



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** June 7, 2024  
**MEETING TYPE & DATE** Electoral Area Services Committee of July 17, 2024  
**FROM:** Senior Engineering Technologist, Utilities Division,  
Operations Department  
**SUBJECT:** Federation of Canadian Municipal Implementation Projects:  
Adaptation in Action Funding Grant Application  
**FILE:** 5330-20

## **PURPOSE/INTRODUCTION**

The purpose of this report is to obtain approval from the Board to submit a grant funding application through the Federation of Canadian Municipal (FCM) Implementation Projects: Adaptation in Action (LLCA) fund for the Dogwood Water System interconnect with the City of Duncan water system.

## **RECOMMENDED RESOLUTION**

That it be recommended to the Board that an application for grant funding through the FCM Implementation Projects: Adaptation in Action (LLCA) fund for Dogwood Water System interconnect with the City of Duncan water system in the amount up to \$500,000 be submitted, and that (subject to grant approval) cost overruns, ineligible expenses and CVRD contribution be funded by long-term borrowing.

## **BACKGROUND**

The FCM's Implementation Projects: Adaptation in Action fund is designed to help communities adjust and respond effectively to the impacts of climate change. The source water for the Dogwood Water System is two groundwater wells located within the Koksilah River watershed. The wells have experienced declining capacity in recent years which was particularly impactful in the summer of 2023 when the wells were not able to meet system demand, despite the system being on Stage 4 water restrictions. Water hauling was necessary for several weeks to maintain adequate storage in the reservoir for fire protection.

## **ANALYSIS**

The LLCA funding is an application-based funding program offering grants for 60% of eligible costs for capital projects that help communities respond to the impacts of climate change. Additional funding, up to 100% of eligible costs, may be offered as part of four stackable incentives:

- +10% for applicants that are Indigenous communities, local governments, applying in partnership with an Indigenous community, or for projects that include two or more municipal governments.
- +10% for applicants that are rural and/or remote communities, and municipalities with populations below 10,000.

- +10% for projects that meaningfully address anti-racism, equity, and/or Reconciliation.
- +10% for projects that emphasize nature-positive adaptation.

The additional incentives offered, if any, will be announced pending a successful funding application.

A feasibility study to interconnect the Dogwood Water System with the City of Duncan water system has been prepared. The estimated capital cost for the interconnect is \$342,000. An additional \$50,000 has been estimated to decommission the two groundwater wells. Preliminary discussions with the City of Duncan and Cowichan Tribes' staff have indicated support for the interconnection.

### **FINANCIAL CONSIDERATIONS**

The LLCA program can contribute 60% of eligible costs (with the possibility of additional funding, up to 100%, as identified above). The remaining cost will be funded through long-term borrowing.

### **COMMUNICATION CONSIDERATIONS**

Not applicable.

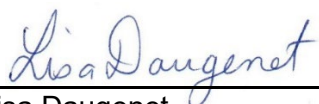
### **STRATEGIC/BUSINESS PLAN CONSIDERATIONS**

The Corporate Strategic Plan includes an objective to achieve compact, mixed communities. Coordination of water, sewer and other infrastructure is the strategic action identified to promote compact, mixed-use communities. The recommended resolution provides a reliable essential service.


Referred to (upon completion):

- Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
- Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

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

Resolution:

Corporate Officer

Financial Considerations:

Chief Financial Officer