



Making a difference...together

FULFORD WATER SERVICE COMMISSION

Notice of Meeting on Friday, February 28, 2014 at 10 am
Fulford Hall, OAP Room
2591 Fulford-Ganges Road, Salt Spring Island, BC

C. Eyles

J. Yardley

A. Maude

G. Singbell

W. McIntyre

AGENDA

1. Approval of Agenda
3. Minutes of the Meetings held March 8, 2013 and November 7, 2013
4. 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.



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**Minutes of the Regular Meeting of the Fulford Water Service Commission
Held March 8, 2013 in the Portlock Park Meeting Room, Salt Spring Island, BC**

DRAFT

Present:

CRD Director:

Wayne McIntyre

Commission Members:

Carole Eyles – Chair; Anthony Maude; Jonathan Yardley (3:07 pm)

Staff:

Ted Robbins, CRD Acting GM Integrated Water Services (via web conferencing)

Janice Poncelet, CRD Senior Business Analysis (via web conferencing)

Kees Ruurs, CRD EA Senior Manager

Ralf Waters, CRD Engineer (3:35 pm)

Sarah Shugar, Recording Secretary

Excused:

Gord Singbeil

C. Eyles called the meeting to order at 3:00 pm.

1. Approval of Agenda

MOVED by C. Eyles, **SECONDED** by A. Maude,

That the agenda be amended to include the following items:

Item 3.1 Rock Salt Status

Item 3.2 SS Mercantile Repair

Item 3.3 Communications

Item 3.4 SAMP

CARRIED

2. 2013 Capital and Operating Budget

T. Robbins reviewed the 2013 Operating and Capital Budget Report. The formal budget report was presented at the December 6, 2012 meeting. This is a revised version of the budget, following the recommendations of the Commission.

MOVED by A. Maude, **SECONDED** by J. Yardley,

That the Fulford Water Service Commission recommend to the Capital Regional District Board to approve the 2013 Capital and Operating Budget for the Fulford Water Service as presented.

CARRIED UNANIMOUSLY

At the meeting on December 6, 2012 the Commission advised the following:

T. Robbins would look into the process to reverse the \$25,000 that was borrowed in August 2012 under SI Bylaw No. 3850

T. Robbins advised that the solution that the CRD and the MFA agreed upon was to reallocate the funds to another service area.

T. Robbins read the following resolution that was drafted by the Integrated Water Services finance department:

That the Fulford Water Commission authorize funds, in the amount of \$25,000 borrowed under Loan Authorization bylaw # 3758 and not required for commission capital purposes, be placed in the capital reserve fund and transferred to the capital reserve fund of another CRD water service, under section 814 (5) of the Local Government Act and sections 189(4.1) and (4.2) of the Community Charter, with the other service agreeing to the transfer and repayment of the transfer, including interest, in amounts sufficient to repay the annual debt charges with no net loss.

There was discussion regarding the mandate of the Commission to approve the borrowing of funds and that the \$25,000 borrowed was not approved.

The Commission requested that staff work towards an alternative solution.

MOVED by A. Maude, **SECONDED** by J. Yardley,

That the Fulford Water Service Commission refuse the motion read by T. Robbins.

CARRIED UNANIMOUSLY

It was generally agreed that staff:

- *Provide the detailed invoices that list the GL's to the SSI CRD office.*
- *Provide the detailed reports from North SS Waterworks.*

3. New Business

3.1 Rock Salt Update

An update to the Morningside repair conducted on February 26, 2013 was provided for information. T. Robbins reported that the scope of the project changed on the night that the work was completed. He noted that the work was more involved then what was originally anticipated.

There was discussion regarding the pipes being exposed and question brought to why the scope of the project was changed on site.

3.2 SS Mercantile Repair

C. Eyles reported that CRD sent an invoice to Rock Salt for work that North SS Waterworks did to repair a main line at SS Mercantile. The invoice was then sent to SS Mercantile with no details regarding the repair. At the time of the repair, the owners of SS Mercantile were advised by the contractor that they would not be charged for the repair.

