



**SUNSHINE COAST REGIONAL DISTRICT  
COMMITTEE OF THE WHOLE  
AGENDA**

Thursday, March 20, 2025, 1:30 p.m.

**IN THE BOARDROOM OF THE SUNSHINE COAST  
REGIONAL DISTRICT OFFICES AT 1975 FIELD ROAD, SEHELDT, B.C.**

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**Pages**

- 1. CALL TO ORDER**
- 2. AGENDA**
  - 2.1 Adoption of Agenda
- 3. PRESENTATIONS AND DELEGATIONS**
- 4. REPORTS**
  - 4.1 2025 Budget Process Debrief and 2026 Draft Budget Timelines 2  
-Chief Administrative Officer  
**(Voting - All Directors)**
  - 4.2 Growth and Water Update 14  
-General Manager, Infrastructure Services  
-General Manager, Planning and Development  
**(Voting - All Directors)**
- 5. COMMUNICATIONS**
- 6. NEW BUSINESS**
- 7. In Camera**

That the public be excluded from attendance at the meeting in accordance with Section 90(1)(k) of the *Community Charter* - "negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages..."
- 8. ADJOURNMENT**



# Staff Report

## Request for Decision

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**TO:** Committee of the Whole – March 20, 2025

**AUTHOR:** Tina Perreault, Chief Administrative Officer / Chief Financial Officer

**SUBJECT:** **2025 Budget Process Debrief and 2026 Draft Budget Timelines**

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### OVERVIEW

#### **Purpose of Report:**

The purpose of this report is to discuss the recent 2025 Budget process and suggested improvements in preparation of the 2026-2030 Financial Planning process for the Boards consideration which include:

#### **Recommendation(s):**

- (1) THAT the process for the 2026-2030 Financial Planning Process be approved with the following recommended improvements:**
  - a. Organize projects into a streamlined categorization structure: Mandatory, Strategic, Maintain Service Level, and Discretionary;**
  - b. Operational Budget Lifts, separate from specific projects, be presented as an "as-needed" inflationary percentage, outlining contract increases, staff budget adjustments, or rising operational costs;**
  - c. "What-if" Tax scenarios focus on the residential tax rate;**
  - d. Conduct community dialogues to provide a venue to support conversations about the 2026 Budget prior to pre-budget taking place;**
  - e. Amend service plans to align with the Corporate Work Plan / Board Priorities, including staff resourcing;**
- (2) AND THAT the 2025 Board meeting schedule include Budget Committee meetings for the purposes of 2026-2030 Financial Planning as follows:**
  - Pre-Budget Committee - October 27 – 28, 2025**
  - Fees and Charges Review Budget Committee – November 20, 2025**
  - Round 1 Budget Committee – December 1-2, 2025;**
- (3) AND THAT the Round 2 Budget Committee meeting be scheduled for February 2-3, 2026 in the 2026 Board meeting schedule;**

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**(4) AND FURTHER THAT the 2026-2030 Financial Plan Bylaw be scheduled for adoption at the February 26, 2026 Board meeting.**

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## **BACKGROUND**

Sections 374 and 375 of the *Local Government Act* require Regional Districts to complete a five-year Financial Plan and institute a public participation process to explain the plan. These plans represent the operating and capital resources required to deliver programs and services, and to accomplish Board priorities.

Each year after the Annual Budget process is concluded, a debrief is scheduled to discuss the current year's budget process, identifying where improvements or changes can be made for the future budget cycles.

## **DISCUSSION AND ANALYSIS OF OPTIONS**

### 2025 Budget Process Debrief

One of the key objectives of the debrief is to discuss the overall budget process, review how the current process aligns with current service plans and the Board's Strategic Plan and incorporate any recommended changes for the future. A summary of the prior year improvements is included in Attachment A.

Comments related to the 2025 Budget focused on streamlining the overall process. Therefore, the following recommendations are presented in consideration of the 2026 Budget process.

#### 1. Pre-Budget

For 2025 a Pre-Budget meeting was scheduled October 28 / 29, 2024 and November 21, 2024 for setting of utility rates.

Staff recommend continuing these processes, allowing more time to review the proposed projects, understand the overall impacts and set priorities. It is recommended that the Pre-Budget meeting be scheduled in late October 2025 with the intent to cover the following:

- Review the anticipated projects to be carried forward into 2026;
- Review high-level resourcing plans and capacity;
- Review proposed new projects and/or staffing requests;
- Review and approve capital plans.

#### 2. Fees, Charges and Utility Rates

As part of the Financial Sustainability Policy, Fees and Charges are to be reviewed on a regular or annual basis. This includes utility rates (including Parcel Taxes) to ensure they are set to appropriately fund the service and to also provide users with adequate notice of any changes.

Staff are working through various fees and charges bylaws that have not been amended for many years and plan to have updates for consideration.

Based on current utility Bylaws, fees for water, wastewater, and refuse collection services must be approved prior to December 31 of each year, which will provide the Board and public with a better understanding of projects to be included in the 2026-2030 Financial Plan before adoption. For 2026, the SCRD plans to implement volumetric billing for the North and South Pender Water Services. Information on proposed rates is scheduled for the fall of 2025, including new Bylaws.

