

MINUTES

BRAITHWAITE ESTATES IMPROVEMENT DISTRICT

Meeting 43rd Annual General Meeting
Date **Thursday, November 26, 2020**
Place Real Time Electronic Meeting via Zoom

Present: Robin Brett, Chair; Francis Hugo, Vice-Chair; Dennis Maher, Treasurer; Gerry Giles, Trustee; Gordon Redding, Trustee; Alan Seal, Operator; Karen Berezki, 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 seven 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 October 20, 2020. Since there were as many candidates as vacancies, Dennis Maher and Gordon Redding were declared elected by acclamation. The 2020/21 Board of Trustees was confirmed as follows: Robin Brett, Chair; Francis Hugo, Vice-Chair; Dennis Maher, Treasurer; Gerry Giles, Trustee and Gordon Redding, Trustee.

2.0 ADOPTION OF MINUTES

Minutes of the April 4, 2019, Annual General Meeting were distributed electronically to the members in attendance.

Moved: Jim Barker
Second: Dennis Maher

Carried: **That the April 4, 2019 Annual General Meeting minutes be accepted as circulated.**

3.0 REPORT ON THE 2019 AUDITED FINANCIAL STATEMENTS

Karen Berezki, 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, 2019.

For reference, these statements were attached to the Annual General Meeting electronic invitation as distributed to meeting participants on November 24, 2020. This information is also available 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 30, 2020, 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, 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, 2019, 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, 2019, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Fund Accounting:

The District records accounting transactions using the fund accounting method. Highlights of these Financial Statements will be presented by individual fund as follows:

Operating Fund (page 11):

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 2019 Statements show an accumulated Operating surplus of \$87,326, since inception, compared to prior year accumulated surplus of \$66,460. Representing a net 2019 operating surplus of \$20,866.

Backflow Reserve Fund (page 12):

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.

The balance of the Backflow Reserve Fund as at December 31, 2019, was \$17,208, compared to the prior year balance of \$17,051.

Disbursements from this fund are approved by resolution of the Board of Trustees.

There were no additions to, or expenditures from, the backflow fund during 2019.

Money in the backflow fund, and interest earned on it, must be used only for the purpose for which the reserve fund was established.

Renewal Reserve Fund (RRF) (page 13):

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. To that end, the District holds tangible capital assets at a total cost basis of \$1,642,700. The projected repair/replacement cost including inflation is \$7,016,747. The District's renewal reserve fund is set up to pay for the repair, maintenance or replacement of these existing assets as they reach the end of their useful life.

The balance of the RRF as at December 31, 2019, was \$723,276, compared to the prior year balance of \$650,064. Annual funding is determined by the RRF schedule. In 2019 the calculated amount of critical funding was \$61,611. This amount is budgeted for and collected in the Operating Fund, and expensed as a transfer to the RRF. Money in the RRF, and interest earned on it, must be used only for the purpose for which the reserve fund was established.

Disbursements from this fund are authorized by Bylaw passed by the Board of Trustees, and then submitted to the Ministry of Municipal Affairs and Housing for registration.

There were no expenditures from this fund during 2019.

Capital Expenditure Charge Fund (CEC) (page 14):

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.

Capital expenditure charge 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.

The balance of the CEC Fund as at December 31, 2019, was \$49,540, compared to the prior year balance of \$48,907. Money in the CEC fund, and interest earned on it, must be used only for the purpose for which the reserve fund was established.

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.

Disbursements from this fund are authorized by Bylaw passed by the Board of Trustees, and then submitted to the Ministry of Municipal Affairs and Housing for registration.

There were no CEC charges collected, nor CEC fund expenditures during 2019.

Tangible Capital Assets (pages 10 & 15):

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

There were no additions nor disposals of tangible capital assets during 2019.

The net book value of tangible capital assets, representing cost less amortization, totalled \$758,950 at December 31, 2019, compared to \$785,344 in 2018.

Consolidated Statement of Financial Position (page 4):

The Braithwaite Estates Improvement District continues to operate in a favourable financial position. Taking into account each of the funds reported above, the consolidated accumulated surplus as at December 31, 2019, is \$1,636,302 compared to \$1,567,825 in 2018.

While the District continues to be well managed financially, improvements are always possible. At this time, I would like to recognize the Trustees for their commitment to continuous improvement and service to the community.

Moved: Gerry Giles
Second: Allan Garside

Carried: That the 2019 Audited Financial Statements, and Financial Officer's report be accepted as presented.

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

The work of the district has been carrying on, 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 have found a way to continue doing everything they were doing before. I want to thank them for always going above and beyond expectations.

