Graham Lake Improvement District

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Minutes of the Annual General Meeting held on April 13, 2013 at the United Church Hall, Denman Island, BC

Present: Audrey Egan Doug Bell Chris Page Chairman Trustee Trustee

Simon Palmer Rob Manering Anne Page Manager, Secretary, Treasurer Operator Minute Taker

13 members of the Graham Lake Improvement District

- 1. Audrey Egan, Chairman called the Meeting to order at 7 pm.
- 2. The Agenda was approved as presented. Moved by: Sybil Allan Seconded by: Ella Goldring
- The Minutes of the April 14, 2012 AGM were read and approved as presented. Moved by: Seconded by: Carol Platz
- Review and Approval of the 2012 Accounts and Auditor's Report The 2012 Financial Statements for the year ended December 31, 2012 were approved. Moved by: Norm Palmer Seconded by: Carol Platz

5. Receive and Approve the Chairman's Report

Audrey Egan reported that the extension of the GLID system to include the Parnell area residents was completed in 2012 and that although there were some problems in the beginning, the system is working well at present.

Trustee Chris Page advised that some work had been done at the dam and spillway.

Manager Simon Palmer advised that a diver had assessed the intake and reported that the intake was in fine condition. The diver drew a diagram of the intake and cleaned out the slots. GLID hires a diver to assess the intake twice a year.

Mike Comeau advised that the intake pipe had broken in the past and suggested that if the intake pipe comes apart that steel connectors could be used to repair it in the future.

Chairman Audrey Egan advised that water sample testing is done daily. She thanked Rob Manering for his technical expertise as well as those residents taking the water samples and also the Trustees who made her job easier.

Moved by:	Sybil Allan
Seconded by:	Carol Platz

6. Manager's Report

Simon Palmer presented the Manager's Report.

Madame Chairman, Trustees, Members

1. Financial Results.

Audited results for end year 2012 show an increase in Assets of \$49,481, due in part to a payment by CVRD on behalf of Denman Island Local Water Service Area of \$55,016, being water connection fees and contributions to the Capital Renewal Reserve and to the Operating Reserve. This year DIWLSA contributions to Reserves are incorporated into the per cubic meter bulk water rate which is paid based on quarterly usage.

As explained in the notes accompanying the budget for 2013, which was sent to all members in early March, several large & unexpected expenditures in 2012 required a draw down of \$10,000 from our Operating Reserve, but that is what it is there for. We are grateful for the contribution by CVRD/DIWLSA of 50% of the pump replacement costs, or some \$9,000. We have not yet received any response from the Ministry in Victoria to our November 2011 application for an Infrastructure Planning Grant which would pay the bulk of the cost of Koers Consulting Engineer's 10 Year Capital Plan for GLID. Our final major project in 2012 was repairs to the Graham Lake dam spillway and downstream erosion. That cost \$7,500 but had to be done.

Operating expenses were in line with the budget, except for high salt consumption, replacement of filter sand and a refill of the propane tank. Increased water testing also put that line item over budget by almost \$1,000

2. Budget for 2013.

Revenue this year is projected to rise by \$14,435 over the 2012 budget. Almost \$10,000 of that coming from CVRD/DIWLSA. However it must be noted that our projection of their water usage and so revenue contribution to GLID is based on only three months figures, July through September of last year, extrapolated over twelve months of 2013. Not the best basis for a budget, but the only one available and one which CVRD accepted by agreeing to the DIWLSA water rate going from \$0.98 per cubic meter in 2012 to \$3.08 this year.

On the Expense side increases reflect projected additional work, time and materials, and water testing associated with changes to treatment systems, which Rob Manering will no doubt reference in his comments.

3. Capital Renewal Reserve.

Formerly called Tangible Asset Reserve Fund, this is the Reserve set aside by Resolution 16 specifically for the repair and/or replacement of the pipelines from Graham Lake to the pumphouse and along East Road. The total Reserve was originally calculated to stand at \$100,000 after five years. We are now in that fifth year and expect the Reserve to total some \$140,000. As explained again in my Notes to the 2013 Budget, with pipeline replacement costs of some \$645,000 in 2012 dollars and only paying 50% of the cost at the time of the work in about ten years' time, further contributions to the Capital Renewal Reserve are recommended. Spread over the next ten years, to when the work may be needed, the contribution per household will be just over \$200 per year compared to the past tax of \$300 per household per year.

4. Relationship with CVRD/DIWLSA

Our original Agreement to supply water to DIWLSA, owned, operated and managed by CVRD, was dated June 2012 and was then renewed, at the higher water rate referred to above, effective December 23 2012.

This relationship is beneficial in a number of ways. It spreads GLID's operating costs and contributions for pipeline replacement over more properties, it also gives us the benefit of money set aside by CVRD towards improving water treatment at the pumphouse. Rob Manering will describe some of the options for that, I would only add that if one result were a significant reduction in the 4,000 gallons per day still being pumped into the ocean at the end of the pipeline, then that would clearly be a very good thing.

5. Going Forward.

Once the water treatment problem has been solved, one must hope this year, then the 14 households immediately South of McFarlane, collectively known as GLID-E, will no doubt apply to join GLID. Should pumphouse capacity allow and Trustees agree, it will still be many months before those properties are included in our Letters Patent, so 2014 at best.

In closing I would like to thank Trustees for their support, Rob Manering and Vern Wright for keeping the water flowing and Anne Page for updating our website where members may read about most of what is going on, including soon the Minutes of this meeting.

Thank you.

7. Operator's Report

Rob Manering reported that: GLID is still 'on hold' and waiting for the engineer's report regarding a solution to organics problem. He summarized the various methods that could be used to solve this issue: 1) Chloramination is the less costly solution in which ammonia is used to bind the chlorine and organics. The advantage of this method is that the water is disinfected to the end of the line however there is a requirement to de-chlorinate the water before it is flushed to the ocean. This method is a proven technology that other municipalities use including Victoria and the Capital Regional District and has no deleterious effects on the water pipes, 2) Granulated Activated Charcoal (GAC) is a more costly technique where the water is passed through a charcoal filter system, and a 3) Water Softener technique for which there are no cost figures at present. Rob Manering advised that the engineering firm (ODK contracted by the CVRD) will conduct an on-site visit and recommend a solution to the organics issue. A shed may be built to house additional equipment but hopefully this will not be necessary. Rob Manering also advised that a flow meter needs to be installed and there are other projects also on hold at this time until the engineer's report is received.

8. Resignation of Audrey Egan as Trustee and Chairman

On behalf of the Trustees and residents in the GLID, Simon Palmer thanked Audrey Egan for her years of service to GLID and presented her with a framed photo of Graham Lake. Several residents also expressed their gratitude for all the work that Audrey did on behalf of GLID. Audrey thanked Simon and advised that she will continue to take the water samples for VIHA and take them in for testing.

 Election of Michel Biermann as Trustee for a three-year term. Audrey Egan asked for other nominations from the floor and there being none, Michel Biermann was elected for a three-year term. Moved by: Vern Wright

Seconded by: Ella Goldring

- 10. Approve Lloyd M. Neufeld as Auditor for 2013 Moved by: Norm Palmer Seconded by: Sybil Allan
- 11. A motion to adjourn the 2013 AGM of the Graham Lake Improvement District was made by Audrey Egan and the meeting adjourned at 7:35 pm.