

Graham Lake Improvement District

3567 East Road, Denman Island, BC V0R 1T0
www.grahamlakewater.com ~ info@glid.ca

2021 ANNUAL GENERAL MEETING

Date: Thursday, March 18, 2021

Time: 7:00 pm

How: ZOOM/DIAL-IN

AGENDA

1. Welcome & Introduction of the Trustees
2. Call to Order
3. Appointment of a Recording Secretary
4. Quorum
5. Notice of Meeting
6. Adoption of the Agenda
7. Adoption of the Minutes of the last AGM held on March 18, 2020
8. Reports
 - (a) Operations Report
 - (b) Financial Report: 2020 Financial Results and Review of 2021 Budget
 - (c) Report on Administration and Governance
 - (d) 2020 Year in Review
9. Appointment of Robbins & Company, CPA as accounting firm for 2021
10. Waiver of Trustee Remuneration/Honorarium for 2021
11. Confirmation of election of Blake Hanna as Trustee by acclamation
12. Adjournment

By Order of the Chair of the Board of Trustees

Peter Jackson - Chair

Alec Szibbo - Trustee

Blake Hanna - Trustee

Graham Lake Improvement District

3567 East Road, Denman Island, BC V0R 1T0 Tel: 778-932-0324
www.grahamlakewater.com ~ manager@glid.ca

MINUTES OF THE 2020 ANNUAL GENERAL MEETING

Date and Time: Wednesday, March 18, 2020, commencing at 6:45 p.m. (Denman time)
Place: 3632 East Road, Denman Island, and by Conference Call

1. Welcome & Introductions

GLID Management participating in the Meeting:

Chair Blake Hanna
Trustee Peter Jackson
Manager Alec Szibbo
Treasurer Colleen Forest
Relief Operator Craig Williams

Absent:

Trustee Chris Page
Operator Enrico Wauri
Secretary Jennifer Villard

Chair Blake Hanna welcomed those attending and those listening in by conference call to the Annual General Meeting. He introduced the Trustees, Manager, Treasurer and Relief Operator.

The Chair stated that the purpose of the Annual General Meeting was twofold: (1) for the Trustees to consider the matters on the Agenda which are those specified by the Local Government Act and the District Bylaw 60, and (2) for the District's qualified voters to elect a trustee. Upon completion and adjournment of the AGM, the Trustees' Meeting would follow.

2. Call to Order

Chair Blake Hanna called the Meeting to order at 6:45 pm

3. Appointment of Recording Secretary

The Chair stated that he had requested Treasurer Colleen Forest to serve as Recording Secretary for the Meeting, as Jennifer Villard was unable to attend.

4. Quorum

Chair Blake Hanna stated that although there was no quorum mandated for Trustee's decisions at an AGM, he would take as a guide the quorum requirement for a Trustees Meeting, which is a majority of Trustees, and declared that a quorum was present for Trustee's decisions. He also advised that there was no quorum required by law or in the District's Bylaws for individuals who are qualified to vote in a trustee election in the District.

5. Notice of Meeting

The Chair stated that **Public Notice** calling this Meeting was posted on the District's web site on February 23, 2020 in accordance with the District's Bylaws. Notice of the Meeting was mailed to all landowners in the District on February 5, 2020. The following were posted to the District's web site in advance of the Meeting: **AGM Agenda; Reports** from Trustees, Manager and Operators; **2019 Financial Statements** (prepared by Robbins & Company), and **2019/2020 Budget Reports**.

6. Adoption of Agenda

A motion to adopt the Agenda as circulated was made by Trustee Peter Jackson and seconded by Trustee Blake Hanna.

There were no objections or discussion.

MOTION CARRIED

7. Adoption of the Minutes of the last Annual General Meeting of March 27, 2019

A copy of the Minutes of the last Annual General Meeting held on **March 27, 2019** was posted to the District's web site on April 22, 2019. A motion to approve the Minutes as circulated as a true and accurate record of the Minutes of the Annual General Meeting of March 27, 2019 with no corrections or additions, was made by Trustee Peter Jackson and seconded by Trustee Blake Hanna.

There was no discussion.

MOTION CARRIED

8. Reports

The Chair noted that a number of reports had been prepared by GLID Trustees, Manager, and Operators and that draft versions of these reports had been posted on the GLID website for several days. He proposed therefore that rather than him reading each of the reports, that the author of each report provide a very brief narrative that summarizes their main points.

- (a) Operator Craig Williams provided a summary of the main findings in the **Operators' Report** regarding the operations of the pump house and water treatment over the 2019 year.
- (b) Manager Szibbo reviewed his **Manager's Report**, focusing on some of the key activities he had undertaken since the last AGM.
- (c) Trustee Jackson shared some of the highlights from the **Financial Report** that he had prepared.
- (d) Chair Blake Hanna summarize some of the key points from his Chair's Report that was also included in the Management Reports that had been posted to GLID's website.

9. Presentation of 2019 Financial Statements

The Chair stated that a copy of the District's Financial Statements for the fiscal year ended December 31, 2019, as prepared by Robbins & Company, Chartered Professional Accountants, was posted to the District's web site on March 14, 2020. Those financial statements have been received and a copy will be kept with the records of this Meeting. The Chair made a few comments about the Financial Statements.

10. 2020 Budget Presentation by the Chair

Chair Hanna reminded GLID property owners that the 2020 Budget was presented and accepted at the November 13, 2019 Trustees Meeting and that the budget can be found by accessing the Trustee Meeting tab on the GLID website. He stated that, as Trustee Jackson had noted, the Board believes that the 2020 Budget was still reasonable and it will continue to use it for guidance throughout the remainder of the 2020 year.

11. Appointment of Accounting Firm for 2020

The Chair advised that Robbins and Company, the District's current accountants, had been excellent to work with since they had been retained in 2019. Trustee Peter Jackson moved the following **Resolution 51**, seconded by Trustee Blake Hanna, appointing the District's Accounting Firm for 2020:

"Robbins and Company, Chartered Professional Accountants, be re-appointed the accounting firm of the District to hold office until the close of the next annual general meeting in 2021, or until their successors are appointed, at a remuneration to be fixed by the Trustees."

There was no discussion.

