



Making a difference...together

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

Notice of Meeting on Thursday, April 18, 2019 at 1:00 PM
Creekside Meeting Room, Suite 108 121 McPhillips Ave, Salt Spring Island, BC

Gary Holman Lynda Wilcox Jason Griffin Cathy Lenihan

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 2018 fiscal year.

AGENDA

1. **Call to Order**
2. **Approval of Agenda**
3. **Adoption of Minutes of the 2017 Annual General Meeting held on June 5, 2018**
4. **Chair's Report**
5. **Report**
 - 5.1 **Annual Report for 2018 Fiscal Year**
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 2017 Annual General Meeting of the
CEDAR LANE WATER SERVICE COMMISSION**
Held Tuesday June 5, 2018 in the SSI Public Library, 129 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(via telephone); Kyu-Chang Jo, Financial Analyst; Chris Davidson, Manager Engineering; Dan Ovington, Manager, Parks and Recreation; Tracey Shaver, Recording Secretary
Absent: Lynda Wilcox
Present: Approximately 30 area residents

1. Call to Order

Chair Dom called the meeting to order at 1:04 pm.

2. Approval of Agenda

MOVED by Director McIntyre, **SECONDED** by Commissioner Squier,
That the Cedar Lane Water Service Commission 2017 Annual General meeting agenda
of held on June 5, 2018 be approved.

CARRIED

3. Adoption of Minutes of the 2016 Annual General Meeting held on November 30, 2017.

MOVED by Director McIntyre, **SECONDED** by Commissioner Dom,
That the Cedar Lane Water Service Commission Minutes of 2016 Annual General Meeting
be approved.

CARRIED

4. Chair's Report

Chair Dom reported that during 2017 the water distribution system worked well under the continuation of conservation efforts.

- Notification process for disruption of service reviewed
- Mains were flushed in April instead of winter months (Feb/Mar) as requested by Commission
- Documented issues with Bullock Lake and green houses; effects on aquifer
- Letters written to CRD, Ministry and Ombudsperson seeking action to protect rate payers rights to water
- Disputed staff comment that water consumption demand increased significantly

5. Report

5.1 Annual Report for 2017 Fiscal Year

Staff presented the various section of the AGM report for 2017 Fiscal Year.

- Water loss from the system at 5%
- Confirm cost of replacement water metre
- 2018 parcel tax lowered due to loan being paid off
- Request for a more detailed report on “other expenses”
- Investigate distribution of monthly Revenue and Expense reports; forward to all commissioners
- Cedar Lane water consumption remains stable

MOVED By Commissioner Squier, **SECONDED** by Director McIntyre,
That the Cedar Land Water Service Commission receive the 2017 annual general
report for information.

CARRIED

6. Election of Officers

Jane Squier and Ralph Dom have terms ending in December of 2018, both declined to serve additional terms.

Nominations were called for from the floor. Three people were nominated for two positions. Additional nominations were called for three times. By a show of hands, Cathy Lenihan and Jason Griffin were elected to serve two year terms as volunteer commissioners beginning in January of 2019.

7. New Business

Mrs. Hobbs read aloud and distributed a letter written on May 31, 2018 to the CAO of the Capital Regional District seeking action to protect the area aquafer on behalf of the Cedar Lane residents.

Staff provided an update on actions taken to address the issues raised by Mr. & Mrs Hobbs.

8. Adjournment

MOVED By Commissioner Squier, **SECONDED** by Commissioner Dom,
That the meeting adjourn at 2:13 pm.

CHAIR

SENIOR MANAGER



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CEDAR LANE WATER SERVICE 2018 ANNUAL REPORT April 18, 2019

Introduction

This report provides a summary of the Cedar Lane Water Service for 2018. 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.

