



Making a difference...together

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

Notice of Meeting on Tuesday, June 21, 2016 at 10:00 AM
Portlock Park Meeting Room, 145 Vesuvius Bay Road, Salt Spring Island, BC

Wayne McIntyre

Rob Pingle

Jane Squier

Troy Newton

AGENDA

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Adoption of Minutes of the Fiscal Year 2014 Annual General Meeting held on September 11, 2015**
- 4. Chair's Report**
- 5. Report**
 - 5.1 Annual Report for 2015 Fiscal Year**
- 6. Election of Officers**
- 7. New Business**
- 8. Adjournment**

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



Making a difference...together

**Minutes of the Annual General Meeting of the Cedar Lane Water Service Commission
Held September 11, 2015, Public Library Meeting Room, 129 McPhillips Avenue, Salt
Spring Island, BC**

DRAFT

Present: **Commission Members:** Osman Phillips, Rob Pingle, Jane Squier
Staff: Keith Wahlstrom, Manager, Engineering Salt Spring Electoral Area and
Acting Senior Manager; Dan Robson, IWS Operations Manager; Peggy
Dayton, CRD Finance; Erin Jory, Recording Secretary
Absent: Wayne McIntyre, CRD Director

Staff called the meeting to order at 1:01 pm.

1. Election of Chair

Staff called for nominations of Chair. Commissioner Squier nominated Commissioner Pingle. Staff called twice more for nominations and, hearing none, Commissioner Pingle was nominated by acclamation, subject to approval by the CRD Board.

2. Approval of Agenda

MOVED by Commissioner Phillips, **SECONDED** by Commissioner Squier,
That the agenda be approved as presented.

CARRIED

3. Adoption of Minutes of the 2014 Annual General Meeting held on October 30, 2014

MOVED by Commissioner Squier, **SECONDED** by Commissioner Phillips,
That the minutes of the Annual General Meeting of the Cedar Lane Water Service
Commission held on October 30, 2014 be approved with the following amendments; to
acknowledge that the former Chair of the Commission, Chris Dixon provided a written
report and to correct the spelling of Commissioner Squier's first name as Jane.

CARRIED

4. Chair's Report

Chair thanked homeowners for being present at the meeting and for their conservation
efforts during drought.

5. 2015 Annual Operations Report

MOVED by Commissioner Squier, **SECONDED** by Commissioner Phillips,
That the 2015 Annual Operations report be received for information.

CARRIED

6. Election of Officers

Commissioner Phillips will depart at the end of this term. Chair nominated Troy Newton. Chair called twice more for nominations and, hearing none, closed elections. Troy Newton was elected by acclamation, subject to CRD Board approval.

7. New Business

7.1. Communication

Commission reiterated timely supply of reports would be appreciated for future meetings.

MOVED by Commissioner Squier, **SECONDED** by Commissioner Phillips,
That the Cedar Lane Water Service Commission request that the Senior Manager, Salt Spring Island Administration be present at Annual General Meetings.

CARRIED

It is noted that the Acting Senior Manager was present at the meeting.

7.2. Dumping/Flushing of Precipitate

Commissioner Squier requested information on the environmental impact of flushing the water mains to clear out the sediment in pipes. The black precipitate which accumulates in the pipes is caused by a reaction between the normal amounts of magnesium found in treated water and chlorine. Staff will discuss the situation with CRD Environmental Services to determine if a change can be made and how it would affect the budget.

MOVED by Commissioner Squier, **SECONDED** by Commissioner Phillips,
That the Cedar Lane Water Service Commission request that staff investigate the environmental impact of water main flushing.

CARRIED

7.3. Non-Payment of Water Accounts

Commission requested clarification on procedure when homeowners neglect to pay water accounts. Staff advised that non-payment of water accounts are added to their annual property tax invoice.

7.4. Hydrants

Commission questioned the necessity of keeping unused hydrants in place. Staff advised that hydrants are required for flushing; if hydrants are removed, the stand pipe would need to be replaced. A Strategic Asset Management Plan (SAMP) would deal with these issues and foresee expenses and budget items. Solutions to removing or keeping hydrants tabled for a future meeting.

7.5. Over-Users

MOVED by Commissioner Pingle, **SECONDED** by Commissioner Squier,
That the Cedar Lane Water Service Commission supports development of a more robust water conservation bylaw for the Cedar Lane Water Commission and potentially for all CRD Water Service Commissions on Salt Spring Island.

