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**FULFORD WATER SERVICE COMMISSION
ANNUAL GENERAL MEETING**

Notice of Meeting on MONDAY, October 20, 2014 at 10:00 AM
Salt Spring Public Library, 129 McPhillips Ave, Salt Spring Island, BC

Wayne McIntyre Carol Eyles Gord Singbell Jonathan Yardley Anthony Maude

(Amended) AGENDA

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Adoption of Minutes of the 2013 Annual General Meeting held on February 28, 2014
(previously distributed)**
- 4. Chair's Report**
- 5. Operations Report**
 - 5.1 2014 Annual Report**
- 6. Election of Officers**
- 7. New Business**
- 8. Adjournment**

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



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**Minutes of the Fulford Water Service Area 2013 Annual General Meeting
Held February 28, 2014 in the Fulford Hall OAP, Salt Spring Island, BC**

DRAFT

Present: **CRD Director:** Wayne McIntyre
Commission Members: Carole Eyles, Chair; Jonathan Yardley, Gord Singbeil, Anthony Maude
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 10:12am

1. Approval of Agenda

MOVED by Commissioner Singbeil, **SECONDED** by Commissioner Maude,
That the agenda be approved as presented.

CARRIED

2. Minutes of October 20, 2012 Annual General Meeting

MOVED by Commissioner Yardley, **SECONDED** by Commissioner Maude
That the adoption of the October 20, 2012 Minutes be deferred.

CARRIED

3. Chair's Report

The Chair provided a verbal report with the following highlights:

Fulford Water Commission Chair's Report February 2014

- It has been a year of changes at the CRD and in how we work together. It remains to be seen how successful these changes are.

Operational Issues:

- The work to correct the leak at the corner of Morningside was completed early this year at a final cost of \$12,435, nearly two and half times the original estimate.
- We continue to have trouble with the DAF plant and power outages causing damage to integral components. We need to know if our plant is unusually expensive to operate and what the life span of components should be.
- Ongoing issues with the nature of the North Salt Spring Water Works contract as many areas are open ended to be billed at unit prices with no finite dollar attached. Makes it difficult for Commission to be fiscally responsible.

Budgets and Accounting:

- Revenue and Expenditure reports for the operational budget are complex and convoluted. Very hard to understand and any questions we have it is hard to get answers.

- Had to initiate a Freedom of Information request to get past operations invoices from North Salt Spring Water Works.

Strategic Asset Management Plan:

- Instead of doing a Strategic Asset Management Plan for our service area, we asked that a map of the system be produced using the historical knowledge of people such as Bruce Patterson while they are still available to us. The work was completed in January. Intent now is to track leaks and system failures on it.

Communication and Accountability:

- Issues regarding communication and accountability have still not been addressed, Bylaw 3693 is still missing from the website and there is no resolution of the project mismanagement and accounting errors that have cost users \$453,000 in expenditures that should never have been necessary and we have removed meters from the project.
- This year CRD accounting department arbitrarily and without cause borrowed another \$25,000 from unused referendum funding without consulting the Commission.

4. Annual Operations Report

- In 2012 there was significant maintenance and repair, mainly due to power outages.
- In 2013, there were various repairs, as well as repair to a broken main on Orchard and repairs to Rock Salt service and main.

Maintenance and Repair Events:

Discussion held regarding surge protectors, especially in the winter months where there are a lot of power outages. Questioned many repairs and failures are related to voltage.

Questions arose as why the system is operating below design capacity of 4.5 litres per second. Staff explained that the plant has a variable frequency that allows you to turn the system up or down.

Clarification sought for repair on Sunnyside. 155 Sunnyside had a repair but the Commission was not aware of 143 Sunnyside needing repair. To be verified by staff.

Questions about the damaged float bells and pumper truck. Staff to review if the damage could be claimed by insurance.

5. Election of Officers

Staff advised that the terms for Commissioner Eyles and Maude had expired December 31, 2013 and that an election would be held to fill the positions for a two-year term beginning January 1, 2014 and expiring December 31, 2015. Nominations were called.

Commissioner Eyles and Maude were nominated and agreed to stand. Nominations were called two more times and hearing none, Commissioner Eyles and Maude were elected by acclamation.

Nominations were called for the Chair. Commissioner Eyles was nominated and agreed to stand. Nominations were called two more times and hearing none, Commissioner Eyles was elected as chair.

