

# *Graham Lake Improvement District*

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Manager's Report to AGM on April 16 2014

Mr Chairman, Trustees, Members

## 1. Financial Results.

Revenue of \$64,000 in 2013 was almost in line with expectations after taking into account the posting of a \$1,392 payment from CVRD which was only received early this month. Any further small difference reflects the difficulty in predicting revenue from our Local Service Area (aka Parnell) neighbours who pay for water consumed.

Expenses were lower than expected in the areas of Operator costs, salt consumption, water testing and general Repairs & Maintenance.

The resulting earned surplus of \$15,457 will be transferred to Operating Reserves some time in 2014. As of the end of 2013 these Reserves stood at \$24,142.

Revenue from the \$300 per household Parcel Tax, levied under Resolution 19 and amounting to \$19,800 in 2013, was transferred to the Capital Renewal Reserve which now stands at \$138,594

At the time of our last AGM we were still waiting for the Ministry in Victoria to approve our Infrastructure Planning Grant application to assist in paying for the 10 Year Capital Plan. The amount requested was \$10,000 and unfortunately it was declined, no reason given.

## 2. Budget for 2014.

We are projecting little change in either Revenue or Expenses compared to last year and therefore continuing contributions to the Renewal Reserve Fund of \$20,100 and to the Operating Surplus of \$12,956.

Members will recall that the Renewal Reserve is specifically for 50% of the replacement cost of the water pipeline at some point in the future. Because even 'experts' attach self-protecting caveats to predictions of pipeline life, Trustees have decided to take the prudent course of accumulating necessary funds sooner rather than later.

As for the Operating Surplus, again it is prudent to have such funds available until the final water treatment solution is agreed and installed. More on this below.

## 4. Relationship with CVRD/DIWLSA

Our Agreement to supply water to DIWLSA, owned, operated and managed by CVRD, was dated June 2012 and set a water rate of \$0.98 per cubic metre. It was renewed on December 23 2012 at a rate of \$3.08 and on January 31 this year at \$4.56. Though significant, the rate increases have been accepted by CVRD once they have been shown

the maths and because the usage/cost problem is clear, too few consumers paying a water rate based on usage that includes a large component of contribution to reserves.

Because of this arguable inequity and the obvious inefficiency of CVRD managing a 'service area' of 22 households, there has been renewed interest expressed by CVRD in DIWLSA members possibly joining GLID. Like all things governmental however, actual movement on this will surely be most gradual, involving as it must the Ministry in Victoria, not to mention GLID and its members, to whom the case will be presented once a proposal is received from CVRD.

## 5. Going Forward.

Last year I wrote, "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."

The latest from CVRD is that after its Board has approved expenditure in principle on a chloramination treatment system to be sited in GLID's pumphouse and sized to service all existing GLID/DIWLSA connections, plus GLIDE in between, then a Request for Proposal will be sent out by CVRD to the industry. The best likely date for this, at the time of writing, is June.

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.

March 11 2014