It was generally agreed:

- K. Ruurs would outline the procedures in writing to North SS Waterworks regarding repairs and billing.
- To request CRD to include more information when invoicing customers for repairs.
- A notice is sent out to customers that outlines the contact numbers for repairs and emergencies.

3.3 Communications

There was discussion regarding North SS Waterworks completing work that is to be charged back to customers. Also, there was discussion regarding the additional hours above the contract.

It was noted that R. Waters is working with North SS Waterworks to develop an overall plan for a distribution system.

T. Robbins noted that CRD is in discussion regarding the transfer of services on-island. K. Ruurs is scheduled to retire in July 2013. W. McIntyre would be meeting with R. Lapham regarding the next EA Manager and the plan for the transfer of services.

It was generally agreed:

- *To request CRD to notify the Chair via email when extra work is approved.*
- *Staff to provide detailed invoices on a monthly basis.*
- *Staff to provide comparisons on bulk purchasing.*

3.4 Strategic Asset Management Plan – SAMP

R. Waters provided a verbal report. Philip Grange has completed the GPS section. The mapping is complete and he is working on the development of a key to go with the map. There is mapping software available, although it is cost prohibitive at \$10,000 per year.

It was generally agreed that staff continue to research a model for small water system mapping.

4. Adjournment

The meeting adjourned at 4:30 pm.



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**Minutes of the Regular Meeting
of the Fulford Water Service Commission
Held November 7, 2013 in the Portlock Park Meeting Room, Salt Spring Island, BC**

DRAFT

Present: CRD Director: Wayne McIntyre
Commission Members: Carole Eyles, Chair; Jonathan Yardley, Gord Singbeil
Staff: Karla Campbell, Senior Manager, Dan Robson, Manager, Saanich Peninsula and Gulf Islands Ops, Tracey Shaver, Recording Secretary
Absent: Tony Maude

C. Eyles called the meeting to order at 10:05 am.

1. Approval of Agenda

It was generally agreed to accept the agenda as submitted.

2. 2013 Budget Update

Commissioners Eyles and Yardley reviewed expectations for annual AGM and Budget planning.

The ideal format for the Commissioners would be to receive a copy of the budget two weeks prior to final draft. Commissioners would provide input or revisions over a skype meeting prior to presenting the final budget at the AGM to the water area users.

Dan Robson was introduced and answered questions on operating matters. Staff are implementing a system to capture all costs designated to a particular project.

Commissioner Eyles requested two items 1- Copies of North Salt Spring Water District (NSSWD) monthly invoices, 2- A breakdown of the capital budget.

NSSWD contract is up for renewal in 2014. Commissioners requested that Mr. Robson review the allowable charges under the contract and that descriptions for the extra service charges be included in the new contract.

A general discussion was held concerning capitalizing Rock Salt costs versus keeping parcel taxes the same level. It was generally agreed to keep the costs in the operating budget.

Question about the maintenance schedule of other Daft plants now in service under the CRD. Mr. Robson mentioned that the plants themselves are doing well, however it is the ancillary parts which require maintenance. Example would be the UV Lights and whether or not they are functioning to their full life span as suggested by the manufacturer. Mr. Robson suggested that the Fulford Plant should have a transient bulb surge suppressor. This will be verified.

3. Adjournment/Next Meeting

AGM/BUDGET Meeting- December 5th from 1 to 3 pm at the OAP Room in Fulford.
The meeting adjourned at 11:30 pm.



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**REPORT TO FULFORD WATER SERVICE COMMISSION
MEETING OF FEBRUARY 28, 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 exceeded the budget by \$5,261, mainly due to receiving a payment of \$3,120 from BC Ferries as a condition of inclusion in the Fulford water service area and a recovery of \$1,935 for leak repair expenses, offset by lower user charge revenue in the amount of \$1,040, as a result of a reduction in single family equivalents part way through the year. Operating expenses exceed budget by \$9,363, after utilizing the \$5,008 budgeted contingency allowance, mainly due to emergency repairs on the distribution system at the intersection of Fulford-Ganges Road and Morningside Road and other emergency leak repairs. Debt expenses are projected to be on budget.

