

MINUTES

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT

Meeting 45th Annual General Meeting
Date **Thursday, April 21, 2022**
Place Cobble Hill Community Hall, 3550 Watson Ave., Cobble Hill

Present: Robin Brett, Chair; Dennis Maher, Vice-Chair; Gordon Redding, Treasurer; Gerry Giles, Trustee; Wayne Gillis, Trustee; Joe Woolls, Operator; Philip Leeman, Maintenance; Karen Berezki, Administrator.

Call to Order: 7:00 p.m.

1.0 INTRODUCTION

Chair Robin Brett called the meeting to order, introduced the Board of Trustees and Staff, and welcomed five residents of the District.

Chair Brett advised that the meeting was called for the following purposes:

- 1) To receive from the Trustees a report on the conditions of the works and a statement of the financial condition of the Improvement District;
- 2) To discuss with the Trustees any matter relating to the works or finances of the Improvement District;
- 3) To fix the honorarium of the Trustees for the ensuing year;
- 4) To elect two Trustees to each serve for a three-year term.

2.0 ADOPTION OF MINUTES

Minutes of the April 1, 2021, Annual General Meeting were distributed to the residents in attendance.

Moved: Jim Barker
Second: Tom Harkins

Carried: That the April 1, 2021, Annual General Meeting minutes be accepted as circulated.

3.0 OPERATOR REPORT *Joe Woolls, Operator, Island Flow Control*

Chair Robin Brett invited BEID's new contract Operator, Joe Woolls of Island Flow Control to present a report on the operations of the District.

The Operator reported that he has been with the District for almost one year as he started in May 2021. He worked for the Capital Region in Victoria for twenty-one years before branching out to begin his own company. He currently is operator for a number of water districts. He works with a team of electricians, excavators, and spare operators.

Works completed since beginning with BEID include but are not limited to: performed sample station upgrades and installations; solicited an estimate for a 24-hour monitoring and alarm system; repaired a leak on Fisher Road; installed two long services; disconnection of a derelict water line at the end of Braithwaite; replaced a hydrant on Braithwaite Drive; water main flushing in December; and repaired bad leak on Fisher Road easement in farmer's field.

Upcoming works include but are not limited to: valve maintenance upcoming at the end of April; replacement of the pressure reducing valve (PRV) station on Rolmar Crescent starting in June, and installation of an isolation valve.

The Operator responded to questions as follows:

Impression of water system after one year: water is surprisingly clean with no disinfection; consistently good samples; has been run pretty well; old sections that will need upgrading; some sections aging but overall, pretty good.

Infrastructure grants: It is more difficult for improvement districts to access grants.

Moved: Jim Barker
Second: Tom Harkins

Carried: That the April 21, 2022, Operator Report be accepted as presented.

The Operator was thanked for his attendance and was excused from the balance of the meeting.

4.0 FINANCIAL OFFICER REPORT *Karen Berezcki, Administrator*

4.1 2021 Audited Financial Statements:

Braithwaite Estates Improvement District (the "District") was incorporated by letters patent issued on February 5, 1976, and operates under Part 17 of the *Local Government Act (BC)*. The principal activities of the District are to supply potable water for domestic use within the District's boundaries.

As the Financial and Corporate Administrator of the District, it is a pleasure to present the audited financial statements for the year ended December 31, 2021.

For reference, a copy of the financial statements is included in the meeting handout, immediately following the 2021 AGM minutes. This information is also available to members at large for viewing on the District's website at www.BEID.ca.

The District's financial statements have been audited by Morine and Schindler LLP, Chartered Professional Accountants, as appointed by the Board of Trustees at its January 27, 2022, regular meeting. The Independent Auditor's Report found on pages 2 and 3, sets out the Auditor's responsibilities, the scope of their examination, and their opinion on the District's financial statements.

The financial statements are the responsibility of the Board of Trustees. The statements have been prepared in accordance with Canadian public sector accounting standards. The auditor has expressed its unqualified opinion, at the top of page 2, as follows:

Auditor Opinion (page 2):

We have audited the consolidated financial statements of Braithwaite Estates Improvement District (the District), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2021, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Consolidated Statement of Financial Position (page 4):

Taking into account each of the funds to be reported, the consolidated accumulated surplus as at December 31, 2021, is \$1,782,072 compared to \$1,765,366 in 2020, representing a net surplus of \$16,706. The **Consolidated Statement of Operations (page 5)**, outlines this surplus in detail.

