



Making a difference...together

**CEDAR LANE WATER SERVICE COMMISSION
ANNUAL GENERAL MEETING**

Notice of Meeting on THURSDAY, October 30, 2014 at 1:00 PM
Salt Spring Public Library, 129 McPhillips Ave, Salt Spring Island, BC

Wayne McIntyre

Chris Dixon

Osman Phillips

Rob Pingle

(amended) **AGENDA**

1. **Call to Order**
2. **Approval of Agenda**
3. **Adoption of Minutes of the 2013 Annual General Meeting held on December 5, 2013**
4. **Chair's Report**
5. **Report**
 - 5.1 **2014 Annual Operations Report**
6. **Election of Officers**
7. **New Business**
8. **Adjournment**

To ensure quorum, advise Tracey Shaver 250 537 4448 if you cannot attend.



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**Minutes of the Annual General Meeting of
the Cedar Lane Water Service Commission
Held December 5, 2013, 145 Vesuvius Bay Road, Salt Spring Island, BC**

DRAFT

Present: **Director:** Wayne McIntyre
 Commission Members: Chris Dixon (Chair), Osman Phillips, Rob Pingle
 Staff: Karla Campbell, Senior Manager; Janice Poncelet, Senior Financial
 Analyst; 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 Dixon called the meeting to order at 10:30 am.

1. Approval of Agenda

MOVED by Director McIntyre, **SECONDED** by Chair Dixon,
That the agenda be adopted as presented.

CARRIED

2. Adoption of Minutes – December 3, 2012

MOVED by Director McIntyre, **SECONDED** by Commissioner Pingle,
That the minutes of December 3, 2012 Annual General Meeting be approved as
circulated.

CARRIED

3. Chair's Report

The Chair provided the following report:

2013 has been relatively uneventful for the Cedar Lane District in that our upgrade work has been completed; grant funds have all been spent and that no significant issues have arisen within the system during 2013.

With CRD staff members in place on Salt Spring Island, and with Ted Robbins as General Manager of CRD Integrated Water Services, the Commission is optimistic about the future of our relationship with the CRD.

There were two maintenance issues on Cedar Lane this year; (1) pressure from a tree root broke a water main, which was repaired quickly by NSSWD staff; (2) the pump in well # 1 was replaced recently due to decreasing production from that well. The new pump has restored normal production and the old pump will be rebuilt if possible and retained for future use in the Cedar Lane system.

The Commission continues to increase their Capital Reserve fund in 2013, and plan to contribute the same amount in 2014, barring unforeseen circumstances. The Commission also reduced the annual parcel tax for subscribers by about \$200 in 2013, and plan to continue that rate in 2014.

Early in 2013, CRD adopted policies that limit leakage claims by subscribers, and several conditions within their bylaws conflict with the intent of the Cedar Lane Commission regarding the process of evaluating such claims. The Commission was not consulted in forming these policies, and we will work with our local staff to remind CRD management of our intent on this subject.

In July of 2013 the new owner of the former Bullock Lake Resort applied to Islands Trust for rezoning and amendments to the Official Community Plan that would allow up to 123 vacation rental units to be established there.

The developer has since announced that they will revise their application to 50 existing vacation rental units and an amenity building; their revised application is pending.

The Commission is concerned about the potential for this level of development to negatively affect our ability to provide water for our community. Our system is barely adequate to supply water now, and there are two undeveloped lots within our district which would potentially add 6% to our requirements.

The Commission contacted North Salt Spring Water Works to see if in the event the service area runs out of water, NSSWW are willing to connect our system to theirs, either to replace or to augment our supply. NSSWW indicates that this would be extremely expensive for our district service area, and that it would be conditional on the results of a hydrology study currently underway to determine their ability to provide for future water demands.

The developer has requested a meeting with the Commissioners and local CRD staff to discuss the issue.

The Commission will discuss membership in the Water Preservation Society with local CRD staff to establish a mechanism to pay membership dues in the Society.

MOVED by Commissioner Pingle, **SECONDED** by Director McIntyre,
That Cedar Lane Water Service Commission accept the Chair's Report as presented.

CARRIED

4. Annual Report

MOVED by Commissioner Pingle, **SECONDED** by Commissioner Phillips,
That Cedar Lane Water Service Commission accept the 2012 Annual Report as presented.

CARRIED

5. Election of Officers

Commissioner Phillips advised he would stand for reappointment. Commissioner Phillips was reappointed.

6. New Business

It was noted UBCM is expected to publish their small water systems report by the end of December and the report will include financial best practices and subdivision best practices.

7. Adjournment

MOVED by Director McIntyre, **SECONDED** by Commissioner Pingle,
That the meeting be adjourned at 10:55 am.