To eliminate the need to carry a deficit forward to the 2014 budget, the planned transfer to the capital reserve fund in the amount of \$8,130, will not be made at year end 2013, allowing a projected balanced budget at year end.

2014 Operating Expense

An increase in the 2014 operating expense of \$2,610 is proposed, including minor operating cost adjustments, such as electricity, labour, and treatment plant waste disposal costs, and a \$1,061 increase in the North Salt Spring Waterworks operating contract budget allowance. This includes carrying a \$5,935 operating contingency to mitigate the risk of an operating deficit.

2014 Capital Plan

The only project planned for 2014 is to complete Phases 1 and 2 of the Strategic Asset Management Plan that was started with the development of system record drawings. Phase 2 is intended to complete a long term prioritized list of infrastructure replacements and financial plan. The total budget for this work is \$10,000.

The projected capital reserve fund balance at year end 2013 is \$5,369. The capital funds available from borrowings under loan authorization Bylaw No. 3758 are \$44,818.

2014 Revenue Requirement and Parcel Tax/User Charges

With the proposed increase in operating expenses, including contingency, a planned transfer to the capital reserves in 2014 of \$8,130, a reduction in user charge revenue as a result of the reduction of two single family equivalents, and no projected 2013 surplus or deficit, it is proposed to leave the parcel tax and user charges at the 2013 rates.

Forecast 2015-2018

A five-year capital and operating budget forecast is provided for information. Capital upgrades will likely be required within the next five years to replace aging assets in the distribution system. The scope and budget for these and other upgrades will be considered upon completion of the proposed Strategic Asset Management Plan. A conceptual budget has been shown in the capital plan for 2015-2018, requiring new borrowing and a corresponding increase in parcel tax or user charge revenue.

RECOMMENDATION

That the Fulford Water Service Commission recommend that the Capital Regional District Board:

1. Approve the 2014 operating and capital budget for the Fulford Water Service as presented;
2. Approve the 2014 parcel tax, user charge and consumption rates as presented; and
3. Balance the Fulford Water Service 2013 actual revenue and expense on the 2014 transfer to reserve fund.



Peter Sparanese, Senior Manager
Infrastructure Operations, Integrated Water Services

PS:mm
Attachment: 1

CAPITAL REGIONAL DISTRICT

2014 BUDGET

Fulford Water (SSI)

COMMITTEE REVIEW

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

February 2014

Service: 2.626 Fulford Water (SSI)

Committee: Electoral Area Services

DEFINITION:

To provide, operate and maintain water supply and distribution facilities for the Fulford Water Local Service Area on Salt Spring Island.
Bylaw No. 3202 (November 24, 2004).

PARTICIPATION:

Order In Council No 177, Feb 24, 2005.

MAXIMUM LEVY:

Greater of \$156,000 or \$5.46 / \$1,000.

MAXIMUM CAPITAL DEBT:

AUTHORIZED:	LA Bylaw No. 3203 (November 24, 2004)	\$573,000
BORROWED:	SI Bylaw No. 3291 (August 10, 2005) - 4.17%	(\$573,000)
AUTHORIZED:	LA Bylaw No. 3758 (Oct 8, 2011)	\$225,000
BORROWED:	SI Bylaw No. 3817 (May 2012) - 3.4%	(\$145,000)
BORROWED:	SI Bylaw No. 3850 (Oct 2012) - 2.9%	(\$25,000)
REMAINING:		<u>\$55,000</u>

COMMITTEE:

Fulford Water Service committee established by Bylaw No 3248 (Dec 15, 2004).

FUNDING:

Any deficiencies after user charge and/or parcel tax to be levied on taxable hospital assessments.

