



Making a difference...together

CEDARS OF TUAM WATER SERVICE COMMISSION
Notice of Meeting on **MONDAY, October 20, 2014 at 1:00 PM**
Salt Spring Public Library, 129 McPhillips Ave, Salt Spring Island, BC

Wayne McIntyre

Mary Gillies

Ron Bain

(Amended) AGENDA

- 1. Approval of Agenda**
- 2. Adoption of Minutes of February 28, 2014** (previously distributed)
- 3. Reports**
 - 3.1 2015 Operating and Capital Budget** (budget materials previously distributed)

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

 - 1. Approve the 2015 operating and capital budget for the Cedars of Tuam Water Service as presented;*
 - 2. Authorize the 2015 fixed annual user charge of \$1,470.63 and consumption charge rate of \$0.90/m³ for the first 38m³ and \$7.70/m³ for consumption over 38m³ per billing period; and*
 - 3. Balance the 2014 actual revenue and expenditures on the 2015 transfer to capital reserves.*
- 4. New Business**
- 5. Outstanding Business**
- 6. Adjournment**

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



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**Minutes of the Regular Meeting of the Cedars of Tuam Water Service Commission
Held February 28, 2014 in the Fulford Hall OAP, Salt Spring Island, BC**

DRAFT

Present: **CRD Director:** Wayne McIntyre
Commission Members: Ron Bain, Chair; Mary Gillies
Staff: Dan Robson, Saanich Peninsula and Gulf Islands Operations; Brian MacDonald, Finance; Peter Sparanese, Senior Manager, Infrastructure Operations, Integrated Water Services; Karla Campbell, EA Senior Manager; Michele Akerman, Recording Secretary; Keith Wahlstrom, Contract Engineer

The Chair called the meeting to order at 9:29 am

1. Approval of Agenda

MOVED by Commissioner Bain, **SECONDED** by Director McIntyre,
That the agenda be approved as presented.

CARRIED

2. Adoption of December 3, 2012 Minutes

MOVED by Commissioner Bain, **SECONDED** by Commissioner Gillies,
That the December 3, 2012 minutes be approved as presented.

CARRIED

3. 2014 Capital and Operating Budget

General discussion regarding the Administrative and Engineering operating costs and how the budget went almost \$2,000 over in 2013. Staff responded that it used to be a requirement to access the system to test residuals three days a week, that has now been relaxed to one day a week.

MOVED by Commissioner Gillies, **SECONDED** by Director McIntyre,
That the Cedars of Tuam reserve funds be clarified in how they are used and empowered by the bylaw.

CARRIED

MOVED by Commissioner Bain, **SECONDED** by Director McIntyre,
That staff provide the Cedars of Tuam Commission with a 2014 capital works plan for securing the Cedars of Tuam well site and future systems upgrade; a project scope and costs; a timeline of the project; and an affordable plan prior to commencing any work.

CARRIED

Recommendation

MOVED by Commissioner Gillies, **SECONDED** by Commissioner Bain,
That the Cedars of Tuam Water Service Commission recommends that the CRD Board:

1. Approve the 2014 operating 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.

CARRIED

4. Adjournment

**MOVED by Director McIntyre, SECONDED by Commissioner Bain,
That the meeting be adjourned at 10:04 am**

CARRIED

CHAIR

SENIOR MANAGER



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REPORT TO CEDARS OF TUAM WATER SERVICE COMMISSION
MEETING OF MONDAY, OCTOBER 20, 2014

SUBJECT 2015 OPERATING AND CAPITAL BUDGET

ISSUE

This report provides an estimated to actual for the 2014 budget and a synopsis of the 2015 budget, highlighting significant proposed changes related to operational expenditures, debt charges, capital expenditures and revenues.

BACKGROUND

2014 Estimated Revenue and Operating Expenditures

The estimated actual operating costs are projected to be **\$608** under budget as a result of the following:

1. Lower than budgeted expenditures for:
 - a. Supplies (\$40)
 - b. Labour charges (\$2,835)
 - c. Other operating costs (\$143)

2. Higher than budgeted expenditures for:
 - a. Repairs and maintenance (\$2,160) mainly for the cost of installing the gate and fencing.
 - b. Electricity (\$250)

The estimated actual operating revenue is projected to be approximately **\$188** under budget due to lower water consumption and other income.

