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**BEDDIS WATER SERVICE COMMISSION**

Notice of Meeting on Friday, February 28, 2014 at 1 pm  
Portlock Park Portable, 145 Vesuvius Bay Road, Salt Spring Island, BC

S. Wheeler

N. Hamilton

R. Waldick

W. McIntyre

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**AGENDA**

1. Approval of Agenda
2. Minutes of the Meeting held December 10, 2013
3. 2014 Capital and Operating Budget
4. New Business
5. Adjournment

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*To ensure a quorum, advise Tracey Shaver at 250.537.4448 if you cannot attend.*



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**Minutes of the Regular Meeting  
of the Beddis Water Service Commission  
Held December 10, 2013, 2591 Fulford Ganges Road, Salt Spring Island, BC**

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**DRAFT**

**Present:**           **Director:** Wayne McIntyre  
                          **Commission Members:** Simon Wheeler (Chair), Nancy Hamilton, Ruth Waldick  
                          **Staff:** Karla Campbell, Senior Manager; Brian MacDonald, Manager Financial Planning and Treasury Corporate Services; Ted Robbins, GM Integrated Water Services; Dan Robson, Manager of Operations Integrated Water Services Saanich Peninsula and Gulf Islands; Peter Sparanese, Senior Manager Infrastructure Operations; Sarah Shugar, Recording Secretary

Chair Wheeler called the meeting to order at 5:15 pm.

**1. Approval of Agenda**

**MOVED** by Commissioner Waldick, **SECONDED** by Director McIntyre,  
That the agenda be adopted as presented.

**CARRIED**

**2. Approval of Minutes – December 6, 2012, March 14, 2013 and March 26, 2013**

**MOVED** by Director McIntyre, **SECONDED** by Commissioner Hamilton,  
That the minutes of December 6, 2012 Regular Meeting be approved as presented.

**CARRIED**

**MOVED** by Director McIntyre, **SECONDED** by Commissioner Hamilton,  
That the minutes of March 14, 2013 Regular Meeting be approved as presented.

**CARRIED**

**MOVED** by Director McIntyre, **SECONDED** by Commissioner Hamilton,  
That the minutes of March 26, 2013 Special Meeting be approved as presented.

**CARRIED**

**3. Update for the Beddis Water Treatment Plant Completion and Distribution System Upgrade Project**

Manager Campbell reviewed the Update for the Beddis Water Treatment Plant Completion and Distribution System Upgrade Project report dated December 10, 2013. It was noted that the treatment plant is fully fenced.

**MOVED** by Chair Wheeler, **SECONDED** by Director McIntyre,  
That the Beddis Water Service Commission receive the Update for the Beddis Water Treatment Plant Completion and Distribution System Upgrade Project report for information.

**CARRIED**

**4. 2014 Operating and Capital Budget**

T. Robbins reviewed the 2014 Operating and Capital Budget report dated December 10, 2013.

There was discussion regarding the increase to parcel tax and Commission would like to discuss other options.

There was discussion about distribution system failure and a Strategic Asset Management Plan (SAMP) can provide a plan for gradual replacement. There will be collaboration with the Commission regarding levels of service such as fire protection when developing a Strategic Asset Management Plan.

It was agreed to schedule a budget meeting in the New Year.

**MOVED** by Director McIntyre, **SECONDED** by Commissioner Waldick,  
That the Beddis Water Service Commission accept the Draft 2014 Beddis Water budget, subject to further review.

**CARRIED**

**5. New Business**

There were no new business items at this time.

**6. Adjournment**

**MOVED** by Director McIntyre, **SECONDED** by Chair Wheeler,  
That the meeting be adjourned at 5:35 pm.

**CARRIED**



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**REPORT TO BEDDIS WATER SERVICE COMMISSION  
MEETING OF FRIDAY, FEBRUARY 28, 2014**

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**SUBJECT      REVISED 2014 OPERATING AND CAPITAL BUDGET**

**ISSUE**

This report provides a synopsis of the revised 2014 budget, highlighting significant proposed changes, and is in accordance with Bylaw No. 3693, "Salt Spring Island Water, Sewer and Liquid Waste Disposal Commissions Bylaw No. 1, 2010."

