

Municipality of North Cowichan

Committee of the Whole

AGENDA

Tuesday, January 26, 2021, 6:00 p.m.
Electronically

Pages

1. CALL TO ORDER

This meeting, though electronic, is open to the public. All representations to Council form part of the public record. Proceedings will be streamed live and archived at www.northcowichan.ca.

Members of the public may join this online meeting and participate in the Public Input and Question Period portions of the meeting.

- To join by computer, smartphone, or tablet, visit northcowichan.ca/virtualmeeting for instructions.
- To join by telephone, dial 1.844.426.4405, enter the meeting ID 177 123 0611, and then press # to join the meeting.

2. APPROVAL OF AGENDA

Recommendation:

That the Committee of the Whole agenda be adopted as circulated [or as amended].

3. PUBLIC INPUT

Opportunity for brief verbal and written input from public participants regarding subsequent agenda items.

- **To submit your comments in writing**, please email Agenda@northcowichan.ca by 5:00 p.m. on Monday, January 25, 2021. An Addendum Agenda, with all submissions received, will be published to the website at northcowichan.ca/agendas by 6:00 p.m. on Monday, January 25, 2021.
- **To submit your comments verbally**, use the “raise your hand” button or dial *3 on your phone to be added to the queue. Each speaker will have up to three minutes to share their comments with Council.

4. BUSINESS

4.1. Official Community Plan (OCP) Growth Management

3 - 11

Purpose: To present a process for developing a growth management strategy as part of the OCP update project.

Purpose: To hear from General Manager, Financial and Protective Services regarding the utility (water and sewer) rates and consider increases to the rates for the 2021 budget year.

Recommendation:

1. That it be recommended to Council to increase:
 - Chemainus water metered minimum and parcel tax by 5%
 - Crofton Water metered minimum and parcel tax by 5%
 - South End Water metered minimum and parcel tax by 3%
 - Metered water rates by 3%
2. That it be recommended to Council to increase:
 - Chemainus sewer parcel tax and user fees by 2%
 - Crofton sewer parcel tax and user fee by 3%
 - South End sewer parcel tax and user fee by 3%
 - Maple Bay sewer treatment plant user fee by 3%

5. NEW BUSINESS

6. QUESTION PERIOD

A 10-minute recess to be provided to give the public watching the livestream an opportunity to submit their questions by email to QP@northcowichan.ca regarding the business discussed at this meeting.

When the meeting reconvenes, the electronic public participants (both online and callers) will have an opportunity to ask brief questions regarding the business of this meeting by using the **"raise your hand" button or dial *3 to be placed in the queue.** Questions received by email will then be read out in the order they were received.

7. CLOSED SESSION

8. ADJOURNMENT

Recommendation:

That the meeting be adjourned at ____ p.m.

Report

Date January 26, 2021

File: 6480-30 2019.01
Prospero No: SPP00040

To Committee of the Whole

From Chris Hutton, Community Planning Coordinator

Endorsed:



Subject OCP Update Project - Growth Management Memo

Purpose

To present a process for developing a growth management strategy as part of the OCP Update project.

Background

The OCP Update project has a stated objective of "Revise Our Approach to Growth Management." This objective was developed in collaboration with the OCP Advisory Committee and the Community Ambassadors, and was endorsed by Council in October of 2019. Before specific policies for managing growth can be drafted, it will be necessary to prepare an approach or strategy as to where future growth will go and how it will be accommodated. The approach to growth management will be based on the vision, goals and principles developed in phase 2 of the project, but it will also be guided by input and direction from the OCP Advisory Committee, Community Ambassadors and the public, before being presented to Council.

MODUS had originally proposed to create workbooks for "kitchen table" conversations about growth management, possibly led by OCP Ambassadors and Advisory Committee members, in its project proposal. In response to public health restrictions and the Engagement Plan endorsed by Council in July of 2020, the approach will be to more actively involve the OCP volunteers in developing the growth management options and engaging the public using online formats (video conference and interactive surveys.)

Discussion

MODUS has prepared a memo that outlines the process for addressing the growth management topic. The purpose of the memo and presentation at the January 26 Committee of the Whole meeting is to provide the Committee with an opportunity to review the proposed approach and provide input on it before this important next phase of the OCP Update project commences.

Recommendation

This is for information only.

Attachment: January 19, 2021 - Growth Scenario Options Memo



MEMO

TO: Chris Hutton

DATE: January 19, 2021

FROM: Suzy Lunn & Rob Barrs

RE: Growth Scenario Options

Purpose:

The purpose of this stage of the OCP update is to create growth scenarios for North Cowichan. We will engage Council, the OCP Advisory Committee, Ambassadors and public on where (and in what form) growth should go in the District, and potential impacts and implications of different growth scenarios. To do this, we propose that the technical team develop draft growth scenarios, refine with the OCP Advisory Committee and then engage the public for their feedback on the preferred growth scenario. We will then engage with the OCP Advisory and Ambassador Committees to get feedback before reporting to Council.

This stage will build on the work completed in Phase 2: Vision, Goals, and Community Character. A drafted goal from the Vision + Goals section of Phase II will help frame this stage of the process:

Focus growth and development in established centres to strengthen our vibrant communities while maintaining individual character. Using innovation and best practices to foster liveable, compact communities will preserve natural and rural areas and encourage climate-friendly and active ways to move around. Growth and development will occur in a low-impact, site adapted manner integrating natural features and ecological systems.

Attachment 1, Gap Analysis on Growth Management provides additional policy context and guidance.

Background:

What do we mean by growth?

Many communities in BC, including North Cowichan, are experiencing population growth that results from immigration to Canada and migration from other Canadian communities/regions. As with most BC communities, North Cowichan is not seeing any natural increase (more births than deaths). The growth in population results in increased demand for housing and services and the need for employment for these people. Increased demand for residential development also arises from a change in household size (households are getting smaller so more units are required for the same population) as well as demand for recreational and commercial properties.

When we use the term “growth”, we are usually referring to a combination of increased population and increased development (residential and employment-related) that accompanies it. When discussing OCP policy and growth management, it is worth differentiating the type of growth we are referring to. According to the [Rennie Intelligence Long-Range Projections of Population, Housing, and Employment in the Cowichan Valley Regional District Report](#), North Cowichan might expect its population to increase from 29,913 to 38,612 by 2050, an increase of 8,699 people. Housing units are projected to increase from 12,820 in 2017 to 16,519 in 2050 (an increase of 3,699), and jobs from 11,310 to 14,542 (an increase of 3,232) over the same time period¹. The growth scenarios will examine options for where these new housing units and jobs could be located and the implications of these scenarios.

Growth management is the practice of planning for and controlling the location, density and type of land use and development in a community. The idea is that by managing where growth occurs, we can increase the public benefits arising from growth and also mitigate the negative impacts of growth on health, asset management costs and the environment.

Depending on how it is shaped and managed, growth can have positive or negative impacts on things the community values. Growth has typically been seen as positive for economic development and the accompanying social benefits (more jobs, amenities, local taxes etc.) and as negative for the environment and community character. However, over the last decade or so, several studies have indicated how certain types/patterns of growth can have a negative impact on the fiscal health of a community if not managed properly. Additionally, growth can actually lead to positive environmental outcomes if used to leverage restoration/protection of environmental resources.

