[390] Merrill Crescent Waste Water Plant – User Fee Rate Increase
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	
	Geographical / Electoral Area affected (specify if "Islands")	Area A
	2013 Funding Implications:	\$594 Increase in User Fee revenue
	Funding Source(s):	User Fees
	Future Financial Implications:	\$54 annual increase in user fees per user
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Consistent with the Financial Sustainability section identified in the Strategic Plan by recognizing ongoing maintenance costs for existing and future capital assets while implementing an annual review of fees and adjusting where appropriate.
	Staff Capacity:	N/A
	Last Fee Schedule Review (provide details):	February 2012
Rational / Service Impacts:	<p>The current operating reserve balance for this function is \$8,448. Although adequate given the operating budget for this function, it is not recommended that this be drawn down to fund required revenue in 2013. Furthermore, it is anticipated that this service area may require some capital upgrades in the near future that will require access to existing reserve funds. As such a rate increase to fund required revenue is recommended for 2013.</p> <ul style="list-style-type: none"> • There are 11 users and 14 fronting properties in the service area • The current frontage charge for this service is \$200 • The current user rate for this service is \$456 • The last rate increase was implemented in 2003. 	

FIVE –YEAR CAPITAL RESERVE PLAN (OR LONGER IF APPLICABLE)

Other than specific one-time items and interest, there have been no contributions to any waste water plant capital reserve accounts since 2005. Langdale, Merrill Crescent and Lily Lake currently have no capital reserves. In recent years, year-end surpluses have been transferred to operating reserves to provide adequate funding for unplanned maintenance and repairs that may not qualify as capital projects or purchases. Staff has identified the need to establish targeted operating reserve balances based on the risk factors and operating conditions inherent to each waste water plant.

The Utilities Division is in the process of implementing an asset management program that will assess current infrastructure to determine estimated renewal dates and costs for individual components. Once complete, the data will form the basis of a detailed capital reserve plan for each waste water plant to fund future infrastructure renewal. Currently, there is no timeline in place for implementing this program with respect to the waste water plants.

Five-Year Capital Reserve Plan (or longer if applicable)

*REFER TO RESERVE ACCOUNT INFORMATION IN SECTION 1

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 (IN PRIORITY ORDER):

1. [390] Merrill Crescent Waste Water Plant – User Fee Rate Increase
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2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

- 1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Funding Balance of Corporate Energy Manager's Wages
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	n/a
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$54,750, of which \$27,375 is SCR D's share (balance funded by BC Hydro). Costs assume position starts March 15, 2013 and include benefits and WCB and are based on wage rates approved in 2012 budget.
	Funding Source(s):	<u>\$54,750 broken down as follows:</u> \$27,375 funding from BC Hydro \$27,375 SCR D share SCR D share to be funded from support services.
	Future Financial Implications:	Position renewable annually with 50% funding provided by BC Hydro on ongoing basis, subject to performance review. Annual cost for future years would be \$92,000 (including benefits & WCB), of which \$46,000 would be SCR D's share.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Hiring of Corporate Energy Manager identified under objective 2.3 of the Strategic Plan. Supports vision of 80% reduction of community energy and emissions by 2050 as expressed in We Envision. Supports BC Climate Action Charter commitments and SCR D's corporate energy & emissions targets. Funding source consistent with Financial Sustainability Policy.
	Staff Capacity:	Position will provide dedicated staff capacity to monitor and report on corporate energy use, work with departments on energy saving projects including those identified in the SCR D's Corporate Energy & Emissions Plan and Energy Assessment completed by BC Hydro.
	Last Fee Schedule Review (provide details):	n/a
Rationale:	Hiring of the position (planned for October 2012) was delayed due to competing priorities, and funds allocated in 2012 were carried forward to 2013 base budget, however this only provides funding for approximately two months of wages. Additional budget is required to fund the position for the balance of the year.	

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 BUDGET:

1. Staff recommends that an additional \$54,750 be included in the 2013 budget, funded 50% from BC Hydro contributions and 50% from support services, for the unfunded portion of the Corporate Energy Manager's wages and benefits.
2. Staff further recommends that \$92,000 be included in the 2014 financial plan for continuation of the Corporate Energy Manager position, funded 50% from BC Hydro contributions and 50% from support services, subject to annual review.

2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

- 1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Advertising Budget For Continued Promotion of SCRD's Community Energy Initiatives
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	n/a
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$2,500 for advertising
	Funding Source(s):	Regional Taxation
	Future Financial Implications:	<u>\$3,200 annual increase to base budget broken down as follows:</u> \$2,500 advertising \$700 Communication's Officer's time
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Supports: 1) environmental responsibility and Climate and Energy targets expressed in "We Envision". 2) Strategic Plan objectives related to the implementation of the Regional Sustainability Plan (2.1) and Community Energy and Emissions Plan (2.2). 3) SCRD values as expressed in the Strategic Plan, specifically Engagement and Communications. Funding source consistent with Financial Sustainability Policy.
	Staff Capacity:	Coordinated by existing staff (Sustainability and Education Coordinator) with support from Communications Officer.
Last Fee Schedule Review (provide details):	n/a	

