

KEMP LAKE WATERWORKS DISTRICT

Annual General Meeting – April 24, 2019

Present:

Trustees and Administrator: Kevan Brehart, Joanne Hemphill, Richie Birch
Debbie Anderson

Property Owners: Arduino Busetto
Aaron and Bernice Bartlett
Murray Watkinson
Wells Seaside Park
John and Cec Farmer
Al Beddows
Daria Yu
Dave Garvey
Terry Cristall
James Sayers
Heather and Bob Phillips
Dave Cunningham
Trevor Emsley
Ev Petrie
Kelly and Mike Stadel
Paul Schoemaker
James Gastan
Chuck Kell
Otter Point Recreational Coop

Visitor: Dan Melnyk – legal representative for the Coop
Joan Kyba, Linda Kitchen, Ralph Burgharot, Droid Kitchen, Jerry Fros
Devis Beaudt, Anna Beaudt, Harald Jauk

Kevan called the AGM meeting to order at 7:33pm. He welcomed all and thanked them for attending. Kevan introduced the head table.

Joanne stood up and shared with the guest about how the district operates through the year and how it is run by volunteers, and as part time contractors paid well below union, and thanked everyone for their patience throughout the year.

Kevan then asked all to read over the minutes from the 2018 AGM meeting. Kevan asked if there were any questions or errors with the minutes. There were none. He then explained that the 2018 minutes can be found on our website. They also get sent to the Ministry for their review and filed every year. Bob Phillips motioned to accept the minutes as presented and Heather Phillips seconded the motion. All in favour.

TRUSTEE'S REPORT

- Kevan read over and discussed the Trustees, Administration and Operating Report. (see attached or website after the meeting.) Kevan asked if there were any questions about the report.

QUESTIONS

- Joan Kyba asked how many votes does a Coop allowed. Kevan explained that the Coop only is entitled to one vote on that property by the Counsel for that property.
- It was also asked to explain how many properties to meters in the district. Kevan explained that some properties have more then on dwelling per meter that is why there is more dwellings than meters in this district.
- Heather Phillips asked if any of the tolls and taxes are restricted funds. Kevan replied that the toll and tax charge is for the cost to operate the district.
- Then how come the tax portion goes to the new connection loan. Kevan explained that the interest loan is part of the cost to operate the district there for it comes out of the taxes to help pay the cost. It is not a restricted fund only Renewal Reserve Fund and a Capital Charge Fee is restricted to pay for upgrades and new infrastructure. Then a bylaw is written to disperse those funds and passed and register by the Ministry of Municipal Affairs and Housing.
- Joan Kyba asked about the new charge cost for water when we connect to CRD. How come it is so high, you said it will be 1.60 per 100gal usage. Kevan explained that we do not know the charge that the CRD will be charging us at this time because we are not a new customer at this time. We have only estimated what may be charged with the rates they charge at this time plus the charge to run the district on top of the new water source cost.
- Linda Kitchen also was questioning that charge. Kevan tried to explain that the district will post on the website as soon as the cost will be available to the trustees knowledge.
- Dave Garvey asked if the district will be the owners of the whole system or does the CRD have control to connect other people to the line that we paid for. Kevan replied that when the project is done the line that is not in our district will be turned over to the CRD and we will be responsible for the infrastructure that is our boundary only.
- Murray Watkinson asked if there is any late comers fee that can be charge so they can help pay down the loan. Kevan replied that the CRD will not take that on. This connection is like a development and we are applying to connect to their system and this is their requirements to go forward with this project.
- Kevan asked if we could move on with the meeting so we are able to complete the items need to be presented.

FINANCIAL REPORT

- Kevan asked everyone to look over the auditors report. Kevan did an overview discussion and pointed out some of the notes and the new additions of the RBC project loan and expenses page.

QUESTIONS

- A question arose about have the trustees approached the Sooke Council to see if they could help with this connection. Do they not control their water system? Kevan replied that Sooke does not control their water system it is all run through the CRD water services.
- Linda Kitchen asked why did the taxes go up before we receive the new connection. Kevan explained that we needed to take out the project loan and start making payments now. We are hoping to be connected by the end of June. Will we then start paying the full loan with fixed payments?

- Joan Kyba asked Kevan to explain the 150.00 for tax and .90/100gal. charge goes where. Kevan explained the expenses page in the auditors report showing how expensive to run the district and then the cost of the users is calculated to make sure the expense get paid.

