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CEDAR LANE WATER SERVICE COMMISSION ANNUAL GENERAL MEETING

Notice of Meeting on Tuesday, June 5, 2018 at 1:00 PM
Creekside Meeting Room, Suite 108 121 McPhillips Ave, Salt Spring Island, BC

Wayne McIntyre

Ralph Dom

Jane Squier

Lynda Wilcox

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 2017 fiscal year.

AGENDA

1. **Call to Order**
2. **Approval of Agenda**
3. **Adoption of Minutes of the 2016 Annual General Meeting held on November 30, 2017** 2-3
4. **Chair's Report**
5. **Report**
 - 5.1 **Annual Report for 2017 Fiscal Year** 4-10
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 Thursday November 30, 2017, in the Creekside Meeting Room, Suite 108- 121
McPhillips Ave, Salt Spring Island, BC

DRAFT

Present: CRD Director: Wayne McIntyre
Commission Members: Jane Squier, Ralph Dom
Staff: Karla Campbell, Senior Manager, Salt Spring Island Electoral Area; Dan Robson, Manager, Saanich Peninsula and Gulf Islands Operations; Kyu-Chang Jo, Financial Analyst; Tracey Shaver, Recording Secretary
Absent: Troy Newton
Present: 25 area residents

1. Call to Order

Chair Dom called the meeting to order at 10:00 am.

2. Approval of Agenda

MOVED by Director McIntyre, **SECONDED** by Commissioner Dom,
That the Cedar Lane Water Service Commission 2016 Annual General agenda of
November 30, 2017 be approved.

CARRIED

3. Adoption of Minutes of the 2015 Annual General Meeting held on June 21, 2016.

MOVED by Director McIntyre, **SECONDED** by Commissioner Squier,
That the Cedar Lane Water Service Commission Minutes of 2015 Annual General Meeting
be approved.

CARRIED

4. Chair's Report

Chair Dom reported that 2017 was okay for water quality and mechanical systems, but that there has been a noticeable drop in the quantity of well water.

- Additional pressure on the area aquifer through development and farming
- Rate payers already practise conservation and rain water collection
- Consider expanding to a private well
- Drilling a new well in area not feasible; North End/Stark Road area too far away and expensive
- Requests CRD to investigate 1st right to water legislation

5. Report

5.1 Annual Report for 2016 Fiscal Year

Staff presented the various section of the AGM report for 2016 Fiscal Year.

- Water deemed unaccounted from the system at 7% for 2016

- Lower water sales = lower water revenue

6. Election of Officers

Troy Newton declined to run again for a position. Nominations were called for from the floor. Lynda Wilcox was nominated. Additional nominations were called for three times. Lynda Wilcox agreed to take a commissioner position with the start date of January 2018.

Ralph Dom will continue as Chair.

7. New Business

A petition was circulated with 30 area resident signatures.

- Concern over unprecedented low well levels
- Increase demand on aquifer
- Potential for complete loss of water supply
- Approval process for development

MOVED by Commissioner Squier, **SECONDED** by Commissioner Dom,
That the Cedar Lane Water Service Commission requests that the Capital Regional District invest in the implementation of an island wide Water Authority similar to the Drinking Water Watershed Authority adopted by the Regional District of Nanaimo.

CARRIED

8. Adjournment

MOVED By Commissioner Squier, **SECONDED** by Commissioner Dom,
That the meeting adjourn at 11:39 am.

CHAIR

SENIOR MANAGER



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CEDAR LANE WATER SERVICE 2017 ANNUAL REPORT June 5, 2018

Introduction

This report provides a summary of the Cedar Lane Water Service for 2017. It includes a description of the service, summary of the water supply, demand and production, drinking water quality, operations highlights, capital project updates and financial report.

Service Description

The Cedar Lane Water Utility is a rural residential community located on Salt Spring Island. The service was created in 1970 and became a CRD service in 2007. The Cedar Lane Water Utility (Figure 1) is comprised of 37 parcels of land of which all are connected to the system.