**BACKGROUND**

2013 Estimated Actual Revenue and Expense

The actual 2013 revenue is \$3,828 below budget due to lower than budgeted consumption charges. Operating expenses are \$60,571 below budget due to lower operating costs as a result of not operating the new treatment plant for the full year and unused contingency funding. Debt expenditures are \$1,643 below budget. As a result, there is a \$58,386 surplus at 2013 year end.

2014 Operating Expense

A net increase in the total 2014 operating expenses of \$13,960 is proposed resulting from:

- A net decrease in general operating expenses of \$703;
- A \$1,040 increase in North Salt Spring Waterworks operating contract allowance for treatment plant and distribution system operation;
- A \$4,803 increase in operating contingency allowance;
- A \$30,378 increase in debt expenditures;
- A \$21,558 decrease in the transfer to the reserve fund.

2014 Capital Plan

The only capital project planned for 2014 is the decommissioning of the old Lautman Reservoir. At year-end 2013, the projected capital reserve fund balance is \$90,116.

2014 Revenue Requirement and Fees

With the proposed increase in 2014 expenses offset by the \$58,386 surplus carried forward from 2013, the overall revenue requirement for 2014 increases by \$13,960. The 2014 parcel tax is proposed to increase to \$550.00, and the annual fixed user charge and the consumption charge rates are proposed to remain at the 2013 levels.

**RECOMMENDATIONS**

That the Beddis Water Service Commission recommend that the Capital Regional District Board:

1. Approve the 2014 operating and capital budget for the Beddis Water Service as presented;
2. Approve the 2014 parcel tax for the Beddis Water Service as presented;
3. Approve the 2014 fixed annual user charge and consumption charge rates for the Beddis Water Service as presented; and,



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Peter Sparanese, Senior Manager  
Infrastructure Operations, Integrated Water Services

PS:mm

Attachment: 1

# **CAPITAL REGIONAL DISTRICT**

## **2014 BUDGET**

### **Beddis Water (SSI)**

#### **COMMITTEE REVIEW**

Compiled and Presented by CRD Finance  
Data provided by Integrated Water Services

February 2014

**Service: 2.624 Beddis Water (SSI)**

**Committee: Electoral Area Services**

**DEFINITION:**

To provide and operate water supply and distribution facilities for the Salt Spring Island Beddis Water System Service Area.  
Bylaw No. 3188 (November 24, 2004).

**PARTICIPATION:**

Order in Council No 176, February 24, 2005.

**MAXIMUM LEVY:**

Greater of \$133,000 or \$2.71 / \$1,000 of actual assessed value of land and improvements.

**MAXIMUM CAPITAL DEBT:**

Beddis Waterworks 1994 previous debt paid out 2011 \$95,909

AUTHORIZED: LA Bylaw No. 3193 (November 24, 2004) \$325,500

BORROWED: SI Bylaw No. 3291 (\$325,500)

Remaining: \$0

AUTHORIZED: LA Bylaw No. 3825 (July 11, 2012) \$400,000

BORROWED: SI Bylaw No. 3882 (Jan 9, 2013) Matured 2023 (\$300,000)

BORROWED: SI Bylaw No. 3910 (July 2013) (\$70,000)

Remaining: \$30,000

**COMMITTEE:**

Beddis Water Service committee established by Bylaw No. 3247 (Dec 15, 2004)

**FUNDING:**

Any deficiencies after user charge and/or frontage tax or parcel tax to be levied on taxable school assessments, excluding property that is taxable for school purposes by Special Act

**User Charge:**

Fixed user charge + variable consumption charge to all metered properties.

**Parcel Tax:**

Annual, only on properties capable of being connected to the system, starting 2006.  
Parcel charge in lieu of parcel tax in 2005 only.

**Water Connection Charge:**

The connection charge for a service shall be the actual cost for the connection.

**RESERVE FUND:**

Fund 1069, established by Bylaw # 3274 (April 27, 2005)

2.624 - BEDDIS WATER (S.S.I.)

