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**Minutes of the Cedar Lane Water Service Commission
ANNUAL GENERAL MEETING
Held Monday, November 28, 2011
Fulford Hall, Shaw Room
2591 Fulford-Ganges Road, Salt Spring Island, BC**

Present: Chris Dixon, Osman Phillips, Jane Squier
CRD Electoral Area Director: Garth Hendren
CRD: Ted Robbins, Senior Manager, Water Management, Janice Poncelet, Senior Financial Analyst, Mark Harper, Manager, Saanich Peninsula and Gulf Islands Operations, Lorrie Siemens, Committee Secretary

Public: 13 Members of the public

1. Call to Order

Chair Dixon called the meeting to order at 10:40 a.m.

2. Approval of Agenda

MOVED by Jane Squier, **SECONDED** by Osman Phillips, that the agenda of the Cedar Lane Water Service Commission meeting of November 28, 2011 be approved as distributed.

CARRIED

3. Adoption of Minutes of Annual General Meeting of March 15, 2010

The following changes were made to the minutes:

- Include the Chairman's report as an attachment to the minutes and make reference to the fact in the body of the minutes.

MOVED by Osman Phillips, **SECONDED** by Jane Squier, that the minutes of the Cedar Lane Water Service Commission Annual General Meeting of March 15, 2010 be adopted as amended.

CARRIED

4. Chair's Report

Chair Dixon presented a written report. It was requested that the report be attached to the minutes.

5. Annual Report

Staff presented a written report. The following topics were addressed:

- Operations
- Upgrade Project

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- Water Quality
- Water Supply and Demand
- Financial Report
- Water System Problems - Who to Call

Discussions took place on the following topics:

- Question of \$48,000 that was understood to be used as an emergency fund to offset operating cost increases upon CRD takeover of the system. Staff were directed to report to the commission regarding which fund the money was placed into when the service was converted to a CRD service.
- Explanation of deficit carry forward.
- Request break down of "Other" on Statement of Financial Activities in future reports.
- 5.25% Provincial charge for parcel tax collection.

6. Election of Officers

Director Hendren assumed the chair to conduct the election of officers. It was explained that the term for Osman Phillips was expiring on December 31, 2011 and that an election is required. He then called for nominations. Osman Phillips was nominated and agreed to stand. Nominations were called for two more times, and hearing none, Osman Phillips was elected by acclamation for a two-year term beginning January 1, 2012 and expiring on December 31, 2013. His name will be forwarded to the CRD Board for appointment.

7. New Business

The following Questions and comments from the public were addressed:

- Concerns for health, security and privacy from wireless meters and proposed local radio system for SCADA communication.
- CRD overriding commission recommendations.
- Concerns with security of SCADA.
- The need for a CRD presence on Salt Spring Island.
- CRD water quality website to be included in the 2012 budget presentation.

8. Adjournment

The meeting was adjourned at 11:55 a.m.

HISTORY:

CRD took over responsibility to operate and upgrade our water system and provided access to infrastructure upgrade incentive grants that were available conditional on a CRD take-over.

The scope of the upgrade project included chlorinating our water at source, installing a new 20,000 gallon reservoir, new meters and back-flow preventers, engineering design, construction and maintenance and development of additional water source(s).

North Salt Spring Water Works District - (NSSWD) performed some of the construction upgrades and also operates our system.

The initial budget was \$475,000 with 2/3 federal/provincial grant and the balance raised by a fixed-interest loan to the community.

New pump houses and chlorination equipment were completed and operational in February of 2009, and no other work was done that year. The work cost \$168,000; approximately double the amount previously suggested by a consultant retained by Cedar Lane, and by CRD staff.

Our November, 2009 budget meeting reported \$307,000.00 in upgrade funds remaining.

The Commission authorized the following work:

Installation of a new 30,000 gallon water tank @	\$ 120,400.00
Replacement of meters - installation of back-flow preventers @	\$ <u>20,000.00</u>
Total project cost	\$ 140,400.00

It was noted that the cost of installing and connecting a temporary tank and engineering fees would add \$25,000 to this figure, yielding a total upgrade budget for 2010 of \$165,400

Balance of upgrade funds available for 2011 would be approximately \$141,600.00.

CURRENT ACTIVITY:

As commissioners, we face queries from members of our community regarding the water system. We have been ineffective in that role, not because we lack the will to serve our community, but because CRD staff has been unwilling or unable to engage in helpful communication.

Repeated requests for even the simplest pieces of information have been ignored. This becomes an issue prior to budget meetings because the Commission is responsible for making decisions that effect our community with little or no time for consideration or for community involvement.

