



## REGIONAL SERVICES COMMITTEE MEETING AGENDA

WEDNESDAY, JULY 26, 2017  
BOARD ROOM  
175 INGRAM STREET, DUNCAN, BC

9:30 AM

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1. <u>APPROVAL OF AGENDA</u>	
2. <u>ADOPTION OF MINUTES</u>	
M1 Regular Regional Services Committee meeting of June 28, 2017	1
<b>Recommendation</b> That the minutes of the Regular Regional Services Committee meeting of June 28, 2017 be adopted.	
3. <u>BUSINESS ARISING FROM THE MINUTES</u>	
4. <u>DELEGATIONS</u>	
D1 Stuart Foster, Sergeant, Lake Cowichan RCMP Re: Introduction of Detachment Commander	9
5. <u>CORRESPONDENCE</u>	
6. <u>INFORMATION</u>	
7. <u>REPORTS</u>	
R1 Report from Manager, Strategic Services Re: 2016 Annual Report	11
<b>Recommendation</b> For Information	
R2 Report from the Parks & Trails Planner, Parks & Trails Re: Proposed Donation of Trail Construction - Municipality of North Cowichan to Cowichan Valley Trail (Bings Creek Bridge)	59
<b>Recommendation</b> That it be recommended to the Board that the proposed donation of materials and labour to construct a pathway/trail, as set out in the July 18, 2017, staff report from the Parks & Trails Division, be accepted.	

- R3 Report from the Environmental Technologist II, Recycling and Waste Management Re: Tipping Fee Exemption - Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110 63

**Recommendation** That the revised Solid Waste Management Charges and Regulations Bylaw Amendment No. 4110 be forwarded to the Board for consideration of first three readings and adoption.

- R4 Report from the Environmental Technologist II, Recycling and Waste Management Re: Safe Road - A South Cowichan Community Policing Project 71

**Recommendation** That it be recommended to the Board that:  
1. The Cowichan Valley Regional District (CVRD) collaborate with the South Cowichan Community Policing (SCCP) to implement a Safe Roads project; and  
2. Staff prepare a memorandum of understanding (MOU) between SCCP and the CVRD.

- R5 Report from the Assistant Manager, Finance Re: Temporary Borrowing Bylaws No. 4133, 4134, 4135 75

**Recommendation** That:  
1. Temporary Borrowing Bylaw No. 4133 Woodley Range Water Upgrade;  
2. Temporary Borrowing Bylaw No. 4134 Honeymoon Bay Well No. 2; and  
3. Temporary Borrowing Bylaw No. 4135 Meade Creek Recycling Centre be forwarded to the Board for consideration of first three readings and adoption.

- R6 Report from the Senior Planner, Community and Regional Planning Re: Affordable Housing in the Cowichan Region 83

**Recommendation** For Direction

8. **UNFINISHED BUSINESS**

9. **NEW BUSINESS**

10. **QUESTION PERIOD**

11. **CLOSED SESSION**

Motion that the meeting be closed to the public in accordance with the *Community Charter* Part 4, Division 3, Section 90, subsections as noted in accordance with each agenda item.

12. **ADJOURNMENT**

The next Regional Services Committee Meeting will be held Wednesday, August 23, 2017 at 9:30 AM, in the Board Room, 175 Ingram Street, Duncan, BC.

**Committee Members**

Director A. Stone, Chairperson  
Director K. Marsh, Vice-Chairperson  
Director S. Acton  
Director M. Clement  
Director K. Davis

Director B. Day  
Director M. Dorey  
Director L. Iannidinardo  
Director S. Jackson  
Director K. Kuhn

Director J. Lefebure  
Director M. Marcotte  
Director I. Morrison  
Director A. Nicholson  
Director T. Walker



Minutes of the Regional Services Committee Meeting held on Wednesday, June 28, 2017 in the Board Room, 175 Ingram Street, Duncan BC at 9:32 AM.

**PRESENT:** Chair A. Stone  
Director S. Acton  
Director M. Clement  
Director K. Davis  
Director B. Day  
Director M. Dorey  
Director L. Iannidinaro  
Director S. Jackson  
Director K. Kuhn  
Director J. Lefebure  
Director M. Marcotte <after 9:56 AM>  
Director K. Marsh  
Director I. Morrison  
Director A. Nicholson  
Director T. Walker

**ALSO PRESENT:** B. Carruthers, Chief Administrative Officer  
K. Harrison, Deputy Corporate Secretary  
M. Kueber, General Manager, Corporate Services  
H. Hatami, General Manager, Engineering Services  
J. Elzinga, General Manager, Community Services  
S. Heppner, Manager, Information Technology  
C. Lockrey, Manager, Strategic Services  
A. Melmock, Manager, Economic Development  
B. Mohan, Manager, Human Resources  
J. Wakeham, Manager, Facilities & Transit Management  
L. Smith, Assistant Finance Manager  
T. Etherington, Utilities Operations Superintendent  
K. Lawrence, Senior Environmental Analyst  
T. Soroka, Parks & Trails Planner  
J. Mills, Secretary III  
T. Daly, Recording Secretary

**APPROVAL OF AGENDA**

**It was moved and seconded that the agenda be approved.**

**MOTION CARRIED**

**ADOPTION OF MINUTES**

**M1** Regular Regional Services Committee meeting of May 24, 2017

**It was moved and seconded that the minutes of the Regular Regional Services Committee meeting of May 24, 2017 be adopted.**

**MOTION CARRIED**

**DELEGATIONS**

**D1** Christy Villiers, Safer Futures Re: Annual Update of Safer Futures Initiatives

Christy Villiers, Safer Futures provided an annual report, and PowerPoint presentation of recent initiatives and future activities involving a variety of coalitions between local youth, several organizations, and Safer Futures.

**REPORTS**

**R1** Report from the Manager, Economic Development Re: Tourism Cowichan Society - Annual Work Plan Report

The Manager, Economic Development introduced Janet Docherty, President, Tourism Cowichan Society who provided a PowerPoint presentation outlining the Tourism Cowichan Society Annual Work Plan for 2017-2018.

**9:56 AM** Director Marcotte entered the meeting at 9:56 AM.

**It was moved and seconded that it be recommended to the Board that the Tourism Cowichan Society Annual Work Plan for 2017, detailed in the June 19, 2017 Economic Development Staff Report, be approved.**

Director Iannidinardo was absent at the vote.

**MOTION CARRIED**

**R2** Report from the Parks Planning Technician (Trails), Parks & Trails Re: Cobble Hill Mountain Regional Recreation Area Section 56/57

**It was moved and seconded that it be recommended to the Board that an application be submitted under Sections 56 and 57 of the *Forest and Ranges Practices Act* for vacant Crown land within the Cobble Hill Regional Recreation Area to both designate the lands for outdoor recreation and permit the CVRD to maintain trails within the parcel.**

**MOTION CARRIED**

**R3** Report from the Manager, Environmental Services Re: 2017 Budget Amendment - Function 131 Environmental Initiatives

**It was moved and seconded that it be recommended to the Board that the 2017 Budget for Function 131 Environmental Initiatives be amended to:**

- 1. Increase Federal Conditional Grants revenue by \$208,000;**
- 2. Increase Provincial Conditional Grants revenue by \$208,000; and**
- 3. Increase Flood Plain Management expense by \$416,000.**

**MOTION CARRIED**

**R4** Report from the Chief Administrative Officer Re: 2018 Allocation Budgets - Supplemental Requests was received for information.

**R5** Report from the Manager, Information Technology Re: 2018 Draft Budget Review - Function 105 Information Technology

Item 4 was brought forward for consideration.

- 4. It was moved and seconded that the Supplementary request for hiring an additional IT Staff be approved.**

**MOTION CARRIED**

**It was moved and seconded:**

- 1. That the Corporate Services - Information Technology 2018 Draft Budget be approved.**
- 2. That the Supplementary request for Server/SAN replacement be approved.**
- 3. That the Supplementary request for Firewall/Intrusion Detection be approved.**

Director Clement was absent at the vote.

**MOTION CARRIED**

**R6** Report from the Manager, Human Resources Re: 2018 Draft Budget Review - Function 105 HR Division

- 1. It was moved and seconded that the HR Division 2018 Draft Budget be approved.**

**MOTION CARRIED**

- 2. It was moved and seconded that the Supplementary request for an Occupational Health and Safety Coordinator be approved and funded from Operational Reserves.**

Director Walker was absent at the vote.

**MOTION CARRIED**

**R7** Report from the Manager, Information Technology Re: 2018 Draft Budget Review - Function 105 Geographical Information Systems (GIS)

- 1. It was moved and seconded that the Corporate Services - GIS 2018 Draft Budget be approved.**

**MOTION CARRIED**

- 2. It was moved and seconded that the Supplementary request for Orthophotos be approved.**

**It was moved and seconded that the Supplementary request for Orthophotos be amended to read that \$15,000 per year be put aside for the Supplementary request for Orthophotos.**

**MOTION CARRIED**

**It was moved and seconded that the Supplementary request for Orthophotos be approved, as amended.**

**MOTION CARRIED**

3. It was moved and seconded that the Supplementary request for Land Management software be approved.

**It was moved and seconded that the Supplementary request for Land Management software be referred to the 2019 budget process.**

Director Clement was absent at the vote.

**MOTION CARRIED**

**R8**

Report from the Manager, Facilities & Transit Re: 2018 Draft Budget Review - Function 199 (GM Community Services/Facilities)

**1. It was moved and seconded that Function 199 GM Community Services/Facilities 2018 Draft Budget be approved.**

Director Clement was absent at the vote.

**MOTION CARRIED**

2. It was moved and seconded that the Supplementary request for hiring a full time staff person be approved.

**It was moved and seconded that the Supplementary request for hiring a full time staff person be referred to the 2019 Budget.**

**MOTION DEFEATED**

Voting resumed on the main motion.

**It was moved and seconded that the Supplementary request for hiring a full time staff person be approved.**

**MOTION CARRIED**

**R9**

Report from the Manager, Facilities & Fleet Re: 2018 Draft Budget Review – Function 200 (Administration Office)



- 1. It was moved and seconded that Function 200 Administration Office 2018 Draft Budget be approved.**

**MOTION CARRIED**

- 2. It was moved and seconded that the Supplementary request for a replacement of the phone system be approved.**

Director Clement was absent at the vote.

**MOTION CARRIED**

- 3. It was moved and seconded that the Supplementary request for a no fall safety restraint system for the roof be approved.**

**MOTION CARRIED**

- 4. It was moved and seconded that the Supplementary request for a space allocation design be approved.**

**It was moved and seconded that the Supplementary request for a space allocation design be referred to 2019 budget.**

**MOTION DEFEATED**

Voting resumed on the main motion.

**It was moved and seconded that the Supplementary request for a space allocation design be approved.**

**MOTION CARRIED**

- 5. It was moved and seconded that the Supplementary request for lighting replacement be approved.**

**MOTION CARRIED**

**ADJOURN  
AND  
RECONVENE  
12:31 PM**

**It was moved and seconded that the Regional Services Committee meeting be adjourned and reconvene at 1:00 p.m.**

**MOTION CARRIED**

**RECONVENE  
1:01 PM**

The meeting reconvened at 1:01 PM.

**R10**

Report from the Senior Engineering Technologist, Engineering Services Re: 2018 Draft Budget Review – Function 575 Engineering Services

**It was moved and seconded that the Engineering – Engineering Services 2018 Draft Budget for Function 575 Engineering Services be approved.**

Directors Clement and Dorey were absent at the vote.

**MOTION CARRIED**

**R11**

Report from the Senior Engineering Technologist, Engineering Services Re: 2018 Draft Budget Review – Function 576 Engineering Utilities

**1. It was moved and seconded that the Engineering – Utilities 2018 Draft Budget be approved.**

Directors Clement and Dorey were absent at the vote.

**MOTION CARRIED**

**2. It was moved and seconded that the Supplementary request for a Crane vehicle be approved.**

Directors Clement and Dorey were absent at the vote.

**MOTION CARRIED**

**3. It was moved and seconded that the Supplementary request for hiring an Instrumentation Technician Operator and purchasing a vehicle be approved**

Director Clement was absent at the vote.

**MOTION CARRIED**

**4. It was moved and seconded that the Supplementary request for hiring a Technologist be approved.**

**It was moved and seconded that the Supplementary request for hiring a Technologist be referred to 2019 budget.**

Director Clement was absent at the vote.

**MOTION CARRIED**

**It was moved and seconded that the Supplementary request for hiring a Co-op student be approved.**

**MOTION CARRIED**

**CLOSED SESSION**

**It was moved and seconded that the meeting be closed to the public in accordance with the Community Charter Part 4, Division 3, Section 90 (1)(e) Land Acquisition, three reports; (1)(j) Information that is Prohibited from Disclosure Under Section 21 of the *Freedom of Information and Protection of***

*Privacy Act*; and the Closed Session minutes of March 22, 2017.

MOTION CARRIED

1:55 PM

It was moved and seconded that the Committee rise without report, and return to the Open portion of the meeting.

MOTION CARRIED

**ADJOURNMENT**

1:55 PM

It was moved and seconded that the meeting be adjourned.

MOTION CARRIED

The meeting adjourned at 1:55 PM.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

Dated: \_\_\_\_\_



## Tara Daly

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**From:** noreply@civicplus.com  
**Sent:** Wednesday, July 05, 2017 8:24 AM  
**To:** Tara Daly; Shannon Carlow  
**Subject:** Online Form Submittal: Regional Services Committee

### Regional Services Committee

Request to Appear as a Delegation at the Regional Services Committee

Regional Services Committee meetings are held on the fourth Wednesday of the month at 9:30 a.m.

Please Note: Contact information supplied by you and submitted with this form will become part of the public record and will be published in a meeting agenda that is posted online when this matter is before the Regional Services Committee. If you do not wish this contact information disclosed, please contact the FOI Coordinator at 250.746.2507 or 1.800.665.3955 to advise.

Meeting Date	7/26/2017
Contact Information	
Contact Name	Stuart FOSTER
Representing	Lake Cowchan RCMP
Number Attending	1
Address	70 Stanley St
City	Lake Cowichan
Province	BC
Postal Code	V0R 2G0
Telephone Number	2507109152
Reply Email	<a href="mailto:stuart.foster@rcmp-grc.gc.ca">stuart.foster@rcmp-grc.gc.ca</a>
Presentation Topic and Nature of Request	New Lake Cowichan Detachment Commander to introduce self and establish future meeting schedules with CVRD.
Do you have a PowerPoint presentation?	No

Email not displaying correctly? [View it in your browser.](#)





# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** July 20, 2017

**MEETING TYPE & DATE** Regional Services Committee Meeting of July 26, 2017

**FROM:** Strategic Services  
Office of the CAO

**SUBJECT:** 2016 Annual Report

**FILE:**

## PURPOSE/INTRODUCTION

The purpose of this report is to present the 2016 Annual Report, the first annual report to be produced by the CVRD.

## RECOMMENDED RESOLUTION

For information.

## BACKGROUND

Throughout 2016, the Board received quarterly reports outlining progress made on the Strategic Plan's Strategic Focus Areas. The annual report provides a year-end summary of activities related to the Strategic Focus Areas. It also includes the 2016 Financial Statements.

## ANALYSIS

In its Strategic Plan, the Board identified Engaging our Communities and Sound Fiscal Management as two priorities. The annual report is an opportunity for the CVRD to report back to the Board and provide a summary to the public on progress made on the Strategic Plan. The report also captures some key initiatives that occurred in 2016 including the Community Satisfaction Survey, community engagement related to the Cowichan Watershed and legal proceedings on a landfill in Shawnigan Lake. Financial results for 2016 are presented through the Financial Statements.

## FINANCIAL CONSIDERATIONS

The cost of the annual report came from the Executive Office budget in General Government.

## COMMUNICATION CONSIDERATIONS

The 2016 Annual Report will be posted on the CVRD's website and a news release will be issued to local media.

## STRATEGIC/BUSINESS PLAN CONSIDERATIONS

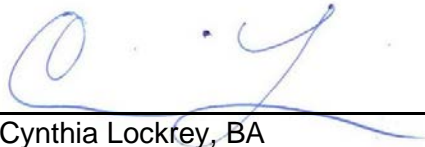
The production of the annual report supports the CVRD's Strategic Focus Areas – Engaging Our Communities and Sound Fiscal Management.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Capital Projects, Water Management, Recycling & Waste Management*)

- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



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Cynthia Lockrey, BA  
Manager

Reviewed by:

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Not Applicable  
Not Applicable



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Brian Carruthers  
Chief Administrative Officer

**ATTACHMENTS:**

Attachment A – 2016 Annual Report





# ANNUAL REPORT

2016

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# LETTER FROM THE BOARD CHAIR

On behalf of the Cowichan Valley Regional District (CVRD) Board of Directors, I am happy to share with you the Regional District's first annual report.

In April 2016, the Board finalized its Strategic Plan, which outlines Regional and Electoral Area priorities for the Board's term. This plan provides direction to staff on key focus areas with specific action items and quarterly targets. In addition to the operations work staff does on a daily basis, the Strategic Plan ensures the Board's priority projects also progress.

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This annual report provides an update of work done in 2016 in each of these focus areas. Some key areas where much progress was made include Protection of Water Resources, Response to Climate Change, Engaging our Communities and Sound Fiscal Management.

Climate change and its impacts are a top concern in the Cowichan Valley. We have seen three consecutive summers of drought, causing stress on our watersheds, and in some cases, drinking water security. The Board and staff have been working closely with key stakeholders to develop a climate change adaption strategy and watershed management plans, as well as address Cowichan Lake water storage. This work has laid the foundation for many programs and initiatives that will occur in 2017.

Board Chair  
Jon Lefebure

The Board also recognizes the desire of the community to be more engaged in local government programs and services that directly impact their lives. In 2016, we conducted a Community Satisfaction Survey to help us understand what issues are important to the community as well as how the regional district is performing in its service delivery. We will repeat this survey in early 2019.

Some key findings of the survey include:

- the top five issues residents are concerned about are drinking water, traffic and roads, taxation and municipal government spending, education and schools and affordability
- 93 per cent support the CVRD developing strategies regarding water security planning
- 90 per cent support the development of strategies on affordable housing
- 85 per cent support climate change adaption strategies
- 85 per cent support alternative energy strategies
- 91 per cent satisfied with curbside recycling collection and 78 per cent with curbside garbage collection (in electoral areas)
- 79 per cent satisfied with the CVRD's parks and trails
- 70 per cent prefer the CVRD set aside funds each year to finance large capital projects



## CVRD DIRECTORS

### AREA A

Mill Bay/Malahat:  
Kerry Davis

### AREA B

Shawnigan Lake:  
Sonia Furstenau

### AREA C

Cobble Hill:  
Matteus Clement

### AREA D

Cowichan Bay:  
Lori Iannidinardo

### AREA E

Cowichan Station/  
Sahtlam/Glenora:  
Alison Nicholson

### AREA F

Cowichan Lake South/  
Skutz Falls:  
Ian Morrison

### AREA G

Saltair/Gulf Islands:  
Mel Dorey

### AREA H

North Oyster/Diamond:  
Mary Marcotte

### AREA I

Youbou/Meade Creek:  
Klaus Kuhn

### TOWN OF LAKE COWICHAN

Bob Day, Vice-Chair

### TOWN OF LADYSMITH

Aaron Stone

### CITY OF DUNCAN

Phil Kent

### MUNICIPALITY OF NORTH COWICHAN

Jon Lefebure, Chair

### MUNICIPALITY OF NORTH COWICHAN

Tom Walker

### MUNICIPALITY OF NORTH COWICHAN

Kate Marsh

# LETTER FROM THE CAO

I am pleased to be providing the Cowichan Valley Region District (CVRD)'s first annual report. It is an opportunity to reflect upon 2016 and share our accomplishments with the public and various stakeholders. The CVRD is one of the larger regional districts in BC, providing 170+ services to 80,000 residents in four municipalities and nine electoral areas. Although the geographic area is relatively small, our communities are diverse, including a rapidly growing population in the semi-rural southern electoral areas, the urban amenities and energy of our municipalities and the more rural atmosphere of our western and northern communities.

A large population and diversity of communities presents many opportunities and challenges in delivering services and satisfying the needs of our residents. This is particularly the case in the area of land use planning, one of the primary functions of a regional district. Ensuring sustainable communities in an era of growing demand, combined with the realities of a changing climate, is increasingly a consideration in the Board's deliberations and the staff's management actions.

The CVRD's 2014-2018 Strategic Plan contains 10 focus areas that reflect the opportunities and challenges facing our regional district.

It also ensures appropriate effort is placed on providing quality service to our residents today while protecting our water resources and planning for a sustainable region in the future.

Progress in achieving the goals and actions of the Strategic Plan is the focus of this report. However, it is also important to highlight some of the other major initiatives and issues of 2016.

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Chief Administrative Officer  
Brian Carruthers

# 2016 INITIATIVES



## CONTAMINATED SOIL LANDFILL

The CVRD's enforcement of zoning in relation to a contaminated soil landfill in Shawnigan Lake resulted in a ruling in the regional district's favour in BC Supreme Court. However, this ruling was later overturned by the BC Court of Appeal. The Board approved an application to the Supreme Court of Canada in late 2016.



## COWICHAN LAKE PUMPING

The CVRD joined Catalyst Paper, Cowichan Tribes and Lake Cowichan First Nation in drawing attention to the testing of a system to pump water over the Cowichan weir due to summer drought and extremely low water levels in Cowichan Lake. Just days before pumping was to start, rainfall increased the lake levels, avoiding the need to pump water.



## TOURISM COWICHAN SOCIETY

With a goal of enhancing the delivery of tourism marketing, the CVRD entered into a service agreement with the newly formed Tourism Cowichan Society for the society to undertake tourism marketing activities including the establishment of a hotel tax for the region.



## COWICHAN RIVER DIKES

The CVRD joined Cowichan Tribes and the City of Duncan in officially opening a series of dikes along the lower Cowichan River. With \$4.3 million from the Provincial and Federal governments, the parties jointly constructed 2km of dike to protect significant infrastructure in the Duncan and Koksilah industrial and business complex areas.



## COMMUNICATION TOOLS

Communication with CVRD residents was improved with the launch of a refreshed website and a centralized weekly newspaper ad. Appearance, content and functionality of the website was improved and the newspaper ad provides one-stop access to CVRD news and announcements.



## RECYCLING 2.0

In response to the Cowichan region having the highest rate of contamination in curbside recycling on Vancouver Island, the CVRD launched an innovative public information campaign to re-educate residents about what they can and cannot place in their curbside recycling totes.



## HOSPITAL LANDS

Following an extensive selection process, the Cowichan Valley Regional Hospital District (CVRHD) purchased property on Bell McKinnon Road for the future site of a new Cowichan District Hospital. The 22-acre site provides ample room for a new hospital as well as other paramedical services.

# REGIONAL

## STRATEGIC FOCUS AREAS

1




Excellence in regional land use planning

2



Response to climate change

3



Sound fiscal management

4



Protection of water resources

5



Engaging our communities



# Excellence in regional land use planning



**GOAL**

Supporting sustainable and coordinated growth and development in the region. Regional Integrated Planning Strategy (Cowichan 2050)

1.1 The focus of the Regional Integrated Planning Strategy (Cowichan 2050) evolved through the year to become a longer-term initiative. This will result in a collective vision for the region and promote an integrated approach to land use planning and community development within the Regional District.

# Response to Climate Change



**GOAL**

Ensuring the impacts of climate change are understood and appropriate strategies and policies are developed to mitigate and adapt to a changing climate.