CARRIED

8. Adjournment

MOVED by Commissioner Squier, **SECONDED** by Commissioner Phillips,
That the Cedar Lane Water Service Commission Annual General Meeting be adjourned at
2:29 pm.

CARRIED

CHAIR

SENIOR MANAGER



Making a difference...together

**CEDAR LANE WATER SERVICE
2016 ANNUAL REPORT
Tuesday, June 21, 2016**

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 2015 fiscal year.

DRINKING WATER SYSTEM

Water Production and Demand

The Cedar Lane water system extracts water from 2 wells, chlorinates the water, and provides storage and distribution to the users. The total amount of water produced into the Cedar Lane water distribution system (Figure 1) in 2015 was 3,864.7 cubic metres (m³) an increase of 5.6% from 2014 when 3,659.5 m³ was produced.

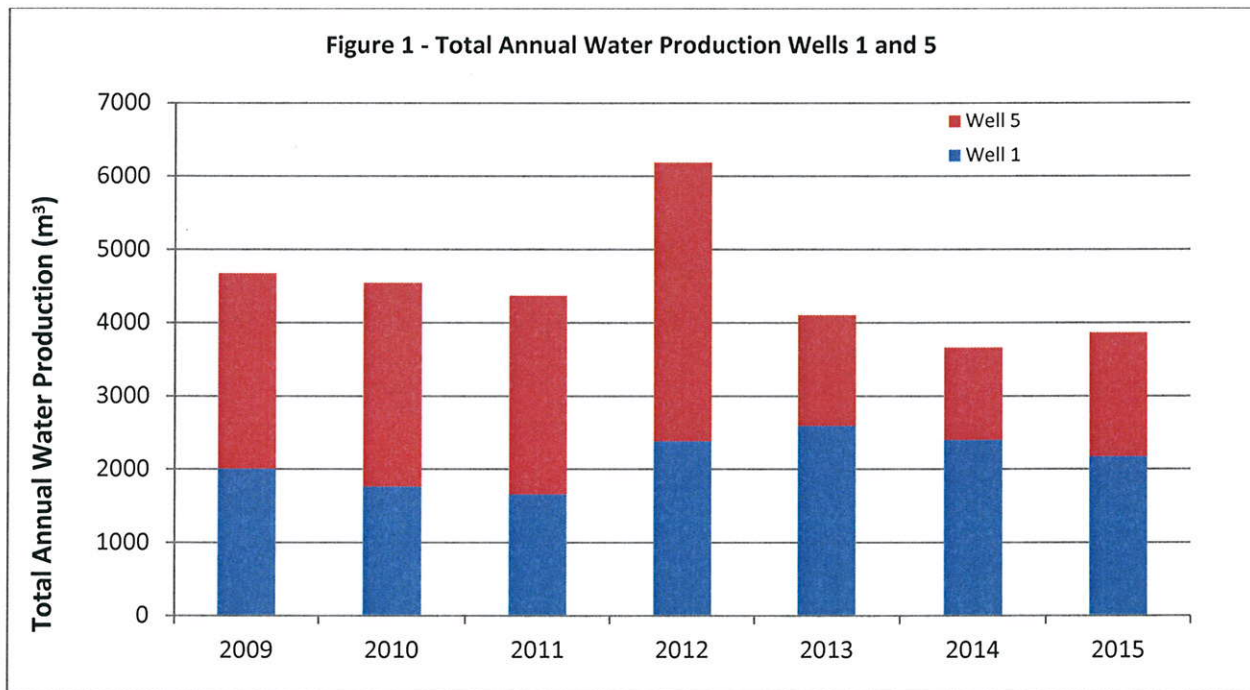
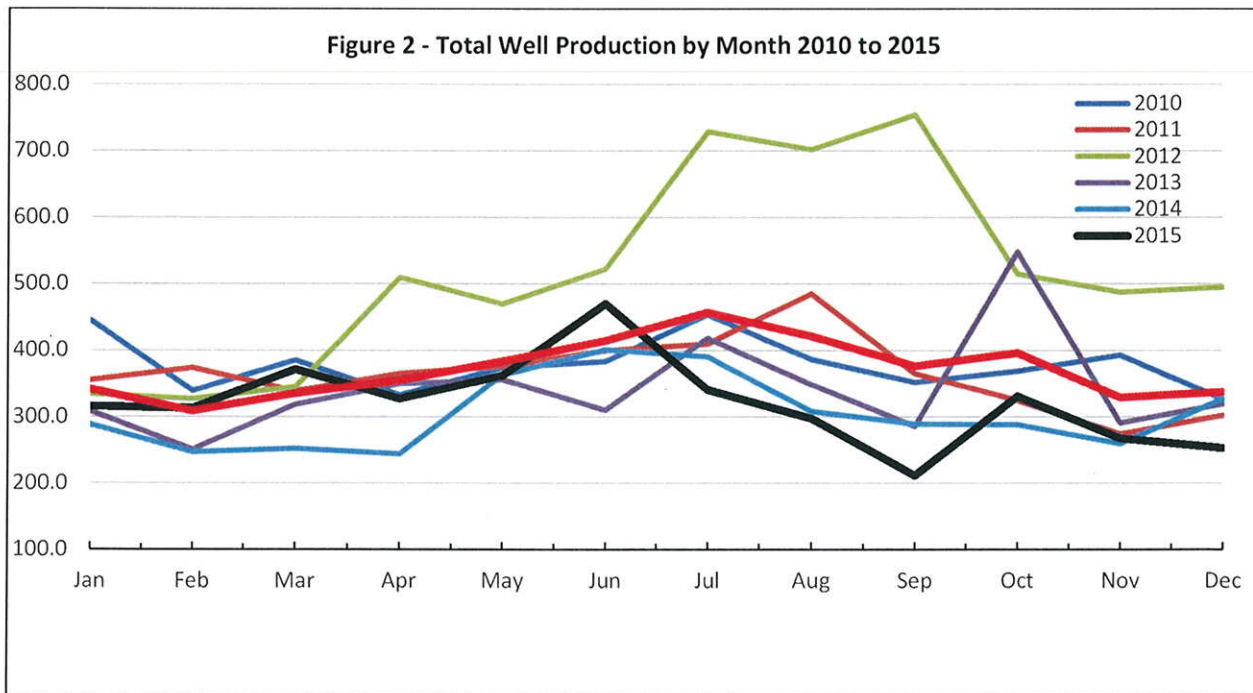