Rational / Service Impacts:	<p>In order to maintain SCRD's community energy advertising and communications program, a base budget is required to cover associated advertising costs and costs associated with support provided by Communication's Officer (beginning 2014). Advertising would direct residents to resources available on the SCRD's website and cover programs such as:</p> <ul style="list-style-type: none"> - Climate Action Kits (Library Kits) - Home Energy Rebate Program - Renewable Energy Atlas - Energy Rebates and Incentives - Earth Hour - Earth Day <p>It is recommended that a budget of \$2,500 be provided in 2013 for this purpose with an annual budget of \$3,200 included in the 2014 – 2017 financial plan.</p>
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2	Proposed Enhancement / Project / Reduction	Community Energy and Emissions Inventory (CEEI) Update
	Rating (see Diagram +3 to -3):	+2
	If Mandatory specify category above:	n/a
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$6,000
	Funding Source(s):	Prior Year Surplus
	Future Financial Implications:	SCRD should consider updating the regional inventory and forecasts every three years to coincide with release of provincial data (next release in 2015). Budget
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	<p>Supports:</p> <ol style="list-style-type: none"> 1) Strategic Plan objective 2.2 ("To review and report on progress towards achieving the Community Energy and Emissions Plan (CEEP) targets and develop an updated inventory"). 2) Supports vision of 80% reduction in community GHG's by 2050 expressed in "We Envision".

	Staff Capacity:	Technical work associated with CEEI data review and inventory development to be done by independent consultant. Moderate demands on existing staff resources (planning and sustainability staff) associated with contract administration, providing input and feedback to consultant and review of final report and communication of results.
	Last Fee Schedule Review (provide details):	n/a
	Rational / Service Impacts:	<p>This item was part of the CEM's 2012 work plan, however due to provincial delays releasing updated Community Energy and Emissions Inventory (CEEI) data this work could not be completed in 2012 and was not identified as a carry-forward project. The project will involve a technical review of the province's CEEI data (adjusting the data where necessary) and completion of an updated inventory for the SCRD as a whole and member municipalities based on 2010 data. Results of this project will be used to inform future CEEP implementation plans and educational campaigns and will be communicated to the public through the media and the SCRD website.</p> <p>It should be noted that an evaluation of impacts of the SCRD's CEEP implementation work conducted between 2010 and 2013 cannot be completed until the province releases the 2013 CEEI data (expected in 2015). At that time, it is recommended the SCRD complete a full CEEP review, including development of updated energy and emissions forecasts under business as usual and alternative policy/management scenarios.</p>

3	Proposed Enhancement / Project / Reduction	Bike to Work Week
	Rating (see Diagram +3 to -3):	+2
	If Mandatory specify category above:	n/a
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	Total project cost of \$11,500 of which \$6,000 is proposed as SCRD's share (see Attachment 1 for detailed budget)
	Funding Source(s):	<u>Total Cost of \$11,500 broken down as follows:</u> \$6,000 SCRD share \$3,000 Bike to Work Week Victoria \$2,500 Private Sponsors SCRD Share (\$6,000) to be funded from regional taxation
	Future Financial Implications:	To be considered annually based on event outcomes, availability of partnering organization to coordinate event and budget implications.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Bike to Work Week supports implementation of the CEEP by promoting alternatives to the use of single occupant vehicles. Supports Strategic Plan objective 2.2 (related to CEEP implementation) and the vision of 80% reduction in community GHG's by 2050 expressed in "We Envision".
	Staff Capacity:	Coordination for this event would be contracted to Transportation Choices (TraC). Minimal demands on existing staff mainly associated with ad layout, advertising and promotions, and engaging staff participation in the event.
Last Fee Schedule Review (provide details):	n/a	

	<p>Rational / Service Impacts:</p>	<p>Bike to Work Week has been run in the SCRD for the past two years (2011 and 2012) with increasing participation and community involvement each year. The goal of the event is to promote cycling and other alternatives to single occupant vehicles on the Sunshine Coast to improve health and reduce transportation related greenhouse gas emissions (the largest contributor to the SCRD's greenhouse gas emissions profile). The event also seeks to educate people about cycling and bike safety to reduce barriers to participation in this activity.</p> <p>2012 Bike to Work Week Highlights:</p> <ul style="list-style-type: none"> ❖ 512 total cyclists (<i>nearly 3 times 2011's total</i>) ❖ 65 Registered Teams (<i>a 44% increase from 2011</i>) ❖ 13,778 total km (<i>7,513 in 2011</i>) ❖ 1,621 total bike trips ❖ 214 registrants used alternative transportation (other than cycling) ❖ 1600kgs of GHG emissions saved ❖ 18 local sponsors (<i>10 in 2011</i>) ❖ % of population riding: 1.7% (<i>4th in BC!</i>) ❖ KM's cycled / population .45 (<i>5th in BC!</i>) <p>The proposed SCRD share of costs for 2013 (\$6,000) is a \$3,500 increase over SCRD's costs in 2012 (\$2,500). This primarily reflects SCRD's reduced capacity to provide coordination support (approximately 120 hours of the Community Energy Manager's time was provided in 2012 to support event coordination) and an equivalent increase to TraC's scope of work. The event supports goals and objectives identified in the Regional Sustainability Plan (We Envision), Community Energy and Emissions Plan, and the SCRD's Integrated Transportation Study. Bike to Work Week takes place in late May.</p>
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4	Proposed Enhancement / Project / Reduction	ClimateSmart for Business
	Rating (see Diagram +3 to -3):	+2
	If Mandatory specify category above:	n/a
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	Total cost of \$15,000 of which SCRD's share would be either \$3,500 (Option 1) or \$7,000 (Option 2)
	Funding Source(s):	<u>Total Cost of \$15,000 funded as follows:</u> Option 1: \$8,000 Fortis BC \$3,500 Community Sponsor \$3,500 SCRD Option 2 (recommended): \$8,000 Fortis BC \$7,000 SCRD SCRD share (either \$3,500 or \$7,000) to be funded from regional taxation.
	Future Financial Implications:	One year project with no further financial commitment. Can be considered again for 2014 following review of program results. Program should be discontinued once a critical mass of ClimateSmart businesses has completed the program (e.g. 30 – 50).
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Strategic Plan objective 2.2 relates to the monitoring and reporting of CEEP implementation work. ClimateSmart for Business supports implementation of the CEEP by promoting a culture of energy conservation within the business community and supporting a strong local economy. Supports vision of 80% reduction in community GHG's by 2050 expressed in We Envision.
	Staff Capacity:	Option 1: Moderate demands on existing staff time, largely associated with securing matching funds from community organization. Option 2: Minimal demand on existing staff time, primarily for advertising and contract administration. ClimateSmart staff responsible for program delivery regardless of option selected.
	Last Fee Schedule Review (provide details):	n/a
Rational / Service Impacts:	ClimateSmart is a social enterprise based in Vancouver that provides training and technical support to small, medium and large businesses to better manage their operational energy and	

