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**Minutes of the Cedar Lane Water Service Commission
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, Recording Secretary

Public: Four members of the public

1. Call to Order

Director Hendren was requested to chair the meeting. The meeting to order at 12 p.m.

2. Approval of Agenda

The following additions were made to the agenda:

- 5a) Motions from the Cedar Lane Water Service Commission
- 5b) Correspondence
- 5c) Statement from the Cedar Lane Water Service Commission

MOVED by Jane Squier, **SECONDED** by Chris Dixon,
that the agenda of the Cedar Lane Water Service Commission of November 28, 2011 be approved as amended.

CARRIED

3. Adoption of Minutes of December 7, 2009

MOVED by Jane Squier, **SECONDED** by Osman Phillips,
that the minutes of the Cedar Lane Water Service Commission meeting of December 7, 2009 be adopted as distributed.

CARRIED

4. Adoption of Minutes of November 1, 2010

The following changes were made to the minutes:

Add to Item No. 2 - The Cedar Lane Water Service Commission rejected the budget as presented.

MOVED by Osman Phillips, **SECONDED** by Jane Squier,
that the minutes of the Cedar Lane Water Service Commission meeting of November 1, 2010 be adopted as amended.

CARRIED

5. 2012 Operating and Capital Budget

Staff presented a written report and the 2012 Operating and Capital Budgets.

A lengthy discussion, including explanations of figures in the budget document took place.

Chair Dixon requested to acknowledge the following:

- It is the first year that the commission has received the budget information in a timely manner.
- Mentoring from Director Hendren and Ron Bain.
- Ted Robbins for being the most effective to date with maintaining a relationship with the CRD.

5a) Motions from the Cedar Lane Water Service Commission

Staff received a letter to Kelly Daniels and three pages of written motions from the Cedar Lane Water Service Commission. The motions will be attached to the minutes and were adopted as follows:

Provision of Meeting Reports

MOVED by Jane Squier, **SECONDED** by Osman Phillips, that the CRD staff incorporate the staff reports and all commission chair reports verbatim into the minutes of each Cedar Lane AGM and budget meeting.

CARRIED

MOVED by Osman Phillips, **SECONDED** by Jane Squier, that the agenda and budget figures for every budget meeting be in the hands of the commission 14 days prior to the meeting date.

CARRIED

Engineering Surveys of Cedar Lane Water Mains

MOVED by Jane Squier, **SECONDED** by Osman Phillips, that the CRD abandon the Engineering Study component of the "Strategic Asset Management Plan" as it applies to Cedar Lane.

that the Cedar Lane Water Service Commission direct North Salt Spring Waterworks to prepare a report on the condition of our existing water mains based on their hand-on experience and observations made while replacing portions of the existing mains with new 6-inch pipe.

that the North Salt Spring Waterworks District staff opinion will be the primary source of information on the condition of the Cedar Lane mains, and will satisfy any and all requirements for such information, thereby replacing the engineering study proposed by CRD in the 2012 budget document.

that the CRD refund the \$10,000 charged to the Cedar Lane District for the 2005 survey (\$5,000) and the 2009 well production survey (\$5,000), because neither of these survey reports are the product of an actual physical survey of the system.

that this refund be issued immediately so that these funds are available to augment the mains replacement work scheduled for early 2012.

CARRIED

Water Quality Oversight Reporting

MOVED by Jane Squier, **SECONDED** by Osman Phillips,
that the commission will refuse the proposed "water quality oversight" reporting process.

CARRIED

Proposes Cost Increase for Finance and Corporate Services Support

MOVED by Osman Phillips, **SECONDED** by Chris Dixon,
that the Cedar Lane Water Service Commission reject the notion of any cost increase in this service due to a historical lack of care, quality and timely response from these departments.

that the CRD immediately refund the sum of \$1,000 to the Cedar Lane community in consideration of the fact that CRD staff was clearly not prepared for the 2010 budget meeting and did not reschedule the meeting as promised.

CARRIED

Staff advised that they would review the costs incurred for the 2010 budget meeting and report to the commission.

