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RESCHEDULED TO FEBRUARY 28, 2014 AT 8:00 AM

CEDARS OF TUAM WATER SERVICE COMMISSION
Notice of Annual General Meeting on **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. Chair's Report - *HANDED OUT AT TABLE*
4. Annual Report
5. Election of Officers
6. New Business
7. Adjournment

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



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**Minutes of the Annual General 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 1:05 pm.

1. Approval of Agenda

MOVED by P. Lake, **SECONDED** by M. Gillies,
That the agenda be approved with the following amendment:
Item 2.2 Approval of Minutes.

CARRIED

2. Chair Report

2.1 The Chair had no report at this time.

2.2 Approval of Minutes

MOVED by M. Gillies, **SECONDED** by P. Lake,
That the Cedars of Tuam Water Service Commission accept the minutes of the
November 16, 2009 meeting as presented.

CARRIED

MOVED by M. Gillies, **SECONDED** by P. Lake,
That the Cedars of Tuam Water Service Commission accept the minutes of the
March 15, 2010 meeting as presented.

CARRIED

MOVED by M. Gillies, **SECONDED** by P. Lake,
That the Cedars of Tuam Water Service Commission accept the minutes of the
January 10, 2011 meeting as presented.

CARRIED

MOVED by M. Gillies, **SECONDED** by P. Lake,
That the Cedars of Tuam Water Service Commission accept the minutes of the
March 10, 2011 meeting as presented.

CARRIED

MOVED by M. Gillies, **SECONDED** by P. Lake,
That the Cedars of Tuam Water Service Commission accept the minutes of the
March 19, 2011 meeting as presented.

CARRIED

T. Robbins noted that Item 2b. should read: greater than 38 cubic metres -
\$7.70/cubic metre.

MOVED by M. Gillies, **SECONDED** by P. Lake,
That the Cedars of Tuam Water Service Commission accept the minutes of the
April 13, 2012 meeting as amended.

CARRIED

3. Annual Report

T. Robbins reviewed the Cedars of Tuam Water Service 2011 Annual Report. He highlighted the following items:

- Cedars of Tuam water System operated reliably in 2011.
- The CRD staff and Cedars of Tuam Commission have been developing a Statutory Right of Way agreement with School District #64 for access and use of the well that was drilled and tested at the Isabella Point School property in 2010.
- A well and distribution upgrade study for the system was started in 2011.
- The analytical results of water samples collected in 2011 from the system show the quality of drinking water was satisfactory and well within regulatory limits.
- The total amount of water produced in 2011 was 1,798 cubic metres, an estimated decrease of less than 1% from 2010.
- Total usage measured through customer meters in 2011 was 1,694 cubic metres.
- The average account used 105 cubic metres of water in 2011.
- The total revenues of \$27,465 consisted primarily of \$27,404 from user fees and consumption charges.
- Revenue exceeded budgeted revenue by \$483.
- At 2011 year end the Capital Reserve Fund balance was \$4,881.

It was generally agreed to omit page four and to receive the Cedars of Tuam Water Service 2011 Annual Report as amended.

R. Bain would forward correspondence to T. Robbins; the email received from Kelly Daniels regarding the format of the budget documents .

4. Election of Officers

P. Lake called for nominations.

M. Gillies nominated R. Bain and P. Lake seconded the nomination.

R. Bain accepted the nomination.

P. Lake nominated M. Gillies and R. Bain seconded the nomination.

M. Gillies accepted the nomination.

R. Bain and M. Gillies were elected by acclamation.

5. New Business

5.1 Long-term Plan

R. Bain verbally presented the following:

- Cedars of Tuam joined the CRD in 2002, it was a unanimous community decision.
- Cedars of Tuam made the decision to drill the well in 2010. At that time, \$50,000 of the funds were spent on fees and \$50,000 of the funds were spent on the well.
- Presently, eleven years later Cedars of Tuam is in need of support, the district is unclear where it stands in terms of capital projects.
- Cedars of Tuam is requesting assistance in the development of a long term plan to serve the community.

5.2 User Charges

R. Bain verbally presented the following:

The Commissioners would like to reaffirm their proposal to re-establish the original bylaw permitting the Commission to recover the cost of water in situations where drought or other emergency conditions required extraordinary measures to haul water from other sources. This bylaw was removed in 2010 by the CRD when the bylaw was consolidated. The bylaw offered the Commission an opportunity to recover costs based upon water used during the emergency period. We were very fortunate that this last year the consumption was at a rate due to low population and user carefulness where this did not occur. Without this bylaw the cost would be shared by all users whether they were using the water or not. The original bylaw read:

Bylaw 3069

A BYLAW TO IMPOSE FEES AND OTHER CHARGES WITHIN THE CEDARS OF TUAM WATER SERVICE AREA

Included under **User Charges**:

3. Surcharge:

To recover the cost of water required to be purchased to augment or replace the water supply, a surcharge rate equivalent to recover the cost of water purchased/purchased water consumed will be levied on each user, based on metered consumption.