User Charge:

Fixed user charge + metered commercial properties.

Parcel Tax:

Annual, levied only on properties capable of being connected to the system, starting 2006.
Parcel charge in lieu of parcel tax in 2005 only.

Connection Charge:

The connection charge for a service shall be the actual cost for the connection.

MAXIMUM OPERATING EXPENDITURE:

RESERVE FUND BYLAW:

Fund 1070, established by Bylaw #3275 (April 27, 2005)

2.626 - FULFORD WATER (S.S.I.)		BUDGET REQUEST					2016		2017		2018	
2013 BOARD BUDGET	2013 ACTUAL	2014 CORE BUDGET	2014 Supplementary	2014 TOTAL	2014 Supplementary	2015 TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
72,124	64,159	72,747	0	72,747	0	74,352	76,004	77,694	79,427			
53,040	75,376	54,101	0	54,101		55,183	56,286	57,412	58,560			
5,008	0	5,935	0	5,935		7,017	7,059	7,101	7,145			
130,172	139,535	132,782	0	132,782		136,552	139,349	142,208	145,132			
0.00%	7.19%	2.01%		2.01%		2.84%	2.05%	2.05%	2.06%			
0	0	0	0	0		0	0	0	0			
8,130	3,429	8,130	0	8,130		3,630	0	0	0			
8,130	3,429	8,130	0	8,130		3,630	0	0	0			
66,655	86,815	66,655	0	66,655		70,155	81,145	92,145	103,135			
260	699	260	0	260		1,000	1,000	1,000	1,000			
205,217	210,478	207,827	0	207,827		211,337	221,494	235,353	249,267			
0.00%	2.56%	1.27%	0.00%	1.27%		1.69%	4.81%	6.26%	5.91%			
0	0	0	0	0		0	0	0	0			
0	(3,120)	0	0	0		0	0	0	0			
205,217	207,358	207,827	0	207,827		211,337	221,494	235,353	249,267			
0.00%	1.04%	1.27%		1.27%		1.69%	4.81%	6.26%	5.91%			
5,112	5,112	0	0	0		0	0	0	0			
(15,188)	(15,300)	(15,188)	0	(15,188)		(15,188)	(15,188)	(15,188)	(15,188)			
(260)	(1,394)	(260)	0	(260)		0	0	0	0			
0	(1,935)	0	0	0		0	0	0	0			
(120,096)	(119,056)	(117,594)	0	(117,594)		(121,364)	(124,161)	(127,020)	(129,944)			
(130,432)	(132,573)	(133,042)	0	(133,042)		(138,552)	(139,349)	(142,208)	(145,132)			
(74,785)	(74,785)	(74,785)	0	(74,785)		(74,785)	(82,145)	(93,145)	(104,135)			
0.00%	0.00%	0.00%		0.00%		0.00%	9.84%	13.39%	11.80%			
0	0	0	0	0		0	0	0	0			
0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00			
0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00			

OPERATING COSTS:

Operating - Costs
Contract For Services
Contingency

TOTAL OPERATING COSTS

*Percentage Increase over prior year

CAPITAL / RESERVE

Transfer to Capital Fund
Transfer to Reserve Fund

TOTAL CAPITAL / RESERVES

Debt Expenditures
MFA Debt Reserve

TOTAL COSTS

*Percentage Increase over prior year

Internal Recoveries
Fees Charged (B.C. Ferry)

OPERATING COSTS LESS INTERNAL RECOVERIES

*Percentage Increase over prior year

FUNDING SOURCES (REVENUE)

Surplus / (Deficit)
Balance C/F from Prior to Current year
Revenue - Water Sales
Revenue - Other
Recovery - Other (Leak Repair)
User Charges

TOTAL REVENUE

REQUISITION

*Percentage Increase over prior year

NOTE: Capital / Reserve Fund Expenditures
PARTICIPANTS:

AUTHORIZED POSITIONS:

Salaried
Hourly

2.626 - FULFORD WATER (S.S.I.)

