

DEEP BAY IMPROVEMENT DISTRICT
ANNUAL GENERAL MEETING – APRIL 12, 2011

Annual Report from the Board of Trustees Chair – Joyce Bartram

The Deep Bay Improvement District trustees and Staff strive to provide a quality service to the ratepayers of the District. I applaud the dedication of my fellow Trustees and the Staff in getting the “job done” in an effective and fiscally responsible manner. The Chairs of the individual Committees will be providing their reports, and therefore, I will only touch briefly on the year in review:

- Most of you are aware that the District lost a dedicated community member in May. Jim Dennison, our Fire Chief and Maintenance Operator suffered a fatal heart attack on the May long weekend. We will remember Jim for the pride he took in maintaining the water system as well as his energy and drive associated with the volunteer fire department. He was very proud of both!
- We were fortunate to have Don Buchner, then Maintenance Operator for Bowser Waterworks, available and willing to assume the duties of Maintenance Operator for Deep Bay Improvement District as well. It was a steep learning curve for him and for the Trustees and Staff to understand the full scope of what Jim’s job had been. Don has proven to be a willing and enthusiastic resource for the District.
- George Lenz has stepped up to the plate, and was elected Fire Chief at the elections this fall. Mutual Aid Agreements have been signed with the CVRD Fanny Bay Fire Department and Ship’s Point Improvement District.
- The Deep Bay Improvement District continues to plan for and execute infrastructure renewals according to its Capital Renewal Plan that has been presented at previous budget meetings each fall. At the meeting to present the 2011 budget, it was announced that the Parcel Tax which collects funds for these infrastructure projects would be kept at the same level as in the previous year. However, it was noted by the Finance Chair at the Budget Presentation Meeting in 2010 that increases will be forthcoming in future years. The first of these planned infrastructure renewal projects – the Longview/Shoreline water main replacement will be completed in the coming months. Available funds have been put aside to complete this project in its entirety.
- Safety features at our reservoir have been improved to meet WorkSafe BC regulations. As a result, the internal inspection of one cell has been completed and after cleaning the cell, it was determined that no repairs were necessary. The second cell was then drained, cleaned and inspected and necessary repairs are being undertaken. The cell should be back in service by the time of this meeting.

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- Kala Geosciences completed their groundwater feasibility study of our well system on behalf of Baynes Sound Investments Ltd. Their report will be submitted as part of the application to the RDN and will be available to the public at that time.
- Our website was successfully launched making it possible to view meeting minutes, keep updated on district information and connect with links to water related sites.
- Along with having the ability to pay tolls and taxes online, the improvement district now also offers pre authorized payment plans.

There has been much discussion and speculation regarding the development of land near the Vancouver Island University Centre for Shellfish Research. The developer has held public meetings with local residents to present development scenarios and to get feedback. To date, there has been no application made to Deep Bay Improvement District (DBID). Ratepayer Ian MacDonnell requested to have added to the AGM agenda, a discussion regarding the installation of sewer treatment and repercussions for the district. After further discussion by the board, it was felt that addressing the development process would be beneficial as it was premature to start talking about sewer treatment prior to any applications being submitted.

The Electoral Area H Official Community Plan (OCP) requires that prior to the RDN considering an application to amend the OCP, rezone or subdivide land to accommodate development, a developer must identify watersheds and aquifers and put forward a plan to protect these from degradation and pollution through a detailed hydrogeological study. He must propose a comprehensive approach to the management and disposal of sewage and/or septage. As well, the developer must propose a comprehensive approach to drainage and management of storm water. Finally, the developer must provide written confirmation from the local water utility that sufficient quality and quantity of potable water is available for the development.