MOVED by R. Bain, **SECONDED** by M. Gillies,

That the Cedars of Tuam Water Service Area Commission recommends to the CRD Board to restore Bylaw 3069.

CARRIED

T. Robbins advised that staff is in the process of creating a bylaw that would address a system to deal with leaks and that it would be consistent with other water districts.

5.3 Governance Study

M. Gillies inquired what role is the CRD taking in the governance study?

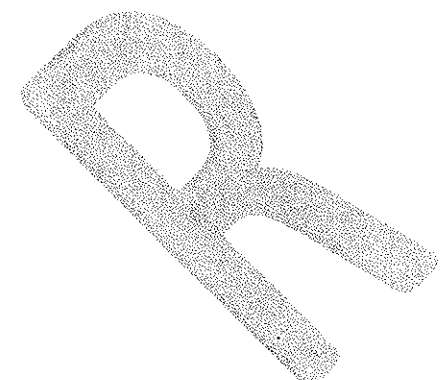
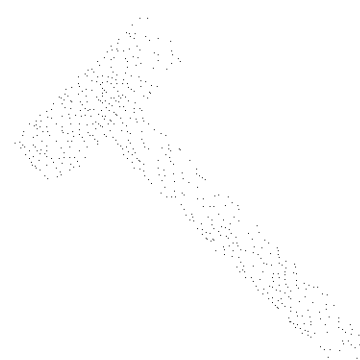
K. Ruurs advised that CRD is not involved in the governance study other than it is expected that they would be requested to be interviewed.

Additional Action Items:

- *To direct staff to rewrite the water service area manual and that it be provided to all the users of the water service.*

6. Adjournment

It was generally agreed to adjourn the meeting at 2:00 pm.





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**CEDARS OF TUAM WATER SERVICE
2012 ANNUAL REPORT
FEBRUARY 24, 2014**

Operations

The Cedars of Tuam water system operated reliably in 2012 with minor maintenance work including one service leak repair on Roland Road and the replacement of chlorine and pH sensors at the water disinfection plant.

Capital Plan

A well and distribution system upgrade feasibility study for the Cedars of Tuam system is planned, to determine the quantity, age, condition and approximate life expectancy of the water mains and other system infrastructure and establish a plan to develop and connect the new well. The plan will include a long-term financial plan to fund system operation and maintenance, infrastructure renewal and development of new works, in order to maintain an acceptable level of service and provide future annual cost of service projections.

Water Quality

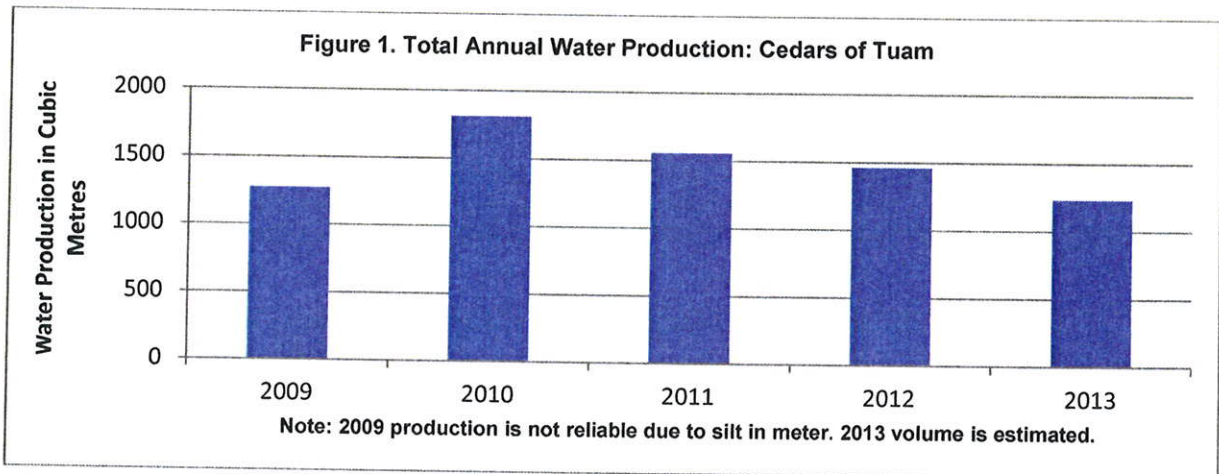
The analytical results of water samples collected in 2012 from the Cedars of Tuam Water System show that the quality of drinking water was satisfactory and well within regulatory limits.

