

DEEP BAY IMPROVEMENT DISTRICT
ANNUAL GENERAL MEETING – APRIL 13, 2010

Annual Report from the Board of Trustees Chair – Joyce Bartram

In my annual report provided to the ratepayers last year, I gave a rather detailed account of the history of Deep Bay Improvement District so that the ratepayers had background knowledge of the water system and our volunteer fire department. Some of this information bears repeating. But for those who wish to see that complete report, copies are still available at the DBID office.

We are an improvement district – an autonomous local government body as described in our Letters Patent, responsible for providing both waterworks and fire protection service to our residents. The Improvement District is administered by an elected Board of 7 Trustees, each elected for a 3 year term by the eligible landowners. The Board administers the running of the waterworks and the volunteer fire department to the best of their ability. The election of Trustees normally occurs at the Annual General Meeting held in late March or early April of each year. At the first Board meeting following an AGM, the Trustees elect their Chairperson for the coming year. The Chair is responsible for maintaining order at the monthly meetings and is also expected to attend all Committee meetings in the capacity of a Trustee. Each Committee meeting is in turn chaired by a Trustee who is elected by that Committee at its first meeting following the AGM. The Improvement District's Board of Trustees is governed through the Provincial Local Government Act and the Community Charter administered by the Ministry of Community and Rural Development in Victoria who approve most of our bylaws.

We have a large service area with more than 20 km of piping. Our water customer base is currently at 594 connections and our fire protection base is 639 properties. Water supply is provided by 7 deep wells. Water from these wells is pumped directly into the distribution system and is not treated. As instructed by the Vancouver Island Health Authority, the Improvement District submits water samples from the system for bacteriological indicators from 2 locations twice per month. Samples are also tested periodically for chemical and physical parameters. Test results have not raised concern and our water is pristine.

The Improvement District's Water Toll is collected quarterly to fund operating costs, administration and maintenance that benefit current users. The Improvement District charges a Parcel Tax which collects funds for capital upgrades to the current system and a Fire Protection Tax which covers the operation of our Volunteer Fire Department. Both Parcel and Fire Protection Taxes are on a flat rate as opposed to being based on property assessments. The water billing is based on a tiered system – the more water you use, the more you pay. This is the standard way of funding waterworks operations and promotes sustainable use of water. You can pay all Deep Bay Waterworks District invoices electronically at most Credit Unions, CIBC, Scotia Bank and Bank of Montreal.

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The ratepayers have paid for several engineering reports over the past few years which have enabled the Trustees to make informed decisions based on expert opinion. These reports have been placed as resource materials at the Bowser Library. They include the Water System Evaluation (engineering report 2008), the Ground Water Study by Pacific Hydrology Consultants (2007), the Drought Management Plan (2005) and most recent the Water Main Pipe Condition Evaluation (2008). If you have questions regarding these documents after reviewing them, please feel free to stop by the office or send a letter to the Board of Trustees so that we may follow up with you.

The Year in Review

The Board of Trustees has had a busy year and each of the Chairpersons of the various Committees has provided an outline of what their Committees have achieved. Therefore I will only touch on some of the highlights.

- The Board applied for and received the authority to change its name from Deep Bay Waterworks District to Deep Bay Improvement District. The reason for this change was to reflect the fact that we do not just maintain and operate a water system, but are also responsible for the maintenance and operation of a volunteer fire department. Cost to the district for effecting this change was minimal – postage for the letters requesting the change and also for the cost of replacing two district rubber stamps.
- All hydrants have been tested by the Maintenance Operator to determine what their flows are. The Board of Trustees has set a minimum flow rate of 500 igpm as our standard. You may have noticed that all hydrants are colour coded to indicate what the flow is at each site. Information on this colour coding can be obtained from the Fire Chief or the Office Administrator.
- Our Contractor reported that the reservoir has exterior flaking of materials. In April 2009 the Board passed a motion to obtain a quote for an integrity check of the reservoir. In August 2009 the contract for this integrity check was awarded to Herold Engineering. This company has recommended examination of the interior of the reservoir to determine the extent of the damage that may need repair. The reservoir will be drained one cell at a time and repaired at that time, so that fire fighting capability is not affected.
- In September and October the Finance Committee worked on the development of the 2010 budget for water and fire protection. It was recommended by the Board and passed to keep the water tolls and parcel tax at the same rate as in 2009. Fire Protection Tax was increased by \$10 per parcel in accordance with the 10 Year Capital Plan for Fire.
- Ratepayers have requested more information be made readily available to them. A website committee has met to discuss the development of a website which would deliver timely information to our ratepayers. We are in the initial development stage – determining what information would best

