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SURFSIDE PARK ESTATES WATER SERVICE COMMITTEE
Notice of Annual General Meeting on **Monday, May 16, 2016 at 10:30 am**
Mayne Island Agricultural Hall
430 Fernhill Road, Mayne Island, BC

L. Vallee (Chair)
S. Everts

Director D. Howe

W. Mulvin

B. Rochet

AGENDA

1. Approval of Agenda
2. Adoption of Minutes of May 13, 2015
3. Chair's Report
4. Annual Report
5. Election of Committee Members
6. New Business
7. Adjournment

To ensure quorum, advise Lorrie Siemens 250.360.3087 or lsiemens@crd.bc.ca if you cannot attend.

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Minutes of the Annual General Meeting of the Surfside Park Estates Water Service Committee

Held Thursday, May, 13, 2015 at the Mayne Island Agricultural Hall, 430 Fernhill Road, Mayne Island, BC

PRESENT: **Committee Members:** S. Everts (C), W. Mulvin, B. Rochet, P. LeBlond, Southern Gulf Islands Alternate Director
Staff: S. Mason, Manager, Water Engineering and Planning, D. Robson, Manager, Saanich Peninsula and Gulf Islands Operations, P. Dayton, Senior Financial Analyst, L. Siemens (recorder)

ABSENT: D. Burrowes

Two members of the public were in attendance.

The meeting was called to order at 10:30 am. W. Mulvin assumed the chair.

1. Approval of Agenda

MOVED by S. Everts, **SECONDED** by B. Rochet,
That the agenda be approved as distributed.

CARRIED

2. Adoption of Minutes of May 14, 2014

MOVED by B. Rochet, **SECONDED** by S. Everts,
That the minutes of the Annual General Meeting of May 14, 2014 be adopted as distributed.

CARRIED

3. Chair's Report

There was no Chair's report.

4. Annual Report - 2014

S. Mason presented a written report and provided hard copies of a PowerPoint presentation to accompany the report. The following items were addressed:

- Purpose of the Annual General Meeting
- Water Usage
- Operations
- 2014 Projects
- Water Quality
- 2014 Financial Report
- Water System Problems – Who to Call

A question and answer period followed. Staff described the water sampling program for the Surfside water system.

MOVED by B. Rochet, **SECONDED** by S. Everts,
That the Surfside Park Estates Water Service Committee receive the report for information.

CARRIED

5. Election of Committee Members

It was noted that the terms for David Burrowes and Su Everts would expire on June 30, 2015. Nominations were called for two positions for two-year terms beginning July 1, 2015 and expiring on June 30, 2017. Su Everts and Louis Vallee were nominated and agreed to stand. Nominations were called for two more times. There were no further nominations. Su Everts and Louis Vallee were elected by acclamation. Their names will be forwarded to the CRD Board for appointment.

6. New Business

A discussion took place on user fees and charges for the Surfside water system. Further discussion could take place at the budget meeting if the committee wished to re-visit the fee structure.

7. Adjournment

The meeting was adjourned at 11:05 am.



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**SURFSIDE PARK ESTATES WATER SERVICE COMMITTEE
2015 ANNUAL GENERAL MEETING REPORT
PRESENTED ON MAY 16, 2016**

Purpose of the Annual General Meeting

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

- To have the last year's AGM meeting minutes approved (by Committee members);
- To present reports on the work of the Committee, 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 service Committee;
- To enable the public to share comments on subjects which relate to the work of the Committee; and,
- The Committee can identify (under "new business") issues on which it wants feedback at the meeting. Motions are not considered from the public at the AGM.

Water Production and Consumption

A total of 11,747 cubic metres (m³) of water was pumped from the Surfside ground water well (Well #5) in 2015. This represents a 12% increase from 2014 and a 22% increase in the 5 year annual average. Well production by month is shown in Figure 1. There is an observable decrease in water production in August and September as compared to 2014. This is likely attributed to the community's response to the water conservation notice issued in July 2015 as a result of provincial drought conditions this past summer. The water conservation notice highlighted the need for residences to: not water lawns; limit the watering of trees and shrubs; not fill swimming pools, hot tubs or garden ponds; not wash vehicles or boats; and, not wash outdoor surfaces such as driveways, sidewalks and decks.