	<p>emissions and associated costs. ClimateSmart works with host organizations to deliver programs. In 2011, SCR D hosted a successful ClimateSmart program and provided funding towards the initiative. This funding results in a reduced cost to participating businesses thereby reducing barriers to participation (particularly for smaller businesses and community organizations). Staff's report to the November 1, 2012 Infrastructure Services Committee entitled "ClimateSmart – First Year Findings" provided a summary of program results. The program offering was cancelled in 2012 and funds were reallocated to support the CEM's salary following discontinuation of BC Hydro funding.</p> <p>As a result of the program's ongoing success in BC, ClimateSmart has negotiated a direct funding agreement with Fortis BC to support the majority of program costs (see Funding Sources above).</p> <p>The budget for program includes: \$13,000 in fees paid to ClimateSmart \$2,000 in advertising, promotions and postage</p> <p>Fortis' contribution is \$8,000. SCR D's costs would be either \$3,500 (Option 1) or \$7,000 (Option 2). Option 1 is contingent of securing \$3,500 in funds from local community organizations.</p> <p>The goal of the program in 2013 is to see 8-12 businesses complete the ClimateSmart program. The ultimate goal of the ClimateSmart program is to support the development of a core of businesses that have incorporated energy and emissions management best practices into their business activities and are able to model this as an effective management strategy for the local business community at large. A final report on program results will be provided to the Infrastructure Services Committee.</p> <p>For more information about ClimateSmart on the Sunshine Coast visit the webpage at https://climatesmartbusiness.com/sunshinecoast/. Additional program details are provided in Attachment 2.</p>
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**STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 BUDGET
(IN PRIORITY ORDER):**

1. Staff recommends that a budget of \$2,500 be included in 2013, with an annual budget of \$3,200 included in the 2014 - 2017 financial plan for continued advertising and promotion of community energy initiatives.
2. Staff recommends that \$6,000 from prior year surplus be included in the 2013 budget to fund the Community Energy and Emissions Inventory (CEEI) Update project.
3. Staff recommends that \$6,000 be included in the 2013 budget to fund the 2013 Bike to Work Week Sunshine Coast event.
4. Staff recommends that \$7,000 be included in the 2013 budget to fund continuation of the ClimateSmart for Business program in 2013.

Transportation Choices Sunshine Coast (TraC)

Bike to Work Week 2013



2013 Draft Budget

Uses of Funds

<i>Bike to Work Week Stations & Promotional</i>	Code	2012 Budget	2012 Notes	2013 Budget	2013 Notes
Item					
Coffee/Muffin - for Celebration Stations	1	\$ 300		\$ 500	
Take away foods	2	200		300	
Cycling promotion gear	3	500		1,000	
Presenter costs for Cycling safety workshops	4	600		600	
Celebration Coordination & Related costs	5	300		600	
Honoraria for community Event Photographers	6	200		200	
Event specific insurance	7	135		-	
		\$ 2,235.00		\$ 3,200.00	
<i>Bike to Work Week Coordinator Contract Fees</i>					
Item			Hours		Hours
Coordinator - Outreach to Businesses & Team Leaders	8	\$ 500	20	\$ 2,000	80
Coordinator - Liaise with Event Volunteers	9	1,000	40	1,000	40
Coordinator - Liaising with Bike to Work BC & SCRD staff	10	500	20	500	20
Coordinator - Media Liaising + Communication (Facebook/ Registrant Email)	11	375	15	750	30
Coordinator - Celebration station set up/ Coordination	12	375	15	375	15
Collating Celebration station data and interviews	13	125	5	250	10
Coordinating and Hosting Safety Workshops	14	225	9	225	9
Coordinating and Hosting Celebration event at Event Completion	15	375	15	375	15
Summary report at end of event	16	225	9	225	9
		\$ 3,700.00	148	\$ 5,700.00	228
<i>Operational & Materials Budget</i>					
Item					
BTWW Posters and Banners	17	\$ 315		\$ 400	
Facebook Ads (coordinated with TraC)	18	50		50	
Coast Reporter - Advertisements	19	625		1,200	
Radio-Ads	20	300		300	
BTWW T-shirts (Only if funding available)	21	-		-	
Related TraC Print materials (via SCRD)	22	200		350	
Certificate frames for Sponsors-Ambassadors	23	300		300	
		\$ 1,790.00		\$ 2,600.00	
Grand Total		\$ 7,725.00		\$ 11,500.00	