This results in a projected year-end surplus of **\$420**. It is proposed that the projected year-end surplus be carried forward as revenue in 2015.

2015 Operating Budget

An increase of **\$362** (1.6%) in the 2015 operating costs are proposed as a result of the following:

- Increase of \$40 in water testing expenditures
- Increase of \$10 in electricity expenditures
- Increase of \$325 in labour charges
- Decrease of \$23 in other operating expenditures.

2015 Debt/ Reserves

2015 Maintenance Reserves:

Currently the service does not contribute to a maintenance reserve fund.

2015 Capital Reserve Fund:

It is proposed that the transfer to the capital reserve fund decrease from \$350 to \$310. However, it is recommended that the committee consider increasing this contribution.

The capital reserve fund balance at the end of 2014 is projected to be **\$10,467**.

MFA Debt:

It is proposed that the 2015 debt servicing expenditures remain unchanged at \$1,610. The debt will be fully paid by the end of 2018.

2015 Revenue (Parcel Tax and User Charges)

It is proposed that:

- water sales be reduced from \$1,600 to \$1,500. This amount is based on water sale rates set at \$0.90/m³ for the first 38m³ and \$7.70/m³ for consumption over 38m³ per billing period. The rates remain unchanged from 2014.
- the user charge be increased from \$21,978 to \$23,530. This is a result of a projected lower surplus carry forward in 2015 than 2014; based on 16 connections equals \$1,470.63.
- other revenue be increased from \$260 to \$440.

There is no parcel tax for the service.

2015-2019 Five Year Capital Plan

The estimated cost of the planned capital projects for 2015 is \$23,100 and include the following works:

1. Completion of a strategic asset management plan, replacing existing pump system with new equipment to enable full SCADA function (remote monitoring and control of chlorine residual concentration).
2. Negotiating an improved road access statutory right-of-way (SROW). The current access to the reservoir is impassable due to steep grades and an irrigation pond.
3. Registering a SROW to provide maintenance access to a new well site on School District No. 64 property.

RECOMMENDATION

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

1. Approve the 2015 operating and capital budget for the Cedars of Tuam Water Service as presented;
2. Authorize the 2015 fixed annual user charge of \$1,470.63 and consumption charge rate of \$0.90/m³ for the first 38m³ and \$7.70/m³ for consumption over 38m³ per billing period; and
3. Balance the 2014 actual revenue and expenditures on the 2015 transfer to capital reserves.

Dan Robson, A.Sc.T
Manager, Saanich Peninsula and Gulf
Islands Operations
Infrastructure Engineering & Operations

Karla Campbell
Senior Manager, Salt Spring Island Electoral
Area

Peter Sparanese, P.Eng.
Senior Manager, Infrastructure
Engineering and Operations
Concurrence

Ted Robbins, BSc., C Tech.
General Manager, Integrated Water Services
Concurrence

CK:ts

Attachment: 1

CAPITAL REGIONAL DISTRICT

2015 Budget

Cedars of Tuam Water (SSI)

Committee Review

Service: 2.622 Cedars

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 \$55,340.

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); amended by Bylaw 3948 (April 16, 2014).