6. New Business

Director McIntyre outlined what is happening in the province with the small water systems group. The group was designed to look at the challenges facing small water systems in the province. The Union of Municipalities identified that with 1500 individual water systems throughout the province that are 150 connections. In collaboration with Regional Districts, Ministry of Health, Ministry of Natural Resources, and Ministry of Community Sport and Culture. Identified the commonalities between us and other communities and what can we put in place for best practices. A report with recommendations to the Ministry which will eventually go to the Minister. We now have the Financial Best Practices which have been published:

- a. Create a basic asset inventory
- b. Build an asset management plan
- c. Create a five year operative plan
- d. Establish a long term financial plan
- e. Determine sustainable water rates and charges
- f. Develop a communications plan

7. Adjournment

MOVED by Commissioner Maude, **SECONDED** by Director McIntyre
That the Fulford Water Commission meeting be adjourned at 11:07 am

CARRIED

CHAIR

SENIOR MANAGER



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**(REVISED) FULFORD WATER SERVICE
2014 ANNUAL REPORT
MONDAY, OCTOBER 20, 2014**

Purpose of the Annual General Meeting

The agenda for the Annual General Meeting (AGM) is approved by the members of the Committee. The purposes (and hence the agenda items) of the meeting are:

- To have the last year's AGM minutes approved (by Committee members), and to present reports on the work of the Committee on, the past year's operation, maintenance, capital upgrades and financial information of the service to the service residents and owners,
- To nominate members for appointment to the Committee, and
- To enable the public to share comments on subjects which relate to the work of the Committee. The Committee can identify (under "new business") issues on which it wants feedback at the meeting. Motions raised by the public at the AGM will be considered by the committee at a subsequent regular meeting.

The Annual General Meeting is for the 2013 fiscal year.

DRINKING WATER SYSTEM

Water Supply and Demand

The Fulford Water System provides drinking water to 102 properties, including the Fulford School, BC Ferry terminal and businesses in the village.

Source Water – Lake Weston

The Fulford water system obtains its drinking water from Lake Weston, a small lake that lies within an uncontrolled multi-use watershed outside and northeast of the service area. The Capital Regional District (CRD) holds two licenses to divert a total of up to 291.6 cubic metres per day and store up to 49,339 cubic metres. Lake Weston is estimated to have a total volume of 1,090,000 cubic metres. Lake Weston is subject to seasonal water quality changes and is affected by periodic algae blooms.

Water Treatment Process

Water from Lake Weston flows by gravity to Hilltop Road where it is then pumped to the Fulford Water Treatment Plant located on South Ridge Drive. The water treatment process consists of dissolved air flotation, filtration, disinfection with ultraviolet light and chlorine using sodium hypochlorite.

Distribution System

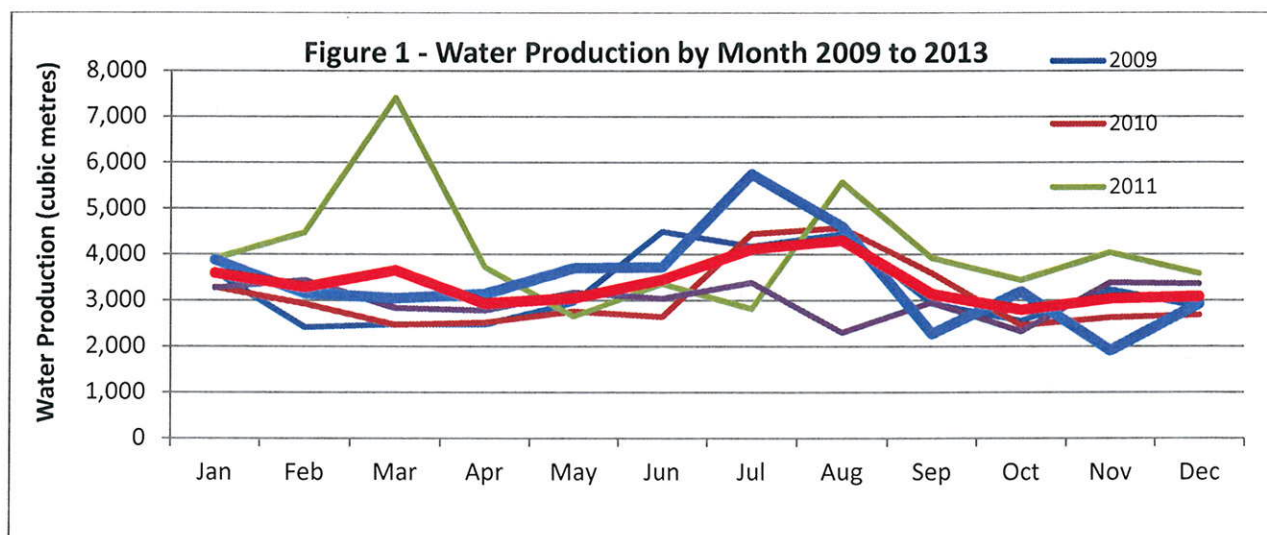
Treated water is pumped from the plant to a 360 cubic metre steel storage reservoir located behind the Fulford School. Water then flows from the reservoir into the distribution system – a network of mainly 100 mm – 150 mm diameter pipes, many of which are original to the system. The distribution system operates on two pressure zones, regulated by the Sunnyside PRV. The commercial customers are metered.

