

DEEP BAY IMPROVEMENT DISTRICT

2024 ANNUAL REPORT

Presented at the
Annual General Meeting
May 15, 2025

Table of Contents

1	Message from the Chair.....	2
2	About the District.....	3
3	Administration.....	4
4	Waterworks.....	10
5	Fire Protection.....	11

Appendix A 2024/2025 Approved Budgets

Appendix B 2024 Auditor's Report and Audited Financials

1 Message from the Chair

We are grateful to be living, operating, meeting and serving on the unceded territories of the Qualicum First Nation.

I want to start off by thanking the Board for their support. There have been challenges that the Board has had to work through, mainly relating to prioritizing the Thompson Clarke West Watermain Replacement project and the Reservoir Replacement project. This required extensive reviews of detailed engineering reports and discussions with community members to help make informed decisions. This was not an easy process.

The financial audit for 2024 was completed on schedule by Auditor MNP. Capital and operating budgets for 2025 for Water Operations and the Fire Department were approved on schedule by the Board.

Administrator staffing has been a significant issue for the past two years as there have been four different administrators. The Board has taken several steps to create a more supportive environment for staff. I would also like to acknowledge and thank Janine Sibley for again stepping in as Acting Administrator and doing a great job.

A big thank you to Fire Chief Lenz and our other volunteer fire department members. Your commitment to attending training sessions, first responder calls, fire-related calls and community events is greatly appreciated.

Another big thank you to the Deep Bay Fire/Rescue Society. The society has donated over \$232,000 for fire department budgeted items.

In closing, and on behalf of the Board, I want to thank the ratepayers for having the confidence to elect us as Trustees, to serve the Deep Bay community.

2 About the District

Deep Bay Improvement District Board of Trustees (2024):

Claire Hilscher (Jan to May)
Diane Koch
Suzanne LaRoy
Colin Thompson

Craig Kerstens
Christo Kuun
Bob Leggett (Jan to Nov)
Alissa Woodward (Nov to Dec)

Diane Koch and Colin Thompson were elected in 2022, and their term expires in 2025. Craig Kerstens, Christo Kuun and Suzanne LaRoy were elected in 2023, and their term expires in 2026. Alissa Woodward was elected in 2024, and her term expires in 2027.

Suzanne LaRoy served as Chair from September 2023 to November 2024. Colin Thompson is currently serving as Chair, as elected by the board of trustees.

Monthly board meetings are held on the 3rd Tuesday of each month at the Deep Bay Offices at 7:00 pm (unless otherwise noted). Public are welcome to attend. For upcoming dates, please check at the office or visit the website at: www.dbid.ca

In addition to the monthly board meetings, there are standing and select committees that meet throughout the year on an as-needed basis. Committees provide advice and recommendations to the board of trustees – it is up to the board to take action or make a decision. Standing committees are established for matters which are ongoing while select committees are established to consider or inquire into a specific matter.

Standing committees:

- Bylaws Committee,
- Facilities Committee,
- Finance/Human Resources Committee,
- Fire Protection Committee,
- Operations & Maintenance, and
- Planning Committee

Select committee:

- Thompson Clarke Waterline Committee.

The DBID, as a local government, applied for and obtained “qualified donee” status from Canada Revenue Agency in 2014. As a qualified donee, DBID is eligible to receive donations or gifts from registered charities or the general public and to issue official receipts for donation/gifts received. If you wish to donate for some specific item, please contact the office or fire department for suggestions as to what may be needed.

History

The Deep Bay Improvement District was incorporated in 1972 (originally as the Deep Bay Waterworks District). The object of the district at incorporation, as per the letters patent, was for the “acquisition, maintenance, and operation of works for waterworks purpose and all matters incidental thereto”.

In 1975 the objects were amended to include “the provision of fire protection, the acquisition, maintenance and operation of works, buildings and equipment for that purpose and all things incidental thereto”. In 1982, Bylaw No. 58 was passed, establishing the Deep Bay Volunteer Fire Department.

DBID currently has 647 parcels of land and 630 water connections. There were no Capital Expenditure Charges collected for new lots/connections in 2024 and there were no new water connection applications.