Sources of Funds

Bike to Work Week Victoria	2,912.00	3,000.00	
SCRD	2,600.00	6,000.00	
Private / Sponsorships	2,213.00	2,500.00	
Grand Total	\$ 7,725.00	\$ 11,500.00	



Program Overview

Objectives and Outcomes

- The objective of this program is to raise awareness and build capacity within SME participant organizations for GHG emissions and cost reduction, with a **focus on driving SME reductions in natural gas usage and solid waste sent to landfill.**
- These SMEs will also, in the process of “becoming Climate Smart”, be equipped with the training and tools to compile GHG inventories for their organizations. They will leave with a completed baseline inventory and a list of strategies of their own design that they intend to implement in order to reduce their emissions. They will also leave with a solid understanding of offsets; a list of questions they might ask an offset provider to assess its quality and credibility; and a sense of what is important to them and their business, should they choose to purchase offsets.

Program Components

Climate Smart provides a turnkey program (see sidebar) to train businesses in energy efficiency and conservation in a business-case context. Climate Smart will provide the following service to 10–15 SMEs throughout the SCRD.

Geographic range

A Climate Smart program rollout would take place within the SCRD, centring on the South Coast to target natural-gas users (as an example, Sechelt or Gibsons would be the site of the training).

Target business sectors

The proposed rollout would focus on those industry sectors (e.g., construction, light industrial and warehouse) most likely to realize solid waste reduction. However, as Climate Smart’s curriculum is suitable for businesses from a broad range of industries, businesses from all sectors would be welcome.

Partners

Hosts: SCRD will act as a host partner. SCRD may wish to engage its constituent municipalities in order to share costs (as an example, Metro Vancouver is partnering with six municipalities to deliver training to 200 businesses in 2011).

Other partners: We believe a benefit of Climate Smart sponsorship is relationship-building amongst the sponsors and other partners—in this case, SCRD and municipalities. We would also leverage promotional partners (such as industry and local business associations) and their business networks to market the program. Local sustainability initiatives or organizations may also be engaged to promote the program, as well as act as future Climate Smart delivery partners to maintain ongoing initiatives within the region.

Marketing, Recruitment, Venue and Registration

The participant recruitment process takes place over a 6–8 week period (ideally), preceding the first session. Roles are given in the table below. Note SCRD (and any host and/or promotional partners) will contribute to marketing and communication efforts to potential participants alongside Climate Smart. However, following this initial contact and introduction, the bulk of participant recruitment activity (i.e., direct recruitment following initial contact, registration, administration) will be the responsibility of Climate Smart. The following are key responsibilities that should be highlighted.

three interactive half-day training sessions

small-group format and peer network: businesses learn from each other and generate ideas in collaborative environment

access to our online GHG management tool

easy-to-use but rigorous; ranked first for SMEs in North America by Carbonzero

up to ten hours of hotline technical support

depending on size of businesses; includes a final review of the participant’s GHG inventory by our experts

a date-stamped Climate Smart seal

in electronic format, for marketing and communicating GHG management efforts





SCRD will:

- If possible, help Climate Smart to identify and engage appropriate promotional partners
- work with Climate Smart to develop marketing communications to aid recruitment
- send invitations to targeted participant leads through their business (client) networks by direct e-mail
- help to develop lists of warm leads
- if possible, help to arrange a suitable venue (if possible, in-kind) for the training sessions

Climate Smart will:

- work with SCR D to develop messaging and marketing communications to aid in the recruitment of businesses (examples of invitation flyers are available upon request)
- be available to talk to prospective participants in more detail about the program
- handle all aspects of direct recruitment (warm/cold calls from leads lists; direct sales)
- manage all administration (registrations and collection of payments from participating businesses)

Recruitment Process: Summary and Roles

Steps	SCRD	Municipal and promo partners	Climate Smart
Recruitment of promotional partners	support		lead
Develop text for personal invitation (email invitation) and flyers, to be sent out by host partners.	support	support	lead
Generate a list of businesses to target (50–100 per workgroup), identify decision-makers and gather contact information (email addresses and phone numbers).	support	support	lead
Market the program (create buzz): speaking at events, press releases, launch events, e-newsletters, print newsletters, blast emails and newspaper articles.	support	support	lead
Personal invitation: invite targeted SMEs by direct email and phone.	support	support	lead
Make follow-up calls and develop a list of warm leads from initial personal invitation list.		support	lead
Talk to prospective participants in further detail on Climate Smart program (i.e., curriculum, online demo of GHG management tool).			lead
Follow-up with prospective participants; final closing; registration information by email and phone; manage registration and payment collection			lead

Co-branding

Climate Smart will also list SCR D as a host partner on the Climate Smart website and in future marketing materials.

Climate Smart Train-the-Trainers Program

Climate Smart believes that capacity building in communities and regions is a critical element of the Climate Smart process. As such, Climate Smart has created a tailored training program in which individuals are trained to deliver our curriculum. These individuals, whether municipal staff, local consultants, or members of local organizations, would then be able to license the Climate Smart curriculum and GHG management tool and deliver it independently.

Licensees are provided with extensive ongoing support from the Climate Smart team through best-practices updates, access to a network of Climate Smart trainers and alumni businesses, and technical advice from our carbon hotline experts.

As an example of capacity-building within host-partner organizations, three Metro Vancouver Regional District staff were trained in 2010 to provide internal expertise and guidance within the RD on ongoing business engagement. Such an arrangement with SCR D or a local sustainability-focussed organization would allow future capacity for ongoing delivery to local businesses after the initial series of Climate-Smart-led sessions. More information is attached separately.



