

MINUTES

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT

Meeting 44th Annual General Meeting
Date **Thursday, April 1, 2021**
Place Real Time Electronic Meeting via Zoom

Present: Robin Brett, Chair; Francis Hugo, Vice-Chair; Dennis Maher, Treasurer; Gerry Giles, Trustee; Gordon Redding, Trustee; Karen Bereczki, Administrator.

Call to Order: 7:30 p.m.

1.0 INTRODUCTION

Chair Robin Brett called the meeting to order, introduced the Board of Trustees and Staff, and welcomed three 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;

The Chair then noted that since the annual general meeting is being held electronically, the election of trustees was conducted separately in accordance with the Province's direction. Nominations closed on March 1, 2021. Since there were as many candidates as vacancies, Robin Brett and Gordon Redding were declared elected by acclamation, effective immediately following the April 1, 2021, AGM. The 2021/22 Board of Trustees was confirmed as follows: Robin Brett, Gerry Giles, Francis Hugo, Dennis Maher, and Gordon Redding. The executive will be elected at the Inaugural Meeting immediately following the AGM.

2.0 ADOPTION OF MINUTES

Minutes of the November 26, 2020, Annual General Meeting were distributed electronically to the members in attendance.

Moved: Gerry Giles
Second: Jim Barker

Carried: **That the November 26, 2020 Annual General Meeting minutes be accepted as circulated.**

3.0 REPORT ON THE 2020 AUDITED FINANCIAL STATEMENTS

Karen Berezcki, Administrator

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, 2020.

For reference, these statements were attached to the meeting invitation distributed to attendees on March 31, 2021. 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 28, 2021, 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, on 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, 2020, 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, 2020, 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):

The consolidated accumulated surplus as at December 31, 2020, is \$1,765,370 compared to \$1,636,302 in 2020.

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. Disbursement bylaws must be submitted to the Ministry of Municipal Affairs and Housing for registration.

Operating Fund (page 12):

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

The accumulated surplus in this fund at December 31, 2020, totals \$108,280.

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 2020.

The accumulated surplus in this fund at December 31, 2020, totals \$17,692.

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.

There were no expenditures from this fund during 2020.

The accumulated surplus in this fund at December 31, 2020, totals \$801,475.

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 any other purpose like repairing or replacing assets the District already owns.

CEC charges totalling \$45,390 were collected in 2020. This represents six CEC charges collected for five subdivided lots and one second dwelling suite. There were no CEC fund expenditures.

The accumulated surplus in this fund at December 31, 2020, totals \$95,377.

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.

There was one small disposal of tangible capital assets during 2020. There were no additions.

The accumulated surplus in this fund at December 31, 2020, totals \$742,543.

2021 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 and reserve funding costs 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 2021 budget. No one likes rate increases, but the Board hopes you will find them reasonable.

The base tolls will increase from \$80 to \$85 bi-monthly effective on the April 1, 2021, tolls billing.

The annual tax rate for assessment group A, single-family dwellings, will increase from \$180 to \$200, effective June 1, 2021. Proportionate increases will be experienced in the other tax assessment groups as well.

Tolls and tax rates were last increased effective June 1, 2017.

At this time, I would like to recognize the Trustees for their commitment to system sustainability, continuous improvement, and service to the community.

Moved: Dennis Maher

Second: Gordon Redding

Carried: That the 2020 Audited Financial Statements, and Financial Officer's report be accepted as presented.

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

When the shutdown happened, it left the Provincial government scrambling to prepare the legislation to allow improvement district boards to meet electronically and for the District to hold their AGMs electronically, with voting (if required) to be held separately. Since that legislation has come through all board meetings have been held by Zoom, but

that legislation delayed our 2020 AGM until last November. Now we are back on track with our normal April date.

The work of the District continues on as before, despite Covid:

- meters are being read,
- bills are going out,
- maintenance work is being done,
- water tests are being performed on schedule and coming back from the lab and everything is fine
- suppliers and payroll are being paid

In short, our staff and trustees have found a way to continue doing everything they were doing before.