3 Administration

The Administrator is responsible for the overall administration of the District. The Administrator acts as both the Corporate Officer and Financial Officer as established by Bylaw No. 166 “Officer Position Establishment Bylaw”.

In 2024, DBID had two Administrators. Janine Sibley was Acting Administrator from January to June and November to December. Sundance Topham was Administrator from July to November. The turnover with the Administrator position has been problematic for DBID.

Corporate administration includes the following:

- preparing accurate meeting minutes of the board of trustees and its committees and ensuring the safe keeping of minutes, bylaws, and other improvement district records;
- providing access to all improvement district records as required by law or authorized by the board of trustees;
- signing and certifying copies of bylaws and other documents as required or requested;
- accepting, on behalf of the improvement district or the board of trustees, notices and documents given or provided to the improvement district or the board of trustees; and
- keeping the improvement district seal and having it affixed to documents as required.

Financial administration includes the following:

- levying taxes, water tolls and other charges;
- receiving all monies paid to the improvement district;
- keeping all funds and securities of the improvement district;
- expending and disbursing money in the manner authorized by the board of trustees;
- investing funds in investments under section 745(4) of the *Local Government Act*;
- preparing, maintaining and keeping safe the accurate records and full accounts of the improvement district’s financial affairs;
- compiling and supplying information on the financial affairs of the improvement district required by the Inspector of Municipalities; and
- reviewing and preparing annual budgets with Finance Committee and fulfilling financial year end auditor’s requirements.

3.1 Finance + Human Resources Committee

The Finance and Human Resources Committee met on September 25, 2024, to review draft budgets for the water and fire departments. These adjusted budgets were presented and approved by the Board at the October 15, 2024, regular meeting. The water tolls and taxation bylaws for the 2025 fiscal year were also adopted at the October 15, 2024 regular board meeting.

These budget documents are included in Appendix “A” later in this agenda package. The operating budgets for Water Operations and the Fire Department show 2023 and 2024 actual year-end results for all operating revenues and expenditures. The reports also include the operating budget amounts for 2024 and 2025. In addition to these operating reports, detailed twenty-year capital budgets for both Water Operations and the Fire Department are attached.

Further financial details are also shown on the attached 2024 Audited Financial Statements in Appendix “B”.

The Finance + HR Committee establishes the parcel tax rates for each of the assessment categories and allocation among all property owners. Water toll rates are also established by the Committee. This information then goes to the Board for approval by way of passing bylaws.

Parcel tax is normally used for upgrading, replacement or renewal of existing waterworks infrastructure. As pipes, pumps etc. are replaced, the DBID endeavors to meet current design standards including providing sufficient fire flows. Commercial, institutional, and industrial developments are required to meet higher standards which require additional infrastructure (for example, a residential property requires a minimum 60 L/s for fire flow while the minimum for a commercial development is 150 L/s). Commercial developments also have the ability to recoup taxes as a cost of doing business and usually put higher demands on the system in general. Using these factors, the board has determined that an equitable allocation of costs would not be achieved by having all properties pay the same taxes.

Parcel tax rates for 2024 were increased and the board will continue to review the timing of projects and related costs each year. Infrastructure costs continue to increase at a rate above general inflation which will be an additional financial burden in the future.

The quarterly water tolls are used to cover the waterworks annual operating costs. Rates are the same for all users, with higher water users, regardless of classification, paying more based on the tiered rates. Rates increased for January 2025 to cover increases in operating expenses.

Quarterly Water Tolls	2024 Rates	Effective Jan. 2025
Base Rate	\$64.35	\$72.07
1 – 50 cubic meters	\$.58 each	\$.65 each
51 – 100 cubic meters	\$.72 each	\$.81 each
>100 cubic meters	\$1.19 each	\$1.33 each

Fire Protection taxes are determined using the same assessment definitions as Parcel tax. Considerations for Fire Protection tax include zoning/land use as well as factors unique to firefighting such as risk, equipment and training needs. For example, the marinas are arguably the highest risk properties in the district and require specialized equipment and unique training requirements. Accordingly, the two marinas pay the highest Fire Protection taxes.

Fire protection taxes were increased for 2025 to cover increased operating costs for the increases in general operating expenses. This tax covers all expenses for the fire department including operating costs and all capital equipment including vehicle purchases.