For example, we were emailed the budget proposal and staff report less than a week prior to the Nov. 2010 meeting, and received hard copies by post the day after the meeting. This places an unnecessary and unacceptable burden on the Commission.

There was no communication between CRD staff and the Cedar Lane Commission regarding future work until the budget meeting of Nov. 01, 2010.

At the budget meeting CRD staff reported a \$13,000 cost-of-operating deficit for the 2010 year, and a proposed operating cost increase of \$8,200 for 2011. CRD staff indicated the additional costs would require an increase in parcel tax of \$300 per title, and an increase in user fees of \$263 per connection.

The 2011 cost increase to satisfy the 2010 operating deficit would not be required in 2012.

The CRD staff report presented at the meeting states that there was \$50,000 in funds available for infrastructure improvements in 2011.

The Commission asked CRD staff to explain how our budget funds of \$141,600 had shrunk to \$50,000 when no additional work had been authorized nor done in 2010.

Despite the presence of a senior financial analyst at the table, CRD staff had no answer for that question. During the meeting CRD staff made changes and revised graphs by ball-point pen on their budget documents and advised us of changes to our own pages.

CRD staff was obviously unprepared for the meeting and for questions from the Commission.

The Commissioners indicated that they could not approve any element of the CRD budget proposal until we received a complete and accurate accounting of the previous year.

The meeting was adjourned; CRD staff later informed us that the meeting cost \$1000.00.

CRD staff indicated that we would receive the missing and/or incomplete information within two weeks and that our budget meeting would be re-scheduled immediately in an effort to comply with a CRD requirement for budget approval by Nov. 30, 2010.

The meeting was not re-scheduled; CRD staff passed their own resolutions for the 2011 budget five months later on March 30, 2011 with no further communication and without the consent of this Commission.

These events form the foundation of our current relationship with CRD staff.

The commission was eventually informed that their remaining budget funds were \$119,000, which left about \$24,000 unaccounted for.

The Commission was informed that the meter replacement work, which had been repeatedly quoted by various CRD staff at \$20,000 (\$500 per connection) had in fact cost \$44,000 or \$1,100 per connection.

The 2011 cost of a new meter, back-flow preventer and meter box is less than \$200, so this means that CRD charged us more than \$900 per hole to excavate, connect and back-fill each new meter.

This work was performed by a CRD crew and demonstrates that CRD staff cannot be trusted with either the responsibility for cost estimating or for performing simple work.

The radio sending devices, which were not actually installed in new the meters are reported to cost \$125 each plus installation and testing.

For contrast, the 30,000 gallon tank installation was performed by a contractor within the time frame agreed upon and for not one penny more that the \$120,400 contract.

This new reservoir which is a fully-engineered structure installed by expert professional contractors somehow required oversight from CRD building inspection which normally involves itself with occupied residential and commercial buildings that have no code requirements or specifications common to a fabricated steel water tank. The CRD permit fee was \$800.00

The new radio-read meters are in place, and CRD staff person Colwyn Sunderland provides various and conflicting information about how they work:

They have the radios installed but will be manually read for a few months.

They will be read by a CRD technician who will travel periodically to Salt Spring Island.

They will be radio read in the future when more districts on Salt Spring Island install new meters. This will justify the cost of purchasing reading equipment for island use.

The radio components have not been installed - the meters must be manually read.

The Cedar Lane Water Commission will no longer accept nor consider verbal or written communication from CRD staff member Colwyn Sunderland.

As we were concerned about the failure of our aborted budget meeting and the time constraints on our grant funding, the Cedar Lane Water Commission initiated a series of meetings and conversations between the Commission, NSSWD staff, CRD engineer Ted Robbins and the Cedar Lane Community.

These meetings resulted in a plan to complete some aspects of our upgrade project prior to the termination of the second one-year extension of our grant funding on March 31, 2012.

- 1) Install and commission SCADA equipment on Mansell Road and Cedar Lane pump houses at a cost not to exceed \$37,000. This work will be completed by CRD technicians.
- 2) Extend a new 6-inch poly water main from the reservoir to a new hydrant, replacing the existing, non-conforming hydrant at the Cedar Lane pump house at a cost of approximately \$40,000.
- 3) Any balance of upgrade funds remaining will be invested in replacement of existing 4" asbesto-cement lines with 6-inch poly mains to the limit of funds (excluding reserve finds).

NSSWD staff will perform the mains and hydrant work to CRD specifications.

It is noted that the Cedar Lane system now enjoys all of the same safety components that were in place at Walkerton, Ontario in 2001.

It is the expressed intent of the members of the Cedar Lane Water Commission that this report form a permanent part of the record of proceedings of this meeting.