



Capital Regional District **2017 Annual Report**

CRD

Making a difference...together

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Photo Acknowledgment

The photos in this document were taken within the boundaries of the Capital Regional District. We wish to acknowledge the many photographers whose work is featured here, including, professional photographers:

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- ▶ Steven **FRIEDMAN**
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- ▶ Jessica **CHAMPAGNE**
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- ▶ Britt-Marie **PHANEUF**
- ▶ Toby **SNELGROVE**
- ▶ David **WILKINSON**
- ▶ Sophie **WOOD**

Photo Location
Cover: Cordova Bay.

Introduction

An aerial photograph of a harbor at sunset. The sky is a mix of soft pinks, oranges, and blues. The water is calm, reflecting the colors of the sky. Numerous sailboats with their masts up are scattered across the harbor. In the background, there are dark silhouettes of islands and mountains. The overall mood is peaceful and scenic.

The Capital Regional District (CRD) was incorporated in 1966 to provide regional decision-making on issues that transcend municipal boundaries and to enable more effective service delivery to residents regionally, sub-regionally and locally.

As a local government, the CRD develops partnerships to facilitate and deliver projects and services to ensure a sustainable, livable and vibrant capital region.

Message from the Board Chair

The CRD plays an integral role in supporting a growing and flourishing capital region. We are proud of our contributions in helping make the capital region such a wonderful place to live, work and visit. Our CRD parks are an enduring natural gem. Greater Victoria’s drinking water system is one of the best in the world. And, our CRD arts and recreation programs support active and vibrant communities.

I would like to recognize the 2017 Board members for their dedication to their roles as both Board members and committee members, and to recognize the staff for their passion and dedication to their work. Through infrastructure developments, utility operations, conservancy, outreach, engagement with First Nations and careful fiscal governance, the CRD coordinates resources to support Board priorities and further the vibrancy, sustainability and livability of the region.

The CRD has made strong progress on major priorities for residents across the region. To ensure ongoing protection of the health of the public and the environment, \$28.3 million was invested across 21 utility systems in 2017. This year marked significant progress on large-scale projects, such as construction of the Summit at Quadra Village, a 320-unit residential care facility and breaking ground on the South Island 911/Police Dispatch Centre, a unified 911/Police centre for southern Vancouver Island. The much-anticipated Core Area Wastewater Treatment Project has made progress, with multiple contracts having been awarded and construction underway at McLoughlin Point and Ogden Point.

I am excited by the work underway with First Nations governments as our commitment to reconciliation and building relationships



continues to strengthen. The Sea to Sea Regional Park / First Nations agreement, the first of its type within the CRD’s Regional Park system, sets out a new relationship between the CRD and T’Sou-ke Nation on traditional use and access.

2017 also marked the opening of the Sooke Hills Wilderness Regional Trail, part of the 4,090-hectare Sooke Hills Wilderness Regional Park, which helps protect Greater Victoria’s water supply and conserves biodiversity. We are proud to have worked collaboratively with the Cowichan Valley Regional District (CVRD) to complete Southern Vancouver Island’s portion of The Great Trail, which was celebrated as part of Canada’s 150th anniversary.

As we head into 2018, we will focus on building a strong, productive relationship with the new provincial government. We remain committed to endeavours that are critical to our future success as a diverse, vibrant and growing region.

A handwritten signature in dark ink that reads "Steve Price".

Steve **PRICE**
Chair
Capital Regional District Board of Directors

Message from the Chief Administrative Officer

It is my pleasure to report on the 2017 activity and initiatives of the Capital Regional District (CRD) and highlight some of the accomplishments of our organization over the past year.

The capital region is growing and our organization has kept pace during this period of expansion through its planning and efforts to contribute to a vibrant regional economy. With the surge in development to accommodate population growth, the CRD has met the challenge by advancing new investments in infrastructure, increasing service delivery targets and deploying resources while continuing to be mindful of our natural resources, spectacular environment and other foundational elements that need to be sustained and managed into the future.

The CRD continues to build organizational resilience through improved communication, knowledge-sharing, engagement, collaboration and innovation through its Organizational Development Plan (ODP). The ODP was created to strengthen our internal systems and processes, and to enhance informational and operational resources for our employees, thereby enabling CRD staff to deliver results for Board priorities. The initiative complements our Corporate Planning process by ensuring progress and attention on Board priorities across the organization. 2017 Board priorities included a range of legislative and financial controls, CRD facility energy-use reduction, partnership agreements and funding for major capital projects and initiatives to enhance the regional parks and trail system, upgrade utilities, increase the supply of affordable housing, improve emergency preparedness and facilitate investment in hospital facilities.



The CRD’s leading work and achievements in 2017 have been exceptionally rewarding and our organization has been recognized as one of BC’s Top Employers and one of Canada’s Greenest Employers for 2018. To be considered a BC Top Employer, organizations must lead in a number of ways, from progressive human resources programs to professional development of employees – all while continuing to excel professionally. Canada’s Greenest Employers award showcases environmental leaders who have put their strategy into action through formal and informal corporate initiatives. For the CRD, sustainability is an integral part of how we operate: this year marks a decade since we signed the BC Climate Action Charter and since our headquarters was awarded the first LEED Gold certification in the region.

The CRD is prepared to support the needs of the region with the skills necessary to care for our assets and construct and operate our expanding infrastructure and services. Thank you to our Board and staff for their dedication and for making 2017 a successful year.

A handwritten signature in dark ink that reads "Robert Lapham".

Robert **LAPHAM**
Chief Administrative Officer
Capital Regional District

Board of Directors

The Capital Regional District is governed by a 24-member Board of Directors that is supported by more than 75 committees and commissions. The Board is composed of one or more elected officials from each of the municipalities and three electoral areas within the CRD’s boundaries. Each municipality has one director position on the Board for every 25,000 people (or portion thereof) and there are two directors for each electoral area.

The directors also sit as members of the Capital Regional Hospital District Board, and four directors are appointed to the Capital Region Housing Corporation Board.

- Chair
- ▶ Steve **PRICE**, Sidney
- Vice-Chair
- ▶ David **SCREECH**, View Royal

- Directors
- ▶ Marianne **ALTO**, Victoria
 - ▶ Richard **ATWELL**, Saanich
 - ▶ Denise **BLACKWELL**, Langford
 - ▶ Susan **BRICE**, Saanich
 - ▶ Judy **BROWNOFF**, Saanich
 - ▶ Barbara **DESJARDINS**, Esquimalt
 - ▶ Alice **FINALL**, North Saanich
 - ▶ Carol **HAMILTON**, Colwood
 - ▶ Lisa **HELPS**, Victoria
 - ▶ Mike **HICKS**, Juan de Fuca EA
 - ▶ Dave **HOWE**, Southern Gulf Islands EA
 - ▶ Ben **ISITT**, Victoria
 - ▶ Nils **JENSEN**, Oak Bay
 - ▶ Wayne **MCINTYRE**, Salt Spring Island EA
 - ▶ Dean **MURDOCK**, Saanich
 - ▶ Colin **PLANT**, Saanich
 - ▶ John **RANNS**, Metchosin
 - ▶ Lanny **SEATON**, Langford
 - ▶ Maja **TAIT**, Sooke
 - ▶ Ken **WILLIAMS**, Highlands
 - ▶ Ryan **WINDSOR**, Central Saanich
 - ▶ Geoff **YOUNG**, Victoria

Photo from Board Inauguration in 2015. Director Vic Derman passed away in March 2017.



Executive Leadership Team

The Executive Leadership Team (ELT) consists of the Chief Administrative Officer, Chief Financial Officer, Corporate Officer and the General Managers, who are also officers of the corporation. These officers direct the departments and divisions of the CRD and work collaboratively to:

- ▶ consider strategic issues related to corporate decision-making
- ▶ discuss solutions to organizational challenges
- ▶ provide direction on corporate-wide policies, systems, projects and initiatives
- ▶ ensure employees are empowered to achieve organizational goals

The ELT ensures that corporate policies are clear and appropriate and that there are effective management actions to meet statutory obligations, mitigate risks, and report on progress, outcomes and concerns.

The ELT has the administrative responsibility and delegated authority to manage and coordinate various programs, projects and initiatives and makes decisions to support overarching corporate goals that are in the best interests of the organization as a whole.

- Executive Leadership Team
- ▶ Robert **LAPHAM**, Chief Administrative Officer
 - ▶ Nelson **CHAN**, Chief Financial Officer
 - ▶ Larisa **HUTCHESON**, General Manager, Parks & Environmental Services
 - ▶ Kevin **LORETTE**, General Manager, Planning & Protective Services
 - ▶ Kristen **MORLEY**, General Manager, Corporate Services & Corporate Officer
 - ▶ Ted **ROBBINS**, General Manager, Integrated Water Services



The Capital Regional District (CRD) is the regional government for 13 municipalities and three electoral areas on southern Vancouver Island and the Gulf Islands, serving more than 392,000 citizens. The traditional territories of 22 First Nations span portions of the region, and 11 of those hold reserve lands throughout the capital region.

The Capital Region



Profile of a Growing Region

Encompassing 237,000 hectares, including 70 Gulf Islands, the capital region is a sought-after destination, renowned for its mild climate, beautiful coastlines and natural ecosystems.

The region offers a balance between rural and urban lifestyles, from the farming communities in North Saanich to the evergreen hills of Sooke, from the artisan networks on the Gulf Islands to the government and business hub of the City of Victoria, the province's capital. It is home to the Canadian Pacific Naval Fleet and multiple educational institutions, including Camosun College, Royal Roads University and the University of Victoria.

Tourism, technology, health care and government services are key industries in the region, a place where residents and tourists can enjoy the Pacific Ocean, old-growth rainforests, outdoor adventure, and a vibrant arts and culture scene.

The region has seen a steady increase in population and a multi-year, double-digit growth rate in housing starts and property values. The CRD will continue to work with local residents, community groups, businesses, First Nations, major institutions, municipalities and other stakeholders to ensure our services continue to meet the needs of this growing region through major infrastructural development and services.



The region is growing...

392,000
residents
up 6.6%
since 2011

1.9%
Inflation Rate
in Victoria vs.
1.6% nationally

3,862
of Housing Starts
in the capital region

\$1.4B
Building Permits
up 31% from 2016

130M
Litres of
water
delivered
every day on
average in Greater Victoria

\$859,871

Avg price of a single family dwelling
in the capital region,

a 14% increase
over 2016

100km
regional trails

7.3M
park visitors
in 2017

13,000
hectares of regional parks

CRD

A map of the Capital Regional District (CRD) in British Columbia, Canada. The CRD is highlighted in white, surrounded by a teal-colored region. The map shows the coastline of the Pacific Northwest, including the Strait of Georgia and the Fraser River. Labels for 'Canada' and 'United States' are in the top right, and 'The Capital Regional District' is centered over the white area.

