



(DRAFT) AGM MINUTES
April 28, 2016

Location: Fire Hall

Community Members: 67

Recording Secretary: Rosemary Smart, CAO

Meeting called to order: 7:51 PM

1. Agenda – Chair Matthews called for any additions to the Agenda. An unidentified community member requested New Business be added to agenda. Discussion as to where it would be inserted. It was agreed it could come in before the elections.

MOTION to adopt the Agenda as Amended *D. Mikkelson/T. Norton/Carried*

2. Minutes from 2015 AGM - Chair Matthews read the minutes from 2015 AGM.

MOTION to accept the Minutes from 2015 AGM *M.Nelson*

Diane Skelly referenced her comments recorded minutes, that she had intended the reference to her comments to be in reference to the Point of Entry purification.

K.McIlwain/Carried

3. Introduction of Elections Officer – Chair Matthews introduced the Elections Officer (EO) Joan Sawicky. The EO explained the use of the new Nomination forms, and the positions that are available. She briefly reviewed of Elections Policy & Process.

4. Reports:

- 4.1. Chair Chris Matthews presented the Chairs annual report, speaking to the concerns the community members had brought to the AGM in 2015 specifically to the challenge to reduce spending. Using a Power Point as a visual aid, he showed the legislation that impacted administration to local governments, and reviewed the administration costs of the district in relation to other local governments. He reviewed the work the district has done to reduce costs historically.

MOTION to accept the Chair's report *R. Gunderson/R. Gruetter/Carried*

Discussion:

Q: Is the Watershed Warden position a paid position and how much time is allotted?

A: It is volunteer position and done as he has time.

Q: Who is it?

A: Chair reported the first volunteer accepted is Rob Gruetter and others can apply.

- 4.2. Maintenance Report – Chair Matthews read the Maintenance report.

MOTION to accept the Maintenance Report

V. Nygaard/K.Osmers/Carried

Discussion:

Q: Does the Maintenance contractor need to be certified,

A: Yes, the Maintenance contractor now needs to be certified through EOCP (Environmental Operations Certification Program)

Comment by a community member: I am certified.

Q: Is the position posted?

Discussion. CAO was asked to confirm. She reported that the contracts run for two years and she believed it expired in the spring of the odd numbered years.

Chair Matthews explained it is posted when it expires if someone in the community has expressed a desire to bid on the job.

Q: Will it be posted in the newspaper?

A: It has been in the past.

Q: There is a liability with the position. Are the trustees covered for liability?

A: Yes

Q: The community member noted that he had tried to get information on the position and had to speak to Chris Matthews about it, which felt awkward.

A: Community members are welcome to attend board meetings about any concerns or questions they have. Chair Matthews noted that when any decisions are needing to be made around Maintenance he declares a potential conflict and does not participate in the discussions. If asked, he leaves the room.

4.3. Fire Department Report – Chair Matthews read the Fire Chiefs report.

MOTION to accept the Fire Chiefs Report

K.O'Neill/T.Norton/Carried

No matters were discussed.

4.4. Financial Report for 2015 – Chair Matthews introduced the District's CFO Wes Abel. CFO noted his appreciation of working with the board this year, and how supportive they've been. He also expressed appreciation for the auditor this year, noting they were prompt and very professional.

4.4.1. Auditors report – The CAO directed the community to turn to the pages in their printed copy of the audit, and explained the purpose of the content. Some of the pages were displayed with Power Point to support the explanations. He detailed some of the costs involved in administration this year. He explained some of the costs in the Professional fees which included the engineering fees,

Discussion broke out interrupting the presentation:

Q: Is there a break out of the for the engineering and auditor fees?

A: I don't have those here but I can get them for you if you come to see me later.

Q: If the engineering fees are for a capital project, wouldn't that be applied to the capital project, not the operations?

A: Yes, and we'll see that later.

Q: Do you have a procurement policy for putting work out to bid?

A: CFO deferred to CAO. CAO reported that the trustees had not developed one but it could be if requested.

A request was not provided.

Q: How do the audit fees compare to the previous year?

A: They are around the same price.

Q: Referring to the previous minutes, what is in administration. Last year you stated that it was administration and book keeping. But this year those are separate. (Provided detail from the audit statement) The book keeping costs and the CFO are under the book keeping amount?

