

RESCHEDULED TO FEBRUARY 28, 2014 AT 8:00 AM



Making a difference...together

CEDARS OF TUAM WATER SERVICE COMMISSION
Notice of Meeting on Monday, February 24, 2014 at 1 pm
Fulford Hall OAP, Anderson Room, Salt Spring Island, BC

R. Bain (Chair)

M. Gillies

W. McIntyre

AGENDA

1. Approval of Agenda
2. Adoption of Minutes of December 3, 2012
3. 2014 Capital and Operating Budget
4. New Business
5. Adjournment

To ensure a quorum, advise Tracey Shaver at 250.537.4448 if you cannot attend.



Making a difference...together

**Minutes of the Regular Meeting of the Cedars of Tuam Water Service Commission
Held December 3, 2012 in the Fulford Hall OAP, Salt Spring Island, BC**

DRAFT

Present: Alternate CRD Director:

Peter Lake

Commission Members:

Ron Bain – Chair; Mary Gillies

Staff:

Ted Robbins, Acting GM of Integrated Water Services; Janice Poncelet, CRD Senior Business Analysis; Kees Ruurs, CRD EA Senior Manager; Ralf Waters, CRD EA Engineer; Sarah Shugar, Recording Secretary

Excused: Wayne McIntyre, CRD Director

R. Bain called the meeting to order at 2:00 pm.

1. Approval of Agenda

The agenda was approved with the following amendments:

That Item 2 Adoption of Minutes be moved to the December 2, 2012 AGM; and
That this meeting be held as an informal meeting.

2. 2013 Operating and Capital Budget

T. Robbins reviewed the 2013 Operating and Capital Budget Report. He highlighted the following items:

- The actual 2012 revenue is projected to be \$210 below budget due to lower than budgeted consumption charges.
- Operating expenses are expected to be \$2,857 below budget.
- A \$2,647 surplus is anticipated at 2012 year end.
- An increase in the 2012 operating expenditures of \$411 is proposed, as is an \$89 increase in the transfer to the reserve fund.
- It is planned to transfer \$5,016 to the reserve fund in 2013.
- The debt expenditure budget for 2013 is \$2,440.
- There are no new capital projects planned for 2013.
- It is expected to complete the Strategic Asset Management Plan (SAMP) that was initiated in 2012.
- The annual fixed user charge and the consumption charge rates are proposed to remain at the 2012 levels.
- A five year capital and operating budget forecast was provided.

It was generally agreed that staff would redraft the 2013 Operating and Capital Budget with the following amendments:

- *Reduce vehicles to \$800.*
- *Remove the \$4,927 annual transfer to reserve fund.*
- *To reduce the estimated operating labour.*
- *To remove the \$100,000 for SAMP.*

- *To remove the \$4,954 transfer to the reserve fund.*
- *To transfer part of the labour costs out to set up a contingency fund to deal with emergency costs.*
- *To reduce user charges by \$300 per year.*
- *To omit line items where the amount is less than \$20.*
- *To provide the status of the capital budget including the balance of funds and details on expenditures.*

It was generally agreed that Staff would schedule a meeting to present the amended 2013 Operating and Capital Budget in February 2013.

Additional Items:

- *To gather historical information and work with School District #64 to develop the well agreement.*
- *That staff would provide a timeline list of priorities.*
- *T. Robbins to provide the record of water levels.*
- *That the Commission would work towards a community meeting in early 2013.*

3. New Business

3.1 Fence

It was generally agreed that CRD staff would purchase the fencing materials and deliver them to the contractor.

4. Adjournment

The meeting was adjourned at 3:06 pm.



Making a difference...together

**REPORT TO CEDARS OF TUAM WATER SERVICE COMMISSION
MEETING OF FEBRUARY 24, 2014**

SUBJECT 2014 OPERATING AND CAPITAL BUDGET

ISSUE

This report provides a synopsis of the 2014 budget, highlighting significant proposed changes.

BACKGROUND

2013 Estimated Actual Revenue and Expense

The actual 2013 revenue is projected to be \$558 below budget due to lower than budgeted consumption charges. Operating expenses are expected to be \$1,706 below budget and debt expenditures are expected to be \$469 below budget. To offset the projected revenue shortfall and maintain a \$1,545 surplus, the planned transfer to the reserve fund was maintained at \$1,032. As a result, a \$1,545 surplus is projected at year end that will be carried forward to the 2014 budget.

2014 Operating Expense

A decrease in the 2014 operating expenditures of \$101 is proposed, as is a \$345 decrease in the transfer to the reserve fund. The debt expenditure budget for 2014 is \$1,616, an \$814 reduction over the 2013 budget.