Figure 2 Total monthly water production since 2010.



The Cedar Lane Water System is fully metered, and water meters are read every three months. Water meter data enables water production and consumption to be compared in order to estimate leakage losses in the distribution system. The difference between production and total metered consumption, called non-revenue water, includes distribution leaks, meter error, and unmetered uses such as fire hydrant usage, distribution system maintenance and process water for the treatment plant.

Non-revenue water is shown in Table 1:

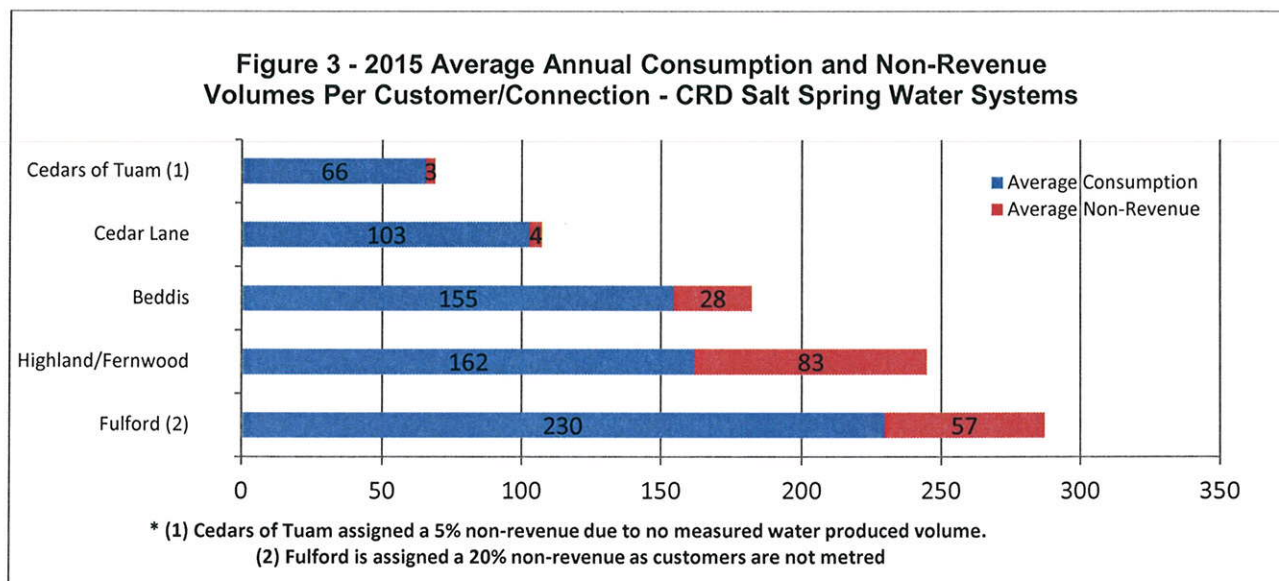
Table 1 Non-Revenue Water (Water Produced Versus Water Sold)