Pages 6 through 11 outline the consolidated statements of accumulated surplus, changes in net financial assets, cash flows, and notes to the consolidated statements.

Fund Accounting:

Having reported on the consolidated financial position, it is important to note that the District records accounting transactions using the fund accounting method. Each fund has a specific purpose, with spending restrictions that must be adhered to. Money in each individual fund, and interest earned on it, must be used only for the purpose for which the reserve fund was established.

Disbursements are authorized by resolution or by Bylaw, passed by the Board of Trustees. Once passed, disbursement bylaws must be submitted to the Ministry of Municipal Affairs and Housing.

Operating Fund (page 12):

Operations accounts for the day-to-day activities of providing services. Such as repairs and maintenance, hydro, insurance, operator fees, wages, training and administration costs.

The accumulated surplus in this fund at December 31, 2021, totals \$97,877, compared to prior year surplus of \$108,280; representing a net 2021 operating loss of \$10,403.

Backflow Reserve Fund (page 13):

Pursuant to the District's Backflow Prevention Program initiated in 2006, all connections within the District shall have a backflow prevention valve installed at no charge.

There were no additions to, or expenditures from, the backflow fund during 2021.

The accumulated surplus in this fund at December 31, 2021, totals \$17,791.

Renewal Reserve Fund (RRF) (page 14):

Part 706 of the *Local Government Act* requires the Trustees to create a renewal reserve fund, and to adequately fund it so that infrastructure can be maintained and replaced. The District's renewal reserve fund is set up to pay for the repair, maintenance or replacement of existing assets as they reach the end of their useful life.

Annual funding is determined by the RRF schedule. The calculated amount is budgeted, collected and expensed through the Operating Fund.

RRF expenditures totalling \$58,418 comprised of Well #2 pump replacement (\$20,882.72), meter/meter wand replacements (\$32,211.28), and a hydrant replacement on Braithwaite Drive (\$5,323.76).

The accumulated surplus in this fund at December 31, 2021, totals \$816,219.

Capital Expenditure Charge Fund (CEC) (page 15):

Capital expenditure charges are levied under Bylaw no. 133, pursuant to section 698(1)(e) of the *Local Government Act*, where the creation of parcels of land or development on parcels of land will result directly or indirectly in new capital cost burdens for the District.

CEC funds generally come from developers when the existing boundary is expanded to include a new lot; when an existing lot is subdivided; or when an additional dwelling is developed on a single lot.

CEC funds are restricted by the provincial government to use only for items that increase the water capacity of the District, such as additional wells or reservoirs. These funds cannot be used for repairing or replacing assets the District already owns. An engineer-developed 10-year Master Plan provides guidance for CEC funded projects.

CEC charges totalling \$15,130 were collected in 2021. This represents two CEC charges collected for subdivisions. There were no CEC fund expenditures.

The accumulated surplus in this fund at December 31, 2021, totals \$110,655.

Equity in Tangible Capital Assets (pages 11 & 16):

Tangible Capital Assets currently include the water system, water mains, buildings, equipment and fire protection. These are stated at cost less accumulated amortization. Provision for repair/replacement of these assets, including inflation, is planned through the Renewal Reserve Fund.

Additions of \$58,418 to tangible capital assets during 2021 reflect the renewal reserve fund expenditures reported earlier. There were no disposals.

The accumulated surplus in this fund at December 31, 2021, totals \$739,531.

4.2 2022 Operating Budget, Rate Changes & Planning for the Future:

The Braithwaite Estates Improvement District continues to operate in a favourable financial position. This is largely due to good fiscal management and difficult decisions.

Every year the Board of Trustees goes through the process of setting budgets and reviewing rates. The goal is to ensure that operational costs and reserve funding requirements are being met by the revenues collected.

Having recently completed this process for the current year, it was necessary for the Board to raise rates in order to meet the cost increases projected in the 2022 budget. No one likes rate increases, but the Board hopes you will find them reasonable.

The base tolls increased from \$85 to \$90 bi-monthly effective on the April 1, 2022, tolls billing.

The annual tax rate for assessment group A, single-family dwellings, will increase from \$200 to \$210, effective June 1, 2022. Proportionate increases will be experienced in the other tax assessment groups as well.

Tolls and tax rates were last increased effective April 1, 2021 and June 1, 2021 respectively.