### 3. Rating categorization and Process

For 2025, "Mandatory" items—such as imminent asset failure, regulatory compliance, safety, or environmental concerns—were included in the Round 1 draft Financial Plan. As a result, budget proposals were not required for these items. Instead, a separate staff report provided brief descriptions, and it is recommended that this approach continue for 2026.

Staff recommend continuing with categorized project lists but suggest simplifying the classification system. In 2025, projects were classified into multiple categories: Mandatory, Strategic Plan, Base Budget, Board Directed, Business Continuity, Discretionary, or Not Recommended. However, feedback indicated that the number of categories caused some confusion. To address this, staff suggest streamlining the categories to four: **Mandatory, Strategic Plan, Maintain Service Level, and Discretionary.**

### 4. Operational Budget Lifts- standardized

Several requests were made for increases to operational base budgets during the 2025 budget process. Staff recommend that such increases, separate from specific projects, be presented as an "as-needed" inflationary percentage—clearly outlining contract increases, staff budget adjustments, or rising operational costs.

Similar to "Mandatory" projects, these increases could be approved as a block and included in the Financial Plan. Alternatively, they could be reviewed and approved by functional area. If an operational budget increase is tied to a specific project, it would be presented and approved along with that project.

### 5. What-If Scenario- Tax Requisition vs. Rates

Staff recommend discontinuing the "What-if" Tax scenarios that focus on the percentage change of tax requisition for each area and alternatively focus on the residential tax rate. Given the complexity of how assessments impact the taxation allocation and that funding sources change throughout the budget process, staff suggest that a standardized rate per \$100,000 of assessment would provide a more relational perspective.

Here is what the revised draft “what if” scenario would look like:

	<b>Area A</b>	<b>Area B</b>	<b>Area D</b>	<b>Area E</b>	<b>Area F</b>	<b>SNGD</b>	<b>DoS</b>	<b>ToG</b>
Baseline Status Quo 2026	\$0.74	\$5.09	\$4.85	\$9.39	\$6.77	\$8.06	\$7.96	\$6.05
Mandatory	\$2.56	\$6.88	\$6.88	\$7.55	\$7.55	\$6.88	\$6.88	\$7.55
Community Partners	\$0.21	\$0.24	\$0.29	\$0.32	\$0.32	\$0.06	\$0.06	\$0.32
Strategic Plan	\$2.14	\$2.14	\$2.14	\$2.14	\$2.14	\$2.14	\$2.14	\$2.14
Maintaining Service Level	\$2.41	\$1.28	\$1.30	\$1.03	\$1.03	\$0.62	\$0.62	\$1.03
Discretionary	\$27.81	\$17.56	\$17.40	\$16.42	\$16.42	\$8.77	\$8.77	\$9.61
Total	<b>\$35.87</b>	<b>\$33.19</b>	<b>\$32.86</b>	<b>\$36.85</b>	<b>\$34.23</b>	<b>\$26.53</b>	<b>\$26.44</b>	<b>\$26.69</b>

6. Community Partners

Community Partners (funding to groups that provide programs within existing SCRD services) streamlined approach to presenting budget requests only at Pre-Budget, through a fillable form sent by staff worked well. Community Partners have commented on the ease of the new process. A few were asked to present budget changes to the Board, and this was also well received.

The January 2025 reporting will be compiled and will be included in a “reading file” for Directors, with an online file available on the SCRD website for public viewing.

If groups want an opportunity to present their programs and services to the Board, they may request to be a delegation at another SCRD Committee throughout the year. The Committee did express the desire for the Library Services to remain as delegations each year.

Staff recommend continuing this process for Community Partners.

7. Communications

The 2025 budget communications plan leveraged insights gained from prior budget processes and input from residents. The following is recommended to continue for 2026:

- Staff will equip Directors with resources to facilitate discussions within their respective communities. Additionally, staff will collaborate with individual Directors to support these discussions, which may take place through community associations, in-person gatherings, and/or virtual information sessions.
- The Let’s Talk Budget Page will continue to serve as the hub for budget communications. Recorded presentations will still be provided, along with reports and the ability for the community to submit questions via the Let’s Talk Page.
- Updates will continue to be shared via news releases and social media platforms.
- The intergovernmental roundtable format introduced this year to strengthen collaboration and knowledge-sharing among local governments on their respective budgets proved to be effective and will continue for Budget 2026. Insights gained from

this year's process will be used to refine the format, making future discussions even more productive. Information about the roundtable will be communicated earlier to encourage greater community participation.

The improvements are recommended for the 2026 Budget:

- a. Staff recommend a return of “community dialogues. These sessions took place several years ago, pre-COVID, and were successful in helping inform the community of projects and initiatives underway in the SCRD.

Beyond information sharing, community dialogues foster transparency, build trust between local government and residents, and create a forum for meaningful two-way communication. They allow staff and elected officials to gather valuable public feedback outside of the budget process, identify community priorities, and address concerns. The SCRD can enhance community involvement and ensure that decision-making processes reflect the perspectives and needs of its residents.

It is suggested that these be scheduled in advance of the Pre-Budget deliberations.

#### 8. Capital Planning

Long-term capital plans have been developed for several SCRD services, with more being developed each year. These long-term capital plans facilitate budgeting by identifying future financial expenditures and streamlining processes for replacement of critical components that are required to maintain service levels, especially in the strategic focus areas, utilities, waste, etc.

