

Graham Lake Improvement District

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Treasurer's Report to the AGM on April 19 2018

As said before 2017 was expensive, with Operator costs exceeding budget by 50% and Repairs & Maintenance almost twice as much as expected. Water testing exceeded budget by 43% and utilities by 25%.

Fortunately the Cumulative Operating or Pumphouse Reserve, built up over the past 6 years, covered the overspend and that account will be credited, when cashflow allows, with the surplus in our Current Account at end year 2017 of \$14,743.

The budget now circulated to members was approved by Trustees at their October 10 meeting, since when the new Water Supply Agreement was concluded with CVRD. As a result DIWLSA A/C #315 will contribute net \$29,400 income to GLID rather than the \$14,720 originally budgeted, a 100% improvement. Further income, unexpected when the budget was set, is likely to accrue from supplying water to households 'in between', we understand that 4 are currently interested, representing an additional \$5,600 income to GLID in 2018.

The Opus International study referenced above will cost almost \$41,000 if pilot testing of the recommended system is carried out. CVRD contribution, still subject to some negotiation, will be no less than \$14,925. GLID's share will be met, when authorized by Trustees, out of Renewal Reserve Funds, this being considered a Capital Expense.

The major expense to be considered later this year is the cost of meeting Surface Water Treatment Objectives, very roughly estimated at \$400,000. As mentioned in the Manager's Report, options are being considered which could enable an expanded GLID system to access grant money via CVRD.

If that were the case and the new treatment system is indeed as effective as promised, then there is every reason to expect that households on the GLID system could see water rates reduced in 2019 and on.

There is every reason to be optimistic about the future for GLID. A reasonable governance arrangement with CVRD could see a major capital expense paid for with grant money, while expansion of the system from 67 to 92 households, all paying the same for water, should mean lower water bills going forward.

Updated Treasurer's Report to the AGM on April 19 2018

GLID's current account stands at \$117,000 including \$14,743 surplus carried over from last year.

Whilst it would be misleading to project year-end actuals versus budget in any detail at this time of the year, indications from spending as of April 16 are that GLID will carry an increased surplus into next year.

Should this be the case and provided grant money is available to pay for the treatment upgrade, as referenced in the Manager's Report, then some reduction in Tolls may be possible next year.

As of April 16 the Renewal Reserve Fund in various Term Deposits stood at \$234,358 of which approximately \$30,000 came from DIWLSA usage fees. In the event that GLID chooses to become a CVRD Commission, disposition of these Reserves will be a matter for Trustees to consider.