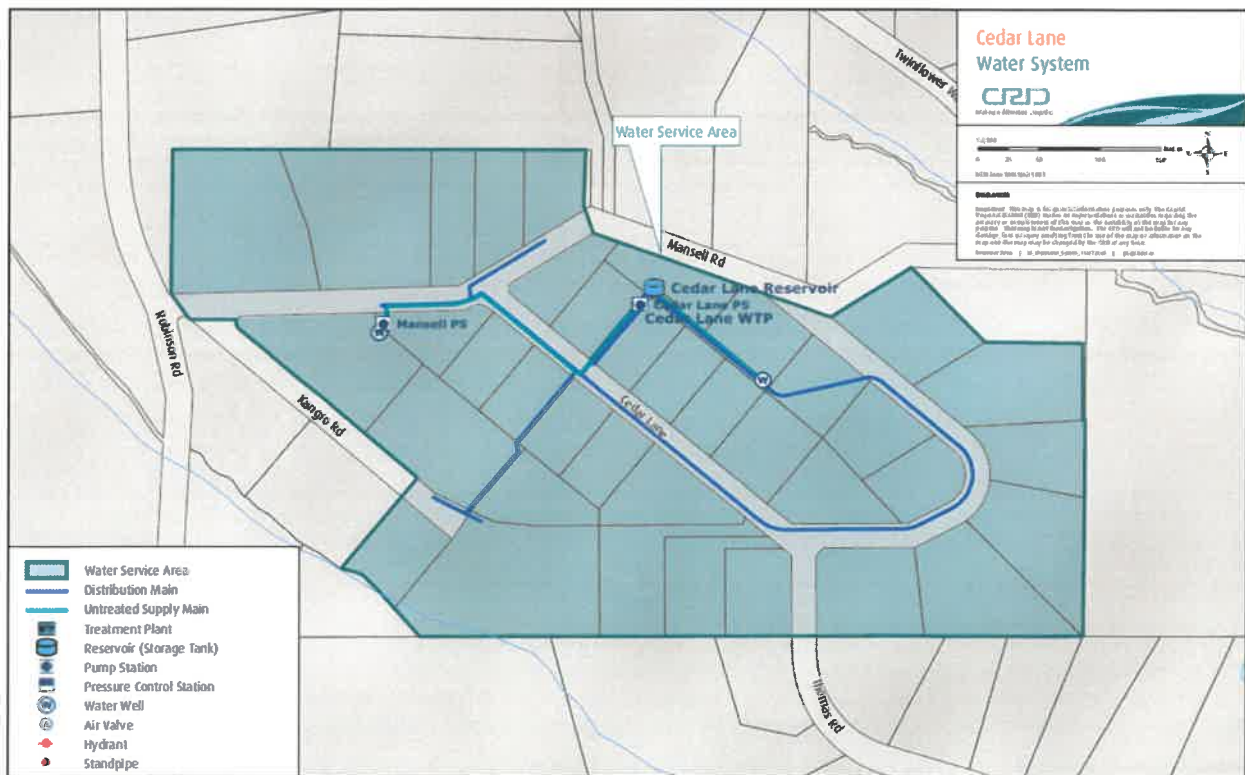


Figure 1: Cedar Lane Water Service

The Cedar Lane water system is primarily comprised of:

- two ground water source wells (#1 and #5)
- a water treatment plant (WTP) that provides primary disinfection with ultraviolet (UV) radiation and residual disinfection using sodium hypochlorite;

- 1 water reservoir – 136 m³ (30,000 lg);
- 1,260 metres of water distribution pipe;
- fire hydrant, standpipes, and gate valves;
- water service connections complete with water meters.

Water Production and Demand

Referring to Figure 2, 3,856 cubic meters (m³) of water was extracted (water production) from two ground water wells in 2017; a 7% increase from the previous year and is 10% less than the five year average. Water demand (customer water billing) for the service totaled 3,552 m³ of water; a 6% increase from the previous year and a 3% decrease from the five year average.