**2.1 CLIMATE CHANGE RISK ASSESSMENT (NEW NORMAL COWICHAN)**

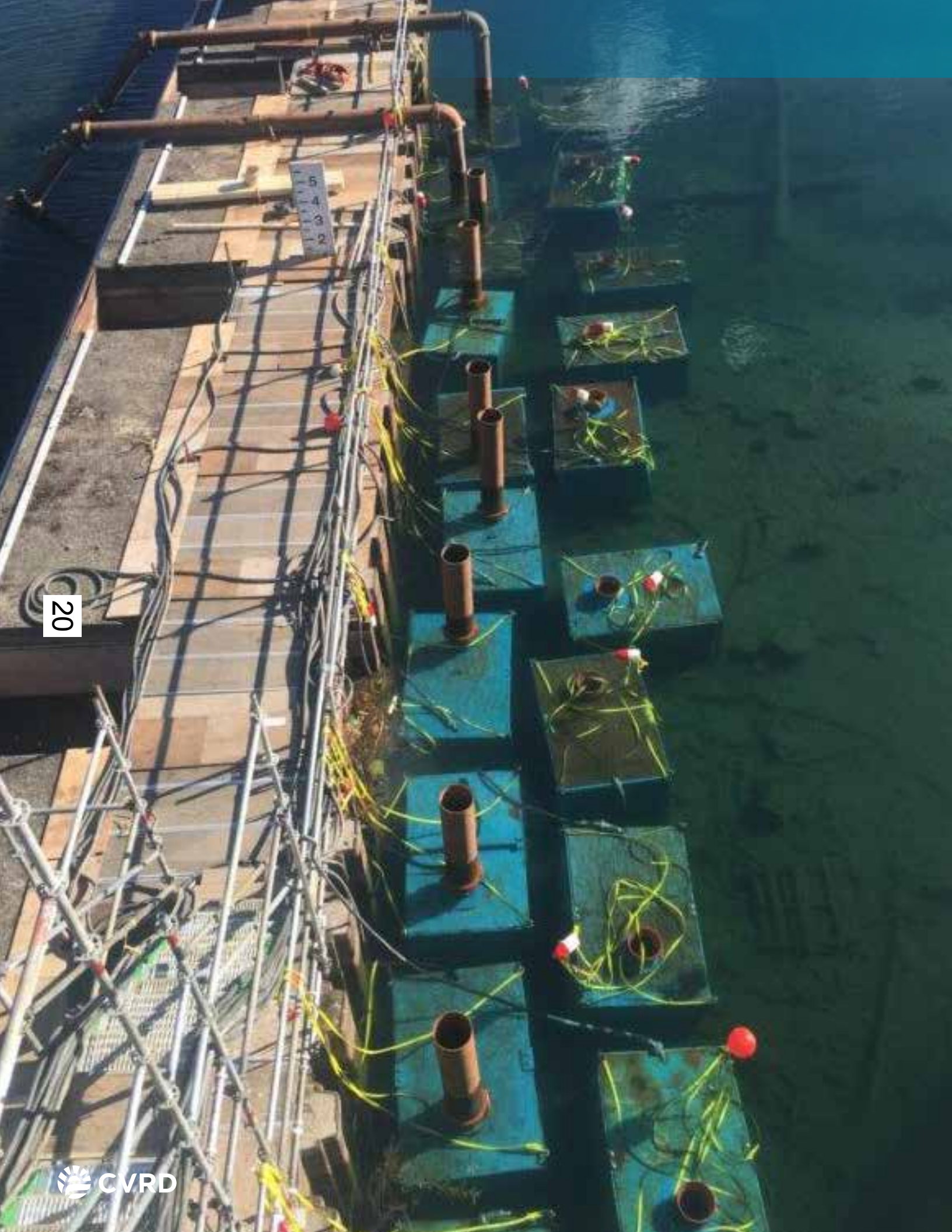
A multi stakeholder technical group was formed to develop and review the climate projections for the region. Numerous project funding proposals were developed to support the implementation of risk reduction strategies. High resolution photography and mapping of the coastline was done to project the impacts of sea level rise and recommended adaption work. Additional information gathering for Shawnigan Lake and Lake Cowichan was done to support updated flood mapping and modeling forecasted for the future.

**2.2 CLIMATE CHANGE ADAPTATION STRATEGY**

Adaptation will take a number of forms in the region in the future - but all will require strong partnerships and trust. The use of case studies to test out and showcase what adaption looks like on the ground are important. Support has been provided from various funders in 2016 focused on air quality, flooding, agriculture and green infrastructure. Ensuring adaption strategies work effectively across organizations is also important, and the CVRD continues to participate in many of these community led initiatives such as Social Planning Cowichan's Climate Collaborative and the agricultural climate readiness programs.

**2.3 GREENHOUSE GAS (GHG) REDUCTION STRATEGY**

The CVRD continues to implement its corporate GHG and Energy Strategy with ongoing building upgrades as well as a major installation of solar panels at Bings Creek transfer site. We did our math and the CVRD continues to be a carbon neutral local government.





# Sound Fiscal Management



### GOAL

Striving for the highest degree of value, transparency and accountability in the management of the CVRD's resources.

#### 3.1 SERVICE DELIVERY REVIEWS

A comprehensive, third party review of the CVRD's water and sewer utilities was completed in 2016. The review focused on a number of elements including financial sustainability of systems, infrastructure, operations and service delivery, communication and relationships with our customers, staffing structures and governance. The review revealed a number of challenges and opportunities and the final report contained 50 recommendations which have been prioritized for implementation in 2017.

#### 3.2 ASSET MANAGEMENT PLAN

In 2016, the Executive Steering Committee was formed and a temporary Asset Coordinator position was established to ensure the region's assets that are owned by the CVRD are managed effectively and efficiently in the future. The Board approved the supporting policy that will set in motion long term planning and maintenance of the CVRD's assets (building, utilities, parks etc) in the future.

#### 3.3 BUDGET TRANSPARENCY

The annual budget calendar was refined to improve the annual budget process and enables the five-year financial plan bylaw to be adopted in December. This also allows for the timely implementation of projects and initiatives early in the fiscal year.

A priority-based budget process was completed for the Solid Waste service. This involved a detailed examination of all expenditures and revenues within the service, helping the Board make budget decisions based on prioritized levels of service.

A new public engagement program was launched for the 2017 budget process with four public meetings held in the south, central, north and west areas of the region. Although attendance was relatively low, the discussions were productive and attendees were able to get more detailed information on the financial projections for various CVRD services.

#### 3.4 CORPORATE PERFORMANCE MEASUREMENT

The 2014-2018 Corporate Strategic Plan was fully implemented and progress towards achieving the objectives of the plan were tracked and reported on a quarterly basis to the Board. This Annual Report provides a summary of progress made through 2016.





# Protection of Water Resources

**GOAL**

Working in partnership with other stakeholders to better understand and protect the region’s water resources and promote sustainable water use.

**4.1 WATERSHED MANAGEMENT PLANS**

A watershed based atlas for the 13 populated areas of the region has been created as a basis for the development of watershed planning tools and information sharing inside and outside the organization. Work continues on the development of a watershed planning strategy format and risk assessment process. Watershed characterizations have been completed for the South Cowichan area to assist with updates to the liquid waste management planning process.

Ongoing discussions with the province have resulted in a partnership to develop a science based groundwater assessment for the South Cowichan area which will identify areas of stress and additional levels of future management.

Protective diking on the lower Cowichan was completed which protects the industrial area to the south as well as the City of Duncan and Cowichan Tribes lands. To keep the mapping and flood protection infrastructure current, high resolution mapping data was completed (LiDAR data and bathymetric surveys). This data is also useful for community planning, routing for a proposed new discharge from sewage treatment plan and gravel removal programs on the river. A Cowichan Flood Management Function was created to provide a long term mechanism to support flood protection activities and ongoing flood early warning systems by the CVRD.

**4.2 WATER CONSERVATION**

New water metering programs are underway in Shawnigan Lake North and Lambourne water systems. Ongoing replacement of water mains in Saltair continues to ultimately eliminate failures.

**4.3 WATERSHED GOVERNANCE STRUCTURE**

The Cowichan Watershed Board and others forwarded a proposal to the province for a governance pilot under the New Water Sustainability Act. The CVRD continues to consider and reach out to the communities on their perspectives on local government’s role in water and watershed stewardship.

**4.4 COWICHAN LAKE WATER STORAGE/DROUGHT MANAGEMENT**

Efforts to increase water storage on Cowichan Lake were supported through ongoing work with the Cowichan Watershed Board as well as engagement with Provincial and Federal agencies to secure funding for water flows analysis.

Ongoing discussions were held with the Ministry of Forest Lands Natural Resource Operations and Ministry of Agriculture on water resources and communications. Input was provided to the Province on local government policy and legal framework requirements and efforts were made to update wildfire and urban fire impact mapping. Support was provided to the Cowichan Watershed Board to develop a fish flow model to support a future storage analysis.





# Engaging our Communities

**GOAL**

Enhancing the CVRD’s engagement with residents and our communities and ensuring opportunities for local input to decision-making.

**5.1 FORMALIZE FIRST NATIONS RELATIONSHIPS**

There were a number of important First Nations activities throughout the year. These include:

- The CVRD and Lake Cowichan First Nations signing a protocol agreement, officially confirming their commitment to work together, where possible, on projects of mutual interest.
- Partnering with Malahat Nation on the construction of the Cowichan Valley Trail - Malahat Connection that crosses Malahat’s lands.
- Initiating the development of a co-management agreement with Cowichan Tribes for Cowichan Bay Marine Gateway, an ongoing cooperation with the Cowichan Watershed Board and addressing water flow challenges on the Cowichan River
- Completing a servicing agreement between Cowichan Tribes and the CVRD’s Eagle Heights sewer system.

**5.2 COMMUNITY ENGAGEMENT POLICY/GUIDELINES**

The Board approved an Alternative Approval Procedure (AAP) Policy that provided guidelines for greater community engagement prior to Board consideration of an AAP. It also includes an official AAP process.

**5.3 ENHANCING COMMUNICATIONS CAPACITY AND TOOLS**

To help lead and streamline the CVRD’s communications and strategic planning, a Manager Strategic Services joined the organization in January. The manager has developed and delivered training to staff on a number of communications and media relations topics. She has also established a communications calendar, which is used by staff to internally coordinate communications activities to the community.

**5.4 COMMISSION ROLES AND STRUCTURE REVIEW**

Based on a thorough assessment of the CVRD’s various commissions in 2015, a more detailed review of the Parks Commissions was conducted in 2016 resulting in recommendations for changes to roles and structures of these commissions.

**5.5 CONDUCT REGULAR HOUSEHOLD SURVEYS IN 2016 AND 2018**

In September, over 600 residents took part in a telephone Community Satisfaction Survey with another 100+ people completing the online survey. The survey was conducted by NRG Research Group, asking residents about quality of life, delivery of programs and services as well as how best to communicate with its residents. This survey will be repeated in 2019.



# ELECTORAL

## STRATEGIC FOCUS AREAS

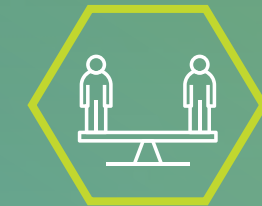
24

1



Responsive, official  
community planning

2



Proactive approach  
to bylaw compliance

3



Electoral area  
director development

4



Road safety/  
pedestrian pathways



25

# Responsive, official community planning



**GOAL**

Enhancing the capacity for OCP reviews and updates as well as harmonizing regulation for common land use objectives and policies, where possible, while respecting the character and aspirations of each community.

**1.1 GAP ANALYSIS OF EXISTING OCPs AND ZONING BYLAWS**

Staff have developed a list of gaps and regulatory/policy matters that require clarification and improvement, and will make future recommendations to the Board for necessary amendments.

**1.2 BYLAW AMENDMENTS AS REQUIRED**

A focus in 2016 was “housekeeping” amendments to various bylaws to modernize them and address emergent issues. One key amendment was the addition of a “proof of water” requirement in the CVRD’s Subdivision Servicing Bylaw to ensure a viable water supply for future developments prior to subdivision.

**1.3 DEVELOP A TRIAL FORMAT FOR AN ACCELERATED REVIEW OF AREA F OCP**

Work resumed on the Area F OCP which included consultation with an OCP steering Committee.

## Proactive approach to bylaw compliance



### 2.1 ELECTORAL AREAS

In November, a letter was developed and continues to be distributed to all new property owners in the electoral areas. The letter welcomes them to the community and provides an overview of key CVRD services and bylaws related to their electoral area.

GIS software has been developed, which allows staff to plot exact locations and types of offences as well as track repeat offenders. Annual comparison will allow proactive education to prevent re-occurrence of offences.

### 2.2 INITIATE TARGETED INFORMATION

Targeted information campaigns aimed at development activities in riparian areas and dog licencing requirements were developed in 2016.

### 2.3 IDENTIFY GAPS IN CURRENT ENFORCEMENT POWERS

Efforts were focused on examining the regulation of dogs and large-scale soil dumping on private lands, with work to continue in 2017.

# Electoral Area Director development



**2.1 ESTABLISH 12 MONTH LUNCH AND LEARN CALENDAR AND PROFESSIONAL DEVELOPMENT**

A number of workshops were held for Electoral Area Directors throughout the year on topics ranging from Board procedures, risk management, strategic planning as well as meetings with local First Nations and various Provincial ministries.



# Road safety/ pedestrian pathways



**2.1 DEVELOP INVENTORY OF CRITICAL PEDESTRIAN PATHWAY REQUIREMENTS**

Key active transportation/critical pedestrian pathway routes were identified within Electoral Areas based on adopted Area Parks and Trails Master Plans, OCPs and other community-level planning efforts. Staffed worked with the Ministry of Transportation and Infrastructure to initiate a review of active transportation/critical pedestrian pathway routes identified within road rights of way and establish roadside pathway design criteria and standards.

**2.2 LOBBY AVICC FOR INCREASED PARTICIPATION OF MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE IN DEVELOPING RURAL PEDESTRIAN PATHWAYS IN HIGHWAY RIGHTS OF WAY**

The CVRD's Pedestrian/Cycling Pathways Along Rural Road Rights of Way resolution motion was endorsed at the 2016 67th Annual AVICC convention.





## 50 YEARS OF REGIONAL GOVERNMENT

Here are some fun facts  
on how the CVRD has changed  
over the last 50 years.

### CVRD services

1967	3
1977	27
1987	35
1997	62
2007	120
2017	181

### COWICHAN VALLEY population

1966	34,247
1976	47,100
1986	52,790
1996	70,978
2006	76,929
2016	83,739



# LETTER FROM THE CFO

I am pleased to submit the Cowichan Valley Regional District's first ever Annual Report. The purpose of this report is to present the financial results for the fiscal year ended December 31, 2016 including the Audit Report, Consolidated Financial Statements, and supplementary information for the year ended December 31, 2016.

## FINANCIAL STATEMENTS

The financial statements are the responsibility of the CVRD's management and have been prepared in compliance with Section 376/377 of the Local Government Act and Section 167 of the Community Charter and in accordance with Generally Accepted Accounting Principles approved by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. The CVRD maintains a system of internal accounting controls, including policies and procedures, designed to safeguard the assets of the regional district as well as provide timely and reliable financial information.

The 2016 Financial Statements have been audited by BDO Canada LLP, the CVRD's independent external auditor, who have expressed that in their opinion these statements present fairly, in all material aspects, the financial position of the Regional District as at December 31, 2016.

## STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGE IN NET DEBT

In 2016, the CVRD's financial position changed from a net debt position of \$5.20 million to a net financial asset position of \$3.45 million. This change is partially the result of increased financial assets such as cash as well as decreases in liabilities such as long and short-term debt. The increase in cash is partially a result of the 2016 annual surplus.

The CVRD's long-term debt decreased by \$1.49 million while short-term debt decreased by \$0.48 million. Member municipalities' debt increased by \$10.96 million in 2016 which are offset by an increase to financial assets in the form of debt recoverable from members and has no net effect on annual operating surplus and accumulated surplus.

It is anticipated there will be a continued trend toward an increase in net financial assets as the CVRD continues to follow Board direction to save operating surpluses. Rather than using these operating surpluses as a funding source for future years they will be used to build up reserves. This trend is a key indicator in assessing the financial well-being of the regional district as it reflects the ability to meet its current financial commitments and its capacity to finance future activities.

Non-financial assets increased slightly in 2016 to \$144.66 million (2015 - \$143.61 million) as a result of an increase in tangible capital assets. Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business. The capital program was

budgeted for \$22.67 million in 2016 with \$5.54 million expended in capital enhancement and repairs. Some of these projects will continue to completion in 2017. Capital expenditures were primarily financed through reserves, grants, debt, and taxation.

## STATEMENT OF OPERATIONS

The consolidated annual operating surplus (revenues less expenses) was \$9.70 million in 2016 compared to \$4.71 million in 2015. This increase was partially due to higher revenues resulting from higher than expected revenue from own sources, government transfers and increased tax requisition. Expenses also decreased year over year primarily due to a decrease in landfill closure/post closure costs. The annual operating surplus of \$9.70 million translates to a corresponding increase in accumulated surplus from \$138.41 million to \$148.11 million. This increase is primarily due to an increase in equity in tangible capital assets as well as a decrease in future liabilities such as landfill closure costs.

Significant financial indicators to highlight for 2016 are as follows:

- Short-term Debt (Note 17 & 23) decreased \$480,320 (10.70%) in 2016 from 2015;
- Long-term Debt (Note 17 & 24) decreased \$1.49 million (8.99%) in 2016 from 2015;
- The gross provision for landfill closure and post closure liability (Note 6) decreased \$3.22 million (59.22%) to \$2.21 million in 2016 due to a determination that nine sites previously accounted for are not the responsibility of the CVRD as well as a decrease in estimated future capital work at Meade Creek. It should

be noted that \$1.73 million of this estimated liability is related to capital work anticipated to be complete in 2017.

- The regional district's operating fund surplus increased by \$3.22 million (44.01%) as a result of Board direction regarding the use of surplus. This direction was to use operating surplus, with certain exceptions, to build up operating reserves rather than fund the following year's operations. These reserves will be used to reduce fluctuations in taxation and promote fiscal sustainability.

### THE FINANCIAL PLANNING PROCESS

The Local Government Act Sections 374 and 375 require regional districts to complete a five-year financial plan and institute a public participation process to explain the plan. The financial plan in the form of a bylaw must be adopted by March 31 of each year. On December 14, 2016 the Board adopted the 2017-2021 Financial Plan as part of its financial planning process. The regional district has adopted a budget calendar that includes earlier adoption of the budget to allow for an improved capital spending process.

The regional district approved 81 new capital projects in the 2017-2021 Financial Plan resulting in over \$25.88 million budgeted in 2017 for capital projects. Almost 21% (\$5.37 million) of the projects are in the Solid Waste Management System with the largest project being the Meade Creek Ashfill Closure and Recycling Centre upgrade (\$4.85 million). Another 22% (\$5.70 million) is budgeted for parkland acquisition and a further 21% is budgeted for various projects for the regions water and sewer utilities.

The remainder of the expenditures are for capital improvements to our existing infrastructure such

as the community recreation facilities, community parks and volunteer fire departments.

### FINANCIAL OUTLOOK

On a macro-economic level, the declining Canadian dollar in 2016 resulted in certain expenses increasing in cost beyond initial budgets. It is difficult for a local government body to mitigate foreign currency risks as they are prohibited from making speculative investments for hedging purposes. Management continues to look at strategies to soften these impacts.

In 2016, the Consumer Price Index increased by 1.4% for BC and 2% for Victoria; the Bank of Canada's target rate for 2017 is between 1% and 3%. Management also incorporates construction and municipal pricing indexes into budgets which are significantly impacted by changes in these sectors. The regional district is predominantly effected by rising fuel, energy, and wage costs. The CVRD continues to mitigate rising energy and fuel costs by employing strategic use of energy efficient products such as lighting as well as entering into cost reducing agreements with suppliers through partnerships with other local governments in order to achieve economies of scale.

As part of the Board's Strategic Focus area of Sound Fiscal Management, the regional district continues to work on its Corporate Asset Management plan to better understand its infrastructure deficit and how it will fund the deficit in the future in a strategic, sustainable manner. This will ensure that service levels are sustainable and infrastructure can be maintained at the lowest cost possible.

### CONCLUSION

In keeping with the Board's Strategic Focus area of Sound Fiscal Management (specifically Budget Transparency and increasing awareness and confidence in the regional district's Five-year Financial Plan) the CVRD has completed the 2016 Annual Report. As a reflection of the regional district's commitment to excellence in financial management and reporting the annual report will be submitted to the Government Financial Officers Association for consideration of the Canadian Award for Financial Reporting.

On behalf of the CVRD, I would like to acknowledge all the members of the Board and staff for their contributions to a successful 2016. I would also like to recognize the remarkable team effort evident throughout the year resulting in this report and the information it contains.

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Mark Kueber, CPA, CGA  
General Manager, Corporate Services Department

# FINANCIAL STATISTICS

REVENUE					
	2012	2013	2014	2015	2016
TAX REQUISITION	28,144,120	29,982,616	30,691,543	32,420,102	34,007,525
USER FEES	3,735,341	3,581,182	3,371,780	3,660,070	3,431,420
PARCEL TAXES	1,587,668	1,986,300	2,105,555	2,197,535	2,309,152
GRANTS	4,056,108	8,770,436	6,323,011	3,730,301	4,618,944
SERVICES PROVIDED TO OTHER LOCAL GOVERNMENTS	62,930	59,870	58,190	51,790	52,570
REVENUE FROM OWN SOURCES	8,630,233	8,264,968	8,164,611	8,485,747	9,112,444
OTHER REVENUE	2,025,402	2,956,612	2,249,199	2,839,679	1,960,835
INTEREST INCOME	137,862	176,066	172,879	168,635	175,073
DONATIONS	138,079	2,279,141	1,092,836	2,799,166	1,663,385
	<b>48,517,743</b>	<b>58,057,191</b>	<b>54,229,604</b>	<b>56,353,025</b>	<b>57,331,348</b>

EXPENSES BY FUNCTION					
	2012	2013	2014	2015	2016
GENERAL GOVERNMENT SERVICES	5,804,119	6,168,724	6,910,467	6,156,700	5,695,821
VANCOUVER ISLAND REGIONAL LIBRARY	1,381,272	1,483,948	1,573,705	1,648,088	1,692,096
TRANSPORTATION SERVICES	2,391,185	2,533,920	2,756,314	2,972,047	3,015,172
ELECTORAL AREA SERVICES	3,114,288	2,902,802	3,058,303	3,498,614	3,559,181
PROTECTIVE SERVICES	2,462,894	2,511,906	2,624,245	2,857,763	3,367,827
PARKS & RECREATION	15,417,695	15,914,116	16,208,096	16,564,131	16,963,700
ENVIRONMENTAL SERVICES	11,828,215	13,861,717	12,739,855	12,763,247	7,581,326
SEWER & WATER UTILITIES	4,863,672	4,579,258	4,823,124	5,186,334	5,751,480
	<b>47,263,340</b>	<b>49,956,391</b>	<b>50,694,109</b>	<b>51,646,924</b>	<b>47,626,603</b>

EXPENSES BY OBJECT					
	2012	2013	2014	2015	2016
WAGES AND BENEFITS	17,427,171	18,079,762	19,077,017	19,507,802	20,131,994
OPERATIONS AND MAINTENANCE	14,378,253	15,887,776	15,504,533	13,634,781	13,204,833
CONTRACT FOR SERVICES	6,494,165	6,515,111	6,259,678	6,982,660	6,902,286
AMORTIZATION	5,062,136	5,482,284	5,750,645	5,892,702	5,910,115
OTHER	3,901,615	3,991,458	4,102,236	5,628,979	1,477,375
	<b>47,263,340</b>	<b>49,956,391</b>	<b>50,694,109</b>	<b>51,646,924</b>	<b>47,626,603</b>

ACCUMULATED SURPLUS, BEGINNING OF THE YEAR	120,809,945	122,064,348	130,165,148	133,700,643	138,406,744
ANNUAL SURPLUS	1,254,403	8,100,800	3,535,495	4,706,101	9,704,745
ACCUMULATED SURPLUS, END OF THE YEAR	122,064,348	130,165,148	133,700,643	138,406,744	148,111,489

Net Taxable Assessment Values (Final Roll)