2014 Capital Plan

There are no new capital projects planned for 2014. It is expected to complete the Strategic Asset Management Plan that was initiated in 2012, which is to include a feasibility assessment of developing the new well and future distribution system upgrades.

2014 Revenue Requirement and User Charges

The annual fixed user charge and the consumption charge rates are proposed to remain at the 2013 levels.


Forecast 2014-2018

A five-year capital and operating budget forecast is provided for information. The scope and budget for future capital upgrades will be considered upon completion of the Strategic Asset Management Plan.

RECOMMENDATION

That the Cedars of Tuam Water Service Commission recommends that the CRD Board:

1. Approve the 2014 operating and capital budget for the Cedars of Tuam Water Service as presented;
2. Approve the 2014 fixed annual user charge and consumption rates for the Cedars of Tuam Water Service as presented; and
3. Balance the 2013 actual revenue and expense on the 2014 transfer to reserve fund.



Ted Robbins, BSc, CTEch
General Manager, Integrated Water Services

TR:mm
Attachment: 1

CAPITAL REGIONAL DISTRICT

2014 BUDGET

Cedars of Tuam Water (SSI)

COMMITTEE REVIEW

Compiled and Presented by CRD Finance
Data provided by Integrated Water Services

February 2014

Service: 2.622 Cedars of Tuam Water (SSI)	Committee: Electoral Area Services
--	---

DEFINITION:

To provide and operate water supply and distribution facilities for the Salt Spring Island Cedars of Tuam Water System Service Area. Bylaw No. 3021 (October 9, 2002).

PARTICIPATION:

Local Service Area #45, T(764).

MAXIMUM LEVY:

Greater of \$25,425 or \$6.75 / \$1,000 of actual assessed value of land and improvements. To a maximum of \$55,679.

MAXIMUM CAPITAL DEBT:

AUTHORIZED: LA Bylaw No. 3024 (October 10, 2002)	24,000	
BORROWED: SI Bylaw No. 3050 (March 12, 2003)	5.5%	(24,000) (Rate reduced to 2.1% June 2013)
REMAINING:		\$0

COMMITTEE:

Cedars of Tuam Water Service Committee established by bylaw No 3055 (March 12, 2003).

FUNDING:

Any deficiencies after user charge and/or frontage tax or parcel tax to be levied on taxable school assessments, excluding property that is taxable for school purposes by Special Act.

User Charge

- Annual Fixed Fee per Water Service Connection plus consumption charge
- The consumption charge for water will be the total volume of water metered to the water service connections, measured in cubic meters at the following rate: (BL3822 March 2012)
 - First 38 cubic metres or portion - \$0.90 / cubic metre
 - Greater than 38 cubic metres - \$7.70 / cubic metre

Water Connection Charge

- Actual cost for the connection. See rates and regulations Bylaw No 3891 (March 2013).

RESERVE FUND:

Fund 1057, established by Bylaw #3136 (June 14, 2004)

