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**SALT SPRING ISLAND LIQUID WASTE LOCAL SERVICE COMMISSION
ANNUAL GENERAL MEETING**

Notice of Meeting on Thursday, October 23, 2014 at 1:00 PM
Community Gospel Church, Upstairs Rm, 147 Vesuvius Bay Rd, Salt Spring Island, BC

Wayne McIntyre Wayne Lee Maxine Leichter Peter Lake Rod Scotvold
Sharon Bywater

(Amended) AGENDA

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Adoption of Minutes of the 2013 Annual General Meeting held on November 29, 2013**
(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 Annual General Meeting of the Salt Spring Island Liquid Waste Disposal
Local Service Commission**

Held November 29, 2013, 145 Vesuvius Bay Road, Salt Spring Island, BC

DRAFT

Present:

Director: Wayne McIntyre

Commission Members: Peter Lake (Chair); Maxine Leichter (Vice Chair);
Sharon Bywater; John Sprague

Staff: Karla Campbell, Senior Manager; Brian MacDonald, Manager Financial
Planning and Treasury Corporate Services; Ted Robbins, GM Integrated
Water Services; Dan Robson, Manager of Operations Integrated Water
Services Saanich Peninsula and Gulf Islands; Peter Sparanese, Senior
Manager Infrastructure Operations; Ralf Waters, Manager of Engineering;
Sarah Shugar, Recording Secretary

Chair Lake called the meeting to order at 10:30 am.

1. Approval of Agenda

Addition of Item 1.1, Minutes of the November 27, 2012 Annual General Meeting.

MOVED by Commissioner Bywater, **SECONDED** by Commissioner Sprague,
That the agenda be adopted as amended.

CARRIED

1.1 Adoption of Minutes – November 27, 2012

MOVED by Commissioner Bywater, **SECONDED** by Commissioner Leichter,
That the November 27, 2012 Annual General Meeting Minutes be approved as
circulated.

CARRIED

2. Chair's Report

There was no report at this time.

3. Annual Report

T. Robbins reviewed the SSI Liquid Waste Disposal Service 2012 Annual Report dated
November 29, 2013.

4. Election of Officers

It was moved and seconded that Maxine Leichter and Wayne Lee be appointed to the
Liquid Waste Disposal Local Service Commission; and further that the ballots be
destroyed, after the adjournment of the meeting.

CARRIED

5. New Business

There were no new business items at this time.

6. Adjournment

Moved by Director McIntyre, **Seconded** by Commissioner Bywater,
That the meeting be adjourned at 11:00 am.

CARRIED

CHAIR

SENIOR MANAGER



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**SALT SPRING ISLAND LIQUID WASTE DISPOSAL SERVICE
2014 ANNUAL REPORT
THURSDAY, OCTOBER 23, 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.

Operations

The Salt Spring Island Liquid Waste Disposal Service is provided through a septage and sludge receiving and processing facility located near Burgoyne Bay. In recent years, the equipment has suffered several operating process problems and equipment failures, resulting in unbudgeted expenses for repairs and service interruptions. Due to the equipment failures, the Burgoyne site now operates as a transfer station with no treatment occurring at the site.