A: Yes

Q: What was the problem with last year's auditor?

A: Explained the errors and omissions he had observed from the audit, and felt he needed better protection.

Q: Can you clarify the costs for POE? There are how many involved? Are they \$1000 a year.

A; Yes, that is what was the cost last year.

CFO deferred to Trustee Mikkelson to answer the number involved. Trustee Mikkelson stated there are seven residential units, and three commercial units yet to be turned on.

Q: How much longer is the pilot going on?

A: Trustee Mikkelson reported that once the commercial units are online it will be a year.

Q: The revenue was up \$16,000 over last year's figures, and the revenue over expenses was up over \$45,000. In the example the chairman's report had, wouldn't the 2015 numbers show a significant increase in the percentages. Granted we don't know what the other districts did for 2015 for comparison.

CFO reviewed the fire protection budget unified with the water service budget and now are approved in the fall for the following year.

Discussion broke out interrupting the presentation:

Q: When you are calculating the percentages to determine admin costs you include the money for capital savings?

A: Yes

Q: So if you took that number out, wouldn't that change the percentage and make it much higher?

A: Yes, that's why we used the example of admin costs over expenses as well, to factor that out. But someone still has to maintain and manage the saving. That isn't free of administration.

Comment from community member: It's also fair to assume the other districts may not have the parcel tax they are saving as well.

A: Yes,

Comment from community member: You would have to adjust the other district's numbers that way as well. And we don't know what is included in their number and if it's for capital.

CFO spoke to the high costs of follow up on overdue accounts. He noted last year he had to charge about \$6000 to collect which he felt was awfully high. He drew their attention to the number reflecting the overdue penalty number.

Discussion broke out interrupting the presentation:

Q: The costs for the web site was a one time cost, what is the annual costs?

A: I believe it is about \$200/yr.

Q: The parcel tax is broken by \$75 and \$425. What amount of that was going to the POEs.

A: It is being saved, and only spent on the maintenance of the few we have.

Noted by Trustee Mikkelson that we are in the pilot stage and are not proceeding to install 220 units.

Comment from community member: I don't believe I should be charged interest for a service we don't have.

A: One point of correction, we don't charge interest.

Comment from community member: Community member said that she was charged interest when her bill went overdue. She said she understood the penalty for the \$75, but didn't believe she should have been charged a penalty on the \$425 because she was not receiving a service for that amount.

A: We charge a one-time penalty for going over due which is according to bylaw. It is not an interest charge.

Q: Can we hear from one of the trustees about this. You are the book keeper, you shouldn't be asked to answer these questions.

A: Trustee Mikkelson provided a brief overview of how the pilot project had been chosen through a series of community meetings, the requirements from Vancouver Coastal Health Authority on the type of purification that would meet compliance, and the cost related to use alternate systems including central purification.

Q: Asked about what they say about the fact this is a small community and we can't afford it?

A: They don't care.

Q: How did the well test?

A: It tested perfectly.

Q: Are we going to have to purify that water too? Can't we just go to well supply.

A: We will still need to purify because it goes in the lines and can be contaminated in line.

Q: How is Noosatsum getting away with it?

A: Chair Matthews explained that, from conversations with Noosatsum community members, their system is drawing from drilled wells. However they may have to address purification as well, since the Health Authority recognizes that distribution lines are vulnerable to leakage. He noted that apparently, doing nothing is an option for a while and buys them time.

Q: How long will the pilot go on?

A: Once we get the commercial units online it will be at least a year to test that equipment.

Q: Where are they (the commercial units) going to be installed?

A: The locations were given.

Extensive discussions around the requirements and costs. One community member strenuously objected to having to purify. Was told to take it up with the Health Authority. That the District doesn't have a choice to not comply.

Chair Matthews asked the conversation to be tabled to let CFO complete his presentation.

4.4.2. Budget for 2016 – CFO explained the various funds and costs in a snapshot.

4.4.3. Long Term Capital Plan for the Asset Management Plan – CFO noted the addition of a contingency plan and budget. He reviewed the budget for 2016.

Discussion broke out interrupting the presentation:

Q: So the 130% (toll) increase happening in the next few years, is the money going into the contingency fund? Under the waterworks, tolls are going up 130%, and we've only had vague references as to what the increase is to be used for? Is it all going into contingency?