		2012	2013	2014	2015	2016
<b>ELECTORAL AREA A</b>	Land	489,233,811	483,918,574	467,834,569	470,983,843	482,479,251
	Improvements	426,585,736	421,835,508	419,165,619	425,593,105	481,269,243
	<b>TOTAL</b>	<b>915,819,547</b>	<b>905,754,082</b>	<b>887,000,188</b>	<b>896,576,948</b>	<b>963,748,494</b>
<b>ELECTORAL AREA B</b>	Land	949,513,141	905,890,515	872,312,295	879,776,923	895,610,393
	Improvements	652,662,811	641,678,521	640,535,193	645,473,079	701,061,869
	<b>TOTAL</b>	<b>1,602,175,952</b>	<b>1,547,569,036</b>	<b>1,512,847,488</b>	<b>1,525,250,002</b>	<b>1,596,672,262</b>
<b>ELECTORAL AREA C</b>	Land	462,196,391	428,747,717	419,925,726	420,003,592	412,092,397
	Improvements	462,983,605	447,084,317	437,112,792	449,569,867	505,469,567
	<b>TOTAL</b>	<b>925,179,996</b>	<b>875,832,034</b>	<b>857,038,518</b>	<b>869,573,459</b>	<b>917,561,964</b>
<b>ELECTORAL AREA D</b>	Land	283,747,348	273,509,225	268,155,321	274,285,288	276,425,788
	Improvements	262,231,974	263,455,008	254,207,203	248,927,520	280,563,716
	<b>TOTAL</b>	<b>545,979,322</b>	<b>536,964,233</b>	<b>522,362,524</b>	<b>523,212,808</b>	<b>556,989,504</b>
<b>ELECTORAL AREA E</b>	Land	265,302,707	271,362,977	260,274,809	269,297,783	272,513,989
	Improvements	296,002,150	298,390,233	299,031,548	302,952,959	318,615,209
	<b>TOTAL</b>	<b>561,304,857</b>	<b>569,753,210</b>	<b>559,306,357</b>	<b>572,250,742</b>	<b>591,129,198</b>
<b>ELECTORAL AREA F</b>	Land	286,611,517	285,697,682	278,681,295	286,935,108	310,810,444
	Improvements	125,510,109	125,707,110	126,451,035	128,175,296	128,526,225
	<b>TOTAL</b>	<b>412,121,626</b>	<b>411,404,792</b>	<b>405,132,330</b>	<b>415,110,404</b>	<b>439,336,669</b>
<b>ELECTORAL AREA G</b>	Land	407,249,658	396,621,150	372,699,202	369,823,671	377,898,024
	Improvements	183,594,086	184,632,996	187,508,833	191,291,006	211,818,769
	<b>TOTAL</b>	<b>590,843,744</b>	<b>581,254,146</b>	<b>560,208,035</b>	<b>561,114,677</b>	<b>589,716,793</b>
<b>ELECTORAL AREA H</b>	Land	311,830,158	272,243,698	265,834,857	271,716,288	261,383,543
	Improvements	266,716,260	270,242,700	271,052,325	270,525,676	292,138,348
	<b>TOTAL</b>	<b>578,546,418</b>	<b>542,486,398</b>	<b>536,887,182</b>	<b>542,241,964</b>	<b>553,521,891</b>
<b>ELECTORAL AREA I</b>	Land	339,044,368	335,436,412	331,914,412	332,905,162	349,546,528
	Improvements	140,155,373	143,186,929	149,423,879	148,359,579	165,633,713
	<b>TOTAL</b>	<b>479,199,741</b>	<b>478,623,341</b>	<b>481,338,291</b>	<b>481,264,741</b>	<b>515,180,241</b>
<b>CITY OF DUNCAN</b>	Land	294,309,888	297,483,060	285,461,203	277,160,363	279,676,368
	Improvements	325,678,097	308,192,725	306,183,957	316,035,497	330,736,867
	<b>TOTAL</b>	<b>619,987,985</b>	<b>605,675,785</b>	<b>591,645,160</b>	<b>593,195,860</b>	<b>610,413,235</b>
<b>DISTRICT OF NORTH COWICHAN</b>	Land	2,165,418,250	2,122,379,292	2,064,804,894	2,023,356,190	2,037,995,867
	Improvements	2,236,619,443	2,224,351,877	2,219,945,464	2,197,420,974	2,302,463,489
	<b>TOTAL</b>	<b>4,402,037,693</b>	<b>4,346,731,169</b>	<b>4,284,750,358</b>	<b>4,220,777,164</b>	<b>4,340,459,356</b>
<b>TOWN OF LADYSMITH</b>	Land	505,778,545	542,298,812	552,477,381	545,322,332	557,447,713
	Improvements	621,557,087	579,532,590	564,094,380	570,597,958	603,073,077
	<b>TOTAL</b>	<b>1,127,335,632</b>	<b>1,121,831,402</b>	<b>1,116,571,761</b>	<b>1,115,920,290</b>	<b>1,160,520,790</b>
<b>TOWN OF LAKE COWICHAN</b>	Land	170,859,168	169,886,139	59,533,970	159,166,767	161,218,167
	Improvements	220,066,505	207,472,212	199,807,581	204,266,084	211,695,684
	<b>TOTAL</b>	<b>390,925,673</b>	<b>377,358,351</b>	<b>259,341,551</b>	<b>363,432,851</b>	<b>372,913,851</b>

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	2012	2013	2014	2015	2016
<b>GROSS OUSTANDING LONG-TERM DEBT:</b>					
Regional District	25,796,175	28,441,175	29,109,888	29,109,888	29,034,888
Member Municipalities	36,803,175	39,018,175	36,068,175	38,068,175	49,100,675
<b>Total</b>	<b>62,599,350</b>	<b>67,459,350</b>	<b>65,178,063</b>	<b>67,178,063</b>	<b>78,135,563</b>
<b>LESS: PRINCIPAL PAYMENTS AND ACTUARIAL ADJUSTMENTS FOR DEBT</b>					
Regional District	8,697,580	9,984,054	10,952,578	12,481,590	13,900,726
Member Municipalities	9,550,020	11,329,247	9,942,277	11,570,659	11,643,658
<b>Net Long-term Debt</b>	<b>44,351,750</b>	<b>46,146,049</b>	<b>44,283,208</b>	<b>43,125,814</b>	<b>52,591,179</b>
General	14,807,211	16,300,533	16,066,688	14,689,896	13,269,608
Sewer	1,049,299	971,353	914,510	827,944	737,374
Water	1,242,085	1,185,235	1,176,112	1,110,459	1,127,180
Member Municipalities	27,253,155	27,688,928	26,125,898	26,497,516	37,457,017
<b>Net Long-term Debt</b>	<b>44,351,750</b>	<b>46,146,049</b>	<b>44,283,208</b>	<b>43,125,814</b>	<b>52,591,179</b>
Property Tax Supported	1,818,029	1,734,326	1,822,305	1,843,654	1,823,655
Sewer Utility	114,419	114,419	100,169	96,842	96,127
Water Utility	111,179	111,179	111,179	116,844	117,949
<b>Total Long-term Debt Servicing Costs *</b>	<b>2,043,627</b>	<b>1,959,924</b>	<b>2,033,653</b>	<b>2,057,339</b>	<b>2,037,731</b>
<b>Total Expenses (excluding Municipality Debt payments)</b>	<b>47,263,340</b>	<b>49,956,391</b>	<b>50,694,109</b>	<b>51,646,924</b>	<b>47,626,603</b>
Population	80,332	80,332	80,332	80,332	83,739
Net Long-term Debt per Capita	552	574	551	537	628
Long-term Debt Servicing per Capita	25	24	25	26	24
Long-term Debt Service as % of Expenses	4.32%	3.92%	4.01%	3.98%	4.28%
Financial Assets	49,274,648	53,603,655	50,458,479	55,078,573	68,375,864
Financial Liabilities	60,108,554	62,616,170	59,195,311	60,283,189	64,927,847
<b>Net Financial Assets/(Net Debt)</b>	<b>(10,833,906)</b>	<b>(9,012,515)</b>	<b>(8,736,832)</b>	<b>(5,204,616)</b>	<b>3,448,017</b>

\* Does not include Debt Servicing for Municipal Debt

	2012	2013	2014	2015	2016
CITY OF DUNCAN	1,174,532	1,244,899	1,273,726	1,376,091	1,359,871
DISTRICT OF NORTH COWICHAN	6,064,233	6,520,731	6,698,753	7,211,645	7,393,971
TOWN OF LADYSMITH	739,702	798,889	1,017,593	1,137,609	1,144,312
TOWN OF LAKE COWICHAN	892,581	925,222	923,179	958,720	928,575

**ELECTORAL AREAS:**

ELECTORAL AREA A	2,180,072	2,320,314	2,342,039	2,454,371	2,648,763
ELECTORAL AREA B	4,469,535	4,657,232	4,773,110	4,936,524	5,299,136
ELECTORAL AREA C	2,292,390	2,366,280	2,413,626	2,531,916	2,708,394
ELECTORAL AREA D	1,691,289	1,790,909	1,830,859	1,909,199	2,005,122
ELECTORAL AREA E	1,647,246	1,843,357	1,887,932	1,986,324	2,053,695
ELECTORAL AREA F	1,792,422	1,920,971	1,899,483	2,054,608	2,177,665
ELECTORAL AREA G	842,738	927,785	937,829	978,817	1,039,774
ELECTORAL AREA H	728,054	867,216	895,129	981,459	1,027,640
ELECTORAL AREA I	1,727,266	1,839,202	1,889,491	1,964,652	2,118,785
General Property Taxes	26,242,060	28,023,007	28,782,749	30,481,935	31,905,703
Local Service Area	1,902,060	1,959,608	1,908,795	1,938,167	2,101,822
Total Annual Property Tax	28,144,120	29,982,615	30,691,544	32,420,102	34,007,525

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	2012	2013	2014	2015	2016
ACQUISITION OF TANGIBLE CAPITAL ASSETS	3,581,055	10,162,919	8,191,714	4,452,740	5,541,233

Reserves

	2012	2013	2014	2015	2016
GENERAL	5,939,616	6,422,151	6,825,749	8,197,048	8,188,328
WATER	498,958	504,519	655,813	715,537	733,560
SEWER	1,218,957	1,534,601	1,677,401	1,874,877	1,947,909
	7,657,531	8,461,271	9,158,963	10,787,462	10,869,797

2016  
**FINANCIAL  
STATEMENTS**

**COWICHAN VALLEY REGIONAL DISTRICT**

**ELECTED AND APPOINTED OFFICIALS  
2016**

**BOARD OF DIRECTORS**

City of Duncan	S. Jackson
Town of Ladysmith	A. Stone
Town of Lake Cowichan	B. Day (Vice-chair)
District of North Cowichan	T. Walker
District of North Cowichan	J. Lefebure (Chair)
District of North Cowichan	K. Marsh
Electoral Area "A" – Mill Bay/Malahat	K. Davis
Electoral Area "B" – Shawnigan Lake	S. Furstenau
Electoral Area "C" – Cobble Hill	M. Clement
Electoral Area "D" – Cowichan Bay	L. Iannidinardo
Electoral Area "E" – Cowichan Station/Sahtlam/Glenora	A. Nicholson
Electoral Area "F" – Cowichan Lake South/Skutz Falls	I. Morrison
Electoral Area "G" – Saltair/Gulf Island	M. Dorey
Electoral Area "H" – North Oyster/Diamond	M. Marcotte
Electoral Area "I" – Youbou/Meade Creek	K. Kuhn

**OFFICERS**

Chief Administrative Officer -	B. Carruthers
Corporate Legislative Officer -	J. Barry
Corporate Financial Officer -	M. Kueber

**COWICHAN VALLEY REGIONAL DISTRICT**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

Statement of Management's Responsibility for Financial Reporting  
Independent Auditor's Report

**FINANCIAL STATEMENTS**

1	Statement of Financial Position
2	Statement of Operations
3	Statement of Change in Net Debt
4	Statement of Cash Flow

Notes to Financial Statements

**SUPPORTING SCHEDULES (Unaudited)**

A	Operating Fund Statement of Financial Position
B	Statement of Operating Fund Financial Activities
C	Capital Fund Statement of Financial Position
D	Statement of Capital Fund Financial Activities
E	Reserve Fund Statement of Financial Position
F	Statement of Operating Surplus





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## INDEPENDENT AUDITOR'S REPORT


### Management's Responsibility for Financial Reporting

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors are composed of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management including internal controls over the financial reporting process, auditing matters and financial reporting issues.

BDO Canada LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to management and the Board to discuss their audit findings.

  
Brian Carruthers  
Chief Administrative Officer

  
Sharon Moss, CPA, CGA  
Finance Manager

May 10, 2017

### To the Board of Directors of Cowichan Valley Regional District

We have audited the accompanying financial statements of the Cowichan Valley Regional District, which comprise the Statement of Financial Position as at December 31, 2016, and the Statements of Operations, Change in Net Debt and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Cowichan Valley Regional District as at December 31, 2016 and its results of operations, changes in net debt, and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

### Supplemental Information

The supplementary financial information presented in Exhibits A to I is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the main financial statements. The supplementary information has not been subject to audit.




Chartered Professional Accountants  
Vancouver, British Columbia  
May 10, 2017


## COWICHAN VALLEY REGIONAL DISTRICT

## Statement 1

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash	\$ 23,538,278	\$ 21,318,747
Portfolio Investments (Note 2)	5,019,089	4,979,516
Receivables		
Due from Local Government	56,970	49,348
Due from Provincial Governments	418,714	49,175
Due from Federal Government	693,325	1,058,462
Trade Accounts	1,045,471	1,125,809
Land Held for Resale (Note 13)	147,000	-
Debt Recoveries from Members (Note 16)	<u>37,457,017</u>	<u>26,497,516</u>
	<u>\$ 68,375,864</u>	<u>\$ 55,078,573</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 3,203,445	\$ 3,951,754
Deferred Revenue (Note 3)	1,212,225	1,278,968
Restricted Contributions & Performance Deposits (Note 10)	1,452,594	1,692,728
Employee Future Benefits (Note 5)	374,063	419,745
Landfill Closure and Post Closure Costs (Note 6)	2,085,165	5,324,684
Short-term Debt (Note 17 & 23)	4,009,176	4,489,496
Long-term Debt (Note 17 & 24)		
Regional District	15,134,162	16,628,298
Members	<u>37,457,017</u>	<u>26,497,516</u>
	<u>\$ 64,927,847</u>	<u>\$ 60,283,189</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 3,448,017</u>	<u>\$ (5,204,616)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 22)	144,484,201	143,465,569
Inventories	31,116	32,483
Prepaid Expenses	<u>148,155</u>	<u>113,308</u>
	<u>144,663,472</u>	<u>143,611,360</u>
<b>ACCUMULATED SURPLUS (Note 15)</b>	<u>\$148,111,489</u>	<u>\$138,406,744</u>

  
Sharon Moss, CPA, CGA  
Finance Manager

  
Jon Lefebure  
Chairperson

The accompanying notes are an integral part of these financial statements.

## COWICHAN VALLEY REGIONAL DISTRICT

## Statement 2

STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 BUDGET (Note 8)	2016 ACTUAL	2015 ACTUAL
<b>REVENUE</b>			
Tax Requisition	\$ 34,007,525	\$ 34,007,525	\$ 32,420,102
User Fees	3,780,251	3,431,420	3,660,070
Parcel Taxes	2,308,591	2,309,152	2,197,535
Government Transfers	3,782,720	4,618,944	3,730,301
Services Provided to Other			
Local Governments	52,621	52,570	51,790
Revenue from Own Sources	8,546,147	9,112,444	8,485,747
Other Revenue	2,598,386	1,960,835	2,839,679
Interest Income	76,000	175,073	168,635
Donations	<u>119,466</u>	<u>1,663,385</u>	<u>2,799,166</u>
	<u>\$ 55,271,707</u>	<u>\$ 57,331,348</u>	<u>\$ 56,353,025</u>
<b>EXPENSES (Note 11 &amp; 25)</b>			
General Government Services	\$ 6,636,169	\$ 5,695,821	\$ 6,156,700
Vancouver Island Regional Library	1,692,097	1,692,096	1,648,088
Transportation Services	3,119,374	3,015,172	2,972,047
Electoral Area Services	3,648,839	3,559,181	3,498,614
Protective Services	3,205,023	3,367,827	2,857,763
Parks & Recreation	14,679,445	16,963,700	16,564,131
Environmental Services	11,109,680	7,581,326	12,763,247
Sewer & Water Utilities	<u>3,863,726</u>	<u>5,751,480</u>	<u>5,186,334</u>
	<u>47,954,353</u>	<u>47,626,603</u>	<u>51,646,924</u>
<b>Annual Surplus</b>	7,317,354	9,704,745	4,706,101
Accumulated Surplus, Beginning of the Year	<u>138,406,744</u>	<u>138,406,744</u>	<u>133,700,643</u>
<b>Accumulated Surplus, End of the Year (Note 15)</b>	<u>\$145,724,098</u>	<u>\$148,111,489</u>	<u>\$138,406,744</u>

The accompanying notes are an integral part of these financial statements.

## COWICHAN VALLEY REGIONAL DISTRICT

## Statement 3

STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 BUDGET (Note 8)	2016 ACTUAL	2015 ACTUAL
<b>Annual Surplus</b>	\$ 7,317,354	\$ 9,704,745	\$ 4,706,101
Additions of tangible capital assets	(22,669,252)	(5,541,233)	(4,452,740)
Contributed tangible capital assets	-	(1,534,514)	(2,655,876)
Amortization of tangible capital assets	-	5,910,115	5,892,702
Reclassification - Land for Resale	-	147,000	-
Change in inventories	-	1,367	(4,039)
Change in prepaid expenses	-	(34,847)	46,068
(Increase)/ Decrease in Net Debt	(15,351,898)	8,652,633	3,532,216
Opening Net Debt	<u>(5,204,616)</u>	<u>(5,204,616)</u>	<u>(8,736,832)</u>
<b>Closing Financial Assets (Net Debt) (Statement 1)</b>	<u>\$ (20,556,514)</u>	<u>\$ 3,448,017</u>	<u>\$ (5,204,616)</u>

The accompanying notes are an integral part of these financial statements.

## COWICHAN VALLEY REGIONAL DISTRICT

## Statement 4

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Annual Surplus	\$ 9,704,745	\$ 4,706,101
Non-cash items included in surplus		
Amortization of tangible capital assets	5,910,115	5,892,702
Contributed tangible capital assets	(1,534,514)	(2,655,876)
Debt actuarial adjustment	(586,204)	(522,753)
Employee future benefits	(45,682)	(45,234)
Landfill closure and post closure	(3,239,519)	1,259,939
Change in non-cash working capital balances related to operations		
Accounts receivable	68,314	(24,543)
Prepaid expenses & inventories	(33,480)	42,029
Accounts payable and accrued liabilities	(748,309)	788,141
Deferred revenue	(66,743)	(75,768)
Deferred government transfers	-	(81,609)
Interest on portfolio investments	(39,573)	(42,178)
Land held for resale	-	326,388
Restricted contributions and performance bonds	<u>(240,134)</u>	<u>319,802</u>
Cash provided by operating transactions	<u>9,149,016</u>	<u>9,887,141</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	<u>(5,541,233)</u>	<u>(4,452,740)</u>
Cash used in capital transactions	<u>(5,541,233)</u>	<u>(4,452,740)</u>
<b>FINANCING TRANSACTIONS</b>		
Long-term debt issued	85,000	-
Short-term debt issued	1,689,073	1,714,191
Long-term debt repayment	(992,932)	(1,006,259)
Short-term debt repayment	<u>(2,169,393)</u>	<u>(1,634,190)</u>
Cash provided by financing transactions	<u>(1,388,252)</u>	<u>(926,258)</u>
Increase in Cash	2,219,531	4,508,143
Cash - Beginning of Year	<u>21,318,747</u>	<u>16,810,604</u>
Cash - End of Year (Statement 1)	<u>\$ 23,538,278</u>	<u>\$ 21,318,747</u>
Interest paid for year	\$ 1,089,313	\$ 1,110,222

The accompanying notes are an integral part of these financial statements.

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**


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The Regional District was incorporated in 1967 under the provisions of the *Local Government Act*, a statute of the Province of B.C. Its principal activities are the provision of district wide local government services to the residents of nine electoral areas and four municipalities, within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste/recycling collection and disposal, and street lighting.

**1) Summary of Significant Accounting Policies**

It is the Regional District's policy to follow Canadian public sector accounting standards and to apply such principles consistently. These statements have been prepared using guidelines issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (PSAB). As required by PSAB, the financial statements include all funds comprising the economic entity of the Regional District plus any unfunded liabilities and expenses. Inter-fund transfers have been eliminated.

**(a) Basis of Accounting**

The resources and operations of the District have been segregated into Operating, Capital and Reserve Funds, which are presented as supplementary information in Note 15 and Schedules A through F.

**(b) Revenue and Expense Recognition**Revenue Recognition

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned. Property tax revenues in the form of local government requisitions are recognized in the year they are levied. Parcel Taxes are recognized in the year they are levied. Interest income is recognized as earned as income in the Statement of Operations, except interest on restricted liabilities or reserves where the income is deferred until spent. Operating grants are recognized as earned. Donations are recorded when received. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees, transit, tipping fees, garbage and recycling collection fees are recognized as revenue on an accrual basis. Permit fees are recognized as revenue when the permit is approved and payment is collected according to rates set in various fees and charges bylaw.

Expense Recognition

Expenses are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due. Expenses include the accrual of interest payable on debt to the end of the fiscal period. Estimates of employee future benefits are recorded as expenses in the year they are earned by employees. Landfill closure and post closure costs are recorded as estimated expenses as set out in the regulatory requirement to close and maintain active and inactive landfill sites.

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**


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**1) Summary of Significant Accounting Policies (continued)****(c) Inventories**

Inventories of merchandise held for sale are recorded at lower of cost and net realizable value on the Statement of Financial Position. Inventories of materials and supplies are included as expenses in the Statement of Operations in the period of acquisition.

**(d) Financial Instruments**

Financial instruments consist of cash, portfolio investments, receivables, debt and accounts payable. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest rate, currency or credit risk from these financial instruments.

**(e) Government Transfers**

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**(f) Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the determination of landfill closure and post closure liabilities, provisions for contingencies, estimation of employee future benefits, estimated useful life of tangible capital assets, and provisions for contaminated sites. Actual results may vary from those estimates and adjustments will be reported in operations as they become known.

**(g) Contaminated Sites Liability**

Effective January 1, 2015, the Regional District adopted the new Public Sector Accounting Standard PS3260 Liability for Contaminated Sites. The new standard can be applied retroactively or prospectively and the Regional District has elected to apply it prospectively.

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up, and a reasonable estimate can be made.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

1) Summary of Significant Accounting Policies (continued)

(g) Contaminated Sites Liability (continued)

Management has assessed its potential liabilities, including sites that are no longer in productive use and sites for which the Regional District accepts responsibility. There is a portion of a site, at Bings Creek Drop off Depot, which has been determined to have evidence of contamination. At this time it has not been determined if this contamination is in excess of an environmental standard requiring remediation at this time. Therefore, no liability was recognized as at December 31, 2016 or 2015. Further assessment will be made in regard to the site and potential contamination. Should an liability be determined to exist they will be recorded in the period discovered.

2) Portfolio Investments

Portfolio investments are MFA Money Market funds of \$5,019,089 (2015 - \$4,979,516). These pooled investments are recorded at market value which approximates cost. Interest income on investments has been allocated to deferred revenue, Reserve Funds and Operating Funds based on the relative equity in each Fund. The yield on funds for 2016 was .81% (2015 .85%).

3) Deferred Revenue

	2016	2015
Trail Project Grants	\$ 386,076	\$ -
Developer Capital Contributions	156,498	253,413
Recreation Deposits	195,571	350,114
Flood Mitigation Grant	9,659	12,224
Other	56,725	166,339
Subtotal (Schedule A)	804,529	782,090
Parkland Cash-in-lieu Contributions	407,696	496,878
	<u>\$ 1,212,225</u>	<u>\$ 1,278,968</u>

- Trail Project Grants consists of grants for the Cowichan Valley and Trans Canada Trail.
- Developer Capital Contributions were contributed for improvements to the Shawnigan Lake Water System.
- Recreation Deposits consists of payments in advance for recreation programs, unredeemed recreation program awards, and facility rental deposits.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

3) Deferred Revenue (continued)

- Flood Mitigation Grant consists of funds for the Koksilah River Flood Management Project and remaining funding for Drought Alert Project.
- Other funds received for 2017 include BC Healthy Communities grant, Age Friendly grant, dog licenses, bus passes, and miscellaneous deferred revenue.
- Parkland Cash-in-lieu Contributions consists of funds collected from developers under the authority of Section 941 of the *Local Government Act*, in lieu of land for parkland purposes as a condition of the subdivision. These funds are restricted for future purchases of parkland.

4) Community Works Gas Tax Reserves

The Regional District entered into the Renewed Gas Tax Agreement in 2014 with the result that revenues received under the Community Works Fund portion of the program are recognized as when allocated to the Regional District.

The Regional District tracks the unspent amounts received under the Renewed Gas Tax Agreement in the Community Works Reserve Fund. The continuity of this fund is presented in the table below:

	2016	2015
Community Works Reserve, opening balance	\$ 3,802,399	\$ 3,007,728
Add:		
Community works funds received in year	1,558,407	1,489,027
Interest earned	30,377	52,745
Less:		
Amounts spent on projects	(1,162,828)	(747,101)
Community Works Reserve, ending balance	<u>\$ 4,228,355</u>	<u>\$ 3,802,399</u>

The Community Works Reserve is included in Operating Surplus (Schedule F).