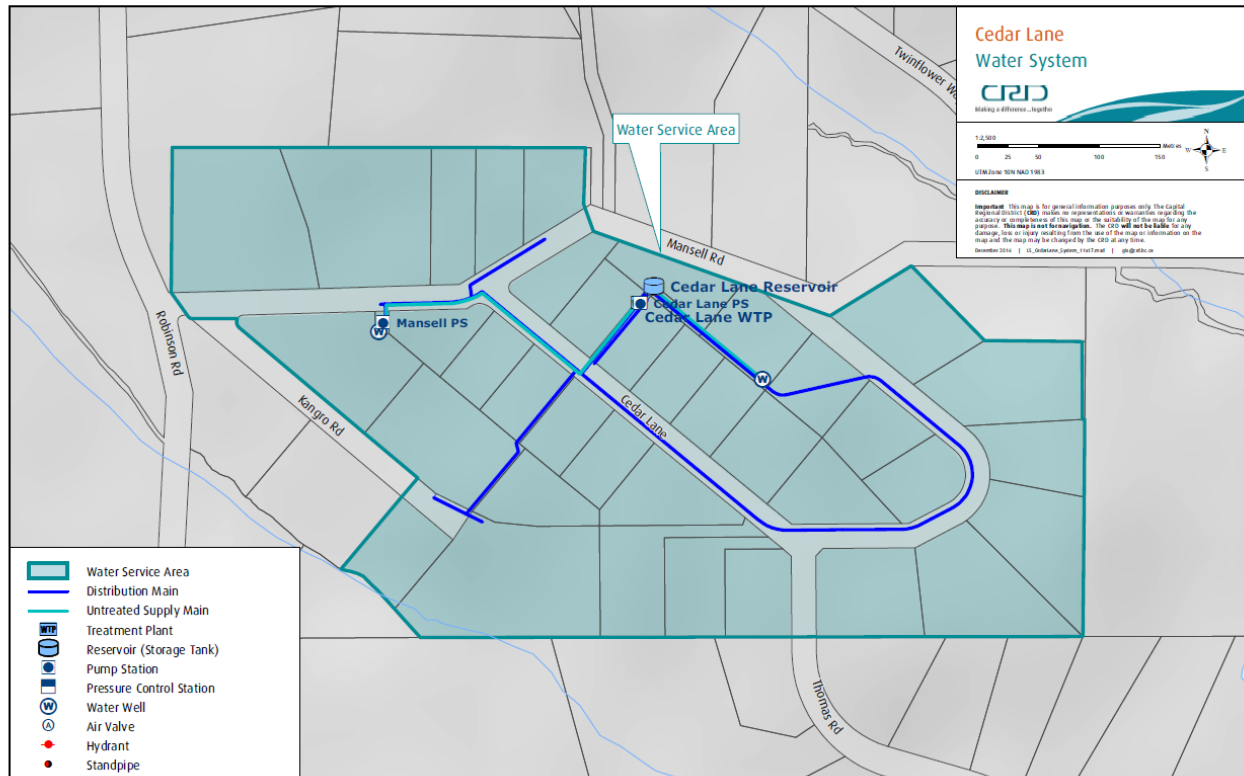


Figure 1: Cedar Lane Water Service

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, 3,887 cubic meters (m³) of water was extracted (water production) from two ground water wells in 2018; a 1% increase from the previous year and is 2% increase from the five year average. Water demand (customer water billing) for the service totaled 3,507 m³ of water; a 1% decrease from the previous year and a 4% decrease from the five year average.