Kevan asked for a motion to except the 2018 audit report. Dave Garvey motioned to except the report as read and discussed. Cecil Farmer seconded the motion. All in favour.

ELECTION OF TRUSTEE

- Kevan mentioned that Richie Birch's term was up this year and is there any nominations at this time. Joanne Hemphill nominated Richie Birch which he has accepted to run again. Kevan asked if there are any nominations a second time then asked a third and final time. There was none therefore by acclamation Richie Birch will run again for another 3 year term. Joanne mentioned that if her term is up next year please consider someone else to step up after 20 years she is looking to retire.

TRUSTEE'S HONORARIUM

- Bob Phillips motioned for an increase of 8% per honorarium this year. Al Beddows mentioned that the trustees do a lot for this district. John Farmer seconded the motion. All in favour.

BUDGET

- Kevan shared the budget for 2019 with all.

OPEN QUESTION PERIOD

- Kevan asked if there were any questions.
- Daria Yu asked why the budget for tolls is less. At this time we are not paying an invoice for water from the CRD or collecting from water usage which we thought would have already been doing but the project was delayed in completion.
- Bob Phillips mentioned that leaks have been much less which is good before we connect. Kevan mentioned that Roy Anderson(maintenance) has been keeping a watch out with our leak detection equipment as well as making changes with old meters.
- Dave Garvey mentioned that there still shows a lot of water unclaimed for in your report. Kevan mentioned that the loss of water is from fire use, flushing of the system as well as cleaning and maintaining the two reservoirs as well as so main leaks in our system.
- Linda Kitchen asked if everyone in the COOP has a vote. Kevan explained again that the COOP is a company run property and the property is entitled to one vote from council.
- There was a questions asked about cost to run district when we connect. Kevan explained that the district will need to maintain the lines, meters, new pumphouse, and reservoirs and lab testing. We will also be responsible for a CRD toll usage invoice. The Renewal Reserve Fund is to help maintain the infrastructure when needed. If we did not maintain this district it would cost more to run because then the CRD employees would have to come out daily to maintain and read the system at a higher union cost. Joanne mentioned that the Improvement District Manual is on line to find any information about running of Improvement Districts.
- Will the water quality improve? Kevan explained that the CRD system is filtered and chlorinated. We will still need to chlorinate a little because it dissipates as it runs through the system. Kevan mentioned that our system has been testing really well this year.

- Heather Phillips mentioned that there has not been very many boil water orders over the years of operation. Kevan mentioned that the quality of the lake is what caused the samples to read different.
- Al Beddows asked if the pressure to his house would change with new system. Kevan mentioned that the pressure will still be the same because the water source is just coming from a different location.
- Dave Garvey asked if the district has collect extra funds can it go right onto the loan or is the loan closed to that. Kevan mentioned that is a possibility. Kevan mentioned at the open house it was discussed then to put extra money right to the loan
- Mike Stadel asked how close we are to the 2 million loan limit. Kevan mentioned that we are pretty close but we have the restricted fund that can be used to finish up on the project.
- Joan Kyba asked again if possible for Kevan to look into the CRD for a charge amount per 100gallon usage. Kevan mentioned that he can talk with them and find out if they have a charge for us and it will be in cubic meters because that is what their meters read and the district converts into imperial gallons.
- Joanne asked Dan Malnyk-coop lawyer if he had any questions for the district. At this time he mentioned that he will talk with his client and respond at a later date.

Kevan thanked all for coming out and thanked his fellow trustees and well, as the districts administrator and maintenance workers, for all the hard work they have done this year.

Meeting adjourned at 9:20pm



**Kemp Lake Waterworks District
Annual Meeting 2019
Trustee's Report for Year 2018**

ADMINISTRATION

Taxes and Tolls: Tax rates were raised by \$350 per category (\$45 for operations, \$305 new loan payments). Tolls were raised by \$.10 to \$0.90 per 100 gal. There was no increase to the Renewal Reserve Fund.

- Tolls, taxes, and renewal reserve fund rates are assessed yearly in anticipation of upcoming needs - primarily infrastructure upgrades and renewals as well as capital planning.

Insurance: Aon Reed Stenhouse Inc. is providing coverage for August 2018 to August 2019 at a cost of \$ 11,011.

KLWD Emergency Plan. The Plan was reviewed and updated in 2018 in accordance with Ministry guidelines.

Workplace Bullying and Harassment Policy: This policy was reviewed and re-adopted in 2018 per Worksafe BC regulations.