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

5) Employee Future Benefits

It is the policy of the Regional District that all vacation entitlement earned in a year will be taken by December 31st, unless prior approval for vacation carry over has occurred. As at December 31, 2016, \$ 79,927 (2015 - \$66,434) in unpaid vacation was accrued. Banked time accrued from January 1 through November 30 has been taken or paid as at November 30, 2016. The accrual for banked time at December 31, 2016 amounted to \$ 9,850 (2015 - \$10,847), which must be taken or paid no later than November 30, 2017.

(a) Pension Liability

The Regional District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015 the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2018, with results available in late 2019.

Employers participating in the plan record their pension expense as the amount of the employer contributions made during the fiscal year (defined contributions pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Cowichan Valley Regional District paid \$1,374,237 (2015 - \$1,376,164) for employer contributions, while employees contributed \$1,211,884 (2015 - \$1,221,960) to the plan in fiscal 2016.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

5) Employee Future Benefits (continued)

(b) Employee Future Benefits

Based on obligations as determined by collective agreements and contractual arrangements, employee benefit accruals, which include an allowance of sick leave entitlement are recorded in the year in which they are earned. The discounted value of future amounts payable for this benefit in 2016 is based on an actuarial evaluation prepared in 2015, by an independent firm and is updated annually and recalculated every three years. Due to the change to an actuarial evaluation an actuarial gain of \$503,541 occurred in 2012. This actuarial gain is amortized over the estimated employees' average remaining service lifetime, currently 7 years.

	2016	2015
Discount rates	3.30%	3.10%
Expected future inflation rates	2.00%	2.00%
Expected wages/salary increases	2.08% - 4.00%	2.08% - 4.00%

Accrued Benefit Obligation as at December 31, 2016

	2016	2015
Accrued benefit obligation - beginning	\$ 102,400	\$ 117,100
Current service cost	11,000	12,900
Interest on accrued benefit obligation	3,400	3,800
Benefits paid during the year	(8,300)	(12,000)
Actuarial gain	<u>(1,700)</u>	<u>(19,400)</u>
<b>Ending benefit obligation</b>	<b>106,800</b>	<b>102,400</b>
Unamortized net actuarial gain	<u>267,263</u>	<u>317,345</u>

Accrued Unfunded Benefit Liability

	<u>\$ 374,063</u>	<u>\$ 419,745</u>
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The total expense related to these benefits was:

	2016	2015
Current service costs	\$ 11,000	\$ 12,900
Interest on benefit obligation	3,400	3,800
Actuarial gain	(1,700)	(19,400)
Amortization of actuarial gain	<u>(50,082)</u>	<u>(30,534)</u>
Total recovery	<u>\$ (37,382)</u>	<u>\$ (33,234)</u>

The total recovery is included in wages and benefits expense.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

6) Landfill Closure and Post Closure Costs

The provincial Environmental Management Act, as well as the BC Landfill Criteria for Municipal Solid Waste (LCMSW), sets out the regulatory requirements to close and maintain active and inactive landfill sites.

Several solid waste program initiatives are included in the Cowichan Valley Regional District (CVRD) Solid Waste Management Plan (SWMP) Amendment No. 3, which was approved by the Minister of Environment in 2007. The CVRD is committed to ensuring that its landfills are managed in a fiscally responsible manner, which includes setting aside funds to pay for landfill closure and post-closure activities. During 2011, the CVRD instituted a \$2 per tonne tipping fee surcharge on all municipal solid waste received for disposal in order to fund borrowing for closure of historic landfill and ash landfill sites. These funds are held in the Remediation Reserve fund.

Although the CVRD does not operate an active landfill site, the Regional District is responsible for four former landfills, three of which are associated with old Thermal Reduction Plants (TRPs, municipal solid waste incinerators).

At the Meade Creek ashfill site, the Regional District has decided to consolidate and encapsulate the ash waste on site which allows for on-site risk management. The capital project works are expected to be completed in 2017. The estimated cost of this option is \$1,505,297 with an additional \$10,000 per year of monitoring requirements beginning 2018, for up to 25 years. These estimates are adjusted for future anticipated inflation and then discounted based upon the CVRD's cost of borrowing for the expected 25 year period of 3.53% annually.

The Peerless Road remediation and closure works were completed in 2015. The post-closure maintenance costs are estimated at \$15,000 annually for 25 years. These estimates are adjusted for future anticipated inflation and then discounted based upon the CVRD's cost of borrowing for the expected 25 year period of 3.53% annually.

The Regional District currently maintains an inactive landfill site on Koksilah Road which has been closed for 19 years. The Regional District is responsible for long-term groundwater monitoring at this location at a cost estimated at \$7,000 annually for 25 years. These estimates are adjusted for future anticipated inflation and then discounted back to date based upon the CVRD's costs of borrowing for the expected 25 year period of 3.53% annually.

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COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

6) Landfill Closure and Post Closure Costs (continued)

Also on Koksilah Road is a former ash landfill site. This site is on Cowichan Tribes land and was closed by Cowichan Tribes with funding provided by Aboriginal Affairs and Northern Development Canada (AANDC). A portion of the ash waste was exported to an out-of-region landfill with the remainder being encapsulated on-site. Long term monitoring is being undertaken by Cowichan Tribes. The CVRD estimates that it will not be required to contribute towards any long term monitoring costs and therefore has reported no liability in respect of this site.

During 2016 nine general sites within the region historically used as "end of road" illegal dumps for residential waste, identified in the SWMP, were investigated. Location and ownership for each site was examined to determine if the site was previously or currently owned by the CVRD and if additional steps were necessary towards site remediation. None of the nine sites were determined to be the responsibility of the CVRD. The investigation concluded that no further investigation or remediation was necessary and therefore the 2015 estimate was revised to reduce the liability to nil and a recovery of \$2,518,048 was recognized in the 2016 financial statements.

The table below sets out the closure and post closure liability based on consultant and senior staff estimates. This estimate, plus the current costs incurred for closure works, less the Remediation Reserve fund has resulted in a net reduction to landfill expense of \$3,239,519 (2015 increase - \$1,259,939). The annual provision is included in environmental services expenses on the Statement of Operations and the liability on the Statement of Financial Position.

	2016	2015
Meade Creek TRP	\$ 1,725,225	\$ 2,392,092
Peerless Road TRP	333,223	354,077
Koksilah Road	155,504	165,236
Abandoned landfills	-	2,518,048
Gross liability	2,213,952	5,429,453
Less: cash held in Remediation Reserve Fund	(128,787)	(104,769)
	<u>\$ 2,085,165</u>	<u>\$ 5,324,684</u>

**COWICHAN VALLEY REGIONAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**7) Environmental Regulations**

The Regional District is subject to environmental regulations, which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

**8) Budget Figures**

Budget figures represent the 2016 Financial Plan Bylaw adopted by the Board on December 9, 2015. The financial plan budgeted for capital expenditures rather than amortization expense, and reflects the use of prior year operating surpluses as part of its annual budget. The carry forward of operating surpluses by the department is a requirement under the *Local Government Act* of BC. The financial plan forms the basis of taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the "Surplus for the year" is provided to show which items must be added or removed from the budget on Statement 2 to reflect the financial plan.

Surplus for the year (Statement 2)	\$ 7,317,354
Add:	
Transfers from Reserves	5,471,566
Prior Year Operating Surplus	2,376,879
MFA Funding	12,077,595
Less:	
Debt Principal Repayments/Actuarial Adjustments	(3,419,364)
Transfer to Reserves	(1,154,778)
Purchase of Capital Assets	<u>(22,669,252)</u>
Surplus, per Cowichan Valley Regional District Financial Plan Bylaw No. 3982	<u><u>-</u></u>

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**COWICHAN VALLEY REGIONAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**9) Contingent Liabilities**

As at December 31, 2016 there existed outstanding claims against the Regional District. These claims have been referred to legal counsel and the Regional District's liability insurers. It is not possible to determine the Regional District's potential liability, if any, with respect to these matters. However, at such time that a liability becomes known, it will be reflected in the Regional District's financial statements.

**10) Restricted Contributions and Performance Deposits**

	2016	2015
Warranty Deposits	\$ 800,820	\$ 850,015
Kinsol Trestle Donations	139,545	63,321
Holdbacks	77,725	253,712
Cowichan Lake Water Protection	76,000	76,000
Arts & Sports Scholarship Fund	42,537	44,687
Nature and Habitat	34,467	34,550
Cowichan Performing Arts - CFI	33,339	10,444
ISC Sponsorship Funding	-	139,285
Dike Project Deposit	-	43,752
Other	<u>248,161</u>	<u>176,962</u>
	\$ <u>1,452,594</u>	\$ <u>1,692,728</u>

- Warranty Deposits are funds received from the developer for warranty and deficiencies on various infrastructure projects and also includes developer landscape bonds. Should the funds be required they are recognized in the year of the applicable expenditure. Upon successful completion of the warranty period funds will be returned to the developer.
- Kinsol Trestle Donations are funds received for major restoration work on the Kinsol Trestle.
- Holdback funds are monies held from payments to contractors for work on Kerry Park and Island Savings Centre upgrades, and improvements to the Cowichan Valley Trail to ensure completion of said projects.
- Cowichan Lake Water Protection funds are received when a lot is sold at Creekside Development. The interest earned on these deposits is used to fund projects for the protection of waters and riparian areas on Cowichan Lake.
- The Arts & Sports Scholarship Fund was established by monies received from the Province of B.C. as a Legacy of Appreciation for hosting the BC Festival of Arts and monies received from BC Hydro Cowichan and Chemainus Valley's Commonwealth Games Power Smart Sport and Culture Tour Committee. The interest earned is added to the fund and annually two Arts and two Sports Scholarships are provided to deserving local students.



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

10) Restricted Contributions and Performance Deposits (continued)

- Nature and Habitat funds are received through voluntary contributions for projects that environmentally enhance Electoral Area I-Youbou/Meade Creek.
- Cowichan Performing Arts (CFI) are funds received through a capital improvement fee on ticket sales at the Cowichan Performing Arts Centre and will be used to finance future Theatre equipment replacement.

11) Consolidated Schedule of Expense by Object

	2016 BUDGET (Note 8)	2016 ACTUAL	2015 ACTUAL
<b>EXPENSES</b>			
Operations & Maintenance	\$ 15,739,525	\$ 13,204,833	\$ 13,634,781
Wages & Benefits	20,473,583	20,131,994	19,507,802
Contract for Services	6,706,169	6,902,286	6,982,660
Landfill Closure and Post Closure Costs	-	(3,239,519)	1,259,939
Debt Charges - Interest	1,242,020	1,089,313	1,110,222
Contributions to Community Facilities	153,289	221,005	210,188
Grants to Organizations	614,269	563,144	575,981
Library Services Provided by Other Governments	1,692,097	1,692,096	1,648,088
Fire & Recreation Services Provided by Other Local Governments	824,700	824,709	797,848
Amortization	-	5,910,115	5,892,702
Contributions to Other Functions	-	-	8,077
Contribution to Third Party Capital	508,701	326,627	18,636
	<u>\$ 47,954,353</u>	<u>\$ 47,626,603</u>	<u>\$ 51,646,924</u>

12) Tangible Capital Assets

Tangible capital assets are non-financial assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Tangible capital assets are recorded at cost and amortized and include assets financed from annual budgets, MFA agreement and debenture debt. The costs of tangible capital assets includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost recorded of tangible capital assets, less any estimated residual value, is amortized on a straight-line basis over their estimated useful lives as follows:

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

12) Tangible Capital Assets (continued)

Asset Category	Useful Life Range (years)
Land	N/A
Building	20 - 50
Vehicles, machinery & equipment	5 - 20
Engineering structures	10 - 60
Parks	10 - 60
Other Tangible Capital Assets	10 - 50

Assets under construction are not amortized until the asset is put into use.

Net Book Value	2016	2015
Land	\$ 50,025,277	\$ 47,798,263
Building	22,907,947	23,289,987
Vehicle, machinery & equipment	4,087,902	4,215,291
Engineering structures	49,264,568	50,860,283
Parks	7,161,233	8,459,807
Other Tangible Capital Assets	8,067,633	7,418,015
Work in progress	<u>2,969,641</u>	<u>1,423,923</u>
	<u>\$144,484,201</u>	<u>\$143,465,569</u>

For additional information, see the Schedule of Tangible Capital Assets (Note 22).

During the year land, and sewer/water/drainage systems built by others valued at \$ 1,534,514 (2015 - \$ 2,655,876 ) were accepted and recorded as contributed assets.

13) Land Held for Resale

During 2016 the Regional District Board determined that land donated in 2016 for a Community Park was surplus to the Regional District's needs. Currently the process is underway to sell this land.

14) Debt Reserve Fund

The Municipal Finance Authority of British Columbia provides capital financing for Regional Districts and their Members. The Authority is required to establish a Debt Reserve Fund into which each Regional District and Members, who share in the proceeds of a debt issue through the District, are required to pay certain amounts set out in the debt agreements.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

14) Debt Reserve Fund (continued)

Interest earned on these funds (less administrative expenses) becomes an obligation of the Authority to the Regional District. If at any time insufficient funds are provided by the Regional District or their Members, the Authority will then use these funds to meet payments on its obligations. When this occurs, the Regional District may be called upon to restore the fund. These amounts are not reported elsewhere in the financial statements.

	2016	2015
Cash Deposits - Cowichan Valley Regional District	\$ 434,175	\$ 448,283
Members	601,359	488,915
Demand Notes - Cowichan Valley Regional District	861,994	904,573
Members	<u>1,272,517</u>	<u>1,065,569</u>
	<u>\$ 3,170,045</u>	<u>\$ 2,907,340</u>

15) Accumulated Surplus

**Operating Funds** These funds include the General, Water and Sewer current funds. They are used to record the operating activities of the Regional District.

**Capital Funds** These funds include the General, Water and Sewer capital funds. They are used to reflect capital assets and work-in-progress financed by the related long-term debt and investment in capital assets.

**Reserve Funds** These funds have been established to hold assets for specific future requirements. Use of these funds is defined in the reserve fund establishment bylaws.

Accumulated Surplus consists of individual fund surpluses (deficits) and reserves as follows:

	2016	2015
Surplus		
Operating Fund Revenue Fund (Schedule A)	\$ 14,341,844	\$ 11,120,706
Operating Fund - Future Liabilities - Sick Leave	(374,063)	(419,745)
Operating Fund - Future Liabilities - Landfill Costs	(2,085,165)	(5,324,684)
Equity in Capital Assets (Schedule C)	<u>125,487,863</u>	<u>122,347,774</u>
Total Surplus	<u>\$137,370,479</u>	<u>\$127,724,051</u>
Statutory Reserve Funds (Schedule E)	10,869,797	10,787,462
Less: Restricted Remediation Reserve	<u>(128,787)</u>	<u>(104,769)</u>
Accumulated Surplus (Statement 1)	<u>\$148,111,489</u>	<u>\$138,406,744</u>

The Regional District has established a reserve fund for the purpose of paying the costs of undertaking feasibility studies of services it proposes to provide. The net accumulated costs to December 31, 2016, which have not yet been recovered and that are repayable to the Feasibility Reserve upon establishment of the service, are:

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

15) Accumulated Surplus (continued)

Sewerage	\$ 8,550	Liquid Waste (Southend)	\$ 9,324
Water	\$ 8,046	Indoor Pool (Cowichan Lake)	\$ 12,500
Community School	\$ 6,734	Arena (Northend)	\$ 6,738
Recreation	\$ 32,992	Industrial Park (Area G & Town of Ladysmith)	\$ 4,813
Community Parks	\$ 2,040	Fire Protection Review (Area F)	\$ 3,605
Cowichan Bay Wharf	\$ 1,210	Recreation Land Use Plan (Area F)	\$ 4,371
Track Facility (Sports Plex)	\$ 27,420	Saltair Sewer Study	\$ 6,000
Central Sector Liquid Waste	\$ 1,366	Outdoor Recreation Park	\$ 59,992
Kimalu Water	\$ 2,440	Cowichan Place (2005)	\$ 26,706
Liquid Waste (Central)	\$ 5,628	Diking Assessment (Area E)	<u>\$ 15,000</u>
Vancouver Island Railway Report (2003)	\$ 6,200		
Water Management Plan	\$ 4,921		
		<u>\$ 256,596</u>	

16) Debt Recoverable from Members

Pursuant to the Local Government Act, the Regional District acts as the agency through which its members borrow funds from the Municipal Finance Authority. The annual cost of servicing the debt is recovered entirely from the borrowing member. However, the Regional District is joint and severally liable for member debt in the event of default. Please see Note 24 for details of the amounts receivable.

17) Future Debt Principal Payments

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars. Details of Short-term debt are summarized in Note 23. Details of Long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts are summarized in Note 24.

Payments of principal on issued debt of the Regional District, not including other members debt, for the next five years are:

Short-term Debt

2017	2018	2019	2020	2021	Total
\$1,246,899	\$1,165,644	\$1,055,410	\$ 523,681	\$ 17,542	<u>\$ 4,009,176</u>

Long-term Debt

2017	2018	2019	2020	2021	Total
\$ 935,031	\$ 892,456	\$ 756,364	\$ 737,542	\$ 706,824	<u>\$ 4,028,217</u>

Total Five Year Future Debt Principal Payments \$ 8,037,393

**18) Segment Disclosure**

The Cowichan Valley Regional District is a diversified local government providing a wide range of services to over 83,730 residents, including parks, recreation centres, community halls, fire protection, water and sewer services. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocations of assets and liabilities, revenues and expenditures, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and departmental accountabilities. Categories of service that have been separately disclosed in the segmented information on Note 25 provide the following services:

General Government

General Government is comprised of electoral area governance, general administration which includes legislative services, finance, human resources and information systems, feasibility studies and economic development.

Transportation Services

Transportation Services is comprised of local, Handydart, and Commuter transit.

Electoral Area Services

Electoral Area Services is comprised of grants in aid, animal control, building inspection, planning, bylaw enforcement, Cowichan and South Cowichan policing, environmental fund and all street lighting.

Protective Services

Protective Services is comprised of emergency planning, victim services, and all the fire departments.

Parks, Recreation & Culture

Parks, Recreation & Culture is comprised of the Vancouver Island Regional Library, all parks, all recreation centres, halls and societies, and the theatre.

Environmental Services

Environmental Services is comprised of the curbside garbage/recycling collection, solid waste site and environmental initiatives.

Sewer & Water Utilities

Sewer and Water utilities are comprised of all the drainage, water and sewer systems within the Regional District.

**19) Cowichan Valley Regional Hospital District**

The Cowichan Valley Regional Hospital District is related to the Cowichan Valley Regional District since the same individuals are members of the board of directors of both organizations. As legislated by the Hospital District Act, the officers and employees of the Regional District are the corresponding officers and employees of the hospital district. The Regional District and the Hospital District are separate legal entities as defined by the separate letters patent and authorized by separate legislation.

During the year, administrative support services supplied to the Hospital District by the Regional District totaled \$60,000 (2015 - \$60,000). In addition, staff resources supplied to the Hospital District to assist with purchasing a potential hospital site totaled \$3,327 (2015 - \$50,000).

**20) Commitments**911 Agreement

The tri-party 5 year agreement with the Regional District of Nanaimo and the City of Nanaimo commenced January 1, 2016 to provide for emergency answering and fire dispatch service. The net operating costs are shared based on the populations of the jurisdictions of the parties. The Regional District's commitment for 2017 is \$566,121 or 44% of the 911 Central Island call centre expenses.

BC Transit Corporation

The Regional District's transit includes Handydart, Commuter, Youbou, Ladysmith and local service. The remainder due on the 2016/2017 annual transit operating agreement for these services is \$704,486.

City of Duncan

A five year agreement for the delivery of fire protection services to the Eagle Heights Fire Service Area, commenced December 2003 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2017 commitment is \$183,750.

Town of Lake Cowichan

A five year agreement for the delivery of fire protection services to the Cowichan Lake Fire Service Area, commenced March 2005 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2017 commitment is \$239,861.

Island Corridor Foundation

The Board committed to a \$488,100 contribution for bridge and trestle upgrades along the rail line between Victoria and Courtney. The parties entered into an agreement in 2014 setting out the payment terms. The General Government 2016 budget included \$488,100 Regional Grant in Aid which was not paid and is currently held in surplus.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

20) Commitments (continued)

Town of Ladysmith and Municipality of North Cowichan

A five year agreement for the delivery of fire protection services to Saltair Fire Service Area commenced July 1972 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2017 commitment is \$154,378.

21) Comparative Figures

Certain 2015 comparative figures have been reclassified to confirm to the current years presentation specially within Deferred Revenue and Restricted Contributions & Performance Deposits.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016

22) Consolidated Schedule of Tangible Capital Assets

	Land	Building	Vehicles/ Machinery Equipment	Water	Engineering Sewer/ Drainage	Structures Other	Parks	Other Tangible Capital Assets	Work In Progress	2016 Total	2015 Total
Opening Cost	\$ 47,798,263	\$ 44,088,879	\$ 21,896,792	\$ 42,411,878	\$ 36,882,979	\$ 693,992	\$ 17,260,712	\$ 10,701,657	\$ 1,423,923	\$23,159,075	\$216,204,804
Add: Additions	2,227,014	1,023,610	523,242	121,854	226,244	-	60,828	1,207,001	2,969,641	8,359,434	9,424,495
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(1,423,923)	(1,423,923)	(2,246,990)
Less: Disposals	-	(48,572)	(92,948)	-	-	-	(143,708)	-	-	(285,228)	(223,234)
Less: Reclass	-	-	29,511	-	-	-	-	(29,511)	-	-	-
Closing Cost	50,025,277	45,063,917	22,356,597	42,533,732	37,109,223	693,992	17,177,832	11,879,147	2,969,641	229,809,358	223,159,075
ACCUMULATED AMORTIZATION											
Opening Balance	-	20,798,894	17,681,500	16,018,316	12,969,543	140,707	8,800,905	3,283,642	-	79,693,507	73,955,149
Add: Amortization	-	1,405,648	680,143	977,628	936,142	30,043	1,352,639	527,872	-	5,910,115	5,892,702
Less: Disposals	-	(48,572)	(92,948)	-	-	-	(136,945)	-	-	(278,465)	(154,345)
Closing Balance	-	22,155,970	18,268,695	16,995,944	13,905,685	170,750	10,016,599	3,811,514	-	85,325,157	79,693,506
Net Book Value for year ended December 31, 2016	\$ 50,025,277	\$ 22,907,947	\$ 4,087,902	\$ 25,537,788	\$ 23,203,538	\$ 523,242	\$ 7,161,233	\$ 8,067,633	\$ 2,969,641	\$144,484,201	
Net Book Value for year ended December 31, 2015	\$ 47,798,263	\$ 23,289,986	\$ 4,215,292	\$ 26,393,562	\$ 23,913,436	\$ 553,285	\$ 8,459,807	\$ 7,418,015	\$ 1,423,923		\$143,465,569

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

23) Schedule of Short-term Debt

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payments 2016	Net Unmatured December 31, 2016	Net Unmatured December 31, 2015
Administration	14-222	2019	347,775	67,238	260,537	327,775
Com Parks - Area B - Land	12-558T	2018	294,500	58,080	121,420	179,500
Com Parks - Area B - Land	13-412-3	2018	140,000	27,634	57,731	85,365
Com Parks - Area B - Land	15-521.2.2	2020	1,259,903	207,852	1,052,051	1,259,903
Com Parks - Area C - Boatswain Park	14-555-1	2021	169,500	32,397	137,103	-
Com Parks - Area G - Saltair Land	14-328	2019	136,930	30,400	91,030	121,430
Com Parks - Area D - Land	14-112	2019	155,000	30,856	94,631	125,487
CLR - Acoustics Treatments	12-279		81,119	14,594	-	14,594
CLR - Truck/Sports Court Flooring	15-246	2020	57,132	11,707	45,425	57,132
CLR - Dehumidifier	16-131	2020	141,483	29,245	112,238	-
ECD - Regional Visitor Centre	12-094		293,000	57,105	-	57,105
Eng Services - Truck	13-428	2019	35,738	6,930	14,778	21,708
Eng Utilities - Truck	15-239	2020	30,218	9,050	12,118	21,168
Eng Utilities - Vans	16-69.1	2020	85,956	4,500	81,456	-
Honeymoon Bay Fire - Fire Truck	12-278.2		65,000	12,340	-	12,340
ISC - Capital Improvements	14-66-2	2019	335,000	99,433	101,767	201,200
KPR - Score Clock	11-608.3		14,186	2,079	-	2,079
KPR - Capital Improvements	13-637	2019	1,750,000	301,346	945,569	1,246,915
KPR - Arena Improvements	13-637	2021	260,000	75,223	184,777	-
Parks & Trails - Truck	15-234	2020	40,000	9,666	30,334	40,000
Parks & Trails - Portable	16-554.2	2021	18,567	-	11,151	-
Regional Parks - Portable	16-554.2	2021	18,567	-	7,416	-
Parkland - Stoney Hill	16-142.2.3		720,000	709,076	-	-
Parkland - Heart/Stocking Land	09-439		640,780	1	-	1
tlam Fire - Fire Truck	15-187-10.2	2020	184,085	35,460	148,625	-
Saltair Recreation - Saltair C.C.	14-328	2019	167,030	34,159	70,271	104,430
Sub Total				\$ 1,866,371	\$ 3,580,428	\$ 3,878,132