OPERATING COSTS:

Operating - Costs  
Contract For Services  
Contingency

|                              | 2013<br>BOARD<br>BUDGET | 2013<br>ACTUAL | 2014<br>CORE<br>BUDGET | 2014<br>Supplementary | 2014<br>TOTAL  | 2015<br>Supplementary | 2015<br>TOTAL  | 2016<br>TOTAL  | 2017<br>TOTAL  | 2018<br>TOTAL  |
|------------------------------|-------------------------|----------------|------------------------|-----------------------|----------------|-----------------------|----------------|----------------|----------------|----------------|
| Operating - Costs            | 88,205                  | 40,068         | 87,502                 | 0                     | 87,502         | 0                     | 89,799         | 91,743         | 93,733         | 95,769         |
| Contract For Services        | 52,000                  | 45,199         | 53,040                 | 0                     | 53,040         | 0                     | 54,101         | 55,183         | 56,286         | 57,412         |
| Contingency                  | 5,633                   | 0              | 10,436                 | 0                     | 10,436         | 0                     | 9,970          | 10,515         | 11,071         | 11,637         |
| <b>TOTAL OPERATING COSTS</b> | <b>145,838</b>          | <b>85,267</b>  | <b>150,978</b>         | <b>0</b>              | <b>150,978</b> | <b>0</b>              | <b>153,870</b> | <b>157,441</b> | <b>161,090</b> | <b>164,819</b> |

\*Percentage Increase over prior year

0.00%

3.52%

0.00%

3.52%

1.92%

2.32%

2.32%

2.31%

CAPITAL / RESERVE

Transfer to Capital Fund  
Transfer to Reserve Fund

|                                 |               |               |               |          |               |          |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|----------|---------------|----------|---------------|---------------|---------------|---------------|
| Transfer to Capital Fund        | 0             | 0             | 0             | 0        | 0             | 0        | 0             | 0             | 0             | 0             |
| Transfer to Reserve Fund        | 35,107        | 35,107        | 13,549        | 0        | 13,549        | 0        | 21,265        | 21,265        | 21,265        | 21,265        |
| <b>TOTAL CAPITAL / RESERVES</b> | <b>35,107</b> | <b>35,107</b> | <b>13,549</b> | <b>0</b> | <b>13,549</b> | <b>0</b> | <b>21,265</b> | <b>21,265</b> | <b>21,265</b> | <b>21,265</b> |

Debt Expenditures

MFA Debt Reserve

|                    |                |                |                |          |                |          |                |                |                |                |
|--------------------|----------------|----------------|----------------|----------|----------------|----------|----------------|----------------|----------------|----------------|
| Debt Expenditures  | 38,996         | 37,435         | 73,024         | 0        | 73,024         | 0        | 72,899         | 72,899         | 72,899         | 72,899         |
| MFA Debt Reserve   | 4,130          | 4,048          | 480            | 0        | 480            | 0        | 180            | 180            | 180            | 180            |
| <b>TOTAL COSTS</b> | <b>224,071</b> | <b>161,857</b> | <b>238,031</b> | <b>0</b> | <b>238,031</b> | <b>0</b> | <b>248,214</b> | <b>251,785</b> | <b>255,494</b> | <b>259,163</b> |

\*Percentage Increase over prior year

0.00%

6.23%

0.00%

6.23%

4.28%

1.44%

1.45%

1.46%

Internal Recoveries

Fees Charged

|   |                |                |                |          |                |          |                |                |                |                |
|---|----------------|----------------|----------------|----------|----------------|----------|----------------|----------------|----------------|----------------|
| Internal Recoveries                             | 0              | 0              | 0              | 0        | 0              | 0        | 0              | 0              | 0              | 0              |
| Fees Charged                                    | 0              | 0              | 0              | 0        | 0              | 0        | 0              | 0              | 0              | 0              |
| <b>OPERATING COSTS LESS INTERNAL RECOVERIES</b> | <b>224,071</b> | <b>161,857</b> | <b>238,031</b> | <b>0</b> | <b>238,031</b> | <b>0</b> | <b>248,214</b> | <b>251,785</b> | <b>255,494</b> | <b>259,163</b> |

\*Percentage Increase over prior year

0.00%

6.23%

0.00%

6.23%

4.28%

1.44%

1.45%

1.46%

FUNDING SOURCES (REVENUE)

