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**CEDARS OF TUAM WATER SERVICE COMMISSION**  
Notice of Meeting on **Thursday, March 12, 2015, at 11:00 AM**  
Salt Spring Public Library, 129 McPhillips Ave, Salt Spring Island, BC

Wayne McIntyre

Ron Bain

Peter Wypkema

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**AGENDA**

- 1. Election of Chair**
- 2. Approval of Agenda**
- 3. Adoption of Minutes of October 20, 2014**
- 4. Chair and Director Report**
- 5. Reports**
  - 5.1 2015 Operating and Capital Budget**

That the Cedars of Tuam Water Service Commission recommends that the Capital Regional District 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/m<sup>3</sup> for the first 38m<sup>3</sup> and \$7.70/m<sup>3</sup> for consumption over 38m<sup>3</sup> per billing period;
  3. Transfer \$1,490 of the 2014 surplus to a maintenance reserve account and carry forward to 2015 the remaining \$420 as revenue;
  4. Transfer \$20,861 of the General Capital Project Fund be transferred to the Capital Reserve Fund.
- 6. New Business**
  - 7. Outstanding Business**
  - 8. Adjournment**

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*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 October 20, 2014 in Public Library Meeting Room, 129 McPhillips Avenue, Salt  
Spring Island, BC**

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**DRAFT**

**Present:** **CRD Director:** Wayne McIntyre  
**Commission Members:** Ron Bain, Chair; Mary Gillies;  
**Staff:** Dan Robson, Saanich Peninsula and Gulf Islands Operations; Peggy Dayton, CRD Finance; Karla Campbell, Senior Manager; Keith Wahlstrom, Contract Engineer; Erin Jory, Recording Secretary;

The Chair called the meeting to order at 2:30pm.

**1. Approval of Agenda**

**MOVED** by Director McIntyre, **SECONDED** by Commissioner Gillies,  
That the amended agenda be approved.

**CARRIED**

**2. Adoption of Minutes of February 28, 2014**

**MOVED** by Director McIntyre, **SECONDED** by Commissioner Gillies,  
That the February 28, 2014 minutes be approved.

**CARRIED**

**3. 2015 Capital and Operating Budget**

Staff reviewed the 2015 capital and operating budget. The Commission recommend re-convening this meeting at a later date to allow the Commission time to review the budget.

**4. Adjournment**

The meeting was adjourned at 3:10pm.

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**CHAIR**

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**SENIOR MANAGER**



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**REPORT TO CEDARS OF TUAM WATER SERVICE COMMISSION  
MEETING OF MARCH 12, 2015**

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**SUBJECT 2015 OPERATING AND CAPITAL BUDGET**

**ISSUE**

This report provides the year end actual revenue and expenditure 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 Revenue and Operating Expenditures**

The actual 2014 operating expenditures are **\$2,111** under budget as a result of the following:

1. Lower than budgeted expenditures for:
  - a. Electricity (\$11)
  - b. Supplies (\$414)
  - c. Labour charges (\$3,705)
  - d. Other operating costs (\$423)
  
2. Higher than budgeted expenditures for:
  - a. Repairs and maintenance (\$1,784) mainly for the cost of installing the gate and fencing.
  - b. Water testing (\$658)

The actual 2014 revenue is **\$195** under budget primarily due to lower water consumption.

This results in a year-end surplus of **\$1,910**. It is proposed that \$420 of year-end surplus be carried forward as revenue and the remainder (\$1,490) be allocated to a maintenance reserve fund in 2014 as the utility may be conducting repair work by removing sand and adjusting the pump level.

**2015 Operating Budget**

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

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

### **2015 Debt and Reserve Funds**

#### 2015 Maintenance Reserve Fund:

Currently the service does not contribute annually to a maintenance reserve fund. Maintenance reserves are to be used for the purchase of small equipment and supplies that are typically not replaced annually and in some instances system maintenance activities that occur biannual or tri-annually.

The debt for the service area will be paid off in 2018. Therefore, it is proposed that contributions begin to a maintenance reserve in 2019 to offset the reduction in debt servicing costs.

#### 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 in order to fund future capital work without borrowing.

The capital reserve fund balance at the end of 2014 is projected to be **\$10,600**.

#### MFA Debt Expenditures:

It is proposed that the 2015 debt servicing expenditures remain unchanged at \$1,610.

