

DEEP BAY WATERWORKS DISTRICT
MINUTES OF THE ANNUAL GENERAL MEETING
APRIL 14, 2009, BOWSER LEGION HALL

Call to Order: 7:30 pm

Trustees: Ian Birtwell Wayne Foot
Ian MacDonell Joyce Bartram, Chair
Tom Plensky Doug Webb
Claire Hilscher

Also Present: Maintenance Operator & Fire Chief – Jim Dennison
Board Administrator –Leslie Carter
Administrative Assistant – Nina LeBlanc
Auditor – Brent Johnson

Present: 98 Rate payers, 1 visitor

Joyce Bartram, Chair of the Board, thanked everyone for coming out and introduced the trustees and staff. Opening remarks reviewed information in Chair's report included in meeting package.

Motion: to approve the agenda for the current meeting:

L. Neville Seconded: A. Copas Vote: Carried

Minutes of the 2008 AGM Held on April 8, 2008:

Motion: to accept the minutes of the 2008 AGM Minutes.

G. Lenz Seconded: M. Healy Vote: Carried

There was a comment from the floor that the board should approve the minutes of the AGM at their next meeting and then make them available to the public as it is hard to remember what happened a year ago.

Reports presented in written form:

Chair's Report
Finance Committee Report
Bylaw Committee Report
Operator's Report
Environmental Committee Report
Fire Chief's Report

Auditor's Report – Brent Johnson went over the 2008 audited statements. They were reviewed and discussed.

A question was raised as to whether funds are being put aside to address our aging infrastructure. The board noted that funds have been put aside the last 3 years and that the new engineers report addresses the fact that additional funds will have to be put aside to replacement of aging

infrastructure. This is something that the board will be dealing with this year and public meetings will be held to ensure that ratepayers are informed and aware of the issues.

Motion: to receive the 2008 Auditor's Report as presented.

B. Briggs

Seconded: G. Davis

Vote: Carried

Trustee's Honorarium

Motion: to approve and accept the Honorarium at \$1,200.00 for the Board Chair and \$600.00 for each trustee in 2009 for a total of \$4,800.00.

G Davis

Seconded: M. Healy

Vote: Carried

Other Business – Questions from the Floor

R. Mowry: the board has said that there were 28 million gallons of water saved with the use of meters, where is this water?

A: water does flow down hill, the cost savings is seen delivering water to the ratepayers' door. Pumping is reduced, hydro costs go down. We are also becoming a more sustainable community and operating the water system responsibly is part of what trustees are elected for. Our population is increasing but our consumption not.

R. Baldry: Prior to meters, the distribution system was getting close to capacity based on pipes in the ground. With reduced consumption due to meters, demand was reduced allowing the current infrastructure to serve our needs.

Q: How much of the reduction was due to leaks vs decreased consumption?

A: There were leaks that were found as a result of meter installation. We do not have a figure at hand as to how much was saved due to leaks vs reduced consumption but if you look at historical pumping records, winter consumption has not changed considerably but there is a large difference in summer delivery indicating that a lot of the reduction was due to consumption.

Q: A document from F. Heironymi states the increases that the district has seen from 2008 to 2009. Can you explain these increases?

A: The district is governed in part by the Local Gov't Act. Sec 751 states that part of the duties of a trustee is to make provision to fund renewal of the system. The board is aware that these are difficult financial times but infrastructure is aging and needs to be addressed. The McElhanney engineering report identifies items that need to be addressed. If these are funded over 11 years and partially financed the total cost is approx \$4.5 million. Rates would increase as current money being put away is not enough to cover this. If these projects are all done at once the cost would be \$2.4 million and could be paid for with only a small increase in the current tax. If we wait 20 years before looking at these projects, the cost is over \$10 million.

Q: Why are we not eligible for government grants?

A: Infrastructure grants are available for municipalities, cities, and towns. If an improvement district such as Deep Bay Waterworks wants access we would have to dissolve and become a service area of the RDN. The RDN would only take us on if there was full support from the community.

Q: Could the base allowance be increased or meter reading done every 6 months?

A: Fewer billing periods would affect our cash flow, as mentioned by the auditor the winter months our income is already low. We could look at billing quarterly but only reading 2x/year.

At this point the chair issued an apology for a comment made earlier by one of the trustees.

Penny Woods thanked the chair for the apology and stated that the trustees do not have an easy job but do need to conduct themselves professionally.

Tom Plensky, trustee apologized for remark, he did not mean to offend.

