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## **FULFORD WATER SERVICE COMMISSION**

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

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### **(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 Report** (budget materials previously distributed)

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

- 1. Approve the 2015 operating and capital budget for the Fulford Water Service as presented;*
- 2. Authorize the 2015 parcel tax of \$771.68, user charge of \$1,251.00 and consumption charge rate of \$3.27 per cubic meter (minimum charge of \$312.75 per billing period); and*
- 3. Balance the 2014 actual revenue and expenditures on the 2015 transfer to capital reserve fund.*

##### **3.2 Fulford Water Treatment Plan-Transient Voltage Surge Suppression Electrical Equipment**

*That the Fulford Water Commission recommends: That the transient voltage surge suppression electrical equipment be installed in the Fulford Water Treatment Plant and that funding up to \$5,280.00 be authorized from the Fulford Water Capital Fund WLA3758.*

#### **4. New Business**

#### **5. Outstanding Business**

#### **6. 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 Fulford Water Service Commission  
Held February 28, 2014 in the Fulford Hall, OAP Meeting Room, Salt Spring Island, BC**

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**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 11:16am.

1. **Approval of Agenda**  
**MOVED** by Commissioner Yardley, **SECONDED** by Commissioner Maude,  
That the agenda be approved with the following addition, add under New Business  
Fulford Water Service Statutory Right of Way over School District 64 site – South  
Ridge Drive.

**CARRIED**

2. **Approval of Minutes – March 8, 2013 and November 7, 2013**  
**MOVED** by Commissioner Yardley, **SECONDED** by Commissioner Singbeil,  
That the Minutes of March 8, 2013 be approved as presented; and  
that the Minutes of November 7, 2013 be amended as follows:  
Item 2 – Daft should read DAF

**CARRIED**

3. **2014 Capital and Operating Budget**
  - Recommending that the parcel tax remain the same as it had for 2013 at \$771.68 and that the user charge remain the same at \$1251.00 and no change to consumption rates.
  - Slight increase in operating cost from 2013, total cost has only increased 1.27%.

General discussion regarding the \$25,000 borrowed by the CRD against the Commission's wishes. Staff advised that the \$25,000 stays in the capital fund for future expenditures and may lessen some borrowing requirements in the future.

Staff explained that the \$100,000 capital cost are placeholders; any new debt would require the approval of the Commission and staff advised that the Commission could reduce capital plan to zero in future years but that the CRD is seeking approval for 2014. The Strategic Asset Management Plan (SAMP) are important for the small systems but also help the commission to secure funding from different sources.

Director McIntyre commented that it would be beneficial to still go through the SAMP, so that the Commission has the opportunity to put something together quickly for potential grants.

**MOVED** by Commissioner Maude, **SECONDED** by Commissioner Yardley

That the Fulford Water Service Commission recommends that the Capital Regional district Board:

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

**CARRIED**

**4. New Business**

**Fulford Water Statutory Right Of Way on Southridge Drive**

Staff advised the need to secure a statutory right of way for the reservoir on Southridge Drive. Commission questioned why this was coming up now. CRD entered into a Right to Enter Agreement with School District #64 in March 2006. The agreement provided a license to the CRD to enter onto the property to install and construct a reservoir. Following completion of construction a right-of-way plan was to be completed by a surveyor. Although the works were completed no as-built drawings being provided to the CRD. Without the right-of-way, the CRD's interest is not secured against title to the land.

The Commission requested staff to review the files to determine if as-builts were required as part of the original work and if any survey work was done at the time of construction that could be used to establish a right-of-way. Based on this the Commission would like a more accurate assessment of what was really required to complete the right of way and have a better assessment of costs.

The Chair reported that they have been trying for years to get Right of Way through Dan Fraser's property and nothing has been done.

**5. Adjournment**

**MOVED** by Director McIntyre, **SECONDED** by Commissioner Maude,  
That the meeting be adjourned at 12:00 pm.

**CARRIED**

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**CHAIR**

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**SENIOR MANAGER**



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**REPORT TO FULFORD WATER SERVICE COMMISSION  
MEETING OF MONDAY, OCTOBER 20, 2014**

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**SUBJECT     2015 OPERATING AND CAPITAL BUDGET**

**ISSUE**

This report provides an estimated to actuals 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 **\$2,522** (1.9%) under budget as a result of the following:

1. Lower than budgeted expenditures for:
  - a. Waste sludge disposal (\$3,700)
  - b. Repairs and maintenance (\$792)
  - c. Water testing (\$500)
  - d. Electricity (\$300)
  - e. Supplies (\$3)
  - f. Contingency (\$5,935)
2. Higher than budgeted expenditures for:
  - a. Operations contract (\$3,099)
  - b. Labour charges (\$5,589)
  - c. Allocations (\$3)
  - d. Other operating expenses (\$17)

The estimated actual operating revenue is projected to be approximately **\$333** over budget due to unanticipated user charges received which will offset lower than expected water sales.