Surplus / (Deficit)  
Balance C/F from Prior to Current year  
Revenue - Water Sales  
Revenue - Other  
User Charges  
Grants In Lieu of Taxes

|  |                  |                 |                  |          |                  |          |                  |                  |                  |                  |
|--|------------------|-----------------|------------------|----------|------------------|----------|------------------|------------------|------------------|------------------|
| Surplus / (Deficit)                    | 58,386           | 58,386          | (58,386)         | 0        | (58,386)         | 0        | 0                | 0                | 0                | 0                |
| Balance C/F from Prior to Current year | (50,034)         | (50,034)        | (58,386)         | 0        | (66,980)         | 0        | (66,980)         | (66,980)         | (66,980)         | (66,980)         |
| Revenue - Water Sales                  | (67,930)         | (62,111)        | (66,980)         | 0        | (66,980)         | 0        | (180)            | (180)            | (180)            | (180)            |
| Revenue - Other                        | (130)            | (2,120)         | (180)            | 0        | (180)            | 0        | (180)            | (180)            | (180)            | (180)            |
| User Charges                           | (40,894)         | (40,895)        | (40,894)         | 0        | (40,894)         | 0        | (86,890)         | (90,461)         | (94,110)         | (97,833)         |
| Grants In Lieu of Taxes                | 0                | 0               | 0                | 0        | 0                | 0        | 0                | 0                | 0                | 0                |
| <b>TOTAL REVENUE</b>                   | <b>(158,989)</b> | <b>(96,774)</b> | <b>(166,440)</b> | <b>0</b> | <b>(166,440)</b> | <b>0</b> | <b>(154,050)</b> | <b>(157,621)</b> | <b>(161,270)</b> | <b>(164,993)</b> |

REQUISITION

(65,083)

(71,591)

0

(71,591)

(94,164)

(94,164)

(94,164)

(94,164)

\*Percentage Increase over prior year

0.00%

10.00%

0

10.00%

31.53%

0.00%

0.00%

0.00%

0.00%

NOTE: Capital / Reserve Fund Expenditures  
PARTICIPANTS:  
AUTHORIZED POSITIONS:  
Salaried  
Hourly



2.624 - BEDDIS WATER (\$ S.I.)