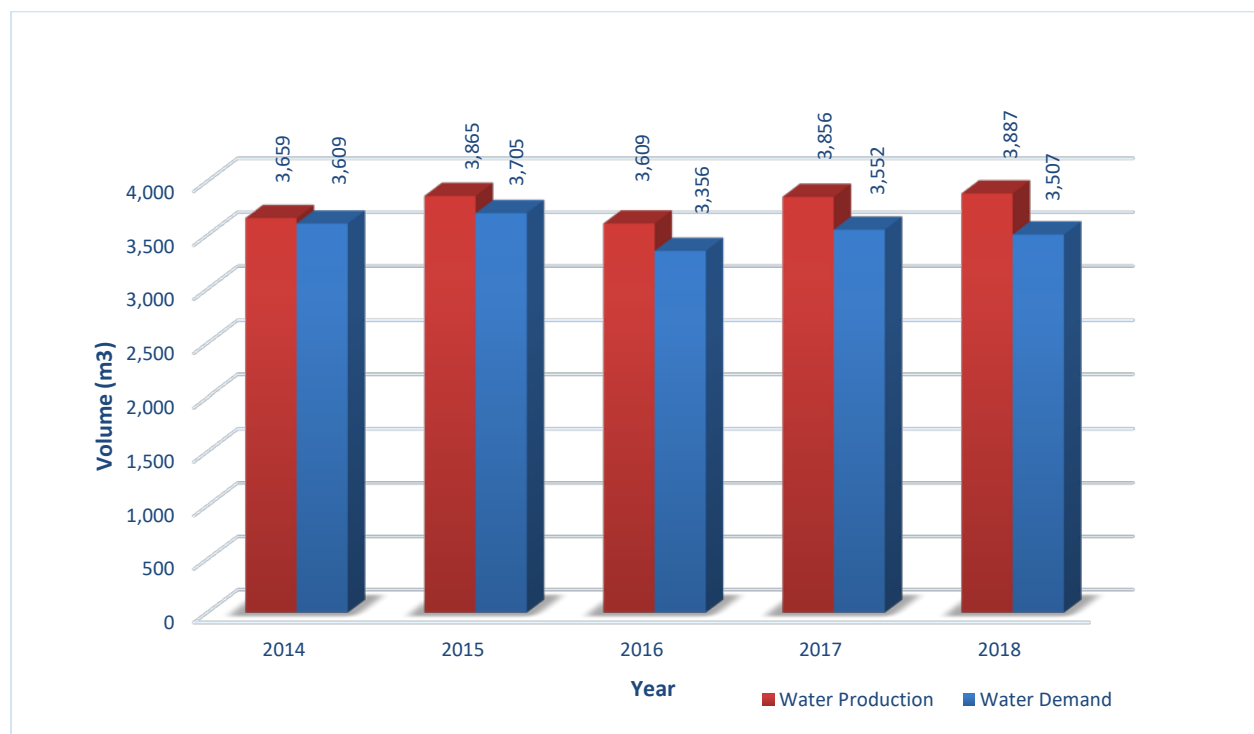


Figure 2: Cedar Lane Water Service Annual Water Production and Demand

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.

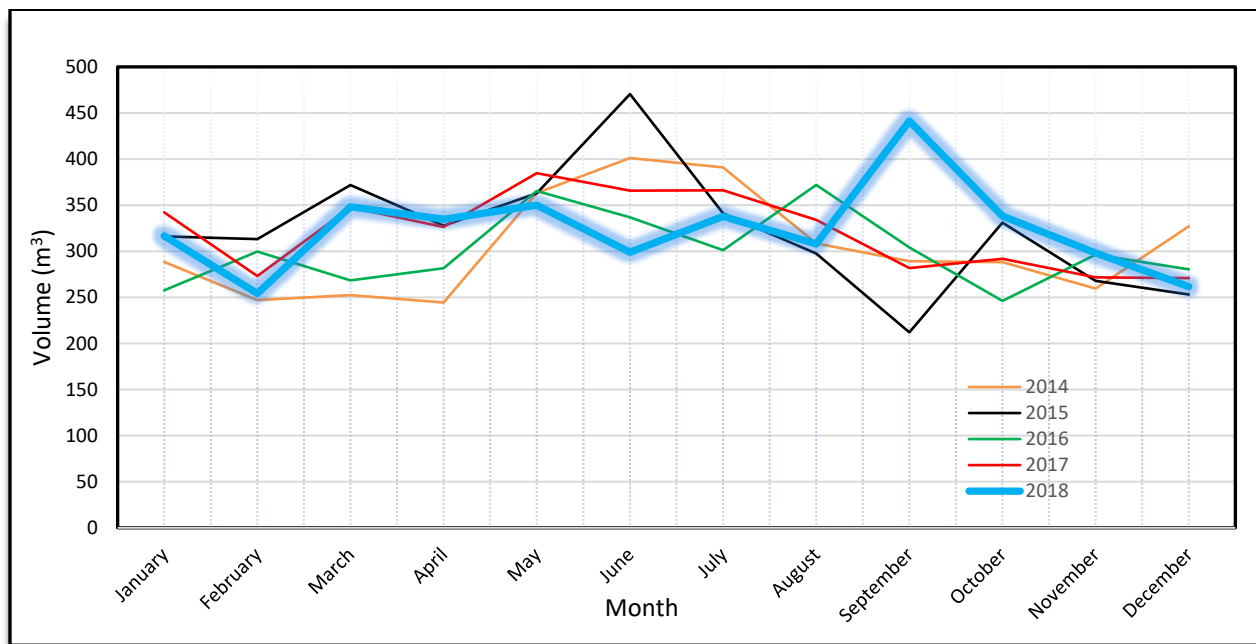


Figure 3: Cedar Lane Water Service Monthly Water Production

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 11%. Water loss is estimated to be approximately 7% 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 2018 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 established in the Guidelines for Canadian Drinking Water Quality (GCDWQ). 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 2018 are summarized as follows:

- Source water from both wells was free of any *E. coli* bacteria.
- Well #1 registered several positive total coliform result during March, April and December, and Well #5 in several samples from October to December. The bacteria concentrations were very low in all samples but one in April from Well #1 which recorded an unusual total coliform concentration of 75 CFU/100mL.