Year	2012	2013	2014	2015
Produced	6189.5	4105.8	3659.5	3864.7
Billed	3968.0	3619.0	3609.0	3705.0
Difference	2221.5	486.8	50.5	159.7
Unaccounted	35.9%	11.9%	1.4%	4.1%

The 2015 non-revenue volume is very low and it may not repeat in future years, however, the overall trending will help identify if there are system problems.

The average single-family residence in the Cedar Lane System used 103 m³ in 2015, a 3% increase from the 2014 use of 100 m³.

An average water demand by residential service connection for water service areas operated by the Capital Regional District (CRD) on Salt Spring Island is shown in Figure 3. This comparison shows that Cedar Lane customers, on average, use less water than other service area customers.



Water Quality

The analytical results (biological, chemical and physical parameters) of water samples collected in 2015 from the Cedar Lane Water System indicated that the water was of good quality and well within Guideline for Canadian Drinking Water Quality health-related regulatory limits, including disinfection by-products. Of note, manganese regularly exceeds the aesthetic limits and its associated precipitates have been a significant nuisance problem in parts of the Cedar Lane water system.

Typical Cedar Lane Water System drinking water quality characteristics for 2015 are summarized as follows:

- Source water from both wells was typically void of any *E. coli* bacteria.
- Well #5 recorded two total coliform positive results and Well #1 four during the course of the year.
- Source water can be characterized as hard (~137 mg/L CaCO₃).
- Both wells exhibited elevated iron and especially manganese concentrations.
- Treated water was safe to drink.
- Free chlorine residual concentrations were acceptable and within the desired range (i.e., 0.22 – 1.21 mg/L)
- Disinfection by-products such as trihalomethanes (THM) and haloacetic acids (HAA) were well below the GCDWQ limit of 100 µg/L and 80 µg/L respectively.
- Metals were typically below maximum acceptable concentration (MAC) limits except for elevated manganese concentrations (mean annual 77.2 mg/L) that regularly lead to discoloration of the drinking water (aesthetic issue).

Water Quality data collected from this drinking water system can be reviewed on the CRD website: <https://www.crd.bc.ca/about/data/drinking-water-quality-reports/salt-spring-island-water-quality-reports/cedar-lane-water-quality-reports>

OPERATIONS

Weekly operations of the Cedar Lane water system is provided by an on-island contract operator under agreement with the CRD. The contract operator performs routine scheduled activities such as system checks, water sampling for laboratory analysis and minor preventative maintenance activities all under the direction of the CRD as detailed in the operations agreement. The contractor also performs more significant preventative and corrective maintenance activities at the request of the CRD. These types of activities may include water system flushing, leak detection, and water leak repairs. In addition to operation and maintenance activities, the on-island contractor also provides stand-by and emergency callout response duties.

Additional operational support and guidance is provided by CRD personnel who typically perform more preventative or corrective maintenance in relation to the electrical and communication equipment. Other operational support provided by the CRD include emergency response and remote water system monitoring and control using the CRD's Supervisory Control and Data Acquisition (SCADA) equipment. The SCADA system is used to alert the on-island contractor and if necessary CRD standby operations staff of a potential water system fault (e.g. reservoir low water level).

The on-island contract operator attended to regular weekly, monthly and annual operational duties as detailed in the Cedar Lane water system operating agreement. The contractor however also performed additional services related to either emergency response or additional maintenance activities as outlined in Table 2 below.