	2014		2015			FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	SUPPLEMENTARY	TOTAL	2016	2017	2018	2019
Cedars of Tuam Water (SSI)									
<u>OPERATING COSTS:</u>									
Repairs & Maintenance	480	2,640	480	-	480	480	480	480	480
Allocations	2,140	2,140	2,140	-	2,140	2,170	2,200	2,230	2,260
Water Testing	1,800	1,800	1,840	-	1,840	1,880	1,920	1,960	2,000
Electricity	550	800	560	-	560	570	580	590	600
Supplies	640	600	650	-	650	660	670	680	690
Labour Charges	16,425	13,590	16,750	-	16,750	19,550	19,970	20,400	20,830
Other Operating Expenses	1,233	1,090	1,210	-	1,210	1,220	1,230	1,240	1,250
TOTAL OPERATING COSTS	23,268	22,660	23,630	-	23,630	26,530	27,050	27,580	28,110
*Percentage increase over prior year					1.6%	12.3%	2.0%	2.0%	1.9%
<u>DEBT/RESERVES</u>									
Transfer to Capital Reserve	350	350	310	-	310	310	320	580	1,950
MFA Debt Principal	1,110	1,110	1,110	-	1,110	1,110	1,110	1,110	-
MFA Debt Interest	500	500	500	-	500	500	500	250	9,792
TOTAL DEBT / RESERVES	1,960	1,960	1,920	-	1,920	1,920	1,930	1,940	11,742
TOTAL COSTS	25,228	24,620	25,550	-	25,550	28,450	28,980	29,520	39,852
<u>FUNDING SOURCES (REVENUE)</u>									
Estimated balance C/F from 2014 to 2015	-	420	(420)	-	(420)	-	-	-	-
Balance C/F from 2013 to 2014	(1,550)	(1,550)	-	-	-	-	-	-	-
Sales - Water	(1,600)	(1,460)	(1,500)	-	(1,500)	(2,100)	(2,100)	(2,100)	(2,100)
User Charges	(21,978)	(21,980)	(23,530)	-	(23,530)	(26,250)	(26,780)	(27,320)	(37,652)
Other Revenue	(100)	(50)	(100)	-	(100)	(100)	(100)	(100)	(100)
TOTAL REVENUE	(25,228)	(25,040)	(25,130)	-	(25,130)	(28,450)	(28,980)	(29,520)	(39,852)
REQUISITION	-	-	-	-	-	-	-	-	-
Capital Reserve Fund Balance		10,467			10,777	11,087	11,407	11,987	13,937

	2014 BOARD ESTIMATED BUDGET ACTUAL	2015 CORE BUDGET	2015 SUPPLEMENTARY	2015 TOTAL	FUTURE PROJECTIONS			
					2016	2017	2018	2019
Cedars of Tuam Water (SSI)								
<u>OPERATING COSTS:</u>								
Repairs & Maintenance Allocations	480	480	-	480	480	480	480	480
Water Testing	2,140	2,140	-	2,140	2,170	2,200	2,230	2,260
Electricity	1,800	1,840	-	1,840	1,880	1,920	1,960	2,000
Supplies	550	560	-	560	570	580	590	600
Labour Charges	640	650	-	650	660	670	680	690
Other Operating Expenses	16,425	16,750	-	16,750	19,550	19,970	20,400	20,830
	1,233	1,210	-	1,210	1,220	1,230	1,240	1,250
TOTAL OPERATING COSTS	23,268	23,630	-	23,630	26,530	27,050	27,580	28,110
*Percentage Increase over prior year				1.6%	12.3%	2.0%	2.0%	1.9%
<u>DEBT/RESERVES</u>								
Transfer to Capital Reserve	350	310	-	310	310	320	580	1,950
MFA Debt Principal	1,110	1,110	-	1,110	1,110	1,110	1,110	-
MFA Debt Interest	500	500	-	500	500	500	250	9,792
TOTAL DEBT / RESERVES	1,960	1,920	-	1,920	1,920	1,930	1,940	11,742
TOTAL COSTS	25,228	25,550	-	25,550	28,450	28,980	29,520	39,852
<u>FUNDING SOURCES (REVENUE)</u>								
Estimated balance C/F from 2014 to 2015	-	(420)	-	(420)	-	-	-	-
Balance C/F from 2013 to 2014	(1,550)	-	-	-	(2,100)	(2,100)	(2,100)	(2,100)
Sales - Water	(1,600)	(1,500)	-	(1,500)	(26,250)	(26,780)	(27,320)	(37,652)
User Charges	(21,978)	(23,530)	-	(23,530)	(100)	(100)	(100)	(100)
Other Revenue	(100)	(100)	-	(100)	-	-	-	-
TOTAL REVENUE	(25,228)	(25,130)	-	(25,130)	(28,450)	(28,980)	(29,520)	(39,852)
REQUISITION	-	-	-	-	-	-	-	-
Capital Reserve Fund Balance	10,467			10,777	11,087	11,407	11,987	13,937