The 2015 metered water (customer water demand) for Surfside Water Service totaled 4,468 m³, a 4% increase in water use from the previous year and also a 4% increase from the 3 year average. Comparison of the annual water production and the water demand from 2012 to 2015 is shown in Figure 2.

Figure 1 - Surfside Monthly Water Production

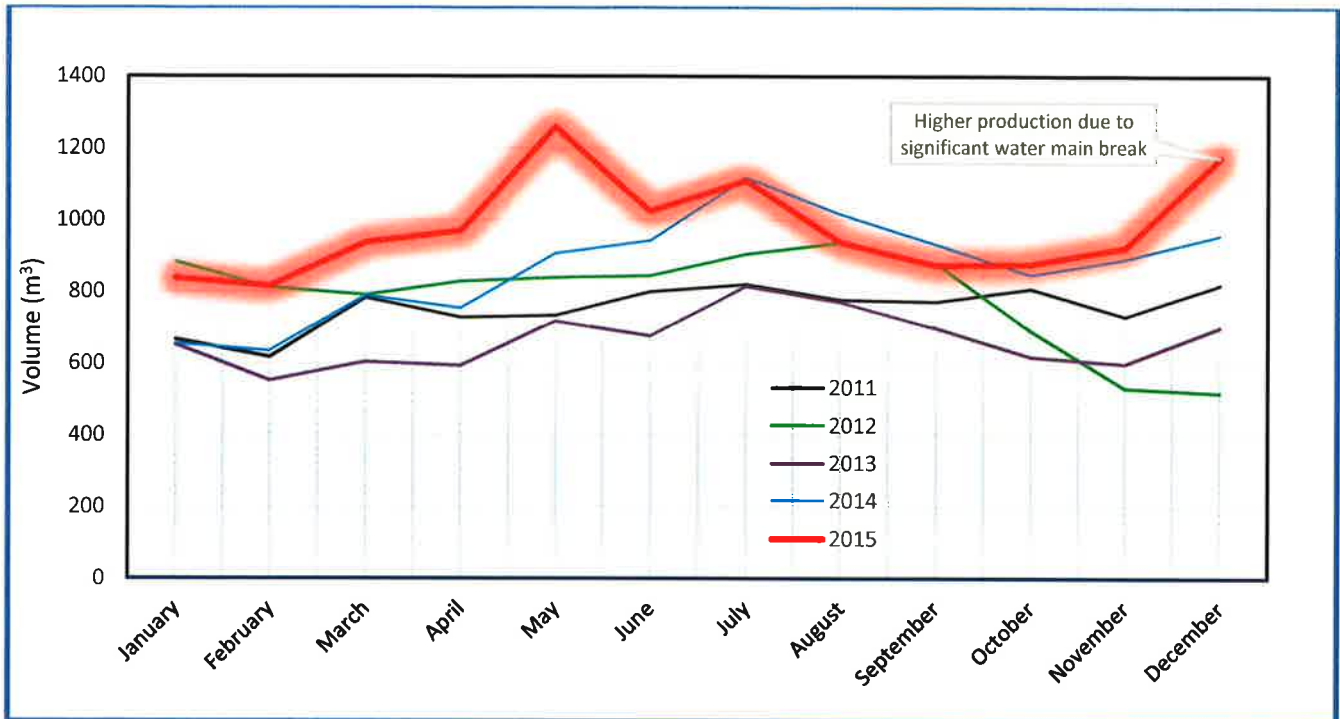
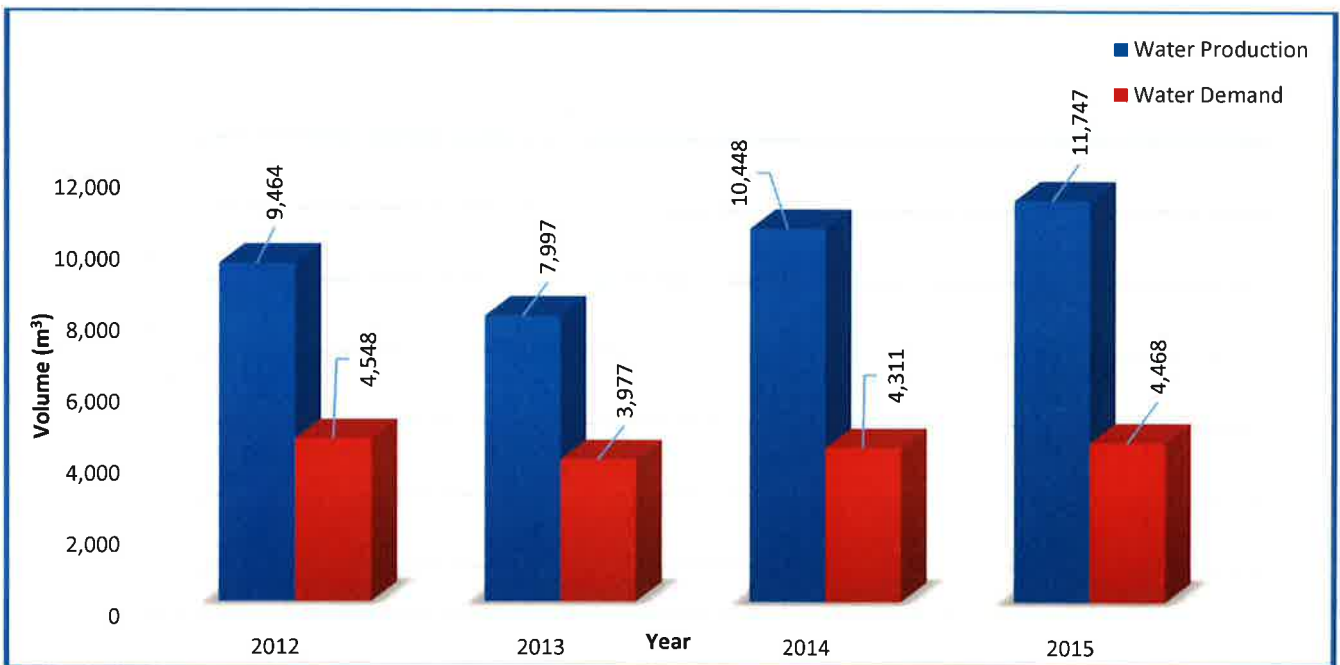