Having said all that, the Approving Officer for Subdivision is MOTI. The normal procedure for any developer is to first talk to the RDN Development Services Branch and MOTI to tell them what is being planned. The RDN staff gives the developer the Development Application to complete, zoning information, applicable OCP direction, Board policies, Bylaw requirements, Building Inspection requirements, and if applicable the Regional Growth Strategy (RGS) document. The developer takes these documents and develops his application through discussion with the community (through Public Information Meetings), MOTI, VIHA, RDN Staff, Geo Tech engineers, BCLS, etc. Once the developer is ready they submit the application to the RDN Development Services Branch. The RDN staff review the document and compare it to the applicable Bylaws. If changes need to be made to the application, it is returned to the developer to fix. Once the application is completed, the RDN staff produces a report which goes to

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various government agencies. In that report, the RDN recommends that MOTI get in touch with both the local water purveyor and local fire department.

Once all the applicable approvals are back, the RDN Staff produces a report for the Electoral Area Planning Committee composed of Electoral Area Directors who will review the report and either deny or recommend that it go forward to the Regional Board. The Electoral Area Planning Committee (electoral area directors only) will either approve first and second reading and then send it to Public Hearing or, if a Public Hearing is not required by the Local Government Act, then provide notification to the local residents that may be affected by the development. Once either a Public Hearing is complete or notification is complete, in accordance with the requirements of the Local Government the Board will either deny the application or go on to third and final reading. Not counting the developer building the Development Application, the process through the RDN bureaucracy takes as a minimum one month. If it is a complicated development with rezoning, changes of OCP and/or the Regional Growth Strategy (RGS), this process could take more than a year. This is especially true for a RGS amendment as it must be approved by not only the entire Board (both electoral area directors and municipalities) but also adjacent Regional Districts. The RDN Board will not approve any development application that does not have letters from the local water purveyor or fire department attached.

When any application for water (involving subdivision of land) is received by DBID, the staff collects the non-refundable application fee (currently set at \$200 per lot created, minimum of \$1,000). This money does not imply approval of the application. It is used to fund the necessary studies to determine whether the District can provide potable water and fire protection. The application is sent to our engineering firm for their further study and recommendations. The District provides MOTI and the developer with all Bylaws which must be complied with.

Included in this AGM package is a flow chart which Deep Bay Improvement District follows after receiving any request to develop land within our District. Please familiarize yourselves with the flowchart. There will be opportunity to ask questions later in this meeting.

Finally, having completed six years as a Trustee and the past 2 ½ years as the Chair of DBID, I am not seeking re-election. I would like to thank the Deep Bay Volunteer Fire Department, the Trustees and Staff members that I have worked with over that period for their dedication to this community.

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Operator's Report

Well it is hard to believe we are in 2011 already. 2010 was an eventful year but it was also a sad year. As you are all quite aware, we lost our maintenance contractor, Jim Dennison. It was an extremely sudden loss and he will be dearly missed.

My name is Don Buchner and I was chosen to replace Jim. Jim was a very knowledgeable and conscientious operator. I only hope I can fill his shoes.

Since I took over this district it has been a very challenging learning curve for me. Unfortunately I had no one to teach me the system so I just dug in. I now feel I have somewhat of a grasp on it but there is still a lot to learn about Deep Bay's system.

In 2010 we had a crew come in and start the cleaning of our reservoir. One half done before the snow fell and we had to put the other half on hold. By the time you read this the other half should be cleaned. The cleaning is scheduled for the last week in March.

I am hoping that most of our rate payers are aware of the new pipeline scheduled to be installed down Kopina, left on Longview and down Shoreline, sometime in the very near future. This section of piping has been a pain in the maintenance contractor's backside for quite some time now. Constant leaks and line breaks have been very common on this stretch of water main.

This new main, long overdue, should be an end-all to the constant disruptions in service we have been experiencing for many years now.

This work will be done with as minimal disruption to the locals as we can possibly and respectfully handle and still get the job done in good time. Please bear with us.

As far as the rest of the system goes, it has been about as normal as I would have expected. A leak here and there, a repair here and there, but all in all I can't complain. It would seem to me that all past operator's have done a top notch job of maintaining your system and I intend to live up to their standards.

If anyone has any questions about our system, please feel free to ask me and if anyone has any information about our system that they think might be of interest to me, please let me know.

Thank you,
Don Buchner

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Operations & Maintenance Committee Report

In May 2010 we were all saddened to suddenly lose Jim Dennison as our contractor and fire chief.