|                                | Prior Yr v7 | Est Act v9 | # | Core v2   | #VALUE! | Total     | Fcst Yr1 v10 | # | Fcst Yr2 v11 | Fcst Yr3 v12 | Fcst Yr4 v13 |
|--------------------------------|-------------|------------|---|-----------|---------|-----------|--------------|---|--------------|--------------|--------------|
| Operating - Costs              | 88,205      | 40,068     | # | 87,502    | 0       | 87,502    | 89,799       | # | 91,743       | 93,733       | 95,769       |
| Contract For Services          | 52,000      | 45,199     |   | 53,040    | 0       | 53,040    | 54,101       |   | 55,183       | 56,286       | 57,412       |
| Contingency                    | 5,833       | 0          |   | 10,436    | 0       | 10,436    | 9,970        |   | 10,515       | 11,071       | 11,637       |
| Other Labour                   | 1,310       | 1,310      |   | 1,340     | 0       | 1,340     | 1,370        |   | 1,397        | 1,425        | 1,454        |
| Corp Svcs & Insurance/Legal    | 9,179       | 8,669      |   | 9,828     | 0       | 9,828     | 10,426       |   | 10,635       | 10,847       | 11,064       |
| Operating Labour               | 16,175      | 2,162      |   | 16,184    | 0       | 16,184    | 16,507       |   | 16,837       | 17,174       | 17,518       |
| Vehicles                       | 1,573       | 156        |   | 1,604     | 0       | 1,604     | 1,637        |   | 1,669        | 1,703        | 1,737        |
| Water Quality Oversight/Report | 1,728       | 1,844      |   | 1,763     | 0       | 1,763     | 1,798        |   | 1,834        | 1,870        | 1,908        |
| Travel Expenses                | 998         | 472        |   | 1,018     | 0       | 1,018     | 1,038        |   | 1,059        | 1,080        | 1,102        |
| Repairs and Maintenance Costs  | 5,900       | 600        |   | 5,994     | 0       | 5,994     | 6,114        |   | 6,236        | 6,361        | 6,488        |
| Rentals and Leases             | 800         | 150        |   | 816       | 0       | 816       | 832          |   | 849          | 866          | 883          |
| Disposal Costs                 | 10,000      | 2,195      |   | 10,200    | 0       | 10,200    | 10,404       |   | 10,612       | 10,824       | 11,041       |
| Operating - Other Costs        | 4,250       | 3,454      |   | 4,285     | 0       | 4,285     | 4,371        |   | 4,458        | 4,547        | 4,638        |
| Administration & Engineering   | 13,242      | 2,744      |   | 10,867    | 0       | 10,867    | 11,084       |   | 11,305       | 11,532       | 11,763       |
| Licenses/Surveys/Fees          | 150         | 150        |   | 184       | 0       | 184       | 187          |   | 191          | 195          | 199          |
| Water Testing Expenditures     | 7,600       | 5,935      |   | 7,750     | 0       | 7,750     | 7,905        |   | 8,063        | 8,224        | 8,389        |
| Utilities & Telecom            | 1,300       | 866        |   | 1,326     | 0       | 1,326     | 1,353        |   | 1,380        | 1,407        | 1,435        |
| Electricity                    | 7,000       | 5,587      |   | 7,000     | 0       | 7,000     | 7,283        |   | 7,577        | 7,883        | 8,202        |
| Supplies - Chemical            | 6,000       | 2,451      |   | 6,120     | 0       | 6,120     | 6,242        |   | 6,367        | 6,495        | 6,624        |
| Supplies - Operating           | 1,000       | 1,523      |   | 1,224     | 0       | 1,224     | 1,248        |   | 1,273        | 1,299        | 1,325        |
|                                | 88,205      | 40,068     | # | 87,502    | 0       | 87,502    | 89,799       | # | 91,743       | 93,733       | 95,769       |
| Operating Expenditures - LSAs  | 145,838     | 85,267     |   | 150,978   | 0       | 150,978   | 153,870      |   | 157,441      | 161,090      | 164,819      |
| Transfer to Capital Fund       | 0           | 0          |   | 0         | 0       | 0         | 0            |   | 0            | 0            | 0            |
| Transfer to Reserve Fund       | 35,107      | 35,107     |   | 13,549    | 0       | 13,549    | 21,285       |   | 21,265       | 21,265       | 21,265       |
| Capital Reserve Expenditures   | 35,107      | 35,107     |   | 13,549    | 0       | 13,549    | 21,285       |   | 21,265       | 21,265       | 21,265       |
| Debt Expenditures              | 38,996      | 37,435     |   | 73,024    | 0       | 73,024    | 72,899       |   | 72,899       | 72,899       | 72,899       |
| MFA Debt Reserve               | 4,130       | 4,048      |   | 480       | 0       | 480       | 180          |   | 180          | 180          | 180          |
| Internal Recoveries            | 0           | 0          |   | 0         | 0       | 0         | 0            |   | 0            | 0            | 0            |
| Fees Charged                   | 0           | 0          |   | 0         | 0       | 0         | 0            |   | 0            | 0            | 0            |
| Revenue - Water Sales          | (67,930)    | (62,111)   |   | (66,980)  | 0       | (66,980)  | (65,960)     |   | (66,980)     | (66,980)     | (66,980)     |
| Revenue - Other                | (130)       | (2,120)    |   | (180)     | 0       | (180)     | (180)        |   | (180)        | (180)        | (180)        |
| User Charges                   | (40,894)    | (40,895)   |   | (40,894)  | 0       | (40,894)  | (86,890)     |   | (90,461)     | (94,110)     | (97,839)     |
| Grants in Lieu of Taxes        | 0           | (105,126)  |   | 0         | 0       | 0         | 0            |   | 0            | 0            | 0            |
| Revenue                        | (108,954)   | (65,083)   |   | (108,054) | 0       | (108,054) | (154,050)    |   | (157,621)    | (161,270)    | (164,959)    |
| Parcel Taxes                   | (65,083)    | (50,034)   |   | (71,591)  | 0       | (71,591)  | (94,164)     |   | (94,164)     | (94,164)     | (94,164)     |
| Funds Carried Forward          | (50,034)    | (58,386)   |   | (58,386)  | 0       | (58,386)  | 0            |   | 0            | 0            | 0            |
| Debt                           | 0           | (58,386)   |   | (0)       | 0       | (0)       | 0            |   | (0)          | 0            | (0)          |
| Total Plan                     | 0           | (58,386)   |   | (0)       | 0       | (0)       | 0            |   | (0)          | 0            | (0)          |

