

Minutes of the Annual General Meeting held on April 20, 2017
at the United Church Hall, Denman Island, BC

Present:	Doug Bell	Chairman
	Chris Page	Trustee
	Peter Jackson	Trustee
	Simon Palmer	Manager, Secretary, Treasurer
	Grant Cyz	Operator

22 members of the Graham Lake Improvement District

1. Doug Bell, Chairman called the Meeting to order at 7:02 pm.
2. The Agenda was approved as presented.
Moved by: Anne Page
Seconded by: Noel Villard
3. The Minutes of the April 27, 2016 AGM were approved
Moved by: Anne Page
Seconded by: Mimi Biermann
4. Review and acceptance of the 2016 Accounts and Auditor's Report
Simon Palmer. Manager, reported –

2016 Accounts:

It is clear from the figures that 2016 was a very busy year in which actual expenditure in Operator and Repairs & Maintenance costs in particular significantly exceeded projections.

Operator Costs reflect the demands of the more complex chloramination system compared to the previous Miox one; time required to organize & supervise pumphouse upgrades; increased regulatory demands from VIHA (of which more later) and time-consuming liaison with CVRD & its contractors involved in planning & installing chloramination components. You may note a reduction in the Operator Expense budget for 2017.

Of the \$22,000 over budget in Repairs & Maintenance costs some \$12,000 was incurred in electrical work to bring the building up to code; over \$3,000 more in electrical work to support the demands of the chloramination system and almost \$2,000 in alterations to the pumphouse to accommodate ammonium storage & more. Much of this was one-off, which is reflected in a reduced R & M budget in 2017.

Fortunately there were sufficient funds in the Cumulative Operating Surplus or Pumphouse Reserve to cover the excess of Actual over Budget.

2016 Auditor's Report:

Members received the Budget v Actual figures for 2016, also the Auditor's Report for that year and may have noted that:

- Other Income in actual figures is recorded as Interest Income in the Report
- Tax Refund was not applied for in 2016 but will be for that year in 2017
- An increase in the net book value of buildings from \$12,000 to \$22,629 reflects the electrical upgrade work, required to bring the pumphouse up to code.

The Financial Statement and Auditor's Report for the year ended December 31, 2016 were accepted.

Moved by: Noel Villard
Seconded by: Julie Geremia

5. Receive and Approve the Chairman's Report

The Chairman welcomed everyone to the 2017 Annual General meeting of the Graham Lake Improvement District.

"I would like to introduce our Trustees, Peter Jackson, Chris Page and myself, Doug Bell acting as chair. Our manager is Simon Palmer, and our operator is Grant Cyz.

2016 was a busy year, and we appreciate your patience as we work through the challenges associated with changing treatment systems and meeting new regulatory requirements.

We look forward to being in a position to bring the 22 users of the Parnell system into GLID and along with them the 14 households in the area in between known as GLIDE. Additional income from these users will make the financial situation better for everyone."

Questions from members:

Q: Why are Parnell users paying less in some instances than GLID members?

A: The formula that was worked out in agreement with CVRD has GLID charging a pro-rated amount of only operating charges for water used by the entire Parnell group. This charge does not take into account investment in infrastructure, nor does it consider a

payment of tax.

There was also general discussion about metering and the pros and cons and whether some members of Parnell and/or GLIDE might not want to join GLID if they were going to have to pay more than they currently do or because they are self-sufficient with respect to water.

The Trustees agreed that further consideration of the points raised during discussion would be undertaken.

6. Manager's Report

“To recap very quickly. In about 2012 CVRD obtained a Grant of about \$100,000 to install a water treatment system in GLID's pumphouse. In 2013 CVRD's consultant ODK recommended chloramination as being physically, economically & operationally the most feasible method of treating water heavy in organics so that it meets water standards in respect of THMs & residual chlorine readings at terminus.

At that point it is arguable that CVRD should have engaged an engineer to design the system to meet treatment objectives and to fit in GLID's pumphouse. But they did not, reasoning that the \$20,000 or so cost (20% of their overall budget) would be better spent on the hardware itself.

It is in large part due to that decision that CVRD & GLID are, four years later, still installing components into the chloramination system and have yet to achieve consistent, acceptable water quality standards.

Add to the above Island Health's (formerly VIHA) requirements that GLID meet Surface Water Treatment Objectives which almost surely includes a significant upgrade in filtration and it is clear that work on the GLID water treatment system is far from over. And such is reflected in the 2017 Capital Expense budget of \$37,000.

There is no doubt that the latest filtration technology will greatly enhance the efficiency of chloramination by reducing organics in the raw water. It is possible even that the ammonia stage in chloramination could be made redundant, but that has yet to be proven.