- Source water can be characterized as hard (~145 mg/L CaCO₃).
- Both wells exhibited elevated iron and especially high manganese concentrations.
- Treated water was safe to drink and had no confirmed presence of total coliform or *E. coli* bacteria. Two samples in April and May tested positive for total coliforms but immediate resamples could not confirm the bacteria presence.
- Free chlorine residual concentrations were acceptable and within the desired range (i.e., 0.26 – 1.25 mg/L)
- Disinfection by-products: trihalomethanes (THM) were well below the GCDWQ limit of 100 µg/L, haloacetic acids (HAA) were not tested in 2018 due to a history of very low concentrations in this system.
- Metals were typically below limits except for elevated manganese concentrations (mean annual 74.6 µg/L) that regularly led 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>

Operational Highlights

The following is a summary of the major operational issues that were addressed during the 2018 operating period:

- Corrective maintenance well no 1 pump.
- Replacement of well no 5 pump.
- Replacement of chlorine analyzer probe membrane.
- Corrective maintenance well no 5 pressure transducer
- Standpipe water leak repair.
- Emergency response to Dec 20th windstorm event.

CAPITAL IMPROVEMENTS

There were two projects planned for 2018:

1. Asset Management Plan, (\$5,000 allocated, \$4,547 spent). Asset management plan will recommend a prioritized list of infrastructure replacements, which will serve as the basis for future capital spending plans. Additional funds may be required for staff to complete the plan. This work will continue into 2019.
2. Abandon unused wells (\$10,000 allocated, \$0 spent). The original system drilled five wells, and two (well #1 and #5) are in production and operate separately. Wells that are no longer in use must be closed to avoid potential future aquifer contamination. Abandoning a well must be in accordance with Groundwater Protection Regulations. This work will be carried over to 2019.

2018 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.

2018 User Fee charges were \$854.86 per Single Family Equivalent (SFE) and 2018 Parcel Tax charges were \$605.05 per Taxable Parcel.

The balances in the Cedar Lane Water service capital funds and reserve accounts at December 31, 2018 were:

Description	Balance at end of 2018
Operating Reserve Fund	\$20,831
Capital Reserve Fund	\$84,599

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

CAPITAL REGIONAL DISTRICT

CEDAR LANE WATER Statement of Operations (Unaudited) For the Year Ended December 31, 2018

	2018	2017
Revenue		
Transfers from government	21,266	22,660
User Charges	31,631	28,671
Sale - Water	8,799	8,941
Other revenue from own sources:		
Interest earnings	23	45
Other revenue	1,029	209
Transfer from Operating Reserve Account	8,831	-
Transfer from Water Reserve Fund	24,024	-
Total revenue	95,603	60,525
Expenses		
General government services	3,230	3,040
Contract for Services	22,614	15,313
CRD Labour and Operating costs	17,091	5,263
Debt Servicing Costs	37,778	15,683
Other expenses	13,890	17,115
Total expenses	94,603	56,414
Net revenue (expenses)	1,000	4,112
Transfers to own funds:		
Capital Reserve Fund	-	4,002
Operating Reserve Fund	1,000	110
Annual surplus (deficit)	0	(0)
Accumulated surplus, beginning of year	-	-
Accumulated surplus, end of year	\$ 0	(0)

CAPITAL REGIONAL DISTRICT

CEDAR LANE WATER Statement of Reserve Balances (Unaudited) For the Year Ended December 31, 2018

	Capital Reserve	
	2018	2017
Beginning Balance	106,463	87,406
Transfer from Operating Budget	-	4,002
Transfers from completed capital projects	-	13,839
Interest Income	2,159	1,216
Transfer to Capital Project	(24,024)	-
Ending Balance	<u>84,599</u>	<u>106,463</u>

	Operating Reserve	
	2018	2017
Beginning Balance	27,982	27,155
Transfer from/(to) Operating Budget	(7,831)	110
Interest Income	680	717
Ending Balance	<u>20,831</u>	<u>27,982</u>