Transfer of Operating Surplus to the Capital Reserve Fund

MOVED by Chris Dixon, **SECONDED** by Jane Squier,
that the CRD will abandon the proposed \$3,675 contingency fund for the 2012 budget.

that the CRD hold the \$2,185 surplus from our 2011 operations budget in trust as a contingency fund to mitigate the risk of a future operating deficit, rather than transferring said funds to reserve.

that any balance from these funds would carry forward to the following year. The fund will be reviewed annually and any use of funds documented.

CARRIED

Funding Future Mains Replacement

MOVED by Jane Squier, **SECONDED** by Chris Dixon,
that the Cedar Lane Water District augment the capital reserve fund for infrastructure upgrades by maintaining the 2011 user fee and parcel tax rates (which were substantially increased to satisfy an operating shortfall from 2010) and transferring the resulting surplus funds directly into the capital reserve fund.

CARRIED

Cost of Meter Replacement for the Cedar Lane District

MOVED by Osman Phillips, **SECONDED** by Chris Dixon,
that the CRD honour their quote to the Cedar Lane District of \$20,000 for meter replacements performed in 2010.

that the radio component of the Cedar Lane meter replacement be removed from the cost of the project since these components were not supplied nor installed, and further, that the cost of the radio components and their installation and testing be removed and deducted from the quoted cost of \$20,000 thereby substantially reducing that figure.

that the funds in excess of \$24,000 be returned to the Cedar Lane account in a timely manner so that they are available for the mains replacement work scheduled for early 2012.

CARRIED

Intent of the Cedar Lane Commission to Guide CRD Performance

MOVED by Osman Phillips, **SECONDED** by Jane Squier, that the CRD staff is hereby instructed by the Cedar Lane Commission to adopt the policy of making all reasonable efforts to reduce, rather than increase the cost of water delivery to the Cedar Lane district, and further to concentrate their efforts on the replacement, repair and prudent maintenance of the physical system.

that this three-page document listing the motions brought by the commission and describing the intent of each motion form a part of record of the Cedar Lane 2012 budget meeting.

CARRIED

Staff advised that policy issues cannot be made at the commission level and that issues regarding policy should be brought to the attention of the CRD Salt Spring Island working group.

5b) Correspondence

Staff presented e-mail correspondence from David Grayson regarding a possible request for new connections in the Cedar Lane water service area.

MOVED by Jane Squier, **SECONDED** by Chris Dixon, that the correspondence be received for information.

CARRIED

5c) Statement from the Cedar Lane Water Service Commission

The Cedar Lane Water Service Commission provided a written statement addressed to Kelly Daniels, CAO, Jack Hull, General Manager, Integrated Water Services and Diana Lokken, General Manager, Corporate Services. The commission requested that staff forward the statement to K. Daniels, J. Hull and D. Lokkken.

MOVED by Jane Squier, **SECONDED** by Chris Dixon, that the Cedar Lane Water Service Commission recommend that the Capital Regional District Board:

1. Approve the 2012 operating and capital budget for the Cedar Lane Water Service as amended.
2. Hold the fixed annual user charge and parcel tax for the Cedar Lane Water Service at the 2011 rates.
3. Balance the 2011 actual surplus/deficit on the 2012 transfer to reserve.

CARRIED

6. Adjournment

The meeting was adjourned at 2 p.m.

MOTION: re: Provision of meeting information.

“That the agenda and budget figures for every budget meeting be in the hands of the Commission 14 days prior to the meeting date”

MOTION: re: Contents of meeting reports.

“That the CRD staff incorporate the staff reports and all Commission Chair reports verbatim into the minutes of each Cedar Lane AGM and budget meeting.”

This motion is to ensure that there is substance and continuity in the documentation of the meeting process which will be of benefit to future staff members and Commissioners.

MOTIONS: re: Engineering Surveys of Cedar Lane water mains.

1) “That the CRD abandon the Engineering Study component of the ‘Strategic Asset Management Plan’ as it applies to Cedar Lane”

The intent of this motion is to avoid wasting another ten thousand dollars for a third armchair survey of the Cedar Lane water system.