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

<u>Year</u>	<u>Connections</u>	<u>User Charge*</u>	<u>Bylaw</u>	<u>Assessments \$(000's)</u>
2011	16	\$1,603.87	3777	8,855
2012	16	\$1,603.87	3822	8,732
2013	16	\$1,373.62	3891	8,249
2014	16	\$1,373.62	3925	8,199
2015 Budget	16	\$1,470.63		8,199

* A consumption charge is paid in addition to the fixed user charge

CAPITAL REGIONAL DISTRICT - SCHEDULE G

**CAPITAL BUDGET FORM
2015 & Forecast 2016 to 2019**

Service #: 2.622

Service Name: Cedars of Tuam Water (SSI)

Year (1)	Type Code (2) *	Specific Project Description (3)	Capital Expense	Funding Source (4) **		Grant Program Sponsor (6)	Loan Authorization # (7)	Participants (8)	%
				Source (4) **	Amount Total (5)				
2015	S	Well/Distribution System Upgrade Feas. Study(c/f)	8100	G	5,000				
		(SAMP)		R	3,100				
2015	S	Negotiate Access Road SRW	10,000	R	10,000				
2015	S	Register SRW on School Property	5,000	R	5,000				
2019	S	Commission New Water Source	200,000	D	200,000		New debt		
2019	S	Tie in New Water Source	50,000	D	50,000		New debt		
*** Please insert more lines here (above this line) if required. ***									
TOTAL			273,100		273,100				

Note: ▼ indicates a drop down menu is available for selection - Type Code (2); Funding Source (4); Participants (8)

Type Codes (2) *	Funding Source Codes (4) **
L = Land	D = Debuture Debt (new debt only)
S = Engineering Structures	E = Equipment Replacement Fund
B = Buildings	G = Grants (Federal, Provincial)
V = Vehicles	O = Donations / Third Party Funding
E = Equipment	
	C = Capital Funds on Hand
	R = Reserve Fund
	S = Short Term Loans
	L = Lands Sales

Service: 2.622 Cedars of Tuam Water (SSI)

Committee: Electoral Area Services

- | | | |
|-----------|---|------------------|
| #1 | Well and Distribution System Upgrade Feasibility Study (carryforward, 2015)

Replace existing pump system with new equipment that enables full SCADA function (remote monitoring and control of chlorine residual concentration). | \$8,100 |
| #2 | Negotiate Access Road SRW (2015)

The legal access to the reservoir is impassable due to steep grades and an irrigation pond, although it does provide protection for the pipe to the reservoir. It is proposed to negotiate an access SRW with the owner along a different route for the purpose of maintenance access. | \$10,000 |
| #3 | Register SRW on School Property (2015)

A SRW is required to provide maintenance access to the well site on school property. | \$5,000 |
| #4 | Commission New Water Source (2019)

Replace existing pump system with new equipment that enables full SCADA function (remote monitoring and control of chlorine residual concentration). | \$200,000 |
| #5 | Tie-in New Water Source (2019)

Replace existing pump system with new equipment that enables full SCADA function (remote monitoring and control of chlorine residual concentration). | \$50,000 |

Cedars of Tuam Water (SSI)

	2014					
	2012	2013	May	Estimate	Budget	
Cost Center Group: 101764						
Cedars of Tuam Water Revenue						
415800 Sale - Water	(1,975)	(1,542)	(274)	1,460	(1,600)	(2,100)
422300 Recovery Cost					(50)	(50)
427000 Penalties/Service charges	(73)	(21)	(5)	10		(2,100)
427100 User Charge	(25,662)	(21,978)	(5,495)	21,980	(21,978)	(50)
429000 Interest Income	(53)	(6)	(8)	40	(50)	(26,780)
429040 MFA Debt RsvrFdEam	(10)	(17)	(15)	(10)	(10)	(50)
490000 Surplus	(1,927)	(2,647)	(1,545)	(1,550)	(1,550)	(50)
Total	(29,701)	(26,212)	(7,327)	(25,050)	(25,238)	(29,520)
						1.9%
Cost Center Group: 101765						1.9%
Cedars of Tuam Water Admin Exp						35.0%

