

# *Graham Lake Improvement District*

3567 East Road, Denman Island, BC, V0R 1T0, Tel: 250 335 2559  
www.grahamlakewater.com : SimonPalmer3720@gmail.com

---

## Manager's Report to the AGM on April 19 2018

2017 was as challenging a year as any, with operational complexities colouring all aspects of the Improvement District's structure and management.

Absent a comprehensively engineered and suitably budgeted chloramination system, the reliance on input from CVRD engineers in order to make our system work in any way satisfactorily was continuously frustrating and only proved that a GLID system of 80 or so connections, on an island, requires its own local operator and management and cannot be adequately serviced by CVRD which has 60,000 +/- households in the Valley and so much larger, more expensive problems to solve.

The sudden resignation of our Operator in early September caused only a brief 24 hours of concern as we had recognized GLID's vulnerability 13 months previously and had taken the precaution of establishing the position of Relief Operator, in which capacity Craig Williams was able to take over the Primary Operator responsibilities immediately and the quality of water delivered did not suffer. At the time of writing Enrico Wauri is close to finishing his training and Small Water Systems certification whereafter he will become our new Primary Operator & Craig will revert to his Relief Operator position.

As a step towards integrating DIWLSA (Parnell) into GLID & equalizing what households pay for water, a new Water Supply Agreement was negotiated with CVRD which significantly improves net income to GLID as well as giving our neighbours the benefit of all the water they may responsibly use. Arrangements for adding further connections in between are in process which will contribute further to GLID's bottom line.

The Island Health (VIHA) requirement that small water systems meet Surface Water Treatment Objectives and the related significant projected cost made the prudent decision to contract an engineering study easy. Opus International was chosen and their study, with pricing & recommendations, is expected June 1 of 2018.

As Improvement Districts cannot access either Provincial or Federal grants, the SWTO-related upgrade cost will fall on GLID households & on those to whom we supply water. That is unless some governance structure, acceptable to GLID members, is established that would enable CVRD to apply for grants for this project. A study of options is underway, due for completion in June, when it will be brought to GLID members and others involved for consideration and decision.

In due course a date for an Extraordinary General Meeting will be announced with both the above important matters as the main items on the Agenda.

The cost & question of meeting Fire Underwriters Survey requirements for fireflow at our hydrants is under review. Safe operation of a bypass is not simple and is therefore expensive, other options may be preferable. Members will likely be advised of the situation prior to the AGM

## Updated Manager's Report to the 2018 AGM

VIHA's Surface Water Treatment Objective requires that GLID upgrade its water treatment

- Opus, which is undertaking the treatment upgrade study, is now scheduled to present a range of treatment options, with pricing, to GLID & CVRD on May 2. Without prejudging what will be presented, the expectation is that some will be less expensive & so a compromise, whereas at the top of the price scale will be others that offer the greatest ease of operation & optimum water outcome but will be unaffordable. In any event we will keep members informed of the outcome of that meeting.

Study of Governance Options for GLID including possible Conversion to a CVRD Service

- The Proposal for this study, commissioned & paid for by CVRD, states:  
“...part of the rationale for conversion is to enable access to senior government infrastructure grants to support the upgrades that will be required to meet the Surface Water Treatment Objectives”

It goes on, “It is understood that:

- GLID Trustees wish to retain a role in governance and service delivery;  
- The Ministry of Municipal Affairs has indicated that an expansion of GLID boundaries is not a feasible option;”

It concludes, “Phase 1 will culminate with a final report that outlines the impacts of the GLID remaining independent versus conversion, with consideration given to different governance options available under a conversion, and the operational, financial and public impacts. Findings will be presented to a joint meeting of representatives of the GLID and the CVRD in late June.

The intended result of Phase 1 is a report that identifies a range of options for the community to consider. From that point, it is anticipated that the regional district will initiate discussions with residents and undertake consultation to ensure everyone understands and is aware of the options and determine if there is a preferred option. If conversion is the preferred option, then Phase 2 would require additional public consultation to meet Ministry guidelines for demonstrating public support before seeking the conversion.”

A quick summary of what Conversion involves, as best we understand it, is that a Commission is formed comprising a number of GLID representatives and one from CVRD. As do Trustees currently, this Commission will oversee management. Somewhat differently with regard to budget or policy matters, the Commission would make recommendations to the CVRD Board for its final approval. Otherwise in terms of day to day management and operation the system would operate very much as it does now

The 2018 Water Supply Agreement with CVRD for supplying water to DIWLSA (Parnell)

- This was signed on January 10 2018 & provides for DIWLSA members to pay the same for water as GLID members. As a result 21 households are using GLID water, 2 are not but are paying tax, a bill for \$30,400 was sent to CVRD on January 23 and payment was received on March 2. Our estimated marginal cost of treating & supplying this water being about \$4,000, revenue contribution to GLID from supplying water beyond McFarlane in 2018 is \$27,400, equivalent to some \$400 per GLID member.
- This extra revenue is one reason why a water rate reduction in 2019 may be possible

## GLID Operations

- I am pleased to report that for the past 7 ½ months, since September 5 last year, GLID Operations, if not always straightforward, have been well managed, with solutions found through objective analysis & some outside consultation.
- VIHA approved our early contract termination with Corewater Management, Enrico Wauri passed his Small Water System Operator exams and is now our Primary Operator, meaning that Craig Williams reverts to being Relief Operator. All GLID members should be extremely grateful to Craig for not just stepping in as Operator, with literally no notice, but in taking time away from his daily job & other projects to troubleshoot, understand & finally make chloramination work. Without a Relief Operator, the need for whom was recognized by GLID management back in mid 2016, GLID would have been obliged to hire Corewater at an estimated cost of at least \$16,000 over the six months required to train a new Operator.
- And chloramination is finally now working, as it should, with real-time monitoring allowing for daily operations to be carried out on just 3 days a week compared to 7 days a week before, a saving of at least \$14,000 a year

## Fireflow, Hydrants & Fire Insurance

- Fire Underwriters Survey has been informed that GLID cannot automatically deliver water volumes required to qualify for a 3A rating. GLID's rating will thus be adjusted down, resulting in some cases in fire insurance premiums going up. Contrary to what some of you may have been told, delivering a fireflow is not a simple matter. GLID has therefore asked Opus, as part of their study and at no extra cost, to include an engineered bypass & required valving and other components in their Treatment Upgrade Study. The intention is that this will be installed at the same time as the new treatment elements.