There was a slight adjustment in the debt servicing that increased the budget by **\$5**.

This results in a projected year-end surplus of **\$2,850**.

It is proposed that the projected year-end surplus be carried forward as revenue in 2015.

2015 Operating Expenditures

An increase of **\$1,073** (0.8%) in the 2015 operating costs is proposed as a result of the following:

1. Decrease of \$9,801 in operations contract expenditures
2. Decrease of \$3,700 in grit and waste sludge disposal expenditures
3. Decrease of \$52 in repairs and maintenance expenditures

4. Increase of \$23 in allocation expenditures
5. Increase of \$160 in electricity expenditures
6. Increase of \$187 in operating supply expenditures
7. Increase of \$350 in labour charges
8. Increase of \$320 in contingency (to mitigate the risk of on operating deficit)
9. Increase of \$13,607 in other operating expenditures (Adjusting the line items for operations contract, waste sludge disposal and operating costs will allow the CRD to track the costs associated with the regular operating contract versus the emergency work and extra contract call out charges.

#### 2015 Debt/Reserves

##### 2015 Maintenance Reserve:

It is proposed that a maintenance reserve be established for the service. A maintenance reserve fund is used for the purchase of equipment and supplies that are typically not replaced annually such as filter media, ultraviolet lamps and sensors. Additionally, maintenance reserve funds are used for certain maintenance activities such as reservoir cleaning and raw water intake inspections that occur less frequent than annually.

A \$2,400 annual contribution to the maintenance reserve is planned, beginning in 2015.

##### 2015 Capital Reserve Fund:

It is proposed that the transfer to the capital reserve fund increase from \$8,130 to \$8,570 in order to prepare for anticipated future capital replacement projects.

The capital reserve fund balance at the end of 2014 is projected to be \$13,526.

##### Debt

The annual debt servicing costs increase from \$66,920 to \$67,100. This is a result of an additional \$180 contribution to the MFA debt reserve fund.

#### 2015 Revenue (User Charge and Parcel Tax)

It is proposed that:

- water sales be reduced from \$15,187 to \$15,000. This amount is calculated based on the water rate of \$3.27 per cubic meter with a minimum consumption charge per three month billing period of \$312.75 for those customers with a metered connection. These rates remain at 2014 level.
- the user charges be increase from \$117,590 to \$118,845 as a result of an additional single family equivalent (SFE) connecting to the water system; based on 95 SFE's equals \$1,251.00, unchanged from 2014.
- other revenue be increased \$180
- the parcel tax remain at 2014 level set at \$74,790; based on 102 taxable folios and including the 5.25% surveyors tax fee equates to \$771.68.

2015-2019 Five Year Capital Plan

There are two projects planned for 2015. One is to complete the Strategic Asset Management Plan that was started with the development of 'as found' system record drawings and the next phase is intended to complete a long term prioritized list of infrastructure replacements and long term financial plan. The total budget for this work is \$5,390.

The second project is to secure a statutory right of way (SROW) for the water treatment plant and reservoir in the amount of \$5,000. At the time of the contract to build the water reservoir and treatment plant no as-built were provided and it is known that the plant was not constructed exactly as shown on the design drawings. Staff work with a legal surveyor to prepare a site plan of the location of the works (buildings, fencing, valves, tanks, etc.) from which the surveyor can prepare the SROW plans.

**RECOMMENDATION**

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

1. Approve the 2015 operating and capital budget for the Fulford Water Service as presented;
2. Authorize the 2015 parcel tax of \$771.68, user charge of \$1,251.00 and consumption charge rate of \$3.27 per cubic meter (minimum charge of \$312.75 per billing period); and
3. Balance the 2014 actual revenue and expenditures on the 2015 transfer to capital reserve fund.