530010 Alloc - Finance & Corp Svc

	1,730	1,790	679	1,630	1,630	1,660	1,720	1,750
Total	1,730	1,790	679	1,630	1,630	1,660	1,720	1,750

Cost Center Group: 101766
Cedars of Tuam Ops Exp

501000 Travel Expenses	339	90	23	200	433	400	420	440
506010 Insurance-PublicLiab	29	40	-	30	30	30	30	30
506020 Insurance - Fidelity	3	-	-	-	-	-	-	-
506030 Insurance - Fire	80	80	-	90	90	90	90	90
506050 Insurance - Group Accident	20	20	-	20	20	30	30	30
506090 Insurance - SvcContr	7	10	-	10	10	10	10	10
508130 R&M - Mach & Equip General	-	-	-	60	60	60	60	60
508140 R&M - Mach & Equip Emergency	-	-	-	100	100	100	100	100
508250 Purchased Mfce - Eng Structures	-	-	-	2,260	100	100	100	100
508280 Purchased Mfce - Electrical Equip	251	-	2,264	200	200	200	200	200
508330 Purchased Mfce - Grounds	-	-	-	20	20	20	20	20
510050 Rentals - Machinery & Equip	-	-	-	100	100	100	100	100
514010 Postage & Freight	21	43	23	100	100	100	100	100
514030 Advertising	20	-	-	-	-	-	-	-
514340 Permit Fees	206	-	150	150	210	210	210	210
514880 Meeting Expenses	38	78	225	300	50	50	50	50
515150 Printing	1	-	-	40	40	40	40	40
530280 Alloc. - Vehicles	646	-	-	-	-	-	-	-
530710 Alloc. - Operations	7,895	-	-	-	-	-	-	-
531120 Alloc - Operations Mfce Cost	157	157	67	160	160	160	160	160
531140 Alloc - Operations ERF	197	197	83	200	200	200	200	200
531250 Alloc - Communication Coord	234	154	-	-	-	-	-	-
535010 Water Testing	1,327	2,254	702	1,800	1,800	1,880	1,920	2,000
535090 Electricity	463	485	320	800	550	570	580	600
538000 Supplies - Office	7	-	-	-	-	-	-	-
538080 Supplies - Chemicals	51	68	5	100	140	140	140	140
538130 Supplies - Operating	263	6	-	300	300	320	330	350
538140 Supplies - Operating - Instrumentation	422	424	-	100	100	100	100	100
538160 Supplies - Operating - Mechanical	-	-	-	100	100	100	100	100
570010 Interest - Internal	-	21	-	50	150	150	150	150
601001 Labour Consumption	6,007	342	280	2,000	3,632	3,770	3,850	4,010
600024 Travel Cleaning	-	-	85	90	-	-	-	-
600031 Vehicle Allocations	154	800	-	-	-	-	-	-
602001 Labour IWS Operations	-	14,448	-	-	-	-	-	-
602002 Labour IWS Ops Settlement	-	-	1,863	11,500	12,793	13,050	16,120	16,820
Total	18,837	19,717	6,090	20,880	21,488	21,850	25,210	26,210

Cost Center Group: 101768
Cedars of Tuam Household Connections

Cedars of Tuam Water (SSI)

Cost Center Group: 101764

530050 Alloc. - Building Inspection

547050 Transfers to Reserve Fund

Cost Center Group: 101767

Cedars of Tuam M.F.A. Debt Reserve Fund

570040 Accrued Debt Charges

570050 M.F.A. Debt Reserve Fund

570100 Principal Payment

570110 Interest Payment

Net Surplus/Deficit

	2012	2013	2014		2015	2016	2017	2018	2019
			May	Estimate					
	150	150	63	150	150	150	150	150	150
	150	150	63	150	150	150	150	150	150
	3,895	1,032	-	350	310	310	320	580	1,950
	-	(62)	-	-	-	-	-	-	1,042
	10	17	-	10	10	-	-	-	2,500
	1,112	1,112	-	1,110	1,110	1,110	1,110	1,110	-
	1,318	911	-	500	500	500	500	250	6,250
	2,440	1,978	-	1,620	1,620	1,610	1,610	1,360	9,792
	(2,648)	(1,545)	(496)	(420)	-	-	-	-	-