



STAFF REPORT TO COMMITTEE

DATE OF REPORT July 11, 2019
MEETING TYPE & DATE Electoral Area Services Committee Meeting of August 7, 2019
FROM: General Manager
Engineering Services Department
SUBJECT: Gas Tax - 2019-2024 Community Works Fund Project Eligibility
Criteria
FILE: 0540-20-RS

PURPOSE/INTRODUCTION

The purpose of this report is to introduce additional eligibility criteria for 2019-2024 Gas Tax - Community Works Fund (CWF) projects.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the additional eligibility criteria for 2019-2024 Gas Tax - Community Works Fund projects as detailed in Table 4.0 & 5.0 of the Asset Coordinator's staff report to the August 7, 2019 Electoral Area Services Committee, be approved.

BACKGROUND

The 2014-2024 Federal Gas Tax Agreement provides predictable, long-term and stable funding to local governments in British Columbia for investment in infrastructure and capacity building projects. The fund is guided by three national program objectives, which include productivity and economic growth, a clean environment and strong cities and communities. The CWF is one stream of Gas Tax funding that is available to all local governments, based on a per capita formula, with payments made to local governments twice a year and allows local governments to make local choices about which eligible projects to fund.

CWF 3.0 represents years 6 to 10 of the funding agreement where Cowichan Valley Regional District (CVRD) has been allocated \$10,064,743 to be distributed based on Union of BC Municipalities (UBCM) Project Payment Schedule (Table 1.0). These funds are to be applied to Board approved investments in CVRD infrastructure for its construction, renewal, material enhancement, or capacity building projects related to strengthening the ability of the CVRD to develop long-term planning practices, especially Asset Management capacity building.

Table 1.0 - CWF 3.0 2019-2024 Projected Payment Schedule to CVRD

Bonus Payment 2019/ 20	Projected Year 6 2019/ 20	Projected Year 7 2020/ 21	Projected Year 8 2021/ 22	Projected Year 9 2022/ 23	Projected Year 10 2023/ 24	TOTAL
\$1,632,472	\$1 ,627,553	\$1 ,627,553	\$1 ,701,248	\$1 ,701,248	\$1 ,774,669	\$10,064,743

The following funding formula has been approved by the Board.

Table 2.0 - Proposed CWF 3.0 Funding Formula

Project Stream	Details	Proposed Allocation %	Proposed Allocation \$
Electoral Areas	These projects are staff and/or Director identified and will be prioritized based on maintaining existing services and infrastructure, and the environmental, social and financial benefits to the organization.	60%	\$6,038,845
Asset Management Infrastructure Investments	These projects have already been identified and prioritized by based on condition and risk assessments related to major capital re-investments in existing CVRD infrastructure.	30%	\$3,019,423
Asset Management Capacity Building	These projects have been identified in the DRAFT Corporate Strategic Asset Management Plan – Action Plan. These projects will increase the CVRD’s ability to embed asset management planning practices throughout the organization. For example, Asset Management software package, Expanding Scope for Additional Systems (Fleet, IT, Flood Management, Drainage, Natural Capital), completing inventories, condition assessments and defining levels of service.	10%	\$1,006,474
TOTAL			\$10,064,743

Electoral Area distribution of CWF 3.0 is based on 2016 population statistics; Table 3.0 Shows the funds distribution per Electoral Areas.

Table 3.0 EA Distribution of CWF 3.0

Electoral Area	2016 Population	2016 % of total Population	EA CWF Distribution 2019
A	4,733	14%	\$ 858,830
B	8,558	26%	\$ 1,552,898
C	5,019	15%	\$ 910,726
D	3,243	10%	\$ 588,461
E	4,121	12%	\$ 747,779
F	1,629	5%	\$ 295,591
G	2,325	7%	\$ 421,885
H	2,446	7%	\$ 443,841

I	1,206	4%	\$ 218,836
Total	33,280	100%	\$6,038,846

ANALYSIS

CWF 3.0 projects can be identified by Electoral Area Directors, staff or through strategic planning documents, such as an asset management plan, energy management plan, climate action plan etc., however they must meet the eligibility requirement established by UBCM (Attachment A). Additionally, project proposals must include specific information (Table 4.0) that is required to be reported to UBCM (Attachment B).

Table 4.0 CWF Project Proposal Information Requirements

Project Name	Provide unique project name
Project Lead	Name and Division
Project Description	Provide a detailed description. Include quantitative values where applicable (ex. length of pipe, energy savings, greenhouse gas reductions etc.).
Project Justification	Where was this project identified (e.g. Condition Assessment, Risk Assessment, Director, Strategic Plan etc.)?
Project Location	Address or coordinates
Cost Estimate	What is the total project cost?
CWF 3.0	How much CWF is requested?
Start Date	Anticipated start date of project
End Date	Anticipated end date of project
GTF Project Category	Active Transportation/Community Energy Systems/Wastewater/Drinking Water/Solid Waste/ Sport Infrastructure/ Recreation/Cultural/ Tourism/ Disaster Mitigation/Public Transit/ Brownfield redevelopment/ Asset Management/ Integrated Community Sustainability Plans/ Long-term Infrastructure Plan
Investment Type	New Construction/upgrade/renewal/replacement/expansion
National Outcome	Stronger Communities/ Cleaner Environment/Economic Growth
Project Outputs	What is the service area or population directly benefiting from this project also include metrics such as meters, kilometers, square meters, square kilometers, watts, kilowatt hours, or numerical counts of infrastructure or equipment
Project Outcomes	Metrics such as number of residents benefitting/served, ridership benefitting/served, reduction in GHG emissions, reduction in vehicle trips, increase water or wastewater treatment or storage capacity, annual users benefitting or passengers benefitting from project results; Number of home/business water or sewer connections installed or maintained, number of residents served by community energy project, increase in treatment levels, increase capacity, etc.
CVRD Function Code	What is the CVRD GL code for this project?
Electoral Area	What EA is receiving the benefits of this project?
EA population	What is the population of the Electoral Area?

CVRD staff have also identified some additional eligibility requirement to ensure that CWF 3.0 is strategically applied to projects as detailed in Table 5.0.

Table 5.0 Additional Eligibility Requirements

1. CWF 3.0 should be used for existing services and infrastructure owned by the CVRD.
2. CWF 3.0 projects should be spread out over 5 years to accommodate payment schedule and staff capacity.
3. Any unspent CWF 3.0 will be returned to the original project stream.
4. CWF 3.0 eligibility requirements will also apply to any unspent CWF 2.0.
5. Earned interest will be accrued and distributed based on Board approved priority projects in year 2024.

FINANCIAL CONSIDERATIONS

All eligible projects will be presented to the Electoral Area Services Committee and eventually approved by the Board.

COMMUNICATION CONSIDERATIONS

The Gas Tax Agreement includes a communications protocol that outlines various communications and signage requirements on page 17, schedule E.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

It is important to note that CWF 3.0 projects must be spread out over the next five years to match the payment schedule and to accommodate staff capacity to deliver the projects. The 2018 State of Infrastructure report identified an infrastructure deficit of \$35 million. CWF 3.0 funds will assist the CVRD in addressing this deficit.

GENERAL MANAGER COMMENTS

Not Applicable

Referred to (upon completion):

- Communications & Engagement
- 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 Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)

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Reviewed by:

Not Applicable
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General Manager

Reviewed for form and content and approved for submission to the Committee:

Resolution:

Manager, Legislative Services

Financial Considerations:

Manager, Finance

ATTACHMENTS:

Attachment A – CWF Project Eligibility Guidelines

Attachment B – CWF Project Data Requirements