Figure 2 - Surfside Annual Water Production and Demand



The difference between annual water production and annual water demand is referred to as non-revenue water and can include: water systems leaks, water system maintenance and operational use (e.g. water main flushing), potential unauthorized consumption and use for firefighting purposes.

The 2015 non-revenue water (7,279 m³) represents about 62% of the total water production for the service area. Approximately 265 m³ can be accounted for through operational use, and 140 m³ can be accounted for as a result of the December main break and subsequent system flushing. However, this still results in a significant amount of non-revenue water. Further investigative work, such as a water audit and leak detection and repair program, should be explored in order to reduce the amount of non-revenue water (water loss) to an acceptable level (10% - 15%). Reducing water system losses will not only sustain water supplies, but also reduce operating costs, improve system hydraulics and utility efficiency, and support environmental stewardship.

Operations

Weekly operations of the Surfside Park Estates water system is provided by an on-island contract operator under Agreement with the Capital Regional District (CRD). The contract operator performs routine scheduled activities such as system checks, water sampling for laboratory analysis and minor preventative maintenance activities all under the direction of the CRD as detailed in the Operations Agreement.

Additional operational support and guidance is provided by CRD personnel who typically perform more significant preventative or corrective maintenance and utility upgrade activities. Such activities include water system and reservoir flushing, hydrant/standpipe maintenance, electrical/instrumentation annual maintenance, water system leak detection and when requested by property owners within the service area, installation of water system connections. Other operational support provided by the CRD include emergency response and remote water system monitoring and control using the CRD's Supervisory Control and Data Acquisition (SCADA) equipment. The SCADA system is used to alert CRD standby operations staff of a potential water system fault (e.g. reservoir low water level).

During 2015, for the most part, the Surfside water system operated reliably. However, a boil water advisory (BWA) was issued on December 10, 2015 when a contractor on Bowsprite Road, while performing routine drainage maintenance unrelated to CRD infrastructure, accidentally hit and ruptured a water main with their equipment. As a result of the incident, the water mains in the particular area were depressurized and potentially contaminated. Repairs were immediately performed followed by water main flushing and water sampling and testing activities. On December 14, 2015 the BWA was lifted after water quality testing confirmed that the water was safe for consumption.

The on-island contract operator attended to regular weekly, monthly and annual operational duties as detailed in the Surfside Water System Operating Agreement. The contractor however did respond to several requests that are considered additional duties.