Profile of the Capital Regional District

The CRD plays a key role in providing services that can be delivered efficiently and effectively through region-wide or shared service delivery models. These include the regional water supply, solid waste, wastewater treatment, regional parks, housing, 911 call answer, and recreation facilities.

The CRD has more than 200 service, infrastructure and financing agreements with municipalities and electoral areas to deliver services in the following categories:

- ▶ **regional**, where all municipalities and electoral areas are served
- ▶ **sub-regional**, where two or more jurisdictions are served
- ▶ **local**, in the electoral areas where the CRD is the local government

The CRD works collaboratively with First Nations and other levels of governments and has direct relationships with individuals, businesses, organizations, institutions and communities that access regional utilities and services.

The CRD owns and operates the Capital Region Housing Corporation (CRHC), a non-profit provider of 1,286 affordable rental units throughout the region, and administers the Capital Regional Hospital District (CRHD). The CRHD invests in traditional health care services and provides capital funding for health care infrastructure, such as health facilities and hospital equipment.

The Capital Regional District



Our Services

Capital Regional District Services

The CRD has a skilled workforce of more than 1,100 employees and works with service contractors and a network of more than 1,700 registered volunteers, making it a significant employer in the region.

The following pages summarize the core services provided by the CRD:

- ▶ Affordable Housing
- ▶ Corporate & Financial Services
- ▶ Drinking Water
- ▶ Education, Outreach & Information
- ▶ Environmental Protection
- ▶ Environmental Resource Management
- ▶ Health & Capital Planning
- ▶ Protective Services
- ▶ Recreation, Arts & Culture
- ▶ Regional Infrastructure
- ▶ Regional Parks
- ▶ Regional Planning
- ▶ Wastewater Management

Affordable Housing

Affordable housing is the cornerstone of a healthy and economically strong community. The Capital Region Housing Corporation (CRHC) provides 1,286 units of affordable housing to low and moderate income households, including families, seniors, and people living on government disability pensions. The CRD’s Regional Housing Trust Fund has provided over \$11 million in grants to help build 959 units of affordable rental housing in the region. Through the CRD-initiated Regional Housing First Program partnership, the CRD, BC Housing and Canada Mortgage and Housing Corporation committed \$30 million each to build over 2,000 units of affordable housing. Projects will include 400 units to meet the needs of people experiencing homelessness.

The primary activity of the CRHC is the day-to-day management of housing buildings, property management services and providing services to the residents living in 45 housing complexes within seven municipalities. To support community efforts to end homelessness in the region, the CRD administers the federal Homelessness Partnering Strategy and participates in and provides funding to the Greater Victoria Coalition to End Homelessness.

www.crd.bc.ca/crhc

4,000+
people housed in
CRHC communities



Corporate & Financial Services

The CRD is a leader in occupational health and safety in the workplace, thanks to the continued dedication and safety awareness of all staff and the hard work of our Joint Occupational Health and Safety committees. Our WorkSafeBC Estimated Injury Rate is 25% better than industry average. Since 2005, we have received 36 safety awards, including the North American Occupational Safety and Health Award for Best Overall Program in BC and Canadian Society of Safety Engineering Award for Most Innovative Program in Canada.

www.crd.bc.ca/careers

 **36**
safety awards and
recognitions received
over the last 15 years

Ensuring excellent service delivery is at the core of our central services. The CRD demonstrates leadership in organizational performance by applying best practices and following effective financial and audit reporting practices. We strive for continual improvement through ongoing workforce education, training, and development; fostering exceptional customer service; and investing in systems that increase efficiency in our operations.

Drinking Water

Our integrated water service delivery model closely aligns and integrates our water and wastewater infrastructure operating and engineering responsibilities for our regional, sub-regional, and local community water and wastewater systems.

Areas of focus include:

- infrastructure operations
- watershed protection
- infrastructure engineering
- customer & technical services

www.crd.bc.ca/service/drinking-water/

46.5M m³ 
of drinking water delivered
in 2017 through the regional
water supply system

Stewardship of our drinking water supply means careful management of the systems that bring the water from the source to your tap, ensuring safe and sustainable drinking water for today and into the future. The CRD is responsible for the supply of drinking water through the Regional Water Supply System serving Greater Victoria and for distributing water directly to customers in several municipalities and electoral areas. Delivering safe drinking water requires more than a reliable network of water pipes. It also includes protecting the source, disinfecting the water and monitoring water quality, operating and maintaining transmission systems and investing in infrastructure replacement.



Education, Outreach & Information

The CRD shares information to support sustainability objectives and enhanced quality of life for current and future residents. Many resources are available on our website, including:

- ▶ fact sheets
- ▶ maps
- ▶ development statistics
- ▶ indicators
- ▶ publications

www.crd.bc.ca/about/data

2,381

visitors toured the Hartland Landfill in 2017



The CRD delivers programming designed to encourage behaviours that will ensure the continued health and sustainability of our region. This includes environmental education, in-person outreach at community events, regulatory enforcement and information provision for businesses and institutions, and partnerships within the community to further common goals. In addition, we have interpretive programs, nature centres and guided activities, as part of our regional parks system. The CRD also provides relevant, timely and usable data and information through sub-regional profiles and fact sheets to ensure the accessibility of regional data.



Environmental Protection

Through advocating, partnerships, restoration and monitoring, protection of our environment focuses on optimal health in areas such as:

- ▶ ecosystems
- ▶ harbours
- ▶ watersheds
- ▶ wildlife & plants

www.crd.bc.ca/education/our-environment



3,500

environmental samples collected for analysis in 2017

Protecting and preserving for the benefit of both our natural environment and local residents requires the development and management of strategies, processes and guidelines. The CRD provides scientific and technical expertise within the organization and to municipalities and electoral areas to protect the region's environmental resources and functions through collaboration, service provision and support. Services provided by the CRD include monitoring and assessment of the environment, climate change mitigation and adaptation, environmental reporting and coordination of multi-stakeholder stewardship programs.



Environmental Resource Management

The management of regional solid waste requires a strong citizen understanding of what waste is, what waste isn't and how to best deal with their items. Through education initiatives and outreach activities, the CRD provides a vast amount of information on the five Rs.

Learn more about sorting your waste by playing the game below:

<https://crd.recycle.game>

80+

items accepted at the Hartland recycling facility



Environmental resource management in our region consists of a complex and mature solid waste management system that is constantly evolving, with a mandate to minimize waste and maximize resource recovery. Instead of viewing solid waste as garbage, the CRD sees waste as a commodity and seeks the highest and best use for these resources, as demonstrated by initiatives, such as methane gas capture and the ban on kitchen scraps disposal in the landfill.

Health & Capital Planning

The CRD supports and administers funding in the following areas:

- ▶ upgrading and renewing existing health facilities and medical equipment
- ▶ replacing existing buildings that have reached the end of their economic and functional life
- ▶ starting new projects and expanding existing facilities
- ▶ providing oversight and review of facility projects and expenditures for capital projects and health care equipment
- ▶ providing funding to Island Health for education and enforcement of public health bylaws

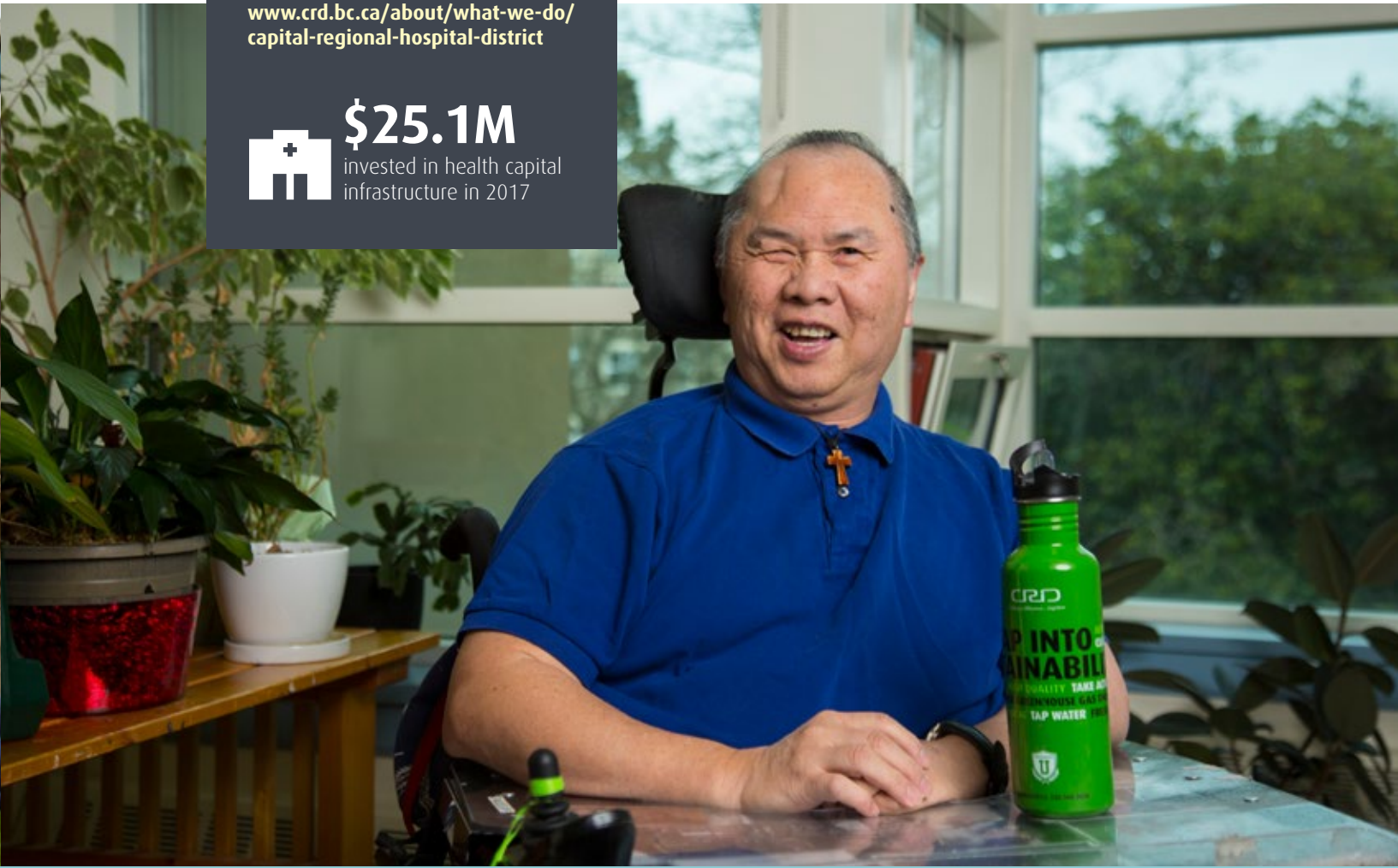
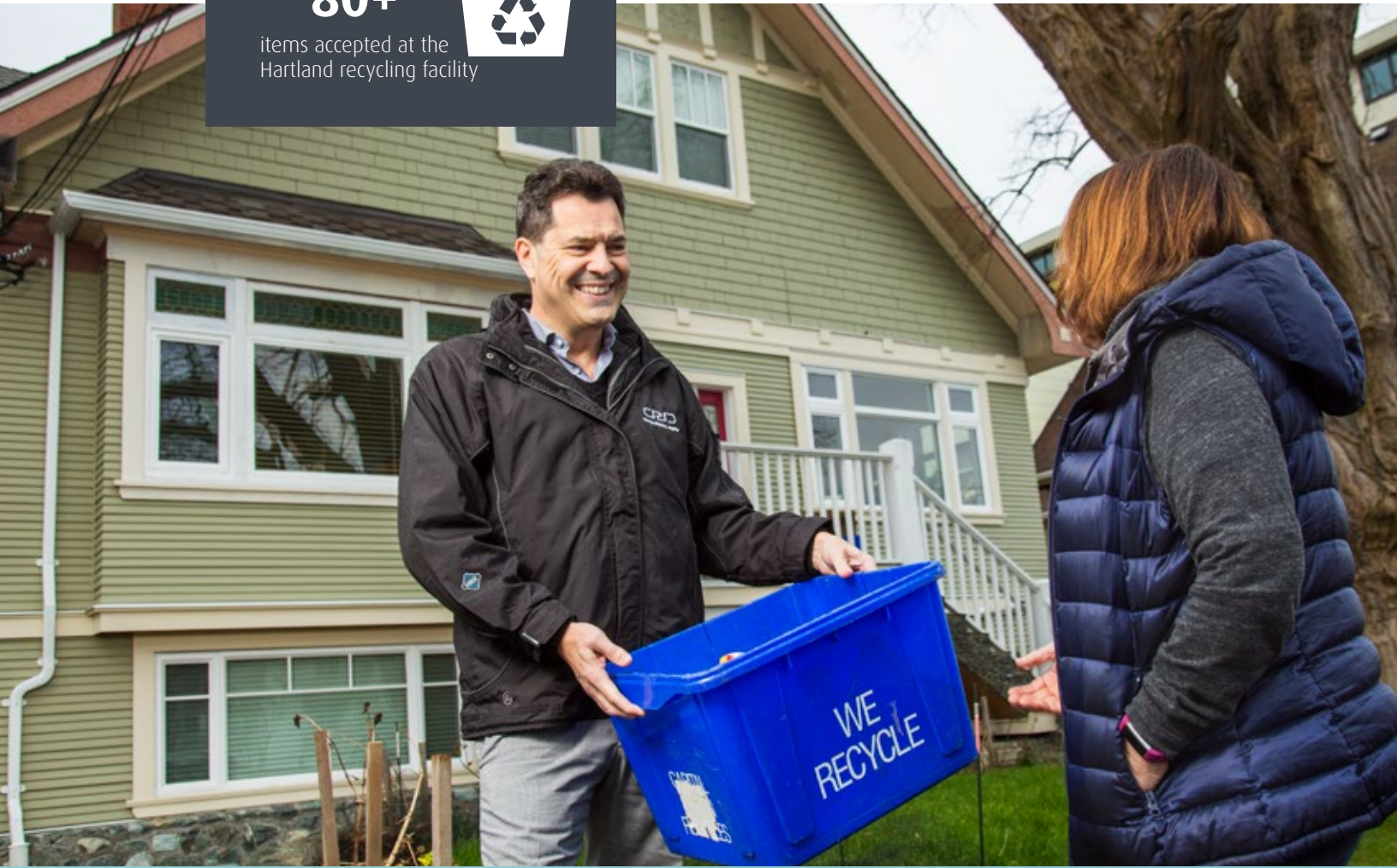
www.crd.bc.ca/about/what-we-do/capital-regional-hospital-district