Due to the potentially large positive and negative outcomes resulting from growth, OCPs typically place a lot of emphasis on how growth is managed. Successfully managing growth depends on setting clear objectives and using policy to strategically manage the type, mix, density and location of growth that occurs and the requirements, amenities and benefits that accompany it. Growth management is challenging because the community may have very different priorities and values when it comes to the perceived costs and benefits of growth.

How Important is Growth Management to the OCP?

Growth management is one of the fundamental topics of an OCP and is highly related to other community planning topics, including housing, social development, mobility, diversity and inclusivity, climate change, environmental protection, community core vitality, economic development, maintaining rural areas, and more.

Growth Scenario Planning

Growth scenario planning is a technique that examines different growth options and the evaluation of impacts and benefits of each.

The main questions to be examined are:

¹ These numbers will be updated, if necessary, with the CVRD Housing Needs Assessment data when it is available.

1. Where should residential and employment growth go?
2. What type and density of growth is assumed? Ex. what is the proportion of single-detached, townhouse and apartment dwellings (rental, non-market, fee simple).
3. How much land is allocated for various land uses?
4. How will this align with community character?

How Will the Scenarios be Developed?

The OCP project team will create draft scenarios, based on the proposed growth scenario descriptions discussed below, and conduct a preliminary evaluation of each scenario based on technical expertise, case studies and known data.

The draft scenarios will be refined with the OCP Advisory Committee prior to public engagement. Following public engagement, we will workshop results and seek recommendations on an acceptable growth scenario with the OCP Advisory, Community Ambassador Committees, and finally, Council. This new growth scenario will inform the development of growth management and land use designations policy in the new OCP.

It is important to remember that the draft scenarios are, by necessity, a simplification of reality. This is necessary to keep the scenarios relatively straightforward and understandable. However, by providing some relatively simple scenarios, we can inform a rich community discussion about the pros and cons of different choices, and thereby develop sound, revised, growth management policy in the new OCP.

Proposed Growth Scenario Options

We propose creating three growth options that will be discussed and refined with the OCP volunteers. These are:

- Option 1: **business as usual/ planned (BAU)** – growth follows the existing OCP (i.e. the present UCB) and a similar density and pattern to what has occurred in the last 20 years. See Attachment 2.
- Option 2: **focused growth** – restrain growth to three core areas (South End, Chemainus and Crofton). Densities are higher than the BAU scenario.
- Option 3: **multi-centre growth** – distribute growth selectively amongst seven urban communities (South End, Chemainus, Crofton, Maple Bay, Berkey's Corner, Bell-McKinnon and Quamichan), within the context of regional and local housing demand and individual community character, values and constraints.

The existing OCP does not have definitions for each land use designation. In developing land use designations for the new OCP we propose being as consistent as possible, while incorporating the definitions from the Bell McKinnon Plan, University Village Plan and Crofton local area plans for the updated OCP.

Evaluation Criteria

When evaluating growth scenarios, it is important to identify which criteria to use. These ‘evaluation criteria’ should generally align with the goals and principles already established during the vision and goals stage of the OCP update.

We propose that each option will be evaluated based on:

- **Environment** i.e., how much land is lost. What is the likely impact to sensitive environmental systems?
- **Climate change** - what is the impact on transportation and building energy use efficiency. What are the risks posed by increased flooding, wildfire etc.?
- **Agriculture** – what are the implications for local food and agricultural systems?
- **Transportation** – how will each scenario affect mode choice and traffic volumes and patterns?
- **Health and livability**- how will each scenario affect the choice to use active modes of transportation, allow social connections, access to natural areas?
- **Equity and social justice** – how will these scenarios affect residents differently, and how do they affect accessibility in the built environment?
- **Asset management and impact on infrastructure** – how does each scenario affect future cost of municipal infrastructure?
- **Affordability and choice** - how does each scenario affect the choice and affordability of housing and cost of transportation?
- **Economic development and jobs** – what is the likely impact of each scenario on creating job opportunities?
- **Community character** – how does each scenario impact the character of the community?

The evaluations will be supplemented by available data where available from geospatial analysis, the Climate Action and Energy Plan, the draft Housing Needs Assessment and other existing plans and studies. Some criteria will figure more prominently in the engagement sessions, where public input and local knowledge can enhance technical analysis.

Timelines:

- February 1: Community Character Survey Closes
- January 26: Presentation to Council on Growth Scenario Framework (MODUS & North Cowichan)
- Early-Mid February: Workshop with OCP Advisory Committee to discuss scenarios (MODUS & North Cowichan)
- Mid February Launch Growth Management Engagement (over two weeks)
- March/April – Vetting and Review of Engagement Results and Draft Policy
- Early-mid April 2021: Meeting with the OCP Advisory Committee to review results (MODUS & North Cowichan)
- May 2020: Meeting with Council to review results (MODUS & North Cowichan)

Attachment 1: Gap Analysis on Growth Management

WHAT ARE THE CHALLENGES IN ADDRESSING THIS THEMATIC OBJECTIVE?

There are a number of challenges in addressing growth management in North Cowichan:

Concentrating growth to create complete, walkable communities: Concentrating growth can contribute to the creation of walkable, diverse, and mixed-use communities. Until vehicles are fully electrified it can also reduce GHG emissions associated with transportation. Several of the older villages such as Chemainus, Crofton and Maple Bay have compact and well-defined centres. However, recent development is more car-oriented, disconnected (from an active transportation perspective), and is spread across North Cowichan with low density and poor walkability. This recent growth is not connected to a well understood, logical framework that can guide where and how growth occurs.

Protecting agricultural areas and the Municipal Forest: Concentrating growth in specific areas also helps to protect agricultural areas and the Municipal Forest from development that is unwanted. This has often been a challenge across British Columbia due to growth pressures and resource lands often seen as a development land bank. However, North Cowichan appears to have been largely successful in protecting its resource lands due to land preservation policies and the value placed on the Municipal Forest and agricultural land.

Supporting commercial: While commercial nodes are wanted in some residential areas in order to increase walkability and livability, and decrease transportation distance travelled, it is often difficult to make these financially feasible to develop or operate. As an example, Maple Bay Heights has commercial area designated but this site has not been developed for commercial uses. On-line shopping and the Covid-19 pandemic have made the viability of small commercial nodes even more tenuous. However, North Cowichan should look for opportunities to create/support 'third spaces' (where people can informally meet and gather) whether or not these are associated with commercial activity.

Housing diversity and affordability: Creating housing affordability and choice are challenges for municipalities across British Columbia including North Cowichan. Land and housing prices have been driven by several factors including immigration, demand for recreational, speculative investment, lack of supply, and new forms of short-term rental (AirBnB etc.). Housing choice and diversity is hampered by the perception and sometimes the reality that higher density forms of housing are less desirable and less profitable for developers.

Lack of purpose-built rental housing - The bulk of the purpose-built rental unit supply was built prior to 1979 (65%). There is also limited supply of purpose-built rental bachelor units (5% of all units) and 3 bedroom units (7% of all units). There was historically low vacancy in 2019 across all rental unit types, particularly in bachelor units (0% vacancy).