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

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Karla Campbell  
Senior Manager, Salt Spring Island Electoral  
Area

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

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

CK:ts/l  
Attachment: 1

# **CAPITAL REGIONAL DISTRICT**

## **2015 Budget**

### **Fulford Water (SSI)**

#### **Committee Review**

Compiled and Presented by CRD Finance

October 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:**

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



	2014		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	2015 CORE BUDGET	2015 SUPPLEMENTARY	2015 TOTAL		2016	2017	2018	2019
<b>Fulford Water (SSI)</b>										
<u>OPERATING COSTS:</u>										
Operations Contract	54,101	57,200	44,300	-	44,300		45,190	46,100	47,020	47,960
Grit & Waste Sludge Disposal	10,200	6,500	6,500	-	6,500		6,630	6,760	6,900	7,040
Repairs & Maintenance	9,292	8,500	9,240	-	9,240		9,420	9,600	9,790	9,980
Allocations	9,667	9,670	9,690	-	9,690		9,880	10,070	10,260	10,460
Water Testing	5,000	4,500	5,000	-	5,000		5,100	5,200	5,300	5,410
Electricity	7,800	7,500	7,960	-	7,960		8,120	8,280	8,450	8,620
Supplies	9,173	9,170	9,360	-	9,360		9,540	9,730	9,920	10,110
Labour Charges	16,401	21,990	16,730	-	16,730		17,060	17,410	17,760	18,110
Contingency	5,935	-	6,255	-	6,255		5,100	5,200	5,300	5,410
Other Operating Expenses	5,213	5,230	18,820	-	18,820		19,170	19,540	19,910	20,310
<b>TOTAL OPERATING COSTS</b>	<b>132,782</b>	<b>130,260</b>	<b>133,855</b>	<b>-</b>	<b>133,855</b>		<b>135,210</b>	<b>137,890</b>	<b>140,610</b>	<b>143,410</b>
*Percentage Increase over prior year					0.8%		1.0%	2.0%	2.0%	2.0%
<u>DEBT/RESERVES</u>										
Transfer to Maintenance Reserve Account	-	-	2,400	-	2,400		2,400	2,400	2,400	2,400
Transfer to Capital Reserve Fund	8,130	8,130	8,570	-	8,570		8,720	8,890	9,080	9,250
MFA Debt Reserve Fund	260	260	440	-	440		-	-	-	-
MFA Debt Principal	37,106	37,110	37,110	-	37,110		37,110	37,110	37,110	37,110
MFA Debt Interest	29,549	29,550	29,550	-	29,550		29,550	29,550	29,550	29,550
<b>TOTAL DEBT / RESERVES</b>	<b>75,045</b>	<b>75,050</b>	<b>78,070</b>	<b>-</b>	<b>78,070</b>		<b>77,780</b>	<b>77,950</b>	<b>78,140</b>	<b>78,310</b>
<b>TOTAL COSTS</b>	<b>207,827</b>	<b>205,310</b>	<b>211,925</b>	<b>-</b>	<b>211,925</b>		<b>212,990</b>	<b>215,840</b>	<b>218,750</b>	<b>221,720</b>
<u>FUNDING SOURCES (REVENUE)</u>										
Estimated balance C/F from 2014 to 2015	-	2,850	(2,850)	-	(2,850)		-	-	-	-
Sales - Water	(15,187)	(15,000)	(15,000)	-	(15,000)		(15,190)	(15,190)	(15,190)	(15,190)
User Charges	(117,590)	(117,590)	(118,845)	-	(118,845)		(123,010)	(125,860)	(128,770)	(131,740)
Other Revenue	(260)	(780)	(440)	-	(440)		-	-	-	-
<b>TOTAL REVENUE</b>	<b>(133,037)</b>	<b>(133,370)</b>	<b>(134,285)</b>	<b>-</b>	<b>(134,285)</b>		<b>(138,200)</b>	<b>(141,050)</b>	<b>(143,960)</b>	<b>(146,930)</b>
<b>REQUISITION - PARCEL TAX</b>	<b>(74,790)</b>	<b>(74,790)</b>	<b>(74,790)</b>	<b>-</b>	<b>(74,790)</b>		<b>(74,790)</b>	<b>(74,790)</b>	<b>(74,790)</b>	<b>(74,790)</b>
*Percentage increase over prior year requisition					0.0%		0.0%	0.0%	0.0%	0.0%
Capital Reserve Balance		13,526			14,206		22,926	31,816	40,896	50,146
Maintenance Reserve Balance		-			2,400		4,800	7,200	9,600	12,000