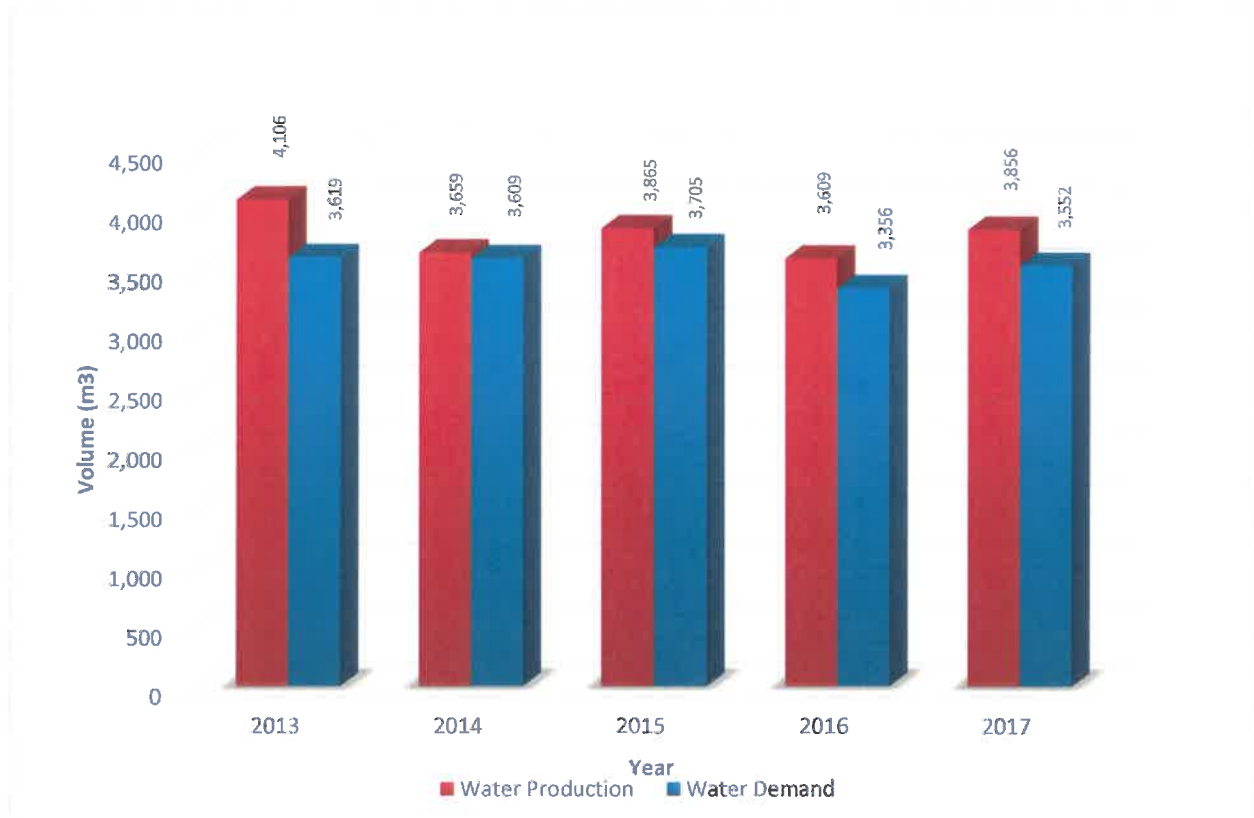


Figure 2: Cedar Lane Water Service Annual Water Production and Demand

Water production by month for the past five years is shown in Figure 3. Water consumption, for most water systems, is greatest during the summer months. Water usage for Cedar Lane is fairly consistent throughout the year likely the result of conservative indoor and outdoor water use.