Water Supply and Demand

The total amount of water produced into the Cedars of Tuam water distribution system in 2012 was 1,462 cubic metres (m³), approximately 6% less than that produced in 2011. Annual production is shown in Figure 1 with 2013 volume estimated due to unavailable January and February readings.

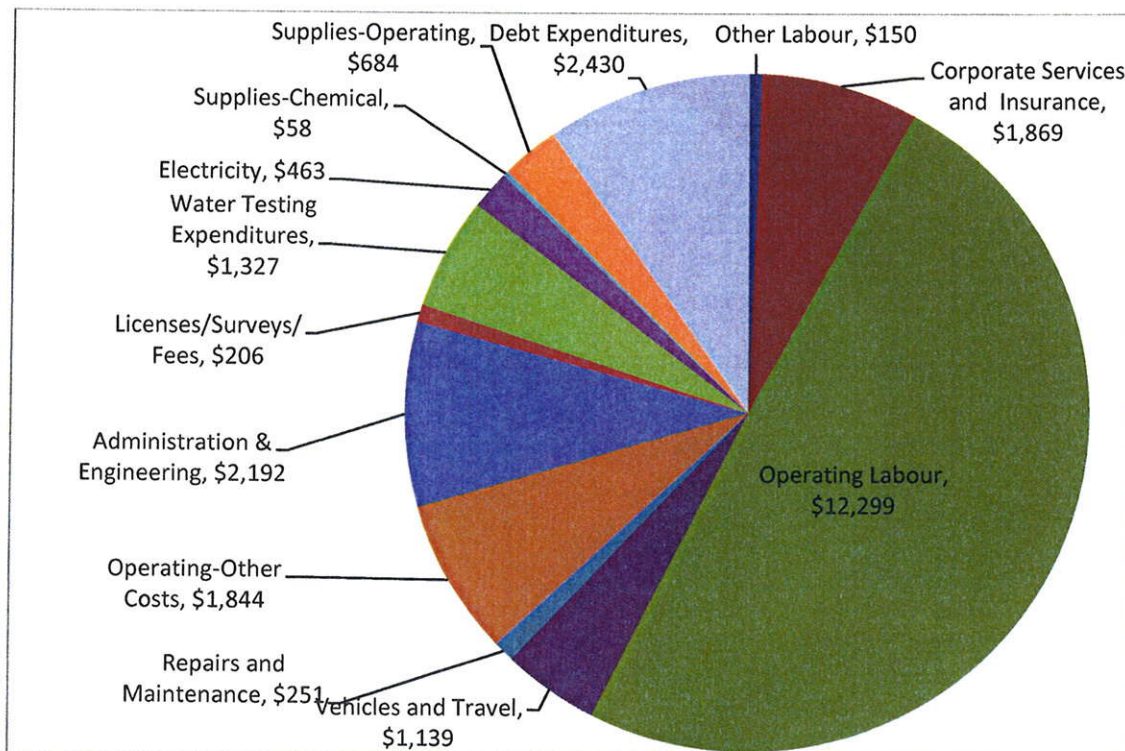
Total consumption measured through individual customer meters in 2012 was 1,424 m³ approximately 16% less than the previous year's 1,694 m³. Estimated non-revenue water remains at 6.5 m³ per service connection, which is very low for infrastructure the age and construction of the Cedars of Tuam system. The difference between production and total metered consumption, called non-revenue water, includes distribution leaks, meter error, and unmetered uses such as distribution system maintenance.

A vortex filter has since been installed to capture silt in the raw water well discharge pipe. Monthly production (Figure 2) indicates minimal seasonal variation in water usage since 2009.



Revenue exceeded budgeted revenue by \$4,615. After transfer of \$3,895 to Reserve Funds, \$720 was added to the accumulated surplus of \$1,927 to create a carry forward of \$2,647 to 2013. Total expenditures of \$27,053 were under budgeted expenditures by \$3,256. At 2012 year end, the Capital Reserve Fund balance was \$8,862.