Lack of Build Out Estimates for Local Area Plans - A review of the Bell McKinnon, University Village and other local area plans shows that there are no residential supply or unit capacity estimates in

the plans. In addition, estimated growth or absorption by community has not yet been determined. This makes it difficult to forecast build-out, which can make infrastructure, servicing and community development initiatives difficult. Directions to adopt build-out scenarios for each of the local area plans is recommended for the 2020 OCP.

RECOMMENDATIONS TO CONSIDER

Development of Growth Management Options: Once the new OCP vision and goals have been identified, the consulting team will create a number of alternative growth management options. These options will build upon the options created and modelled as part of the Climate Action and Energy Plan. They will show alternative locations for future growth of the community. Each of the options will be evaluated against community objectives to understand the pros and cons. These options (and accompanying evaluation) should form an important part of the community consultation process.

Clarify community values and objectives related to growth: Environmental, economic, social and cultural values along with market, technical and demographic information, must all be considered during the development of North Cowichan's growth management policy. As growth management is related to so many of North Cowichan's other goals, it is important to help the community clarify its values and objectives and understand the range of options for how future growth can be accommodated.

Create a comprehensive and clear structure plan: While the existing Urban Containment Boundary and Land Use Designation Map is a good start, North Cowichan lacks a clear land use framework with which to make consistent land use and development decisions. Some of the current development pattern therefore lacks a clear structure and clear transitions between areas. The OCP would benefit from more clarity through a Structure Plan and land use framework with a simplified and refined set of land use designations. This could potentially be based on development transect such as the one MODUS created for the Cowichan Valley Regional District, which includes the categories resource and natural, rural and agricultural, suburban, village, urban, and special district. This framework clarifies the defining character of each area, the desired land uses and the implementing zones in each.

Review the Urban Containment Boundary: Through the OCP update process, the long-term vision and principles of the OCP, and the objectives and policy of the other sections will be updated. The Urban Containment Boundary, and proposed Structure Plan and land use framework will all need to be reviewed so that they more clearly reflect these updated vision and values of the OCP. This will likely mean the concentration of growth into mixed-use hubs in order to improve walkability and reduce impacts on the environment and resource lands.

Integrate Local Area Plans into OCP: The existing Local Area Plans (for Bell-McKinnon, University Village, and Crofton) could be integrated into the OCP (as Schedules), including the Urban Containment Boundary, and proposed Structure Plan and land use framework. Policies should be reviewed for consistency and redundancy.

Modify Growth Management Policies to create greater clarity of intent: Several policies in the 'Build Strong Communities' section should be re-worded for greater clarity so that all users (community members, landowners/developers, Council and staff) have a clear idea of what the intent is and where development of different types is and is not permitted. For example, Policy 2.5.1.1. currently states: "The municipality will manage growth through the establishment of a firm urban containment boundary. This should be revised to 'urban development will not be supported outside the urban containment boundary.'

Increase opportunities for higher density development: While North Cowichan has seen a recent uptick in the number of apartment dwellings built, the OCP should encourage additional forms of higher density development across a range of unit types to ensure a diversity of housing for a range of life stages and incomes.

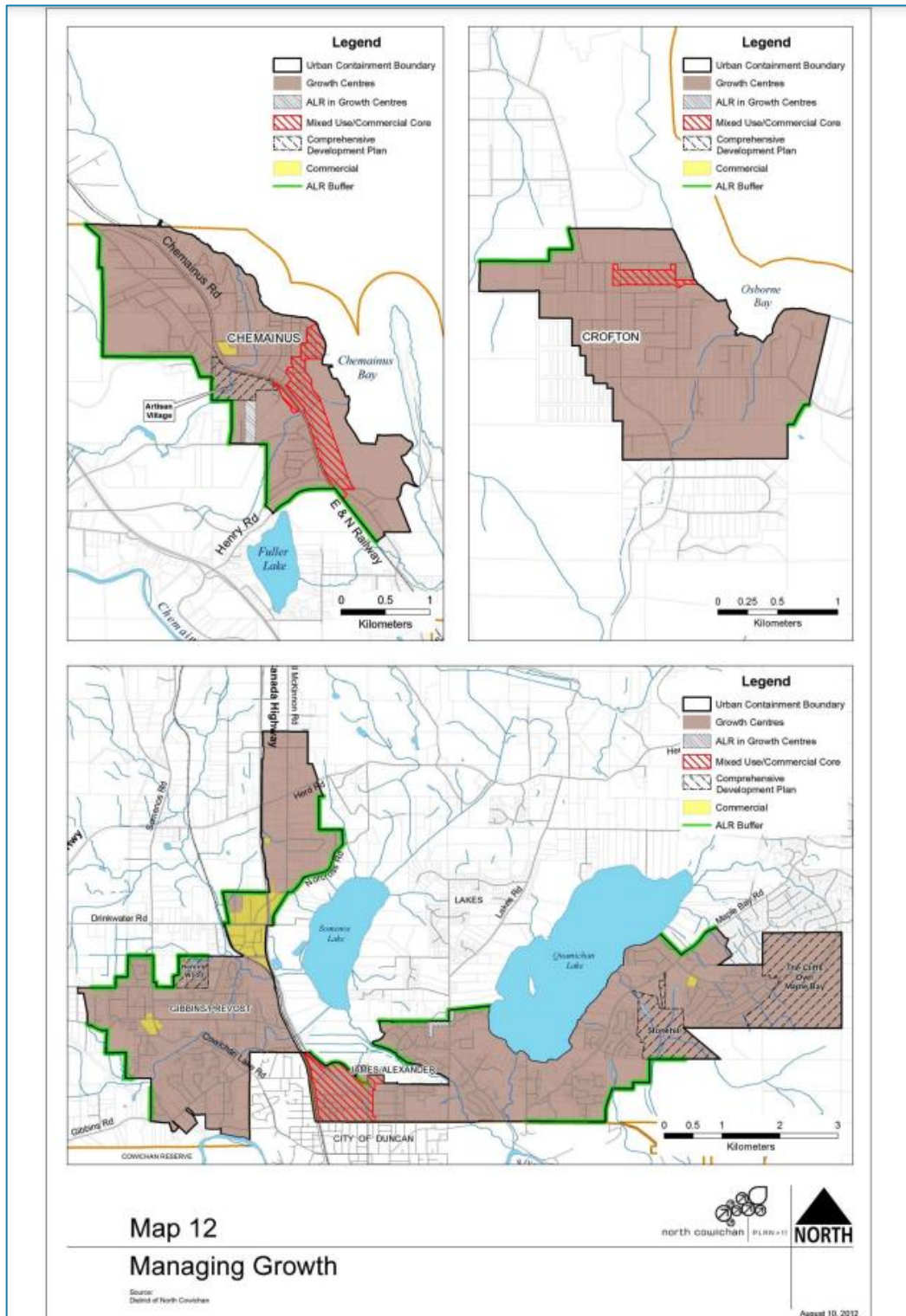
Develop build-out scenarios for local area plans: To better manage growth and coordinate infrastructure and community amenities delivery, North Cowichan should estimate the unit capacity in each LAP and Comprehensive Plan to better understand the potential impacts on infrastructure as well as availability to increase supply of housing if needed.