Environmental Health Officer/Water Stewardship: We continue to maintain regular communication with our EHO (VIHA) and Ministry officials on a variety of issues: watershed environment and management, and water supply, water quality and testing.

VIHA 4-3-2-1 Drinking Water Treatment for Surface Water Policy: The plan to connect to CRD water via pipeline along West Coast Road is required to achieve compliance with the Ministry of Health's "Drinking Water Treatment Objectives (Microbiological) for Surface Water Suppliers in British Columbia".

Kemp Lake Water Source Replacement Project (Connection to CRD water): The Alternative Approval Process closed on 08 June 2018 with overwhelming support for this project and the long term funding to finance it. Project completion is anticipated by end June 2019.

CRD: A Community Works Fund grant of \$30,000 was received from the CRD in support of the Source Replacement Project, which was used towards engineering costs.

OTHER:

May 2018. K. Brehart attended the BCWWA Conference and Trade Show in Penticton.

OPERATIONS

Pump house:

- By the end of last year, the district was supplying water to the equivalent of approximately 475[2017-475] residences through 230[2017-230] meters.
- We pumped approximately 22.6 (22,613,571) million gallons last year versus approximately 21.1 million the year before, approximately an 7% increase.

Activities:

- Replacement of old meters continues, approximately 40 meters the last year.
- Repairs/maintenance on the main pumphouse including 2 more new LMI chlorine pump as well some necessary electrical upgrades.
- Work continues on leak detection. There numerous leaks located and repaired: 2 major leaks on Kemp Lake Rd, 1 on Carpenter Rd, 3 on West Coast Rd and a number at meters throughout the district.
- Under guidance from VIHA, we are now flushing the system twice a year instead of once a year.
- Cleaned Taylor Place reservoir.
- All hydrants were flushed and serviced.

Development completed within the district:

- There were no significant developments completed within the district this past year.

Development under way within the district:

- There is currently no significant development underway within the district.

Water Quality:

- All of our water reports for E-Coli during the last year have been good.
- We are continuing to take water samples into the lab for testing approximately every week.

Operator Certification:

- Our operators continue to maintain their **Environmental Operators Certification** through on-going education and training when available.

In Closing

Thanks again to Roy Anderson and his crews for all their hard work this year. I'd like to thank my fellow board members, Joanne and Richie as well as our Chief Administration Officer, Debbie, for their support and efforts during the last year, and last but by no means least, thanks to our families for giving up family time and allowing us to be active in the district affairs.

General Statistics for Year Ending December 2018

Properties on assessment roll:	302
Properties tax exempt (parks, waterworks):	8
Number of meters:	230
Domestic Units serviced by water:	474
Commercial Units serviced by water:	1
Estimated population:	$474 \times 3 = 1422$

Year End Pump House Statistics (Imperial Gallons)

	2018	2017
Total:	22,613,571	21,110,011
Maximum day: (Aug 14)	135,760	130,214
Minimum day: (Nov 09)	27,441	24,100
Daily average for year:	61,955	57,836

Year End Distribution Statistics (Imperial Gallons)

	2018	2017
Total distributed	17,061,265	12,557,932
Average per unit	35,994	26,438

- We distributed approximately 17.1(17,061,265) million imperial gallons of water last year, up about 36% from approximately 12.5(12,557,932) in 2017.
- Of the water pumped, 5,552,306 gallons (*year before 8,552,079 gallons*) was unaccounted for. This is an approximate 35% decrease in water loss from last year. Under guidance from VIHA, we are now flushing the system twice a year instead of once a year. Cleaning a reservoir requires a lot of water and we have been having reservoir level control issues which has resulted in overflows. As well all hydrants were flushed and serviced.

**2018 Property Assessment Breakdown
By Assessment Category**

Category	Description	Number	Units
1	Single dwelling unit.	263	263
2	Two dwelling units.	17	34
3	Three dwelling units.	3	9
4	Four dwelling units.	3	12
5	15 Unit mobile home/trailer park.	1	15
6	32 Unit mobile home/trailer park.	1	32
7	105 to 110 unit Co-operative campground.	1	109
8	One business/commercial unit.	1	1
9	Two or more business/commercial units.	0	0
10	One industrial unit.	0	0
11	Two or more industrial units.	0	0
12	Vacant Lot.	12	0
13	Public agency.	8	0
15	Five dwelling units.	0	0
	TOTALS	310	475