Program Completion

A participant is considered to have successfully completed the Climate Smart program when it has achieved the following:

- completed its first GHG inventory and had it reviewed by the Climate Smart team; and
- identified a list of reduction strategies it plans to implement.

Upon completion of the program, participants will be listed on the Climate Smart website and receive a certificate of participation and a Climate Smart seal, which they can then use to market their environmental efforts and promote their business.

Renewal

The first inventory cycle with Climate Smart serves as a "baseline" of the participants' operations. Climate Smart encourages participants to incorporate GHG measurement as a continual diagnostic in their normal business practice. As such, we provide a "Climate Smart Membership" renewal option to completed participants, which includes:

- access to quarterly alumni events and continued association with the network of Climate Smart businesses
- use of the GHG management tool for an additional inventory cycle
- one-on-one carbon hotline support
- final third-party review of their inventory by Climate Smart experts
- a date-stamped Climate Smart seal for an additional year

Reporting

On program completion, SCRD will receive a report from Climate Smart containing aggregated annual data, including a list of participating businesses plus demographic information (size of business, sector, revenue bands), emissions (total, average and median), identified reduction strategies, and percentage of businesses intending to purchase offsets (sample data shown here).

Reporting encompasses the duration of the whole program; therefore, should the program continue into the second year, SCRD would receive year-on-year comparison data to inform their community emissions reduction targets.

Participants leave the Climate Smart program with:

- a completed third-party reviewed GHG inventory, compiled according to international standards
- emission reduction strategies identified for their unique business
- guidance on setting targets
- internal GHG-management capacity
- date-stamped electronic Climate Smart seal
- marketing and communication strategies regarding GHG management
- an understanding of the carbon offset market

We've calculated our baseline carbon footprint, and want to continue inputting data into Climate Smart's tool to track our activities in a meaningful and quantitative way. As a small business with limited time, having the Climate Smart system at our fingertips makes it much easier to integrate our efforts into our day-to-day business.

*Shelley Penner, Director of Practice
Penner and Associates*

emissions by activity



Miscellaneous includes emissions from paper use, landfilled waste, and any other fugitive emissions (e.g. refrigerant leakage).

The 2013 base budget includes the 5% increase to residential collection fees approved by the SCRD Board for the years 2013 – 2017 as a result of the last fee schedule review presented during the 2012 budget process.

Rate Stabilization Fund (Operating Reserve)					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 13,939	\$ 53,939	\$ 33,939	\$ 53,939	\$ 63,939
Contributions Surplus	\$ 40,000	\$ 30,000	\$ 20,000	\$ 10,000	\$ -
Building	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	-\$ 50,000	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 53,939	\$ 33,939	\$ 53,939	\$ 63,939	\$ 63,939

Note that the reserve plan assumes \$50,000 in expenditures in 2014 to further investigate the feasibility of changes to the service identified in the SWMP.

STAFF RECOMMENDS:

Staff recommends that the rate increase and rates currently reflected in the 2013 base budget be maintained due to:

- Increased tipping fees at landfills are expected to increase resulting in higher disposal costs
- Current residential collection contract expires in February 2014 and SCRD should build rate stabilization funds to offset potential rate increase
- Potential for changes to this service as a result of projects identified in the SWMP may generate additional pressures on rate stabilization funds
- Practice is consistent with the SCRD's Financial Sustainability Policy

2013 R1 BUDGET PROPOSAL (IN PRIORITY ORDER)

DEFINITION OF MANDATORY PROJECTS INVOLVES:

1) SAFETY; 2) IMMINENT ASSET FAILURE; AND / OR 3) REGULATORY COMPLIANCE ISSUES

1	Proposed Enhancement / Project / Reduction	Landfill Asbestos Sampling and Disposal
	Rating (see Diagram +3 to -3):	+2
	If Mandatory specify category above:	MANDATORY - #1 (Safety)
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$15,000 broken down as follows: \$5,000 for sampling/testing as required \$10,000 for additional extra work by contractor to dispose of properly bagged asbestos waste
	Funding Source(s):	Existing tipping fees charged for asbestos (cost recovery)
	Future Financial Implications:	Future financial implications to be determined based on 2013 tonnages received and costs and presented for 2014 budget consideration.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Supports community health and environmental responsibility. This project is driven by occupational health and safety requirements and landfill operating requirements. This project will help provide disposal options for properly bagged asbestos contaminated C&D waste and other asbestos containing materials (other than gypsum)
	Staff Capacity:	Significant demands on existing staff to develop a new asbestos disposal area at Sechelt Landfill, implement additional controls on potentially hazardous materials and coordinate sampling and abatement of hazardous materials found on site as required.
	Last Fee Schedule Review (provide details):	Tip fee schedule reviewed in 2012 budget. Tip fee for residual waste increased May 1, 2012 from \$110 to \$125 per tonne.
	Rational / Service Impacts:	Worksafe BC regulations require that employers have systems in place to manage health and safety risks associated with asbestos. Asbestos is found in many construction & demolition (C&D) materials received at landfills. In 2012 SCRD completed an asbestos exposure control plan and safe work procedures for landfill sites. The procedures focus on identification and containment of hazardous materials, but do not extend to handling or removing of hazardous materials. A budget is required to test potentially hazardous materials once contained and conduct abatement works as necessary. As a result of the exposure control plan, SCRD will need to consider additional controls on incoming C&D waste materials that may contain asbestos. An appropriate disposal option is required to