2.622 - CEDARS OF TUAM WATER (SS)		BUDGET REQUEST				2016		2017		2018	
2013 BOARD BUDGET	2013 ESTIMATED ACTUAL	2014 CORE BUDGET	2014 Supplementary	2014 TOTAL	2015 Supplementary	2015 TOTAL	2016 TOTAL	2017 TOTAL	2018 TOTAL		
OPERATING COSTS:											
Operating Labour	11,519	14,802	12,171	0	12,171	13,423	13,682	13,966	14,245		
Administration & Engineering	4,101	496	3,792	0	3,792	3,968	3,946	4,025	4,105		
Operating - Other Costs	2,320	860	2,349	0	2,349	2,393	2,441	2,489	2,539		
Corp.Svs & Insurance/Legal	1,940	1,940	1,780	0	1,780	1,833	1,870	1,907	1,945		
Water Testing Expenditures	1,503	2,254	1,800	0	1,800	1,836	1,873	1,910	1,948		
Vehicles	800	800	821	0	821	837	854	871	889		
Utilities & Telecom	650	0	0	0	0	0	676	690	704		
Electricity	530	485	550	0	550	572	595	619	644		
Contingency	0	0	0	0	0	0	0	0	0		
TOTAL OPERATING COSTS	23,363	21,657	23,262	0	23,262	25,426	25,947	26,478	27,020		
*Percentage Increase over prior year	0.00%	-7.30%	-0.43%	0.00%	-0.43%	9.30%	2.05%	2.05%	2.05%		
CAPITAL / RESERVE											
Transfer to Capital Fund	0	0	0	0	0	0	0	0	0		
Transfer to Reserve Fund	1,032	1,032	345	0	345	1,000	1,000	1,000	1,000		
TOTAL CAPITAL / RESERVES	1,032	1,032	345	0	345	1,000	1,000	1,000	1,000		
Debt Expenditures	2,430	1,961	1,616	0	1,616	1,616	1,616	1,616	1,364		
MFA Debt Reserve	10	17	10	0	10	10	10	10	10		
TOTAL COSTS	26,835	24,667	25,233	0	25,233	28,052	28,573	29,104	29,394		
*Percentage Increase over prior year	0.00%	-8.08%	-5.97%	0.00%	-5.97%	11.17%	1.88%	1.88%	1.00%		
Internal Recoveries	0	0	0	0	0	0	0	0	0		
Recovery - Other	0	0	0	0	0	0	0	0	0		
OPERATING COSTS LESS INTERNAL RECOVERIES	26,835	24,667	25,233	0	25,233	28,052	28,573	29,104	29,394		
*Percentage Increase over prior year	0.00%	-8.08%	-5.97%	0.00%	-5.97%	11.17%	1.88%	1.88%	1.00%		
FUNDING SOURCES (REVENUE)											
Surplus / (Deficit)	1,545	1,545	(1,545)	0	(1,545)	0	0	0	0		
Balance C/F from Prior to Current year	(2,647)	(2,647)	(1,600)	0	(1,600)	(2,100)	(2,100)	(2,100)	(2,100)		
Revenue - Water Sales	(2,100)	(1,542)	(60)	0	(60)	(60)	(60)	(60)	(60)		
Revenue - Other	(60)	(45)	(50)	0	(50)	(50)	(50)	(50)	(50)		
Recovery - Other	(50)	0	(21,978)	0	(21,978)	(25,842)	(26,383)	(26,694)	(27,184)		
User Charges	(21,978)	(21,978)	(25,233)	0	(25,233)	(28,052)	(28,573)	(29,104)	(29,394)		
TOTAL REVENUE	(26,835)	(24,667)	(25,233)	0	(25,233)	(28,052)	(28,573)	(29,104)	(29,394)		
REQUISITION	0	0	(0)	0	(0)	(0)	0	0	0		
*Percentage Increase over prior year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
NOTE: Capital / Reserve Fund Expenditures PARTICIPANTS: costs recovered internally. AUTHORIZED POSITIONS: Salaried Hourly											

2.622 - CEDARS OF TUAM WATER (SSI)

column	Prior Yr v7	Est Act v9	Core v2	#VALUE!	Total	Fcst Yr1 v10	Fcst Yr2 v11	Fcst Yr3 v12	Fcst Yr4 v13
Operating Labour	11,519	14,802	12,171	0	12,171	13,423	13,692	13,966	14,245
Administration & Engineering	4,101	496	3,792	0	3,792	3,868	3,946	4,025	4,105
Operating - Other Costs	2,320	880	2,349	0	2,349	2,393	2,441	2,489	2,539
Corp.Svs & Insurance/Legal	1,940	1,940	1,780	0	1,780	1,833	1,870	1,907	1,945
Water Testing Expenditures	1,503	2,254	1,800	0	1,800	1,836	1,873	1,910	1,948
Vehicles	800	800	821	0	821	837	854	871	889
Utilities & Telecom	650	0	0	0	0	663	676	690	704
Electricity	530	485	550	0	550	572	595	619	644
Contingency	0	0	0	0	0	0	0	0	0
Other Labour	150	150	150	0	150	150	153	156	159
Water Quality Oversight/Report	0	0	0	0	0	0	0	0	0
Travel Expenses	420	90	428	0	428	437	446	455	464
Repairs and Maintenance Costs	460	0	480	0	480	490	500	510	520
Rentals and Leases	100	0	100	0	100	102	104	106	108
Operating - Other Costs	340	142	340	0	340	347	354	361	368
Licenses/Surveys/Fees	210	0	210	0	210	214	218	223	227
Supplies - Chemical	140	68	140	0	140	143	146	149	152
Supplies - Operating	500	430	500	0	500	510	520	531	541
	2,320	880	2,349	0	2,349	2,393	2,441	2,489	2,539
Operating Expenditures - LSA's	23,363	21,657	23,262	0	23,262	25,426	25,947	26,478	27,020
Transfer to Capital Fund	0	0	0	0	0	0	0	0	0
Transfer to Reserve Fund	1,032	1,032	345	0	345	1,000	1,000	1,000	1,000
Capital Reserve Expenditures	1,032	1,032	345	0	345	1,000	1,000	1,000	1,000
Debt Expenditures	2,430	1,961	1,616	0	1,616	1,616	1,616	1,616	1,364
MFA Debt Reserve	10	17	10	0	10	10	10	10	10
Internal Recoveries	0	0	0	0	0	0	0	0	0
Revenue - Water Sales	(2,100)	(1,542)	(1,600)	0	(1,600)	(2,100)	(2,100)	(2,100)	(2,100)
Revenue - Other	(60)	(45)	(60)	0	(60)	(60)	(60)	(60)	(60)
Recovery - Other	(50)	0	(50)	0	(50)	(50)	(50)	(50)	(50)
User Charges	(21,978)	(21,978)	(21,978)	0	(21,978)	(25,842)	(26,894)	(26,894)	(27,184)
Revenue	(24,188)	(23,565)	(23,688)	0	(23,688)	(28,052)	(28,573)	(29,104)	(29,394)
Funds Carried Forward	(2,647)	(2,647)	(1,545)	0	(1,545)	0	0	0	0
Deficit	0	0	0	0	0	0	0	0	0
Debit	0	(1,545)	0	0	0	0	0	0	0
Total Plan	0	(1,545)	0	0	0	0	0	0	0