### **Capital Project Fund**

The Cedars of Tuam water utility has one active Capital Project Fund as outlined below:

#### **WLA3024 192005 – General Capital Project Fund**

Purpose: New Well Development, SAMP and Waterworks Facility Project  
Funds Remaining: \$28,961, of which \$5,000 is committed for the school right of way and a further \$3,100 for the SAMP, leaving \$20,861 uncommitted.  
Status: The statutory right of way for the new well and the SAMP still need to be completed from this project fund.

### **2015 Revenue (Parcel Tax and User Charges)**

It is proposed that:

- water sales revenue be reduced from \$1,600 to \$1,500. This amount is based on water sale rates set at \$0.90/m<sup>3</sup> for the first 38m<sup>3</sup> and \$7.70/m<sup>3</sup> for consumption over 38m<sup>3</sup> per billing period. The rates remain unchanged from 2014.
- the user charge revenue be increased from \$21,978 to \$23,530. This is a result of a projected lower surplus carry forward as revenue in 2015 than 2014; based on 16 connections, the proposed 2015 user charge is \$1,470.63.

There is no parcel tax for the service.

### 2015-2019 Five Year Capital Plan

The purpose of a capital budget is to plan for infrastructure needs in one or more years beyond the year of acquisition. Often future-year expenditures are listed not for approval of the expenditure but for information, while the current or upcoming year is expressed in more concrete and detailed terms as the actual estimated expenditures for the period. Developing a capital plan with a multi-year perspective retains the interest of the service infrastructure needs. The plan can be renewed and updated rather than re-created each year when more financial information and costs can be solidified. This process offers the advantage of having major capital issues remain in the forefront.

Two capital projects planned for 2014 are proposed to be completed in 2015. These include:

1. 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 (\$1,000).
2. Registering a SROW to provide maintenance access to a new well site on School District No. 64 property (\$5,000).

The third project, Well/Distribution Upgrade Feasibility Study (\$8,100) is now being re-scheduled to be undertaken in 2016.

This rescheduling is a result of the addition of one project. This project has a higher priority as it is needed to reduce operational risk.

The added capital project is:

1. The sand removal from the existing well (\$5,000).

The estimated cost of the planned capital projects for 2015 is \$11,000.

### RECOMMENDATIONS

That the Cedars of Tuam Water Service Commission recommends that the Capital Regional District 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/m<sup>3</sup> for the first 38m<sup>3</sup> and \$7.70/m<sup>3</sup> for consumption over 38m<sup>3</sup> per billing period;
3. Transfer \$1,490 of the 2014 surplus to a maintenance reserve account and carry forward to 2015 the remaining \$420 as revenue;
4. Transfer \$20,861 of the General Capital Project Fund be transferred to the Capital Reserve Fund.

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Dan Robson, AScT.  
Manager, Peninsula and Gulf Island  
Operations

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Keith Wahlstrom, P. Eng.  
Manager, Engineering, Salt Spring Island  
Electoral Area

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Karla Campbell  
Senior Manager, Salt Spring Island Services  
Electoral Area