MOTION CARRIED

12. Trustee Remuneration

Trustee Peter Jackson moved the following **Resolution 52**, seconded by Chair Blake Hanna, to waive all remuneration for the trustees for the year 2020:

"The remuneration of each Trustee is hereby set at \$0, and no compensation or honorarium shall be due or payable to any Trustee with respect to the performance of the Trustee's duties or the exercise of the Trustee's responsibilities, but excluding the reimbursement of any expenses properly and necessarily incurred by a Trustee in the performance of the Trustee's office."

There was no discussion.

MOTION CARRIED

In light of the aforesaid Resolution 52, it was not felt necessary to have a vote from the landowners on trustee remuneration.

13. Trustee Election

Chair Blake Hanna stated that the next item of business was the election of a GLID trustee, due to the expiry of the term of office of Trustee Chris Page at this Meeting.

The Chair proceeded to thank Chris Page for the many years of service that he had devoted as Trustee to GLID.

He then advised that Manager Alec Szibbo, was standing for election as Trustee. As a result, Manager Szibbo had recused himself in February from acting as the Returning Officer, and the Board had designated Treasurer Colleen Forest and she stepped in to the role of Returning Officer. Treasurer Forest served as the Returning Officer for the remainder of the period during which nominations for the role of Trustee were open for acceptance as provided by the District's Resolution 41 which sets out the Trustee

Elections Policy and Procedure. As of the end of the period, only one Nomination Form has been received - namely that for Alec Szibbo. No other candidates had been nominated in accordance with Resolution 41.

ALEC SZIBBO WAS DECLARED ELECTED AS TRUSTEE BY ACCLAMATION.

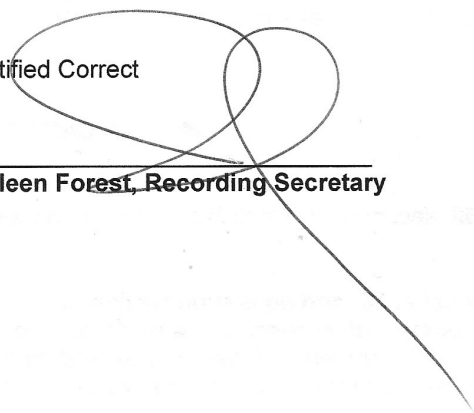
The Chair again thanked Chris Page for his long-term service as a GLID Trustee and took the opportunity to welcome Alec Szibbo as the newest member of GLID's Board of Trustees.

14. Adjournment of Meeting

A motion was made by Trustee Peter Jackson and seconded by Chair Hanna that the Meeting be adjourned.

There was no discussion.

Certified Correct



Colleen Forest, Recording Secretary

MOTION CARRIED



Blake Hanna, Chair

GRAHAM LAKE IMPROVEMENT DISTRICT 2020 OPERATORS REPORT



3567 EAST ROAD,
DENMAN ISLAND, BC, V0R 1T0,
250 335 2811
WWW.GRAHAMLAKEWATER.COM

Enrico Wauri - Operator
Craig Williams – Operator

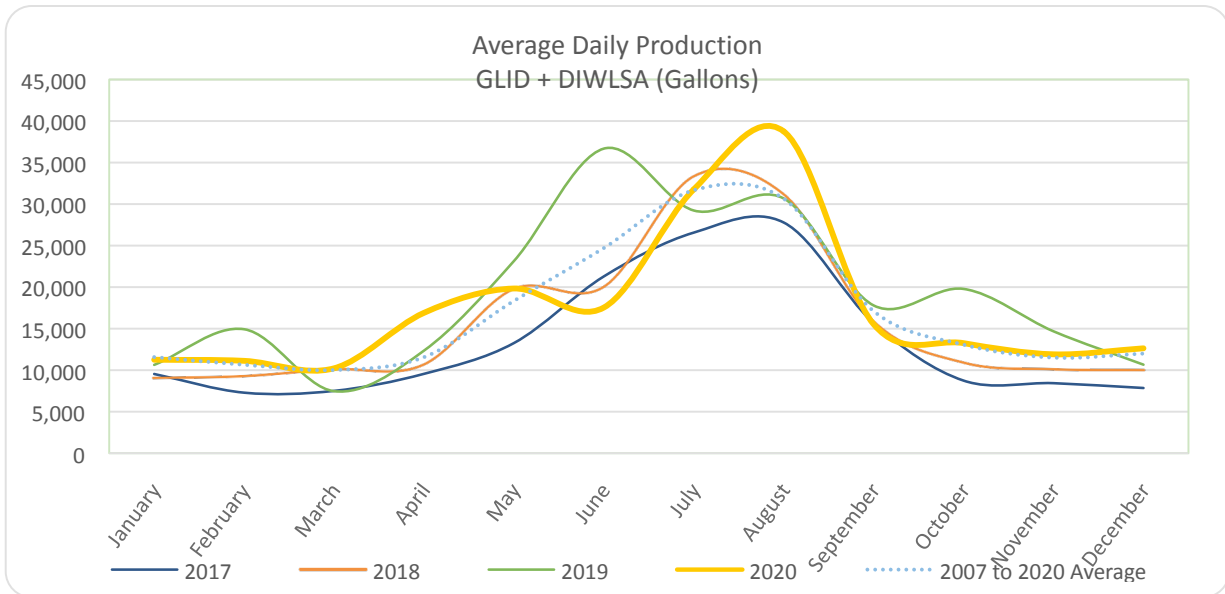
2020 – The Year in Review

From a physical operations perspective, 2020 has been a quiet year; however, meeting regulatory compliance with respect to our dam, and additional raw water monitoring has kept all involved busy.