Capital Plans are reviewed and updated on an annual basis to ensure that the information that is being used to model future expenditures is as accurate as possible. Due to the sensitivity of long-term financial modeling this inevitably results in revisions to the Capital Plans that are communicated through the annual reporting.

As a process improvement, staff are going to explore opportunities to streamline decisions related to the annual projects and funding envelope for each service.

#### 9. Service Plans

Existing Service Plans presented include a combination of information related to operational and project-based items. With the development of the Corporate Plan, Board Prioritization and Resource Plans, it is recommended that the template be amended to incorporate this information.

### **FINANCIAL IMPLICATIONS**

N/A

**STRATEGIC PLAN IMPLICATIONS**

The annual budget process is in support of the Boards Strategic plan implementation.

**TIMELINE**

For 2026, it is recommended that there be an adoption of the 2026-2030 Financial Plan (FP) on February 26, 2026. One of the benefits of having the FP approved as close to the start of the year is that initiatives can start sooner, allowing more time for completion.

To align with financial processes, the February adoption date will allow for a fulsome information package to be provided in terms of carry-forward projects, surpluses and deficits and mitigation, BC assessment figures.

The proposed draft timeline for the 2026-2030 Financial Planning process is as follows:

Activity	2025				2026	
	Sep	Oct	Nov	Dec	Jan	Feb
<b>Communications</b>						
Public/Community Presentations	X	X	X		X	X
Public Meetings (Budget Meetings)		X		X		X
Public and Municipal Presentations					X	
Activity	2025			2026		
	Oct	Nov	Dec	Jan	Feb	
<b>Fees and Charges Review - Budget Committee</b>						
• Review reports and bylaw schedule amendments to follow (as required)		20				
<b>Pre-Budget Budget Committee</b>						
• Mandatory Projects	27-28					
• Proposed initiatives / Preliminary Carryforwards (based on BPSR)						
• Asset Management and Capital Plans						
• Community Partners Summary of Requests						
<b>Round 1 Budget Committee</b>						
• Service Plans			1-2			
• 2026 Budget Proposals						

Activity	2025			2026	
	Oct	Nov	Dec	Jan	Feb
<b>Round 2 Budget Committee</b>					
• 2026 Budget Proposals					2-3
• 2025 Carryforwards					
• 2025 Surplus / Deficit Reports					
• Community Partners Reporting / Delegations (Libraries)					
<b>Board Meeting</b>					
• 2026-2030 Financial Plan Bylaw Adoption					26

\*X – Ongoing

**COMMUNICATIONS**

Changes to process will be communicated internally and externally, including media sources.

**SUMMARY AND CONCLUSION**

This budget debrief provides information on learning through the 2025 budget process and it is recommended that the process improvements and draft timelines be approved in preparation for the 2026-2030 Financial Planning process.

**ATTACHMENT(S):**

A – Staff Report - 2024-MAY-23 2024 Budget Debrief and 2025 Budget Process and Timelines

Reviewed by:			
Manager	X – K. Doyle X – A. Buckley	Budgeting	X – A. Taylor
GM	X - R. Rosenboom	Legislative	X – S. Reid
CAO	X - T. Perreault	Other	X – T. Crosby



## **SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT**

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**TO:** Committee of the Whole – May 23, 2024

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

**SUBJECT:** 2024 BUDGET DEBRIEF AND 2025 BUDGET PROCESS AND TIMELINES

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### **RECOMMENDATION(S)**

- (1) THAT the report titled 2024 Budget Debrief and 2025 Budget Process and Timelines be received for information;**
  - (2) AND THAT the process and timelines for the 2025-2029 Financial Planning Process be approved as presented;**
  - (3) AND THAT the 2024 Board meeting schedule be amended to add Finance Committee meetings for the purposes of 2025-2029 Financial Planning Pre-Budget, Fees and Charges Review, and Budget Meetings as follows:**
    - Pre-Budget Finance Committee - October 28 – 29, 2024**
    - Fees and Charges Review Finance Committee – November 21, 2024**
    - Round 1 Budget Finance Committee – November 25 – 26, 2024;**
  - (4) AND FURTHER THAT the Round 2 Budget Finance Committee meeting be scheduled for January 13-14, 2025 in the 2025 Board meeting schedule.**
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### **BACKGROUND**

Sections 374 and 375 of the *Local Government Act* require Regional Districts to complete a five-year Financial Plan and institute a public participation process to explain the plan. These plans represent the operating and capital resources required to deliver programs and services, and to accomplish Board priorities. The Board's Strategic Plan will guide the development of the 2025-2029 Financial Plan.

Each year after the Annual Budget process is concluded, a debrief is scheduled to discuss the current year's budget process, identifying where improvements or changes can be made for the future 2025.

The purpose of this report is to discuss the recent 2024 Budget process and outline improvements in preparation of the development and adoption of the 2025-2029 Financial Plan. This report also includes proposed timelines for approval for the 2025 Budget.

## DISCUSSION

### 2024 Budget Process Debrief

One of the key objectives of the debrief is to discuss the overall budget process, review how the current process aligns with current service plans and the Board's Strategic Plan and incorporate any recommended changes for the future. A summary of the prior year improvements is included in Attachment A.