A: No

Q: So where is it going?

A: It's going into waterworks operations. (Explanation of cost overruns because the rates had not been increased to keep up with inflationary costs).

Q: I'd like see where it is going.

A: Come and see me and I'll show you the spreadsheet for the next year.

Q: So you just have a plan for the next year? How do you justify a five year increase? It seems like they've picked the number out of their hat. I'd like to see the rationale for it.

A: We reviewed the inflation rate and factored what the rates would have been had it kept up with inflation, compared it to the increase in cost to operate and determined we needed to adjust for inflation.

Q: Isn't part of this also for saving for the fire truck and other capital coming up?

A: Yes, that is correct.

Trustee Mikkelson asked to go back to a previous slide. He explained the historic costs have eaten into the reserve funds, with the district running a deficit. It is in fact, the cushion that has been drawn down, and in two

years, it will be down to nothing and the district would have to draw from reserve funds just to operate.

Q: Is the water board under the same restriction as the school district, that you are not allowed to run a deficit.

A: Yes

Comment, I guess that's why the increase.

CAO continued the explanation of summary slides.

Discussion broke out interrupting the presentation:

Q: Comparing the 2015 and 2016 – The administration costs, without breaking In-Camera confidence, the CAO expense is an even number, is that a flat contract rate? Is there any other costs related to these administrator costs?

A: Yes, the CAO travel costs are involved in that when she travels here to the valley, or to training or meetings on behalf of the district and trustees.

Q: Asking about projected budget for 2016 for CFO and CAO.

A: If you get together with me I can share that with you.

Q: So for 2016, there should be no special projects costs? Whatever is budgeted, that's what it should be.

A: Yes.

Q: On the website, under policies, what is happening with e-transfers

A: E-Transfers have become a big issue for us. It is becoming popular with rate payers to pay their bills. And we have the ability to pay bills with e-transfer. All e-transfers out must be approved by the board before they are used. We have struggled with this, and have concerns.

Q: You would have to consult the auditor, but would it make sense to have a separate account for e-transfers so if the board approves a payment, funds are transferred to that account?

Process was discussed.

Q: Is there more administrative costs to e-transfers or does it save money.

A: From our end, it is a little bit faster and saves time on record keeping and errands.

Q: Can't you be a payee at the Credit Union so people can pay online that way?

A: We have been for a long time now. Discussed process. Not available to people who bank in chartered banks.

MOTION to accept the financial report *R.Gunerson/K.Osmers/Carried*

5. New Business: Questions from the floor.

Q: Why did two trustees step down?

A: Both stepped down for personal reasons.

Q: I didn't hear if the \$1000/year is going to be an ongoing cost?

A: It is expensive because we are testing relatively new technology. We've gone through about 3 generations of the technology. I believe, if we go forward with POE, it will be substantially less.

Q: Is there any plans for using local skilled people to replace the pipeline?

A: Yes, we've looked at various methods of replacing the pipeline and what's involved. We've looked at bursting, and pull through. (Brief explanation) It's on the agenda, but we have more pressing issues on our plate right now.

Q: Is POE the only option we are looking at? Is everything else ruled out?

A: We looked at three options, central with chlorine and residual, central with POE and residual, POE, and then to do nothing.

Q: Have you never considered using the Nuxalk water?

A: Trustee's deferred to CAO for response. CAO noted that the District's engineer, Motherwell had done an extensive report on the option and it was deemed too expensive. She thought it was because of the need for booster stations, new pipes to be installed, and chlorination stations.

Q: Why would you need chlorine? It's not chlorinated now?

A: Distributions systems are susceptible to leak. The Health Authority requires residual chlorine in the distribution lines.

Comment from community member: Our old pipes require the chlorine, and they wouldn't handle the pressure from the system.

Q: Do the pipes have asbestos?

A: Some of our lines are concrete/asbestos.

Q: I notice in Wes' presentation you've budgeted \$100,000 capital upgrades. What are they?

A: We are planning on replacing the fire truck, replacing or repairing the fire hall, upgrade the dam. Replacing the firemen's gear and equipment.