column	Prior Yr v7	Est Act v9	Core v2	#VALUE	Total	Fcst Yr1 v10	Fcst Yr2 v11	Fcst Yr3 v12	Fcst Yr4 v13
Operating - Costs	72,124	64,159	72,747	0	72,747	0	76,004	77,684	79,427
Contract For Services	53,040	75,376	54,101	0	54,101	55,183	56,286	57,412	58,560
Contingency	5,008	0	5,935	0	5,935	7,017	7,059	7,101	7,145
Other Labour	950	950	970	0	970	990	1,010	1,030	1,051
Corp.Svs & Insurance/Legal	9,914	9,904	9,824	0	9,824	10,014	10,214	10,419	10,627
Operating Labour	9,000	9,066	8,093	0	9,093	9,275	9,461	9,650	9,843
Vehicles	800	730	1,000	0	1,000	1,020	1,040	1,061	1,082
Water Quality Oversight/Report	0	0	0	0	0	0	0	0	0
Consultant Expenses	0	0	0	0	0	0	0	0	0
Travel Expenses	1,200	912	1,200	0	1,200	1,224	1,248	1,273	1,299
Repairs and Maintenance Costs	8,264	3,941	9,292	0	9,292	9,476	9,665	9,856	10,052
Rentals and Leases	0	0	0	0	0	0	0	0	0
Disposal Costs	10,000	9,964	10,200	0	10,200	10,404	10,612	10,824	11,041
Operating - Other Costs	967	1,067	986	0	988	1,008	1,028	1,047	1,068
Administration & Engineering	6,859	2,367	8,682	0	6,682	6,814	6,950	7,090	7,232
Licences/Surveys/Fees	320	35	326	0	328	333	340	346	353
Water Testing Expenditures	5,000	4,319	5,000	0	5,000	5,100	5,202	5,306	5,412
Utilities & Telecom	1,040	1,048	1,200	0	1,200	1,224	1,248	1,273	1,299
Electricity	7,500	5,546	7,800	0	7,800	8,115	8,443	8,784	9,139
Supplies - Chemical	8,000	9,738	8,000	0	8,000	8,160	8,323	8,490	8,659
Supplies - Operating	1,150	4,572	1,173	0	1,173	1,196	1,220	1,245	1,270
Operating Expenditures - LSA's	72,124	64,159	72,747	0	72,747	0	76,004	77,684	79,427
Transfer to Capital Fund	130,172	139,535	132,782	0	132,782	136,552	139,349	142,208	145,132
Transfer to Reserve Fund	8,130	3,429	8,130	0	8,130	8,130	8,130	8,130	8,130
Capital Reserve Expenditures	8,130	3,429	8,130	0	8,130	8,130	8,130	8,130	8,130
Debt Expenditures	66,655	66,815	66,655	0	66,655	70,155	81,145	92,145	103,135
MFA Debt Reserve	260	699	260	0	260	1,000	1,000	1,000	1,000
Internal Recoveries	0	0	0	0	0	0	0	0	0
Fees Charged	0	0	0	0	0	0	0	0	0
Revenue - Water Sales	(15,188)	(15,300)	(15,188)	0	(15,188)	(15,188)	(15,188)	(15,188)	(15,188)
Revenue - Other	(260)	(1,394)	(260)	0	(260)	0	0	0	0
Recovery - Other	0	(1,935)	0	0	0	0	0	0	0
User Charges	(120,096)	(119,056)	(117,594)	0	(117,594)	(121,384)	(124,161)	(127,020)	(129,944)
Grants In Lieu of Taxes	0	0	0	0	0	0	0	0	0
Transfer From Own Funds	0	0	0	0	0	0	0	0	0
Revenue	(135,544)	(140,805)	(133,042)	0	(133,042)	(136,552)	(139,349)	(142,208)	(145,132)
Parcel Taxes	(74,785)	(74,785)	(74,785)	0	(74,785)	(74,785)	(82,145)	(93,145)	(104,135)
Funds Carried Forward	0	0	0	0	0	0	0	0	0
Deficit	5,112	5,112	0	0	0	0	0	0	0
Debit	0	0	0	0	0	0	0	0	0
Total Plan	0	0	0	0	0	0	0	0	0