		handle the increased volume of material found to contain asbestos. MoE's Landfill Criteria requires that asbestos disposal in landfills be done in a designated area following specific guidelines. Additional budget will be required to cover associated disposal costs over and above the scope of work included in the landfill maintenance contract. These costs will be funded by existing tipping fees charged for asbestos waste. In future years, SCRD will need to consider options to marshal this material at landfills for transportation and disposal at an off-site facility due to the limited air space available at SCRD landfills.
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2	Proposed Enhancement / Project / Reduction	Lab Analysis – Landfill Monitoring
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	MANDATORY – Regulatory Compliance Issue
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$10,000
	Funding Source(s):	Tipping Fees
	Future Financial Implications:	\$10,000 annually funded from tipping fees
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	This project is needed as a result of new requirements imposed under the new Sechelt Landfill Operating Certificate as approved by the Ministry of Environment. Project supports the core value of Environmental Responsibility identified in We Envision by ensuring landfill operations are monitored for environmental impacts.
	Staff Capacity:	Moderate increase in demands on existing staff time required to complete additional sampling as required by MoE.
	Last Fee Schedule Review (provide details):	Tip fee schedule reviewed in 2012 budget. Tip fee for residual waste increased May 1, 2012 from \$110 to \$125 per tonne.
	Rational / Service Impacts:	To date, MoE has required only semi-annual (i.e. twice per year) sampling at Sechelt Landfill. Sechelt Landfill's new Operational Certificate issued by the Ministry of Environment requires SCRD to conduct quarterly sampling and monitoring of surface and groundwater quality parameters. This will approximately double the costs associated with landfill sampling and analysis as well as the staff time required to implement the annual monitoring program.

3	Proposed Enhancement / Project / Reduction	Sechelt Landfill OC Requirements: Environmental Monitoring Plan and Geotechnical Assessment
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	MANDATORY – Regulatory Compliance Issue
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	<u>\$34,000 broken down as follows:</u> \$20,000 for geotechnical assessment \$14,000 for updated environmental monitoring plan
	Funding Source(s):	Operating Reserve (landfills)
	Future Financial Implications:	The MoE may require periodic updates to the landfill environmental management plan (e.g. every 5 years)
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Project supports the core value of Environmental Responsibility identified in We Envision by ensuring landfill operations are monitored for environmental impacts. This project is needed as a result of new requirements imposed under the new Sechelt Landfill Operating Certificate as approved by the Ministry of Environment.
	Staff Capacity:	Minimal increase in demands on existing staff time. Work to be completed by landfill consulting engineer.
	Last Fee Schedule Review (provide details):	Tip fee schedule reviewed in 2012 budget. Tip fee for residual waste increased May 1, 2012 from \$110 to \$125 per tonne.
Rational / Service Impacts:	New Sechelt Landfill Operating Certificate (OC) requires submission of an updated Environmental Monitoring Plan and Geotechnical Assessment by March 31, 2013. Some work already completed on this project. An estimated \$14,000 is required to complete technical analysis and write the updated environmental monitoring plan for submission to the MoE. An additional \$20,000 is required for professional fees associated with a geotechnical assessment of the Sechelt Landfill. It is requested that this item be approved immediately in order that the work may proceed to meet the timeline set by the MoE.	

4	Proposed Enhancement / Project / Reduction	Treated Wood Disposal
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	MANDATORY – Regulatory Compliance Issues
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$30,000 (estimated)

Funding Source(s):	New tipping fee of \$265 for treated / dirty wood waste (cost recovery)
Future Financial Implications:	An annual budget for treated wood disposal is required. Future financial implications to be determined based on 2013 tonnages received and costs and presented for 2014 budget consideration.
Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Project is required to avoid leachate contamination of lands adjacent to Sechelt Landfill and to maintain compliance with landfill Operating Certificate. Supports core value of Environmental Responsibility as identified in "We Envision".
Staff Capacity:	Securing diversion and disposal alternatives and monitoring tonnages and costs will have moderate impacts on existing staff. Increased wood waste screening and separation implemented in 2012 (has significantly increased demands on existing landfill staff).
Last Fee Schedule Review (provide details):	Tip fee schedule reviewed in 2012 budget. Tip fee for residual waste increased May 1, 2012 from \$110 to \$125 per tonne.
Rational / Service Impacts:	In 2012, landfills implemented enhanced screening and sorting requirements for wood waste in order to minimize contaminants in the clean wood waste stream. As a result, treated wood and other wood waste with certain contaminants (e.g. metal hardware) is now marshalled separately and cannot be handled at HSPP or local composting facilities. SCR D is currently testing alternative diversion and disposal options for this material located off-Coast, however a budget is required to cover costs associated with transportation and tipping fees at the receiving facility. Costs are estimated at \$30,000 based on a limited amount of tonnage data collected in 2012. Actual costs may vary depending on the availability of diversion and disposal options, tonnages received and the proportion of this material that can be reused / recycled vs. sent for disposal. It is proposed that funding be provided from tipping fees charged for treated/contaminated wood. A new tipping fee of approximately \$265 per tonne is required in order to cover costs associated with management of this material stream. It is proposed that costs and management options be reviewed prior to year end in preparation for the 2014 budget.