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meet the needs of the public. Such things as posting of minutes of meetings, by-laws, policies, important notices (including boil water notices), advertising of office vacancies or trustee vacancies, and others. More information on this will be forthcoming in the newsletters which accompany the quarterly billings.

- Our fire committee has been working with the Center for Shellfish Research to determine what infrastructure will be needed to provide them with appropriate fire protection. The Center is proposing to install a 120,000 ig reservoir which will have two sections – one to support their interior sprinkler system and the other to supply water for DBVFD. The Center will supply necessary hydrants as directed by the Fire Chief and fire lanes and turnarounds for the trucks.
- Further testing of the DBID wells and evaluation of the aquifer has been undertaken by Baynes Sound Development Corp. Well 7, a non production well was pumped for a 24 hour period while wells 4, 5, 6 & 8 were monitored to see whether there was any change in their water levels. Recharge rates were also noted. The results of the testing will be available in the near future.

Later in this meeting the ratepayers will be electing two trustees. At this time I would like to express my sincere gratitude to the trustees for their expertise and hard work during the past year. They are called upon to make difficult (and sometimes unpopular) decisions which the Board feels is in the best interests of the Improvement District ratepayers. We will strive to work hard in the coming year to keep the system in a healthy position both financially and operationally. My thanks go to both Wayne Foot and Ian MacDonell for their contributions to the board during their terms.

In closing I would like to express my sincere gratitude to the Deep Bay Volunteer Fire Department. These volunteers give freely of their time, constantly upgrading their training and putting their lives on the line for the people in this District. I applaud their dedication and I hope that each of you takes the time to say “Thank you”!

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Operator's Report 2009

2009 saw 9 new customers added to the system for a total of 594 connections as of December 31, 2009.

Early 2009 saw a lot of snow and shoveling out hydrants became the norm. During the dry summer, bi-weekly checks of Wells # 5 & 8 showed no drop in water level. The static level remained the same which indicated that despite how dry it was, there was no effect on our main pumps. It plainly showed that Observation Well 310 is not a good indicator of available water in our wells.

The big news in 2009 was the installation of a 6" valve in the Gainsberg Pressure Reducing Station (PRS). As constructed the PRS would not let enough water through for adequate fire flows. For the last hydrant on Deep Bay Drive, flow rate was doubled and is now 550 IGPM. Anything over 500 IGPM is considered a usable hydrant. This was most likely the best \$7000 ever spent. All the hydrants down from the Gainsberg PRS now have adequate flows to fight fires.

All the valves in the system have been exposed and they are turned off and on semi-annually as part of a regular maintenance program.

One major leak on the 4" main on Kopina Drive was discovered. It was off to the side of the road so was easy to repair and did not require any re-paving to be done. Two service lines were replaced and all water tests have been OK.

All fire hydrants were colour coded according to flow rate. All hydrants are in excellent shape and are stripped down once per year as part of the regular maintenance program.