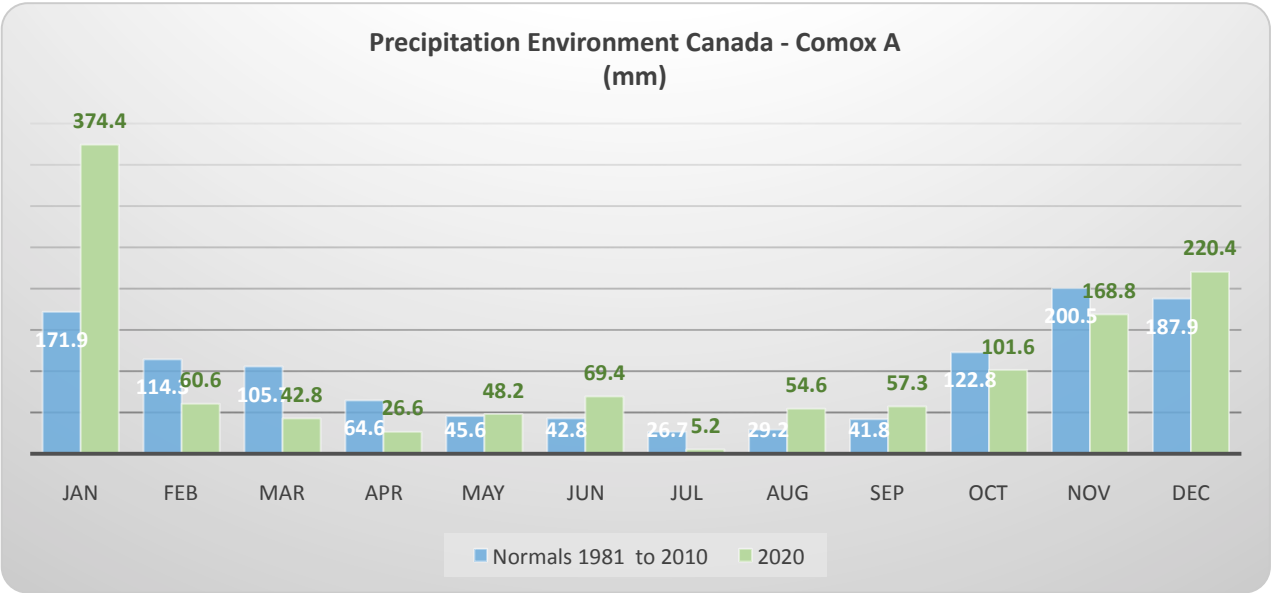
Thankfully, Covid-19 has not impacted our supply chain for treatment chemicals, monitoring reagents or water testing.

2020 Treated Water Production

Graham Lake Improvement District (GLID) treated 6.4 million gallons of water in 2020, which represents a decrease of approximately 7% over the volume of water treated in 2019.

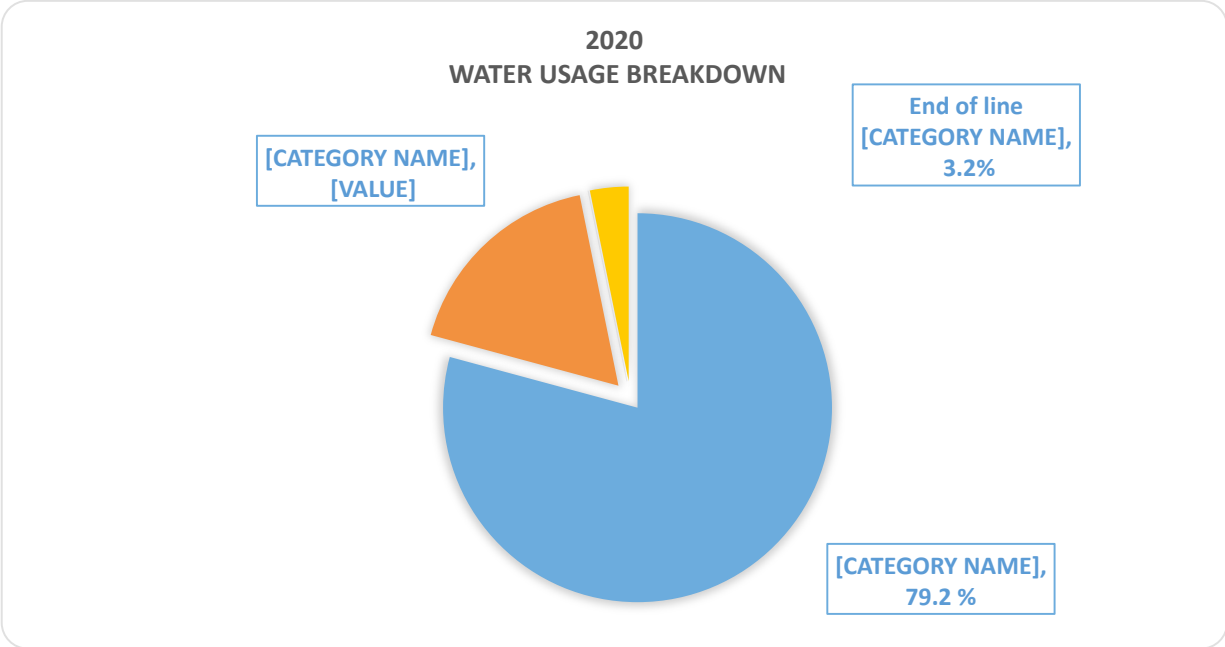


It is difficult to determine if the decline in water consumption was the result of higher precipitation generating less irrigation demand, or the variation in summer visitation due to Covid-19 travel advisories.



Of the 6.4 million gallons produced, approximately:

- 79.2 % was consumed by GLID property owners.
- 17.6% was consumed by DIWLSA property owners.
- the remaining 3.2% was flushed at the south end of the DIWLSA line to help prevent stagnation and improve disinfection residuals.



The 6.4 million gallons of treated water produced in 2020 represents approximately 41.5 % of GLID + CVRD’s annual aggregate allowable withdrawal against water licenses of 15.4 million gallons.

Water Safety and Quality

Bacteria Sampling

Schedule B of the Drinking Water Protection Regulation requires that we submit 4 water samples per month to VIHA for bacteriological analysis. Each week, two samples of treated water are taken from our sampling points at 4356 East Road, and 5326 East Road and delivered to the VIHA office in Courtenay.

108 drinking water samples were submitted to VIHA in 2020 and all but one was free of coliform bacteria. In July, one sample produced a total coliform count of 1 however, we were not informed of this by our drinking water officer, so no additional testing was performed. Since that time, we have added a monitoring facility that alerts the operators immediately when sampling results are posted to the Health Spaces web site.

Algae

In the summer of 2019, significant alae growth in the lake produced high turbidity levels accompanied by significant taste and odour issues. Our current treatment facility is not equipped to noticeably improve raw water quality, and the elevated turbidity required us to issue a boil water notice.