Table 1 below details the additional work performed by the on-island contractor at the request of the CRD in 2015.

CRD operations personnel completed a number of key tasks during 2015. Table 2 below details the tasks performed.

Table 1 - Additional work completed by contract operator at request of CRD.

TASK	DATE	REASON
Additional water samples	Jan 6, 2015	Requested by water quality division
Additional water samples	Feb 2, 2015	Requested by water quality division
Additional filter backwashing	Mar 6, 2015	Arsenic filter media showing signs of early expiration.
Additional water samples	Apr 29, 2015	Requested by water quality
Leak report investigation	July 21, 2015	Requested by Operations to investigate a reported leak on the system near 331 Wood Dale.
Emergency response (power outage)	Aug. 29, 2015	Requested by Operations that the site be visited and restarted as a result of the power outage.
Additional filter backwashing	Oct. 26, 2015	Requested by operations as a result of ongoing pre-filter system problems.
Emergency assistance with water main break and subsequent boil water advisory	Dec 10-14, 2016	As a result of the water main break on Bowsprite Road a significant level of effort by the contractor was requested.

Table 2 - Tasks completed by CRD operations personnel.

TASK	NOTES
Water leak repair 331 Wood Dale	Response to a reported leak and confirmed by the on-island contract operator.
Completion of the arsenic filtration mechanical system repairs.	Although the majority of the work was completed in 2014, some of the work carried over into 2015. As a result of these mechanical repairs, the arsenic filtration system is now functioning optimally.
Replacement of a failed display screen called a Human Machine Interface or (HMI) at the water treatment facility	The HMI screen allows the operator to make necessary water treatment process changes and additionally provides operator access to historic information. Without the display screen the operator cannot operate the facility appropriately.
Replacement of failed reservoir mechanical fitting	A failed mechanical flange on the reservoir #1 inlet/outlet pipe was cracked and required replacement before the fitting failed completely.
Bowsprite water main installation	As part of an approved 2014 capital project, Operations completed the installation of a 150mm water main on Bowsprite Crescent.
Emergency response - Bowsprite water main break	As detailed above, a significant level of effort related to this water main break and boil water advisory.
Reservoir Maintenance	Draining and cleaning of both reservoir tanks.
Water service line replacement	Replaced the 50mm diameter water line connection between filter building and the well house. Existing water line was plugged and no longer serviceable.

2015 Capital Projects and Future

There was one capital project completed in 2015. This project involved the installation of 20 metres of 105 mm diameter water main (\$8,000 budget) on Bowsprite Crescent. This project was completed on schedule and on budget. The 2016 budget includes a capital project to install eyewash and drench hose equipment (\$2,000 budget) for the protection of the operating staff that work around the disinfection chemical.

The draft Strategic Asset Management Plan (SAMP), was issued at the end of 2013. The SAMP will be updated and presented to the Committee for discussion at a future meeting and will serve as the basis for future capital planning.

Water Quality

Water Quality program staff coordinate the sampling and testing of the water quality at this utility. The current water quality sampling plan is based on the regulatory requirements and system specific risks. Samples were collected at regular frequencies from the raw water sources as well as from a number of stations throughout the distribution system, and were then shipped for analyses to CRD's Water Quality Lab. Special analyses for disinfection by-products and metal analyses are then contracted to external labs.

Well #5, the primary source of the Surfside Water System, continued to produce water that was in general free of indicator bacteria such as total coliforms and *E. coli* except for two occasions when very low concentrations of total coliforms and *E. coli* were found in the raw water. The water can be characterized as relatively soft water with a Hardness of 35 mg/L calcium carbonate (CaCO₃). The raw water exhibited elevated arsenic concentrations (range between 46 and 58 µg/L) and elevated manganese concentrations around 40 µg/L.

The treated water supplied to the customers in 2015 was considered good quality. Only two samples tested positive for total coliforms from all samples collected from throughout the distribution system. However, following protocol, staff promptly collected re-samples which were negative for total coliform concentrations indicating false positive initial results. The maximum allowable concentration (MAC) of arsenic in drinking water (10 µg/L as per Guidelines for Canadian Drinking Water Quality) was slightly exceeded on one occasion in May, 2015. An immediate change of the filter media reduced the arsenic concentration quickly to well below the MAC. The mean annual arsenic concentration in the treated water was 5.2 µg/L. Manganese concentrations in the treated water were at non-detectable levels.