Strengthen Affordable Housing Policies: Affordable housing policies should be strengthened in the OCP update, with particular attention paid to the economics of developing these projects. Affordable housing projects are very costly to build - and the high cost must be offset by a significant share of private sector units in the building, or land and equity subsidies. The first step is defining rents or prices which constitute affordable housing. This gives clarity to developers or non-profit organizations about the investment required to undertake these projects. It is also recommended that the municipality engage a partner to test a potential affordable housing project on a select site in the municipality to understand the zoning and financial requirements of a standard project. Further clarity should come from the CVRD Housing Needs Analysis work currently underway.

Explore further development of Purpose-Built Rental Housing: Policies which support the development of purpose-built rental projects are recommended for the updated OCP. This could include directions to study the density and zoning necessary to make these projects financially viable. Since there has been a recent increase in the development of purpose-built rental units (2017 to 2019), an analysis of these projects and the underlying success factors is recommended.

Tracking Housing Data: Separating out secondary suites and purpose-built apartment/townhouse projects in building permit data is recommended, as each unit types requires different policies to support development.

Attachment 2: 2011 OCP Growth Management Map





Municipality of North Cowichan 2021 - 2025 Utility Review

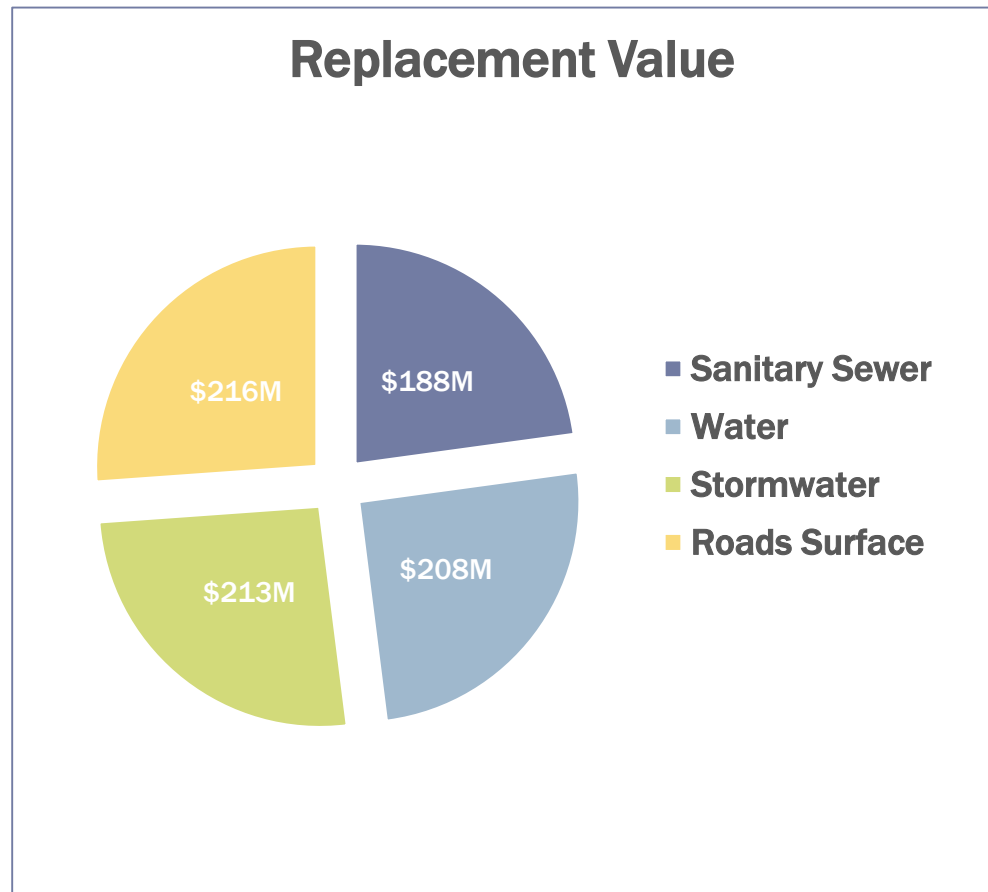


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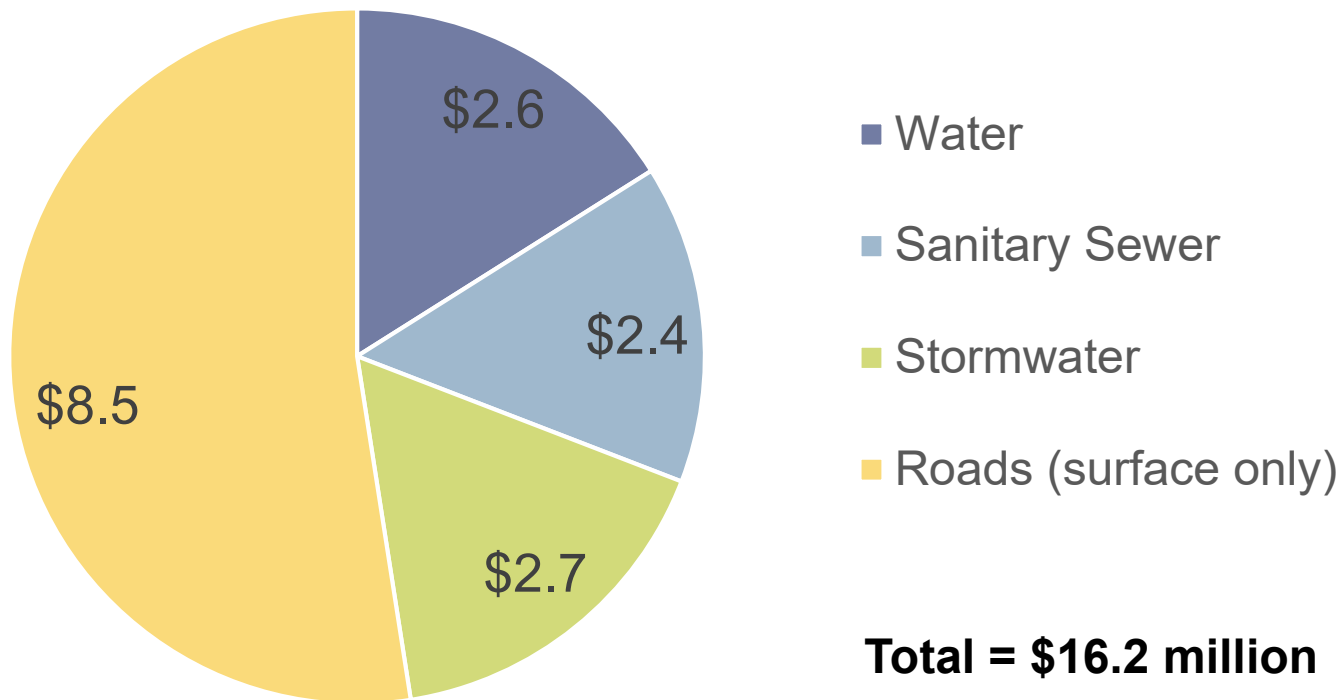
What Is The Value Of These Linear Assets?