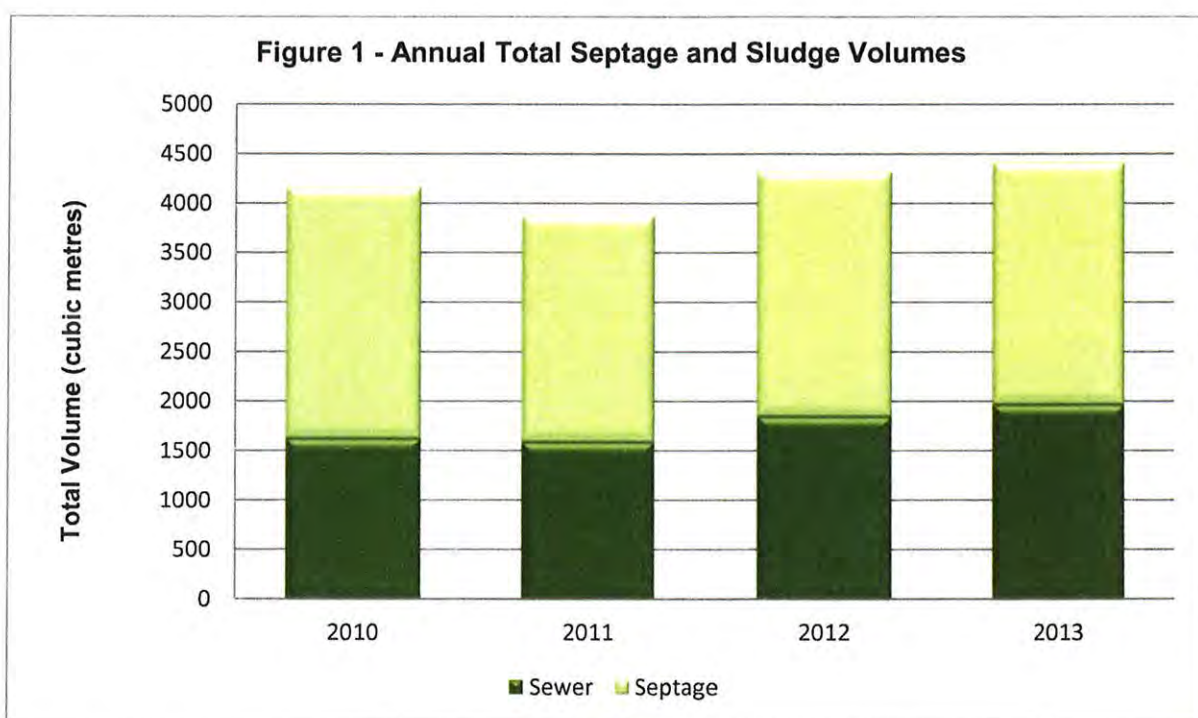
With the current operating plan, there were few operational issues in 2013.

- | | |
|--|----------|
| • Check high voltage service line to site | 604.48 |
| • Investigate/repair high level float | 517.00 |
| • Repair high voltage service line to site | 1,050.98 |

The total volume of septage and sludge received in 2013 is shown in **Table 1** and **Figure 1**.

The sewage volume increased by approximately 7% and the septage remained virtually unchanged (decrease of 1%) from 2012. Total annual combined volume increased 2%.

Table 1 - Annual Sewage and Septage Volumes				
	2010	2011	2012	2013
Sewage cubic metres (igal)	1,623.9 (357,207)	1,591.6 (350,092)	1,846.6 (406,206)	1,970.3 (433,400)
Septage cubic metres (igal)	2,538.1 (558,295)	2,279.6 (501,437)	2,473.3 (544,042)	2,443.5 (537,500)
Total cubic metres (igal)	4,162.0 (915,502)	3,871.1 (851,529)	4,319.9 (950,248)	4,413.8 (970,900)



Capital Plan

Background

In November 2008, the Capital Regional District (CRD) received approval of the electors of Salt Spring Island (SSI) to borrow up to \$2.1 million to conduct capital improvements to the existing facility and to create a solids composting facility. In 2009, Opus Dayton Knight Consultants Ltd. (Opus) was engaged by the CRD to design the improvements. Their pre-tender cost estimate was \$3.35 million, excluding the composting facility work. Recognizing the funding shortfall, the SSI Liquid Waste Disposal Local Service Commission (Commission) directed CRD staff to conduct a service review and business case analysis before proceeding with the project. Stantec Consulting Ltd. (Stantec) was retained to review the proposed improvements, identify and analyze alternatives for service delivery, including ownership and life-cycle costs. Stantec recommended an upgrade of the existing facility because of the lowest life-cycle cost of the options considered and not to carry out composting because of the high capital and operating

cost, high risk of odours and risk of limited end-user market. However, this option would require additional funding if the Opus design was to be constructed.