A water main break and the associated risk to water quality required the CRD, in conjunction with Island Health Authority, to issue a localized Boil Water Advisory (BWA) between December 10 and 14, 2015 in the Bowsprite/Luff/Wood Dale area. The BWA was lifted after repairs, main flushing and water quality testing ensured that safe water could be supplied again to the affected residents.

Free chlorine residual concentrations in the treated water were maintained at a sufficient level, with a mean annual concentration of 0.53 mg/L. Disinfection by-product concentrations remained well below the maximum allowable concentrations.

A summary of the water sampling results can found on the following website:
<https://www.crd.bc.ca/about/data/drinking-water-quality-reports/southern-gulf-islands-water-quality-reports/surfside-park-estates-water-quality-reports>

2015 Financial Report

The 2015 parcel tax and user charge were:

Parcel Tax: \$326.11
User Charge: \$953.30

Attached is a *Statement of Operations* as prepared by CRD Finance for 2015. The statement provides an overview of the revenues and expenditures for the year.

Revenues totalled \$99,832 including:

- \$33,150 of *Transfers from government* (parcel taxes)
- \$61,012 of *Sale of services* (user charges)
- \$223 of *Interest earnings*
- \$5,000 Transferred from the maintenance reserve account, and
- \$447 of *Other revenue* including late payment charges.

Expenses totalled \$110,732, including:

- \$5,270 for *General government services* (charges by CRD Corporate Services for accounting and billing)
- \$14,004 for *Contract for Services* with JLB Services Limited
- \$46,227 for *CRD labour and operating costs* for CRD staff time and for the cost of equipment, tools and vehicles
- \$19,288 for *debt servicing costs*
- \$25,944 for *Other expenses* (comprised of electricity, insurances supplies, electricity, water testing etc.)

The difference between revenue and expenditures in 2015 is a net deficit of \$10,900. This was deducted from the surplus of \$29,571 carried forward from 2014. \$15,281 was transferred to the capital reserve fund, and \$500 was transferred to the maintenance reserve account, leaving \$2,890 to be carried forward to 2016.

The balance in the capital reserve fund at December 31, 2015 was \$21,513. The maintenance reserve account's balance was \$15,500.

The 2016 operating and capital budgets recommended by the Surfside Park Estates Water Service Committee were approved by the CRD Board in March 2016. The approved budget resulted in the following fees and charges for 2016:

- Parcel Tax: \$329.15
- Annual User Charge: \$1,058.10

Water System Problems - Who to Call

To better serve our drinking water customers in the Skana Water Service Area, in addition to our General Inquires contact information, the CRD has implemented a new toll-free emergency phone number effective April 2016:

General Inquiries: 1.800.663.4425

Water Emergencies: 1.855.822.4426 (this replaces 250.474.9630)

When phoning with respect to an emergency, please specify to the operator the service area in which the emergency has occurred.

This additional service is being pilot-tested and will be evaluated at the end of 2016 to assess the use and need going forward.

Matt McCrank, M.Sc., P.Eng.
Senior Manager, Infrastructure Operations

Malcolm Cowley, P.Eng.
Senior Manager (A), Infrastructure Engineering

Glenn Harris, Ph.D., R.P.Bio
Senior Manager, Environmental Protection

Rajat Sharma, B.Eng., MBA, CPA, CMA
Acting Chief Financial Officer

MM/MC/GH/RS:ls

Attachments: Statement of Operations

Surfside AGM 2016

	2015	2014
Revenue		
Transfers from government	33,150	33,153
User charges	61,012	61,012
Other revenue from own sources		
Interest earnings	223	365
Other revenue	5,447	447
Total revenue	<u>99,832</u>	<u>94,997</u>
Expenses		
General government services	5,270	5,273
Contract for services	14,004	15,666
CRD labour and operating costs	46,227	32,934
Debt servicing costs	19,288	24,066
Other expenses	25,944	21,060
Total expenses	<u>110,732</u>	<u>98,999</u>
Net revenue (expenses)	(10,900)	(4,022)
Transfers to own funds		
Capital Reserve Fund	15,281	-
Maintenance Reserve Account	500	114
Annual surplus (deficit)	(26,681)	(4,136)
Accumulated surplus, beginning of year	29,571	33,707
Accumulated surplus, end of year	<u>\$ 2,890</u>	<u>29,571</u>