Comments related to the 2024 Budget focused on streamlining the overall process. Therefore, the following recommendations are presented in consideration of the 2025 Budget process.

#### 1. Pre-Budget

In 2024 there was no Pre-Budget meetings ahead of Round 1 Budget or the setting of utility rates.

The Board expressed a desire to reinstate the Pre-Budget deliberations for 2025 to allow for more time to review the proposed projects, understand the overall impacts and set priorities. It is recommended the Pre-Budget meeting be scheduled in late October 2025 with the intent to cover the following:

- Review the anticipated projects to be carried forward into 2025;
- Review high-level resourcing plans and capacity;
- Review proposed new projects and/or staffing requests;
- Review preliminary outlook of taxation and fees, including “what-if” scenarios for new proposals; and
- Review and approve capital plans.

#### 2. Fees and Charges (including Parcel Tax) Review

Fees and Charges (including Parcel Taxes) are a significant portion of the Regional District's revenues. They must be reviewed on a regular basis to ensure they are set at the appropriate rate and to provide users with adequate notice of any changes. Staff are working through various fees and charges that have not been amended for many years and plan to have several updates for consideration. Earlier in 2024, the Board approved amendments to the Community Recreation and Pender Harbour Pool Services.

Based on current utility Bylaws, fees for water, wastewater, and refuse collection services must be approved prior to December 31 of each year. With the addition of Pre-Budget and Round 1 occurring prior to any amended Bylaw changes, the Board and public will have a better understanding of projects to be included in the 2025-2029 Financial Plan before adoption. Therefore, it is recommended that a meeting be held to review fees and charges (including Parcel Taxes) on November 21, 2024.

#### 3. Rating Criteria and Process

For 2024, “Mandatory” items (imminent asset failure, regulatory compliance, safety or environmental) were included into the Round 1 draft Financial Plan and Budget proposals were

not provided. A separate staff report with a brief description was included and it is recommended that this process continue for 2025.

All other types of proposals will be presented for Committees consideration.

#### 4. Community Partners

It is recommended that Community Partners (funding to groups that provide programs within existing SCRD services) be offered a streamlined approach to presenting their budget requests only at Pre-Budget, through a fillable form sent by staff. In January 2025 at Round 2 Budget the Community Partners would be asked to submit the full “funding agreement requirement” reporting. If groups want an opportunity to present their programs and services to the Board, they may request to be a delegation at another SCRD Committee throughout the year. The Committee did express the desire for the Library Services to remain as delegations each year.

These changes would be communicated to the Community Partners in a joint meeting with staff as well as written communication ahead of the 2025 Budget process.

#### 5. Budget Proposals

There will be small revisions to the Budget Proposal template to the Board to more accurately present, Full Time Employee Costs and Life Cycle Costs – more standardized wording.

#### 6. Communications

The 2025 budget communications plan will leverage insights gained from prior budget processes and input from residents.

This strategy will have two main channels.

- The first will be spearheaded by SCRD Directors. Staff will equip Directors with resources to facilitate discussions within their respective communities. Additionally, staff will collaborate with individual Directors to support these engagements, which may take place through community associations, in-person gatherings, and/or virtual information sessions.
- The second channel will be led by staff. The Let’s Talk Budget Page will continue to serve as the hub for budget communications. Given consistently low attendance over the past three years, staff will not host live online information sessions. Instead, recorded presentations will be provided, supplemented by the option to submit questions via the Let’s Talk Page.

SCRD staff received valuable feedback from the community during last year’s budget process, highlighting the need for more accessible reading materials throughout the budget cycle. To address this, concise one-sheets will be developed, and updates will be shared via news releases and social media platforms.

This plan will be reviewed throughout budget, with adjustments considered in response to feedback.

**7. Process and Timelines**

For 2025, it is recommended that adoption of the Financial Plan Bylaw sooner than the statutory deadline of March 31 with the 2025-2029 FP Bylaw being passed on February 13, 2025. One of the benefits of having the FP approved as close to the start of the year is that initiatives can start sooner, allowing more time for completion.

The proposed draft timeline for the 2025-2029 Financial Planning process is as follows:

Activity	2024				2025		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Communications</b>							
Public/Community Presentations			X	X	X	X	
Public Meetings (Budget Meetings)			X	X	X	X	
Public and Municipal Presentations				X	X	X	
Activity	2024			2025			
	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Pre-Budget Finance Committee</b>							
• Mandatory Projects	28-29						
• Proposed initiatives / Preliminary Carryforwards (based on BPSR)							
• Asset Management and Capital Plans							
• Community Partners Summary of Requests							
<b>Round 1 Finance Committee</b>							
• Fees and Charges Reviews	25-26						
• Service Plans							
• 2025 Budget Proposals							
<b>Round 2 Finance Committee</b>							
• 2025 Budget Proposals				13-14			
• 2024 Carryforwards							
• 2024 Surplus / Deficit Reports							
• Community Partners Reporting / Delegations (Libraries)							
<b>Board Meeting</b>							
• 2025-2029 Financial Plan Bylaw Adoption					13		

\*X – Ongoing

**STRATEGIC PLAN AND RELATED POLICIES**

The five-year financial planning process incorporates the Strategic Plan, Board Policies and service plans.