I consider us to be very fortunate to have Don Buchner to step in the harness temporarily at first. After proving his worth right away we were able to agree to a contract on July 22, 2010.

Don is a quick study with experienced and practical solutions that the Board really appreciates. We on the board and especially myself on the Operations and Maintenance Committee like the open and reasonable attitude and co-operative solutions Don brings every day.

I am confident, whether its a new project or operations & maintenance that we are in good hands.

Thomas Plensky
Chair, Operations and Maintenance Committee

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Fire Chief's Report 2010

Although filled with much remorse, we as a rural fire department have pulled together through the loss of an excellent leader in Jim Dennison, as well as the retirement of a few other valued members who will all be missed. In particular, First Responder Captain Norma Kilpatrick and 25 year member and administrator Donna Rix, contributed hugely to the department. I would like to thank the members of the fire department, their loved ones and the countless number of people who supported us through that transition period.

Our first responders, led by the careful eye of Linda Jordan, have taken on additional training schedules with our neighbouring fire departments to ensure the quality of their response.

Others have brought to the table an updated mutual aid agreement between the RDN, Qualicum Beach, Parksville, Lantzville and Deep Bay fire departments with the intention of better protecting those communities.

Once again I would request that those who are able to please support the local legion who generously donated once again to the fire department in the sum of \$1000.00 this year and the Ladies Auxiliary who also generously donated. These funds once again will be going toward the purchase of a thermal imaging camera. This is becoming more possible with every donation.

As usual, the department collected food and money donations in support of the Legion Christmas Hampers and the food bank at the Wildwood Church.

Though the summer was yet another dry one, we had fewer calls and complaints than in past years. I would like to say thank you to the community for using their better judgment before sparking that fire and for reporting those fires as soon as they are noticed.

Our 911 calls for 2010:

25	First Responder
11	Fire
28	Motor Vehicle Incidents
4	Miscellaneous
68	Total

This does not include officer calls for many minor items such as burn and smoke complaints and burn permit requests.

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Our annual elections were held in December and the officers' roster is:

Chief	George Lenz
Deputy Chief	Dave Nixon
Assistant Chief	Russ Thornley
Administrator	Margaret Furnell
Lieutenant	Ed Pater

I would also like to remind people wishing to have a back yard burn that they are required to have a permit from April 15, 2011 to October 15, 2011.

In closing I would like to remind everyone to be responsible with their fires inside and outside and read the signs indicating the fire risk at the top of Gainsberg and the top of Jamieson. Please make sure you get those chimneys cleaned before you light your fall fire.

Thank you,

George Lenz
Fire Chief

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Fire Protection Committee Report

At this time I would like to support our chief and his team:

Chief George Lenz;

Deputy Chief Dave Nixon;

Assistant Chief Russ Thornley;

Administrator Margaret Furnell;

Lieutenant Ed Pater;

First Responder leader Linda Jordan;

and all our volunteer members.

The Vancouver Island University Centre for Shellfish Research is near completion. They have worked with our fire department to provide water supply & equipment to safely fight fires at the Deep Bay Marine Field Station. Cooperative training is being set up with the department to ensure all our members are familiar with the facilities.

Thousands of dollars was spent at the Deep Bay Harbour on the new access ramps to the floating wharfs. These ramps are longer and are not as steep an angle. They are also wider with improved handrails. These upgrades allow better and safer access for fire and emergency crews.

Thomas Plensky
Chair, Fire Protection Committee

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Finance Committee Report

The Finance Committee was pleased to present the budget for the 2011 fiscal year at the November 2010 public budget meeting. If you were unable to attend the budget meeting, I would like to point out that copies of the handouts remain available in the office and on the website. The Deep Bay Improvement District (DBID) board remains committed to an annual presentation of the upcoming year's budget and reminds you to look for details in your newsletter accompanying your water tolls invoices again this year.