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

23) Schedule of Short-term Debt (continued)

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payments 2016	Net Unmatured December 31, 2016	Net Unmatured December 31, 2015
Brought Forward				\$ 1,866,371	\$ 3,580,428	\$ 3,878,132
SLCC - Bus 2012	12-276T		58,246	14,891	-	14,891
SLCC - Elsie Miles School	12-558T	2018	310,500	60,900	126,750	187,650
SWM - Roll off Truck and Bins	10-463.1.1		255,000	40,970	-	40,970
SWM - Excavator	15-536.2.2	2019	243,298	47,782	146,162	193,944
SWM - Bings Solar Project	16-75.2.3	2020	47,622	9,036	38,586	-
SWM - Bings Energy Project	16-75.2.2	2020	72,784	14,332	58,452	-
Honeymoon Bay Water - Well	13-509-5	2019	78,720	15,345	31,741	47,086
Shellwood Range Water Study	3975		83,640	83,640	-	83,640
Kerry Village Sewer - Upgrades	13-270-2	2018	10,433	2,086	4,307	6,393
Shawnigan Beach Sewer - Upgrades	11-354.1		33,000	6,790	-	6,790
Youbou Sewer - Land	14-340	2019	60,000	7,250	22,750	30,000
				\$ 303,022	\$ 428,748	\$ 611,364
				\$ 2,169,393	\$ 4,009,176	\$ 4,489,496

Debt bears interest at a variable rate which is paid monthly.  
The interest rate at December 31, 2016 was 1.44% (December 31, 2015 1.78%).  
Regular principal payments are not required but debt must be paid within five years of borrowing.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

24) Schedule of Long-term Debt

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal/Actuarial 2016	Net Unmatured December 31, 2016	Interest Rate
Issued by the Municipal Finance Authority for our Members							
City of Duncan	1936	20	2019	420,000	27,587	90,479	5.49 %
City of Duncan	2004	15	2026	1,450,000	84,715	1,057,779	4.20 %
Sub Total					\$ 112,302	\$ 1,148,258	
District of North Cowichan	1755	20		790,000	60,373	-	7.75 %
District of North Cowichan	1784	20		300,000	22,926	-	7.75 %
District of North Cowichan	1802	20	2017	1,935,700	140,885	147,929	6.90 %
District of North Cowichan	2686	20	2025	1,600,000	81,397	873,505	5.85 %
District of North Cowichan	3301	20	2028	500,000	22,097	345,285	4.65 %
District of North Cowichan	3259	20	2028	15,000,000	662,869	10,358,552	5.15 %
District of North Cowichan	3352	20	2029	2,265,500	96,265	1,664,602	4.13 %
District of North Cowichan	3358	20	2029	530,000	22,520	389,424	4.13 %
District of North Cowichan	3391	20	2030	1,750,000	71,500	1,360,193	4.50 %
District of North Cowichan	3458	20	2032	745,475	28,160	639,168	2.90 %
District of North Cowichan	3484	20	2033	1,000,000	36,322	895,171	3.15 %
District of North Cowichan	3449	20	2033	1,500,000	54,484	1,342,757	3.85 %
District of North Cowichan	3500	25	2040	2,000,000	51,348	1,948,652	3.50 %
District of North Cowichan	3571	20	2035	864,000	-	864,000	3.50 %
District of North Cowichan	3572	20	2035	1,700,000	-	1,700,000	3.50 %
Sub Total					\$ 1,351,146	\$ 22,529,238	
50 n of Ladysmith	2753	25	2031	2,750,000	93,985	1,957,202	4.66 %
n of Ladysmith	1763	25	2037	1,000,000	27,009	898,034	4.66 %
own of Ladysmith	3786	20	2036	10,000,000	-	10,000,000	2.01 %
Sub Total					\$ 120,994	\$ 12,855,236	
Library Board	3475	30	2042	1,000,000	20,056	924,285	2.90 %
Sub Total					\$ 20,056	\$ 924,285	
<b>Members Total</b>					<b>\$ 1,604,498</b>	<b>\$ 37,457,017</b>	

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

24) Schedule of Long-term Debt (continued)

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal/Actuarial 2016	Net Unmatured December 31, 2016	Interest Rate
Brought Forward: Members					\$ 1,604,498	\$ 37,457,017	
Issued by the Municipal Finance Authority for the Regional District							
Administration Building	2339	20	2022	3,020,000	172,221	1,230,006	2.10 %
Cowichan Lake Recreation	3197	20	2029	2,500,000	106,229	1,836,904	4.13 %
Cowichan Lake Recreation	3197	20	2030	3,700,000	151,172	2,875,836	4.50 %
Kerry Park Recreation	2439	20	2023	1,700,000	92,329	789,333	4.90 %
Kerry Park Recreation	2818	10		200,000	23,710	-	4.65 %
Island Savings Centre	1801	20	2017	700,000	50,948	53,495	4.55 %
Island Savings Centre	2501	20	2024	2,500,000	129,313	1,296,562	4.90 %
Honeymoon Bay Fire	2982	10	2017	207,000	23,596	24,540	4.82 %
Malahat Fire	3630	15	2028	265,000	14,314	223,688	3.15 %
Sahtlam Fire	3272	10	2020	130,000	13,174	58,179	4.50 %
Curbside Collection	3607	15	2028	1,600,000	86,426	1,350,566	3.15 %
Curbside Collection	3607	15	2029	175,000	9,089	157,171	3.30 %
Solid Waste Mgmt Complex	1782	20		1,050,000	80,242	-	4.43 %
Solid Waste Mgmt Complex	1866	20	2018	4,500,000	311,924	671,418	4.65 %
Solid Waste Mgmt Complex	2011	20	2020	600,000	37,626	168,218	4.50 %
Solid Waste Mgmt Complex	3277	20	2030	590,000	24,106	458,579	4.50 %
Solid Waste Mgmt Complex	3278	20	2030	720,000	29,417	559,622	3.73 %
Solid Waste Mgmt Complex	3277	20	2033	780,000	28,331	698,234	3.85 %
Solid Waste Mgmt Complex	3727	20	2034	871,000	30,420	811,331	3.30 %
Arbutus Ridge Water	3287	20	2031	100,000	3,929	81,811	3.25 %
Carlton Water	3628	10	2024	50,000	4,331	41,504	3.00 %
Central Youbou Water	2665	25	2033	488,000	15,420	380,029	5.15 %
Sub Total					\$ 1,438,267	\$ 13,767,026	

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

24) Schedule of Long-term Debt (continued)

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal/Actuarial 2016	Net Unmatured December 31, 2016	Interest Rate
Brought Forward: Members					\$ 1,604,498	\$ 37,457,017	
Issued by the Municipal Finance Authority for the Regional District							
Brought Forward:					\$ 1,438,267	\$ 13,767,026	
Dogwood Ridge Water	3281	25	2036	94,000	2,640	81,775	3.25 %
Douglas Hill Water	3383	20	2031	150,000	5,893	122,717	4.20 %
Fern Ridge Water	2995	20	2029	23,175	985	17,028	4.13 %
Honeymoon Bay Water	2973	20	2030	37,000	1,512	28,758	3.73 %
Lambourn Water	3062	20	2030	100,000	4,086	77,725	3.73 %
Satellite Park Water	2982	10	2017	50,000	5,699	5,927	4.82 %
Satellite Park Water	3029	20	2029	160,000	6,799	117,562	4.13 %
Shawnigan Lake North Water	2818	10		150,000	17,782	-	4.65 %
Shellwood Water	3625	20	2036	85,000	-	85,000	2.10 %
Youbou Water	2902	20	2030	120,000	4,903	93,270	3.73 %
Arbutus Ridge Sewer	3289	20	2031	125,000	4,911	102,264	3.25 %
Brulette Place Sewer	3297	15	2029	24,713	1,283	22,195	3.00 %
Cobble Hill Sewer	3106	10	2019	25,000	2,635	8,554	4.13 %
Cowichan Bay Sewer	2439	10	2013	600,000	32,587	278,588	4.90 %
...y Village Sewer	3019	20	2030	80,000	3,269	62,180	4.50 %
Lambourn Sewer	3063	20	2030	150,000	6,128	116,588	3.73 %
Shawnigan Lake Sewer	1964	20	2019	505,000	33,170	108,790	4.50 %
Shawnigan Lake Sewer	2194	20	2021	110,000	6,587	38,215	3.05 %
Regional District Total					\$ 1,579,136	\$ 15,134,162	
GRAND TOTAL					\$ 3,183,634	\$ 52,591,179	

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016

25) Consolidated Schedule of Segment Disclosure - Service

	General Government Services	Transportation Services	Electoral Area Services	Protective Services	Parks Recreation & Culture	Environmental Services	Sewer & Water Utilities	Elimination Adjustment	Consolidation
<b>Revenues</b>									
Tax Requisition	\$ 3,294,044	\$ 2,453,758	\$ 2,783,401	\$ 3,437,226	\$ 17,414,285	\$ 4,555,231	\$ 69,580	\$ -	\$ 34,007,525
User Fees	-	-	2,319	-	-	784,354	2,667,993	(23,246)	3,431,420
Parcel Taxes	-	-	58,241	-	10,000	-	2,240,911	-	2,309,152
Government Transfers	486,234	73,107	6,578	46,080	628,227	1,789,853	81	1,588,784	4,618,944
Services Provided Other Local Govt	-	-	-	52,570	-	-	-	-	52,570
Revenue from Own Sources	62	782,041	1,034,956	28,175	3,918,295	3,609,027	-	(260,112)	9,112,444
Other Revenue	150,460	1,517	11,487	142,637	411,334	847,771	272,652	122,977	1,960,835
Interest Income	86,648	-	631	-	277	-	-	87,517	175,073
Donations	-	-	-	6,000	122,870	-	-	1,534,515	1,663,385
Contributions from Other Functions	-	-	-	-	341,283	-	14,000	(355,283)	-
Services Provided to Other Function	4,239,708	-	143,038	130,532	466,787	1,514,280	7,000	(6,501,345)	-
	\$ 8,257,156	\$ 3,310,423	\$ 4,040,651	\$ 3,843,220	\$ 23,313,358	\$ 13,100,516	\$ 5,272,217	\$ (3,806,193)	\$ 57,331,348
<b>Expenses</b>									
Operations & Maintenance	\$ 1,361,023	\$ 39,688	\$ 860,025	\$ 1,111,562	\$ 4,220,275	\$ 3,847,260	\$ 1,764,150	\$ 850	\$ 13,204,833
Wages & Benefits	3,984,328	98,724	1,969,583	521,777	8,832,123	2,944,954	1,780,505	-	20,131,994
Contract for Services	130,253	2,876,760	111,318	634,619	243,804	2,791,847	113,685	-	6,902,286
Landfill Closure/Post Closure costs	-	-	-	-	-	(3,239,519)	-	-	(3,239,519)
Debt Charges - Interest	68,323	-	-	24,928	458,117	427,363	110,582	-	1,089,313
Contributions to Community Facility	-	-	26,000	-	195,005	-	-	-	221,005
Grants to Organizations	-	-	461,370	-	74,484	27,290	-	-	563,144
Library Serv. Prov. by Other Govt	-	-	-	-	1,692,096	-	-	-	1,692,096
Services Provided Other Local Govt	-	-	74,152	524,032	226,525	-	-	-	824,709
Amortization	151,894	-	56,733	246,421	2,713,367	782,131	1,959,569	-	5,910,115
Contribution to Third Party Capital	-	-	-	-	-	-	-	326,627	326,627
	\$ 5,695,821	\$ 3,015,172	\$ 3,559,181	\$ 3,063,339	\$ 18,655,796	\$ 7,581,326	\$ 5,728,491	\$ 327,477	\$ 47,626,603
Net Annual Surplus	\$ 2,561,335	\$ 295,251	\$ 481,470	\$ 779,881	\$ 4,657,562	\$ 5,519,190	\$ (456,274)	\$ (4,133,670)	\$ 9,704,745

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COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016

25) 2015 - Consolidated Schedule of Segment Disclosure - Service (continued)


	General Government Services	Transportation Services	Electoral Area Services	Protective Services	Parks Recreation & Culture	Environmental Services	Sewer & Water Utilities	Elimination Adjustment	Consolidation
<b>Revenues</b>									
Tax Requisition	\$ 3,139,558	\$ 2,306,253	\$ 2,796,403	\$ 3,092,312	\$ 16,425,340	\$ 4,603,662	\$ 56,574	\$ -	\$ 32,420,102
User Fees	-	-	2,053	-	-	1,187,353	2,488,623	(17,959)	3,660,070
Parcel Taxes	-	-	92,896	-	10,000	-	2,094,639	-	2,197,535
Government Transfers	309,342	68,409	2,772	23,894	113,836	1,670,195	81	1,541,772	3,730,301
Services Provided Other Local Govt	-	-	-	51,790	-	-	-	-	51,790
Revenue from Own Sources	686	781,753	988,231	28,872	3,578,437	3,353,431	-	(245,663)	8,485,747
Other Revenue	147,388	2,389	6,023	100,080	221,579	2,074,674	81,994	205,552	2,839,679
Interest Income	83,733	-	691	-	300	-	-	83,911	168,635
Donations	-	-	-	6,000	137,290	-	-	2,655,876	2,799,166
Contributions from Other Functions	-	-	-	-	325,375	-	14,000	(339,375)	-
Services Provided to Other Function	4,000,750	-	143,000	109,959	330,884	1,333,521	7,000	(5,925,114)	-
	<u>\$ 7,681,457</u>	<u>\$ 3,158,804</u>	<u>\$ 4,032,069</u>	<u>\$ 3,412,907</u>	<u>\$ 21,143,041</u>	<u>\$ 14,222,836</u>	<u>\$ 4,742,911</u>	<u>\$ (2,041,000)</u>	<u>\$ 56,353,025</u>
<b>Expenses</b>									
Operations & Maintenance	\$ 1,537,649	\$ 81,139	\$ 875,017	\$ 1,033,558	\$ 4,157,306	\$ 4,497,249	\$ 1,452,863	\$ -	\$ 13,634,781
Wages & Benefits	3,867,114	127,816	1,928,569	416,103	8,525,804	3,048,445	1,593,951	-	19,507,802
Contract for Services	517,677	2,763,092	111,623	618,365	198,093	2,686,207	87,603	-	6,982,660
Landfill Closure/Post Closure costs	-	-	-	-	-	1,259,939	-	-	1,259,939
Debt Charges - Interest	69,835	-	-	30,048	457,040	441,578	111,721	-	1,110,222
Contributions to Community Facility	-	-	26,197	-	183,991	-	-	-	210,188
Contributions to Organizations	-	-	435,869	-	74,471	65,641	-	-	575,981
Contributions to Other Local Govt	-	-	-	-	1,648,088	-	-	-	1,648,088
Amortization	164,425	-	52,055	258,015	2,740,536	764,110	1,913,561	-	5,892,702
Contributions to Other Functions	-	-	-	-	-	-	8,077	-	8,077
Contribution to Third Party Capital	-	-	-	-	-	-	-	18,636	18,636
	<u>\$ 6,156,700</u>	<u>\$ 2,972,047</u>	<u>\$ 3,498,614</u>	<u>\$ 2,857,763</u>	<u>\$ 18,212,219</u>	<u>\$ 12,763,169</u>	<u>\$ 5,167,776</u>	<u>\$ 18,636</u>	<u>\$ 51,646,924</u>
Net Annual Surplus	\$ 1,524,757	\$ 186,757	\$ 533,455	\$ 555,144	\$ 2,930,822	\$ 1,459,667	\$ (424,865)	\$ (2,059,636)	\$ 4,706,101


COWICHAN VALLEY REGIONAL DISTRICT

Schedule A

OPERATING FUND STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016  
(unaudited)

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash	\$ 16,793,053	\$ 15,156,660
Receivables		
Due from Local Government	56,970	49,348
Due from Provincial Governments	418,714	49,175
Due from Federal Government	693,325	1,058,462
Due from Reserve Fund (Schedule E)	615,608	-
Trade Accounts	1,045,471	1,125,809
Prepaid Expenses	148,155	113,308
Inventories	31,116	32,483
MFA Debt Reserve Fund Deposits (Note 14)	<u>3,170,045</u>	<u>2,907,340</u>
	<u>\$ 22,972,457</u>	<u>\$ 20,492,585</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 3,203,445	\$ 3,951,754
Due to Reserve Fund (Schedule E)	-	37,967
Deferred Revenue (Note 3)	804,529	782,090
Restricted Contributions & Performance Deposits (Note 10)	1,452,594	1,692,728
MFA Debt Reserve Fund Deposits (Note 14)	<u>3,170,045</u>	<u>2,907,340</u>
	<u>8,630,613</u>	<u>9,371,879</u>
<b>Operating Fund Balance</b>	<u>\$ 14,341,844</u>	<u>\$ 11,120,706</u>

  
Sharon Moss, CPA, CGA  
Finance Manager

  
Jon Lefebure  
Chairperson



COWICHAN VALLEY REGIONAL DISTRICT

Schedule B

STATEMENT OF OPERATING FUND FINANCIAL ACTIVITIES  
AS AT DECEMBER 31, 2016  
(unaudited)


	2016 BUDGET	2016 ACTUAL	2015 ACTUAL
<b>REVENUE</b>			
Tax Requisition	\$ 34,007,525	\$ 34,007,525	\$ 32,420,102
User Fees	3,805,156	3,454,666	3,678,029
Parcel Taxes	2,308,591	2,309,152	2,197,535
Government Transfers	3,782,720	3,456,116	2,983,200
MFA Funding	12,077,595	1,773,223	1,729,994
Services Provided to			
Other Local Governments	52,621	52,570	51,790
Revenue from Own Sources	8,731,097	9,372,555	8,731,410
Other Revenue	2,597,088	1,835,359	2,634,578
Interest income	76,000	87,555	84,724
Donations	119,466	128,870	143,290
Services Provided to Other Functions	6,708,372	6,546,653	5,969,528
Contributions From Other Functions	355,282	355,283	339,375
Debt Due from Members	2,744,800	2,705,288	2,851,620
	<u>\$ 77,366,313</u>	<u>\$ 66,084,815</u>	<u>\$ 63,815,175</u>
<b>EXPENSES</b>			
General Government Services	\$ 7,593,977	\$ 6,319,156	\$ 6,881,479
Vancouver Island Regional Library	1,724,670	1,724,670	1,679,562
Transportation Services	3,358,137	3,307,019	3,194,966
Electoral Area Services	4,780,958	4,640,136	4,388,799
Protective Services	6,634,893	3,820,934	3,194,119
Parks & Recreation	27,137,909	20,645,827	18,594,839
Environmental Services	15,615,564	12,230,470	12,554,404
Sewer & Water Utilities	11,049,708	5,637,801	5,234,461
Debt Payments for Members	2,744,800	2,705,288	2,851,620
	<u>80,640,616</u>	<u>61,031,301</u>	<u>58,574,249</u>
<b>Net Revenues/(Expenses)</b>	<b>(3,274,303)</b>	<b>5,053,514</b>	<b>5,240,926</b>
Transfer from Reserve Fund	3,188,365	1,043,758	471,681
Transfer from Gas Tax Fund	2,283,201	1,162,828	747,101
Long-term Debt - Repayments	(992,409)	(992,932)	(1,006,259)
Short-term Debt - Repayments	(2,426,955)	(2,169,392)	(1,634,190)
Transfer to Reserve Fund	<u>(1,154,778)</u>	<u>(876,638)</u>	<u>(1,868,329)</u>
	<u>897,424</u>	<u>(1,832,376)</u>	<u>(3,289,996)</u>
<b>Change in Fund Balance</b>	<b>(2,376,879)</b>	<b>3,221,138</b>	<b>1,950,930</b>
Fund Balance - Prior Year	<u>2,376,879</u>	<u>11,120,706</u>	<u>9,169,776</u>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ 14,341,844</b>	<b>\$ 11,120,706</b>


COWICHAN VALLEY REGIONAL DISTRICT

Schedule C

CAPITAL FUND STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016  
(unaudited)

	2016	2015
<b>FINANCIAL ASSETS</b>		
Debt Due from Members (Note 23)	\$ 37,457,017	\$ 26,497,516
Land Held for Resale	147,000	-
	<u>\$ 37,604,017</u>	<u>\$ 26,497,516</u>
<b>FINANCIAL LIABILITIES</b>		
Short-term Debt (Note 22)	4,009,176	4,489,496
Long-term Debt (Note 23)		
Regional District	15,134,162	16,628,299
Members	<u>37,457,017</u>	<u>26,497,516</u>
	<u>56,600,355</u>	<u>47,615,311</u>
<b>NET FINANCIAL LIABILITIES</b>	(18,996,338)	(21,117,795)
Capital Assets (Note 12)	<u>144,484,201</u>	<u>143,465,569</u>
	<u>\$125,487,863</u>	<u>\$122,347,774</u>
<b>EQUITY</b>		
Equity in Capital Assets (Schedule D)	<u>\$125,487,863</u>	<u>\$122,347,774</u>
	<u>\$125,487,863</u>	<u>\$122,347,774</u>

  
Sharon Moss, CPA, CGA  
Finance Manager

  
Jon Lefebure  
Chairperson

## COWICHAN VALLEY REGIONAL DISTRICT

## Schedule D

**STATEMENT OF CAPITAL FUND FINANCIAL ACTIVITIES**  
**AS AT DECEMBER 31, 2016**  
(unaudited)

	2016	2015
Capital Fund Advances - Beginning of Year	\$ -	\$ 15,803
Add:		
Contributions from Operating Fund	2,731,016	2,319,953
Contributions from Reserve Fund	1,043,758	471,681
Sale of Capital Assets	(6,763)	(11,277)
Long-term Debt - Issued	85,000	-
Short-term Debt - Issued	<u>1,689,073</u>	<u>1,714,191</u>
	5,542,084	4,510,351
Deduct:		
Purchase of Capital Assets	(5,547,997)	(4,521,628)
Contributions to Debt Reserve Fund	(850)	-
Gain/Loss on Sale of Assets	<u>6,763</u>	<u>11,277</u>
Capital Fund Advances - End of Year	<u>\$ -</u>	<u>\$ -</u>
Equity in Capital Assets - Beginning of Year	\$ 122,347,774	\$ 120,009,238
Purchase of Capital Assets	5,547,997	4,521,628
Long-term Debt - Actuarial	586,204	522,753
Long-term Debt - Repayment	992,932	1,006,259
Loss on disposal of Assets	(6,763)	(11,277)
Disposal of Assets	(278,465)	(154,344)
Contributed Assets	1,534,514	2,655,876
Amortization	(5,631,650)	(5,738,358)
Long-term Debt - Issued	(85,000)	-
Short-term Debt - Issued	(1,689,073)	(1,714,191)
Short-term Debt - Repayment	2,169,393	1,634,190
Sale of Land Held for Resale	<u>-</u>	<u>(384,000)</u>
Equity in Capital Assets - End of Year	<u>\$ 125,487,863</u>	<u>\$ 122,347,774</u>

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## COWICHAN VALLEY REGIONAL DISTRICT