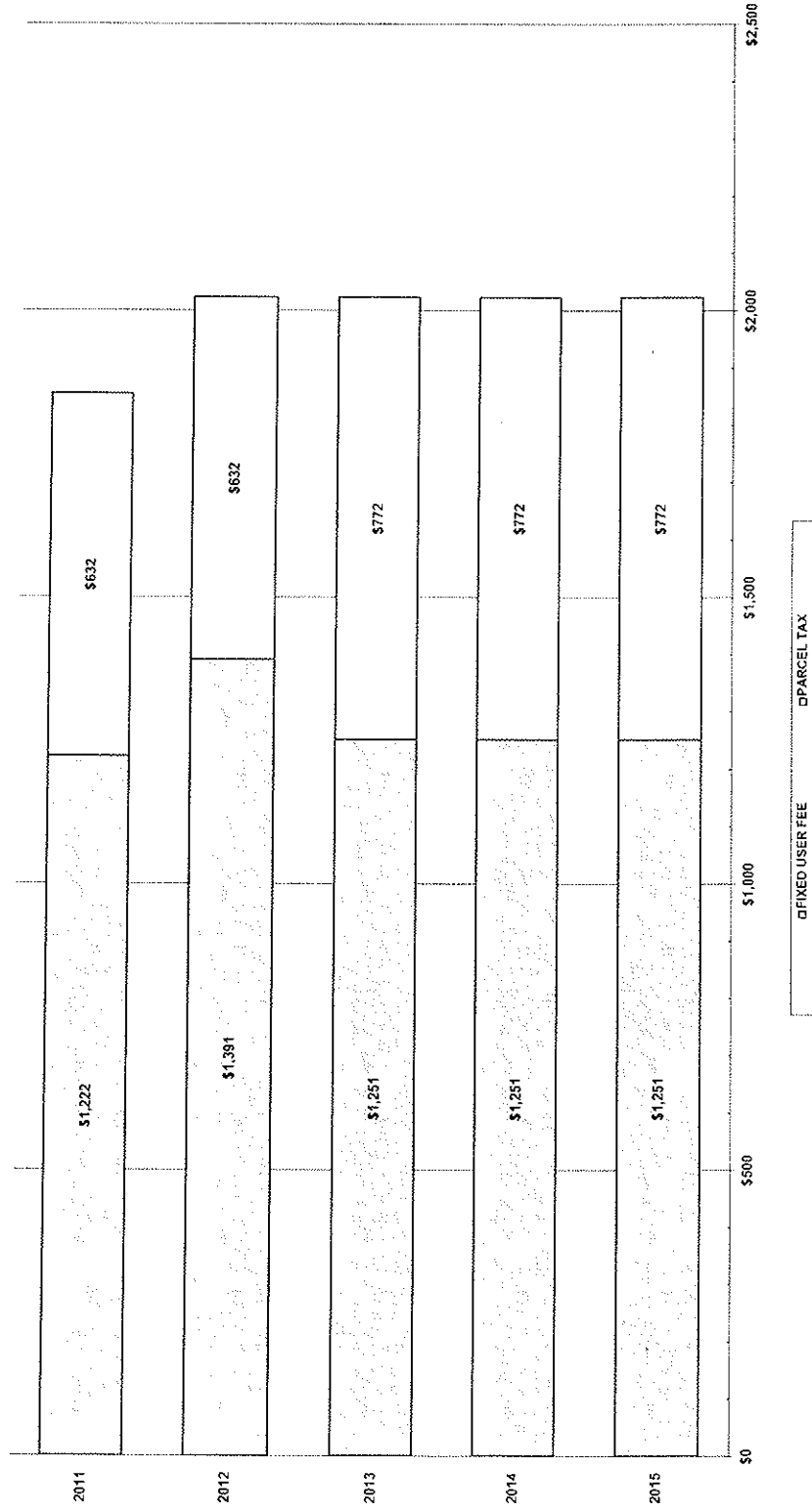
Service:

2.626 Fulford Water (SSI)

Committee: Electoral Area Services

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax</u>	<u>SFE's</u>	<u>User Charge</u>	<u>Tax &amp; Charges</u>	<u>Bylaw</u>	<u>Assessments \$(000's)</u>
2010	101	\$631.68	95	\$850.00	\$1,481.68	3688	52,301
2011	101	\$631.68	96	\$1,222.00	\$1,853.68	3777	51,858
2012	102	\$631.68	96	\$1,391.00	\$2,022.68	3822	51,089
2013	102	\$771.68	96	\$1,251.00	\$2,022.68	3891	52,453
2014	102	\$771.68	94	\$1,251.00	\$2,022.68	3891	49,770
2015 Budget	102	\$771.68	95	\$1,251.00	\$2,022.68		49,770