DBID experienced an Operational surplus for 2010. This was primarily a result of re-tendering our Operator contract and the result of a reduction in Insurance fees that we have maintained for the last few years. DBID will be transferring the balance of any surplus to our Unrestricted Renewal Reserve Fund. The Operating cost reduction allowed DBID to revisit our Water Tolls. The change in the Water Toll structure for 2011 will allow the majority of our rate-payers to save money on their quarterly water bills. The tiered structure better meets our goals of encouraging water conservation so that we can extend the life of our infrastructure.

The Renewal Reserve Fund will be available for the Capital Renewal projects that were identified in the engineer's Water System Evaluation. It will also be used to fund future infrastructure replacement. The amount that DBID raises for Parcel Taxes is put in the Renewal Reserve Fund and has been set as an amount that must exceed our annual amortization. It should be made clear, however, that the amount being placed in Renewal Reserve is based upon historical costs and that amortization that accrued prior to 2009 has not been topped up. Therefore, because of rising costs through the years, at the time that renewal is required on many parts of the system, there will still need to be substantial additional monies raised to afford the work. The amount deposited for 2010 was \$75,315 for Water and \$39,600 for Fire.

The graph that follows shows the estimated fund balance for the next ten years taking in to account asset life. This graph expresses that DBID may need to borrow funds in 2018. The second graph shows that once the borrowing starts, DBID will continue to fall behind its obligations at current financing levels. These estimates are all made on the assumption that borrowing cost remains at 3% and inflation remains at 2%. Increases in either figure will make the size of the debt substantially higher.

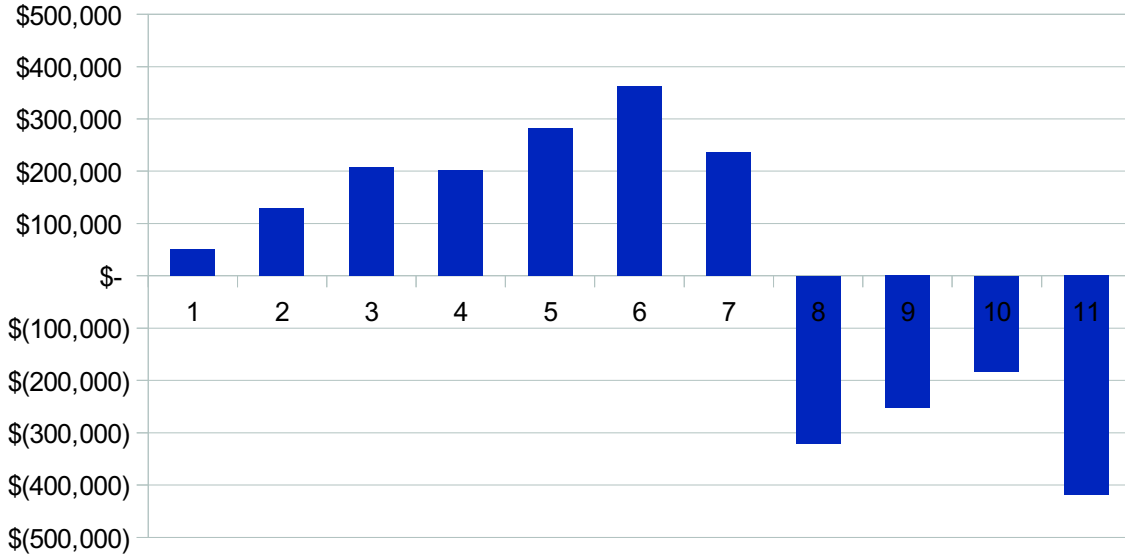
As the chair of the finance committee I wish to acknowledge the valuable contributions of the members of the committee, the trustees, and the staff of the Improvement District. The cooperation and support is greatly appreciated.