Service: 2.624 Beddis Water (SSI)

Committee: Electoral Area Services

| Year | Taxable Folios | Parcel Tax | By-law No. | Number SFE's | User Charge                                  | By-law No. | Actual Assessments | Converted Assessments |
|------|----------------|------------|------------|--------------|--|------------|--------------------|-----------------------|
| 2010 | 138            | \$449.63   |            | 127          | \$313.00 + Variable consumption charge ***** | 3688       | 81,730,443         | 8,198,004             |
| 2011 | 138            | \$449.63   |            | 127          | \$313.00 + Variable consumption charge ***** | 3777       | 80,256,835         | 8,049,179             |
| 2012 | 138            | \$449.63   |            | 126          | \$324.56 + Variable consumption charge ***** | 3822       | 79,241,533         | 7,945,945             |
| 2013 | 137            | \$500.00   |            | 126          | \$324.56 + Variable consumption charge ***** |            | 77,141,583         | 7,735,950             |
| 2014 | 137            | \$550.00   |            | 126          | \$324.56 + Variable consumption charge ***** |            |                    |                       |

\* Parcel Tax Charge - 1st year only (Order In Council - Feb 24, 2005, too late to be included in Parcel Tax process)

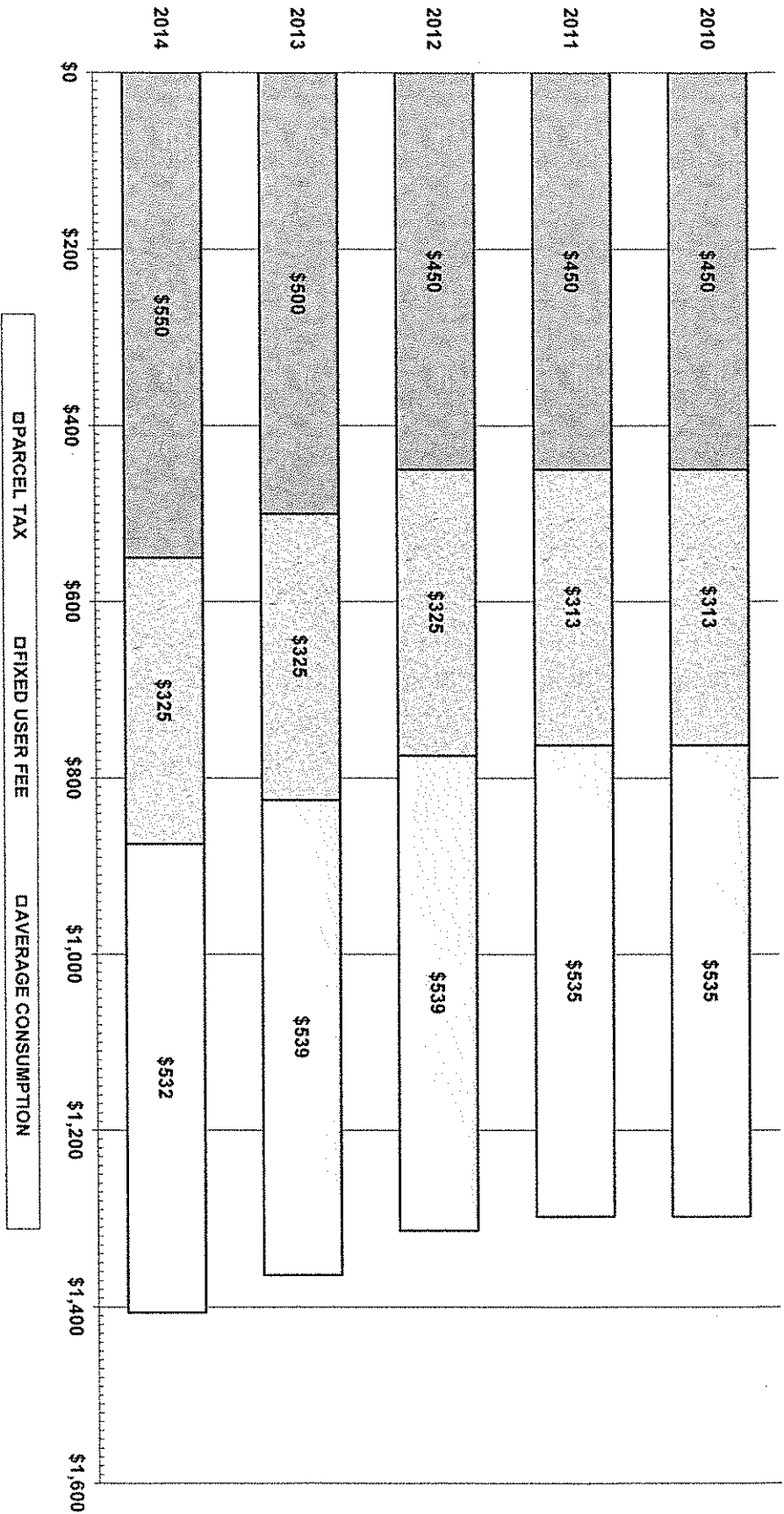
\*\*\* Base Rate for Water (see above):