With the potential for some algae to produce cyanotoxins, in 2020 we implemented the provincial draft protocol for Cyanobacteria Evaluation. https://www2.gov.bc.ca/assets/gov/health/keeping-bc-healthy-safe/healthy-communities/decision_protocol_for_cyanobacteria.pdf

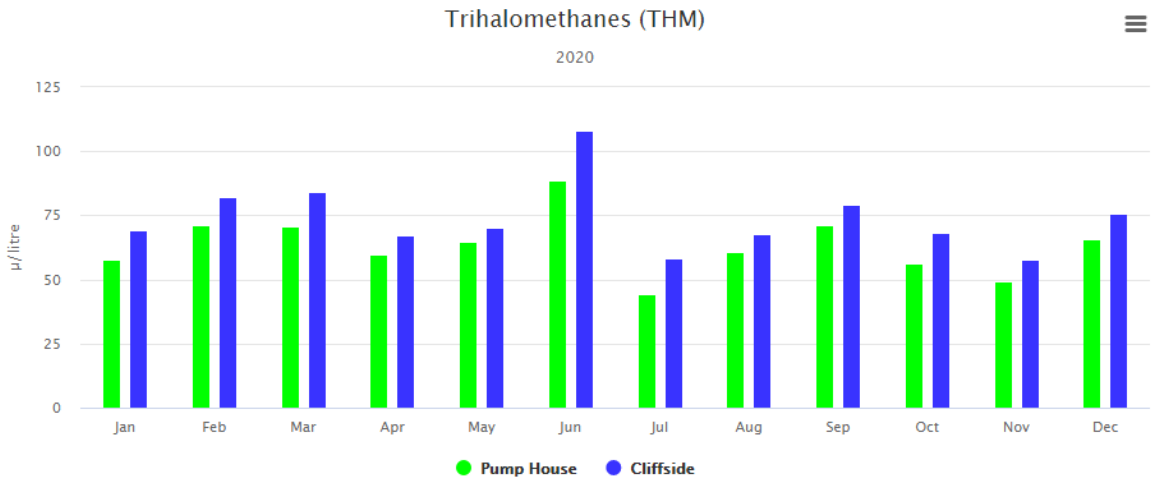
From May to September, we sampled weekly for the prescribed indicators and sampled for microcystins as necessary. All five of the microcystin samples were below the detection limit.

In late May, algae growth in the lake began to accelerate and the operators noticed a distinct change in taste and odour, as well as a rapid increase in turbidity. By mid June the turbidity levels had declined and so too had the taste and odour issues.

THMs

Trihalomethanes (THMs) are disinfection by-products that can be created when organic materials in raw water are exposed to chlorine in our water treatment plant. Monthly water samples are taken from both the pump house and the CVRD's sampling hydrant at 5326 East Road (Cliffside), and analyzed by Bureau Veritas Laboratory in Courtenay. The maximum acceptable concentration for THMs in drinking water is 100 µg/L based on a running annual average of samples taken at the point in the distribution system with the highest potential THM levels. While we had one sample exceed 100 µg/l, all quarterly averages and our running annual averages are well below the 100 µg/L guideline and are as follows:

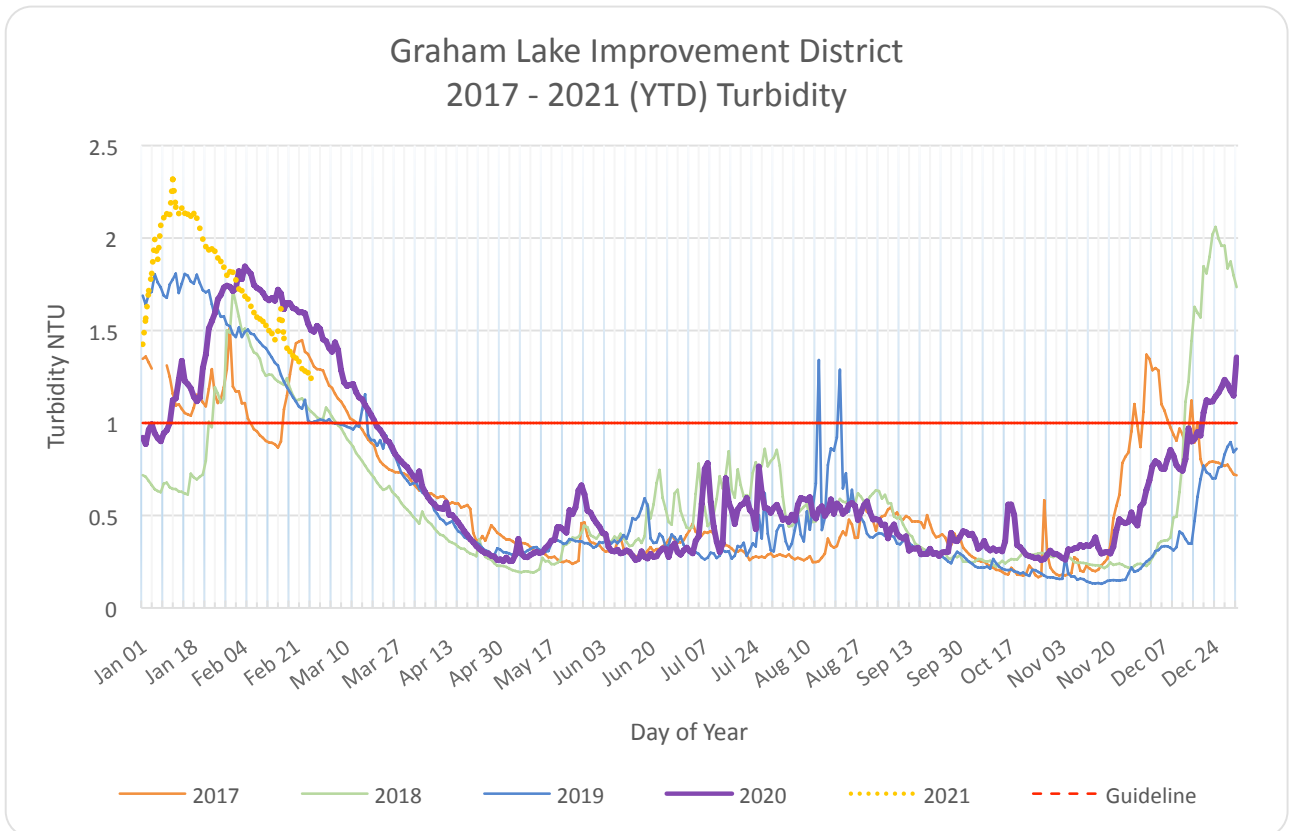
- 63.4 µg/l 3567 East Rd (Pump House)
- 74.0 µg/l 5326 East Road (Cliffside)



Turbidity

“High turbidity can interfere with the disinfection of drinking water by causing ultraviolet light and/or chlorination processes to become ineffective in destroying pathogens. Turbidity events can also be linked to an increase of disease-causing micro-organisms in the source water. The turbidity objective for drinking water from surface water supplies is less than 1.0 NTU.” – VIHA

Turbidity exceeding 1.0 NTU is common for the Graham Lake Improvement District during the fall and winter months. Typically, we see some algae related turbidity in the summer months and 2020 was no exception.