A total of 41,279 cubic metres (m³) of water was abstracted from Lake Weston in 2013, about 2% less than 2010. The 2011 increase was largely due to the need to backwash the treatment plant filters more frequently because of the poor raw water quality for most of the year, and system leaks and a sizeable break in March. Overall, community water use appears relatively static. A summary of the monthly water production volumes (in cubic metres) at the treatment plant is tabulated in Table 1 and graphically depicted in Figure 1.

Table 1
CRD INTEGRATED WATER SERVICES - OPERATIONS
FULFORD WATER SYSTEM
Monthly Production (cubic metres)

	2008	2009	2010	2011	2012	2013
Jan	2,348	3,625	3,284	3,906	3,273	3,885
Feb	2,161	2,416	2,923	4,483	3,440	3,150
Mar	2,559	2,477	2,464	7,409	2,836	3,045
Apr	2,023	2,470	2,515	3,716	2,778	3,133
May	2,529	2,950	2,754	2,648	3,164	3,696
Jun	3,235	4,494	2,637	3,354	3,036	3,719
Jul	4,091	4,172	4,446	2,815	3,382	5,745
Aug	3,722	4,446	4,576	5,572	2,300	4,613
Sep	3,139	2,930	3,581	3,920	2,952	2,271
Oct	2,709	2,555	2,457	3,439	2,328	3,186
Nov	2,714	3,232	2,624	4,036	3,382	1,909
Dec	3,241	2,862	2,678	3,574	3,358	2,927
TOTAL	34,471	38,628	36,939	48,872*	36,228	41,279
AVERAGE	2,873	3,219	3,078	4,073	3,019	3,440
MAXIMUM	4,091	4,494	4,576	7,409	3,440	5,745
MINIMUM	2,023	2,416	2,457	2,648	2,300	1,909

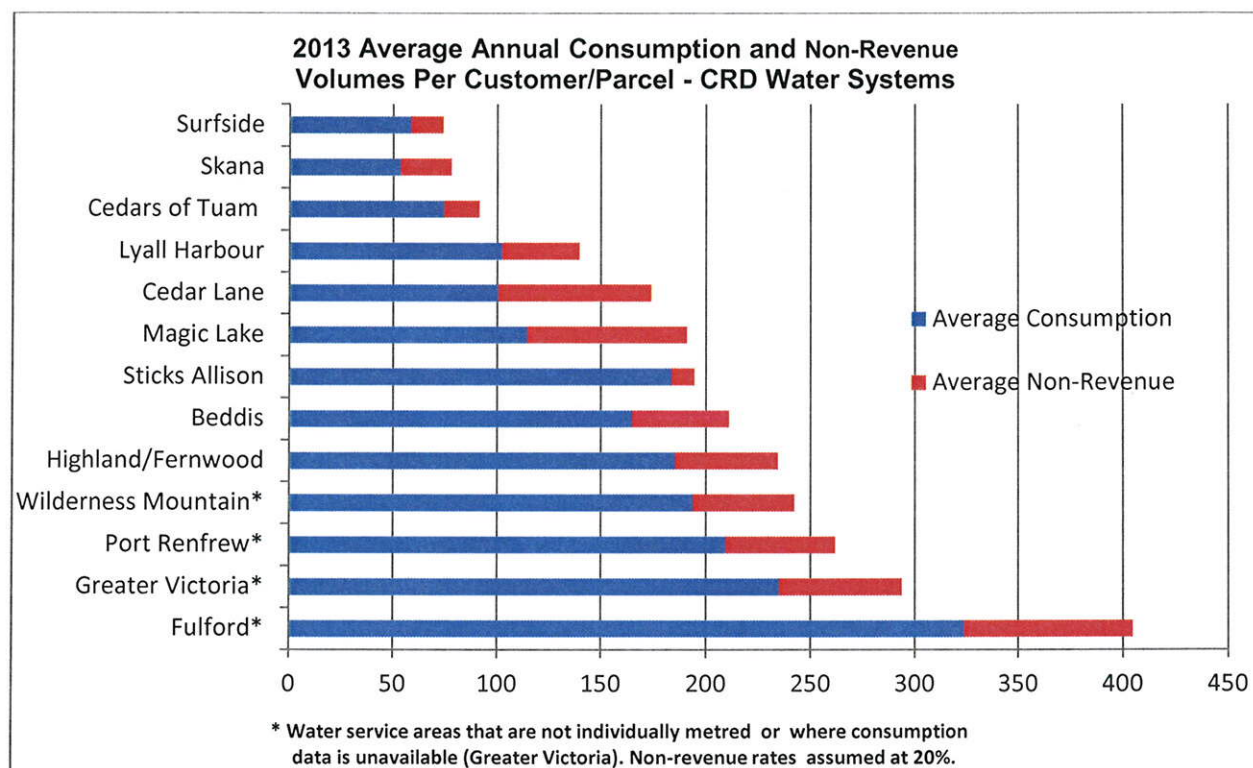
*Note: Water leak in March 2011.