\$25.1M

invested in health capital infrastructure in 2017

The Capital Regional Hospital District works to create a healthy region by investing in traditional health care services, developing health care facilities and providing capital funding for infrastructure, such as acute care, residential care and hospital equipment. The CRHD and the CRD share the same Board of Directors and Officers.



Protective Services

Emergency management services are in place to respond to multiple hazards in our region, including:

- ▶ earthquakes
- ▶ tsunamis
- ▶ severe weather
- ▶ wildland fires
- ▶ pandemics
- ▶ hazmat incidents
- ▶ flooding

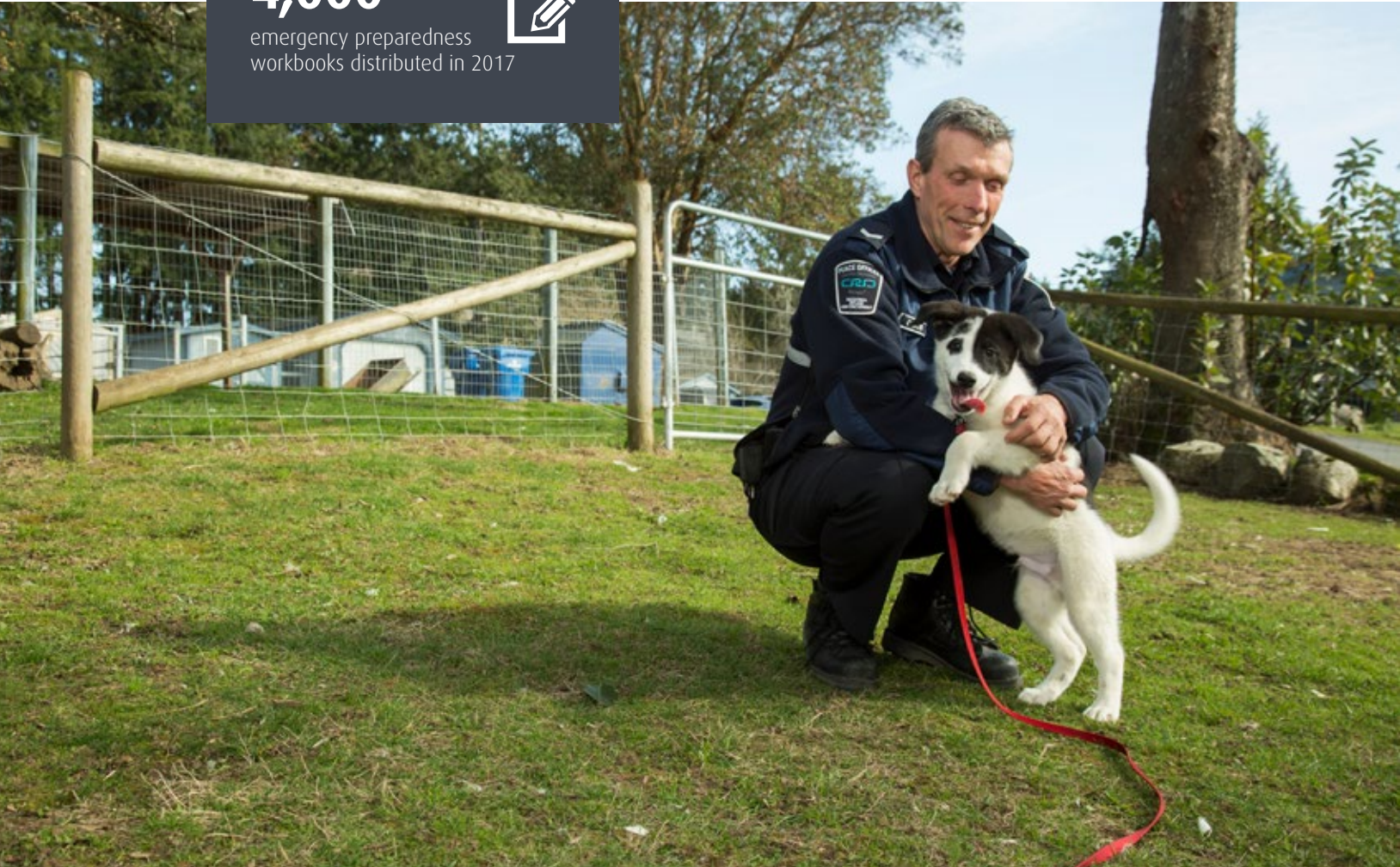
www.crd.bc.ca/prepare-yourself

4,000

emergency preparedness workbooks distributed in 2017



To ensure continued public safety, the CRD offers protective services, such as bylaw enforcement, animal control services, building inspection and emergency management. Community education, mediation, fines and injunctions are tools that aid the enforcement of bylaws that maintain good order, public health and safety. The CRD works in conjunction with other agencies and partnerships to provide information, support and oversight to ensure a coordinated response to regional emergencies.



Recreation, Arts & Culture

A diverse range of arts, culture and recreation activities and opportunities in the capital region ensures a high quality of life for residents and visitors alike. The CRD owns performing arts venues; owns, operates, and funds libraries and museums in electoral areas; and develops, operates and maintains numerous local amenities, including parkland, trails, playgrounds and recreation centres. The CRD provides local arts funding on Salt Spring Island and supports, promotes and celebrates the arts through the Arts Development Service. The investment in arts organizations gives residents access to thousands of affordable arts events that foster civic engagement and social inclusion and helps build a healthy economy.

The CRD participants in the art service provide funding to arts organizations on behalf of eight municipalities in the capital region through operating and project grants and supports public art in the region through landmarkpublicart.ca

www.crd.bc.ca/service/arts-funding



\$2.3M

of arts funding distributed to 70 organizations in 2017



Regional Infrastructure

The CRD's infrastructure includes a broad and intricate network of:

- ▶ rights of way
- ▶ bridges, dams & other structures
- ▶ pipe systems
- ▶ recreation centres
- ▶ housing developments

www.crd.bc.ca/project/capital-projects

\$128.6M 
invested in capital projects in 2017

The well-being of our residents, the development of our communities and the economic growth of our region rely on integrated systems. The CRD operates, manages and maintains regional public infrastructure — including recreation and regional parks facilities, housing and health care complexes, fire halls and libraries, pump stations and pipe systems — to ensure our systems are sustainable and meet the needs of residents, member municipalities and electoral areas. The CRD receives significant support for the replacement and development of infrastructure from senior government through grant programs.