CARRIED

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**CEDAR LANE WATER SERVICE
2014 ANNUAL REPORT
THURSDAY, OCTOBER 30, 2014**

Purpose of the Annual General Meeting

The agenda for the Annual General Meeting (AGM) is approved by the members of the Commission. The purposes (and hence the agenda items) of the meeting are:

- To have the last year's AGM minutes approved (by Commission members), and to present reports on the work of the Commission on, the past year's operation, maintenance, capital upgrades and financial information of the service to the service residents and owners,
- To nominate members for appointment to the Commission, and
- To enable the public to share comments on subjects which relate to the work of the Commission. The Commission can identify (under "new business") issues on which it wants feedback at the meeting. Motions raised by the public at the AGM will be considered by the commission at a subsequent regular meeting.

The Annual General Meeting is for the 2013 fiscal year.

DRINKING WATER SYSTEM

Water Supply and Demand

The total amount of water produced into the Cedar Lane water distribution system (Figure 1) in 2013 was 6,271 cubic metres (m³), an increase of approximately 1% over the previous year's volume of 6,190 m³. Please be aware that subsequent to the 2013 AGM report, the 2012 annual production data was reviewed and a correction made to one data entry that reduced the 2012 production dropping from the 6,763 m³ reported to 6,190 m³.

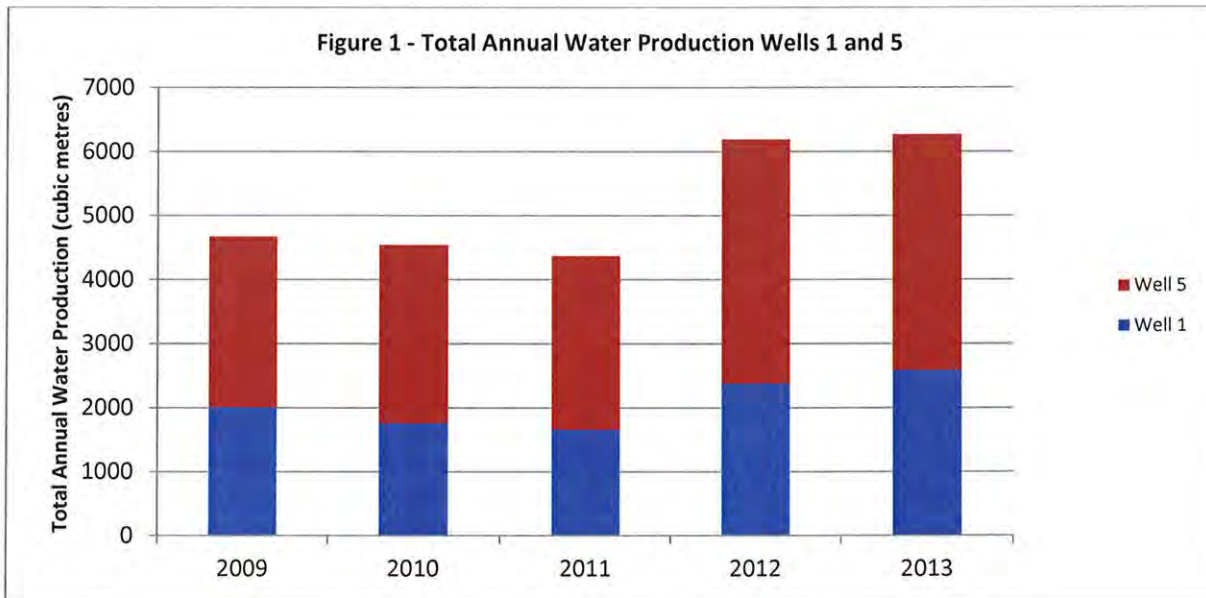
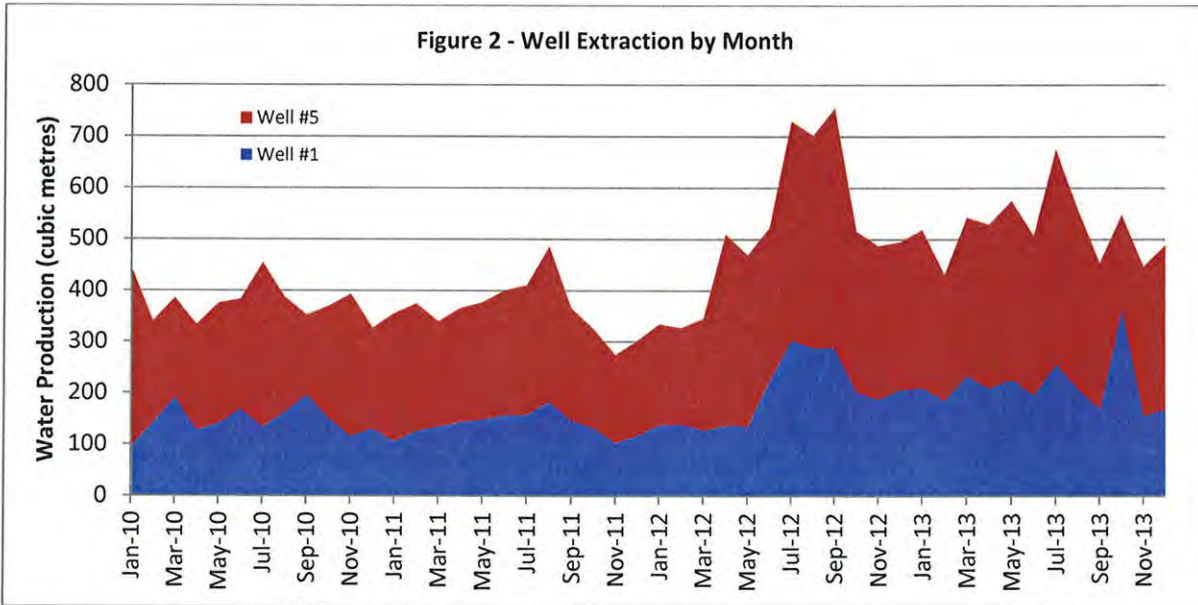
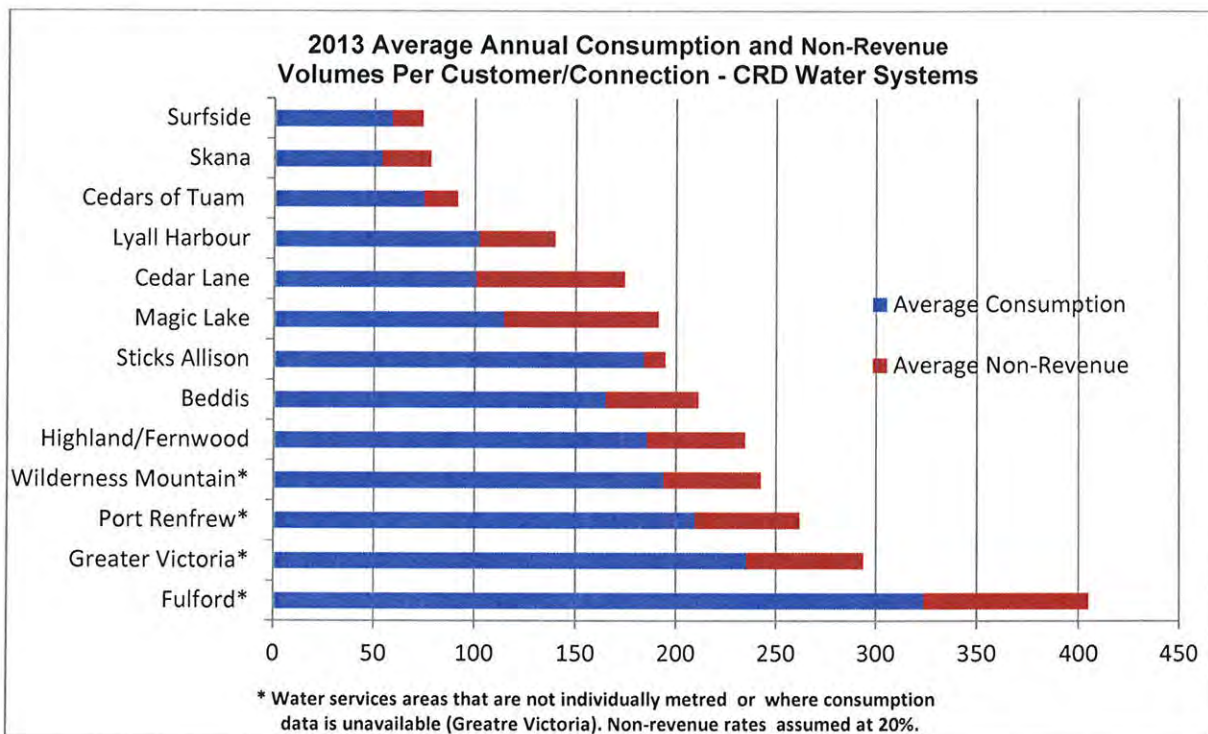


Figure 2 shows monthly water production since 2010. 2013 water production was similar to 2012, even though there had been a significant break in 2012.