5	Proposed Enhancement / Project / Reduction	Replace Recycling Truck
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	MANDATORY – Imminent Asset Failure
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$32,000 (\$27,900 + HST, delivery, etc.)
	Funding Source(s):	<u>\$32,000 broken down as follows:</u> \$6,000 reallocated from vehicle fuel \$9,000 reallocated from vehicle maintenance \$17,000 from prior year surplus
	Future Financial Implications:	Could result in annual savings of up to \$15,000 in vehicle fuel and maintenance. Actual savings may vary depending on maintenance requirements.
	Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Project supports maintaining current service levels in recycling function and mitigation of escalating maintenance costs. Supports corporate energy & emissions reduction targets by promoting fuel savings and vision of 80% reduction in community GHG's by 2050 expressed in We Envision.
	Staff Capacity:	Minimal impacts on existing staff.
	Last Fee Schedule Review (provide details):	n/a
Rational / Service Impacts:	<p>The SCRD has two recycling trucks, a larger capacity primary service vehicle with a split body and a smaller capacity single compartment vehicle. Recycling equipment was purchased through a 10 year debenture with payments scheduled to continue through 2016. Both vehicles have high kilometers and are generating high and increasing maintenance costs. In 2011, maintenance costs exceeded \$40,000 and staff advised at that time that a vehicle replacement was required due to the risk of asset failure resulting in service interruptions. The SCRD's maintenance budget for 2012 was \$22,170 while actual costs exceeded \$35,000. At the time this report was written, the SCRD's primary recycling vehicle was down again for servicing with costs yet to be determined. The serviceability of these vehicles on a go forward basis is questionable. There is serious concern that 2013 maintenance costs could exceed \$40,000 or more. Furthermore, the risk of asset failure resulting in service interruptions is a real concern. It is noted that the SCRD Board intends to implement changes to the recycling depot operation in Sechelt in the near future.</p> <p>In order to maintain service to the Sechelt recycling depot in the short term, one of the following is required:</p>	

	<ol style="list-style-type: none"> 1. Increase vehicle maintenance budget by \$20,000 and continue to run existing recycling vehicles and run the risk of asset failure 2. Purchase a used single compartment recycling truck in serviceable condition to replace the existing primary recycling vehicle and offset a portion of costs by reducing vehicle fuel and maintenance budgets. <p>A used 2000 model Haul-All recycling truck is currently available in the Lower Mainland for \$27,900. It is recommended this vehicle be purchased (subject to inspection by Fleet Maintenance staff) as a replacement primary recycling vehicle and funded in part from savings in vehicle fuel and maintenance as follows:</p> <ul style="list-style-type: none"> • \$6,000 reallocated from vehicle fuel • \$9,000 reallocated from vehicle maintenance • \$12,900 balance to be funded from prior year surplus (plus HST, ferry & initial servicing, up to total of \$4,100 for total balance of \$17,000 to SCRD) <p>Assuming direction is received to proceed with Option 2, one of the SCRD's recycling vehicles would be retained for backup purposes while the other would be sold and proceeds invested to help offset annual debt payments.</p>
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6	Proposed Enhancement / Project / Reduction	Increase Contributions to Sechelt Landfill Closure Reserve
	Rating (see Diagram +3 to -3):	+1
	If Mandatory specify category above:	n/a
	Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
	2013 Funding Implications:	\$55,000
	Funding Source(s):	Tipping fees
	Future Financial Implications:	Increase of \$55,000 in annual contribution to closure reserves (from \$95,000 to \$150,000). Additional annual increases to closure reserve contributions (e.g. \$50,000 per year) required over next 2-5 years, depending on degree to which waste diversion targets are achieved (the more waste diversion achieved, the less reserve contributions will need to be increased).

Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Ensuring landfills are properly closed at end of life required under BC legislation and supports environmental responsibility and community health. Supports Financial Sustainability Policy by building reserves to fund future capital costs while ensuring these costs are borne by those benefiting from the service.
Staff Capacity:	No impacts to staff capacity.
Last Fee Schedule Review (provide details):	Tip fee schedule reviewed in 2012 budget. Tip fee for residual waste increased May 1, 2012 from \$110 to \$125 per tonne.
Rational / Service Impacts:	Landfill closure reserves are currently underfunded. Unless annual contributions are increased significantly in 2013 and future years, funding will not be in place to cover costs associated with progressive and final closure of the Sechelt Landfill site at its end of life. The current annual contribution is \$95,000. The proposed increase of \$55,000 would bring the total contribution to \$150,000 in 2013. This is consistent with the financial model presented to the Special Infrastructure Services Committee on January 10, 2012 (regarding impacts of achieving zero waste targets on landfills, or "Practical Zero Waste Challenge"). Further increases are required annually in future years. In the worst-case scenario (where no new diversion is achieved and the Sechelt Landfill closes in 2024) the annual contribution will ultimately need to increase to \$465,000 by the year 2020. In the best-case scenario (where diversion targets expressed in the SWMP are achieved and the landfill closes in 2031) the annual contribution will ultimately need to increase to \$250,000. The increase in reserve contributions will be funded from tipping fees.