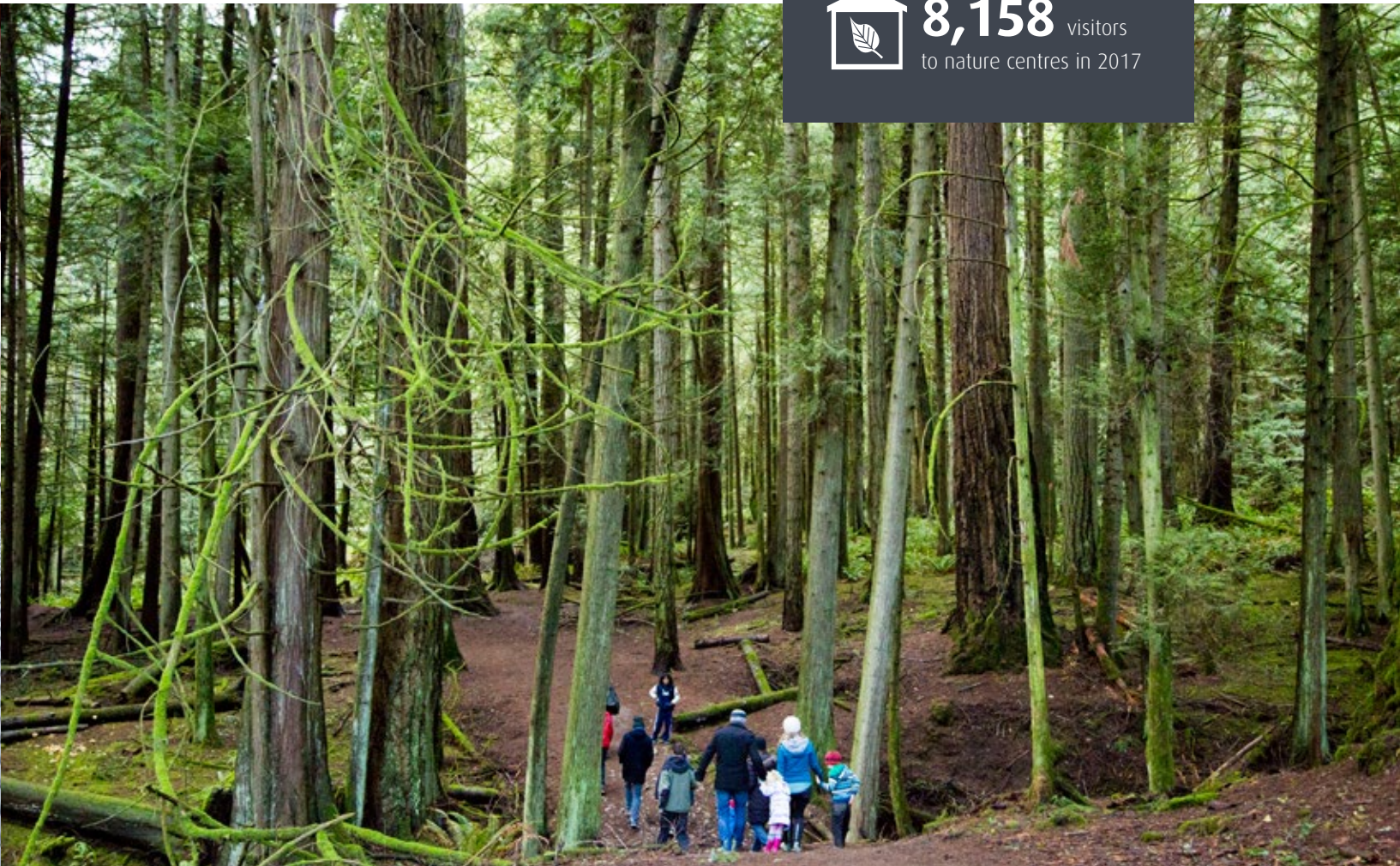
Regional Parks

The CRD protects and manages more than 13,000 hectares of spectacular natural areas in 34 regional parks and trails on southern Vancouver Island and the Gulf Islands. Our parks and trails provide opportunities for outdoor experiences and activities that improve personal health and well-being while fostering appreciation, enjoyment and respect for the region's natural environments. The CRD develops and maintains park facilities, plans for future acquisitions, restores and conserves natural resources and offers interpretive programs for the continued stewardship of regional parks and trails.

The regional parks and trails system makes up more than 5% of the regional district. Responsible growth of these natural areas is made possible by the CRD's Land Acquisition Fund. Residents and visitors alike can participate in self-guided exploration or the 500+ programs offered annually.

www.crd.bc.ca/parks-recreation-culture/parks-trails

 **8,158** visitors
to nature centres in 2017



Regional Planning

The CRD prepares and monitors plans, policies and strategies to fulfill legislative requirements and to address emerging regional issues, such as land use, transportation and food and agriculture. The CRD also supports municipalities and electoral areas in achieving multi-modal transportation goals and establishing partnerships to accelerate investments to address regional mobility needs.

www.crd.bc.ca/project/regional-transportation

14,587 people
interacted directly with the
People Power program in 2017



The CRD provides regional information and value-added analysis of the region's population, development, land use, transportation, housing and employment trends. By engaging in transportation planning — as well as developing, implementing, maintaining and updating a regional growth strategy — the CRD supports regional sustainability and the continued quality of life for current and future citizens.

Wastewater Management

Protecting the health of residents and our local environment is at the forefront of regional wastewater management. The CRD works with municipalities, electoral areas and industry to ensure a consistent approach to stewardship and sustainability in wastewater management services. Our services help protect the local urban and rural watersheds, and the surrounding marine environment. These services manage liquid wastes, septic systems and wastewater collection, treatment and disposal infrastructure across the region. The CRD currently operates six secondary wastewater treatment plants, five of which are located in the electoral areas.

Residential, commercial, industrial and institutional wastewater is collected from municipal or CRD systems, treated and discharged daily through seven CRD wastewater systems. Although the majority of the region is connected to a wastewater system, some residents still rely on septic systems for wastewater disposal. There are an estimated 28,000 septic systems within the region. The CRD provides educational resources to the majority of these septic system owners and monitors maintenance compliance in four municipalities.

www.crd.bc.ca/service/stormwater-wastewater-septic

100M

average number of
litres of wastewater
collected and discharged every
day between two sub-regional
systems in 2017





2017
Progress



Delivering on Priorities

The 2015 Board of Directors established 51 strategic priorities within 12 areas to guide the direction and major activities of the Capital Regional District (CRD). In addition, the CRD identified 17 corporate and core service priorities in nine areas that would ensure continued improvement in the effectiveness, efficiency and delivery of services.

The priority areas were grouped into five themes derived from the CRD’s mission statement — **sustainable, livable, vibrant, collaborate and serve** — that summarize our overall commitment to the region and its residents.

The *2015-2018 Corporate Plan* and divisional service plans detailed the actions and strategies the CRD would undertake in response to these Board, corporate and core service priorities.

In 2017, we completed or operationalized 59 of the total 68 priorities. This section highlights the key accomplishments made during the year that led to this success.

Because many initiatives and projects span multiple years and involve other organizations, the achievements described here capture only a snapshot of our organization’s work.

Board priority areas

Climate Change	
Integrated Waste Management	
Active & Multi-Modal Transportation	
Agricultural Land & Food Security	
Changing Demographics	
First Nations	
Governance	
Public Engagement & Communications	
Housing	
Land Use Planning	
Economic Development	
Biodiversity & Ecosystem Health	

Corporate priority areas

Corporate Development	
Drinking Water	
Education, Outreach & Information	
Environmental Protection	
Health & Well-Being	
Protective Services	
Recreation, Arts & Culture	
Regional Infrastructure	
Regional Parks	

Witty’s Lagoon

Sustainable

REGIONAL GROWTH STRATEGY | Significant strides were made in 2017 toward adopting an updated Regional Growth Strategy (RGS) bylaw. A successful mediation process was planned and undertaken with full collaboration of all participating parties, including ten municipalities and the Juan de Fuca Electoral Area. Mediation was required to resolve disputed provisions related to managing growth, water servicing, climate action and food systems. All parties agreed to solutions developed at mediation, which included content revisions, updated mapping and population projections and new policy direction relating to water servicing and growth management. A revised RGS bylaw reflecting all solutions was prepared for municipal acceptance and Board adoption.*

The RGS addresses matters that have impacts beyond municipal borders. Adoption of the RGS provides the CRD and municipalities with a way to jointly consider the broad regional impacts of their decisions.

* In early 2018, the CRD Board adopted the RGS as Bylaw No. 4017, following unanimous municipal acceptance and endorsement by the Juan de Fuca Electoral Area Director at the Board.



Gorge Waterway

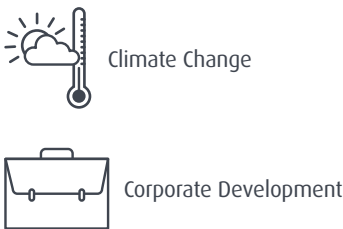


Abandoned Boat

REGIONAL ABANDONED BOATS INITIATIVE | In 2017, the CRD established a regional working group made up of municipal and Islands Trust representatives, and in collaboration with First Nations, to coordinate and focus efforts related to the identification, removal and disposal of abandoned and derelict boats across the capital region. At the direction of the CRD Board, staff applied for federal Abandoned Boat Program funding to both develop an education and awareness campaign and assess and remove boats. Abandoned and neglected vessels have a major impact on the health and safety of the capital region's waterways, including shoreline erosion, ecosystem degradation and the potential leakage of sewage, garbage, fuel and chemicals. With this funding, the CRD will be able to ask residents to help identify derelict vessels and ultimately reduce the number of abandoned boats in the future through responsible boat ownership education, including information about end-of-life best practices, recycling and disposal options.

Neglected vessels have a major impact on the health of the region's waterways.

CORPORATE CLIMATE ACTION | Climate Change is a critical issue facing the region. In 2008, the CRD Board set a target to reduce operational Green House Gas emissions 33% below 2007 levels by 2020. The CRD has been carbon neutral in operations since 2012 and has integrated a climate lens for decision-making. The CRD's commitment to climate action within our operations is guided by the Corporate Climate Action Strategy. In an effort to reduce emissions from the CRD fleet, the CRD successfully received senior government funding from the Green municipal fund to support the transition of the light-duty segment of the CRD fleet to zero emissions vehicles. For more information on this project and other climate action initiatives, see the Climate Action Annual Report by visiting www.crd.bc.ca/climate/



WASTEWATER TREATMENT | The Wastewater Treatment Project will provide tertiary treatment for wastewater for the Core Area municipalities and the Esquimalt and Songhees Nations by December 31, 2020.

The Project is made up of three main elements: the McLoughlin Point Wastewater Treatment Plant, the Residuals Treatment Facility and the Conveyance System. It will be delivered through a number of construction contracts. In 2017, the Project made an important transition from the planning phase to the construction phase. The contract for the McLoughlin Point Wastewater Treatment Project was awarded in April 2017 to Harbour Resource Partners and construction began with blasting and excavation at McLoughlin Point and drilling of the harbour crossing at Ogden Point.

The contract for the Clover Point Pump Station was awarded to Kenaidan Contracting Ltd. in November and the preferred proponent for the Residuals Treatment Facility at the Hartland Landfill, Hartland Resource Management Group, was selected in December. The proponents for the Macaulay Point Pump Station and Forcemain were shortlisted.

The designs for the Clover Forcemain and Residual Solids Conveyance Line progressed and the contracts will be awarded in 2018. As well, geotechnical and archaeological reviews took place over the year to help inform the design of the various aspects of the conveyance system.