In the 125 days since our last AGM, this board has completed the following work:

- The pump in Well #2 was reported to have failed at the last AGM has been replaced. Total cost came from the Renewal Reserve Fund. This will not affect our rates.
- Temporary repairs were made to the Well #1 pumphouse. An upgrading plan has been prepared, and full renewal of the pumphouse will be done in 2021.
- A plan is being prepared to continue the installation of backflow prevention devices along with replacing meters starting with the oldest meters in the district. We have a listing of all the meters and the date of installation, and we purchased 105 meters at a special price. By the time the 20 year old meters are replaced, we will have 15 spare meters. Cost of doing this will come from the Renewal Reserve Fund and the Backflow Fund. This will also not affect our rates.
- We also purchased a new meter reading wand.
- Our Groundwater Licensing Application is still under consideration by the Province. No indication as to when we might receive our license.
- The Emergency Response Plan was updated.
- The District continues to grow. In the past 2 years there has been:
 - a) 6-lot subdivision approved on Vanland
 - b) 2-lot subdivision application in progress on Vanland
 - c) 1 second dwelling suite approved on Gary Oak
 - d) 4-lot proposed subdivision on Jedson
 - e) 2-lot proposed subdivision on Braithwaite
 - f) 1 Boundary Extension Petition on Jedson
- All Trustees took their Oath of Office following last year's AGM and have continued on during this pandemic with renewed and continuing commitment to this district, safe water for our residents, and protecting our assets so the district can sustain itself.

Issues:

As the Administrator has noted, the amount we allocate for the Renewal Reserve fund needs to be increased. It is important to keep contributing to this fund because it provides the money to do major repairs without affecting our daily operations budget. You will note that our budget includes an increase for the Administrator position, whose flat fee has not kept up over the last years. This work is more than taking minutes and billing and

collecting accounts. It has grown to include keeping the Renewal Reserve fund on track, Budgeting, keeping the Emergency Response manual updated, filing annual reports, tracking the age of every meter and backflow valve in the district, and as the district has grown so have the number of accounts to bill and collect, and the number of conveyances to do when properties change hands. The Administrator also handles all the correspondence and bylaw administration with new developments which have increased dramatically over the last couple of years. This budget increase reflects the increased hours and responsibilities more in keeping with the “Executive Management” nature of the position, as well as her excellent performance in the job.

We have also been faced with a substantial increase in the cost of our insurance. Without some increase in water rates and taxes, we would not be able to meet our expenses in 2021. These increases will amount to \$2.50 a month on the basic water tolls and \$20 per year per single household for taxes.

Further to the Chair’s report above, **Trustee Francis Hugo** introduced the following points of interest for report and discussion, as follows:

- 1) **Renewal/Replacement:** The District is 45 years old and the infrastructure is starting to show its age. The Well #2 pump was recently replaced at a cost of approximately \$20,000. Well Pump #4 is approaching end of life and replacement will need to be considered in the next few years. The electrical controls have been modified over the years, resulting in a complicated control system. The Board will be reviewing the feasibility of upgrading to an electronic, state-of-the-art system.
- 2) **Five Year Plan:** As a consequence of aging assets, the objective is to develop a five to ten year plan of organized renewal. The Board will be working on it this year.
- 3) **Aquifer Level:** In reference to the aquifer level chart as distributed with the meeting invitation, the aquifer is healthy with levels consistent with those in years past. Unless something dramatic were to occur, there will be no need to implement water restrictions. That said, prudent watering practices are encouraged.
- 4) **Water Quality:** The water quality is consistently good, and continues to be well maintained. Weekly and quarterly water sample results, and annual full spectrum water sample analysis information is available on the District’s website at www.BEID.ca.

Trustee Gerry Giles reported on questions posed from residents about why BEID is expanding its boundaries to include Jedson Road. She explained that it is done for a reason. It is a form of protection. If an improvement district controls land development around it, it controls the water. If the development is not within the improvement district there is no way of asking for compliance to monitor or control the water. Too many straws into the aquifer create a danger of contamination.

Moved: Dennis Maher

Second: Jim Barker

Carried: **That the April 1, 2021 trustee report be accepted as presented.**

5.0 TRUSTEE HONORARIUM

The Chair advised the total honorarium is currently \$8,000.00 per year, as set by the ratepayers at the November 26, 2020, 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: Jim Barker
Second: Jackie Barker

Carried: That the trustee honorarium be set at \$8,000 for the 2021 fiscal year.

6.0 OTHER BUSINESS

Meeting attendee Jim Barker noted that Fortis is frequently seen installing natural gas lines within the District. Does the Board have any concerns?

Trustee Francis Hugo responded that BC One Call alerts the District and water line locations are provided to Fortis. The installers are experienced and there is minimal risk to the waterlines.

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

7.0 ADJOURNMENT

Moved: Jim Barker
Second: Sanja Hugo

Carried: That the meeting be adjourned.

The meeting adjourned at 8:00 p.m.

The next regular meeting of the Board of Trustees will be held at 7:00 p.m. on Thursday, April 22, 2021, via Zoom.

CERTIFIED CORRECT

Chairperson

Administrator