



HAGENSBORG WATERWORKS DISTRICT,

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**EOM Meeting
MINUTES**

Date: June 22, 2016

Trustees Present: Chris Matthews, Don Mikkelson, Jeremy Baillie

Trustees Absent: Kevin O'Neill, Mark Nelson

Location: Fire Hall

Staff Present: Rosemary Smart, CAO
via video conferencing

Meeting called to order: 7:05 pm

The sole purpose of the meeting was to review the Executive Summary Report presented by Jeremy Cooke, P.Eng.

Trustee Baillie asked for some historical information for the district's interest in hydro generation to help him with perspective.

Trustees briefed Trustee Baillie noting the interest had begun with the Gas Tax application in 2010/11 when the district had been encouraged to include it (green energy) which would make the application rank higher on the priority list. The grant application included the request for funding to complete a hydro generation feasibility study. The discussion was set aside when the Gas Tax application was declined as CCRD had refused to provide the necessary letter of support.

More recently DFO (Fisheries and Oceans, Canada) had proposed hydro generation at the beginning of the collaboration discussions several years ago. It was noted that the trustees were given to understand at that time that the DFO would build it to access the power and reduce their own electricity costs, but would have to hand ownership over to the district as they were not allowed to make a profit from it as the excess power fed back into the grid. The discussion had been dropped in the last year as DFO decided to focus on the local facilities for fish enhancement as their first priority. It was noted that it was not removed from discussion by DFO, simply tabled for now.

Trustee Baillie asked who the district had talked to at DFO.

Trustees explained that they had been approached by the Operations Manager John Willis. Later the discussion was deferred to their Project Planning Engineer Ken Woo, with communication handled mainly through former Trustee Dunsworth. The subject held significant interest for the trustees as their own hydro generation system had the potential to reduce the districts cost for lights and heating dramatically.

Some strain had entered the discussions when Woo had been pushed by Trustee Dunsworth to reconsider, and had refused to pursue the feasibility of hydro generation at this time. The trustees had pulled back, deciding to launch their own feasibility study to see if collaboration with DFO on hydro generation was worth pursuing.

Trustee Baillie asked how much the engineer has cost for the work he's done so far, and what the next phase of work will cost.

The CAO noted that she believed the proposal for Phase 1 was \$5000 with Phase two, the actual work to build it, will should be covered by the Canada 150 grant, adding that the grant had been drafted by Jeremy Cooke at not charge to the district, reviewed by her, and submitted that morning before the 11AM deadline. She added that Jeremy Cooke had proposed a Phase 2 that included grant sourcing and implementation.

Trustees discussed the background on collaboration issues with DFO.

Trustee Baillie asked about terminology –

- Penstock - the size of pipe and
- Gross Head - elevation difference between location – sea level – and intake.

Trustee Baillie asked how the costs would be met, and how the net revenue would be achieved.

The CAO responded that the Canada 150 grant covered 50% of the costs for a combination of a new fire hall and a hydro generation system (green energy) to reduce the cost of operating the hall, and allow the grant to rank higher on the priority list. She explained that the other 50% would be drawn from the Fire Protection Reserve funding, which had sufficient funds already set aside. She provided a brief background of the capital that could be covered from the reserve funds, including a new fire truck, which the trustees had deemed no longer the main priority, a new fire hall, and hydrants to replace the standpipes.

Chair Matthews and Trustee Mikkelson explained how the net revenue worked, which included connecting the hydro generation system to the BC Hydro grid.

Discussion around the need for environmental study with two of the recommended options. Discussion about the pros and cons of the two commercial options, and the impact on the districts current licenses.

Trustees agreed their preference was Option 1 & 3.

CAO will pass this information on the Jeremy Cooke, noting option 2 should still be included but listed as a least preferred option, as it would not bring in any additional revenue.

Meeting was Adjourned at 8:00PM

 (Chair)