Graham Lake Dam



The Graham Lake Improvement District owns the dam on Graham Lake and is responsible for monitoring and maintenance.

The British Columbia Water Sustainability Act - [Dam Safety Regulation](#), defines the responsibilities and obligations of dam owners. To be compliant with these regulations GLID has produced the following:

- Dam Emergency Response Plan
- Operations, Maintenance, and Surveillance Plan
- Annual Formal Inspection Report
- Monthly Site Surveillance Report

All of these have been accepted by the designated provincial Dam Safety Auditor and portions of the Emergency Response Plan have been distributed to local Emergency Responders.

From September 2020 going forward, GLID operators will perform monthly dam inspections.

APPENDICIES

Vancouver Island Health Authority Links

- VIHA Water test results [\(GLID\)](#) [\(DIWLSA\)](#)

Water Licenses

GRAHAM LAKE IMPROVEMENT DISTRICT WATER LICENSES

License	Issued	Purpose	Precedence Date	G/Year	M ³ /Year
C67571	1988 Mar 31	Waterworks	1970 Mar 19	10,950,000	49,780
C67572	1988 Mar 31	Waterworks	1985 Feb 21	1,095,000	4,978
C67573	1988 Mar 31	Storage	1983 Mar 25	10,310,462	46,872

COMOX VALLEY REGIONAL DISTRICT (DIWLSA Addition)

C124755	2009 Nov 17	Waterworks	2009 Apr 17	3,376,528	15,350
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Total Available Withdrawals				15,421,528	70,108
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Graham Lake Improvement District

3567 East Road, Denman Island, BC V0R 1T0

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2021 ANNUAL GENERAL MEETING

2020 Financial Report

For the fiscal year ending December 31, 2020, Graham Lake Improvement District collected revenues in line with the amount budgeted - \$123,300- and incurred administrative and operational expenses below what was budgeted - \$73,236 vs. \$87,000. Overall, a small surplus - \$5,502 – was achieved on operations.

As was the case last year, the single largest area of saving against budget was in Operator and Relief Operator Wages - \$12,200 actual vs. \$25,000 budgeted. This savings was offset slightly by higher costs for repairs and maintenance and for water tests. Other savings against budget were achieved in Professional Fees - \$2,015 actual vs. \$4,500 budgeted – and Water Treatment - \$9,608 actual vs. \$13,500.

We have enjoyed our first complete year utilizing QuickBooks On-line. This has allowed GLID's management team to have more timely access to financial information and made preparation of Quarterly and Year-end Financial statements easier and more efficient. Furthermore, we have been able to track year-over-year expenses and look forward to being able to use the two years of expense data we have when making projections going forward.

During the year GLID undertook to transfer operational surpluses from 2018 and 2019 to the Renewal Reserve Fund, increasing the amount in the fund by an additional \$13,701. The Renewal Reserve Fund balance as at December 31, 2020 is \$347,171.

GLID's budget for 2021 was prepared in September of 2020, and as of the writing of this report appears to be reasonable.

GRAHAM LAKE IMPROVEMENT DISTRICT

Financial Statements

Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

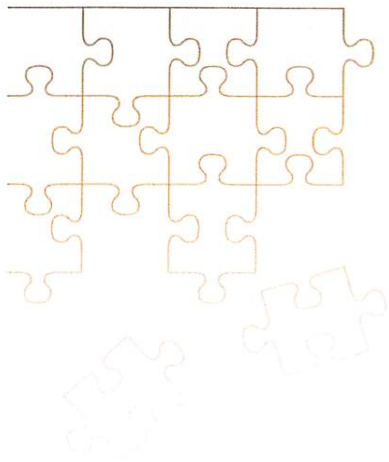
GRAHAM LAKE IMPROVEMENT DISTRICT

Index to Financial Statements

Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

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Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Notes to Financial Statements	5



Robbins & Company

Chartered Professional Accountants

520 4th Street
Courtenay, BC
V9N 1H2
☎ 250-871-0050
☎ 250-871-0051
robbinsandco.ca

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Graham Lake Improvement District as at December 31, 2020 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Courtenay, British Columbia
March 5, 2021

ROBBINS & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

GRAHAM LAKE IMPROVEMENT DISTRICT

Statement of Financial Position

December 31, 2020

(Unaudited - See Notice To Reader)

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash	\$ 382,252	\$ 74,624
Term deposits	-	268,337
Accounts receivable	1,540	898
Prepaid expenses	520	535
Goods and services tax recoverable	<u>2,917</u>	<u>1,265</u>
	387,229	345,659
PROPERTY AND EQUIPMENT (Note 3)	<u>40,699</u>	<u>46,146</u>
	<u>\$ 427,928</u>	<u>\$ 391,805</u>
LIABILITIES		
CURRENT		
Accounts payable	<u>\$ 2,529</u>	<u>\$ 2,052</u>
NET ASSETS		
Operating fund	<u>37,529</u>	<u>40,282</u>
Renewal reserve fund	<u>347,171</u>	<u>303,325</u>
Capital asset fund	<u>40,699</u>	<u>46,146</u>
	<u>425,399</u>	<u>389,753</u>
TOTAL LIABILITIES	<u>\$ 427,928</u>	<u>\$ 391,805</u>

Approved by the Trustees:

_____ *Trustee*

_____ *Trustee*

_____ *Trustee*

The accompanying notes are a part of these financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT
Statement of Revenues and Expenditures
Year Ended December 31, 2020
(Unaudited - See Notice To Reader)