Jim Dennison
Water System Operator

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Water usage 2009

The following is the average daily water usage per household*.
(Imperial Gallons - IMPG)

Year / Month	2005	2006	2007	2008	2009
January	149	105	109	104	89
February	142	90	104	173	90
March	159	105	110	190	92
April	172	130	112	113	132
May	338	135	241	190	183
June	326	370	326	262	374
July	514	380	278	352	403
August	678	346	256	278	455
September	322	210	236	189	151
October	193	127	97	95	108
November	188	117	102	112	149
December	119	159	98	99	95
Total	3300	2273	2069	2157	2321
Average	275	189	172	180	193

*The figures shown above are taken from the meters at the wells; they do not reflect the amount of water lost through leakage in the water system, which averages 5 – 10%.

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Operations and Maintenance Committee Report

In October the operator's contract was put out to bid. The winning bid was awarded to Jim Dennison and a 3-year contract was signed at the board meeting December 16, 2009.

The successful installation of a 6 inch valve at the Gainsberg Pressure Reducing Station resulting in hydrant flow increase eliminates the immediate need and cost of a new water main down Gainberg Road.

A contract has been let to install a handrail system that will comply with WorkSafe BC standards allowing access to the top of our reservoir. When this work is completed, inspection and repair will be done on the reservoir one module at a time.

Thomas Plensky
Chair of Operations and Maintenance Committee

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Fire Chief's Report 2009

2009 was a little quieter than 2008. We averaged 1.8 calls per week down from 2.1 during 2008. The amount of snowfall has a big impact on MVI calls.

I would like to thank my members for the great support to the community. It's not easy, calls come in at all times and its never convenient. The members give up a tremendous amount of time for calls and training and many weekends. To the member's family and loved ones - thank-you for putting up with the fire department, your support is much needed.

Our first responder gang is doing a fabulous job. We now have 14 members that are certified Level 3 First Responders. This group puts in many additional hours of training under our Captain, Norma Kilpatrick. The H1N1 flu changed our protocols and extra resources were required for protections and infection prevention of the team. It was quite a concern but we managed to come through ok.

During the summer months of 2009, we were very dry with a total burn ban in place for quite some time. Evening patrols were started because of the extremely dry weather. We need to remember we are 70% fuel in this area. The residents of the DBID area were just excellent in adhering to these restrictions. The only problems came from the odd visitors just here for a weekend or so. For one address, we were called out 3 times over the summer. If the same problem occurs this year, we will be utilizing the foam suppression truck to extinguish any illegal burns. The residents have to be congratulated. They did a fine job making all our homes safer by calling 911 when they saw illegal burning going on.

As this report is being written, we have a mutual aid agreement being put in place with the Fanny Bay Fire Department and the Ship's Point Improvement District. These areas share a border with us but operate under a different Regional District. This agreement has been a goal of both the Fanny Bay Fire Chief and myself for several years. Thanks go to the DBID Board of Trustees for seeing this through. The Fanny Bay Fire Department has a water tanker and in the case of a wild fire it could be made available to our department.

Again the Bowser Legion gave us a donation of \$1000 and the Ladies Auxiliary was able to provide a donation of \$300. This money is put aside to eventually purchase a thermal imaging camera. Please support them, they sure support us!

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Calls for 2009:

27	First Responder
11	Fire
46	Motor Vehicle Incidents
<u>4</u>	<u>Miscellaneous</u>
88	Total

This doesn't include officer calls for many minor items such as burn complaints, smoke complaints, burn permits and illegal fires.

Annual elections were held and the new officers roster is:

Jim Dennison, Chief
Clayton Neuwirth, Deputy
George Lenz, Assistant Chief
Norma Kilpatrick, Captain in Charge, First Responders
Donna Rix, Administrator
Margaret Furnell, Administrator

If this coming summer is again dry, patrols will be out looking for illegal burns and if all our stakeholders do the same we should be fine. Please read the signs (top of Gainsburg and top of Jamieson) for the current fire hazard rating.

Jim Dennison
Fire Chief

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Fire Protection Committee Report

The fenced yard behind the fire hall was cleaned up after last summer. Our fire budget was finalized in October and included funding to pay for sufficient number of cars to be brought in for Jaws of Life training throughout the year. These vehicle are dry, meaning all lubricants, coolants, and other liquid contaminants are removed before delivery.