# CAPITAL REGIONAL DISTRICT FULFORD WATER (SSI) FUNDING ANALYSIS 2011-2015



Actual Costs 2011-2014, Projected 2015  
Prepared by CRD Finance  
10/10/2014

## 2015 &amp; Forecast 2016 to 2019

Service Name:

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

TOTAL

C = Capital Funds on Hand  
R = Reserve Fund  
S = Short Term Loans  
L = Lands Sales

Service:	2.626 Fulford Water (SSI)	Committee: Electoral Area Services
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- #1

Strategic Asset Management Plan (SAMP) – Phase 2 (carryforward, 2015)

\$5,390
- The Strategic Asset Management Plan will recommend a prioritized list of infrastructure replacements, which will serve as the basis for future capital spending plans.
- #2

Secure SRW for Plant, Tank & Reservoir (2015)

\$5,000

A SRW needs to be registered for these facilities on the school site.

**REPORT TO FULFORD WATER SERVICE COMMISSION  
MEETING OF MONDAY, OCTOBER 20, 2014**

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**SUBJECT**     **FULFORD WATER TREATMENT PLANT TRANSIENT VOLTAGE SURGE  
SUPPRESSION ELECTRICAL EQUIPMENT**

**ISSUE**

To bring forward to the commission, for their consideration and approval, the request to install an electrical surge protection device in the Fulford Water Treatment Plant.

**BACKGROUND**

The Fulford Water Treatment Plant (FWTP) is frequently subjected to electrical power (voltage) surges, or power spikes that, for the most part, originate from the BC Hydro power utility. Typically, the electrical surges or spikes occur during inclement weather periods when hydro power line infrastructure is impacted by falling debris onto power lines including those caused by lightning strike events. As a result of these unwanted voltage spikes, sensitive electrical equipment within FWTP may become damaged and irreparable.

This situation has occurred a number of times already at significant cost to the utility. In order to prevent this future loss from taking place, it is proposed that a Transient Voltage Surge Suppression (TVSS) device be installed. The TVSS is an electrical appliance designed to protect electrical devices from voltage spikes. The surge protector attempts to limit the voltage supplied to an electrical device by either blocking or by shorting to ground any unwanted voltages above a safe threshold. It is important to note that while the TVSS is designed to protect sensitive electrical equipment and operate reliably, there is no guarantee that electrical damage will not occur.

The TVSS electrical equipment operation and maintenance cost is minimal and as such is not expected to have an impact on the operating budget. However, the intent of the TVSS is to protect the facility from power surges and in doing so may sustain irreparable damage requiring its potential replacement.

The estimated cost to complete the equipment installation is as follows:

ITEM	COST
Equipment/Materials	\$ 2000
Labour	\$ 1600
Engineering/Administration	\$ 800
Contingency (20%)	\$ 880
<b>TOTAL</b>	<b>\$5280</b>

Because this is considered a capital improvement for the service and specifically for the Fulford Water Treatment Plant, it is proposed that this work be funded from Fulford Water Capital Fund WLA3758 which as of December 31, 2013 had a balance of \$44,849.

**ALTERNATIVES**

1. That the Fulford Water Service Commission recommend that the transient voltage surge suppression electrical equipment be installed in the Fulford Water Treatment Plant and that funding up to \$5,280 be authorised from the Fulford Water Capital Fund WLA3758.
2. That the Fulford Water Service Commission recommend that the improvement not proceed.

**IMPLICATIONS**

1. The installation of the transient voltage surge suppression electrical equipment is predicted to reduce or limit damage to sensitive electrical components within the Fulford Water Treatment Plant that occur as a result of power (voltage) spikes. Limiting the damage will result in lower operating costs for the utility.
2. Not proceeding with the installation may result in additional operational costs particularly labour costs for emergency call-out response and potential replacement of costly electrical equipment that has failed due to the power spikes. The annual cost is difficult to predict as the number of power spike events in any given year is variable.

**RECOMMENDATION**

That the Fulford Water Commission recommends:

That the transient voltage surge suppression electrical equipment be installed in the Fulford Water Treatment Plant and that funding up to \$5,280 be authorized from the Fulford Water Capital Fund WLA3758.

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Manager, Saanich Peninsula and Gulf  
Islands Operations  
Infrastructure Engineering & Operations

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Senior Manager, Salt Spring Island Electoral  
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Concurrence

KW/DR:ls