## Schedule E

**STATUTORY RESERVE FUND STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2016**  
(unaudited)

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash	\$ 6,874,012	\$ 6,266,857
Portfolio Investments	5,019,089	4,979,516
Receivable from Operating Fund (Schedule A)	-	37,967
	<u>\$ 11,893,101</u>	<u>\$ 11,284,340</u>
<b>FINANCIAL LIABILITIES</b>		
Deferred Revenue (Note 3)	407,696	496,878
Payable to Operating Fund (Schedule A)	615,608	-
	<u>\$ 10,869,797</u>	<u>\$ 10,787,462</u>
<b>FUND ACTIVITY:</b>		
Add:		
Contribution from Operating Fund	\$ 876,638	\$ 1,868,329
Cash Distribution Surplus	46,938	2,940
Other Income	115,000	145,000
Interest Earned	<u>87,517</u>	<u>83,911</u>
	1,126,093	2,100,180
Less:		
Expenditures	1,043,758	471,681
Current Year Activity	82,335	1,628,499
Reserve Fund Balance - Beginning of Year	<u>10,787,462</u>	<u>9,158,963</u>
<b>Reserve Fund Balance - End of Year</b>	<u>\$ 10,869,797</u>	<u>\$ 10,787,462</u>

  
Sharon Moss, CPA, CGA  
Finance Manager

  
Jon Lefebure  
Chairperson

## COWICHAN VALLEY REGIONAL DISTRICT

## Schedule F

**STATEMENT OF OPERATING SURPLUS**  
**AS AT DECEMBER 31, 2016**  
(unaudited)

Function	Balance of Surplus (Deficit) at End of Year	Balance of Surplus (Deficit) at Beginning of Year
General Government	\$ 1,147,313	\$ 610,437
Community Health Network	249,233	42,463
Administration Building	209,307	58,984
I.T./H.R./L.I./G.I.S.	234,261	186,171
Commuter Transit	237,829	195,747
Transit	95,578	134,255
9-1-1	83,988	(32,967)
Grants-In-Aid	55,391	49,419
Environmental Initiatives	157,041	136,623
Emergency Planning	345,754	303,056
Economic Development	260,984	225,352
Regional Tourism	30,887	30,063
Electoral Feasibility Studies	52,888	52,888
Electoral Area Services	200,169	97,710
Victim Services	230	228
Victim Services - West	17	31
Community Parks	429,083	166,779
Parks & Trails	13,278	7,773
Regional Parks	104,010	27,542
Kinsol Trestle	82,064	-
Bright Angel Park	1,032	(5,979)
South Cowichan Community Parks	1,999	248
Regional Parkland Acquisition	1,283,746	1,250,243
Animal Control	11,530	7,502
Enforcement & Inspection	342,224	140,555
Community Planning	32,466	28,658
North Oyster Fire Protection	484,502	307,463
Mesachie Lake Fire Protection	25,011	10,589
Sahtlam Fire Protection	60,931	58,312
Malahat Fire Protection	(3,994)	(5,875)
Honeymoon Bay Fire Protection	12,609	10,687
Youbou Fire Protection	272,200	348,815
Recreation & Culture / Facilities	58,551	15,967
Arts & Culture	13,982	(2,213)
Cowichan Lake Recreation	149,124	85,732
Kerry Park Recreation Centre	130,730	105,435
Island Savings Centre	262,132	485,933
Theatre - Area B	114	62

## COWICHAN VALLEY REGIONAL DISTRICT

## Schedule F

**STATEMENT OF OPERATING SURPLUS**  
**AS AT DECEMBER 31, 2016**  
(unaudited)

Function	Balance of Surplus (Deficit) at End of Year	Balance of Surplus (Deficit) at Beginning of Year
Mill Bay Recreation	302	42
Saltair Recreation	33,681	22,907
Lake Cowichan Activity Centre	335	144
Cowichan Aquatic Centre - Area E	-	(855)
Cowichan Aquatic Centre - Area F	10	-
Shawnigan Lake Community Centre	84,282	33,181
Shawnigan Lake Historical Society	15	18
Cowichan Station Area E	4	-
Senior Centre Grant	33	61
Kaatza Historical Society	42	75
Cowichan Station Assoc - Area B	-	5
Shawnigan Basin Society	42	-
Nature and Habitat - Area I	14	14
Thetis Island Wharf	58,208	53,081
Thetis Island Boat Launch	3,814	2,814
Cowichan Lake Water Protection	2,086	1,815
Safer Futures	71	70
Social Planning	131	128
South Cowichan Community Policing	19	22
Cowichan Community Policing	475	462
Cowichan Valley Hospice	116	116
Curbside Collection Garbage/Recycling	798,315	776,356
Solid Waste Management Complex	120,842	(124,085)
South Cowichan Water Study Plan	48,288	53,400
Liquid Waste Plan - Central Sector	48,644	(4,031)
Liquid Waste Plan - South Sector	16,644	16,644
Critical Street Lighting "A"	1,630	1,223
Critical Street Lighting "B"	1,822	1,966
Critical Street Lighting "C"	2,576	2,058
Critical Street Lighting "D"	2,249	1,699
Critical Street Lighting "E"	409	(2,281)
Critical Street Lighting "I"	530	462
Mesachie Lake Street Lighting	649	530
Youbou Street Lighting	5,669	4,578
Cowichan Bay Street Lighting	243	301
Honeymoon Bay Street Lighting	2,636	2,154
Mill Bay Street Lighting	-	1
Cobble Hill Street Lighting	615	487
Wilmot Road Street Lighting	6,529	6,813
Sentinel Ridge Street Lighting	6,597	7,123
Twin Cedars Street Lighting	(719)	638
Arbutus Mtn. Street Lighting	3,701	4,707
Mill Springs Street Lighting	10,479	6,826

55

## COWICHAN VALLEY REGIONAL DISTRICT

## Schedule F

**STATEMENT OF OPERATING SURPLUS**  
**AS AT DECEMBER 31, 2016**  
(unaudited)

<b>Function</b>	<b>Balance of Surplus (Deficit) at End of Year</b>	<b>Balance of Surplus (Deficit) at Beginning of Year</b>
Engineering Services	\$ 17,978	\$ 35,131
Engineering Services - Utilities	169,871	9,511
Capital Projects Division	-	(43,047)
Wilmot Road Drainage System	9,371	7,016
Sentinel Ridge Drainage System	12,466	11,501
Shawnigan Lake East Drainage System	4,265	3,496
Arbutus Mtn. Drainage System	21,416	23,485
Lanes Road Drainage System	11,895	10,024
Bald Mountain Drainage System	11,021	10,461
Cobble Hill Drainage System	22,984	21,829
Arbutus Ridge Drainage System	(225)	(11,022)
Shawnigan Creek Clean Out	6,578	4,733
Satellite Park Water System	(3,159)	659
Douglas Hill Water System	510	817
Lambourn Water System	434	(20,358)
Arbutus Mtn. Water System	12,642	8,529
Fern Ridge Water System	10,928	10,076
Bald Mtn. Water System	44,014	32,420
Dogwood Ridge Water System	949	4,622
Arbutus Ridge Water System	66,172	79,359
Carlton Water System	(3,136)	(8,997)
Shellwood Water System	(11,756)	(2,839)
Woodley Range Water System	3,219	(10,308)
Burnum Water System	61,761	54,893
Mesachie Lake Water System	15,775	22,527
Saltair Water System	342,463	222,445
Central Youbou Water System	178,147	125,521
Honeymoon Bay Water System	9,030	(9,375)
Cherry Point Estates Water System	11,404	9,451
Shawnigan Lake North Water System	178,066	113,461
Kerry Village Water System	14,028	12,417
Cowichan Bay Sewer System	132,320	117,673
Brulette Place Sewer System	23,198	10,937
Sentinel Ridge Sewer System	7,123	2,146
Twin Cedar Sewer System	(1,380)	(1,620)
Lambourn Sewer System	17,522	202,261
Arbutus Mtn Sewer System	(12,738)	(5,096)
Cobble Hill Village Sewer System	33,502	25,546
Mesachie Lake Sewer System	10,954	7,018
Bald Mountain Sewer System	25,271	21,257
Mill Springs Sewer	48,883	12,561
Arbutus Ridge Sewer System	189,996	146,118
Eagle Heights Sewer System	(10,641)	(3,005)
Maple Hills Sewer System	36,373	29,532

## COWICHAN VALLEY REGIONAL DISTRICT

## Schedule F

**STATEMENT OF OPERATING SURPLUS**  
**AS AT DECEMBER 31, 2016**  
(unaudited)

Shawnigan Beach Estates Sewer System	\$ (27,999)	\$ 22,229
Kerry Village Sewer System	(11,503)	(25,935)
Youbou Sewer System	<u>43,289</u>	<u>21,903</u>
Operating Fund Surplus Balance	\$ 10,113,489	\$ 7,318,307
Community Works Reserve Balance	<u>4,228,355</u>	<u>3,802,399</u>
Operating Fund Balance	<u>\$ 14,341,844</u>	<u>\$ 11,120,706</u>



You are now entering  
Cobble Hill Mountain  
Regional  
Recreational  
Area





# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** July 18, 2017

**MEETING TYPE & DATE** Regional Services Committee Meeting of July 26, 2017

**FROM:** Parks & Trails Division  
Land Use Services Department

**SUBJECT:** Proposed Donation of Trail Construction – Municipality of North Cowichan to Cowichan Valley Trail (Bings Creek Bridge)

**FILE:**

## PURPOSE/INTRODUCTION

The purpose of this report is to seek direction with regard to a proposed donation of materials and labour from the developer of the Stonewood Village Strata subdivision on Cassino Road in North Cowichan. The developer is proposing to construct a 170 metre long, 2.0-metre wide, Type 2 pathway/trail through lands owned by the CVRD to connect to the Cowichan Valley Trail at the Bings Creek bridge location.

## RECOMMENDED RESOLUTION

That it be recommended to the Board that the proposed donation of materials and labour to construct a pathway/trail, as set out in the July 18, 2017, staff report from the Parks & Trails Division, be accepted.

## BACKGROUND

A portion of the Cowichan Valley Trail runs through the Municipality of North Cowichan from Sherman Road to the Old Cowichan Lake Road, crossing Bings Creek with a 30m length bridge. In 2014, a 3.1-hectare parcel surrounding Bings Creek bridge, legally described as Parcel A (DD 35000I) of Sections 18 and 19, Ranges 3 and 4, Quamichan District was acquired by the CVRD as an addition to the Cowichan Valley Trail experience. This parcel is adjacent to the new Stonewood Village Strata subdivision located in the Municipality of North Cowichan (see Attachment A).

In 2012, the Municipality of North Cowichan issued an amended Preliminary Layout Approval (PLA) to the developer for an 89-lot bare land strata subdivision accessed from Cassino Road. As part of this subdivision, the developer is required to construct a trail as identified in a restrictive covenant that was registered on the development property at the time of rezoning. Specifically the covenant was for the construction of a trail from the subdivision to the Cowichan Valley Trail (CVT) through the adjoining 3.1-hectare parcel, now owned by the CVRD.

## ANALYSIS

In 2016, the developer of the Stonewood Village Strata subdivision contacted the Parks & Trails Division asking if the CVRD would be interested in having a trail constructed across CVRD owned land, at no cost to the CVRD, linking the new strata subdivision to the Cowichan Valley Trail. CVRD Parks & Trails staff conducted a site visit with the developer to determine an appropriate trail route and discussed the details of the trail construction. A copy of the CVRD trail standards was provided to the developer.

In early July 2017, the CVRD received a letter from the Municipality of North Cowichan explaining how the requirements for an off site trail as part of the subdivision came about and provided

support for the construction of the trail on CVRD land to meet these requirements to connect the subdivision to the CVT (See Attachment B).

**FINANCIAL CONSIDERATIONS**

Value of the donation is estimated at \$17,000, and all costs will be paid for by the developer. Annual maintenance costs for the trail will be approximately \$2,000 and would be funded through the Regional Parks budget (Function 280), which would need to account for this increased budget expense in the 2018 operating budget.

**COMMUNICATION CONSIDERATIONS**

N/A

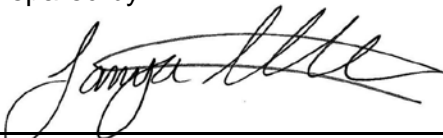
**STRATEGIC/BUSINESS PLAN CONSIDERATIONS**

N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

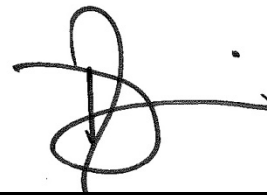


Tanya Soroka, MCIP, RPP  
Parks & Trails Planner

Reviewed by:



Ryan Dias  
A/Manager



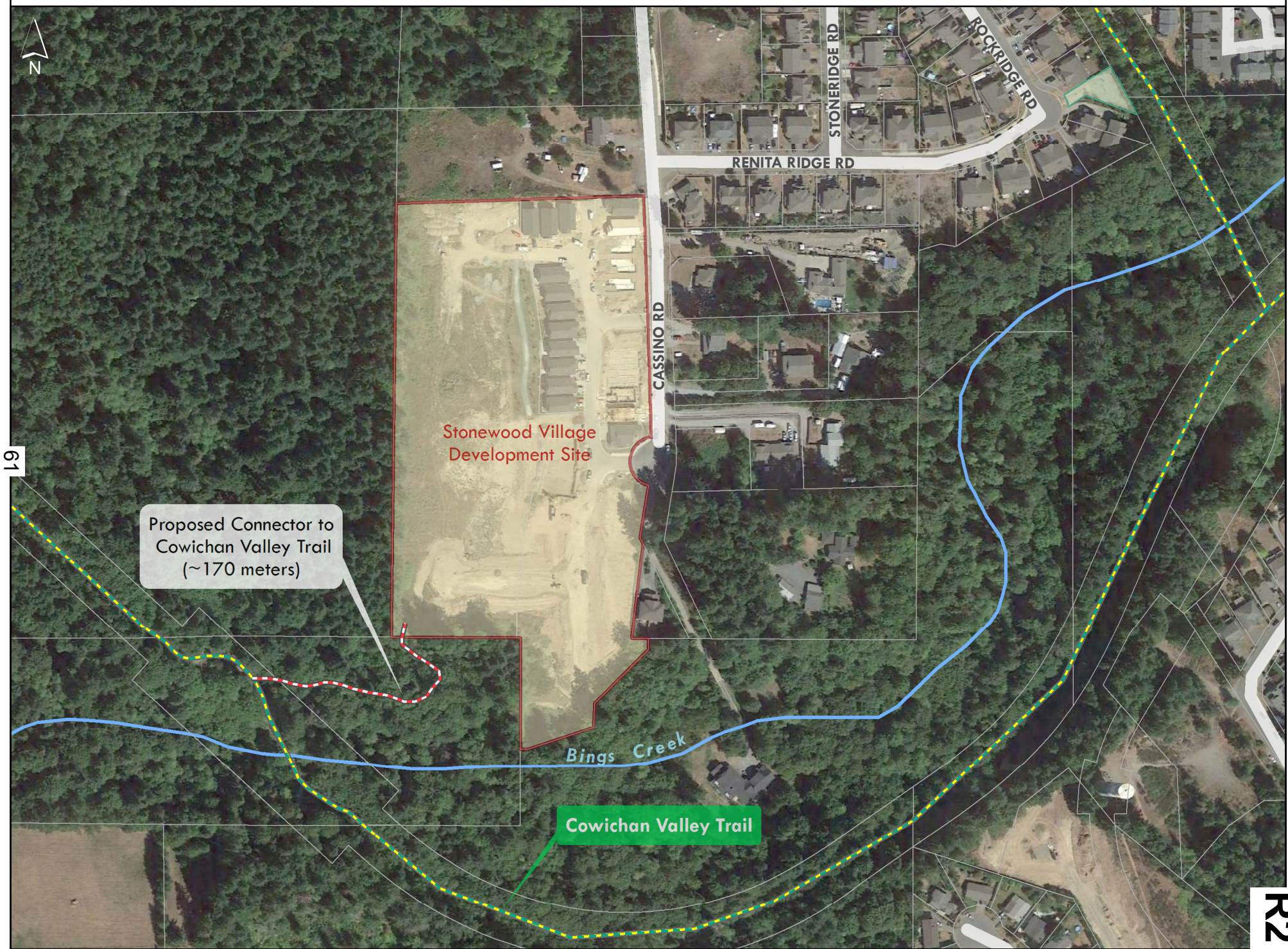
Ross Blackwell, MCIP, RPP, A.Ag.  
General Manager

**ATTACHMENTS:**

- Attachment A – Map of proposed trail location
- Attachment B – Letter from the Municipality of North Cowichan



STONEWOOD VILLAGE: PROPOSED TRAIL CONNECTION



Proposed Connector to  
Cowichan Valley Trail  
(~170 meters)

Cowichan Valley Trail

Bings Creek

Stonewood Village  
Development Site

CASSINO RD

RENITA RIDGE RD

STONERIDGE RD

ROCKRIDGE RD

61

R2

July 6, 2017

Prospero No: PL000049  
File No: 3320-20 10.26

Cowichan Valley Regional District  
Land Use Services Department  
175 Ingram Street  
Duncan, BC V9L 1N8

Attn: Tanya Soroka, MCIP, RPP

Dear Ms. Soroka:

**Re: Trail from Stonewood Village Strata to Cowichan Valley Trail**

In 2012, the Municipality issued an amended Preliminary Layout Approval (PLA) for an 89-lot bare land strata subdivision accessed from Cassino Road. The PLA identified required off-site trail construction requirements (or payment in-lieu to MNC), in accordance with a restrictive covenant registered on title when the property was rezoned to facilitate the subdivision. The covenant looks for the construction of a trail from the subdivision to the Cowichan Valley Trail through the adjoining 3.1 ha (7.6 ac) parcel (now owned by the CVRD), subject to land owner approval. There is also statutory right-of-way in place to allow public pedestrian access from Cassino Road to the CVRD owned parcel through the strata.

It is my understanding that the developer is seeking CVRD approval to construct the trail across the CVRD owned parcel, with the developer responsible for all costs. The Municipality supports the developer's endeavours, as we believe that this will be an important and well-used connection to the Cowichan Valley Trail for area residents.

Please contact the undersigned if you have any questions or concerns.

Sincerely,



Kyle Young, MCIP, RPP  
Assistant Manager of Planning and Subdivision  
DEVELOPMENT SERVICES

cc: Bruce Muir ([bruce@elmworth.com](mailto:bruce@elmworth.com))



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** July 17, 2017

**MEETING TYPE & DATE** Regional Services Committee Meeting of July 26, 2017

**FROM:** Recycling & Waste Management Division  
Engineering Services Department

**SUBJECT:** Tipping Fee Exemption - Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110

**FILE:** 0520-20-RS/05

## PURPOSE/INTRODUCTION

The purpose of this report is to introduce the revised Solid Waste Management Charges and Regulations Bylaw Amendment No. 4110, which will amend Schedule B of Solid Waste Management Charges and Regulations Bylaw No. 2108.

## RECOMMENDED RESOLUTION

That the revised Solid Waste Management Charges and Regulations Bylaw Amendment No. 4110 be forwarded to the Board for consideration of first three readings and adoption.

## BACKGROUND

As requested at the July 12, 2017 Board Meeting, Bylaw No. 4110 has been reviewed to address concerns from organizations that regularly apply for financial support for the clean-up of illegally dumped material. As a result, the Bylaw has been revised from the previously proposed tipping fee rebate system to a tipping fee exemption system. The purpose of this revision is to alleviate the financial burden for qualifying applicants.

## ANALYSIS

The rebate system that was originally proposed aimed to encourage better sorting of recyclables and tracking the CVRD's expenses. Limiting the tipping fee exemption amount, as proposed in the revised Bylaw No. 4110, will provide similar results.

## FINANCIAL CONSIDERATIONS

As discussed during the May 24 Regional Service Committee Meeting, tipping fee exemptions for clean-up of public lands and waterways will be capped at \$15,000 in 2017. In 2018, an additional \$15,000 will be provided for organizations subjected to unwanted donations (e.g. thrift stores and food banks). These changes are reflected in Bylaw 4110 and will also be reflected in the 2018 Recycling and Solid Waste budget.

## COMMUNICATION CONSIDERATIONS

Communication with all past applicants will be required as well as updating of the CVRD website.

## STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

Referred to (upon completion):


- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, F63 ties & Transit*)

- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:

  
 \_\_\_\_\_  
 Ilse Sarady  
 Environmental Technologist II

\_\_\_\_\_  
 Not Applicable  
 Not Applicable  
  
  
 \_\_\_\_\_  
 Hamid Hatami, P. Eng.  
 General Manager

**ATTACHMENTS:**

Attachment A – May 12, 2017 Staff Report for the May 24, 2017 Regional Service Committee Meeting.

Attachment B – Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** May 12, 2017

**MEETING TYPE & DATE** Regional Services Committee Meeting of May 24, 2017

**FROM:** Recycling & Waste Management Division  
Engineering Services Department

**SUBJECT:** Tipping Fee Rebates - Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110

**FILE:** 0520-20-RS/05

## PURPOSE/INTRODUCTION

The purpose of this report is to introduce a revised draft of the Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110, which will amend Schedule B of Solid Waste Management Charges and Regulations Bylaw No. 2108. This amendment will provide a rebate of tipping fees under specific conditions for registered non-profit societies or charities that operate a thrift store or are otherwise subject to dumping at or around their premises.

## RECOMMENDED RESOLUTION

That the revised version of Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110 as attached to the May 12, 2017 Recycling & Waste Management Division's report be forwarded to the Board for consideration of first three readings and adoption.

## BACKGROUND

The current free tipping policy only allows cleanup of public lands and waterways by not-for-profit groups within the CVRD's jurisdiction. Since 2013, the CVRD has received 31 applications from organizations that do not meet the current policy, including but not limited to not-for-profit thrift stores.

At the Regional Service Committee (RSC) meeting on April 26, 2017, Staff presented a report to amend Schedule B of Solid Waste Management Charges and Regulations Bylaw No. 2108. This amendment included clarification around the conditions for cleanup of public lands and waterways, but did not permit for tipping fee exemptions for thrift stores and other applicants. As requested at the RSC meeting, this staff report presents information on the correlation between not-for-profit groups and free-tipping.

## ANALYSIS

There are approximately 140 registered charities, and an unknown number of registered not-for-profit societies in the Cowichan Valley.

Registered Charities:

In the past two years, ten registered charities have applied for tipping fee exemption, including:

- 1) The Canadian Mental Health Association for the clean-up of the Warmland House, and impacted neighboring areas. The tipping fee exemption is used when their dumpster is at capacity, or for the disposal of materials that are not appropriate for dumpsters (e.g. large items, sharps, etc.).
- 2) The Cedar Tree Ministries for the clean-up of individual's front yards on First Nation lands.

Clean-up is aimed to assist those that need help with yard work and clean-up due to physical limitations, e.g. age, illness, etc.

- 3) The Clements Centre Society for the disposal of items that cannot be donated to thrift-stores and are not appropriate for disposal in their own dumpster (e.g. due to size or type, such as wood waste, etc.).
- 4) The Cowichan Family Life Association for the disposal of non-reusable items donated to or abandoned at their thrift-store.
- 5) The Cowichan Historical Society for the clean-up after public events such as Canada Day and BC Day.
- 6) The Salvation Army Community and Family Services for the disposal of non-reusable items donated to or abandoned at their thrift-store.

#### Not-for-Profit Societies:

While there are a number of not-for-profit societies that apply for tipping fee exemption for the cleanup of public lands, currently only one not-for-profit society (the Sassy Lion Thrift Store) applies for tipping fee exemption to manage the cost of non-reusable items and materials that have been donated or abandoned at their thrift-store.

#### Tipping Fee Exemption Programs in Neighbouring Regional Districts:

The Capital Regional District (CRD) has, in addition to their \$20,000 for cleanup projects on public lands, allocated \$89,000 per year to charities and not-profit-organizations involved in reuse and recycling. Approved applicants are required to pay the garbage disposal fees at the CRD's landfill, but can later apply for a 60% rebate of the \$110 per tonne landfill fee.

Similar to the CRD, the Regional District of Nanaimo (RDN) offers rebates to a total value of \$88,000 per year. RDN is proposing a change from providing a 100% rebate to a 50% rebate of the \$125 per tonne landfill fee. This aims to encourage better sorting of recyclables.

#### Potential Tipping Fee Exemption at CVRD:

There are a number of charitable and not-for-profit organizations in the CVRD that provide waste reduction type services, including but not limited to thrift stores and food banks. In addition, there are organizations, such the Canadian Mental Health Association whose main activity is not waste reduction, but who is, similar to the waste reduction organization, subject to unwanted dumping of materials that cannot be managed through their regular waste disposal services.

Unlike RDN and CRD, the CVRD does not have a landfill and all waste is transported to Washington State for disposal. The garbage tipping fee at CVRD recycling centres is \$140 per tonne and the CVRD's cost is approximately \$120 per tonne. (The cost fluctuates with barging fees and the US dollar).