As always, I would like to recognize the Trustees for their commitment to system sustainability, continuous improvement, and service to the community.

Moved: Tom Harkins
Second: Jackie Barker

Carried: That the 2021 Audited Financial Statements, and April 21, 2022, Financial Officer's report be accepted as presented.

5.0 REPORT ON THE OPERATIONS OF THE DISTRICT *Robin Brett, Chair*

The Chair reported that she'd like to explain why the Board chose to have Island Flow Controls rather than hiring another employee as our Operator. BEID is mandated by the Health Department to have a Certified Operator 24/7. So, when the former Operator resigned, a new Operator had to be hired. Lone Operators are getting harder to find and retain. Older ones are reaching retirement age, and younger ones get trained by districts only to move to the Municipal level where they get union wages and benefits. The Board decided to contact Island Flow Controls for a number of reasons:

- Convenience – instead of hiring one person plus a relief operator to have coverage for days off and holidays, Island Flow Controls takes care of all of that scheduling at a set contract price.
- Oversight – the Board is not constantly having to supervise an Operator and Relief Operator when none of the Trustees are Certified Operators ourselves.
- More Services and some Savings – the Board is now getting two water tests done each week when we were formerly getting only one. BEID also isn't paying extra to send water tests by courier to the lab in Sidney, BC or paying extra for the lab tests themselves. Water samples now go to the Heath Department lab, and this is all included in the contract price from Island Flow Controls.

- Trustees wanted a more professional approach to Operations. The Board now gets comprehensive monthly reports on the work that is done and recommendations on other issues that need attention.
- Larger repair jobs can be completed by Island Flow Controls and Trustees don't have to organize schedules or find outside contractors and supervise them as well.

Island Flow Controls has done a terrific job on a large repair in the middle of terrible weather, that could not have been done by a single operator and where we would have found difficulty in getting outside contractors on such short notice. They have also completed other smaller repairs including replacing rusting and corroded test ports and installed a proper valve to take water tests directly from the water tower that doesn't give a person a complete shower while doing that. They also severed our connection with an abandoned line and have relocated some service lines and meters.

BEID was able to hold its Annual General Meeting by Zoom during Covid, although the Board had to wait until it was legislated by the Province to be able to hold meetings and the AGM via Zoom. Although one Trustee refused to meet via Zoom even when offered a spare laptop to work on so he didn't have to put Zoom on his own computer; other Trustees, including a number with health issues, would not meet any other way. In the end the majority ruled, and we met via Zoom. One Trustee resigned over the issue and has been replaced by Gordon Redding.

A long serving Trustee, Francis Hugo, also resigned this year. Francis has been replaced by Wayne Gillis.

The only thing Island Flow Controls would not do is meter readings, and we were very lucky to find Phil Leeman who has taken on that function. Phil, with the help of trustees, has located every meter and plotted it on a map, which is good planning for the future. Phil has also done a massive cleanup around meters and buildings, including reservoir site clean-up; brass salvage; removal of a lot of debris. He has also taken it on himself to organize the inside of buildings as well as shop clean-up and organization; transformer relocated from middle of floor to corner and meter stock all put away. The District's records are now on proper shelving instead of sagging plastic shelves.

Gates have been installed by Dennis Mayer, so we are no longer climbing over fences to read meters.

Trustees have pitched in to get Phil settled in including forays into the wilds of the District. Their efforts have been amazing.

Karen's work is of the highest standard and you can tell by her Financial Report she has a firm grasp of the finances and statements. The auditor gives the quality of her work the highest praise and we are lucky to have her.

Work completed in the last year includes:

- Well pump #2 replacement (RRF)
- Test port upgrades
- Fisher Road leak repair which necessitated a few days shut down of water on Fisher, Cheeke and Telegraph