The Asset Management Improvement Plan (AMIP) determined that total replacement value of District's linear water, sewer, stormwater and road surface assets is estimated to be \$825 million, expressed in 2019 dollars. This value does *not* include non-linear assets such as treatment plants and pumping facilities, or natural assets.



How Much Money Needs to be Invested Annually?

Average Annual Lifecycle Investment
(\$ millions)





What are our Current Funding Levels for the Water Fund?

	Crofton	Chemainus	South End	Total
Average Annual Capital Spending	\$200k	\$400k	\$800k	\$1400k
AALCI Funding Range	\$200k to \$300k	\$300k to \$400k	\$1300k to \$1900k	\$1800k to \$2600k
Available Reserve Funds	\$170k	\$640k	\$4,000k	\$4,810k

Chemainus Water

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax	709,096	751,607	797,535	846,650	899,024	952,262
Sales of Service	768,175	815,228	841,864	885,375	932,280	984,016
Gas Tax Revenue	200,000	100,000	100,000	100,000	100,000	100,000
Debt and DCC's	58,800					
Other	315,000	311,790	318,030	324,390	330,880	337,500
Total Revenue	2,051,071	1,978,625	2,057,429	2,156,415	2,262,184	2,373,778
Maintenance & Admin	936,241	972,920	969,250	973,320	992,640	1,012,390
Capital Projects	1,250,000	990,000	306,000	312,120	318,000	324,360
Debenture Debt Charge	190,534	134,184	134,184	134,184	134,184	134,184
Amortization	315,000	311,790	318,030	324,390	330,880	337,500
Total Expenditure	2,691,775	2,408,894	1,727,464	1,744,014	1,775,704	1,808,434
Surplus (Deficit)	(640,704)	(430,269)	329,965	412,401	486,480	565,344

Smiley Road Watermain



Smiley Rd Watermain Replacement

- Replace 850 meters of existing 300mm steel water main on Smiley Road with seismically resistant pipe.
- A pipe condition assessment was done in 2017
 - *Identified 5 leaks that have subsequently been repaired, but the characteristics on the leaks (pin holes) is indicative of the pipe wall thinning to the point of imminent failure.*
 - *This is one of two main trunk mains going into town, unscheduled failure would cause significant issues in the Chemainus town supply.*
- This project is estimated to cost \$890,000.

Chemainus Surplus & DCC Balance

	2020 Actual	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<i>Surplus</i>						
Acc. Surplus Beg Yr.	758,613	644,303	214,034	543,999	956,400	1,442,880
Surplus (Deficit)	(114,310)	(430,269)	329,965	412,401	486,480	565,344
Acc. Surplus End Yr.	644,303	214,034	543,999	956,400	1,442,880	2,008,224
<i>Chemainus Water DCC</i>						
Opening Balance	465,234	570,861	619,793	672,205	731,527	794,833
Interest	10,062	11,417	12,396	16,805	18,288	19,871
Contributions	95,565	37,515	40,016	42,517	45,018	45,018
Draws						
Closing Balance	570,861	619,793	672,205	731,527	794,833	859,722
Closing Surplus & DCC	1,215,164	833,827	1,216,204	1,687,927	2,237,713	2,867,946

Chemainus Water Revenue

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax – No. Parcels	2,348	2,371	2,395	2,419	2,443	2,467
Parcel Tax – Annual Rate	302	317	333	350	368	386
Parcel Tax Revenue	\$709,096	\$751,607	\$797,535	\$846,650	\$899,024	\$952,262
Annual Parcel Tax	302	317	333	350	368	386
Annual Water – Basic	246	258	271	285	299	314
Total Annual Charge	\$548	\$575	\$604	\$635	\$667	\$700
Annual Increase	\$26.00	\$27.00	\$29.00	\$31.00	\$32.00	\$33.00
% Increase	5%	5%	5%	5%	5%	5%

Crofton Water

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax	216,195	228,032	241,580	256,386	271,432	287,776
Sales of Service	469,614	494,515	517,023	543,036	572,393	608,515
Developer Contribution		1,500,000				
Gas Tax Revenue	100,000	800,000	100,000	150,000	150,000	100,000
Other	96,000	179,700	183,290	186,960	190,700	194,510
Total Revenue	881,809	3,202,247	1,041,893	1,136,382	1,184,525	1,190,801
Maintenance & Admin	477,336	557,340	504,640	513,040	523,210	533,630
Capital Projects	170,000	2,500,000	240,000	180,000	100,000	1,156,060
Debenture Debt Charge	29,723	29,723	29,723	29,723	29,723	29,723
Amortization	96,000	179,700	183,290	186,960	190,700	194,510
Total Expenditure	773,059	3,266,763	957,653	909,723	843,633	1,913,923
<i>Surplus (Deficit)</i>	<i>108,750</i>	<i>(64,516)</i>	<i>84,240</i>	<i>226,659</i>	<i>340,892</i>	<i>(723,122)</i>

