

Graham Lake Improvement District

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Minutes of the Annual General Meeting held on April 16, 2014
at the United Church Hall, Denman Island, BC

Present: Doug Bell Chairman
 Chris Page Trustee
 Michel Biermann Trustee

 Simon Palmer Manager, Secretary, Treasurer
 Rob Manering Operator

23 members of the Graham Lake Improvement District

1. Doug Bell, Chairman called the Meeting to order at 7 pm.
2. The Agenda was approved as presented.
 Moved by: Peter Jackson
 Seconded by: Jenny Villard
3. The Minutes of the April 13, 2013 AGM were approved.
 Moved by: Peter Jackson
 Seconded by: Norm Palmer
4. Review and Approval of the 2013 Accounts and Auditor's Report
 A correction to the Manager's Report re end 2013 Operating Reserves being \$39,599
 and not \$24,142 was pointed out & made.
 The Financial Statements for the year ended December 31, 2013 were approved.
 Moved by: Audrey Egan
 Seconded by: Colleen Forest
5. Receive and Approve the Chairman's Report
 The Chairman thanked the Manager & Operator for their work in 2013

6. Manager's Report

Mr Chairman, Trustees, Members

a. 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 \$39,599.

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.

b. 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.

c. 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.

d. 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.

Questions followed to which the Manager responded:

- A contribution of \$20,100, being the \$300 per household levied for eventual pipeline replacement, will be made to the Capital Renewal Reserve fund 2014 through 2018
- The same contribution per household is made by DIWLSA households through the water rate charged per cubic metre
- The aim of the Capital Renewal Reserve fund is to cover 50% of the eventual pipeline replacement cost with the balance 50% being borrowed & paid for by those households on the system at that time.

7. Operator's Report

Rob Manering reported that while 2013 was fraught with minor but irritating problems, so far in 2014 the pumphouse has been operating smoothly. There are still many upgrades waiting until the chloramination system is installed

8. Election of Trustees

There being no nominations from the floor Doug Bell was re-elected for one year and Chris Page for a new term of three years.

Trustee terms expire therefore:

Doug Bell	at the AGM in 2015
Michel Biermann	at the AGM in 2016
Chris Page	at the AGM in 2017

In response to a question, Trustees agreed to examine limiting the number of terms for which a Trustee might stand, the intent being to give new members an opportunity to contribute.

9. Approve Lloyd M. Neufeld as Auditor for 2014

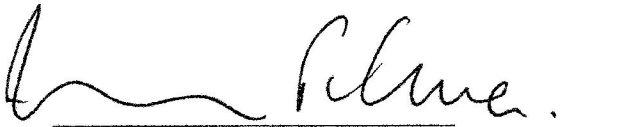
Moved by: Peter Jackson

Seconded by: Ella Goldring

A general discussion between members followed:

- The GLID system is considered to be working satisfactorily
- GLID has reserves adequate to cover the cost of UV system replacement, being in the order of \$12 - 15,000 when last estimated. Present UV bulb replacement costs \$2,000 per year. Fewer bulbs for a modern system should cost less.
- Households should be aware of the likelihood of zinc connections failing & that repair, including locally turning off water supply by GLID, is an owner's expense.
- There being no plumber resident on Denman, John Reid from Courtenay was recommended.

10. A motion to adjourn the 2014 AGM of the Graham Lake Improvement District was made by Blake Hanna and the meeting adjourned at 8:15 pm.


Simon Palmer - Secretary


Doug Bell - Chairman