- Meter replacements are ongoing
- Service relocations – this happens when we find one in an awkward place, or one is under water
- New connections; Subdivisions ongoing; Second dwelling suites ongoing
- Emergency response plan has been updated
- As everyone is aware costs have increased for not only homeowners but the District as well, for example, Insurance has increased dramatically in the last year. The result will be increased Tolls & Taxes because we must balance our budget.
- Master plan update (CEC fees) in progress. This gives BEID its plan to stay ahead of development and makes the District more sustainable in this era of climate change. It also increases the cost to developers who contribute to the CEC fund which pays for any new wells or water towers for the future. Drawing updates (CEC fees) are part of this Master Plan
- The Board now has a standing offer with the BEID engineer to review applications and update drawings (which is paid for by developers). In the past Trustees have done this work and while we will continue to review and comment on subdivisions, we are not professional engineers, and we should not be taking on that role. Involving the engineer also means that plan updates are paid for by developers, not the District.
- We are looking at a SCADA system (CEC/RRF) which will allow remote access of the system to monitor trends and will save time by being able to diagnose problems before arriving on site.
- Pumphouse #1 replacement will be coming soon (paid for out of the RRF); another instance of why IFC has been excellent as our Operator. We tried unsuccessfully for over two years to find a contractor to do this work, but IFC has access to many other contractors we were not aware of.

Moved: Jim Barker

Second: Tom Harkins

Carried: That the April 21, 2022 trustee report be accepted as presented.

6.0 TRUSTEE HONORARIUM

The Chair advised the total honorarium is currently \$8,000.00 per year, as set by the ratepayers at the April 1, 2021, AGM. This amount is divided into six equal parts - the four Trustees receive one part each (\$1,166.67) and the Chair receives two parts (\$2,333.32). The honorarium was last increased from \$7,000.00 to \$8,000.00 by ratepayers at the April 4, 2019 AGM. It is up to the landowners to set the Honorarium.

Moved: Mike Wilson

Second: Jim Barker

Carried: That the trustee honorarium be set at \$9,000.00 for the 2022 fiscal year.

7.0 ELECTION OF TRUSTEES

Chair Robin Brett explained the election process as follows:

Pursuant to Section 684(1) of the *Local Government Act*, in order to vote at an election for improvement district trustees, a person must be:

- 1) a Canadian citizen
- 2) 18 years of age or older
- 3) an owner of land within the improvement district
- 4) entitled to be registered as a voter under the *Elections Act*.

Every person who is qualified to be a voter in an improvement district is also qualified to be a trustee.

The Trustees' terms of office were accounted for: Gerry Giles' three-year term has completed. Wayne Gillis's one-year remaining of a three-year term is completing. Therefore, there are two vacant Trustee positions comprising two three-year terms.

Ms. Giles and Mr. Gillis have agreed to stand for re-election for a three-year term if nominated.

Nominations were called for candidates to stand for election to a three-year term.

- 1) **Jim Barker nominated Gerry Giles. *Accepted.***
- 2) **Mike Wilson nominated Wayne Gillis. *Accepted.***

Further nominations were called three times and when no further nominations were received, nominations were declared closed.

Gerry Giles and Wayne Gillis were declared elected by acclamation.

Each candidate was thanked for letting their names stand for election.

The 2022/23 Board of Trustees was confirmed as follows: Trustees Robin Brett, Gerry Giles, Wayne Gillis, Dennis Maher and Gordon Redding.

7.0 OTHER BUSINESS

General discussion and Q&A ensued:

- Attendee Jackie Barker referred to the aquifer level chart included in the meeting handout. Trustee Gerry Giles reported that the District is fortunate to be located in an abundant portion of the aquifer. However, this does not preclude the fact that users are encouraged to use water wisely. BEID usage has a direct impact on neighbouring users who are located in a less abundant area of the aquifer.
- Trustee Gerry Giles reported on the history of the District. In 1972 the system was operated by the developer. There were times when BEID would run out of water. In 1973/74 the community looked for other options. Over 55% vote in favour of forming an improvement district was achieved. A charge of \$10.00 per month was implemented. A lot of change has been seen over the years. Now the District has moved from an employee operator to an operator company and maintenance employee. The Board feels very comfortable with how the system is operating now.

The benefits are well worth the money being spent. If the system was turned over to the CVRD it would cost more with less control.

- Attendee Jim Barker stated that this reinforces that if I'm not here the District will carry on. He thanked the Board for making the decision to modernize operations.

Since there was no other business forthcoming, the Chair thanked the owners for attending, and the meeting was adjourned.

8.0 ADJOURNMENT

Moved: Mike Wilson

Second: Jim Barker

Carried: That the meeting be adjourned.

The meeting adjourned at 8:25 p.m.

The inaugural meeting of the Board of Trustees will be held on Thursday, April 21, 2022, immediately following the AGM.

The next regular meeting of the Board of Trustees will be held at 7:00 p.m. on Thursday, May 5, 2022, via Zoom.

CERTIFIED CORRECT

Chairperson

Administrator