	2020	2019
REVENUE		
Taxes - GLID property owners	\$ 33,500	\$ 33,500
Tolls - GLID property owners	59,400	59,400
CVRD/DIWLSA - Allocation to taxes	11,500	11,500
CVRD/DIWLSA - Allocation to tolls	18,900	18,900
	<u>123,300</u>	<u>123,300</u>
EXPENSES		
Amortization	5,447	5,447
Business taxes and licenses	604	444
Insurance	8,879	8,322
Interest and bank charges	252	263
Office	6,470	4,786
Operations Personnel	12,200	17,700
Professional fees	2,015	2,894
Repairs and maintenance	10,007	9,150
Managing and maintaining dam	2,336	-
Supplies	542	549
Utilities	6,242	7,473
Water tests and supplies	7,935	5,409
Training	699	-
Water treatment	9,608	11,702
	<u>73,236</u>	<u>74,139</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>50,064</u>	<u>49,161</u>
OTHER INCOME		
Interest income - operating funds	298	228
Interest income - renewal reserve	1,450	4,343
Interest income - late payment penalties	140	460
SWTO - Study	(9,364)	(3,275)
SWTO - Pilot Project 1	-	(17,746)
SWTO - Pilot Project 2	(6,941)	-
SWTO - Study recoveries	-	1,638
SWTO - Pilot Project recoveries	-	5,263
	<u>(14,417)</u>	<u>(9,089)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 35,647</u>	<u>\$ 40,072</u>

The accompanying notes are a part of these financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT

Statement of Changes in Net Assets

Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

	Operating Fund	Renewal Reserve Fund	Capital Asset Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 40,282	\$ 303,325	\$ 46,146	\$ 389,753	\$ 349,707
EXCESS OF REVENUE OVER EXPENSES	21,946	13,701	-	35,647	40,072
CONTRIBUTIONS	-	46,450	-	46,450	54,192
WITHDRAWALS	(24,699)	(16,305)	(5,447)	(46,451)	(54,218)
NET ASSETS - END OF YEAR	\$ 37,529	\$ 347,171	\$ 40,699	\$ 425,399	\$ 389,753

The accompanying notes are a part of these financial statements

GRAHAM LAKE IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited - See Notice To Reader)

1. PURPOSE OF THE ORGANIZATION

Graham Lake Improvement District is a public local body incorporated through an Order in Council by Letters Patent granted pursuant to the British Columbia Local Government Act.

Federal Income Tax: Section 149(1)(c) of the Federal Income Tax Act grants tax-exempt status to a municipal or public body performing a function of government in Canada.

BC Taxes: Section 27 of the BC Income Tax Act provides that if income is exempt from federal income tax under Section 149(1) of the Federal Income Tax Act, then it is also exempt from BC income tax. Land and improvements owned by an improvement district are exempt from taxation by the B.C. government, regional districts and municipalities pursuant to Section 731 of the BC Local Government Act.

Graham Lake Improvement District exists for the purpose of establishing, maintaining and operating a water system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	40 years	declining balance method
Office equipment		N/A
Furniture and fixtures	40 years	declining balance method
Other machinery and equipment	40 years	declining balance method

The organization regularly reviews its property and equipment to eliminate obsolete items.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Buildings	\$ 74,294	\$ 58,909	\$ 15,385	\$ 17,196
Office equipment	105	-	105	105
Furniture and fixtures	21,050	19,250	1,800	2,400
Tools and equipment	120,991	97,582	23,409	26,445
	<u>\$ 216,440</u>	<u>\$ 175,741</u>	<u>\$ 40,699</u>	<u>\$ 46,146</u>

4. STATEMENT OF CHANGES IN NET ASSETS

Graham Lake Improvement District incurred a net expense of \$16,305 (2019 - \$14,147) for the Water Treatment Plant Upgrade Project as part of its ongoing efforts to comply with the Surface Water Treatment Objectives (SWTO) that are mandated by the Vancouver Island Health Authority (VIHA).

20-Sep-20

**GRAHAM LAKE IMPROVEMENT DISTRICT
2021 Budget**

REVENUE		2021 Budget		2020	2021
		Units	Amount	BUDGET	BUDGET
Taxes					
310	GLID Property Taxes			\$33,500	\$33,500
	DIWLSA Allocation to Tax Contribution			\$11,500	\$11,500
	Sub total - Taxes			\$45,000	\$45,000
Tolls					
305	GLID Tolls	66	\$900	\$59,400	\$59,400
315	DIWLSA Allocation to Toll Contribution	21	\$900	\$18,900	\$18,900
	Sub total - Tolls			\$78,300	\$78,300
Other Revenue					
311	Late Payment Interest and Penalties			\$200	
312	Bank Interest			\$200	\$200
313	Transfer from Prior Years Operating Surplus			\$17,800	\$-
314	Transfer from Renewal Reserve Fund			\$-	\$-
	Sub total - Other Revenue			\$18,200	\$200
TOTAL REVENUE				\$141,500	\$123,500
EXPENSES					
Operating Expenses					
400	Utilities & Propane			\$8,000	\$8,000
402	Operator & Relief Operator Wages			\$25,000	\$20,000
403	Water Tests & Supplies			\$6,500	\$9,000
407	Chemicals - treatment (UV bulbs, reagents)			\$12,500	\$10,000
408	Dechlorination Pucks			\$1,000	\$1,600
409	Water Intake Inspection & Repair			\$2,000	\$650
410	Pumphouse Supplies			\$1,000	\$1,000
427	Repairs & Maintenance			\$8,000	\$6,500
411	Dam Maintenance			\$1,000	\$1,000
	Sub total - Operating Expenses			\$65,000	\$57,750
Administrative Expenses					
415	Notices, Office (One Call Now, software, bookkeeping)			\$2,500	\$5,000
417	Permits, Water Licenses & Lease Fees			\$1,200	\$600
420	Insurance			\$8,400	\$9,000
422	Operator Professional Development, Training			\$2,000	\$2,000
432	Bank Charges			\$200	\$250
435	Legal & Financial Services			\$4,500	\$4,500
445	Association Dues (BCWWA)			\$500	\$500
450	Miscellaneous			\$2,700	\$2,500
	Sub total - Administrative Expenses			\$22,000	\$24,350
Subtotal - Operating + Administrative Expenses				\$87,000	\$82,100
Non-Recurring Expenses					
411	Dam ERCP (Emergency Response Plan)			\$2,000	\$-
	Sub total - Non-recurring Expenses			\$2,000	\$-
Contingency on Expenses					
	Annual Operating Expenses			\$7,500	\$7,500
	Administrative Expenses			\$-	\$-
	Non-recurring Expenses			\$-	\$-
	Capital Expenses Out of Revenue			\$-	\$-
	Sub total - Contingency on Expenses			\$7,500	\$7,500
Capital Expenses Out of Tax Revenue					
	Capital Acquisitions - Pumphouse Equipment			\$9,000	\$14,000
	Surface Water Treatment Objectives Upgrade Project - Study - Phase 1			\$5,000	\$5,000
	Surface Water Treatment Objectives Upgrade Project - Pilot Project #2			\$25,000	\$-
	Sub total - Capital Expenses Out of Tax Revenue			\$39,000	\$19,000
TOTAL EXPENSES INCLUDING CONTINGENCY				\$135,500	\$108,600
TRANSFERS					
245	To (From) Capital Asset Renewal Reserve Fund			\$6,000	\$14,900