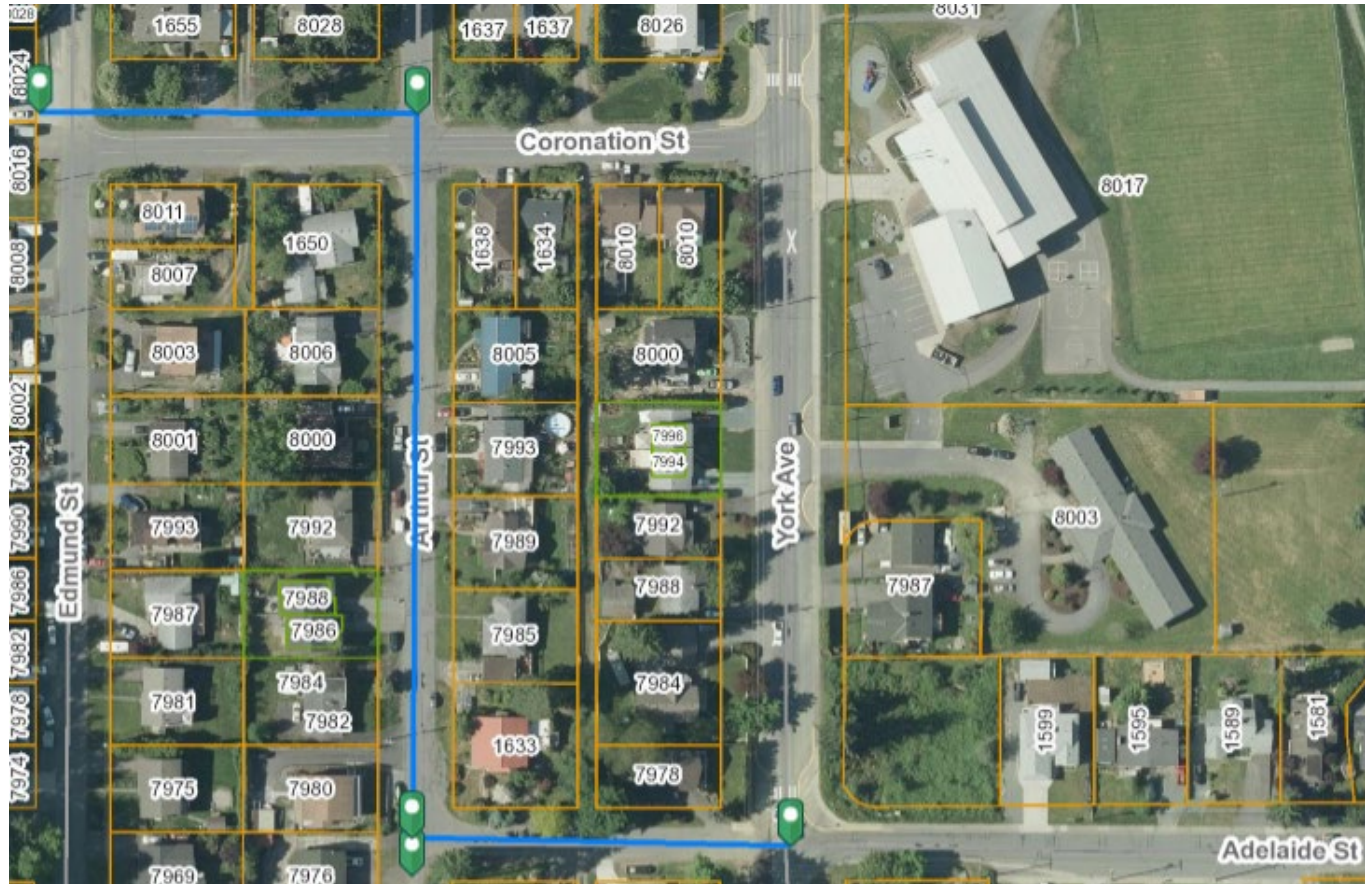
New Crofton Reservoir

- To be constructed south of Adelaide Street to provide increase fire flow protection to existing homes and planned development of up to 200 new homes
- Estimated cost of \$2.2 million to be funded by:
 - *Developer contribution - \$1.5 million*
 - *Gas Tax revenues - \$700k*

Arthur St. / Coronation St. Watermain

- Replace 400 meters of cast iron water main from Adelaide thru Arthur and up Coronation
- Existing cast iron main is some of the last cast iron in service within the Crofton water system
- Large volumes of complaint calls received yearly from this area largely due to dirty water, broken water mains, and plugged water filters that have been installed to deal with water quality

Arthur St. / Coronation St. Watermain



Crofton Surplus & DCC Balance

	2020 Actual	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<i>Surplus</i>						
Acc. Surplus - Begin Year	3,385	168,001	103,485	187,725	414,384	755,276
Surplus (Deficit)	164,616	(64,516)	84,240	226,659	340,892	(723,122)
Acc. Surplus - End Year	168,001	103,485	187,725	414,384	755,276	32,154
<i>Crofton Water DCC</i>						
Opening Balance	133,252	139,397	145,955	163,034	181,185	199,699
Interest	2,688	2,091	2,189	3,261	3,624	3,994
Contributions	3,457	4,467	14,890	14,890	14,890	14,890
Draws						
Closing Balance	139,397	145,955	163,034	181,185	199,699	218,583
Closing Surplus & DCC	307,398	249,440	350,759	595,569	954,975	250,737

Crofton Revenue

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax – No. Parcels	1,015	1,018	1,028	1,038	1,048	1,058
Parcel Tax – Annual Rate	213	224	235	247	259	272
Annual Parcel Tax Revenue	\$216,195	\$228,032	\$241,580	\$256,386	\$271,432	\$287,776
Annual Parcel Tax	213	224	235	247	259	272
Annual Water – Basic	425	446	468	491	516	542
Total Annual Charge	\$638	\$670	\$703	\$738	\$775	\$814
Annual Increase	\$30.00	\$32.00	\$33.00	\$35.00	\$37.00	\$39.00
% Increase	5%	5%	5%	5%	5%	5%

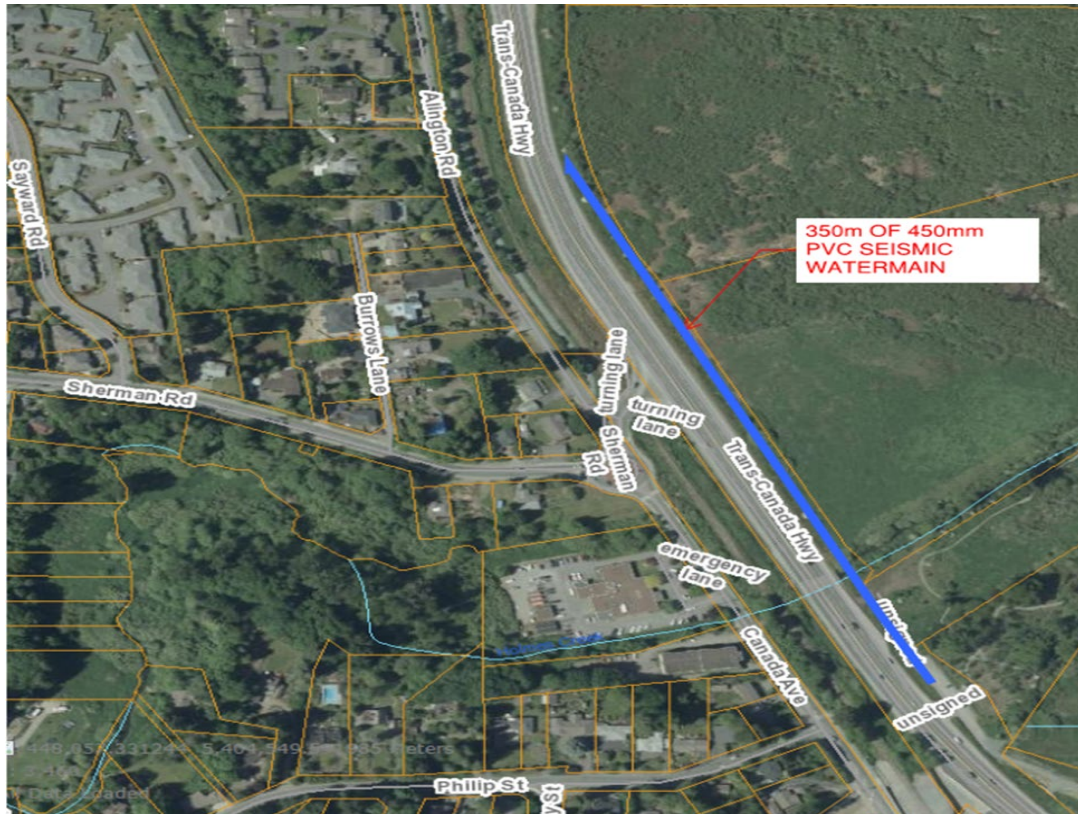
South End Water

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax & LIF	1,218,759	1,269,261	1,305,402	1,350,223	1,378,377	1,436,172
Sales of Service	1,401,602	1,490,702	1,521,230	1,515,879	1,564,822	1,618,239
LAS / DCC	85,000	85,000	85,000	85,000	85,000	85,000
Other	653,000	703,800	717,880	732,240	746,880	761,820
Total Revenue	3,358,361	3,548,763	3,629,512	3,683,342	3,775,079	3,901,231
Maintenance & Admin	1,357,092	1,414,720	1,389,690	1,398,330	1,426,310	1,454,810
Pumping	323,495	359,590	366,730	373,980	381,410	388,990
Capital Projects	1,135,000	1,616,000	4,180,350	880,000	704,000	208,100
Debenture Debt Charge	40,501	40,501	27,575	22,598		
Amortization	653,000	703,800	717,880	732,240	746,880	761,820
Total Expenditure	3,509,088	4,134,611	6,682,225	3,407,148	3,258,600	2,813,720
Surplus (Deficit)	(150,727)	(585,848)	(3,052,713)	276,194	516,479	1,087,511