2) “That we direct North Salt Spring Water Works District to prepare a report on the condition of our existing water mains based on their hands-on experience and observations made while replacing portions of the existing mains with new 6-inch pipe.”

This motion takes advantage of the fact that NSSWD staff will be replacing a portion of the Cedar Lane mains prior to March 31, 2012 and will have an opportunity to assess the physical condition of the mains.

3) “That the NSSWD staff opinion will be the primary source of information on the condition of the Cedar Lane mains, and will satisfy any and all requirements for such information, thereby replacing the engineering study proposed by CRD in the 2012 budget document.”

This motion intends that CRD and the Cedar Lane Commission will consider the NSSWD report in future decisions about a timeline or funding for replacing the existing mains.

4) “That the CRD refund the \$10,000 charged to the Cedar Lane District for the 2005 survey (\$5000) and the 2009 well production survey (\$5000), because neither of these survey reports are the product of an actual physical survey of the system”

5) “That this refund be issued immediately so that these funds are available to augment the mains replacement work scheduled for early 2012”

MOTION: re: Water Quality Oversight Reporting.

“That the commission will refuse the proposed “water quality oversight” reporting process.

The intent of this motion is to deflect this unnecessary and unwanted annual cost away from the Cedar Lane community.

MOTIONS: re: Proposed cost increase for finance and corporate services support.

1) "That the Cedar Lane Commission reject the notion of any cost increase in this service due to an historical lack of care, quality and timely response from these departments."

The intent of this motion is to shield the Cedar Lane community from a requirement to pay extra for the high cost of careless, low-quality work we typically experience.

2) "That the CRD immediately refund the sum of \$1000 to the Cedar Lane community in consideration of the fact that CRD staff was clearly not prepared for the 2010 budget meeting and did not reschedule the meeting as promised."

MOTIONS: re: Transfer of operating surplus to the capital reserve fund.

1) "That the CRD will abandon the proposed \$3,675 contingency fund for the 2012 budget."

2) "That the CRD hold the \$2,185 surplus from our 2011 operations budget in trust as a contingency fund to mitigate the risk of a future operating deficit, rather than transferring said funds to reserve."

3) "That any balance from these funds would carry forward to the following year. The fund will be reviewed annually and any use of funds documented."

The intent of this motion is to shield the Cedar Lane community from unnecessary increases in the cost of water delivery.

MOTION: re: funding future mains replacement.

"That the Cedar Lane Water District augment the capital reserve fund for infrastructure upgrades by maintaining the 2011 user fee and parcel tax rates (which were substantially increased to satisfy an operating shortfall from 2010) and transferring the resulting surplus funds directly into the capital reserve fund."

The intent of this motion is to establish a cash fund for future replacement or repair of the existing Cedar Lane water mains. It is intended to replace or reduce any need for further borrowing, and to shield the accumulated funds from misappropriation.

MOTIONS: re: the cost of meter replacement for the Cedar Lane District.

1) "That the CRD honour their quote to the Cedar Lane District of \$20,000 for meter replacements performed in 2010"

2) "That the radio component of the Cedar Lane meter replacement be removed from the cost of the project since these components were not supplied nor installed and further that the cost of the

radio components and their installation and testing be removed and deducted from the quoted cost of \$20,000 thereby substantially reducing that figure.”

3) “That funds in excess of \$24,000, be returned to the Cedar Lane account in a timely manner so that they are available for the mains replacement work scheduled for early 2012”

MOTIONS: re: the intent of the Cedar Lane Commission to guide CRD performance.

1) “That the CRD staff is hereby instructed by the Cedar Lane Commission to adopt the policy of making all reasonable efforts to reduce, rather than increase to cost of water delivery to the Cedar Lane district, and further to concentrate their efforts on the replacement, repair and prudent maintenance of the physical system.”

The intent of this motion is to clearly instruct CRD staff to be mindful of the wishes of the Cedar Lane community in the way they approach service delivery.

2) “That this three-page document listing the motions brought by the Commission and describing the intent of each motion form a part of record of the Cedar Lane 2012 budget meeting.”

The intent of this motion is to make the 2012 budget decisions of the Cedar Lane Commission available and understandable to future Commissioners.