Service: 2.626 Fulford Water (SSI)

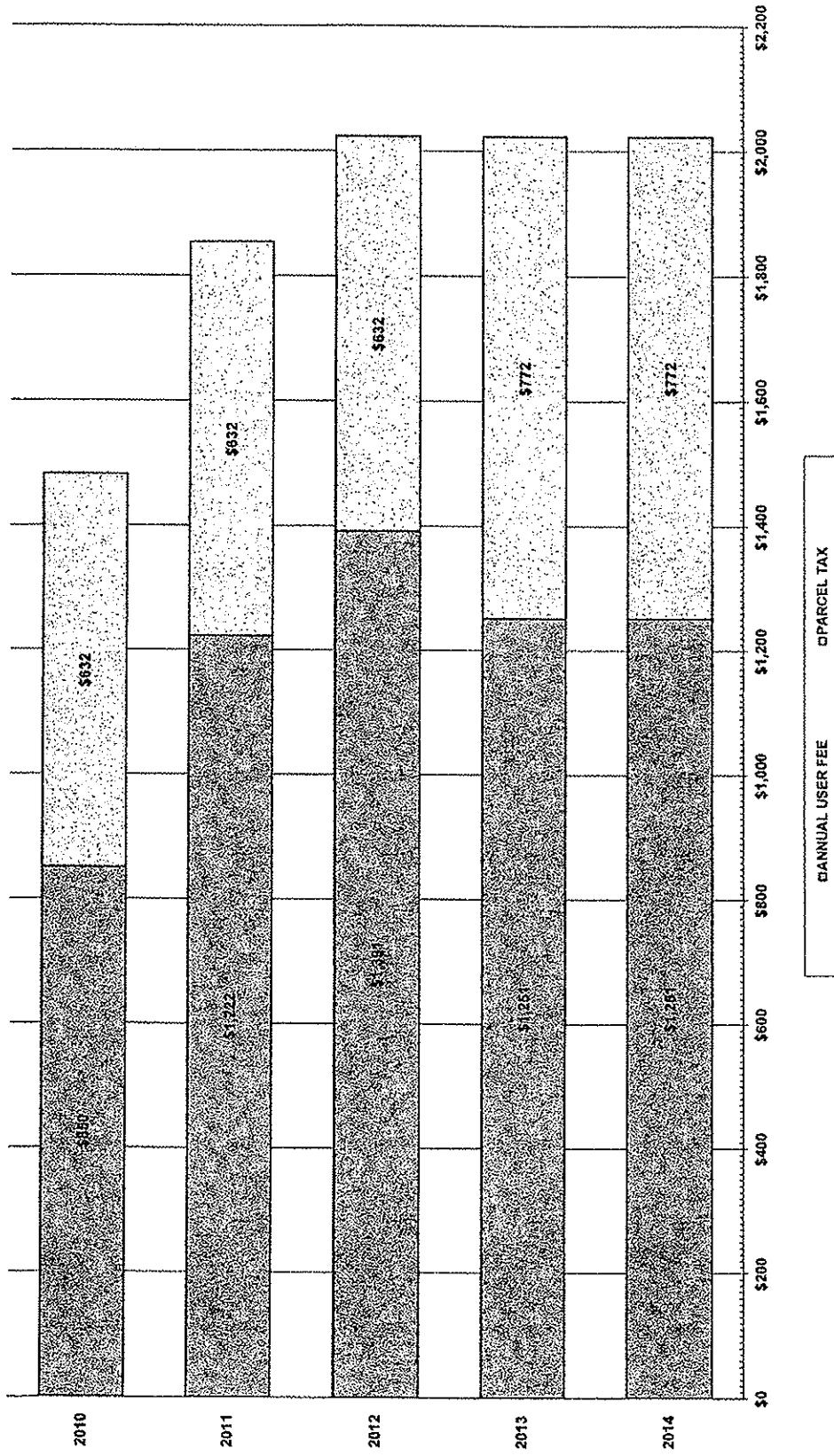
Committee: Electoral Area Services

Year	Taxable Folios	Parcel Tax	* Residential Number SFE's	** Other Connections	User Charge	By-law No.	Actual Assessments	Converted Assessments
2010	101	\$631.68	95	10	\$850.00	3688	52,301,131	5,666,519
2011	101	\$631.68	96	8	\$1,222.00	3777	51,857,531	5,630,395
2012	102	\$631.68	96	8	\$1,391.00	3822	51,088,731	5,596,189
2013	102	\$771.68	96	9	\$1,251.00	3891	52,452,834	5,942,269
2014	102	\$771.68	94	9	\$1,251.00	3891		

* - Single Family Residential: No consumption charge (not metered)

** - Other Connections metered - consumption charge
 - 9 connections
 - \$3.27 per cubic metre (2013 assume 1,202 cubic meters above threshold)
 - Minimum consumption charge per three month is \$312.75

**CAPITAL REGIONAL DISTRICT
FULFORD WATER (SSI)
FUNDING ANALYSIS 2010 - 2014**



Service: 2.626 Fulford Water (SSI)

Committee: Electoral Area Services

FULFORD WATER CAPITAL RESERVE FUND (# 1070):

Balance as at:	December 31, 2012	1,903
Interest		37
Transfer to reserve fund		3,429
Transfer to operating		
Transfer from reserve fund		

TOTAL ESTIMATED FUNDS: December 31, 2013 \$5,369

Fulford Water Capital Fund WLA3758

at Oct 2013

\$ 44,818

Details:

Borrowed 2012 (LA \$225,000 available)
Interest earned on Capital Funds (merged)
Funding Source

170,000
5,718
175,718

Capital Expenditures to end of 2012
Sunnyside/Hilltop Tahouney Install
Fulford School Water Connection
Public Approval for LA 3758
Reynolds Rd Chlorinator