Beverly St to Drinkwater Rd Water Trunk Main 2021-2024

- A continuation project to complete the water trunk main from Tzouhalem Road to Drinkwater Road
- Need for project identified during the 2001 South End Distribution Study
- Will provide a more resilient water supply to Drinkwater Road reservoirs which in turn provides much of the potable water to South End residents
- Pipe materials have greater ductility in the event of an earthquake with life expectancy greater than 100 years

Beverly St to Drinkwater Rd Water Trunk Main 2020-2024 (2021 portion)



South End Surplus & DCC Balance

	2020 Actual	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<i>Surplus</i>						
Acc. Surplus - Begin Year	3,402,136	4,004,715	3,418,867	366,154	642,348	1,158,827
Surplus (Deficit)	602,579	(585,848)	(3,052,713)	276,194	516,479	1,087,511
Acc. Surplus - End Year	4,004,715	3,418,867	366,154	642,348	1,158,827	2,246,338
<i>South End Water DCC</i>						
Opening Balance	2,114,861	2,431,979	2,543,178	2,661,603	2,782,396	2,908,106
Interest	45,705	48,640	50,864	53,232	55,648	58,162
Contributions	271,413	147,559	152,561	152,561	155,062	155,062
Draws		(85,000)	(85,000)	(85,000)	(85,000)	(85,000)
Closing Balance	2,431,979	2,543,178	2,661,603	2,782,396	2,908,106	3,036,330
Closing Surplus & DCC	6,436,694	5,962,045	3,027,757	3,424,744	4,066,933	5,282,668

South End Revenue

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax – No. Parcels	5,981	6,053	6,114	6,175	6,237	6,299
Parcel Tax – Annual Rate	197	203	209	215	221	228
Annual Parcel Tax Revenue	\$1,178,257	\$1,228,759	\$1,277,826	\$1,327,625	\$1,378,377	\$1,436,172
Annual Parcel Tax	197	203	209	215	221	228
Annual Water – Basic	173	178	183	188	194	200
Total Annual Charge	\$370	\$381	\$392	\$403	\$415	\$428
Annual Increase	\$11.00	\$11.00	\$11.00	\$11.00	\$12.00	\$13.00
% Increase	3%	3%	3%	3%	3%	3%

2021 Utility Rates – Water

Recommendation:

That it be recommended to Council to increase:

- ▶ Chemainus water metered minimum and parcel tax by 5%
- ▶ Crofton water metered minimum and parcel tax by 5%
- ▶ South End water metered minimum and parcel tax by 3%
- ▶ Metered water rates by 3%



What are our Current Funding Levels for the Sewer Fund?

	Crofton	Chemainus	South End	Total
Average Annual Capital Spending	\$200k	\$400k	\$930k	\$1530k
AALCI Range	\$200k to \$300k	\$300k to \$400k	\$1100k to \$1600k	\$1600k to \$2300k
Available Reserve Funds	\$2,160k	\$3,320k	\$11,700k	\$17,180k

Chemainus Sewer

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax & LIF	888,106	926,068	954,507	983,326	1,012,525	1,042,625
Sales of Service	307,391	313,458	319,647	325,960	332,399	338,967
Interest	43,200	66,370	63,930	61,190	68,060	75,370
Amortization/DCC	422,000	302,760	500,820	315,000	321,300	327,730
Total Revenue	1,660,697	1,608,656	1,838,904	1,685,476	1,734,284	1,784,692
Maintenance & Admin	713,173	732,590	359,070	366,220	373,520	380,940
Pumping	64,670	68,730	70,090	71,480	72,930	74,400
Treatment	357,385	365,290	372,610	380,050	387,620	395,350
Capital Projects	250,700	254,510	858,400	202,370	206,417	210,546
LIF Debt Charge	6,877	6,877	6,877	6,877	6,877	6,877
Amortization	230,000	302,760	308,820	315,000	321,300	327,730
Total Expenditure	1,622,805	1,730,757	1,975,867	1,341,997	1,368,664	1,395,843
Surplus (Deficit)	37,892	(122,101)	(136,963)	343,479	365,620	388,849

Chemainus Surplus & DCC Balance

	2020 Actual	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<i>Surplus</i>						
Acc. Surplus - Begin Year	3,089,900	3,318,411	3,196,310	3,059,347	3,402,826	3,768,446
Surplus (Deficit)	228,511	(122,101)	(136,963)	343,479	365,620	388,849
Acc. Surplus - End Year	3,318,411	3,196,310	3,059,347	3,402,826	3,768,446	4,157,295
<i>Chemainus Sewer DCC</i>						
Opening Balance	242,785	286,096	315,378	153,246	179,871	207,028
Interest	5,164	5,722	6,308	3,065	3,597	4,141
Contributions	38,147	23,560	23,560	23,560	23,560	24,800
Draws			(192,000)			
Closing Balance	286,096	315,378	153,246	179,871	207,028	235,969
Closing Surplus & DCC	3,604,507	3,511,688	3,212,593	3,582,697	3,975,474	4,393,264

Chemainus Revenue

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax – No. Parcels	1,867	1,911	1,930	1,949	1,968	1,988
Parcel Tax – Annual Rate	472	481	491	501	511	521
Annual Parcel Tax Revenue	\$881,229	\$919,191	\$947,630	\$976,449	\$1,005,648	\$1,035,748
Annual Parcel Tax	472	481	491	501	511	521
Annual Sewer – Basic	149	152	155	158	161	164
Total Annual Charge	\$621	\$633	\$646	\$659	\$672	\$685
Annual Increase	\$17.00	\$12.00	\$13.00	\$13.00	\$13.00	\$13.00
% Increase	3%	2%	2%	2%	2%	2%

Crofton Sewer

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax	372,300	384,703	400,830	417,209	433,840	451,612
Sales of Service	295,560	311,620	317,182	322,856	328,643	334,546
Interest	21,200	32,410	31,250	25,290	18,360	3,080
Amortization/DCC	160,000	169,490	262,880	176,340	179,870	183,470
Total Revenue	849,060	898,223	1,012,142	941,695	960,713	972,708
Maintenance & Admin	315,162	337,100	331,060	337,910	344,650	351,540
Treatment	223,915	228,800	233,370	238,040	242,780	247,600
Capital Projects	200,000	240,000	672,348	957,326	957,326	200,000
Amortization	160,000	169,490	172,880	176,340	179,870	183,470
Total Expenditure	899,077	975,390	1,409,658	1,709,616	1,724,626	982,610
Surplus (Deficit)	(50,017)	(77,167)	(397,516)	(767,921)	(763,913)	(9,902)