**CONCLUSION**

This budget debrief provides information on learning through the 2024 budget process and it is recommended that the process improvements, policy work, as well as the draft timelines be approved in preparation for the 2025-2029 Financial Planning process.

**Attachment:**

A - 2023-JUL-20 FIN STAFF REPORT - 2023 Budget Debrief and 2024-2028 Financial Planning Process

Reviewed by:			
Manager	X – A. Buckley	Finance	
GM		Legislative	X – S. Reid
CAO	X – D. McKinley	Human Resources	

Attachment A



# Staff Report For Information

**TO:** Committee of the Whole – March 20, 2025

**AUTHOR:** Remko Rosenboom, General Manager, Infrastructure Services  
Ian Hall, General Manager, Planning and Development

**SUBJECT:** **GROWTH AND WATER UPDATE**

## OVERVIEW

### Purpose of Report:

This report is for information. No staff recommendation accompanies this report and Committee of the Whole action is not required.

## BACKGROUND

The following resolution was adopted at the June 27, 2024, Board meeting:

190/24      **Recommendation No. 9**      *Growth Management*

THAT the May 16, 2019, Infrastructure Services Committee staff report titled Managing Growth to Address Water Supply Deficit be brought forward to the next appropriate Committee of the Whole meeting for information.

The May 16, 2019, Infrastructure Services Committee staff report (attached) outlined that growth and an increase in water demand are not explicitly linked. The report provided an overview of tools, options, and approaches that are within the Sunshine Coast Regional Districts (SCRD's) jurisdiction to address and promote smart growth and water supply on the Sunshine Coast.

This report provides a brief update to the information reported in 2019.

## DISCUSSION

The May 2019 report outlined specific tools the SCR D could consider utilizing to ensure sustainable growth and water supply. The table below provides a 2024 progress update to the tools considered.

Tool/Approach	2024 Update
Water Conservation Development Permit Area	Consideration of Water Conservation Development Permit Areas is in scope of the Official Community Plan (OCP) renewal, with the level of consideration/development dependant on project

Tool/Approach	2024 Update
Development Cost Charges	<p>funding. This would require coordination between multiple departments to create and implement.</p> <p><i>South Pender Harbour Waterworks District Bylaw No. 74</i> and <i>SCRD Development Cost Charges Bylaw No. 693</i> have not been updated in almost ten years and do not reflect the current impact that new developments have on existing water infrastructure and requirements for new infrastructure.</p> <p>It has been confirmed that under the current legislation, updating these bylaws can only occur once the Water Master Plans for the SCR D water systems have been completed and it is confirmed which portions of infrastructure projects are intended to support future growth and which continue to support existing users.</p> <p>The recently introduced <i>Housing Statutes (Residential Development) Amendment Act, 2023</i> (also known as Bill 44) allows for additional eligible Development Cost Charge (DCC) categories, including firehalls and solid waste and recycling facilities. These opportunities will be considered while updating the DCC Bylaws in 2027.</p>
Regulating Water Use	<p>In recent years, the SCR D has made amendments to <i>Water Rates and Regulations Bylaw No. 422 / Water Conservation Regulations</i> to increase conservation and promote efficient water use, for example, removing the Lawn Watering Permit Program. The SCR D has also streamlined procedures for the bylaw complaint process and leak resolution process to more consistently enforce existing bylaw regulations.</p> <p>Volumetric billing offers an opportunity for the SCR D to charge more equitably for water, and to incentivize using less. The impact of volumetric billing to regulate water use will depend on the rate structure chosen by the Board and the actual volumetric rates set in the first several years of the program being in place. As part of this change, the SCR D will also be updating Bylaw 422.</p> <p>Zoning Bylaw renewal has been initiated. The SCR D could consider updated provisions that limit certain land uses that utilize large quantities of SCR D drinking water.</p>

Tool/Approach	2024 Update
<p>Subdivision Servicing Standards</p>	<p>The SCR D is looking to update <i>Subdivision Servicing Bylaw No. 320</i> to include additional terms and conditions for water service connections for new subdivisions. An update to the SCR D <i>Subdivision Servicing Bylaw</i> is anticipated for 2026. There will be a need to update this bylaw to align with any new land use policy as a result of the OCP Renewal Project.</p> <p>A SCR D latecomer policy is being developed to formalize financial cost sharing opportunities for both developers and SCR D when extended or excess services are required. In addition to the regulation of water use associated with new developments, these latecomer agreements are also considered an essential tool in addressing the fire flow deficit in some areas.</p>
<p>Resolution for comments on subdivision</p>	<p>The SCR D is not the approving authority for Subdivision Applications. When providing comments to MOTI (the Approving Officer) and developers for Water Service Applications, the SCR D stresses the need for water efficiency for each property connecting to a SCR D water system.</p> <p>The SCR D works closely with the District of Sechelt's Approving Officer to provide increased water supply information (such as on fire flows) to improve decision making on new developments.</p>
<p>*New/added: Land Use Bylaw Updates</p>	<p>OCPs can include policies to promote water efficient development practices and encourage growth in areas that have access to existing and adequate water (including fire flow) or wastewater infrastructure. Through OCP land designations and zoning updates, the SCR D has the ability to direct growth into suitable areas that have existing or planned infrastructure capacity.</p> <p>The SCR D's current land-use planning framework does not clearly link growth and long-range infrastructure planning or capital planning for water and wastewater services. The OCP Renewal Project can address this gap. Without OCP and zoning updates it is possible the SCR D will eventually not be able to meet the current servicing requirements and expectations without extensive costs to taxpayers.</p>