In view of the on-going operational and financial challenges, in 2011 the Commission recommended shutting down the dewatering, treatment and disposal processes at the facility, and entering into a two year off-island hauling agreement, leaving the facility to operate as a receiving and transfer facility. This revised operating plan was intended to reduce the risk of ongoing equipment failures, service interruptions, and unplanned emergency expenditures, and allow additional time to reconsider design alternatives for treatment and disposal that could be constructed within the original budget.

2013 Capital Plan

A Request for Proposals was undertaken in late 2013, and following the CRD's contract award and procurement policies, was awarded for engineering consultant Worley Parsons for the design and administration of contracted works, namely receiving equipment and storage facilities at the existing facility.

An additional item considered in the 2013 budget was to move forward with Phase 2 of the upgrade plan, but this was delayed pending successful completion of the Phase 1 work being designed by Worley Parsons.

Financial Reports

Attached is a *Statement of Operations (Unaudited)* as prepared by CRD Finance and Corporate Services for the year 2013. The statements provide 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 debt sinking fund revenue (*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 sewer system, and the principal and interest payments on borrowing to finance capital projects. *Other fiscal services* include 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 Salt Spring Island Liquid Waste Disposal Service 2013 revenue of \$651,239 consisted of \$370,073 from tipping fees and \$275,365 from parcel taxes. The remainder of revenue (\$5,801) came from interest earned and grants in lieu of taxes.

The tipping fee for 2013 remained at \$83.60 per cubic metre (\$0.380 per imperial gallon).

The total expenditures for 2013 were \$552,975, of which \$142,665 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 \$98,264.

\$3,248 was transferred to the capital funds at year end and the balance of the surplus (\$95,016) was used as annual surplus and carried-forward to 2014. This was in addition to a \$34,000 carry-forward from 2012 to 2013, therefore the total accumulated surplus carried forward from 2013 to 2014 was \$129,016.

The Salt Spring Island Liquid Waste Disposal Service Capital Fund had a balance of \$1,499,472, up from \$810,366 in 2012. There was a minor contribution of \$3,248 from surplus, \$770,000 from final borrowing, and \$18,006 in interest. Expenditure from the fund was \$102,148.

Salt Spring Island Liquid Waste Problems - Who to Call:

To report any event or to leave a message regarding the Salt Spring Island Liquid Waste Facility, call:

CRD local operator (Ganges Wastewater Treatment Plant): 250-537-4314
CRD emergency call centre: 1-250-474-9630

Karla Campbell
Senior Manager, Salt Spring Island Electoral Area

Craig Gottfred, P.Eng.,
Manager, Wastewater Engineering and Planning
Integrated Water Services

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

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

KW:KC:ts:mm

Attachment: 1

CAPITAL REGIONAL DISTRICT

Sewer Revenue Fund Statement of Operations (Unaudited) For the Year Ended December 31, 2013

	SSI Septage Disposal
Revenue	
Transfers from government	\$ 275,365
Sale of services	370,073
Other revenue from own sources:	
Permits	-
Interest earnings	1,282
Other revenue	4,150
Grants in lieu of taxes	369
Total revenue	651,239
Expenses	
General government services	8,810
Other	527,326
Other fiscal services	16,839
Recovery	-
Total expenses	552,975
Net revenue (expenses)	98,264
Transfers to own funds:	
Capital Funds	3,248
Reserve Funds	-
Equipment Replacement Fund	-
Transfers from own funds:	
Sewer Capital Fund	-
Revenue Funds	-
Annual surplus (deficit)	95,016
Accumulated surplus (deficit), beginning of year	34,000
Accumulated surplus (deficit), end of year	\$ 129,016