In recognition and support of the waste reduction efforts provided by not-for-profit societies and registered charities (e.g. thrift stores and food banks), and also for the clean-up efforts provided by organizations such as the Canadian Mental Health Association, Staff propose the following:

- an annual budget of \$15,000 starting in 2018. (This is in addition to the \$15,000 already requested by the RSC for the cleanup projects on public lands with CVRD's jurisdiction);
- Similar to CRD and RDN, provide a 50% rebate for registered charities and not-for profit societies for:

- the disposal cost of materials (waste and recyclables) generated from *waste diversion efforts* (i.e. waste generated directly from the sorting of items donated to thrift-stores and food banks); and,
  - the disposal cost of materials (waste and recyclables) generated from the *cleanup* at or near *registered charities and not-for profits societies* facilities, and which cannot be managed using their own regular waste disposal services (e.g. waste generated from the cleanup at or near the Canadian Mental Health Association's facility, including but not limited to mattresses, sharps, etc.).
- a rebate maximum of \$1,000 per organization per year.

The 50% rebate will encourage sorting of recyclables, as well as ensuring continued efforts by the organizations to prevent dumping of undesirable items and materials at their facilities.

Other wastes, e.g. wastes generated from art or construction programs would not qualify as they do not derive directly from waste reduction or clean-up efforts.

Wastes generated at public events would not qualify as waste elimination and should be encouraged at the event planning stage. In addition, the CVRD already provides a zero waste event program that provides free or low-cost bin rental, bin delivery and pick-up, and waste disposal.

Organizations, businesses, or individuals that do not qualify for tipping fee exemption under this program may apply for a municipal or Electoral Area Grant-in-Aid.

#### FINANCIAL CONSIDERATIONS

The Recycling and Solid Waste budget, Function 520 does not currently have any funds allocated to tipping fee exemptions.

In addition to the already requested \$15,000 towards cleanup projects on public lands within CVRD's jurisdiction, staff will, for the 2018 budget allocate another \$15,000 towards qualifying not-for-profit societies and registered charities.

#### COMMUNICATION CONSIDERATIONS

Communication with applicants will be required as well as updating of the CVRD website.

#### STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A


Referred to (upon completion):


- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

  
\_\_\_\_\_  
Ilse Sarady  
Environmental Technologist II

Reviewed by:

  
\_\_\_\_\_  
Tauseef Waraich  
Manager

  
\_\_\_\_\_  
Hamid Hatami, P. Eng.  
General Manager

**ATTACHMENTS:**

Attachment A – Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110





## COWICHAN VALLEY REGIONAL DISTRICT

### BYLAW No. 4110

#### A Bylaw to Amend Solid Waste Management Charges and Regulations Bylaw No. 2108

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**WHEREAS** the Board of Directors of the Cowichan Valley Regional District established a scale of charges for its solid waste disposal facilities under the provisions of Bylaw No. 2108, cited as "CVRD Bylaw No. 2108 – Solid Waste Management Charges and Regulations Bylaw, 2000";

**AND WHEREAS** the Board of Directors wishes to amend Schedule B of Bylaw No. 2108 to provide for the exemption of tipping fees under specific conditions;

**NOW THEREFORE** the Board of Directors of the Cowichan Valley Regional District, in open meeting assembled, enacts as follows:

1. **CITATION**

This Bylaw may be cited for all purposes as "**CVRD Bylaw No. 4110 – Solid Waste Management Charges and Regulations Amendment Bylaw, 2017**".

2. **AMENDMENT**

That the following new section be added to Schedule B of Bylaw No. 2108:

6. **Tipping Fee Exemption - Public Land and Waterway Clean-up Projects**

Upon application, tipping fees will be waived subject to the following conditions:

- a) The applicant must be a school district, registered non-profit society or charity that undertakes clean-up, rehabilitation, or enhancement of public lands and waterways within the CVRD's jurisdiction.
- b) The materials that will be disposed of must directly derive from the clean-up, rehabilitation, or enhancement of the public lands and waterways within the CVRD's jurisdiction.
- c) Garbage and recyclable items must be pre-sorted before being disposed at Disposal Facilities, and the disposal of all materials must comply with the conditions set by Bylaw No. 2108.
- d) The maximum tipping fee waiver amount is \$1,000 per clean-up project.
- e) The total value of all approved tipping fee exemption applications under this section must not exceed \$15,000 per calendar year.

- f) Clean-up cannot involve projects that displace work carried out by local government staff or contractors or private sector companies.
- g) Clean-up projects must be completed within a short period of time (maximum 2 months).

7. **Tipping Fee Exemption – Organizations Subject to Unwanted Donation and Waste Dumping**

Upon application, tipping fees will be waived subject to the following conditions:

- a) The applicant must be a registered non-profit society or charity that:
  - a. engages directly in waste division efforts by repurposing materials; or,
  - b. is subject to illegal dumping of unwanted materials at their facility.
- b) Materials eligible for the waiving of fees are:
  - a. materials received by the organization that cannot be reused or recycled and do not include other wastes generated by the organization (such as office waste and construction waste); and,
  - b. materials that cannot be managed using the organizations own waste disposal services.
- c) Garbage and recyclable items must be pre-sorted before being disposed at Disposal Facilities, and the disposal of all materials must comply with the conditions set by Bylaw No. 2108.
- d) The maximum tipping waiver amount is \$1,000 per calendar year and organization.
- e) The total value of all approved tipping fee exemption applications under this section must not exceed \$15,000 per calendar year.

READ A FIRST TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A SECOND TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A THIRD TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Secretary



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** July 14, 2017

**MEETING TYPE & DATE** Regional Services Committee Meeting of July 26, 2017

**FROM:** Recycling & Waste Management Division  
Engineering Services Department

**SUBJECT:** Safe Roads – A South Cowichan Community Policing Project

**FILE:** 0520-20-RS/05

## PURPOSE/INTRODUCTION

The purpose of this report is to obtain approval for a Safe Roads project in collaboration with South Cowichan Community Policing.

## RECOMMENDED RESOLUTION

That it be recommended to the Board that:

1. The Cowichan Valley Regional District (CVRD) collaborate with the South Cowichan Community Policing (SCCP) to implement a Safe Road project; and
2. Staff prepare a memorandum of understanding (MOU) between SCCP and the CVRD.

## BACKGROUND

The South Cowichan Community Policing (SCCP) has requested the CVRD's collaboration on a 'Road Safety & Community Awareness' project (Road Safety project). This project stems from residents approaching SCCP about concerns with aggressive driving on rural roads. According to SCCP, unsafe driving behaviour is an increasing concern for residents, businesses and schools in South Cowichan. The purpose of the project is to increase road safety through positive messaging provided on the sides of CVRD recycling totes in Electoral Area A, B and C.

To start, 10 households in each electoral area will have their recycling totes stickered with Road Safe messaging. The residents of these households have already expressed road safety concerns and support for this project. Based on the outcome of this pilot project, it may expand to some, or all CVRD recycling totes in area A, B and C.

SCCP will be responsible for all labour and costs associated with this project.

## ANALYSIS

CVRD resources required for this project should be minimal.

At this time, there is no defined project end-date. An MOU will be created between the SCCP and the CVRD before the project can begin. The MOU will include, but not be limited to the following:

- The CVRD will reserve the right to discontinue the collaboration with SCCP at any time, and for any reason; and,
- All stickers, and the location of the stickers must be pre-approved by the CVRD.

## FINANCIAL CONSIDERATIONS

N/A

**COMMUNICATION CONSIDERATIONS**

A news release will be issued by the CVRD with input from SCCP.

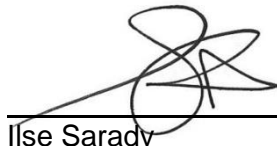
**STRATEGIC/BUSINESS PLAN CONSIDERATIONS**

N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Ilse Sarady  
Environmental Technologist II

Reviewed by:



Jason Adair  
A/Manager



Hamid Hatami, P. Eng.  
General Manager

**ATTACHMENTS:**

Attachment A – Safer Roads Blue Bin Project Proposal to ICBC



**South Cowichan Community Policing**  
**120 – 2720 Mill Bay Road**  
**Mill Bay, BC V0R 2P1**  
**250-929-7222**  
[sccp@shaw.ca](mailto:sccp@shaw.ca)  
[www.southcowichancommunitypolicing.ca](http://www.southcowichancommunitypolicing.ca)

### Working together to promote safer streets, roads & highways in our communities...

Monday, May 16th, 2017

#### Program Initiative: Safer Roads Start with Me

Road Safety & Community Awareness to motivate change in road safety behaviours/attitudes through positive and reflective messaging

South Cowichan Community Area which include Shawnigan Lake, Mill Bay, Cobble Hill and the Malahat as well as part of Cowichan Bay Area. However, we believe that in this will have positive impact on all areas, creating safer roads, safer streets, safer highways and safer communities overall.

**Start Date of this project:** August 2017 – On going

#### Objective:

To tap into our Blue Bin Recycling program in the South Cowichan Area and have “road safety” slogan affixed to the bins which are on a rotating schedule throughout the various areas. The “road safety” messages will be messages that we as a road safety committee have developed.

Some Message Examples:

- |   |   |
|---|---|
| ✚ I can see you can you see me?                   | ✚ Share the Roads ☺                         |
| ✚ Did you give yourself enough time this morning? | ✚ Watch out for our Four-Legged Family      |
| ✚ Safer Roads Start with Me!                      | ✚ Passing Buses with Stop Signs is Illegal! |
| ✚ Be Visible!                                     | ✚ Leave Time to Enjoy the Drive...          |
|   | ✚ What Speed are you travelling at?         |

#### Brief Description:

Initial Test Pilot will be the areas where the residents have sent in emails or stopped into our office to discuss their safety concerns with speeding, aggressive driving, children not being safe to cross the road, buses being passed when the stop sign is clearly out, moms with new babies afraid to walk on the roads as well as the ever-growing elderly population of our community. “one elderly resident said “If I want to commit suicide I just have to cross the road.” Also, motivated by the Elsie Miles Vibrant Village Committee that I was a part of headed up by Sonia Furstenau, Area “B” Director, where we discussed the importance of the “8 to 80 Rule” on street safety. These are the messages that motivate me to start working on how to get awareness to this community on the concerns of all. As this community grows this continues to be a growing concern for the families (two and four-legged) as well as businesses and schools. Everyone is working on how to solve the growing problems with minimal financial support

available to change our current infrastructure in place in our rural community. So, we are looking at ways to send a message of change and gear that message towards individuals, young or old, new drivers or seasons drivers to change some of the patterns that are creating the incidents and potential incidents in our community.

**Anticipated Results:**

Our goal is to assist our community in coming to the realization that there are many ways to solve a problem, that perhaps if each person took personal responsibility for their driving habits that we could move towards a reduction of aggressive driving habits, or even just the mom/dad/guardian who leaves too late to get their child to school on time in a safe manner or the senior who is crossing the road to know that there is messages being sent out to the community that they are using the roads too and therefore we can all work toward, respect for one and other. Also, to eliminate the need for the RCMP Policing Ticket to be the only way to solve the problem, but to look at it from the psychological stand point that messages in advertising work so why not in road safety and awareness as well.

The community and residents will be excited to see that there is a proactive approach to change and that we are seriously working together to make a difference, even it is a small difference one community at a time.

**Requested Funding:**

The \$2,500.00 will be used to pay for Stickers/wraps (Reflective/High Visibility) that will be attached to the current Recycling Blue Bins and other available advertisement space as well as Banner that will be moved from location to location. As the program grows momentum more Slogan – Stickers will need to be purchased.

**Other Sources of Support and Partnering:**

Our local Graphics Artists and Signage Company – Signology, Shawnigan Lake, BC will assist by providing us with a considerable discount on the stickers and banner, the reduction in cost will allow us to reach a larger number of residents and businesses.

Support from the Cowichan Valley Regional District by allowing us to access and use their already effective Blue Bin Recycling program.

Support from the Area Director of Shawnigan Lake, Sonia Furstenau in creating awareness of the importance of effecting change in our growing community.

Support from the member of Block Watch

Support from the residents/parents of the South Cowichan Area.

I look forward to hearing from you with a positive response so that we can move forward and start to make a difference towards safer roads, safer streets, safer highways and safer communities.

Sarah Davidge  
Program Co-ordinator  
250-929-7222



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** July 13, 2017

**MEETING TYPE & DATE** Regional Services Committee Meeting of July 26, 2017

**FROM:** Finance Division  
Corporate Services Department

**SUBJECT:** Temporary Borrowing Bylaws No. 4133, 4134, 4135

**FILE:**

## PURPOSE/INTRODUCTION

The purpose of this report is to introduce Temporary Borrowing Bylaws for Woodley Range Water, Honeymoon Bay Water and Solid Waste.

## RECOMMENDED RESOLUTION

That:

1. Temporary Borrowing Bylaw No. 4133 Woodley Range Water Upgrade,
2. Temporary Borrowing Bylaw No. 4134 Honeymoon Bay Well No. 2, and
3. Temporary Borrowing Bylaw No. 4135 Meade Creek Recycling Centre

be forwarded to the Board for consideration of first three readings and adoption.

## BACKGROUND

**Woodley Range Water Upgrade** -The Regional District received appropriate public approval and adopted Loan Authorization Bylaw No. 3623, on October 10th, 2012 for \$50,000 to finance capital works to upgrade the Woodley Range Water System.

**Honeymoon Bay Well No. 2** -The Regional District received appropriate public approval and adopted Loan Authorization Bylaw No. 3981, on June 8th, 2016 for \$400,000 to finance capital work necessary to develop and connect a new well to the Honeymoon Bay Water System.

**Meade Creek Recycling Centre** -The Regional District received appropriate public approval and adopted Loan Authorization Bylaw No. 4105, on May 10th, 2017 for \$1,968,000 to assist with the costs associated with upgrades to the Meade Creek Recycling Centre and Landfill Closure Project.

## ANALYSIS

The CVRD borrows long term funds through MFA who provides borrowing twice a year, spring and fall. The MFA has to be informed of the CVRD's intent to borrow by certain deadlines. When these deadlines are not met, in order to interim finance capital projects, Temporary Borrowing Bylaws are required to secure funds.

**Woodley Range Water Upgrade** - It was not known in June, for the fall borrowing deadline how much work would be completed in 2017 and the Loan Authorization bylaw for this borrowing is set to expire October 9, 2017. Issuing a Temporary Borrowing Bylaw extends the five year expiry date of the Loan Authorization Bylaw. Rather than borrow unnecessarily it is more prudent to temporarily borrow when final costs are known and subsequently pay back the temporary borrowing with a Security Issuing Bylaw from the Loan Authorization Bylaw.

**Honeymoon Bay Well No. 2** - It was not known in June, for the fall borrowing deadline how much work would be completed in 2017. Temporary borrowing allows access to borrowing should funds be needed before the end of the year. A Security Issuing Bylaw will be forwarded to the Board once the project is complete to pay off this temporary borrowing and secure the required long term debt.

Meade Creek Recycling Centre - It was not known in June, for the fall borrowing deadline how much work would be completed in 2017. Temporary borrowing allows access to borrowing throughout the year. A Security Issuing Bylaw will be forwarded to the Board once the project is complete to pay off this temporary borrowing and secure the required long term debt.

#### FINANCIAL CONSIDERATIONS

Woodley Range Water Upgrade - The 2017 Woodley Range Water Budget included funding for long-term interest payments for debt. This funding will pay for the temporary borrowing interest cost estimated at \$58 in 2017. Principal payments are not required for temporary borrowing.

Honeymoon Bay Well No. 2 - The 2017 Honeymoon Bay Well No. 2 Budget included funding for long-term interest and principal payments for debt. This funding will pay for the temporary borrowing interest cost in 2017.

Meade Creek Recycling Centre - The 2017 Solid Waste Management Budget included funding for long-term interest payments specifically for debt related to the Meade Creek Recycling Centre. This funding will pay for temporary borrowing interest in 2017.

#### COMMUNICATION CONSIDERATIONS

Once adopted the Province and MFA will receive a copy of the Temporary Borrowing Bylaw.

#### STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Lyle Smith, CPA, CGA  
Assistant Manager

Reviewed by:



Not Applicable  
Not Applicable



Sharon Moss, CPA, CGA  
A/General Manager

#### ATTACHMENTS:

Attachment A – Bylaw No. 4133  
Attachment B – Bylaw No. 4134  
Attachment C – Bylaw No. 4135





## COWICHAN VALLEY REGIONAL DISTRICT

### BYLAW No. 4133

#### A Bylaw to Authorize Temporary Borrowing Pending the Sale of Debentures.

**WHEREAS** it is provided by Section 409 of the *Local Government Act* that the Regional Board may, where it has adopted a loan authorization bylaw, without further assents or approvals, borrow temporarily from any person under the conditions therein set out;

**AND WHEREAS** the Regional Board has adopted Bylaw No. 3623, cited as "CVRD Bylaw No. 3623 – Woodley Range Water System Service Loan Authorization Bylaw, 2012", authorized to complete the capital work necessary to upgrade the Woodley Range Water System;

**AND WHEREAS** the sale of debentures has been temporarily deferred;

**NOW THEREFORE**, the Regional Board of the Cowichan Valley Regional District, in open meeting assembled, enacts as follows:

#### 1. **CITATION**

This bylaw may be cited as "**CVRD Bylaw No. 4133 – Woodley Range Water Upgrade Temporary Borrowing Bylaw, 2017**".

#### 2. **BORROWING LIMIT**

The Regional Board is hereby authorized and empowered to borrow an amount or amounts not exceeding the sum of Fifty Thousand Dollars (\$50,000), as the same may be required.

#### 3. **FORM OF OBLIGATION**

1. The form of obligation to be given as acknowledgement of the liability shall be a Promissory Note or Notes bearing the Corporate Seal and signed by the Chair and the Financial Administration Officer.
2. The money so borrowed shall be used solely for the purposes set out in Bylaw No. 3623.

#### 4. **PAYMENT**

The proceeds from the sale of debentures, or so much thereof as may be necessary, shall be used to repay the money so borrowed.

.../2

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READ A FIRST TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A SECOND TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A THIRD TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Secretary



## COWICHAN VALLEY REGIONAL DISTRICT

### BYLAW No. 4134

#### A Bylaw to Authorize Temporary Borrowing Pending the Sale of Debentures.

**WHEREAS** it is provided by Section 409 of the *Local Government Act* that the Regional Board may, where it has adopted a loan authorization bylaw, without further assents or approvals, borrow temporarily from any person under the conditions therein set out;

**AND WHEREAS** the Regional Board has adopted Bylaw No. 3981, cited as "CVRD Bylaw No. 3981 – Honeymoon Bay Well No. 2 Debt Replacement Service Loan Authorization Bylaw, 2016", authorized to complete the capital work necessary to develop and connect a new well to the Honeymoon Bay Water System;

**AND WHEREAS** the sale of debentures has been temporarily deferred;

**NOW THEREFORE**, the Regional Board of the Cowichan Valley Regional District, in open meeting assembled, enacts as follows:

#### 1. CITATION

This bylaw may be cited as "**CVRD Bylaw No. 4134 – Honeymoon Bay Well No. 2 Temporary Borrowing Bylaw, 2017**".

#### 2. BORROWING LIMIT

The Regional Board is hereby authorized and empowered to borrow an amount or amounts not exceeding the sum of Four Hundred Thousand Dollars (\$400,000), as the same may be required.

#### 3. FORM OF OBLIGATION

1. The form of obligation to be given as acknowledgement of the liability shall be a Promissory Note or Notes bearing the Corporate Seal and signed by the Chair and the Financial Administration Officer.
2. The money so borrowed shall be used solely for the purposes set out in Bylaw No. 3981.

#### 4. PAYMENT

The proceeds from the sale of debentures, or so much thereof as may be necessary, shall be used to repay the money so borrowed.

.../2

READ A FIRST TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A SECOND TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A THIRD TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Secretary



## COWICHAN VALLEY REGIONAL DISTRICT

### BYLAW No. 4135

#### A Bylaw to Authorize Temporary Borrowing Pending the Sale of Debentures.

**WHEREAS** it is provided by Section 409 of the *Local Government Act* that the Regional Board may, where it has adopted a loan authorization bylaw, without further assents or approvals, borrow temporarily from any person under the conditions therein set out;

**AND WHEREAS** the Regional Board has adopted Bylaw No. 4105, cited as "CVRD Bylaw No. 4105 – Meade Creek Recycling Centre Upgrades and Landfill Closure Project Loan Authorization Bylaw, 2017", authorized to upgrade the Meade Creek Recycling Centre and close the incinerator ash landfill;

**AND WHEREAS** the sale of debentures has been temporarily deferred;

**NOW THEREFORE**, the Regional Board of the Cowichan Valley Regional District, in open meeting assembled, enacts as follows:

#### 1. CITATION

This bylaw may be cited as "**CVRD Bylaw No. 4135 – Meade Creek Recycling Centre Temporary Borrowing Bylaw, 2017**".

#### 2. BORROWING LIMIT

The Regional Board is hereby authorized and empowered to borrow an amount or amounts not exceeding the sum of One Million, Nine Hundred Sixty-Eight Thousand Dollars (\$1,968,000), as the same may be required.

#### 3. FORM OF OBLIGATION

1. The form of obligation to be given as acknowledgement of the liability shall be a Promissory Note or Notes bearing the Corporate Seal and signed by the Chair and the Financial Administration Officer.
2. The money so borrowed shall be used solely for the purposes set out in Bylaw No. 4105.

#### 4. PAYMENT

The proceeds from the sale of debentures, or so much thereof as may be necessary, shall be used to repay the money so borrowed.

.../2

READ A FIRST TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A SECOND TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

READ A THIRD TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Secretary



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** July 13, 2017

**MEETING TYPE & DATE** Regional Services Committee Meeting of July 26, 2017

**FROM:** Community & Regional Planning Division  
Planning & Development Department

**SUBJECT:** Affordable Housing in the Cowichan Region

**FILE:**

## PURPOSE/INTRODUCTION

The purpose of this report is to provide the Regional Services Committee with an overview of the situation regarding affordable housing within the Region, and to request direction from the Committee as to next steps.

For the purpose of this report, affordable housing is defined as a safe, secure, accessible living environment that allows people to live within their income levels, and maintain quality of life. Affordable housing may take a number of forms that exist along a continuum – from emergency shelters, to non-market housing (including subsidized rental and affordable home ownership), to low-end market rental or home ownership. According to Canada Mortgage and Housing Corporation, for housing to be affordable, a household should not spend more than 30% of gross income on shelter costs.

An important addendum to this definition, of particular importance to rural areas, is that transportation costs need to be part of the overall calculation as to what makes a home affordable. Where affordable housing is located in walkable communities with all relevant services, including public transit, the housing is more affordable (although at the same price point) than housing which requires a private vehicle to be able to travel to work or school or other destinations.

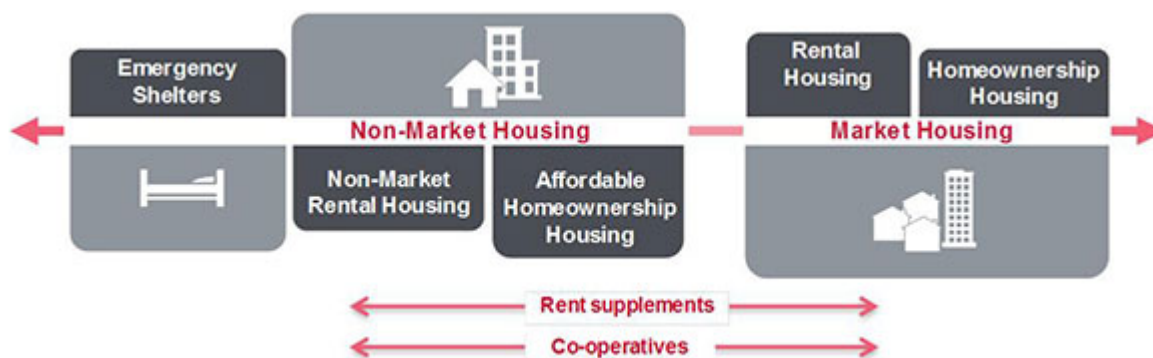


Figure 1 Affordable Housing Continuum (Credit: City of Calgary)

## RECOMMENDED RESOLUTION

For direction.

## BACKGROUND

BC communities, including those of the Cowichan region, have a problem of affordability in both absolute (the price of housing) and relative (types of housing) terms. Local governments have approved the construction of predominantly single detached homes for the past thirty years. While there has been a slight shift to multifamily forms, particularly in the cities, the focus on single

detached homes has shifted the composition of the overall housing stock in many communities to the most expensive per unit housing form. In addition, construction of purpose-built rental accommodation has ceased in many communities.<sup>1</sup>

The issue of affordable housing has been of concern in the Cowichan region for the past decade or more. With the opening of Warmland House in Duncan, December 2009, many hoped that the issue was resolved, but that has not proven to be the case.