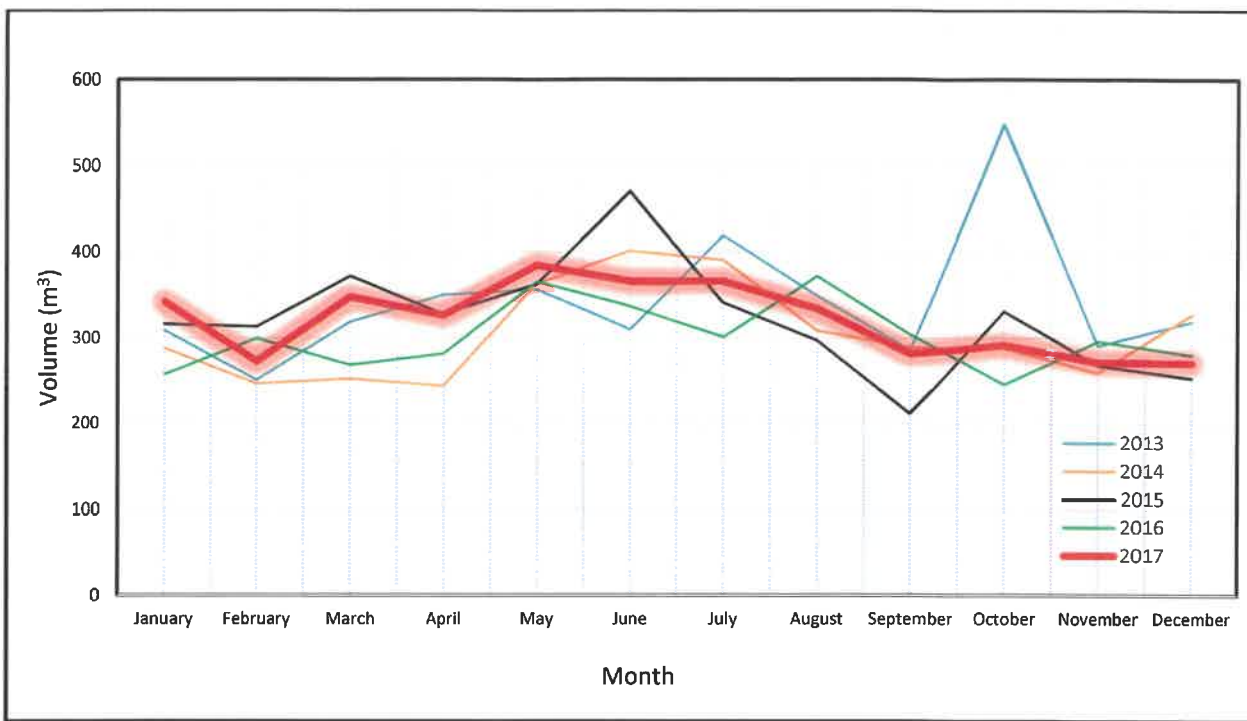


Figure 3: Cedar Lane Water Service Monthly Water Production

The Cedar Lane Water System is fully metered, and water meters are read quarterly. Water meter information enables water production and consumption to be compared in order to estimate leakage losses in the distribution system. The difference between water produced and water demand (total metered consumption) is called non-revenue water and 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 approximately 8%. Water loss is estimated to be approximately 5% which is considered to be acceptable for a small water system such as Cedar Lane

Water Quality

The analytical results (biological, chemical and physical parameters) of water samples collected in 2017 from the Cedar Lane Water System indicated that the water was safe to drink. Naturally high manganese concentrations in the well water remain untreated and regularly exceed the aesthetic limits. Associated precipitates have been a significant nuisance problem in parts of the Cedar Lane water system and cause discolouration of the drinking water.

Typical Cedar Lane Water System drinking water quality characteristics for 2017 are summarized as follows:

- Source water from both wells was free of any *E. coli* bacteria.
- Well #1 registered one positive total coliform positive result in a sample from May 15, 2017 and Well #5 in a sample from February 15, 2017. The bacteria concentrations were very low in both instances.
- Source water can be characterized as hard (~144 mg/L CaCO₃).
- Both wells exhibited elevated iron and especially manganese concentrations.
- Treated water was safe to drink and free of total coliform and *E. coli* bacteria.
- Free chlorine residual concentrations were acceptable and within the desired range (i.e., 0.18 – 0.98 mg/L)

- Disinfection by-products: trihalomethanes (THM) were well below the GCDWQ limit of 100 µg/L, haloacetic acids (HAA) were not tested in 2017 due to a history of very low concentrations in this system.
- Metals were typically below limits except for elevated manganese concentrations (mean annual 84.2 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>

Operational Highlights

The following is a summary of the major operational issues that were addressed during the 2017 operating period:

- Repairs to UV disinfection equipment.
- Leak investigation emergency response.
- Chemical feed pump repair.
- Reservoir water recirculation line valve installation.
- Residential water meter replacement.