Tool/Approach	2024 Update
	Related: SCRD must comply with new provincial legislation relating to zoning for small-scale multi-unit housing (SSMUH). This requires servicing capacity analysis.
*New/added: Housing Needs Assessment	A review of growth trends has recently been completed through the Housing Needs Report (HNR) presented to the Electoral Areas Services Committee on November 21, 2024. The HNR data can be used as an input for long range land-use and infrastructure planning.
*New/added: Amenity Cost Charges (ACCs)	The SCRD may wish to consider implementing the newly created (Provincial) development financing tool of ACCs as part of planning for sustainable growth.

**FINANCIAL IMPLICATIONS**

N/A

**STRATEGIC PLAN IMPLICATIONS**

This staff report is aligned with the Board’s Service Delivery Focus Area of Water Stewardship: Continually improve the operations of all the Regional District’s aging water systems.

**SUMMARY AND CONCLUSION**

The May 16, 2019, Infrastructure Services Committee staff report provided an overview of tools, options, and approaches to address water supply on the Sunshine Coast. This report provides updated information reflecting progress and context changes since 2019.

**ATTACHMENT:**

Attachment A – May 16, 2019 Staff Report Managing Growth to Address Water Scarcity

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X – T. Perreault	Other	

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Infrastructure Services Committee, May 16, 2019

**AUTHOR:** Angie Legault, Interim Chief Administrative Officer  
Ian Hall, General Manager, Planning & Community Development  
Remko Rosenboom, General Manager, Infrastructure Services

**SUBJECT:** **MANAGING GROWTH TO ADDRESS WATER SUPPLY DEFICIT**

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### RECOMMENDATION(S)

**THAT the report titled Managing Growth to Address Water Supply Deficit be received for information.**

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### BACKGROUND

The SCRD Board adopted the following resolution at the January 10, 2019 Board meeting:

003/19      **Recommendation No. 10**      *Growth Management Options*

THAT staff provide a report to a Committee in Q1 2019 regarding tools, options, and approaches related to the management of growth and development on the Sunshine Coast in the context of a water supply deficit.

At the December 13, 2018 Planning and Community Development Committee the report titled Regional Growth Strategy - Options Report was received for information. The purpose of that report was to outline “the current framework [for regional growth management] contained in the *Local Government Act*, a chronology of discussions on the Sunshine Coast and current practices”.

The purpose of this report is to provide an overview of tools, options and approaches to manage growth to address the water supply deficit and to seek direction on next steps.

### DISCUSSION

As stated in the Regional Growth Strategy - Options Report there are growth pressures facing the Sunshine Coast beyond water supply management, many of which are external to SCRD authority. Highway capacity, ferry service, housing prices and availability, residential and forestry interfaces are examples of additional growth pressures. A comprehensive regional review of growth trends and pressures in co-operation with other levels of government would be beneficial for the SCRD. Such a review could inform the development of a more comprehensive regional growth management approach.

Issue Definition

There is a community narrative that growth and water demand are directly linked. This linkage is implied in the question considered by this report. In order to ensure that any growth management strategy that is applied in an effort to ensure adequate community water supply meets its aim, the scope and nature of this link should be explored.

Key considerations:

- Recent growth trends: 2016 Census data shows continued moderate (less than 1.1% annually) growth in the resident population of the entire Sunshine Coast from 2011. The District of Sechelt had a 10% growth in population over this time period (2% per year).
- Exact seasonal population and tourism figures are unknown but are a factor requiring further analysis.
- Despite the above-mentioned resident and tourism growth the recent trends in water demand are: Over the last 8 years, the annual average daily water use remains at 13,500m<sup>3</sup> per day. The maximum daily demand during the summer months has fallen from 28,000m<sup>3</sup> per day in 2009 to 21,500m<sup>3</sup> per day in 2017 – a reduction of 23% that can largely be attributed to water conservation initiatives.
- Based on the best available information about local water use, significant water demands not related to new residential or business growth are (in no particular order) – (1) water use by tourist and seasonal residents, (2) water used for residential irrigation, especially of ornamental lawns, (3) water demand associated with leaks on private properties (especially in unmetered areas), (4) potable water used for applications where alternatives may be available.
- Presently only areas served by the Chapman Creek and Eastbourne water systems are impacted by a water supply deficit. These service areas include areas within the District of Sechelt, Town of Gibsons, Islands Trust, and Sechelt Indian Government District (all lands not under SCRD planning and development jurisdiction), as well as four of the five rural electoral areas.

Based on these considerations it can be concluded that while every individual development results in an increased water demand, the total water demand on the Chapman Creek Water System has declined in the summer months over the last decade. The current water supply deficit is caused by a significantly longer period of little or no rain during the summer months and an improved protection of aquatic ecosystems during those months.