Note 1: For the 2020 budget, CVRD's reimbursement to GLID for Surface Water Treatment Objectives upgrade project costs will be treated as a pass-through (i.e. not recognized as revenue or expense). The amounts in the 2020 budget are the costs that GLID will incur net of any reimbursement by CVRD.

Graham Lake Improvement District

3567 East Road, Denman Island, BC V0R 1T0

www.grahamlakewater.com ~ info@glid.ca

ADMINISTRATION AND GOVERNANCE REPORT

Presented at the March 18, 2021 Annual General Meeting

The following are the administrative and governance matters that I have been involved in to varying degrees in the 2020 calendar year. Some of them I had sole conduct of. On other matters, I was in the fortunate position of working together with the dedicated and talented people that make up the GLID team.

- Organized and prepared materials for the 2020 Annual General Meeting held on March 18, 2020, including:
 - ✓ Notice of Meeting
 - ✓ Resolution 51 (Accounting Firm Appointment for 2020)
 - ✓ Resolution 52 (Waiver of Trustees Honorarium for 2020)
- Organized and prepared materials for the Trustees Meeting held on March 18, 2020, including:
 - ✓ Notice of Meeting
 - ✓ Resolution 53 (WSP Professional Services Agreement)
 - ✓ Bylaw 94 (Disbursement of Capital Reserve Funds for Upgrade Study)
- Organized and prepared materials for the Trustees Meeting held on September 25, 2020, including:
 - ✓ Notice of Meeting
 - ✓ Resolution 54 (Adoption of 2021 Budget)
 - ✓ Resolution 55 (Renewal of DIWLSA Agreement with CVRD)
 - ✓ Resolution 56 (Standpipe for Denman Fire and Rescue)
 - ✓ Bylaw 95 (Water Tolls for 2021)
 - ✓ Bylaw 96 (2021 Taxes)
- Researched the procedures for soliciting and tabulating landowner support for conversion to a CVRD service area
- Organized the conversion information meetings held on February 23, January 14, and October 8, 2020.
- Prepared and filed GLID's various annual reports and returns with the Ministry of Municipal Affairs and Ministry of Forests
- Filed GLID's Bylaws with the Ministry of Municipal Affairs and corresponded with the Ministry regarding amendments thereto
- Reviewed guidance from the Ministry of Municipal Affairs regarding procedures for holding the GLID Annual General Meeting and Trustees Meetings during the Covid 19 pandemic
- Revised and negotiated an updated water services agreement with the Comox Valley Regional District for the DIWLSA properties for the year 2021
- Ensured the GLID website was updated throughout the year to show all new bylaws, resolutions, notices, contracts and other documents
- Arranged for GLID notices and update reports to be emailed to all landowners and kept landowner contact list current
- Assisted in preparing an Emergency Response Plan (ERP) and Operations, Maintenance and Surveillance plan for the Graham Lake Dam for Ministry of Forests

Alec Szibbo
Trustee

March 18, 2021

Graham Lake Improvement District

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GRAHAM LAKE IMPROVEMENT DISTRICT ANNUAL GENERAL MEETING MARCH 18, 2021

REPORT FROM THE TRUSTEES

The information in this report is a summary of the key initiatives undertaken by the Graham Lake Improvement District (GLID) in 2020 and is presented as part of the 2021 Annual General Meeting (AGM).

2020 – OPERATING DURING THE COVID-19 PANDEMIC

A. ENHANCED FOCUS ON SAFETY – The onset of the COVID-19 pandemic brought with it a need for new and/or enhanced operating procedures to address the safety of GLID’s Operators and the water treatment system. The GLID Trustees and Operators followed the guidance provided by various Federal and Provincial departments/ministries – as well as information shared by other local governments (e.g., Comox Valley Regional District – CVRD). Day-to-day operating procedures related to the water treatment plant were adjusted based on the guidance and information that GLID received, including:

- **Masks / Social Distancing** – Operators, Trustees and contractors providing services to GLID followed the orders set out by BC’s Provincial Health Officer (Dr. Bonnie Henry)
- **Stand-by Operators** – The Trustees contracted with Core Water Management whereby CORE would provide one or more qualified individuals capable of operating the water treatment plant in the event that GLID’s Operators were unable to perform their duties
- **Supply Chain** – GLID’s Operators worked closely with suppliers to ensure that adequate quantities of consumable products – such as the chemicals used in water treatment, sampling and water quality testing -- are on-hand / available.

B. STRONG OPERATIONS PERFORMANCE THROUGHOUT 2020 – As noted in the Covid-19 related points above, GLID’s Operators - Craig Williams and Enrico Wauri – played key roles in maintaining and operating GLID’s water treatment plant and our water distribution pipeline system and connections throughout the year. Craig and Enrico continue to demonstrate their high level of commitment, resourcefulness and innovation – and can be counted on to deliver high quality service while at the same time managing the on-going costs of operations and equipment.