The Songhees and Esquimalt Nations each appointed a Liaison to partner and coordinate with the team for the duration of the Project.

Eleven community information houses were held throughout the year in Esquimalt, Victoria and Saanich providing information to the public about the various components of the Project and anticipated construction impacts and timelines.



MEDICATIONS RETURN CAMPAIGN | Launched in April 2017, this public awareness campaign encouraged residents to return unused or expired medications and vitamins to pharmacies across the region for proper disposal, in an effort to keep these contaminants out of the region's natural environment. In partnership with Island Health, the Health Product Stewardship Association and local pharmacies, this campaign reiterated the enduring benefits of source control with a "what you put down the drain matters" message. In addition to this project, the CRD's environmental monitoring team worked to characterize pharmaceuticals and personal care products in wastewater and the marine receiving environment, publishing this information to contribute to the scientific and environmental risk assessment communities.



CAPITAL REGION CLIMATE PROJECTIONS REPORT | In support of regional and local planning efforts, CRD staff worked with the Pacific Climate Impacts Consortium (PCIC) to complete an analysis of the projected sub-regional changes to precipitation and temperature by the 2050s and the 2080s. This report was finalized and presented to the board in 2017, as well as the CRD's Climate Action Strategy, a plan to support community-focused climate actions over the next five years.



Medications Return Campaign Event





Livable

CRHC BOARD STRATEGIC PRIORITIES | The 2016-19 Capital Region Housing Corporation (CRHC) Board Strategic Priorities, with 2017 Outcomes, include:

- ▶ Development - increase CRHC housing stock to benefit households in core housing need; and
- ▶ Management - be a good and responsible landlord to those who rent accommodation with the CRHC.

CRHC began development of Westview in 2017, located on the Mount View Heights site in Saanich. Westview is a 73-unit, 4-storey housing complex that will offer affordable units for seniors, adults with disabilities, working singles and families. Features of the project include: underground parking, preservation of existing Garry Oak trees and rock outcrop, targeting LEED Canada for Homes Gold certification (or equivalent), energy conservation incentives through individual water and electricity metering and rain gardens for storm control.

Westview is a perfect example of what can happen when community organizations work together in partnership. CRHC is partnering with the Independent Living Housing Society (ILHS) to provide five fully-accessible, ground floor units for ILHS clients. These units will be built with wider doorways and hallways to allow room for wheelchair access, and with accessible kitchen design. In addition, the ILHS will have an on-site office in the building.

LYALL HARBOUR DOCK ACQUISITION (SATURNA ISLAND) | Through the Southern Gulf Islands Harbours Service, the CRD operates public docks at twelve locations throughout the Southern Gulf Islands. These docks provide a vital link to island community residents and visitors by providing moorage, access points for emergency services and supplies, as well as landing locations for inter-island travel.

In 2017, the Lyall Harbour dock on Saturna Island was acquired from Canada through a divestiture process and is now owned by the CRD and is an asset of the service. Along with the infrastructure, the CRD received a \$350,000 financial contribution to invest in the dock, to ensure it remains in optimal operating condition.



Housing



Regional Infrastructure



Regional Infrastructure

Vergo, CRHC-Owned & Operated Affordable Townhome Complex in Saanich

TENANT ENGAGEMENT FRAMEWORK | As part of its commitment to being a good and responsible landlord, in 2017 the CRHC adopted a tenant-centred approach to engaging tenants – the Tenant Engagement Framework. The CRHC carried out a Tenant Engagement Pilot Project to increase: activities that foster an informed tenant population; consultation and collaboration in decision-making; support to tenants to maintain their tenancies; and a sense of belonging and connectedness in CRHC communities. The Framework outlines six principles to tenant engagement, which include respectful staff-tenant relationships, transparency, consistency, appropriate engagement, inclusivity and responsiveness. Staff were trained in the framework and the CRHC is looking forward to ensuring ongoing tenant satisfaction, delivering staff training to ensure consistency in service delivery and service standards, and increasing partnerships.



Housing

REGIONAL HOUSING FIRST PROGRAM | Through an innovative partnership, the Regional Housing First Program (RHFP) will create at least 400 supported and affordable housing units at provincial shelter rates and at least 600 housing units affordable to low- and moderate-income households in the region. The CRD is contributing \$30 million toward the capital costs, and the Province and the Government of Canada have each committed \$30 million to the program.



Housing



Regional Infrastructure

In May, the CRD entered into a partnering agreement with the BC Housing Management Commission and with Island Health. Island Health has agreed to align its existing mental health and substance use services with new housing opportunities developed through the RHFP. This program is an investment in the capital region's long-term vision of a responsive, equitable and coordinated system of housing and health supports.

The implementation plan, approved in September, provides a planned approach to support the development of affordable housing units in mixed-market projects that address the needs of those experiencing chronic homelessness and of low- to moderate-income households.

Conversation Club, CRHC Tenant Event



Home Construction in the Region





Regional Water Supply 2017 Strategic Plan

STRATEGIC PLAN FOR REGIONAL WATER SUPPLY | A safe and adequate supply of drinking water is critical to the livability and sustainability of Greater Victoria. In 2017, a new Strategic Plan for Regional Water Supply was finalized. It sets commitments and identifies strategic priorities and actions, with a planning horizon to the year 2050, that will guide the future direction for the Regional Water Supply Service. There are three key water supply commitments in the strategic plan, which are foundational to the plan and to achieving the service authority and mandate. The CRD is committed to:

- ▶ providing high quality, safe drinking water
- ▶ providing an adequate, long-term supply of drinking water
- ▶ providing a reliable and efficient drinking water transmission system

The commitments outlined in the plan will ensure that the CRD continues to provide clean, safe, reliable drinking water to the communities we serve. The Strategic Priorities and Actions will guide service planning and delivery over the coming years. The CRD will be responsive to factors affecting the uncertainty of water supply, such as climate change and future water demand, while ensuring the long-term commitments to our customers remain our priority.

There are six areas of focus that emerge from the plan's Strategic Priorities and Actions that will influence operational, capital and financial aspects of the Regional Water Supply Service over the next five years and beyond:

1. CRD Board priorities – Sustainable and Livable Region
2. Climate change impacts – Mitigation and Adaptation
3. Preparing for emergency and post-disaster water supply
4. Supply system infrastructure investment – Renewing existing and preparing for new infrastructure
5. Planning for the future use of the Leech Water Supply Area
6. Demand management – Addressing changing trends in water demand

The plan went through a public engagement process, was considered by the Water Advisory Committee and was approved by the Regional Water Supply Commission and the CRD Board.



THE SUMMIT | A year after breaking ground on The Summit at Quadra Village, a 320-unit residential care facility for seniors who need dementia and complex care, the site is now a hub of construction activity and anticipated to be completed near the end of 2019.

Project milestones met in 2017 include:

- ▶ tendering and awarding of 16 main scope trades contracts
- ▶ assembling of the construction crane on site
- ▶ installing perimeter drainage for a dry foundation
- ▶ building formwork, pouring the concrete basement and suspended slabs
- ▶ laying plumbing pipes and positioning electrical cables
- ▶ assembling a resident room mock-up to review design finishes
- ▶ completing landscape and civil drawings for tender
- ▶ integrating energy-saving features into the building design



The Summit





Vibrant

REGIONAL FOOD & AGRICULTURE STRATEGY | The CRD initiated or completed 16 of the 33 recommendations in the 2016 Regional Food and Agriculture Strategy (RFAS) with input from the Regional Food and Agriculture Task Force in its first year of service. The strategy addresses challenges and provides guidance on increasing awareness of local food systems and food production. A number of the recommendations initiated will continue as ongoing activities to support local agriculture.



In 2017, the Board approved a Southern Gulf Island Food and Agriculture Strategy (SGI FAS). The Strategy responded to growing interest in food and agriculture in the Southern Gulf Islands and a need to plan for agricultural infrastructure. The Strategy aims to build collaborative partnerships to implement actions supportive of a resilient, sustainable and healthy local food system.

The CRD continues to provide educational materials and tools to address wildlife impacts on agriculture, specifically from deer and geese. Regional Planning staff provided an agricultural lens to other CRD activities that impact agriculture, working with various departments to disseminate information on drainage, water conservation and reducing impacts from invasive species, as well as completing background work for an Agricultural Land Use Inventory, and a Water Demand Model to support an agricultural water rate. Staff also developed a Terms of Reference for a Land Access Feasibility Study and Business Case, to be completed in 2018, and continue to work with the First Nations Relations division to facilitate access to wild game and to support festivals, celebrations, events, and other activities.

Food security remains
a high priority and topic
of growing public interest.

Central Saanich Farm Harvest

PANORAMA ARENA FLOOR REPLACEMENT PROJECT | Construction began on April 3, 2017 to replace the Arena B floor at Panorama Recreation Centre, as it had approached the end of its service life. This project allows Panorama to continue to provide a high-quality experience for its patrons. The 2.2 million dollar project, which included a \$500,000 Canada 150 Community Infrastructure Grant, went extremely well and the arena reopened on October 6. This project's new features included:

- ▶ More energy-efficient arena floor cooling system and radiant heaters
- ▶ Expanded player boxes with raised coaches platform
- ▶ Realignment of player box gates to the correct side of the blue line
- ▶ Relocated and enhanced penalty and timekeeper's box (larger size, heated, power source, data ports, Internet, PA system)
- ▶ Removable panels for improved access and safety for special events
- ▶ Mechanically fastened aluminum dasher system that meets NHL standards and allows more flex on impact for improved player safety
- ▶ Curved acrylic glass terminations and SoftCap® system that exceed NHL standards for player safety
- ▶ 6'-8' high glass which enhances spectator safety and sight lines
- ▶ Rubber flooring around arena walkways



Panorama Arena



DeMamiel Creek Golf Course in Sooke



DEMAMIEL CREEK GOLF COURSE | 2017 brought the first complete 170-day seasonal operation of the DeMamiel Creek Golf Course in Sooke. Sooke Electoral Area Parks and Recreation Commission (SEAPARC) offered a community level golfing experience at an affordable price by maximizing the use of existing SEAPARC resources to provide an efficiently and effectively run operation.

Located in Sooke, the DeMamiel Creek Golf Course is a nine-hole Executive Par 3 Course for all skills and abilities. Situated in a quiet, tree-lined setting, the course provides a challenge for beginners and more experienced golfers. The course is part of the SEAPARC Leisure Complex and complements existing facilities that include a three-pool aquatic centre, ice rink, multi-purpose/fitness space, boardroom, sports field, bike park and skate park.

ACTIVE TRANSPORTATION & HEALTHY COMMUNITIES PROGRAM |

This pilot program focused on motivating, supporting and encouraging residents to safely walk, roll, and cycle more often. The program, called “People Power,” delivered 16 projects over two years. It was led by the CRD, in partnership with community organizations and funding support from multiple partners.