Table 2: Additional work completed by contract operator at request of CRD

TASK	DATE	REASON
Water system flushing	March 2015	Annual water system maintenance performed to remove buildup of sediments and precipitates.
Water line repair	March 2015	Repairs to a broken water line at well #1.
Call out	March 2015	Emergency response due to power outage.
Call out	June 2015	Low reservoir water level alarm received. Leak investigation commenced. No water system leaks detected, however high water use by a single customer was determined to be the cause of low reservoir water levels
Call out /Leak Detection	October 2015	Low reservoir water level alarm received. Leak investigation undertaken with little success in finding anything apparent, however reservoir water levels started to trend upward after leak investigation was performed.

CRD operations personnel completed a number of key tasks during this period. Table 3 below details the tasks performed.

Table 3: Tasks completed by CRD operations personnel

TASK	NOTES
Replacement of Ultra Violet (UV) Lamps	Annual preventative maintenance conducted on the UV disinfection equipment.
Calibration of pH probe	pH probe not functioning correctly
Electrical booster pump repairs	Planned electrical repairs in the area that impacted water system operation. Coordination with electrical contractor and operations contractor to conduct the work.

CAPITAL IMPROVEMENTS

The development of a Strategic Asset Management Plan (SAMP) was proposed for 2015, however, the SAMP was not started due to limited staff resources. It will be moved forward to the 2016 budget.

2015 FINANCIAL REPORT

Revenue includes parcel taxes (*Transfers from government*), fixed user fees (*User Charges*), water sales revenue (*Water Sales*), *Interest earnings*, 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. *Contract for services* is for services provided by North Salt Spring Waterworks. *CRD Labour and Operating Costs* includes CRD staff time as well as the costs of equipment, tools and vehicles. *Debt Servicing costs* are principal and interest payments on debt. *Other expenses* includes all other costs to administer and operate the water system including insurance, supplies, electricity, and water testing.

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 2015 revenue of \$62,265 consisted of:

- \$21,650 - *Transfers from government*
- \$28,240 - *User charges*
- \$11,838 - *Water sales*
- \$202 – *Interest earnings*, and
- \$335 - *Other revenue*.

The total expenditures in 2015 were \$46,670:

- \$3,290 - *General government services*
- \$15,620 - *Contract for services*
- \$1,914 - *CRD Labour and operating costs*
- \$15,693 - *Debt servicing costs*
- \$10,153 - *Other expenses*.

The difference between revenue and expenditures at 2015 year end amounted to a net surplus of \$15,595.

There was a surplus from 2014 of \$8,503 therefore the total surplus available was \$24,098. This surplus was used to add \$5,060 to the Capital Reserve Fund and \$19,038 to the maintenance reserve account, leaving no carry forward to 2016.

2015 User Fee charges were \$763.24 per Single Family Equivalent (SFE) and 2015 Parcel Tax charges were \$615.85 per Taxable Parcel.

The balances in the Cedar Lane Water service capital funds and reserve accounts at December 31, 2015 were:

Description	Balance at end of 2015
Maintenance Reserve Account	\$19,038
Capital Reserve Fund (1076 102020)	\$88,066
Funds remaining to spend on projects in progress (WLA3425)	\$13,178

Water System Problems - Who to Call:

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

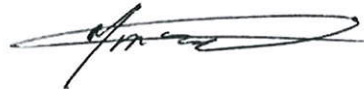
CRD water system emergency call centre: 1-855-822-4426 (toll free)
CRD water system emergency call centre: 1-250-474-9630 (toll)
North Salt Spring Waterworks District (contract operator): 250 537-9902
CRD local operator (Ganges Wastewater Treatment Plant): 250-537-4314
CRD water system general enquiries (toll free): 1-800-663-4425

When phoning with respect to an emergency, please specify to the operator, the service area in which the emergency has occurred.

The new toll free number for reporting emergencies is being pilot-tested and will be evaluated at the end of 2016 to assess the use and need going forward.



Karla Campbell, Senior Manager
Salt Spring Island Electoral Area



Matthew McCrank, MSc, PEng
Senior Manager, Infrastructure Operations
Concurrence



Rajat Sharma, B.Eng, MBA, CPA, CMA
Acting Chief Financial Officer
Concurrence

Glenn Harris, Ph.D., R.P.Bio
Senior Manager, Environmental Protection
Concurrence

KW/ts