Service: 2.622 Cedars of Tuam Water (SSI)

Committee: Electoral Area Services

Year	Taxable Folios	Parcel Tax	By-law No.	Number SFE's	Number Connections	User Charge	By-law No.	Actual Assessments	Converted Assessments
2010 -B	16		16			\$1,312.50 + variable		8,926,100	892,610
2010 -R				*	16	\$1,115 + consumption charge	3688		
2011				16		\$1,603.87 + consumption charge	3777	8,855,300	885,530
2012				16		\$1,603.87 + consumption charge	3822	8,731,600	873,160
2013				16		\$1,373.62 + consumption charge	3891	8,248,700	824,870
2014				16		\$1,373.62 + consumption charge			

NOTE:

* Effective 2010, based on # of water service connection + consumption charge.

2010 -B = Budget calculated on old Fee & Charges method

2010 -R = Revised Fees and Charges, Bylaw 3688 adopted Feb 2010, should approximately equal Budget fees and charges calculation

Service: 2.622 Cedars of Tuam Water (SSI)	Committee: Electoral Area Services
---	------------------------------------

CEDARS OF TUAM WATER CAPITAL RESERVE FUND #1057:

Balance as at:	December 31, 2012	8,862
Interest (estimate)		135
Transfer to reserve fund		1,032
Transfer from reserve fund - pending		

TOTAL ESTIMATED FUNDS: \$10,029

Capital Fund - WLA3024 - Dec 2013 - unspent cash \$29,538

Capital Regional District

**2.622 Cedars of Tuam Water (SSI)
2014 - 5 YEAR CAPITAL PLAN
(\$'000 - 2014 Dollars)**

Capital Works Description	Cap Type	2014	2015	2016	2017	2018	5 Yr Total	Projected completion cost
Well/Distribution System Upgrade Feas. Study(c/f)(SAMP)	S	9	-	-	-	-	9	
TOTAL		9	-	-	-	-	9	

Funding Source:	2014	2015	2016	2017	2018	5 Yr Total
Capital Funds on Hand	6	-	-	-	-	6
Reserve Fund	3	-	-	-	-	3
Total Proposed Funding Source	9	-	-	-	-	9

Cap Type:

- B = Buildings
- E = Equipment
- L = Land
- S = Engineering Structures
- V = Vehicles

CAPITAL REGIONAL DISTRICT - SCHEDULE G

CAPITAL BUDGET FORM
2014 to 2016 & Forecast 2017 to 2018
 Service #: **2.622**
 Service Name: **Cedars of Tuam Water (SSI)**

Year (1)	Type Code (2)* ↓	Specific Project Description (3)	Capital Expense \$	Funding (4) **		Grant Program Sponsor (6)	Loan Authorization (7)	Participants (8) ↓	%
				Source ↓	Amount Total (5) \$				
2014	S	Well/Distribution System Upgrade Feas. Study(c/f)(SAMP)	9,000	C	6,000				
				R	3,000				
TOTAL			9,000		9,000				

Funding Source Codes (4) ** D = Debenture Debt (new debt only) E = Equipment Replacement Fund G = Grants (Federal, Provincial) O = Donations / Third Party Funding	Funding Source Codes (4) ** C = Capital Funds on Hand R = Reserve Fund S = Short Term Loans L = Lands Sales
---	--

CAPITAL REGIONAL DISTRICT

CAPITAL BUDGET – LOCAL SERVICES

2014

Cedars of Tuam Water (SSI)

- #1 Well and Distribution System Upgrade Feasibility Study (carryforward, 2014) \$9,000
 Replace existing pump system with new equipment that enables full SCADA function (remote monitoring and control of chlorine residual concentration).