Key projects in 2017 included: “Walktober,” a month-long walking challenge that raised the profile of pedestrian issues and celebrated walking as a healthy, sustainable form of transportation. Total kilometers walked was 36% higher than the 2016 event. Active & Safe Routes to School (ASRS) addressed infrastructure, behaviour, safety and education needs for over 20 schools across the region. The program saw a 4% decrease in driving and a 7% increase in using active transportation to travel to and from school. Bike Freedom provided cycling classes tailored to 55+ adults who would not usually have access to cycling education. People Power furthers the aim of both the Regional Transportation Plan and the Pedestrian & Cycling Master Plan to create an integrated, multi-modal transportation system and uses a collective impact model to build on community-led infrastructure investments and data collection.



Active & Multi-Modal
Transportation



Public Engagement
& Communications

ARTS GRANTS | In 2017, the CRD invested \$2.3 million in support of 70 arts organizations across the region. Operating Grants were awarded to 29 organizations demonstrating excellence and sustainability in three main areas: fulfillment of artistic mandate, administrative competence and community impact. Project grants were awarded to 41 emerging or established arts organizations that produced or presented one-time, recurring, unique or developmental projects.

Organizations that received an arts operating grant from the CRD in 2017 generated \$24,986,278 in revenues. The CRD provided 8.6% of the total amount. That means for every dollar the CRD invested through operating grants, funded organizations generated an additional \$10.60. This is a 10% increase from 2015.

The Arts Development Service fosters social inclusion by supporting organizations that produce a wide range of events and activities that include numerous free and affordable opportunities for communities facing systemic barriers to the arts. In 2017, supported organizations drew 731,219 audience members at 2,996 events in 2017. While operating grant recipients held 1,057 workshops, attracting 47,723 participants.



Recreation, Arts
& Culture

Students en Route





Collaborate

SOOKE HILLS REGIONAL TRAIL / GREAT TRAIL OPENING | The Great Trail is a network of over 24,000 km of multi-use recreational trails that connect Canada from sea to sea to sea. In June 2017, a joint ceremony marked completion of the CRD Sooke Hills Wilderness Trail and the extension of the Cowichan Valley Regional District's (CVRD) Cowichan Valley Trail, which closed a gap in the route of The Great Trail. The 13-km unpaved trail offers outstanding hiking, cycling, and horseback riding. This trail will become a main highlight for visitors to Sooke Hills Wilderness Regional Park.



The Great Trail, including the Sooke Hills Regional Trail, connects Canada from sea to sea.

Sooke Hills Regional Trail

SEA TO SEA REGIONAL PARK: TRADITIONAL USE AND ACCESS

AGREEMENT | One of the important priorities the Board identified in its strategic plan was the opening of the Sea to Sea Regional Park. In 2017, the CRD worked closely with T’Sou-ke Nation to respectfully address the priority and significance that T’Sou-ke Nation has placed on access to those park lands and a say in how they are managed. The agreed-upon approach sets out meaningful ways the two governments can build and strengthen relationships, including a joint Parks Operations Management Committee. The agreement aligns with Article 25 of the United Nations Declaration of the Rights of Indigenous peoples by showing respect for T’Sou-ke Nation’s spiritual and cultural attachment to its traditional lands.



FIRST NATIONS WATERSHED TOURS | The annual community tour of the drinking watershed lands introduced a unique tour for First Nations. Elders, youth and community leaders walk the land, share knowledge and reconnect with this important territory. CRD staff spent the day with knowledge keepers to strengthen their understanding of the land and the role it plays in nurturing traditional languages, culture and medicines. It is also an opportunity for the CRD to share with neighbouring First Nations the ways in which the watershed is carefully managed to ensure the provision of safe, clean and abundant drinking water for the benefit and health of everyone in the region.



View from Mt. Quimper in Sea to Sea Park



First Nations Watershed Tour





Items Used as Part of a Cultural Training Exercise



Saint John Point on Mayne Island

CULTURAL TRAINING | As part of its commitment to the Truth and Reconciliation Commission’s Calls to Action, the CRD has undertaken a comprehensive corporate-wide cultural training program for staff. In 2017, over 100 CRD staff attended a day-long course focused on providing the skills and sensitivity when working in a government-to-government relationship with First Nations. Building on this foundational work, CRD staff worked in partnership with local First Nations cultural advisors and elders to produce a cultural training exercise (based on the Kairos Blanket Exercise) that invites deeper understanding and empathy. All of the CRD’s senior staff and executive have undertaken this training, with the goal of rolling out the program across all departments in 2018.



First Nations

OCEAN ACIDIFICATON IMPACT ASSESSMENT | In collaboration with Ocean Networks Canada, the University of Victoria and Fisheries and Oceans Canada, the CRD’s assessment of the impacts of Core Area outfalls on dissolved oxygen and ocean acidification confirmed that the outfalls are having relatively little impact in these areas, with the most predominant impacts being driven by estuarine circulation and the resultant draw of deep Pacific water into the Salish Sea.



Biodiversity & Ecosystem Health



Climate Change

CRD PURCHASE OF SAINT JOHN POINT PARKLAND ON MAYNE ISLAND |

In October 2017, the CRD purchased, in partnership with the Mayne Island Conservancy Society and American Friends of Canadian Land Trusts, a 26-hectare waterfront property on Mayne Island. The CRD contributed \$2 million through the Regional Parks Land Acquisition Fund. The remainder of the purchase price was funded through community fundraising coordinated by the Mayne Island Conservancy Society and a donation by the landowner. The project represents a unique bi-national collaboration involving Canadian and American landowners, and charities from both countries. The property features shoreline bluffs and a small pocket beach, along with an existing trail network through mature forest stands; it will provide protection for several sensitive ecosystems and plant communities. This purchase brought the total amount of land acquired for CRD regional park purposes to 4,608 hectares since the Land Acquisition Fund was established in 2000.



Regional Parks



Biodiversity & Ecosystem Health



Recreation, Arts & Culture

SOURCE CONTROL SYMPOSIUM |

CRD staff collaborated with Metro Vancouver to develop and present a full-day symposium for Source Control Programs hosted at the BC Water and Wastewater Association Annual Conference. Using a mix of presentations and panel discussions, the symposium was aimed at leveraging our established and successful Source Control practices to help promote best practices, networking and recent innovations amongst source control regulators in BC. Following the symposium, a Community of Practice was developed to continue the networking and information sharing.



Biodiversity & Ecosystem Health



Integrated Resource Management

Serve

COMMUNITY OUTREACH | Throughout 2017, the CRD attended 28 community outreach events, including home shows, community fairs and festivals, and brought the mobile drinking water station to 11 events across the capital region.

At these events, the CRD provides information about services, such as recycling and pollution prevention, offers education and tips on environmentally friendly, and sustainable practices, such as conserving water and cleaning with natural products, and introduces new initiatives and awareness campaigns.

These venues allow the CRD to directly engage with residents and businesses and participate in two-way conversations that not only disseminate information but also encourage behaviours that will ensure the continued health and sustainability of the region.



SOUTH ISLAND 911/POLICE DISPATCH CENTRE | In October, the CRD began construction of the South Island 911/Police Dispatch Centre, which will unify the 911 Primary Safety Answering Points (PSAPs) and Police Dispatch for the region. Through a unified purpose-built, post-disaster emergency communications centre, the project will help support the region's safety, security, and post-disaster resiliency. The CRD partnered with regional 911 call answer and police agencies, including the RCMP, Districts of Saanich, Central Saanich, Oak Bay, and City of Victoria. The project is on time and on budget with expectations to be operationalized by January 2019.



Project milestones in 2017 include:

- ▶ Completing agreements between all partners
- ▶ Awarding contracts for architecture, project management, excavation, concrete, steel, mechanical and electrical systems, and elevators
- ▶ Completing the schematic design package
- ▶ Preparing the site and foundation systems

Spring Outreach Event



South Island 911/Police Dispatch Centre





2017 CRD United Way Campaign Leaders

CRD UNITED WAY CAMPAIGN | In 2017, the CRD continued its support of the United Way of Greater Victoria (UWGV) for its 22nd consecutive year. UWGV is on the front lines in facing some complex regional issues, last year having helped over 111,000 individuals in the capital region. UWGV provides support to places like Big Brothers and Big Sisters, Bridges for Women Society, Sooke Transition House, Victoria Cool Aid Society and many programs throughout the region from Victoria to Sooke to Sidney and southern Gulf Islands.

The CRD United Way Campaign is entirely driven by employees, with the goal of making a healthy, vibrant community together. The 2017 campaign involved internal staff fundraising events like a trivia night, chili cook-off, bake sale and more. Staff are proud to have raised \$49,930 for the community. During the campaign, leadership pledge donations increased by 36% from the previous year. United Way Leaders include CRD employees from a wide array of jobs and pay levels who have decided to pledge to donate \$500 or more to the United Way over the course of the year. Leadership pledges, in particular, provide stability for the United Way's network of programs and services.

The 2017 campaign was pleased to accept the Municipal Challenge Cup at the early 2018 United Way of Greater Victoria Spirit awards. The Cup is awarded to the municipality with the largest increase in funds raised.



Health & Well-Being



Public Alert Notification System Online Sign-up

PUBLIC ALERTING NOTIFICATION SYSTEM | In 2017, the CRD launched the Public Alerting Notification System (PANS), a tool for residents of Electoral Areas, where the CRD is the local government, to subscribe and receive public safety messaging. These notifications include urgent action items, such as boil water advisories, fire safety evacuations, and tsunami warnings. The system allows for direct contact to registrants via cell, landline, and email, thereby increasing community preparedness.



Protective Services



Staff Members Participate in Emergency Operations Training

EMERGENCY OPERATIONS TRAINING | Beginning in 2017, the Planning & Protective Services division implemented the 2017-2019 CRD Emergency Management Staff Training Plan, as approved by the Emergency Management Committee, which delivered Emergency Operations Centre (EOC) training to 24 CRD staff and over 25 emergency partners and local government emergency practitioners regionally.

EOC training teaches participants on:

- ▶ EOC set up and staffing responsibilities in response to a disaster;
- ▶ Structure and roles of an EOC;
- ▶ How to deliver Operations, Planning, Logistics, Finance and Administration support to recover and maintain operations during an emergency;
- ▶ How to deliver support to responding agencies and emergency teams during emergency events or disasters.

Training will continue throughout 2018 and beyond to ensure staff who are responsible for emergency and disaster management can effectively support the response to emergencies and integrate correctly with federal, provincial and regional authorities.



Jordan River

TSUNAMI AND EARTHQUAKE EARLY WARNING SYSTEMS | In June 2017, the CRD installed and commissioned a state of the art Tsunami and Earthquake Early Warning System for the Port Renfrew / Pacheedaht First Nations area, following the installation of the Jordan River Tsunami Siren Warning System contract that commenced in May 2016. Testing of these systems continued throughout 2017 to January 2018 and will be brought into service by mid-2018 to allow residents in low-lying coastal areas to react to a tsunami warning and move to higher ground.