Year	Fire Protection Tax (residential rate)	Operating Budget	Capital Fund contribution (from total Fire Tax)	Building Renewal Tax (residential rate)
2021	\$276	\$140,347	\$75,000	\$50
2022	\$317	\$150,722	\$75,000	\$50
2023	\$336	\$150,568	\$91,250	\$0
2024	\$351	\$189,667	\$91,250	\$0
2025	\$411	\$269,983	\$66,250	\$0

Deep Bay Improvement District is an employer, and also a purchaser of contracted labour. The DBID is also responsible for the Deep Bay Volunteer Fire Department (even though all members are volunteers). In any such organization it is necessary to have basic HR documents and processes in order. These include, but are not limited to, ensuring WorkSafe BC compliance, definition of a reporting structure, current job descriptions, processes for salary/remuneration review, and procedures for evaluation of the performance of employees and/or contractors.

The DBID Certified Water System Operator is a contract position and the DBID is pleased to have Corewater Management Ltd in place until at least November 2029. The Administrator, Administrative Assistant, and the Meter Reader are employee

positions paid on an hourly basis. Reviews are conducted annually for all employees and at that time pay rates are reviewed in coordination with the annual budget process.

3.2 Bylaws Committee

Some bylaws must be sent to the Ministry of Municipal Affairs for registration prior to coming into effect while others are effective immediately upon passing by the board. Bylaws regarding Agreement, Assessment, CEC Disbursement, Connection Charge, Renewal Reserve Establishment and Disbursement and Tolls are exempt from registration and in effect immediately upon passing by the Board of Trustees. Copies of all bylaws are sent to the ministry for filing.

The following bylaws were passed by the Deep Bay Improvement District in 2024:

Bylaw No. 257 – Taxation 2024. A bylaw to set the parcel taxes for 2024 for water \$403 and Fire Protection \$351.

Bylaw No. 258 – Water Tolls 2024. A bylaw to set the water tolls for 2024 with the minimum charge of \$64.35 per quarter of the year.

Bylaw No. 259 – Capital Works Renewal Reserve – 2024 Disbursement of \$88,700 for Thompson Clarke West Engineering Expenses.

Bylaw No. 260 – Capital Works Renewal Reserve – 2024 Disbursement of \$29,390 for Water System SCADA Upgrades.

Bylaw No. 261 – Capital Works Renewal Reserve – 2024 Disbursement of \$10,000 for Reservoir Upgrades.

Bylaw No. 262 – Fire Regulation Amendment - 2024. A bylaw that requires a permit for all open fires.

Bylaw No. 263 – Meeting Procedures Amendment - 2024. This bylaw adjusted the requirements for Board members participating electronically in Board meetings. It also added the requirement to record Board Meetings by audio or audio and video.

Bylaw No. 264 – Capital Works Renewal Reserve – 2024 Disbursement of \$548,598 for Thompson Clarke West Construction Works.

Bylaw No. 265 – Taxation 2025. A bylaw to set the parcel taxes for 2024 for water \$423 and Fire Protection \$411.

Bylaw No. 266 – Water Tolls 2025. A bylaw to set the water tolls for 2024 with the minimum charge of \$72.07 per quarter of the year.

Bylaw No. 267 – Miscellaneous Charges - 2024. A bylaw to set miscellaneous rates for items such as property searches, locating records, photocopies, and other miscellaneous tasks.

Copies of bylaws are posted on the website and are available for viewing at the office.

3.3 *Planning Committee*

The Planning Committee consists of all board members and is similar to the “Committee of the Whole” of municipalities and regional districts. Typically, the Planning Committee will meet to discuss “big picture” items that do not fall under other committees and items that require more discussion than is suitable for a regular board meeting. Recommendations from the Planning Committee still need to go to a board meeting for approval.

In 2024, the committee reviewed and made recommendations regarding the budget including capital replacement plans for Water and Fire Department assets.

3.4 *Facilities Committee*

The Facilities Committee deals with operational and capital issues to maintain facilities and grounds for the Improvement District buildings. This mainly deals with the Fire Hall and office buildings. There were a number of items that were dealt with during the year and other items are on-going. A handy person(s) is expected to be utilized to remedy these issues.