7 Proposed Enhancement / Project / Reduction	2013 Backroad Trash Bash
Rating (see Diagram +3 to -3):	+2
If Mandatory specify category above:	n/a
Geographical / Electoral Area affected (specify if "Islands")	Regional (all areas)
2013 Funding Implications:	\$8,000
Funding Source(s):	Prior year surplus or regional taxation
Future Financial Implications:	\$8,000 annual increase to base budget, to be funded from regional taxation.
Is project identified in the Strategic Plan (explain consistency with Financial Sustainability Policy and relation to Core Values in We Envision)?	Supports community health and safety and core value of Environmental Responsibility identified in We Envision. Should this be approved as an annual program, funding from prior year surplus would be

Envision)?	inconsistent with Financial Sustainability Policy (base budget/core service items to be funded from taxation and other stable funding sources, whereas prior year surplus appropriate for one-time projects only).
Staff Capacity:	Estimate 10-15 days staff time required to plan, promote and coordinate the event. To be completed by existing staff. Intent is to investigate interest from community groups to take on coordination role in future years.
Last Fee Schedule Review (provide details):	n/a
Rational / Service Impacts:	<p>This event was successfully piloted in 2012 at a cost of approximately \$6,700 including disposal fees. 55 volunteers assisted the SCRD in cleaning up illegal dump sites at the 2012 Backroad Trash Bash event. Over 14 tonnes of illegally dumped trash was collected. The Chapman Creek Watershed was targeted as a priority, however with community assistance the event was able to expand to clean up over 20 dump sites between Gibsons and West Sechelt. The following improvements are proposed for 2013:</p> <ul style="list-style-type: none"> • Host the event in a more prominent location close to existing services (2012 event was hosted at the SCRD's Field Road Office) • Expand event promotions and disposal budget • Improved media coverage • 2013 Targets: 80+ volunteers; 30 dump sites cleaned up; 20 tonnes of material collected.

Five-Year Capital Reserve Plan (Landfill Closure Reserves)					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 2,571,472	\$ 1,561,472	\$ 1,091,472	\$ 1,341,472	\$ 1,591,472
Contributions Surplus	\$ 190,000	\$ 200,000	\$ 250,000	\$ 250,000	\$ 250,000
Building	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-\$ 1,200,000	-\$ 670,000	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 1,561,472	\$ 1,091,472	\$ 1,341,472	\$ 1,591,472	\$ 1,841,472

The closure reserve plan above assumes reserve contributions are capped at \$250,000 per year (contingent on achieving waste diversion targets and extending life of Sechelt Landfill to 2031). Actual costs of closure work may vary. Additional closure work anticipated in the year 2022 and beyond.

Five-Year Operating Reserve Plan (Regional Solid Waste Operating Reserve)					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 49,926	\$ 30,926	\$ 30,926	\$ 30,926	\$ 30,926
Contributions 2012 Surplus	\$ 15,000				
Building	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-\$ 34,000		\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 30,926	\$ 30,926	\$ 30,926	\$ 30,926	\$ 30,926

The operating reserve plan above assumes \$34,000 is used in 2013 to fund Budget Proposal #3.

Five-Year Operating Reserve Plan (Zero Waste Initiatives Operating Reserve)					
	2013	2014	2015	2016	2017
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 156,158	\$ 137,640	\$ 153,140	\$ 164,640	\$ 172,140
Contributions 2013	\$ 56,000	\$ 52,000	\$ 48,000	\$ 44,000	\$ 40,000
Building	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-\$ 74,518	-\$ 36,500	-\$ 36,500	-\$ 36,500	-\$ 36,500
Closing Balance in Reserve	\$ 137,640	\$ 153,140	\$ 164,640	\$ 172,140	\$ 175,640

The Zero Waste Initiatives Operating Reserve is funded from the \$5 per tonne eco-fee charged on municipal solid waste received at landfills. The plan above reflects the approved use of \$36,000 towards the Zero Waste Coordinator's wages in 2013 and approximately \$36,500 in future years per the approved funding formula for this position. The plan also assumes that the balance remaining in Regional Solid Waste appropriated surplus is transferred to this reserve in 2013. The decline in annual contributions to the reserve reflects the anticipated drop in municipal solid waste tonnages received at landfills as new diversion programs are implemented.

STAFF RECOMMENDS INCLUDING THE FOLLOWING BUDGET PROPOSALS IN THE 2013 BUDGET (IN PRIORITY ORDER):

1. Staff recommends that the Sechelt Landfill Contracts Operating budget and Professional Fees budget be increased by \$10,000 and \$5,000, respectively, to fund the anticipated increase in costs associated with asbestos waste disposal, sampling and abatement.
2. Staff recommends that the Sechelt Landfill Lab Analysis budget be increased by \$10,000 to reflect the cost of increased sampling frequency as required by the Ministry of Environment.
3. Staff recommends that a budget be established from the Regional Solid Waste Operating Reserve in the amount of \$34,000 to fund completion of an updated Environmental Monitoring Plan and Geotechnical Assessment as required by the Ministry of Environment, **and that staff be authorized to proceed with this project prior to adoption of the Financial Plan.**

4. Staff recommends that a budget of \$30,000 be established for Sechelt Landfill (Contracts Operating) to fund costs associated with transportation and disposal of treated wood waste and other wood waste that does not meet the criteria for “clean wood waste”, and that a new tipping fee of \$265 per tonne be implemented for treated/dirty wood waste effective May 1, 2013 to fund these costs.
5. Staff recommends that a budget of \$32,000 be established to fund replacement of the SCRD’s recycling truck, with funding provided as follows:
 - \$6,000 reallocated from vehicle fuel
 - \$9,000 reallocated from vehicle maintenance
 - \$17,000 from prior year surplus

It is further recommended that the 5 year financial plan be amended to reflect an annual reduction of \$6,000 in vehicle fuel and \$9,000 in vehicle maintenance in the Regional Recycling function (353), **and that staff be authorized to proceed with this project prior to adoption of the Financial Plan.**

6. Staff recommends that the annual contribution to landfill closure reserves be increased by \$55,000 in the 2013 budget.
7. Staff recommends establishing a budget of \$8,000 from prior year surplus to fund the 2013 Backroad Trash Bash, with an equivalent budget to be provided annually in future years and funded from taxation.