Objectives of these systems:

- ▶ Provide warning of a tsunami to areas of Port Renfrew and Jordan River by way of using a series of sirens and voice messaging;
- ▶ Provide warning for both a local and distant earthquake that may cause a tsunami;
- ▶ Be configured to allow remote triggering and shut-off by CRD emergency management staff and CRD Fire Dispatch.





2017 Financial Highlights

In 2017, the Capital Regional District delivered on Board and corporate priorities by:

- investing in the future,
- managing the cost of debt, and
- diversifying revenue streams.

Financial Reporting Overview

The Capital Regional District (CRD) is pleased to provide this consolidated financial overview for 2017, a busy year of economic growth and activity in the region.

A Growing Economy

Population growth continues to drive the regional economy. Since 2011, the population has increased 6.6%, outpacing Metro Vancouver and the Province as a whole. In 2017, double-digit growth in property assessments continued at 18%. Building permit values grew by more than 30%. Where building permits signal construction intentions, housing starts indicate construction activity. In 2017, housing starts were up 31%, reaching the highest level in 40 years.

This regional growth and demand drives key CRD infrastructure projects and optimization of services that align with long-term corporate and strategic planning as developed by the CRD Board.

Our Process

This report includes the CRD's consolidated statement of financial position and the consolidated statement of operations, which form the basis of the audited financial statements.

Each year, the CRD prepares audited financial statements in accordance with legislative requirements and presents them at a public Board meeting. The 2017 financial statements were prepared by management in accordance with Canadian Public Sector Accounting Board (PSAB) standards and were audited by KPMG LLP and submitted to the Board for approval.

Under PSAB regulations, governments are required to present five statements with explanatory notes:

- ▶ Statement of Financial Position
- ▶ Statement of Operations
- ▶ Statement of Change in Net Debt
- ▶ Statement of Remeasurement Gains and Losses
- ▶ Statement of Cash Flows

The CRD also includes a number of schedules for additional reference. The consolidated financial statements include all CRD divisions and departments.

Capital Region Housing Corporation

The Capital Region Housing Corporation (CRHC) is a non-profit organization wholly owned by the Capital Regional District. It is governed by a seven-member Board of Directors, four of whom sit on the CRD Board, two of whom are community volunteers and one of whom is a tenant with the CRHC.

As an entity of the CRD, the CRHC's financial statements are consolidated within the audited CRD financial statements.

Capital Regional Hospital District

The Capital Regional Hospital District (CRHD) operates under the authority of the Hospital District Act and shares the same boundaries, directors and administrative staff as the CRD.

It partners with Island Health and community agencies to develop and improve health-related facilities in the region. The CRHD prepares a set of audited financial statements independent from the CRD. Page 76 features a brief summary of the CRHD's financial highlights for 2017.

More Information

The complete 2017 Statement of Financial Information and related documents are located on the CRD website at www.crd.bc.ca/about/financial-accountability.

392,000
residents
Up 6.6%
since 2011

+33%
New Construction Jobs
in the Province are in
Greater Victoria

3.8%
Unemployment
lowest in Canada

1.9%
Inflation Rate
vs. 1.6% nationally

\$1,072
avg. Market Rent
per month in the Victoria Census
Metro Area (CMA)

41%
of Housing Starts
are rental units

0.7%
Rental Vacancy Rate
in the CMA

CRD

2017 Operating Budget

Consolidated



Capital Regional District
\$238.2M



Capital Region Housing Corporation
\$15.2M



Capital Regional Hospital District
\$30.8M

Total
\$284.2M

2017 Capital Budget

Consolidated



Capital Regional District
\$157.2M



Capital Region Housing Corporation
\$4.0M



Capital Regional Hospital District
\$31.6M

Total
\$192.8M

CRD Consolidated Statement of Financial Position

This statement presents the organization's assets, liabilities, net debt position and accumulated surplus or equity position. The net debt position increased by \$9.5M, due to increases in amounts owed for current payables offset by increases in accounts receivable and assets held for resale. The increased net debt position, combined with investments in tangible capital assets, result in an increase in accumulated surplus of \$69.7M.

	2017	2016
	(in millions)	(in millions)
Financial assets		
Cash and investments	\$194.6	\$209.6
Accounts receivable	\$24.3	\$12.6
Member municipality debt	\$161.8	\$153.4
Restricted cash – MFA Debt Reserve Fund	\$3.1	\$3.6
Land for resale	\$19.1	\$0.0
	\$402.9	\$379.2
Financial liabilities		
Accounts payable and accrued liabilities	\$64.7	\$21.1
Deferred revenue	\$13.4	\$12.2
Long-term debt – CRD	\$356.2	\$368.3
Landfill closure liability	\$9.5	\$8.9
Other long-term liabilities	\$4.1	\$4.2
	\$447.9	\$414.7
Net debt	(\$45.0)	(\$35.5)
Non-financial assets		
Tangible capital assets	\$1,090.1	\$1,011.5
Inventory of supplies and expenses	\$1.8	\$1.2
	\$1,091.9	\$1,012.7
Accumulated surplus	\$1,046.9	\$977.2

CRD Consolidated Statement of Operations

This statement identifies the results of the organization’s financial activities for the year by presenting revenues less expenses, resulting in the organization’s annual surplus on a PSAB basis. The overall 2017 revenue increased by \$12.4 million. This increase was driven primarily through increases in other revenue due to \$10 million in federal grants for the Wastewater Treatment Project. The change in expenses for 2017 relates primarily to an increase in recreation and cultural services and general government services, offset by a decrease in expenses for sewer, water and garbage services. Financial surpluses generated from operations are generally carried forward and used to make principal debt repayments and reduce the appropriate service requisitions or funding requirements.

	2017	2016
	(in millions)	(in millions)
Revenue		
Requisition – CRD	\$60.9	\$58.3
Sale of services	\$95.5	\$94.5
Other revenue	\$62.2	\$53.9
Requisition – municipal debt	\$14.6	\$14.1
	\$233.2	\$220.8
Expenses		
General government services	\$16.0	\$14.7
Protective services	\$10.3	\$9.8
Sewer, water and garbage services	\$73.9	\$77.2
Planning and development services	\$2.7	\$2.8
Affordable housing – rental expenses	\$14.7	\$14.5
Recreation and cultural services	\$27.8	\$25.6
Other	\$2.6	\$2.3
Municipal debt servicing	\$14.6	\$14.1
	\$162.6	\$161.0
Annual surplus	\$70.6	\$59.8

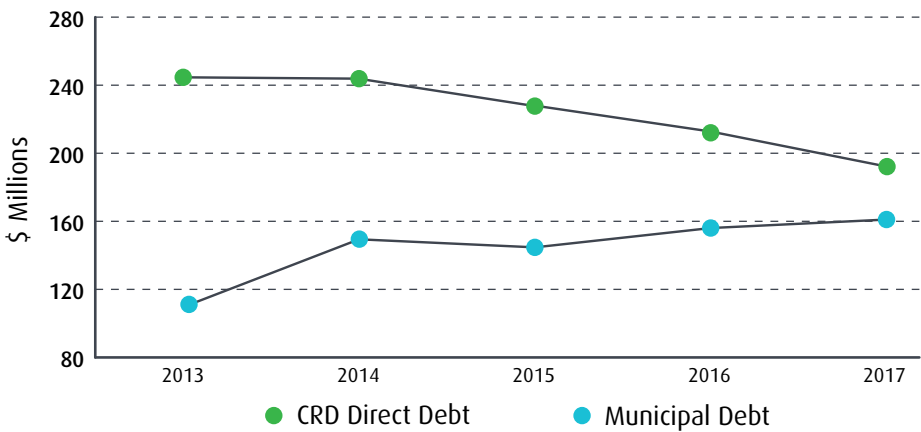
CRD Consolidated Financial Health

Current Ratio
The current ratio is a measure of the liquidity of an organization, meaning the CRD’s ability to meet current obligations (accounts payable) through current assets (cash and accounts receivable). A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. Generally, a current ratio greater than one is considered healthy for a government entity.

CURRENT RATIO

1.52:1

Debt
Long-term debt levels continue to decrease, with a total reduction in 2017 of \$12 million due to retirements and repayments of loans. Long-term debt includes debt for CRD, CRHC and member municipalities. While the CRD and CRHC debt decreased by a combined \$20.5 million, member municipality debt increased by \$8.4 million, bringing total long-term debt to \$356.2 million in 2017.



Net debt encompasses the difference between financial assets and financial liabilities for the current year. In 2017, the CRD’s net debt was \$45.0 million, which is an increase of \$9.5 million over 2016. Net debt is an indicator towards the financial flexibility of the CRD to acquire capital.

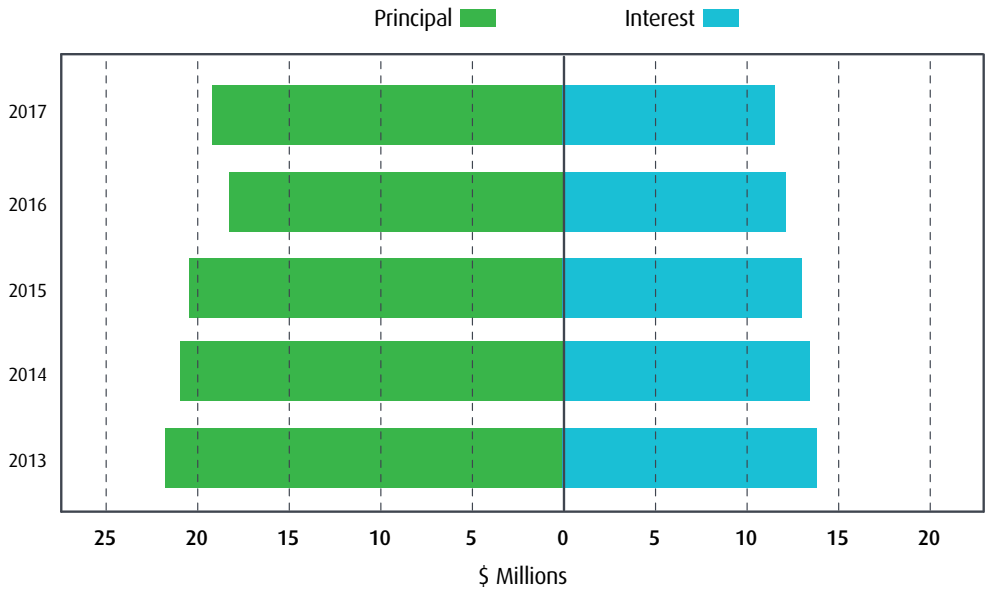
Assets Funded by Debt
The Capital Investment Funded by New Debt ratio measures the current year acquisition of capital assets that are funded by new debt. In 2017, excluding \$73.5 million investment towards the Wastewater Treatment Project, new debt funded \$4.0 million out of CRD’s capital investment balance of \$55.1 million.