D. Eddy: Attended budget meeting in the fall and rates were based on having 5 years left in the pipe. She would like to see the board review the budget and rates based on pipe report that states 20 years of useful life left.

A: The rates for the 2009 budget were based on a 11-15 year plan, never a 5-year plan. Parcel tax increase was reduced based on feedback from the ratepayers at the public meeting in September. We are currently collecting \$75,000 for renewal reserve and this will not fund a 15 year plan. Water rates were looked at carefully with comparisons to the RDN as well as other improvement districts and the average Canadian household consumption was also taken into account when determining allowance.

F. Heironymi: What is the estimated revenue based on the reduction in allowance?

A: We have budgeted \$35,000 for overages

Q: is this money set aside?

A: Parcel tax was previously used to fund the operations budget with only a small amount put aside for renewal reserve. With all parcel tax now being set aside for renewal the tolls, including overages, need to cover the entire operating budget. The board has been conservative with the overages budget line as it is very hard to predict from year to year.

Q: Rate payer had a small overage for the past billing with no gardening and only two people in the house.

A: Rate payer should check system for leaks as usage that high this time of year is very unusual. Based on previous consumptions, over 70% of rate payers use 50 m³ or less at this time of year.

Q: Rate payer feels base rate is too low, can it be increased?

A: Water tolls are reviewed every year & board will review again this year when looking at 2010 budget. Rate payers concerns have been noted.

Q: Aquifer is not an unlimited amount of water. It can be drawn down and not replenished if water is used carelessly. Board has a duty to run the system. Increase is high because previous boards have kept the rate too low so rather than have small increases over time; we are faced with one big increase. Ratepayer compared this to stratas that he has dealt with that wanted to keep rates low but end up paying more in the end. The board is taking responsibility and doing what need to be done.

Q: Previous trustee takes offense to the statement that previous trustees did not put money away. Rainy day fund was \$100,000 about 4 years ago

A: Some funds from renewal reserve was used for the metering project as per the ministry & Jamieson Loop to provide further redundancy to the system

Dave Heenan: There was money when he was on the board. There were two capped wells when he was elected and one came on board for use. Ratepayer meetings are always the same, there is always resistance to paying more money.

Q: Rate payer has attended several public meetings and he feels that we need to move forward and stop rehashing the past.

Q: Funds were put away in the past & used. What guarantee is there that money will be put away and used for the intended projects?

A: The renewal reserve funds are protected by bylaw. The current board has no intention of using the funds for any other projects that those stated.

Q: funds were withdrawn for water meters and this was not an intended use

Q: why is there not a bylaw in place that would require a vote before funds are withdrawn?

A: The budget determined what is needed. Tiered rates were looked at have a lower base rate and higher overage but there were complaints from ratepayers that they didn't want this.

Parcel tax is being used to fund the renewal reserve for infrastructure renewal and therefore tolls now have to cover the whole operating budget

L. Neville: Would like to commend the board for all the work they have done. We need to remember that they all live here too. Thank you.

R. Baldry: Listed projects are based on engineers study; money also needs to be put aside for unanticipated projects. Where are the rates going from here?

A: Currently we are addressing the 4" AC pipes for fire protection. We are looking at alternative solutions other than what is listed in the report. The report is used as guidance from professionals.

P. Smyth: The bylaw report says that there are now bylaws that do not require registration. Could public meetings be held for bylaw approvals?

A: We have a bylaw committee that meets and all meetings are open to ratepayers. Committees do not have to be only trustees, ratepayers could sit on committees. Trustees are elected to do a job and it would not be a good use of funds to hold public meetings for every decision. This current meeting was well advertised and we have less than 10% of the ratepayers attending.

At this point the chair stated that time was getting on and everyone has had the opportunity to speak at least once. To avoid losing any more persons we will at this time move onto elections.

Elections of Two Trustees – The election was turned over to Leslie Carter. Nominations were called for from the floor. The following ratepayers were accepted nominations: Pamela Smyth and Ken Carter. Ms. Carter called for any additional nominations from the floor. Hearing none, nominations were declared closed. The two nominees were elected by acclamation.

The two trustees elected for 3-year terms were: Pamela Smyth and Ken Carter. They were asked to introduce themselves and give a bit of their background.

Motion for Adjournment:

J. Dennison

Meeting was adjourned at 9:25 pm

The above minutes were approved on June 17, 2009.

Chair of the Board of Trustees

Officer