The Fulford Water System does not have residential water meters and therefore the average per taxable folio use is simply a measure of the raw water divided by the number of taxable parcels. An allowance of 20% is deducted for non-revenue water such as distribution leaks, fire hydrant usage, distribution system maintenance and process water for the treatment plant.

The average use per parcel in the Fulford Water System was 324 m³ in 2013. A 2013 comparison of average annual water consumption for other CRD Gulf Islands systems is provided in **Figure 2**.

Figure 2 - Average Annual Consumption per Customer/Parcel



Water Quality

Drinking water quality items of interest occurring in the Fulford drinking water system include the following:

- Samples collected from the distribution system in 2013 showed good chemical and bacteriological water quality.
- Turbidity of water in the distribution system was generally well below 1 nephelometric turbidity units (NTU).
- Trihalomethanes, a disinfection by-product, were well below the 100 ug/L Canadian Guideline limit in all samples collected in 2013.

Operations

The Fulford Water System has operated reliably throughout 2013.
North Salt Spring Waterworks operated the system for the CRD under contract in 2013.

Some emergency work was required to deal with power outages caused by bad weather, water main and service repairs and occasional issues with the treatment plant components.

Significant maintenance and repair events in 2013 included:

- Service connection installed for #2825 Fulford Ganges Road
- Watermain and valve cluster replacement at Fulford Ganges Road and Morningside Road (Rock Salt repair)
- Watermain repairs Orchard Road
- Water treatment plant valve actuator repairs

- Water treatment plant air saturator pump repairs
- Water treatment plant flash mixer repairs
- Repair leaking water service line at 443-Sunnyside 155 Sunnyside
- UV disinfection electronic equipment repairs and UV lamp replacement
- Water treatment plant electronic equipment repairs (Modicon)
- Water service line repairs Morningside Road
- Repair leaking water service line at 105 Hilltop Road

Capital Improvements

There were two capital projects planned for 2013:

1. Extend phase 1 of the Strategic Asset Management Plan (SAMP) with the principle objective of completing a location plan of the infrastructure, followed by the technical documentation. The work of developing location plans was completed; however, no additional work was completed on developing the technical portion of the SAMP.
2. There was a late addition (September 2013) of \$10,000 for emergency capital repairs as the budget for repairs in Fulford had already exceeded \$8,000.

ANNUAL BUDGET AND FINANCIAL REPORT 2013

Attached is a copy of the *Statement of Operations (Unaudited)* as prepared by CRD Finance and Corporate Services for the year 2013. The statement provides an overview of the revenues and expenditures for the year.

Revenue includes parcel taxes (*Transfers from government*) and user fees (*Sale of services*), and small amounts for interest on savings and miscellaneous revenue such as connection charges and late payment charges (*Other revenue*). *Expenses* include all costs of providing the service. *General government services* include budget preparation, financial management, utility billing, and risk management services. *Other expenses* includes all other costs to administer and operate the water system, and the principal and interest payments on borrowing to finance capital projects. *Other fiscal services* includes administration costs for loans.

The difference between *revenue* and *expenses* is reported as *Net revenue (expenses)*. Any transfers to or from capital or reserve accounts for the service (*Transfers to own funds*) are deducted from this amount and the result is then added to any surplus or deficit carry forward from the prior year, yielding an *Accumulated surplus* (or deficit) that is carried forward to the following year.

The Fulford Water Utility 2013 revenue of \$215,590 consisted of \$74,785 from parcel taxes and \$137,476 from user fees and consumption charges, \$122 in interest and \$3,207 in other revenue. The user fee component included a payment of \$3,120 from BC Ferries as a condition of inclusion into the system and "other revenue" included a recovery payment of \$1,526 for leak repair expense.

The total expenditures for 2013 were \$207,049, of which \$67,514 was the annual cost of borrowing for capital work, and the remainder was the cost of operation and administration of the service.

The difference between revenue and expenditures at 2013 year end amounted to a net surplus of \$8,541.

\$3,429 was transferred to the capital reserve at year end and the balance of the surplus (\$5,112) was used to pay the balance of the 2012 deficit that was carried forward. No surplus was available to carry forward to 2014.

The balance in the Fulford Capital Reserve Fund at December 31, 2013 was \$5,369.

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Operations
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Senior Manager, Salt Spring Island Electoral Area

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Concurrence

KW:ts/l/s

Attachment: 1