When the shutdown happened, it left the Provincial government scrambling. After a few months they provided the legislation to allow improvement districts to meet by electronic means. If we use this method, Trustees must meet in real time (as if we were there in person) and must allow for someone to take minutes as the discussion happens. This did not include Annual General Meetings until more recently when the Province finally passed legislation to allow District AGM's to take place by electronic means, with the Trustee election (if required) to be held separately.

Since our last AGM 19 months ago, this board has completed the following:

- Last year we replaced the electrical contact probes in the Reservoir with floating tilt switches for improved reliability and to allow for lower voltage to be used for safety reasons.
- We updated the alarm system for the Reservoir to have malfunction alarms sent directly to the Operator's cell phone.
- The new generator has proven its worth on a few occasions where we had power failures. It started up automatically when the power went off and we had uninterrupted water supply to maintain full storage in the Tower.
- The pump in Well #2 failed and is being replaced. Total cost will be under \$20,000, funded from our 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.
- We received a very favorable report from Island Health for the annual inspection for licensing of our system.
- Installation of backflow prevention devices continues as time and funds are available.
- Bylaws have been updated and a new index of current bylaws developed. New policy and procedures were developed and adopted for boundary extensions, and servicing agreements.
- Groundwater Licensing Application is still under consideration by the Province. No indication as to when we might receive our license as they are far behind in their work.
- New classification as Level 1 for our water system was obtained from the Environmental Operators Certification Program.
- Our Operator took additional training to maintain certification as a Class 2 System Operator.
- The Emergency Response Plan was updated.
- The District continues to grow. In the past 19 months 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
- An internal inspection of the Tower has been done by remote video camera; it showed the Tower to be in excellent condition with no current concerns.
- We participated with the CVRD in getting access to reports for the Fisher Road monitoring wells and for securing a commitment to an ongoing monitoring program. Our thanks go to Trustee Francis Hugo for this work.
- In 2019 our representatives attended conferences for Coastal Water Suppliers Association and British Columbia Ground Water Association and the Regional District of Nanaimo.
- We developed and implemented a user-friendly public website.
- One Trustee resigned, and one Trustee position was up this year. We welcome Dennis Maher who is a returning Trustee and Gordon Redding a new Trustee, both elected by acclamation.

- A review of the bylaws has now been completed and Trustees have agreed to changes to the rate structure for multiple family dwellings. In the past multiple dwellings were charged an equal amount to the main dwelling and the overage charges started at the lowest level for each. Now the charge for the second dwelling inside the home is 50% but the overage charges will not be split between the two residences. They will apply as if it is one residence.
- All Trustees took their Oath of Office following last year's AGM and have continued on during this pandemic with renewed and continuing commitment. Sitting at the table we have over 95 years of Trustee experience managing this district and counting Karen, Alan and Nick, it amounts to over 145 years of experience. As well, in our personal lives we add over 150 combined years of engineering, finance, business and political experience sitting at this table. Even so, we never take anything for granted and each meeting sees a renewed commitment to this district, safe water for our residents, and protecting our assets so the district can sustain itself.

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

- 1) **Aquifer Level:** In reference to the aquifer level chart as distributed with the meeting invitation, the aquifer is healthy with levels equal to or better to 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.
- 2) **Water Quality:** In reference to weekly and quarterly water sample results, and annual full spectrum water sample analysis information available on the District's website at www.BEID.ca, the residents of the District still enjoy "designer water". We are very fortunate to have this quality of water, and it is the Improvement District's job to protect it.

Trustee Gerry Giles elaborated on the Financial Officer's report respective to BEID's incorporation date of February 5, 1976. She stated that February 5, 2021, will mark 45 years of operations for the District. Noting her role as Trustee initially, she made the point that the current position of the BEID is as the original Trustees envisioned all those years ago.

Moved: Gordon Redding

Second: Jackie Barker

Carried: That the November 26, 2020 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 April 4, 2019 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: Rhonda Scheiber

Carried: That the trustee honorarium be set at \$8,000.00 for the 2020 fiscal year.

6.0 OTHER BUSINESS

Meeting attendee Jackie Barker extended a vote of thanks to the Board of Trustees for all that they do. She noted that she appreciates the water quality and brags about BEID to others. She expressed full confidence in the way the District is being run.

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: Francis Hugo

Carried: That the meeting be adjourned.

The meeting adjourned at 8:30 p.m.

The next regular meeting of the Board of Trustees will be held at 7:00 p.m. on Thursday, January 28, 2020, via Zoom.

CERTIFIED CORRECT

Chairperson

Administrator