4 Waterworks

Water supply for the DBID system is provided by seven drilled wells. These wells draw water from the unconfined Quadra Sands Aquifer and pump directly into the water distribution system. The DBID distribution system serves an area of approximately 5 square kilometers. Water storage for the DBID system is provided by an above ground concrete reservoir that provides 545 cubic meters (120,000 Imperial Gallons) of storage.

Environmental Operators Certification Program (EOCP) determines how waterworks systems are classified. The EOCP has updated its facility classification models for larger systems (serving more than 500 people) and facility classifications now expire on a 5-year cycle ending in 2026, and must be updated upon expiry, or following a major process change or upgrade. DBID was reclassified to a Class II Water Distribution System. This reclassification meant that our Water System Operator now requires certification from a Level I to a Level II Water System Distribution Operator.

DBID operates as a “water supply system” under a license issued by the Vancouver Island Health Authority (VIHA). Water samples are sent weekly to VIHA for required bacteriological testing (E. Coli and Total Coliform). VIHA posts the results of the monthly water samples at: <http://www.healthspace.ca/viha>.

In addition to the required testing, DBID typically sends samples to an independent laboratory for additional chemical analysis each year. Results from additional testing are posted on the DBID website and are available for viewing at the office.

The *Drinking Water Protection Act and Regulation* require water system operators to publish yearly information regarding the system. The DBID Annual Water System Reports are available from the office and on the website. Additionally, VIHA conducts inspections on a routine basis performed by the area’s Environmental Health Officer.

The DBID Annual Water System Report contains detailed information, with graphs, about the following:

1. Groundwater Well Capacity Information
2. Observation Well 310 Bowser 10 Year Analysis of Water Well Depth from Ground Level
3. Well Water Pumping Statistics for the Past Five Years
4. Quarterly Water Consumption for the Past Five Years

The water report also includes information on 2024 completed water studies and projects. Water sampling test results are also included with the Annual Water Report. This report is posted on the DBID website and is available for viewing at the office.

4.1 Operations & Maintenance Committee

In 2024 the Operations & Maintenance Committee dealt with requirements for the water operator position a new water operator, reservoir upgrades and water testing.

5 Fire Protection

The Deep Bay Volunteer Fire Department (DBVFD) services are provided entirely by volunteers. The DBVFD provides fire suppression and prevention, First Responder services and public education to the DBID area as well as vehicle extrication services, for Emergency Management BC, for the area between Kinkade Creek and Tsable River.

DBVFD had a roster of 22 members of which 10 members are certified First Responders. The target for optimal range is 30 members.

Elected officers for the fire department are as follows:

- Fire Chief George Lenz
- Deputy Chief Ed Pater
- Assistant Chief Ron LaRoy
- Administrator Margaret Furnell

Appointed positions:

- Don Coghill Captain
- Barry Foster Lieutenant
- Bill Emery Lieutenant

The new fire hall was opened in 2022 and continues to serve the department very well. It is a facility the community can be very proud of, as are the members of the fire department. This fire hall allows practice operations to spread out a little more on training nights. This gives the trainers the opportunity to have a few different activities going on at the same time without overlapping areas.

Fire Department practices are held Monday evenings and people interested in volunteering are welcome to attend or you can call 250-757-2030 for more information.

DBVFD has fire department mutual aid agreements and a recently agreed on automatic response agreement as follows:

- Mutual aid with the Comox Valley Regional District (CVRD) (representing Union Bay and Fanny Bay fire departments), Ships Point Improvement District.
- Mutual aid with the Regional District of Nanaimo (RDN) (representing Bow Horne Bay, Dashwood, Coombs, Nanoose, and Errington Fire Departments), District of Lantzville, City of Parksville, and the Town of Qualicum Beach.
- Automatic Response with the RDN bringing Bow Horne Bay to our area on confirmed structural fire and us to parts of their area for the same.