The long awaited mutual aid agreement between the Deep Bay Fire Department, Fanny Bay Fire Department and the Ship's Point Improvement District was signed at our March 17, 2010 board meeting.

Thomas Plensky
Chair of Fire Protection Committee

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Finance Committee Report

The Finance Committee was pleased to present the budget for the 2010 fiscal year at the October 2009 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. The Deep Bay Improvement District (DBID) board remains committed to an October presentation of the upcoming year's budget and reminds you to look for details in your October water tolls invoice again this year.

One point of active discussion at the October 2009 meeting focused on how much DBID should be saving towards Renewal projects. As per the Local Government Act:

Renewal of works

751 (1) An improvement district must make adequate provision in advance to renew works when they require renewal, and must raise amounts for that purpose.

(2) The board of trustees must establish reserve funds for the purpose of renewal of works referred to in subsection (1), and amounts raised as required under that subsection must be credited to the applicable reserve fund.

(3) Money in a reserve fund, and interest earned on it, must be used only for the purpose for which the reserve fund was established.

While each DBID board has accumulated funds for renewal, the requirement last year that all Local Governments must record an amount for Capital Depreciation has provided recent boards with a firm financial target to strive for. The amount that we raise for Parcel Tax, therefore, has been set as an amount that must exceed this annual depreciation. The amount so raised will then be available for the Capital Renewal projects that were identified in the engineer's Water System Evaluation. It should be made clear, however, that the amount being placed in Renewal Reserve is based upon historical costs and that depreciation that accrued up until 2008 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.

In consultation with DBID auditors, we have modified the audited financial statement format to more clearly indicate the amounts put aside for system renewal. The amount deposited for 2009 was \$75,648 for Water and \$33,600 for Fire. As per our Capital schedule, \$30,430 was withdrawn from Water to pay for some initial engineering work.

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
Chair of Finance Committee

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Bylaw Committee Report

A total of 5 bylaws have been passed since our last Annual General Meeting in April of 2009. The Bylaws approved and registered by the Ministry of Community and Rural Development as required are as follows:

1. **Bylaw No. 206** - Fire Department Establishment and Operations - update and replacement of Bylaw No. 151
2. **Bylaw No. 207** - Taxation Bylaw 2010 - parcel and fire protection tax rates for current year.
3. **Bylaw No. 208** - Connection Charge Bylaw - update and replace Bylaw No. 123
4. **Bylaw No. 209** - Bylaw No. 207 Amending Bylaw - correct an error in Bylaw No. 207
5. **Bylaw No. 210** - 2010 Capital Works Renewal Reserve Fund Disbursement Bylaw - appropriate funds from renewal reserve to be expended on engineers design drawings for Shoreline & Longview replacement

These bylaws can be viewed at the Improvement District Office.

Leslie Carter
Administrator

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Environmental and Emergency Committee Report

Chair: Pamela Smyth
Committee Members: Joyce Bartram
Claire Hilscher

The scope of this committee encompasses Environmental and Public Safety matters involving water quality, conservation, and allocation, along with emergency response measures and concerns within the DBID.

B.C.'s water law framework began in 1859 where the first Water Act was established in 1909. In 1920, Improvement Districts were enabled and where, in 1995, a Water Protection Act was then introduced to foster sustainable use of B.C.'s water resources, with conservation and environmental protection in mind. Two years later, The *Fish Protection Act* brought in additional mechanisms to help protect fish habitat. Development activities, technological advances, institutional changes, and shifts in society's values is currently prompting government review of B.C.'s water laws which link our community to many other Provincial and Federal Acts and Legislations. Respectively, Drought Management is also deemed important to:

- protect community supplies for drinking water, sanitation, and fire protection
- protect fish and aquatic ecosystems, and
- sustain industrial development and economic activity