CAPITAL IMPROVEMENTS

There was only one capital project planned for 2017:

1. Development of a Strategic Asset Management Plan, (\$5,000 Allocated, \$0 Spent). This work will be carried over to 2018.

2017 FINANCIAL REPORT

Please refer to the attached *Statement of Operations*. Revenue includes parcel taxes (Transfers from Government), fixed user fees (User Charges), consumption based revenue (*Water Sales*), interest on savings (Interest Earnings), a transfer from the maintenance reserve account, and miscellaneous revenue such as late payment charges (Other Revenue).

Expenses includes all costs of providing the service. General Government Services includes budget preparation, financial management, utility billing and risk management services. CRD Labour and Operating Costs includes CRD staff time as well as the costs of equipment, tools and vehicles. Debt servicing costs are interest and principal payments on long term debt. Other Expenses includes all other costs to administer and operate the water system, including insurance, supplies, water testing and electricity.

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 it 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.

2017 User Fee charges were \$774.86 per Single Family Equivalent (SFE) and 2017 Parcel Tax charges were \$644.59 per Taxable Parcel.

The balances in the Cedar Lane Water service capital funds and reserve accounts at December 31, 2017 were:

Description	Balance at end of 2017
Operating Reserve Fund	\$27,982
Capital Reserve Fund	\$106,462

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.

Submitted by:	Matt McCrank, M.Sc., P.Eng., Senior Manager, Infrastructure Operations
	Rianna Lachance, BCom, CPA, CA, Senior Manager Financial Services
	Glenn Harris, Ph.D., R.P.Bio., Senior Manager, Environmental Protection
	Karla Campbell, Senior Manager, Salt Spring Island Electoral Area

:ts

Attachment: Statement of Operations

CAPITAL REGIONAL DISTRICT

CEDAR LANE WATER Statement of Operations (Unaudited) For the Year Ended December 31, 2017

	2017	2016
Revenue		
Transfers from government	22,660	21,650
User Charges	28,671	28,240
Sale - Water	8,941	8,900
Other revenue from own sources:		
Interest earnings	45	34
Other revenue	209	284
Transfer from Operating Reserve Account		
Total revenue	60,525	59,108
Expenses		
General government services	3,040	3,406
Contract for Services	15,313	14,034
CRD Labour and Operating costs	5,263	4,644
Debt Servicing Costs	15,683	15,699
Other expenses	17,115	13,208
Total expenses	56,414	50,991
Net revenue (expenses)	4,112	8,117
Transfers to own funds:		
Capital Reserve Fund	4,002	-
Operating Reserve Fund	110	8,117
Annual surplus (deficit)	(0)	-
Accumulated surplus, beginning of year	-	-
Accumulated surplus, end of year	\$ (0)	-

CAPITAL REGIONAL DISTRICT

CEDAR LANE WATER Statement of Reserve Balances (Unaudited) For the Year Ended December 31, 2017

	Capital Reserve	
	2017	2016
Beginning Balance	87,405	88,066
Transfer from Operating Budget	4,002	-
Transfers from completed capital projects	13,839	-
Interest Income	1,216	1,339
Transfer to Capital Project		(2,000)
Ending Balance	<u>106,462</u>	<u>87,405</u>

	Operating Reserve	
	2017	2016
Beginning Balance	27,155	19,038
Transfer from/(to) Operating Budget	110	8,117
Interest Income	717	-
Ending Balance	<u>27,982</u>	<u>27,155</u>