The CVRD's various Official Community Plans, as well as those of the municipalities, all have sections that address the issue of affordable housing. Affordable housing policies, as contained within the Electoral Area Official Community Plans, recognize (explicitly or implicitly) the need for affordable housing in the rural areas. These policies tend to recognize the value of mobile home parks and other types of housing, such as suites, as a way to meet some affordable housing need. There is also a recognition that any affordable housing (or housing of any type) that requires density should be directed at the municipalities or to areas within village containment boundaries. This is because people who need affordable housing are also likely to need to be near to jobs and/or services, including schools and transportation options, which rural areas are unlikely to provide. It also recognizes the servicing requirements of smaller lots.

Within the CVRD's member municipalities, the need for affordable housing is universally recognized, with a broad diversity of policy responses to delivering affordable housing. In most cases, the policy framework assumes that affordable housing will be the off-shoot of a private development, or development funded by a senior level of government.

The Regional Affordable Housing Directorate (RAHD), coordinated by Social Planning Cowichan, has undertaken a significant amount of community-based research, publishing three major reports:

1. Inadequate Shelter in the Cowichan (2007);
2. Affordable Housing Strategy for the Cowichan Region (2009); and
3. Aboriginal Off-Reserve Housing Needs in the Cowichan Region (2014).

This work was funded, in part, by money awarded by VIHA to the CVRD, which in turn passed along funds to the RAHD, which then evolved into the Cowichan Housing Association. In total, VIHA provided \$520,000 to the CVRD to deal with issues of homelessness. In April 2015, the remainder of \$313,435 was awarded to the Cowichan Housing Association.<sup>2</sup>

In 2012, the CVRD undertook an Age-Friendly Study in Cobble Hill, a large part of which was to determine the feasibility of developing CVRD-owned land in the heart of Cobble Hill Village as affordable housing for seniors, as an aging in place initiative. This idea was reviewed again in 2014, when the CVRD undertook a more comprehensive Regional Affordable Housing Needs Assessment.

The CVRD's 2014 affordable housing needs assessment looked at all the municipalities and communities within the Electoral areas, and found that regionally there were many gaps in the affordable housing framework, and a decided need for more affordable housing. A key point is that **responding to the need for affordable housing is not a simple task**. Affordable housing in the form of subsidized rental housing is required to meet the needs of youth and young adults, low-income families, seniors, vulnerable groups (people with disabilities, or mental health issues; women and children leaving abusive relationships), homeless people, and First Nations people. Additionally, for young professionals and business owners, affordable market rental or home

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<sup>1</sup> *Creating Market and Non-Market Affordable Housing: A Smart Growth Toolkit for BC Municipalities*, by Deborah Curran and Tim Wake (2008), pp. 1-2: [https://www.toolkit.bc.ca/sites/default/files/SGBC\\_Affordable\\_Housing\\_Toolkit.pdf](https://www.toolkit.bc.ca/sites/default/files/SGBC_Affordable_Housing_Toolkit.pdf)

<sup>2</sup> Previously the CVRD had contracted with Social Planning Cowichan for the RAHD to undertake work, in the amount of \$206,565.



ownership opportunities are required. And investments need to be made in the existing affordable housing stock, some of which is in very poor condition.

As an outcome of this study, the CVRD (together with the Real Estate Foundation of British Columbia and Social Planning Cowichan) funded the development of a Business Case for a Cowichan Valley Regional Affordable Housing Trust Fund, in 2015. This report, which was circulated in April 2017 as part of the Cowichan Housing Association's delegation to the Regional Services Committee, explores the implications of establishing a Housing Trust Fund, essentially a way to assist non-profit housing providers with capital costs related to new affordable housing projects, or renovations to existing affordable housing. It can also be accessed online at [http://www.cowichanhousing.com/uploads/4/9/6/0/49605357/business\\_case\\_for\\_a\\_cv\\_trust\\_fund\\_cvrld\\_-\\_final\\_-\\_june\\_2015.pdf](http://www.cowichanhousing.com/uploads/4/9/6/0/49605357/business_case_for_a_cv_trust_fund_cvrld_-_final_-_june_2015.pdf).

In February 2017, the United Way Central and Northern Vancouver Island, in collaboration with the Tze Tza Watul Community Advisory Board and other community partners, undertook a second winter "Point in Time" count to determine the number of absolutely homeless people in the Cowichan Valley. The number of absolutely homeless people in the Cowichan region has increased from 58 (2014) to 73 (2017), an increase of 26% over 3 years. This is an indicator of an ongoing and increasing problem. A summer "Point in Time" count is being planned for August.

Various community-led initiatives are underway now to address homelessness and affordable housing in the region.<sup>3</sup> Of particular note, the United Way (Central and North Island), in collaboration with the Aboriginal Community Advisory Board (CAB), is funding the development of a **Community Plan to End Homelessness for the Cowichan Valley**. Other community partners include the Cowichan Housing Association, Our Cowichan (Cowichan Health Network), and the Mental Health and Substance Use Collective. The CVRD is represented on the Steering Committee, as is the City of Duncan, Municipality of North Cowichan, Cowichan Lake Community Services, Chemainus Neighbourhood House, Cowichan Tribes, Tsewulhtun Health Centre, Cowichan Women Against Violence Society, Duncan United Church, Hiiye Yu Lelum House of Friendship Society, Ladysmith Resources Centre Association, Salvation Army, School District Number 79, Social Planning Cowichan, Cowichan Housing Association, Sonia Furstenau (as MLA), and various BC Ministries.

The issue of affordable housing is one that touches on every community within the CVRD. The CVRD's 2016 Community Satisfaction Survey identified that 90% of respondents support the development of strategies for affordable housing, of whom 62% **strongly** support such strategies being developed.

Recently, senior levels of government have resumed engagement with housing matters. The federal government, in its 2017 budget, announced \$11.2 billion over 11 years allocated for the implementation of an inclusive National Housing Strategy. This may also provide opportunities for the Cowichan region to access some funding to assist with the affordable housing crisis we are facing.

Long story short: There is a major problem in the Cowichan Valley with housing affordability that affects all of the affordable housing types along the spectrum. With the return of senior levels of government to the funding table for affordable housing, there are opportunities for the CVRD to assist non-profit organizations and others in remedying the problem.

## ANALYSIS

In light of the affordable housing crisis facing the people of the Cowichan Valley, there are a variety of options for moving forward with more proactively ensuring a supply of affordable housing to

<sup>3</sup> Initially this planning process was going to focus only on the Duncan/South End of North Cowichan area, but its geographic scope has been expanded.

meet the needs. These options range from advocacy on the issue through to offering a full service Housing Authority, similar to those offered by the Capital Regional District or Metro Vancouver. The CVRD's 2014 Affordable Housing Needs Assessment study identified a number of options, including:

- Topping up rent subsidies offered to low-income seniors and families by BC Housing;
- Establishing land banks;
- Establishing affordable housing trust funds; and
- Incorporating a non-profit housing society to facilitate the development or acquisition of affordable housing.

This last point has been accomplished. The Cowichan Housing Association (CHA) was incorporated in 2015, to continue the homelessness prevention work started by RAHD and Social Planning Cowichan, address research and data needs, develop a Housing First approach, build a Housing Trust Fund, and get community-initiated housing projects off the ground. Through funding sources, the CHA is assisting vulnerable people in our community to avoid becoming homeless through small grants. This activity partially addresses the first bullet point.

A key challenge for the CVRD is that revenue sources for local governments come from property taxes, which are at the regressive end of the spectrum of taxation sources. Income taxes and consumption taxes would be a far more progressive revenue basis for a program which itself is aiming for improved social equity; however, these tax revenue sources are in the control of the federal and provincial governments. As such, it can be argued that local governments are the incorrect level of government to deliver housing subsidy programs. On some level, funding affordable housing initiatives through property taxes may be compounding the problem.

On the other hand, recent high profile examples of the Housing First approach to addressing issues related to the needs of the "hard to house" demonstrate that providing housing actually saves money in policing and hospital costs, which are also costs absorbed by local governments. From this perspective, there can be benefits for local governments to get involved more directly.<sup>4</sup>

Another challenge could be framed as "poverty." From this perspective, the problem is not the cost of housing, but rather that wages (and social assistance support levels) are too low. From this perspective, the provision of affordable housing enables employers who fail to pay a living wage to continue to do so, by diffusing the costs of this individual business strategy throughout the homeowners of the region. If this is the correct diagnosis of the problem, a more holistic approach to this social problem would be to address the income side of the argument, with increased minimum wages and so on. Because it is the responsibility of senior levels of government to

"Rural and island communities do not have nor want the high density housing that provides affordable housing units and cash-in-lieu in urban areas. The suite of tools appropriate for rural areas includes:

- Secondary suites for residents, not short-term vacation rentals, both attached and unattached to the principal dwelling;
- Density bonus where a landowner is seeking rezoning for a large parcel (e.g. 200 hectares to 20 hectare minimum lot sizes) or in a village centre. A local government can request clustering of the housing units on a limited landscape to protect the green infrastructure, and seek donation of cash-in-lieu or land for affordable housing such as housing for seniors close to a village centre;
- Cash-in-lieu to a housing fund for all small developments that need a rezoning, and/or participation in a regional housing fund."

Islands Trust, *Options for Affordable Housing* (2003):

<http://www.islandstrust.bc.ca/media/223639/Options%20for%20Affordable%20Housing%20Needs%20Solutions%20to%20the%20Housing%20Crisis.pdf>.

<sup>4</sup> *One home at a time: How to cut the number of street dwellers—and save money, too*, from The Economist, Nov 15th 2014 print edition, found at: <http://www.economist.com/news/international/21632519-how-cut-number-street-dwellersand-save-money-too-one-hon> 86 me

address the needs of the unemployed and unemployable, social assistance support levels should also be raised. However, senior levels of government are slow to address income levels. In response, local governments could add their support to arguments in favour of more reasonable social assistance rates and wage levels as a response to the affordable housing crisis. Senior levels of government have access to more diverse and also much more progressive revenue sources, than do the local governments.

Another challenge can be framed as “market forces.” The price of housing in the Cowichan Valley is not determined by what the median income within the local economy can support. Rather Cowichan housing prices are in competition with larger markets, such as Vancouver and Victoria, such that Cowichan housing prices appear to be affordable by comparison. Many people are able to live in the Cowichan Valley and commute to larger employment centres, which is part of the reason for high housing costs in relation to the local Cowichan economy.

Despite these challenges, a number of local governments are taking on the issue of affordable housing, because the issue affects quality of life within local communities. Nearby examples include the City of Langford, the Capital Regional District (CRD), and the Comox Valley Regional District. Langford has taken an integrated approach to the issue, which has evolved over time. Langford's affordable housing strategy was based on inclusionary zoning (10%), which required that 1 in 10 single-family lots must be affordable, defined as priced at 60% of market value. Incentives included free administrative support, density bonuses, and streamlined development approvals. Partnerships with realtors, who provided services free of charge, and financial institutions, which streamlined mortgage pre-approvals, assisted with implementation. New developments are required to be Code-ready for secondary suites. The City also has visitability requirements for new construction, such as wide doorways and level entrances to accommodate aging in place or people with disabilities. For each new dwelling, a \$500 contribution must be made to the City's Affordable Housing Reserve Fund, which is used to fund a rent subsidy program, and the construction of new subsidized units. The program is managed by the City's Planning Department. According to a CMHC profile of the program, this initiative was able to provide 30 units in three years, for affordable home ownership. In recent years, Langford has distanced itself from the 1 in 10 requirement and is not adding any inventory to the affordable housing stock that it manages. Rather, developers are required to contribute \$50,000 to the municipal Affordable Housing Reserve Fund. The City has oversight over 40 units of affordable ownership units. Their management is limited to ensuring that the homes stay affordable, and managing the waiting list of prospective buyers.

The CRD has established a two-part housing function: 1) the Capital Region Housing Corporation (CRHC), and 2) a division called Housing Planning and Programs (HPP). HPP has a mandate to develop a coordinated approach within the Region to increase the supply of affordable housing by identifying how municipalities, funding agencies and the non-profit sector can work together to meet the housing needs of the most vulnerable citizens. They also manage a housing trust fund. The CRHC manages 1200 units of rental housing within the region. This size and complexity of initiative is appropriate to the CRD, given the urban population base of this local government. It may not be appropriate for the Cowichan Valley Regional District, due to the relatively small and rural population base.

In contrast, the Comox Valley Regional District has established a financial service related to homelessness. Essentially, the Comox Valley RD went through a process, including a referendum, to establish levels of support within their communities for providing financial support to address homelessness. The commitment by the local government was that if the referendum passed, which it did by 71%, the Comox Valley Regional District would collect taxes at the rate of two cents per \$1,000 of assessed property value. It would also create a service to address homelessness as an “arm's length” model, in that the board will approve annual funding contributions to non-governmental organizations (NGOs) to deliver the services to the homeless. A further commitment

was that “The CVRD will not hire staff to address homelessness nor will the CVRD borrow funds for capital projects under the new service.”

Bylaw Number 389, which is “A bylaw to establish the Comox Valley homelessness supports service to provide funds to non-governmental organizations to address homelessness in the Comox Valley” provides the mechanism for the work to move forward. This bylaw was adopted in 2015. Funding is provided to one or more local non-governmental organizations based on a board-approved five-year action plan to address homelessness in the Comox Valley, with annual recommendations from the Coalition to End Homelessness. The service area that is subject of this bylaw includes the City of Courtenay, Village of Cumberland, Electoral Area ‘A’ (excluding Denman and Hornby Islands), Electoral Area ‘B’ and Electoral Area ‘C’. (The City of Comox has not chosen to participate.) For more information, see <http://www.comoxvalleyrd.ca/EN/main/departments/legislative-services/elections/proposed-service.html>.

## CONCLUSIONS

The issue is multi-faceted and complex. Best practices for affordable housing indicate that a comprehensive approach is the most likely to be successful. Many BC jurisdictions have some of these tools in place. However, very few are taking a comprehensive approach that will capture all opportunities for creating units. Many of the strategies or options as outlined in the next section complement each other. For example, a housing organization can manage the covenants and resale process for units secured through density bonus and inclusionary zoning using a partnership model. By enabling a variety of tools as part of the overall affordable housing strategy, local governments can maintain the flexibility needed to respond to market and site-specific conditions.

In light of the new initiatives emerging from the federal government, the establishment of a funding mechanism for affordable housing can prepare local governments to take advantage of programs from senior levels of government when they are available.

The CVRD Board is asked to provide direction to staff as to how best to proceed, through consideration of a number of options.

## OPTIONS

The list of options presented here is selective, providing some ideas about the range of possible approaches the CVRD Board may wish to take. There are other options as well.

In reviewing these options, the Regional Services Committee is asked to consider which of the following actions are most appropriate for the region as a whole, and which are most appropriate for the municipalities to undertake, independent of the regional government.

### ***Advocacy/Learn More:***

Option 1: Start by learning more. For example, together with the Cowichan Housing Association, use a workshop format to explore options for addressing the need for affordable housing, with a view to developing a strategy for moving forward on the issue.

Option 2: Work with others to engage in advocacy on the related issues of housing affordability and poverty in BC. Advocacy work can be undertaken in collaboration with local community-based non-profit organizations, or with other local governments, through UBCM and other mechanisms.

### ***Strengthen policy and regulatory framework:***

Option 3: Add (or strengthen) inclusionary zoning regulation, to include the construction of rental housing. Inclusionary zoning refers to zoning regulations that require affordable housing in new

developments. A local government may encourage a percentage of the developed units (e.g. the Ucluelet OCP suggests 15-20 percent), or that a specific number and type of units in a given project should be affordable. In some cases local governments permit off-site construction of the affordable units, while others allow developers to pay cash-in-lieu into a housing fund. Local government usually secures the commitment to building the affordable units at the time of rezoning.

**Option 4:** Add (or strengthen) the variety of housing types permitted in zoning, and better protect existing affordable housing from conversion to other uses (including from non-market to market housing, or strata conversion, or conversion of mobile home parks). “Local governments are now the ongoing facilitators responsible for ensuring that an adequate range of housing types addresses market and non-market demand.”<sup>5</sup> The housing supply market alone cannot provide the range of housing types and prices that housing demand requires.

**Option 5:** Consider density bonusing as a tool for providing additional affordable housing. Density bonusing is a voluntary program in which developers may opt into building to a higher density in return for providing amenities, such as affordable housing or environmental protection. The developer receives an increase in density over what is allowed in the base zoning and the community receives a desired amenity.

**Option 6:** Consider resale price restrictions for newly constructed low market affordable housing for purchase. Resale price restrictions limit the resale price of housing to a price lower than market value. The restrictions can be applied to any housing delivered by local governments, housing organizations or developers as long as the restriction is registered on title before the initial sale. The restrictions can tie the unit sale price to a resale price formula (such as appreciation equal to the Consumer Price Index), or it can be pegged to a percentage below market value at the time of sale where market value is determined by appraisal. The term “perpetually affordable housing” is often synonymous with resale price restrictions, which means that these restrictions will apply in perpetuity. One jurisdiction allows the resale price restriction to lapse after 25 years.<sup>6</sup>

#### ***Provide Resources:***

**Option 7:** Create a Housing Service within the CVRD, similar to the Comox Valley RD example to collect funding contributions through taxation for the funding of new affordable housing, in collaboration with local non-profit societies which are already doing this work. This is essentially a “pass through” funding mechanism.

**Option 8:** Establish a Housing Trust Fund, as suggested in the Business Case for a Cowichan Valley Regional Affordable Housing Trust Fund, to be managed by a non-profit. These funds, which can also be called Housing Reserve Funds, can assist with acquiring capital funding for non-profit housing providers. In this model, the funds are held in trust by the local government until there is a need for them. Considerations include: purpose, governance, administrative framework, and eligibility criteria.

#### ***Establish an Affordable Housing Function:***

**Option 9:** Establish a Land Bank for affordable housing. Land banking is the acquisition of property for affordable housing by an organization or a local government in anticipation of developing affordable housing units on the site in the future. It can be very successful in providing substantial opportunities for affordable housing because the land is acquired at lower than market value (sometimes at no cost) and is then available for development when surrounding property has

<sup>5</sup> *Creating Market and Non-Market Affordable Housing: A Smart Growth Toolkit for BC Municipalities*, by Deborah Curran and Tim Wake (2008), pp. 3: [https://www.toolkit.bc.ca/sites/default/files/SGBC\\_Affordable\\_Housing\\_Toolkit.pdf](https://www.toolkit.bc.ca/sites/default/files/SGBC_Affordable_Housing_Toolkit.pdf)

<sup>6</sup> This is likely to have been Langford, which undertook a comprehensive strategy of inclusionary zoning and density bonusing,

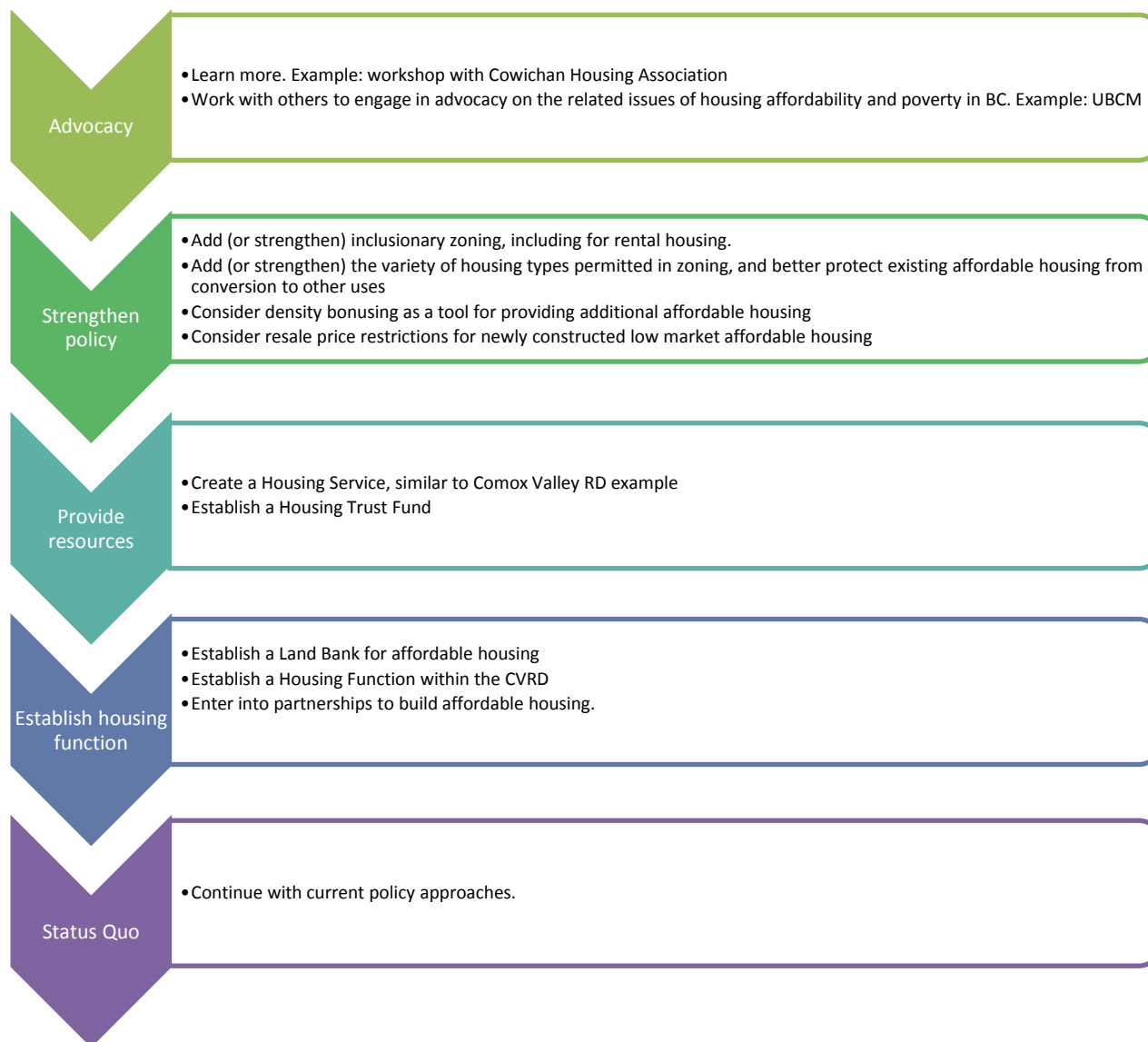
dramatically increased in value. It assists in integrating affordable housing throughout a neighbourhood and community. This mechanism is routinely used by local government for acquisition of road allowances, utility corridors, and parks; land banking for affordable housing is less frequently used, although North Cowichan has provided recent examples of effective use of this mechanism.

Option 10: Establish a Housing Function within the CVRD, to build and manage affordable housing within the region. For example, the Capital Regional District's Housing Corporation develops and manages over 1200 units of affordable housing in 45 townhouse and apartment complexes throughout the region for low and moderate income families, seniors and persons living with disabilities. It has a sister agency within the CRD administration which is responsible for housing planning and programs. This unit partners with senior levels of government, is responsible for the affordable housing strategy (part of the Regional Growth Strategy), administers the regional housing trust fund, and administers the Homelessness Partnering Strategy on behalf of the federal government. NOTE: This option is highly scalable. Other jurisdictions, such as Whistler and Tofino, have housing authorities with more limited mandates and resources.

Option 11: Enter into partnerships of various types to build affordable housing (similar to the North Cowichan example). Partnerships for affordable housing can involve members of the public, non profit and private sectors, and depend on relationships being in place, so that the partners can move quickly. They are opportunistic and depend upon creating a culture of collaboration within a local government; particularly during a market upswing, partnership opportunities can present at anytime.

***Status Quo:***

Option 12: Continue with current policy approaches, and encourage the efforts of other agencies and organizations to address issues of affordable housing.

**FINANCIAL CONSIDERATIONS**

Dependent on approach taken.

**COMMUNICATION CONSIDERATIONS**

Dependent on approach taken.

**STRATEGIC/BUSINESS PLAN CONSIDERATIONS**

Not directly addressed by the Strategic Plan. The CVRD's vision is that "Cowichan communities will be the most livable and healthy in Canada." The mission is to "serve the public interest through leadership, cooperation and a focus on community priorities and strengths."

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

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