Combined, the above factors point to the need for a nuanced approach to looking at how growth relates to water demand. For example, a subdivision leading to development of new dwellings that are water efficient, and which replaces a former sprinkler-based irrigation system with xeriscaping or with tree plantings may result in a net increase year-round but a decrease in water demand during dry summer months.

Legislative Authority

The ability of local governments to manage growth is a complex consideration that depends, in large part, on the nature of the growth to be managed. There is no specific authority available to local governments through the *Local Government Act*, *Community Charter* or other legislation for a blanket moratorium on development approvals.

By considering specific categories of development applications it is possible to identify potential growth management mechanisms. Broadly speaking, these are:

1. Building permits – an applicant for a building permit is entitled, as of right, to a building permit if they comply with the zoning bylaw, building bylaw and building code and so one would have to look to any provisions in the two building enactments regarding water supply as a basis to refuse a building permit. Staff suggest this would be an especially challenging approach to regulation.
2. Development permits – the only authority for refusal of a development permit relates to conditions or guidelines set out in the Official Community Plan and in the absence of that, there is no general discretion on a broad level to refuse based on water supply issues. See below for additional discussion of development permit areas and Development Cost Charges.
3. Zoning amendments – land use decisions are within the discretion of the Board and so a concern over water supply would be an acceptable rationale for not approving rezoning to a more water-intensive use or amending the zoning to a less water-intensive use.
4. Subdivision approval – a refusal to approve a subdivision based on clear statutory grounds (for example excess cost to local government) or the residual discretion (contrary to the public interest) by an approving officer would have a reasonably strong chance of withstanding any judicial challenge. SCRD is not the subdivision authority for electoral areas; staff provide input to the Ministry of Transportation and Infrastructure Approving Officer.
5. Water Service Application for subdivisions – an applicant for new water service connections resulting from a subdivision has to meet all terms and conditions of Subdivision Servicing Bylaw No. 320. Not meeting all these terms and conditions could be grounds for the SCRD to refuse a water service connection associated with a subdivision within the water supply service area. The current bylaw includes a section 302 (1) (1.1) which states that:

*“An extension to a water system shall only be connected to an existing community water system if the water sources used for the combined system are adequate to serve each parcel to be served by the combined system with at least 2,500 litres of water per day year round.”*

To date no new service connection has been refused based on this bylaw provision. While the intent of this section is to balance growth with water supply availability, the wording of this section is considered to be insufficient to withstand a judicial challenge.

Water Service for undeveloped property for which the water parcel tax is being paid, could not be refused as long as all technical requirements are met.

6. Water Rates and Regulations – Bylaw No. 422 regulates the actual allowable use of water provided by the SCRD, including during drought conditions. While the allowable water uses during drought conditions are reviewed annually (Drought Management Plan), this is not the case for the more general water use provisions.

### Precedents

There is precedent in other jurisdictions for managing growth to maintain water service levels.

The **North Salt Spring** Waterworks District Board of Trustees (improvement district) significantly restricted all new, large-scale development in 2014. Undeveloped properties paying parcel taxes are limited to one 19mm service connection for a single residential or single commercial unit, regardless of zoning. Given the impact to the community this moratorium is not supported by the local municipality.

The **Town of Okotoks**, Alberta has a Water Allocation Policy to maintain service levels while accommodating growth. Developers are required to transfer a provincial water license to the Town with sufficient capacity to support increased population prior to development approvals. The Water Allocation Policy applies to lands that have not yet been serviced by municipal water service but considered for expanding urban development.

The **Municipality of Gig Harbor** through authority of Washington State's Growth Management Act, requires all developments and redevelopments to empirically show there is water, sewer, and transportation capacity available to serve their needs. Should capacity be lacking, applicants are required to provide service expansion (for example, develop and licence a ground water source) prior to the granting of land use approvals or building permits.

### Considerations Related to Approach

With regard to regulating development, generally, key considerations are:

- Transparency – any policy or regulation respecting ability/restriction of development should be clear, easy to understand, and widely known.
- Equity – consistent, fair treatment must be provided for all citizens, property owners, or water users (as applicable) based on defensible criteria and established process.
- Unintended Consequences – restricting growth generally, or in a specific area, or of a specific type may have unplanned results including impacts on property values, economic effects, social effects, etc. Consideration of possible impacts and mitigating strategies may be required.

These considerations are variously prescribed by legislation, core values of good governance and/or prudent risk management to avoid legal challenges.

Specific Tools to Consider

Beyond the ability to plan for growth through Official Community Plans and Regional Growth Strategies, local government tools to manage growth include:

1. **Water Conservation Development Permit Area:** In 2008 the Province of BC adopted the *Local Government (Green Communities) Statutes Amendment Act*, which added additional development permit area possibilities including the establishment of development permit areas to promote water conservation. This particular development permit area has not yet been utilized on the Sunshine Coast specifically and would only apply to the areas within the planning jurisdiction of the SCRD while the majority of the growth is occurring outside of the SCRD jurisdiction.
2. **Development Cost Charges:** The Development Cost Charges Bylaw No. 693 allows the SCRD to collect Development Cost Charges (DCCs) for approved subdivisions or issued building permits which impose a capital cost burden on the regional water system. This bylaw applies to the entire regional water supply service area and is hence not restricted to the area the SCRD has planning jurisdiction over. Updating this bylaw would not allow for a direct regulation of the water use of new developments but could do so indirectly. It could promote water conservation through financial incentives for low water use developments or location-based fees that could result in increased DCC revenue to support development of water service(s).
3. **Regulating Water Use:** Expanding water use regulations within Water Rates and Regulations Bylaw No. 422 could impact both new use resulting from growth as well as existing uses. Updates could include a review of both the Zoning Bylaw and Bylaw 422 to look at a combination of blanket restrictions on certain allowable uses and/or placing terms and conditions on other uses e.g. establishing a maximum allowable volume per residential property or a ban on using water for certain commercial uses like water bottling or cannabis production. Bylaw 422 applies to the entire water supply service area and is hence not restricted to the area the SCRD has planning jurisdiction over. If this option was pursued, a careful review of the issues that might arise would be required to avoid any legal challenges.
4. **Subdivision Servicing Standards:** Updating Subdivision Servicing Bylaw No. 320 could result in additional terms and conditions to be set for applicants for new water service connections associated with subdivisions. This bylaw applies to all water supply service areas and is hence not restricted to the area the SCRD has planning jurisdiction over.
5. **Resolution for Comments on Subdivision:** The SCRD could develop a standard resolution for comments on subdivision referrals indicating that subdivision applications within the water supply service area should not be approved by the Approving Officers as that would result in excessive cost to the SCRD in water supply management and also not be in the general Public Interest.

Analysis of Tools

Aspects that should be considered in the selection or design of any of these tools are:

- Time to develop
- Cost to develop
- Cost to administer
- Jurisdiction – SCRD rural electoral areas only or shared with member/other Local Governments
- Enforceability
- Complexity / possibility of unintended consequences
- Effect on cost of housing
- Effect on economic development
- Community acceptance
- Precedent/proven/legally acceptable
- Fairness/equity
- Effectiveness and efficiency in achieving water demand reduction, especially during dry months

Developing a recommendation or making a decision on a preferred approach requires intergovernmental dialogue and would benefit from public participation. Questions to explore are:

1. What is the specific water demand target(s) in a service area?
2. What interest is there in cooperating/coordinating tools across jurisdictions? Would tools that are fully within the SCRD's jurisdiction be preferred?
3. From the community perspective, what are the costs and benefits associated with tools that change (1) allowable land use (planning-driven); (2) water use (infrastructure-driven) or (3) development costs?
4. What level of impact on the cost of housing and/or economic development is acceptable?
5. What are the costs and benefits of an approach that applies to all development versus a specific focus on subdivisions?

Staff recommend that if the Board directs that growth management to address the water supply deficit be further explored then these and other relevant questions form part of upcoming public participation opportunities related to water. Subsequently they can be discussed with other local governments on the Sunshine Coast.

*Organizational and Intergovernmental Implications*

Recent amendments were made to SCRD rural area official community plans for density strategies to promote affordable housing. This was a consistent policy applied to several official community plans. A similar consistent approach across OCPs could be undertaken to create a development permit area for water conservation. It would have to be determined under which condition this would apply; building permit, subdivision, etc. and whether it would apply to both rural area and municipal OCPs. SCRD does not have authority to amend municipal OCPs, however this initiative could be undertaken concurrently by local governments if each agrees.

In addition to policy development of when, where and how to apply any of the described tools, consideration must also be given to the additional resource pressure associated with these proposed changes, such as review of applications, record management and enforcement.

*Financial Implications*

Changes to growth trends/patterns could have financial implications for SCRD related to revenue from permits, DCCs and applications. Additional lenses/requirements applied as part of any of the growth related application processes could require additional staff time with commensurate impacts to fees, per SCRD's Financial Sustainability Policy.

Further financial analysis should be undertaken as part of considering application of any particular tool.

*Timeline for next steps or estimated completion date*

To be determined based on Board direction.

*Communications Strategy*

Refining of options, specific tools, and recommendations for action related to growth management could have significant impact for a broad constituency of stakeholders. SCRD's Public Participation Framework would support a participation strategy prior to decision making.

**STRATEGIC PLAN AND RELATED POLICIES**

The SCRD has a mission of providing leadership and quality services to our community through effective and responsive government. Prioritizing water uses in a way that respects the organization's values of collaboration, environmental leadership, and transparency contributes to this mission.

The SCRD's strategic priority to Embed Environmental Leadership is supported by the Region's overall water supply strategy, as outlined in the Comprehensive Regional Water Plan (2013) and furthering the SCRD's goal to reduce water consumption by 33% relative to 2010 levels by 2020.

**CONCLUSION**

There are nuances to the linkage between growth and water demand. As well, local government authority to manage/restrict growth is provided through a variety of tools that have specific and different constraints on application, areas of jurisdiction, social impacts, etc.



If the Board directs further exploration of growth management to address water supply deficit, intergovernmental dialogue and public participation are recommended to occur. There are possible financial implications to the selection of any particular approach.

Reviewed by:			
Manager	X - A. Allen X - S. Walkey	Finance	
GM	X - I. Hall X - R. Rosenboom	Legislative	X - A. Legault
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Attachment A