Recently, our community received a Tsunami Warning. In the past, we have been hit with severe wind and snowstorms resulting in lengthy power outages. Trees went down, cutting certain roads in Deep Bay off from the highway access and various other external Emergency Response Services but with community spirit, stewardship and the support of caring neighbours, we survived. Valuing the Preservation of Life and Avoidance of Bodily Injury, the Environmental and Emergency Committee wishes to report that:

1. On a Provincial scale, the Water Act is currently under review and modernization. DBID Rate Payers may learn more at <http://www.livingwatersmart.ca/water-act/framework.html>.
2. Water Testing System Inspection Report - Vancouver Island Health Authority (VIHA). E.H.O. (Inspector) - R. Steeves. System 1310854. August 19, 2009:
 - a. The VIHA report is complete and available to the public.
 - b. Emergency Response Plan (EPR) was being annually updated. Copies are to be submitted annually to VIHA.
 - c. Water supplies are sent regularly to the lab for evaluation and are reported to be consistently good. These are posted on the VIHA site www.viha.ca/mho/environment/waterquality/
 - d. Operator is well qualified www.eocp.org
3. An Emergency Response Plan emphasizing the sustainability of our water sources has been established. A summary of this plan is available to all users of our water system. This Plan continues to be updated as required to cover:
 - a. Emergency Phone Contact Lists (Personnel, Government Agencies, Contractors/Repair Services, Technical Resources, Parts Supply, Bulk Water Suppliers, Media Contact Numbers, Emergency Procedures)

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- 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
4. Further additions to the Emergency Response Plan will be expanded upon the receipt of a new manual currently being produced by the DBID Operations and Maintenance Committee.
5. Newsletters mailed within the past year requested that Rate Payers:
 - a. Voluntarily provide the DBID Office with their phone numbers and contact info to be part of a calling list in the event of a Natural Disaster Emergency.
6. Boil Water Advisory Signs: In efforts to alert Rate Payers when related measures are in effect, reflective Boil Water Signs were obtained. One sign will be placed at the top of Gainsberg Rd., and the other at the top of Jamieson Rd., as conditions dictate.
7. Cost-Saving Water Conservation Incentives:
 - a. Free Leak Detecting Tablets that help monitor water loss through toilets are available at the DBID office.
 - b. Free Watering Gauges that help monitor/prevent the over-watering of plants and lawns are also available at the DBID office.
 - c. A Toilet Replacement Rebate Program is offered through the RDN. Learn more at www.rdnbates.ca or call 1-877-607-4111. Brochures are also available at the DBID Office.
8. In support of providing Rate Payers with other valuable resources concerning where to go, how to prepare or what to do in the event of an Emergency Disaster, the following existing publications available at the DBID Office will also soon be posted on our upcoming website:
 - a. Local Area Emergency Evacuation Instructions
 - b. Are you Prepared?

Date: March 14, 2009 / Prepared by:

P. Smyth, DBID Trustee

Chair - Environmental and Emergency Committee

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HR Committee Report

The Human Resources Committee is a new addition to the list of ongoing Committees at the Deep Bay Improvement District.

The need for such a committee was identified by a former trustee in late 2008, and the work of the committee started in early 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 evaluating the performance of employees and/or contractors.

The most significant task that the HR Committee undertook in 2009 was the public bidding process for the Certified (EOCP) Water System Operator Contract. The existing contract was due to expire at the end of the 2009 calendar year, and the contract had never been put out to a formal competitive tendering process in the past. The committee diligently started from scratch, and after many hours of work in the summer and early fall of 2009, a document was created so that prospective bidders could be invited to submit proposals to the Deep Bay Improvement District.

After advertising the bid widely in late 2009, six proposals were received and considered by the board of trustees. After evaluating each bid formally against specific criteria, Jim Dennison was the successful bidder, and thus awarded the contract.

The HR committee also began work on creating/updating employee job descriptions and performance evaluation methods in late 2009. This work continues into 2010, and forms the objectives of the committee in the coming year.

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 contractor 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.