In summary I would report to members that

- work on the infrastructure of the pumphouse was necessary & has greatly improved its ability to safely house GLID's water treatment system
- much expenditure in 2016 was one-time & an investment therefore
- in the larger picture GLID is the beneficiary of CVRD's grant money, without which we would be faced with a significant financial challenge
- there is every reason to expect chloramination to deliver water of acceptable quality this year
- notwithstanding Island Health requirements, any improvements in filtration, the next major expenditure, will be required to show a positive cost/benefit before being recommended to Trustees.
- Trustees, your Manager and your Operator will have no less work to do than in 2016 and your trust that we all strive to do the necessary as economically as possible is appreciated.”

Questions from Members:

Q. Is there an end in sight on the chloramination system and its associated costs?

A. It is not possible to give an end date. And, as recently as yesterday there were discussions with a supplier of ultra filtration that may be able to be utilized that may allow us to go back to a simple chlorination system. This technology was not available 4 years ago. A cost benefit study still needs to be carried out on this possibility.

Q. Has GLID looked into Grants for funding for infrastructure improvements?

A. As an Improvement District, GLID is not able to access Provincial Grants as Regional Districts and Municipalities can.

Q. Is there any advantage to attaching to CVRD?

A. It is feared that costs would rise substantially if the water system was in the hands of CVRD, and that response to issues or concerns would be poor.

Clarification was given about the governance structure of GLID - specifically no involvement of CVRD except as a partner in establishing the chloramination system, and that GLID now has the One-Call system to provide notices to members.

7. Operators' Report

Grant Cyz reported that:

- Challenges still remain;
- Pumphouse upgrade was needed and has allowed us to move forward;
- Testing and record keeping have increased;
- Seasonal demands and chloramination are issues being wrestled with;
- New regulations with Provincial Surface Water Treatment Objectives (SWTO);
- Training required for the Operator and Relief Operator has increased;
- Echoed an earlier comment about how good it would have been to have had an engineer's report before embarking on the chloramination project;

Questions from the members:

Q. How did the pump house hold up in the snow?

A. Well enough – there is more heating and ventilation in the pump house than before – necessary to handle the chemicals and equipment currently in use.

Other general questions/comments:

Q. Given the improved infrastructure should there be a higher connection fee for new members joining GLID – e.g. \$5,000 rather than \$2,000?

A. This will be considered.

Q. Possibility for additional Bulk Water Sales?

A. Bulk sales are undertaken as a service to Islanders, not as a money-making enterprise.

8. Report on pipeline replacement and costs

Peter Jackson provided the following report:

“By a resolution passed in June of 2012, for the last four years each household has been paying \$300 annually into a GLID Capital Renewal Reserve Fund. The thinking was, and still is, to build up a fund to enable GLID to renew, improve and replace infrastructure as required. This resolution has effect through next year – 2018.

One of the most significant expenditures contemplated at the time, and is still being contemplated now is the replacement of our 6” water main piping that runs from Graham Lake to the Pump House and from the Pump House along the East Side of East Road providing connection points for each property in the district.

Based on the work done 5 years ago to link our system to the DWISL – the old Parnell System - it cost \$250k to run a line for ~4200 feet and hook-up 22 users.

To replace our system, we will at a minimum need to run ~9,000 feet and hook up some 66 users with approximately 33 connections to a main water line.

The assumption was, and still is, that renewal of the existing GLID water main was going to cost at least \$500k to renew our water line.

It has been reported that water lines such as ours have a life span of 40 – 70 years. We are now approaching 45 years since ours was installed.

Additional challenges and costs over and above those associated with the Parnell System extension that will be associated with our work include:

- Hand digging around existing connections and removal of existing connections and retrofitting distribution piping to households to the new main;
- If possible, continuing to provide water to households and downstream users while work is being undertaken.

Other items for consideration include:

- Renewing the distribution piping that connects to the 6” main, including the piping that runs under East Road;
- Methodology – bursting vs. lining vs. replacement;
- Installation of isolation valves;

- Currently GLID is undertaking monitoring of water usage to detect leaks;
- Comparing ph levels at the Pump House and terminus to detect the level of breakdown of our concrete pipes.

We will continue to work on this project and would hope to be able to define a scope of work for this and report back on further progress next year. “

9. Election of Trustees

Chris Page's term as trustee has expired and he agreed to stand for another 3-year term. There were no other nominations. Chris Page was elected by acclamation.

Trustee terms expire therefore:

Doug Bell	at the AGM in 2018
Peter Jackson	at the AGM in 2019
Chris Page	at the AGM in 2020

10. Approve Michael Pinch as Auditor for 2016

Moved by:	Simon Palmer
Seconded by:	Anne Page

11. A motion to adjourn the 201 AGM of the Graham Lake Improvement District was made by Peter Jackson and the meeting adjourned at 8:20 pm.

Simon Palmer - Secretary

Doug Bell - Chairman