Ken Carter
Finance Committee Chair

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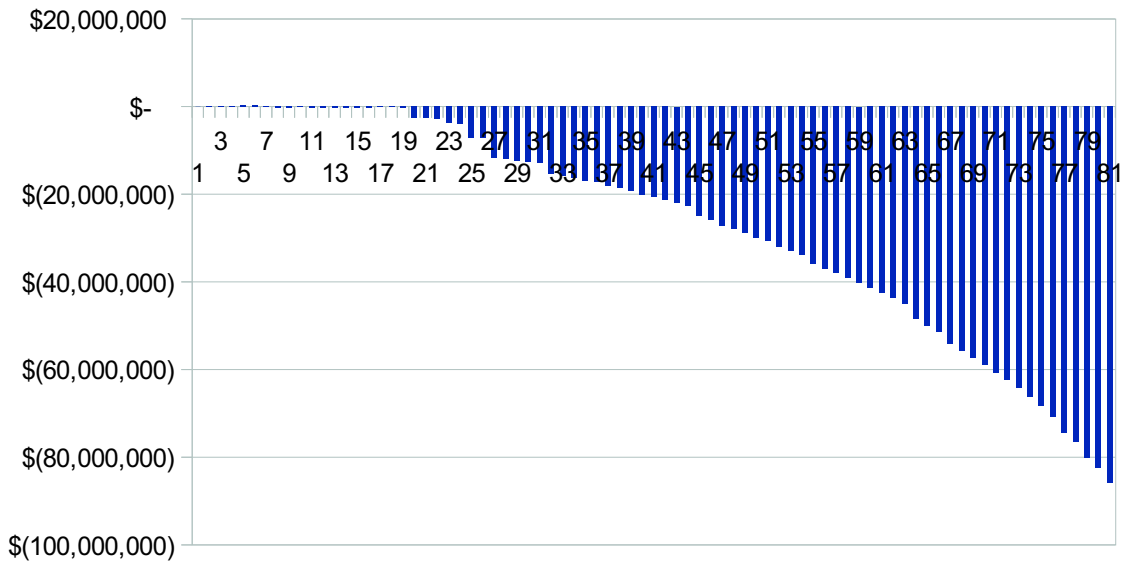
Renewal Reserve Fund 2011 - 2021

Estimated Fund Balance



Renewal Reserve Fund 2011 - 2091

Estimated Fund Balance



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Bylaw Committee Report

A total of 2 bylaws have been passed since our last Annual General Meeting in April of 2010. The Bylaws approved and/or registered by the Ministry of Community and Rural Development as required are as follows:

1. **Bylaw No. 211** - Taxation Bylaw 2011 - parcel and fire protection tax rates for current year.
2. **Bylaw No. 212** - Water tolls bylaw - new toll structure introduced for 2011, replacement of Bylaw No. 151

These bylaws can be viewed at the Improvement District Office and are posted on the website.

A review has begun of our Subdivision bylaws and should be completed during 2011.

Leslie Carter
Administrator

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Environmental and Emergency Committee Report

Chair: Pamela Smyth

Committee Members: Joyce Bartram
Dianne Eddy
Claire Hilscher

Emergency Response Plan:

1. The Deep Bay Improvement District (DIBD) has an Emergency Response Plan that emphasizes the sustainability of our water sources. A summary of this plan is available to all users. The plan is continuously updated. Our committee is currently awaiting input from the Operations and Maintenance Committee. Overall, the plan includes:
 - a. Emergency Phone Contact Lists (Personnel, Government Agencies, Contractors/Repair Services, Technical Resources, Parts Supply, Bulk Water Suppliers, Media Contact Numbers, Emergency Procedures)
 - b. Unsafe Water Guidelines (Contamination of Well Space/s), Loss of Source, Water Shortage, Broken Water Main, Pump Failure, Power Failures, Flooding, Backflow or Back Siphonage, Earthquake, & Fire.
 - c. Maps of System - Overall System, Critical Control Points, Shut-off Valves, Reservoir, Wells/Pump Houses, Location of emergency contact list, keys, tools and maintenance equipment, Schools
 - d. Electrical Schematics –Generator, Wells / Pumps,
 - e. General Procedures - Generator Use at Office Site, Generator Use at Remote Location, Disinfection Operation, Disinfection procedures for wells and distribution system, System Flushing, Leak Detection, Hydrant Servicing
 - i. Appendix A - Boil Water Advisory Toolkit
 - ii. Appendix B – Customer Phone List
 - iii. Appendix C – Additional Notice Examples
 - iv. Appendix D – Confined Space Procedure.