105,780
17,491
6,208
4,753
134,232

Capital Fund Balance Dec 2012

41,486

SAMP - Phase 1 \$7500 (funded \$5000 gas tax and \$2500 capital on hand)

Gas Tax Grant
Interest Earned

5,000
441

Funding Source 2013

5,441

SAMP Capital Expenditures (at Oct 2013)

2,109

Capital Fund Balance Oct 2013

44,818

2.626 Fulford 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
Implement Recommendations from SAMP	S	-	100	100	100	100	400	
SAMP - Phase 2	S	5	-	-	-	-	5	
SAMP - Phase 1 carryforward	S	5	-	-	-	-	5	
TOTAL		10	100	100	100	100	410	

Funding Source:	2014	2015	2016	2017	2018	5 Yr Total
Debt (new debt only)	-	100	100	100	100	400
Grants (Federal, Provincial)	10	-	-	-	-	10
Total Proposed Funding Source	10	100	100	100	100	410

Cap Type:

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

CAPITAL REGIONAL DISTRICT		CAPITAL BUDGET – LOCAL SERVICES	2014
<u>Fulford Water (SSI)</u>			
#1	Strategic Asset Management Plan (SAMP) – Phase 1 carryforward (2014). The Strategic Asset Management Plan will include mapping of system components.		\$5,000
#2	Strategic Asset Management Plan (SAMP) – Phase 2 (2014). The Strategic Asset Management Plan will recommend a prioritized list of infrastructure replacements, which will serve as the basis for future capital spending plans.		\$5,000
#3-6	Implement Recommendations from SAMP (2015-18, \$100,000 each year). The Strategic Asset Management Plan will recommend a prioritized list of infrastructure replacements, which will serve as the basis for future capital spending plans.		\$400,000