|                                      |                  |
|--------------------------------------|------------------|
| For the first 10,000 lgal or portion | Base Rate        |
| For the next 10,000 lgal or portion  | Base Rate x 1.33 |
| For the next 30,000 lgal or portion  | Base Rate x 2    |
| For 50,001 lgal or greater           | Base Rate x 3.33 |

\*\*\*\* Variable Consumption Charge (see above):

|                                  |                        |
|----------------------------------|------------------------|
| First 38 cubic metres or portion | \$2.00 per cubic metre |
| Next 68 cubic metres or portion  | \$4.50 per cubic metre |
| Greater than 105 cubic metres    | \$6.00 per cubic metre |

**CAPITAL REGIONAL DISTRICT  
 BEDDIS WATER (SSI)  
 FUNDING ANALYSIS 2010 - 2014**



Actual data 2010 - 2013, Projected 2014  
 Prepared by CRD Finance Department  
 02/27/2014

Service: 2.624 Beddis Water (SSI)

Committee: Electoral Area Services

**BEDDIS WATER CAPITAL RESERVE FUND (# 1069):**

|                            |                   |        |
|----------------------------|-------------------|--------|
| Balance as at:             | December 31, 2012 | 53,955 |
| Interest                   |                   | 1,054  |
| Transfer to reserve fund   |                   | 35,107 |
| Transfer from reserve fund |                   |        |

**TOTAL ESTIMATED FUNDS:                      December 31, 2013                      \$90,116**

|                                 |                                     |
|---------------------------------|-------------------------------------|
| Capital Fund Balance - Dec 2013 | \$23,852                            |
| WLA 3193 - Studies              | \$19,937                            |
| WLA 3825 - (Upgrade)            | - Note \$100K borrowing in Nov 2013 |

2.624 Beddis Water (SSI)  
 2014 - 5 YEAR CAPITAL PLAN  
 (\$'000 - 2014 Dollars)

| Capital Works Description         | Cap Type | 2014 | 2015 | 2016 | 2017 | 2018 | 5 Yr Total | Projected completion cost |
|-----------------------------------|----------|------|------|------|------|------|------------|---------------------------|
| Lautman Reservoir Decommissioning | S        | 30   | -    | -    | -    | -    | 30         |                           |
| <b>TOTAL</b>                      |          | 30   | -    | -    | -    | -    | 30         |                           |

| Funding Source:                      | 2014 | 2015 | 2016 | 2017 | 2018 | 5 Yr Total |
|--------------------------------------|------|------|------|------|------|------------|
| Reserve Fund                         | 30   | -    | -    | -    | -    | 30         |
| <b>Total Proposed Funding Source</b> | 30   | -    | -    | -    | -    | 30         |

- Cap Type:  
 B = Buildings  
 E = Equipment  
 L = Land  
 S = Engineering Structures  
 V = Vehicles



Beddis Water (SSI)

#1 Lautman Reservoir Decommissioning (2014).....\$30,000  
 The reservoir is disconnected from the water system and no longer serves the water utility. In order to avoid future liability the reservoir should be removed.