Total usage measured through customer meters in 2013 was 3,619m³, a decrease of close to 9% from the 2012 measured volume of 3,968 m³. The average Cedar Lane account used 101 cubic metres of water in 2013. A 2013 comparison of average annual water consumption per residential service connection for other CRD Gulf Islands metered distribution systems is provided in Figure 3.

Figure 3 - Average Annual Consumption per Customer/Connection



Water Quality

The analytical results of water samples collected in 2013 from the Cedar Lane Water System showed that the drinking water was of good bacteriological and chemical quality and well within Guideline for Canadian Drinking Water health-related regulatory limits, including disinfection by-products. However, manganese regularly exceeds the aesthetic limits and its associated precipitates have been a significant nuisance problem in parts of the Cedar Lane system.

Operations

Water system is operated and maintained under contract by North Salt Spring Water Works with oversight and operational support by CRD Integrated Water Services Infrastructure Engineering and Operations.

The Cedar Lane Water System operated reliably in 2013. Significant operations activities in the past year include:

- Replaced UV disinfection lamps and recalibrated system.
- Removal and replacement of pressure transducer at well #1
- Removal and replacement of well #1 pump
- Water main leak repair
- Chlorine analyser repairs

Capital Improvements

The development of a Strategic Asset Management Plan (SAMP) was proposed for 2013, however, the SAMP has not been initiated and it is now scheduled for completion in 2015.

ANNUAL BUDGET AND FINANCIAL REPORT FOR 2013

Attached is a copy of the *Statement of Operations (Unaudited)* as prepared by CRD Finance and Corporate Services for the year 2013. The statement provides an overview of the revenues and expenditures for the year.

Revenue includes parcel taxes (*Transfers from government*) and user fees (*Sale of services*), and small amounts for interest on savings and miscellaneous revenue such as connection charges and late payment charges (*Other revenue*). *Expenses* include all costs of providing the service. *General government services* include budget preparation, financial management, utility billing, and risk management services. *Other expenses* includes all other costs to administer and operate the water system, and the principal and interest payments on borrowing to finance capital projects. *Other fiscal services* includes administration costs for loans.

The difference between *revenue* and *expenses* is reported as *Net revenue (expenses)*. Any transfers to or from capital or reserve accounts for the service (*Transfers to own funds*) are deducted from this amount and the result is then added to any surplus or deficit carry forward from the prior year, yielding an *Accumulated surplus* (or deficit) that is carried forward to the following year.

The Cedar Lane 2013 revenue of \$60,114 consisted of \$21,653 from parcel taxes and \$37,942 from user fees and consumption charges and \$173 in interest and \$346 in other revenue.

The total expenditures for 2013 were \$60,304, of which \$15,733 was the annual cost of borrowing for capital work, and the remainder was the cost of operation and administration of the service.

The difference between revenue and expenditures at 2013 year end amounted to a net deficit of \$190.

\$3426 was transferred to the capital reserve at year end with the result that the accumulated surplus carried forward to 2014 was reduced by \$3,616 to \$5,966.

The balance in the Cedar Lane Capital Reserve Fund at December 31, 2013 was \$76,770.

Water System Problems - Who to Call:

To report any event or to leave a message regarding the Cedar Lane water system, call either:

North Salt Spring Waterworks District (contract operator): 250-537-9902
CRD local operator (Ganges Wastewater Treatment Plant): 250-537-4314
CRD water system emergencies call centre: 1-250-474-9630
CRD water system general enquiries (toll free): 1-800-663-4425

Dan Robson, ASCT
Manager, Saanich Peninsula and Gulf
Islands Operations
Infrastructure Engineering & Operations

Karla Campbell
Senior Manager, Salt Spring Island Electoral
Area

Peter Sparanese, P.Eng.
Senior Manager, Infrastructure
Engineering and Operations
Concurrence

Ted Robbins, B.Sc., C Tech.
General Manager, Integrated Water Services
Concurrence

KW/ts
Attachment: 1

CAPITAL REGIONAL DISTRICT

**WATER REVENUE FUND
Statement of Operations (Unaudited)
For the Year Ended December 31, 2013**

	Cedar Lane Water Supply
Revenue	
Transfers from government	\$ 21,653
Sale of services	37,942
Other revenue from own sources:	
Interest earnings	173
Other revenue	346
Total revenue	60,114
Expenses	
General government services	3,301
Grants in aid	-
Other expenses	56,909
Salaries and wages	-
Fiscal services	94
Recovery	-
Total expenses	60,304
Net revenue (expenses)	(190)
Transfers to own funds:	
Capital Funds	-
Reserve Funds	3,426
Equipment Replacement Fund	-
Transfers from own funds:	
Reserve Funds	-
Annual surplus	(3,616)
Accumulated surplus (deficit), beginning of year \$	9,582
Accumulated surplus (deficit), end of year	\$ 5,966