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

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

Attachment: 2015 Budget Cedars of Tuam Water

# **CAPITAL REGIONAL DISTRICT**

## **2015 Budget**

### **Cedars of Tuam Water (SSI)**

#### **Committee Review**

Compiled and Presented by CRD Finance

Mar-15

**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 \$51,893

**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 metres at the following rate: (BL3993 March 2015)
  - 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	2014 ACTUAL	2015 CORE BUDGET	2015 SUPPLEMENTARY	2015 TOTAL	2016	2017	2018	2019
<b>Cedars of Tuam Water (SSI)</b>									
<u>OPERATING COSTS:</u>									
Repairs & Maintenance	480	2,264	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	2,458	1,840	-	1,840	1,880	1,920	1,960	2,000
Electricity	550	539	560	-	560	570	590	600	610
Supplies	640	226	650	-	650	660	670	680	690
Labour Charges	16,425	12,720	16,750	-	16,750	17,120	17,490	17,870	18,250
Other Operating Expenses	1,233	810	1,210	-	1,210	1,220	1,230	1,240	1,250
<b>TOTAL OPERATING COSTS</b>	<b>23,268</b>	<b>21,157</b>	<b>23,630</b>	<b>-</b>	<b>23,630</b>	<b>24,100</b>	<b>24,580</b>	<b>25,060</b>	<b>25,540</b>
*Percentage Increase over prior year					1.6%	2.0%	2.0%	2.0%	1.9%
<u>DEBT/RESERVES</u>									
Transfer to Capital Reserve	350	350	310	-	310	310	310	310	310
Transfer to Maintenance Reserve	-	1,490	-	-	-	-	-	260	1,890
MFA Debt Principal	1,110	1,112	1,110	-	1,110	1,110	1,110	1,110	-
MFA Debt Interest	500	504	500	-	500	500	500	500	-
<b>TOTAL DEBT / RESERVES</b>	<b>1,960</b>	<b>3,456</b>	<b>1,920</b>	<b>-</b>	<b>1,920</b>	<b>1,920</b>	<b>1,920</b>	<b>2,180</b>	<b>2,200</b>
<b>TOTAL COSTS</b>	<b>25,228</b>	<b>24,613</b>	<b>25,550</b>	<b>-</b>	<b>25,550</b>	<b>26,020</b>	<b>26,500</b>	<b>27,240</b>	<b>27,740</b>
<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)	(1,545)	-	-	-	-	-	-	-
Sales - Water	(1,600)	(1,440)	(1,500)	-	(1,500)	(2,100)	(2,100)	(2,100)	(2,100)
User Charges	(21,978)	(21,978)	(23,530)	-	(23,530)	(23,820)	(24,300)	(25,040)	(25,540)
Other Revenue	(100)	(70)	(100)	-	(100)	(100)	(100)	(100)	(100)
<b>TOTAL REVENUE</b>	<b>(25,228)</b>	<b>(24,613)</b>	<b>(25,550)</b>	<b>-</b>	<b>(25,550)</b>	<b>(26,020)</b>	<b>(26,500)</b>	<b>(27,240)</b>	<b>(27,740)</b>
<b>REQUISITION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Reserve Fund Balance	-	10,600	-	-	25,771	26,081	26,391	26,701	27,011
Maintenance Reserve Fund Balance	-	1,490	-	-	1,490	1,490	1,490	1,750	3,640

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)**

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

Year (1)	Type Code (2)* ↓	Specific Project Description (3)	Capital Expense	Funding		Grant Program Sponsor (6)	Loan Authorization # (7)	Participants (8) ↓	%
				Source (4)** ↓	Amount Total (5)				
2015	S	Rehabilitate existing Well	5,000	R	5,000				
2015	S	Register SRW on School Property	5,000	C	5,000				
2015	S	Negotiate Access Road SRW	1,000	R	1,000				
2016	S	Well/Distribution System Upgrade Feas. Study(cif)	8,100	G	5,000				
		(SAMP)		C	3,100				
*** Please insert more lines here (above this line) if required. ***									
<b>TOTAL</b>					19,100		19,100		

<p><b>Type Codes (2)*</b></p> <ul style="list-style-type: none"> <li>L = Land</li> <li>S = Engineering Structures</li> <li>B = Buildings</li> <li>V = Vehicles</li> <li>E = Equipment</li> </ul>	<p><b>Funding Source Codes (4)**</b></p> <ul style="list-style-type: none"> <li>D = Debenture Debt (new debt only)</li> <li>E = Equipment Replacement Fund</li> <li>G = Grants (Federal, Provincial)</li> <li>O = Donations / Third Party Funding</li> </ul>
<p><b>Capital Funds on Hand</b></p> <ul style="list-style-type: none"> <li>R = Reserve Fund</li> <li>S = Short Term Loans</li> <li>L = Lands Sales</li> </ul>	

**Service: 2.622 Cedars of Tuam Water (SSI)**

**Committee: Electoral Area Services**

**#1 Rehabilitate existing Well \$5,000**

The existing well accumulates sand in the casing. Removal of the sand is needed in order to restore the well's operating capacity

**#2 Register SRW on School Property \$5,000**

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.

**#3 Negotiate Access Road SRW \$1,000**

A SRW is required to provide maintenance access to the well site on school property.

**#4 Well/Distribution System Upgrade Feas. Study(c/f) \$8,100**

Replace existing pump system with new equipment that enables full SCADA function (remote monitoring and control of chlorine residual concentration).