CAPITAL INVESTMENT FUNDED BY NEW DEBT

7.3%

Payments on Debt

The table below shows the split between principal and interest of total debt payments in the last five years. The portion of debt payments going to pay interest is trending lower as a result of lower rates and reduced principal.

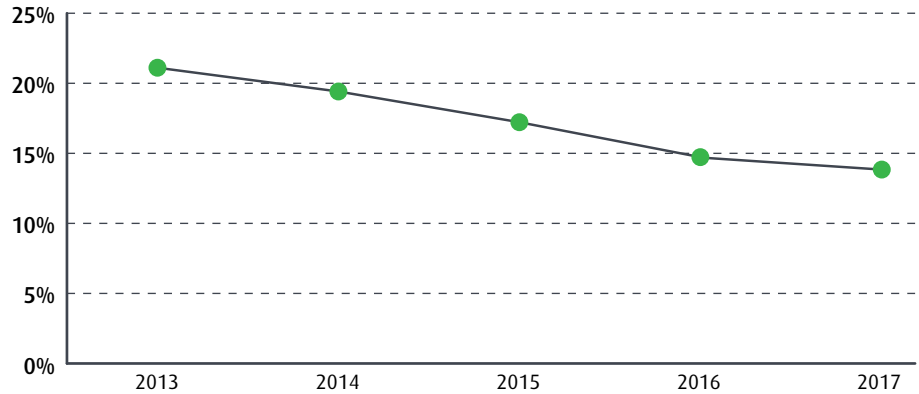


Debt Servicing Costs

The Debt Service Costs to Total Revenue ratio is the percentage of revenue committed to the payment of interest and principal on temporary and long-term debt. A high percentage indicates greater use of revenue for the repayment of debt and less ability to adjust to unplanned events and changing circumstances. The CRD’s debt servicing costs (excluding member municipality debt servicing costs) have been trending down year over year. In 2017, debt servicing costs were \$30.9 million and total revenue was \$218.6 million.

DEBT SERVICE COSTS
TO TOTAL REVENUE¹

14.1%

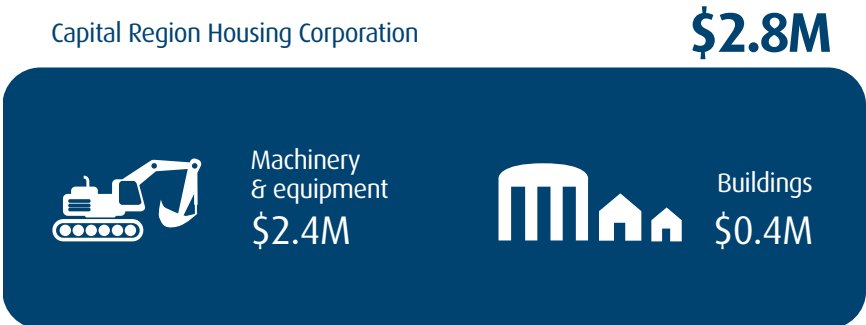
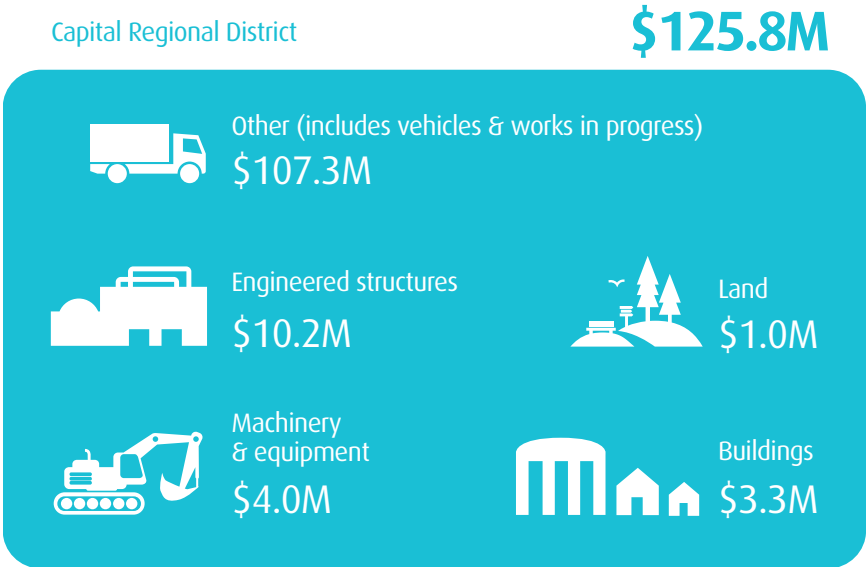


¹Does not include member municipal debt

CRD Consolidated Capital Investment

The CRD’s capital assets continue to grow as the organization invests in infrastructure projects to support Board-approved service levels, as well as corporate and strategic priorities.

Additions to Capital Assets in 2017



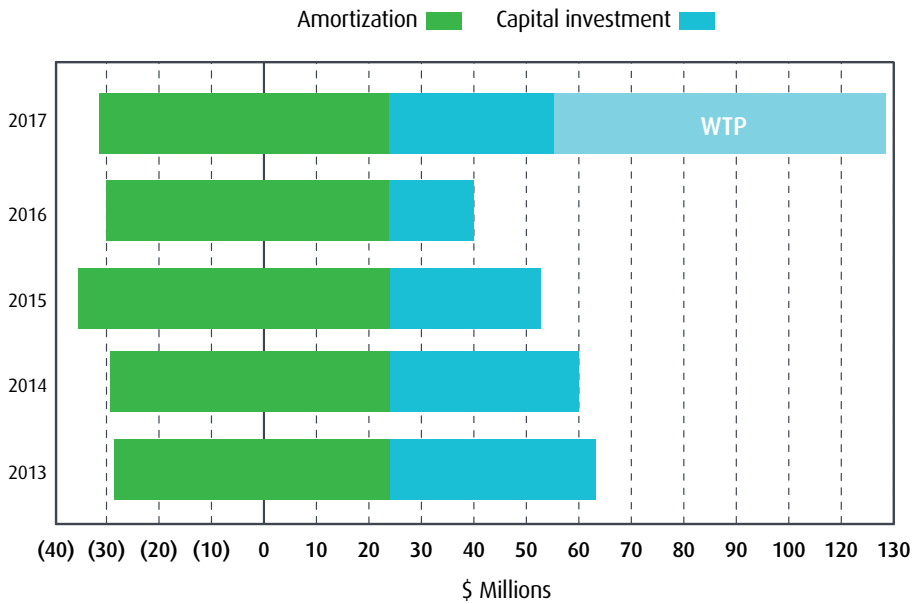
The information above is the net additions of tangible capital assets during 2017.

Capital Investment & Amortization

This ratio is the amount of capital invested in infrastructure for every dollar that assets depreciate each year. In 2017, investment in capital was \$128.6 million, which includes \$73.5 million in acquisitions for the Wastewater Treatment Project (WTP). Excluding the impact of WTP, the investment in capital was \$55.1 million compared to amortization of \$30.8 million.

INVESTMENT IN CAPITAL OVER AMORTIZATION

4.2x

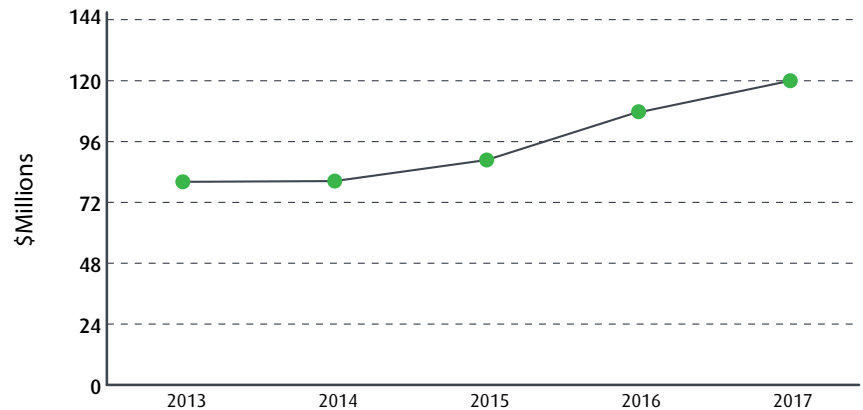


Contributions to Reserves

Contributions to reserves are needed to reduce costs of borrowing for asset renewal, replacement and to mitigate risk of asset failure. Reserves are essentially savings supporting sustainable service delivery while balancing fluctuations in requisition and users fees. Transfers to operating and capital reserves increased the total reserve to \$120.1 million in 2017, an increase of \$12.3 million.

RESERVE BALANCE

\$120.1M



CRHD Statement of Financial Position

This statement presents the Capital Regional Hospital District’s assets, liabilities, tangible capital assets and accumulated deficit. The accumulated deficit for 2017, also represented as total assets minus total liabilities, is \$87.5 million.

The overall position is a deficit, since the CRHD borrows funds and, in turn, distributes capital grants to the region’s hospitals. These grants are recorded as expenses rather than assets of the CRHD.

	2017	2016
	(in millions)	(in millions)
Financial assets		
Cash and cash equivalents	\$33.7	\$18.3
Accounts receivable	\$1.0	\$0.2
Investments	\$40.0	\$0
Restricted cash – MFA Debt Reserve Fund	\$4.0	\$3.4
Land for resale	\$0.0	\$0.9
	\$78.7	\$22.8
Financial liabilities		
Accounts payable and other liabilities	\$5.5	\$3.9
Due to Capital Regional District	\$0.1	\$0
Temporary borrowings	\$0.0	\$0.7
Long-term debt	\$192.4	\$146.2
	\$198.0	\$150.8
Net debt	(\$119.3)	(\$128.0)
Non-financial assets		
Tangible capital assets	\$31.8	\$19.4
	\$31.8	\$19.4
Accumulated deficit	(\$87.5)	(\$108.6)

CRHD Statement of Operations

This summary identifies the result of the CRHD’s financial activities for the year by presenting revenues less expenses, resulting in the organization’s annual surplus on a PSAB basis. The annual surplus for 2017 is \$21.0 million, decreasing the accumulated deficit on the Statement of Financial Position from \$108.6 million to \$87.6 million.

	2017	2016
	(in millions)	(in millions)
Revenue		
Requisition	\$29.7	\$28.7
Other revenue	\$12.0	\$5.6
	\$41.7	\$34.3
Expenses		
Grants to district hospitals	\$9.0	\$9.5
Interest and operating expenses	\$11.7	\$9.7
	\$20.7	\$19.2
Annual surplus	\$21.0	\$15.1

CRHD Financial Health

Current Ratio
 The current ratio is a measure of the liquidity of an organization, meaning the CRHD’s ability to meet current obligations (accounts payable) through current assets (cash and accounts receivable). A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. Generally, a current ratio greater than one is considered healthy for a government entity.

CURRENT RATIO

6.13



Photo Location
Left: East Sooke near Cabin Point.



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