C. TEAMING WITH OTHERS IN THE PURSUIT OF LONG-TERM SOLUTIONS – Throughout 2020 the Trustees, Manager and Operators continued to work on important initiatives aimed at achieving

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GLID's long-term objectives. A number of these initiatives involved working and teaming with other parties, including:

- **Pilot Testing** - GLID continued to work closely with the engineering firm WSP/Opus (WSP) to identify and pilot test different options for upgrading GLID's water treatment system. In 2020 GLID pilot tested a direct filtration system using a commercial filtration medium referred to as NextSand™. The pilot testing was conducted in February 2020 during a period when the turbidity of source water from Graham Lake was between 1.47 and 1.87 NTU¹. This work was performed as part of GLID's efforts to become compliant with Island Health's (Vancouver Island Health Authority – VIHA) mandatory SWTO². WSP documented the results of the direct filtration pilot test in the report titled - *Direct Filtration Using NextSand™ Filtration – September 2020*. The main finding from the pilot testing of the NextSand direct filtration process was that it did not result in any significant reduction in the turbidity level of source water from Graham Lake. A copy of the report was posted to and is available on the GLID website under the SWTO Upgrade tab.
- **Infrastructure Grant** - GLID also engaged WSP to prepare a high-level design and cost estimate for upgrading GLID's water treatment plant to become SWTO compliant. Throughout the months of January and February 2020, GLID worked along side of members of CVRD's Water and Wastewater department, assisting CVRD as they used the information compiled by WSP to complete and submit a grant application under *the Investing in Canada Infrastructure Program - British Columbia - Green Infrastructure - Environmental Quality* program. If the CVRD's grant application is successful, it would result in the Federal and Provincial governments providing up to 73% of the cost of upgrading the water treatment plant that GLID currently operates. A successful grant award would also require GLID to undergo Conversion (i.e., the process whereby an improvement district – such as GLID -- is formally integrated as a service area into a Regional District or Municipality – in GLID's case, the CVRD). The timeframe for the Province and Federal Governments to inform CVRD of the outcome of the Green Infrastructure grant is uncertain (as a result of impacts related to the Covid-19 pandemic and changes to roles and responsibilities arising from the BC Provincial election held in October 2020). Current thinking is that CVRD will be informed of the outcome of the grant award process sometime in the first or second quarter of 2021.
- **Conversion Information** – GLID conducted three information sessions on conversion where landowners were provided with details on this possible change in governance and provided an

¹ NTU = Nephelometric Turbidity Units. To ensure effectiveness of disinfection and for good operation of the distribution system, it is recommended that water entering the distribution system have turbidity levels of 1.0 NTU or less. Source: Table 1. Microbiological Parameters; Guidelines for Canadian Drinking Water Quality - Summary Table

² SWTO = Surface Water Treatment Objectives. The "Drinking Water Treatment Objectives (microbiological) for Surface Water Supplies in British Columbia" can be found at: http://www.health.gov.bc.ca/protect/dw_treatment-objectives.html.

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opportunity to ask questions. Feedback from those who attended suggested support for conversion.

- **Keeping VIHA Informed** - During early 2020 GLID provided an update to the VIHA regarding our plans and efforts to upgrade the water treatment system in order to become compliant with the SWTO. VIHA is aware of and supportive of GLID's actions related to supporting CVRD's application for the Green Infrastructure grant as the pathway to upgrade GLID's water treatment system with the objective of becoming SWTO compliant.

D. CONTINUING TO STRENGTHEN OUR FINANCIAL POSITION – In 2020, contributions from GLID landowners combined with funds from the water/service-related fees from CVRD – brought the total balance in GLID's Capital Works Renewal Reserve Fund to approximately \$347,000 (up from \$303,000 at the end of 2019). Funds in GLID's Capital Asset Renewal Reserve play an important role in GLID's overall risk management strategy. The funds act as 'a first line of defence' in the event that a significant undesirable event occurs – such as failure of a portion of the pipeline or having to undertake major repairs to the water treatment plant.

2021 – REMAIN FOCUSED ON HIGH PRIORITY INITIATIVES

The Trustees notified GLID landowners of the expiry of Blake Hanna's 3-year term as Trustee (effective March 18 2021). The communication to landowners also solicited nominations for the Trustee role. Trustee Hanna informed the Chair of the Board of Trustees (Peter Jackson) that he would stand for another term as a Trustee and provided the Chair with a duly completed nomination form. No other nomination forms were received from GLID landowners. As a result of the fact that there was only a single candidate, there was no need to hold a vote. Trustee Hanna will be elected by acclamation at the AGM on March 18, 2021. The three GLID Trustees for 2021 are: Peter Jackson (Chair), Alec Szibbo, and Blake Hanna.

A BUSY YEAR AHEAD – Continuing to navigate GLID safely and successfully through the Covid-19 pandemic will remain our primary area of focus. The Trustees, Manager, Operators and Treasurer all remain committed to moving forward with our high priority initiatives that we're working on and the new initiatives that are likely to emerge in the near future. We value and appreciate the help and support that we get from landowners - especially those who volunteer on behalf of all landowners. We look forward to receiving feedback and suggestions from all GLID landowners.

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TRUSTEES' RESOLUTION NO. 59

DATED: March 18, 2021

A RESOLUTION TO APPOINT AN ACCOUNTING FIRM FOR 2021

WHEREAS the Trustees are required to appoint an Accounting Firm at each Annual General Meeting, and have selected such a firm for the 2021 year:

THEREFORE, BE IT RESOLVED THAT:

Robbins & Company, Chartered Professional Accountants, be re-appointed the accounting firm of the District to hold office until the close of the next annual general meeting in 2022, or until their successors are appointed, at a remuneration to be fixed by the Trustees.

Signed

Chair
Peter Jackson

Trustee
Blake Hanna

Trustee
Alec Szibbo

I hereby certify under the seal of Graham Lake Improvement District that this is a true copy of Resolution No. 59 passed by the Trustees at the Annual General Meeting of the District held on the 18th day of March, 2021.

Officer

SEAL

Graham Lake Improvement District

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TRUSTEES' RESOLUTION NO. 60

DATED: March 18, 2021

A RESOLUTION TO WAIVE THE TRUSTEES HONORARIUM AND COMPENSATION

WHEREAS the Trustees have decided that no compensation or honorarium will be payable to any Trustee commencing with the 2021 Annual General Meeting:

THEREFORE, BE IT RESOLVED THAT:

The remuneration of each Trustee is hereby set at \$0, and no compensation or honorarium shall be due or payable to any Trustee with respect to the performance of the Trustee's duties or the exercise of the Trustee's responsibilities, from the 18th day of March, 2021 until the next Annual General Meeting, but excluding the reimbursement of any expenses properly and necessarily incurred by a Trustee in the performance of the Trustee's office.

Signed

Chair
Peter Jackson

Trustee
Blake Hanna

Trustee
Alec Szibbo

I hereby certify under the seal of Graham Lake Improvement District that this is a true copy of Resolution No. 60 passed by the Trustees at the Annual General Meeting of the District held on the 18th day of March, 2021.

Officer

SEAL