Crofton Surplus & DCC Balance

	2020 Actual	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<i>Surplus</i>						
Acc. Surplus - Begin Year	1,700,688	2,160,402	2,083,235	1,685,719	917,798	153,885
Surplus (Deficit)	459,714	(77,167)	(397,516)	(767,921)	(763,913)	(9,902)
Acc. Surplus - End Year	2,160,402	2,083,235	1,685,719	917,798	153,885	143,983
<i>Crofton Sewer DCC</i>						
Opening Balance	75,871	81,710	88,882	17,274	34,233	51,532
Interest	1,554	1,634	1,778	345	685	1,031
Contributions	4,285	5,538	16,614	16,614	16,614	16,614
Draws			(90,000)			
Closing Balance	81,710	88,882	17,274	34,233	51,532	69,177
Closing Surplus & DCC²⁷	2,242,112	2,172,117	1,702,993	952,031	205,417	213,160³⁸

Crofton Revenue

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax – No. Parcels	850	853	862	871	880	889
Parcel Tax – Annual Rate	438	451	465	479	493	508
Annual Parcel Tax Revenue	\$372,300	\$384,703	\$400,830	\$417,209	\$433,840	\$451,612
Annual Parcel Tax	438	451	465	479	493	508
Annual Sewer – Basic	283	291	300	309	318	328
Total Annual Charge	\$721	\$742	\$765	\$788	\$811	\$836
Annual Increase	\$21.00	\$21.00	\$23.00	\$23.00	\$23.00	\$25.00
% Increase	3%	3%	3%	3%	3%	3%

South End Sewer

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax & LAS	1,294,377	1,342,837	1,405,582	1,476,515	1,549,866	1,609,448
Sales of Service	1,115,029	1,243,880	1,281,046	1,318,682	1,357,448	1,397,376
Interest	164,600	234,040	238,960	215,940	100,490	43,270
Amortization/DCC/GR	1,706,262	1,800,789	6,160,447	18,549,090	5,240,041	554,850
Total Revenue	4,280,268	4,621,546	9,086,035	21,560,227	8,247,845	3,604,944
Maint & Admin	923,331	939,610	791,150	806,930	823,010	839,470
Pumping	128,810	139,440	142,290	145,150	148,150	151,110
Treatment	643,606	723,238	747,629	749,928	763,676	777,699
Capital Projects	1,683,765	2,096,912	8,071,330	23,462,758	10,546,468	416,160
Fiscal Services	56,103	56,104	56,104	56,105	56,103	40,088
Amortization	800,000	420,220	428,620	437,190	445,930	454,850
Total Expenditure	4,235,615	4,375,524	10,237,123	25,658,061	12,783,337	2,679,377
Surplus (Deficit)	44,653	246,022	(1,151,088)	(4,097,834)	(4,535,492)	925,567

JUB Outfall Relocation

Updated Project Cost Estimate:

	Prior Years	2021	2022	2023	2024	Total
Grant	335,280	1,124,201	4,667,441	5,873,078		12,000,000
Others	514,457	256,368	1,064,386	7,958,822	4,694,111	14,488,144
North Cowichan	<u>596,681</u>	<u>297,343</u>	<u>1,234,503</u>	<u>9,230,858</u>	<u>5,444,357</u>	<u>16,803,742</u>
	1,446,418	1,677,912	6,966,330	23,062,758	10,138,468	43,291,886

South End Surplus & DCC Balance

	2020 Actual	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<i>Surplus</i>						
Acc. Surplus - Begin Year	10,247,381	11,702,043	11,948,065	10,796,977	6,699,143	2,163,651
Surplus (Deficit)	1,454,662	246,022	(1,151,088)	(4,097,834)	(4,535,492)	925,567
Acc. Surplus - End Year	11,702,043	11,948,065	10,796,977	6,699,143	2,163,651	3,089,218
<i>South End Sewer DCC</i>						
Opening Balance	5,890,493	6,322,891	6,600,566	7,042,700	3,218,803	3,506,117
Interest	121,183	126,458	132,011	140,854	64,376	70,122
Contributions	311,215	151,217	310,123	315,249	322,938	328,064
Draws				(4,280,000)	(100,000)	(100,000)
Closing Balance	6,322,891	6,600,566	7,042,700	3,218,803	3,506,117	3,804,303
Closing Surplus & DCC	18,024,934	18,548,631	17,839,677	9,917,946	5,669,768	6,893,521

South End Revenue

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2024 Budget
Parcel Tax – Parcels	5,982	6,041	6,162	6,285	6,411	6,539
Parcel Tax – Rate	207	213	219	226	233	240
Annual Parcel Tax Revenue	\$1,238,274	\$1,286,733	\$1,349,478	\$1,420,410	\$1,493,763	\$1,569,360
Annual Parcel Tax	207	213	219	226	233	240
Annual Sewer – Basic	163	168	173	178	183	188
Total Annual Charge	\$370	\$381	\$392	\$404	\$416	\$428
Annual Increase	\$11.00	\$11.00	\$11.00	\$12.00	\$12.00	\$12.00
% Increase	3%	3%	3%	3%	3%	3%

Maple Bay Marina Sewer Treatment Plant

	2020 Actual	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax	71,003	71,400	72,828	74,285	75,770	77,286
Sales of Service	32,435	25,500	26,010	26,530	27,061	27,602
Amortization		98,200	98,200	98,200	98,200	98,200
Total Revenue	103,438	195,100	197,038	199,015	201,031	203,088
Treatment	39,966	69,710	71,090	72,520	73,950	75,440
Amortization		98,200	98,200	98,200	98,200	98,200
Total Expenditure	39,966	167,910	169,290	170,720	172,150	173,640
<i>Surplus (Deficit)</i>	63,472	27,190	27,748	28,295	28,881	29,448
<i>Beginning Surplus (Deficit)</i>	26,255	89,727	116,917	144,665	172,960	201,841
<i>Accumulated Surplus</i>	89,727	116,917	144,665	172,960	201,841	231,289

Maple Bay Revenue

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Parcel Tax – Area	20.67	20.67	20.67	20.67	20.67	20.67
Parcel Tax – Rate	3,335	3,387	3,454	3,523	3,594	3,666
Annual Parcel Tax Revenue	\$68,936	\$70,000	\$71,400	\$72,828	\$74,285	\$75,770
Annual Parcel Tax	437	450	464	478	492	507
Annual Sewer – Basic	1,040	1,071	1,103	1,136	1,171	1,206
Total Annual Charge	\$1,477	\$1,521	\$1,567	\$1,614	\$1,662	\$1,712
Annual Increase		\$44	\$46	\$47	\$48	\$50
% Increase		3%	3%	3%	3%	3%

2021 Utility Rates – Sewer

Recommendation:

That it be recommended to Council to increase:

- ▶ Chemainus sewer parcel tax and user fees by 2%
- ▶ Crofton sewer parcel tax and user fee by 3%
- ▶ South End sewer parcel tax and user fee by 3%
- ▶ Maple Bay sewer treatment plant user fee by 3%