Figure 4. Cedars of Tuam 2012 Actual Operating Expenses
(minor expenditures not reflected)



Water System Problems - Who to Call:

To report any event or to leave a message regarding the Cedars of Tuam water system, call:

CRD water system emergency call centre: 1-250-474-9630
CRD local operator (Ganges Wastewater Treatment Plant): 250-537-4314
CRD water system general enquiries (toll free): 1-800-663-4425

Peter Sparanese, PEng
Senior Manager, Infrastructure Operations
Integrated Water Services

GP/TR:mm

Attachment: 1

CAPITAL REGIONAL DISTRICT

WATER REVENUE FUND

Statement of Operations (Unaudited)

For the Year Ended December 31, 2012

	Cedars of Tuam Water Supply
Revenue	
Transfers from government	\$ -
Sale of services	27,637
Other revenue from own sources:	
Interest earnings	53
Other revenue	83
Total revenue	27,773
Expenses	
General government services	1,730
Grants in aid	-
Other expenses	21,417
Salaries and wages	-
Fiscal services	11
Recovery	-
Total expenses	23,158
Net revenue (expenses)	4,615
Transfers to own funds:	
Capital Funds	-
Reserve Funds	3,895
Equipment Replacement Fund	-
Transfers from own funds:	
Reserve Funds	-
Annual surplus	720
Accumulated surplus (deficit), beginning of year	1,927
Accumulated surplus (deficit), end of year	\$ 2,647

Chairmans Report to the 2013 Annual Meeting - 2014 Budget

1. Proposed 2014 Budget and 2013 Expenses

2.622 - CEDARS OF TUAM WATER (SSI)	2013 BOARD BUDGET	2013 ESTIMATED ACTUAL	2014 CORE BUDGET
<u>OPERATING COSTS:</u>			
Operating Labour	11,519	15,354	12,171
Administration & Engineering	4,101	778	3,792
Operating - Other Costs	2,320	1,020	2,349
Corp.Svs & Insurance/Legal	1,940	1,940	1,780
Water Testing Expenditures	1,503	2,500	1,800
Vehicles	800	800	821
Utilities & Telecom	650	0	0
Electricity	530	530	550
Contingency	0	0	0
TOTAL OPERATING COSTS	23,363	22,922	23,262

We would appreciate clarification of the following.

1. We do not receive a final Revenue and Expenses - Operating report (REO) for each year and the December report figures differ from the 2013 "estimated actual" in the budget. As the "estimated actual" figures in the budget have never been revised in the past from first draft budgets to the final approved budget, can we assume that these are correct? How can we reconcile these and the figures outlined in the December REO?
2. Operating Labour expense is expected to be \$3854 over budget. Can we have an explanation on how we ran over budget on Operating Labour so we can evaluate whether this is a one time or a continuing expense?
3. Administrative and Engineering is expected to be \$3323 below budget. We understand that only a minimal time was spent on these activities in 2013. Are we correct in assuming these are normal administrative costs and do not include amounts for Strategic Planning and engineering for planned maintenance upgrades and future capital projects?
4. Actual Operating - other costs are shown as \$1300 less than than the 2013 budget, yet the 2014 budget is greater than the 2013 budget. What is changing?

Chairmans Report to the 2013 Annual Meeting - 2014 Budget

5. A significant number (12 or more) of REO expense categories listed separately are not charged with expenses in the December 2013 REO report. They total over \$1500. How are these categories charged?
6. Vehicle Allocations 530280 prior to June 2013 when the new category 600031 appeared on the REO and was charged with \$846 against the \$800 shown in the budget. This was revised to \$800 in July. In 2012 the expense was \$476. What is included and why was it a one time expense?
6. Water Testing expense varies and we would like to understand the cause of the increase in 2013 and the proposal for the new budget.
7. Why is Debt Expenditure (aka Principal Payment) being reduced?
8. We specifically request a a work program and budget for the proposed Strategic Asset Management Plan work proposed for 2014.

2. Clarity on Capital and Reserve Funds

We seek clarity on how the Capital and Reserve Funds are established and managed. The only defined authority is contained in Bylaw 3136 Capital Reserve Fund which reads as follows:

1. There shall be and is hereby established a capital reserve fund pursuant to the provisions of Section 188 of the *Community Charter* to be known as the "Cedars of Tuam Water System Local Service Area Capital Reserve Fund".
2. Surplus monies from the operation of the water service may be paid from time to time into the reserve fund.

The commissioners seek a clear policy on how these funds are are established, expended, and replenished and our role in this process. We established the reserve fund for Cedars of Tuam with the intention that funding for annual operating should be separate from unplanned system repairs, and planned long term maintenance and infrastructure replacement.

3. Bylaw for recovering the cost of providing water from offsite sources if required by draught conditions

We have had many conversations about restoring our bylaw authority to recover costs for unpredictable events where we are unable to provide water due to seasonal draught conditions and water demand. CRD staff agreed to discuss this topic with Corporate Services and bring information back to the commission.