Comment from community member: When this whole process with the POE was started, I believe it was a 6-year process. I believe it is an opportunity for the community to advise the board that they wish the additional parcel tax be stopped until a community meeting is held to provide an opportunity to review costs.

Comment from community member: Concerns about the POE system and the watershed warden work. I understand this is the largest POE system proposed ever. I'd like to hear comments from people who have them in their home and how they like them?

A: This is all we are finding out. The biggest issue has been the turbidity events that has been plugging the filters and causing alarms. We now have the well approved. All this was supposed to be part of what a pilot is all about.

Q: Can't we have a sand filtration system?

A: Keep in mind a system like that has to be pretty large to accommodate the demands... fire flow, for instance.

Q: When we were initially talking about this, what would the cost of chlorination be? We can dechlorinate the water at our kitchen.

A: The water is used for firefighting and is an issue with the standing water after a fire and the danger to fish with the water running into streams. In cities, they have separate pipelines for firefighting.

Discussion around what would have to be done for central purification.

Q: We had a POE in our house and I know we had to replace the filters sometimes twice a day. With the district's system that would be expensive.

A: 99% of the issues we've experienced is from turbidity (Explanation reviewing the purpose of the well for backup supply).

Q: Referencing POE as opposed to a multi barrier approach. Community member recalled the Health Authority telling her that POE was not a multi barrier approach and the district could still have to have a boil water advisory.

A: Yes, Ultra violet alone is not enough. Explanation of the use of the filters and the challenges with the turbidity. Related Vancouver Coastal Health Authority's position on the POE units, combining double filtration and ultra violet purification. Discussed Low Risk and the historic studies.

Q: Request for more public meetings.

A: Chair Matthews recalled Trustee Dunsworth reporting a generous number of 12 people showing up. If we want a public meeting, we need to know people are dedicated to show up. They are costly to prepare for and if so few people care, why should we have them. Community members are welcome to come to board meetings as well, but rarely do.

Q: Curious about the DFO collaboration. I understand they are open to hydro generation.

A: The AC Eagle report was displayed and CAO suggested it be presented. Chair Matthews spoke to discussions with DFO for access to pathogen free water. He explained how the subject of hydro generation came into the discussion with DFO and the history of the district's consideration of the subject.

Q: The water board has to review if you want to be removed from the water district. What is your criteria?

A: We have recently developed policy around that. We've had this question a few times over the year.

Q: You reference costs on the road allowance. What is that cost for?

A: Highways has to give us permission to dig on the public road. If we have to open the road to get at the line?

A community member asked, and there was strong agreement, to table further discussion until after elections.

6. Election of Trustees – Chair Matthews turned the meeting over to the Elections Officer Joan Sawicky. The EO acknowledged that it has been a long evening and asked for patience as she went through the process for elections of trustees.

She announced that there are 47 eligible voters in the room. There are four positions to be filled, two for 3 year terms, one for a 2 year term, and one for a 1 year term.

The EO asked if there was a request for secret ballots. Three people requested secret ballots. The EO explained the ballot booklets and the process they would be used. She explained they would start with the two positions for three-year terms.

The EO called three times for additional nomination forms for the three-year terms. Approximately 10 minutes was taken for discussion in one area of the room. No additional nominations were submitted.

Jeremy Baillie, Kevin O'Neill, Chris Matthews, Mark Nelson, and Charles Bryfogle were nominated for all available positions, and had accepted. The EO asked that they stand when she read their name to verbally acknowledge their acceptance. She confirmed acceptance from Charles Bryfogle in writing, in his absence.

The elections were first held for the three-year term.

Jeremy Baillie and Kevin O'Neill were elected by popular vote.

The elections were held for the two-year term. The EO called three times for any additional nomination forms. No additional nominations were submitted.

Chris Matthews was elected by popular vote.

The elections were held for the one-year term. The EO called three times for any additional nomination forms. No additional nominations were submitted.

Mark Nelson was elected by popular vote.

MOTION to destroy the ballots in 30 days. *R.Morton/R.Gruetter/Carried*

7. Honorariums: Currently at \$500 per year.

MOTION to keep the Honorarium at \$500 *R.Gunderson/D.Bittner/Carried*

8. Adjournment

MOTION to Adjourn at 11:15PM *D.Blake*

_____ (Chair)