Open burning on property has been a significant concern for Deep Bay residents. Changes were made to the Fire Regulation Bylaw that now require year-round burning permits for backyard fires. Any machine piles require permits from the Province. Please check the venting index if you are planning to have a fire. The venting index is posted on the Deep Bay Improvement District website as the venting index must be “Good” to proceed with burning. The burning regulations include the following:

- Campfires (no larger than .5 m in height and .5 m. width and used for recreational purposes) do not require a permit and are allowed providing that there are no restrictions to open burning.
- Fire permits are required for all Category 2 fires. Category 2 fires include burn barrels and are less than three meters in diameter and two meters in height.
- No material other than *low moisture content garden refuse* may be burned at any time.
- No open burning is permitted unless the venting index is “GOOD”. Please refer to the DBID website for latest ventilation index forecast or check the Interactive Ventilation Index for BC – Central Vancouver Island to confirm if burning is permitted. Venting index information is also available at: BC Air Quality or call 1-888-281-2992.
- Category 3 fires (greater than three meters in diameter and two meters in height) also always require a permit.
- Permits are available from fire department members – please call 250.757.2030. Also please watch the hazard rating signs at the top of Jamieson and Gainsberg Roads. During times of HIGH and EXTREME hazard, no permits will be issued. NO OPENING BURNING means no burning of any kind including campfires.
- See Fire Regulation Bylaw No. 262 for full details regarding regulations and restrictions. This Bylaw is on the DBID website or is available for viewing at the DBID office.

Current apparatus for the department includes:

Engine 8-1

- **1998 Freightliner FL80** – Pumper; crew capacity: 6
- Truck 8-1 was scheduled to be replaced in 2018

Fire Underwriters Survey extended the certification of this truck as a first line duty truck for an additional 5 years to 2023. With completion of the new fire hall, A new engine was ordered through Fort Gary Fire Trucks and arrived in early 2024 and is known as engine 8-5.

Rescue 8-2

- **2007 Ford F-550 XL 4 x 4** – Rapid Intervention (foam fire suppression); Rescue; First Responder; crew capacity: 5
- Truck 8-2 was purchased in 2007 and financed through a capital advance from the Ministry of Small Business and Revenue. This truck was fully paid for in 2022 and replacement is currently scheduled for 2026.

Command/FR 8-3

- **2007 Dodge Ram 1500 Crew Cab Pickup** –Command vehicle, First Responder and Crew Transport; crew capacity: 4
- Truck 8-3 was purchased with capital reserve funds in 2013 and should be replaced in 2027 or sooner if funding permits.

Engine 8-5

- **2024 Freightliner M2** – Pumper; crew capacity :5
- Truck 8-5 has many features that 8-1 does not have making it a more versatile piece of equipment to serve the community. This truck was also purchased using capital reserve funds. In accordance with the fire underwriters, it should be budgeted for replacement in 2044.

DBID has also acquired a Sprinkler protection unit (mostly funded with grant money) which would allow us to set up sprinklers on some houses in the community in the event of an approaching forest fire.

5.1 Fire Protection Committee

Fire Department members attended a total of 106 calls in 2024, 119 calls in 2023 and 117 in 2022. A breakdown of these calls follows:

	2024	2023	2022
Structural Fires	6	1	2
Other Fire Calls	6	11	10
Motor Vehicle Incidents	28	45	48
First Responder Calls	58	50	46
Miscellaneous Calls	<u>8</u>	<u>12</u>	<u>11</u>
Total for the Year	106	119	117

A huge thank-you goes out to all of our volunteers for the countless hours put in for training, practices and responding to emergency calls. Additionally, fire department members are a significant part of the fund-raising events put on by the Deep Bay Fire/Rescue Society.

Additionally, DBID would like to acknowledge the sacrifices that our volunteers' families make to allow members to respond to calls at all hours. We would truly be lost without community volunteers.

Appendix A 2024/2025 Approved Budgets

Attached is the approved 2025 budgets for both Waterworks and Fire Protection, and 2024 budgets are included for comparison. In addition, 2024 and 2023 actual expenditure and revenue results are shown of the reports.

For further details on 2024 and 2023 expenditures, please refer to the Audited financial statement documents (Appendix B).

Appendix B Audited Financial Statements (Attached)

The MNP Auditors Report and the audited financial statements show the final year-end financial result for the Deep Bay Improvement District's financial position as at December 31, 2024. There are several supporting schedules and notes that provide further financial details for 2023 and 2024 financial information.