

**Graham Lake Improvement District  
Annual General Meeting  
March 27, 2019**

**REPORT FROM THE TRUSTEES – Summary Points**

The information presented in this report is a short-form summary of key points from reports that will be presented at the Annual General Meeting (AGM) of the Graham Lake Improvement District (GLID).

**2018 – A YEAR OF CHANGE AND CONTINUED PROGRESS**

**A. BUILDING THE TEAM** - With the help and support from property owners we successfully transitioned a number of the key roles that support the management and administration of GLID to three new members of the GLID management team: Alec Szibbo – Manager, Anne Page – Treasurer, and Jenny Villard – Secretary. A great big “shout out” (another way of saying ‘thank you’) to Simon Palmer for his 8+ years of dedicated service and commitment to GLID.

Throughout 2018 our team of high-performing Operators – Craig Williams (Relief Operator) and Enrico Wauri (Operator) – did a great job of maintaining and operating GLID’s water treatment plant and our water distribution pipeline system and connections. All this while looking for ways to manage and contain the on-going costs of operations and equipment.

The 3 Trustees made significant strides in 2018 – working together more effectively with each other and with members of GLID’s management and operations teams; improving internal and external communications and key governance functions; and providing leadership and direction on important projects and initiatives.

**B. TEAMING WITH OTHERS TO FIND SOLUTIONS FOR ALL GLID PROPERTY OWNERS** – The Trustees continued to move forward with important initiatives that impact all property owners, including:

GLID is partnering with the Comox Valley Regional District (CVRD) to work with the engineering firm WSP/Opus to identify options for upgrading GLID’s water treatment system. This work effort is being undertaken so that GLID will be able to comply with Vancouver Island Health Authority’s (VIHA) mandatory Surface Water Treatment Objectives (SWTO) by July 2021.

We’re participating in a study that the CVRD has commissioned -- and is funding -- that is exploring governance options available to GLID and CVRD. The study is being conducted by two independent consulting firms – each with considerable experience in governance models in the public sector. The work to identify and explore governance options is still ongoing. No decisions affecting GLID’s governance model will be made as part of the study. The output of the study – a final report – will be made available once CVRD completes and releases the study, likely sometime before the end of 2019.

- C. STRENGTHENING OUR FINANCIAL POSITION** – In 2018 fees from GLID property owners – from the tax portion of the annual water bills – combined with funds from the water/service-related fees from CVRD – contributed close to \$30,000 to the Capital Works Renewal Reserve Fund – bringing the fund balance to just shy of \$264,000. These funds are vital to GLID in that they provide ‘a first line of defence’ in the event that a significant undesirable event occurs – such as failure of a portion of the pipeline. Similarly, a portion of the Renewal Reserve Fund can be applied against the eventual costs of a SWTO Upgrade Project. Every dollar set aside in the Renewal Reserve Fund today saves GLID property owners \$2 in the future (i.e. \$1 GLID won’t need to borrow to pay for projects in the future; and \$1 saved in interest payments over the lifespan of a 20-year loan).
- D. IMPROVING RISK MANAGEMENT** – Based on input received from VIHA regarding the potential for harm to the health of individuals attributable to water provided by bulk water resellers, combined with legal advice received by GLID regarding the legal and financial risks arising from the sale and transport of bulk water – the Trustees introduced an additional level of protection (in the form of commercial liability insurance) that is required of bulk water resellers. This additional level of protection builds on the existing safeguards already in place – those have not changed.
- E. CORRECTING AN ERROR & ELIMINATING ‘A BURR UNDER THE SADDLE’** – The Trustees, with input from the Office of the Privacy Commissioner of BC (OIPC) revisited the content of certain materials posted to GLID’s website. Acting on a recommendation from the OIPC we removed material that had inadvertently contravened BC’s legislation aimed at safeguarding an individual’s personal and private information. Similarly, the Trustees repealed a GLID resolution dealing with confidentiality, that while well-intentioned, had become an irritant to some. The Trustees replaced the resolution with language that better reflects the obligations that Trustees, contractors and GLID volunteers are expected to abide by to ensure that confidential information is treated appropriately.

## **LIKE EVERY OTHER YEAR – 2018 INCLUDED SOME NOTABLE CHALLENGES**

- A. FIRE FLOW** – The Trustees understand and appreciate that for some property owners, the reclassification in 2018 of GLID’s Fire Underwriters Survey (FUS) rating from a 3A designation has resulted in changes to the cost of annual homeowner insurance policies. The Trustees are united in their belief that identifying and exploring a suitable solution to fire flow should be included as part of the SWTO water treatment system upgrade project. We believe that this approach avoids GLID having to make the same investment twice - once now – and a second time in the near future – when GLID will be undertaking the water treatment system upgrade project.
- B. TURBIDITY TANTRUM** – We learned first-hand in December that turbidity - one of the key parameters used by VIHA to monitor the safety of drinking water – was above the allowable level in the treated water leaving GLID’s pumphouse. VIHA issued the boil water notice in response to higher-than-permitted turbidity levels. The turbidity found in Graham Lake water has long been

known to be one of the most challenging water treatment issues for GLID to deal with – our pumphouse and equipment were never designed or configured to achieve the levels for turbidity called for in VIHA’s SWTO. Needless to say, our work and pilot testing project with CVRD and engineering firm WSP/Opus has been extremely focused on finding a viable and affordable solution to this long-term challenge. We remain very optimistic that we’ll be able to put boil water notices behind us in the not-to-distant future.

## **2019 – “STAY THE COURSE”**

The Trustees are confident that we have the right team, focused on the right opportunities and challenges – and that we’ll continue to generate the right results for GLID property owners. We also appreciate the commitment and support that we receive from our GLID team members – especially those who volunteer on behalf of all property owners.

Together we believe that GLID is well positioned for today and for the future – and that now, more than ever, is a time for us to ‘*stay the course*’.

We appreciate your support – and we look forward to receiving feedback and suggestions from all GLID property owners.