In the event of an emergency disaster, various communication sources could be disrupted. Land line connections may be severed while wireless services may remain open. In the event that you wish to be contacted by an optional and alternative means, please submit your email address and/or mobile number to the DBID office.

Weather Station:

2. To assist in monitoring and determining drought management levels and their predictive nature, in the event of an anticipated drought, the committee is referring to the data available through the Ministry of Transportation Cochrane weather

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station located at the SW corner of Island Highway / Horne Lake Interchange (Exit 75).

While this data is helpful, monitoring of our test well # 310 gives us a practical indication of water table fluctuations.

<https://pub-apps.th.gov.bc.ca/saw-paws/weatherdata?loc=COCHRANE&ins=2000-10-01&dis=&locl=928&page=init&type=RWS&code=63093>

Water Testing:

3. Water Testing System Inspection Report - Vancouver Island Health Authority (VIHA). E.H.O. (Inspector):
 - a. The VIHA report is complete and available to the public.
 - b. Water samples are sent regularly to VIHA for testing and are reported to be consistently good. These are posted on the VIHA site http://www.healthspace.ca/Clients/VIHA/VIHA_Website.nsf/Water-Samples-Frameset?OpenPage
4. Wells 1, 2, 4, 5, 6 & 8 shall be tested in 2011 for Canadian Drinking Water standards and ammonia at a cost of approximately \$260 per well. Using budgeted funds available, this additional testing on wells 1, 2 & 4 shall commence this spring. Wells 5, 6 & 8 shall be tested in the fall.

This year, the passing of our Fire Chief, Jim Dennison, was a tragic loss to our community. He was the type of person who often went that extra mile to assist others. He is much missed.

At this time, it is a pleasure to welcome in the new Fire Chief, George Lenz and his team who dedicate themselves year round to providing the district with fire protection and skilled first responders. Respectfully, on behalf of the Environmental and Emergency Committee, it is a pleasure to be actively involved in serving the rate-payers within our community and serving alongside other Trustees on our community's Improvement District board.

P. Smyth, DBID Trustee
Chair - Environmental and Emergency Committee

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HR Committee Report

This is the second HR report as the Human Resources Committee was created and established as a new committee of the board in 2009.

Deep Bay Improvement District is an employer, and also a purchaser of contracted labour. In any such organization it is a necessity to have the basic HR documents and processes in order. These include, but are not limited to, definition of a reporting structure, current job descriptions, processes for salary review, and procedures for evaluation of the performance of employees and/or contractors.

The HR Committee created job descriptions for our office staff early in 2010. Once the job descriptions were approved by the board, the HR committee created and implemented a performance evaluation system. Both office employees received their evaluations in the spring of 2010. The salary review process is now linked to both the annual budget plan, and a portion of any salary increase is now dependent on the performance review.

The other significant task of 2010 involved the award of the maintenance contract to Don Buchner's company. The contract had previously been awarded to Jim Dennison, and when he passed away suddenly, the HR committee reviewed the bids that had been submitted in late 2009. This was first arranged on an emergency basis, and then extended to cover the term of the original contract. The HR committee was very pleased that Don Buchner's company was able to provide immediate assistance so that there was no interruption in coverage by a certified water systems operator.

Looking to the year ahead, the HR committee will be busy reviewing WorksafeBC regulations that apply to our office staff. Now that the annual performance review system is up and running, there will be another round of evaluations to do in the spring of 2011. The HR committee also remains available to assist with any other committees' work, if requested.

As chair of the HR committee, I wish to acknowledge the valuable contributions of the members of the committee, the trustees, and the employees and contractors of the Improvement District. The work done by the HR committee is integrated into the day to day operation of the organization. The tremendous level of cooperation and support is greatly appreciated.

Claire Hilscher
Chair of HR Committee.

Deep Bay Improvement District Subdivision Approval Procedures

