



# FLETCHER CREEK IMPROVEMENT DISTRICT

RR2, Site 3, Comp 38  
Kaslo, BC V0G 1M0

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## Minutes

January 18, 2016 – 6:30 pm  
Froese's Residence 346 Washington St.

Trustees present: Gillian Froese, Laurie Hartland, Ron McKilligan, Lance McLaren  
Secretary Treasurer: Tammy Horick

- 1) Meeting called to order at 6:35 pm.
- 2) Approval of agenda
  - a) Item 4 c) "Review of budget for 2015" corrected to "Review of budget for 2016".
  - b) MOTION to approve agenda. Moved by Gillian Froese, second by Laurie Hartland. All in favour. Passed.
- 3) Approval of last Trustee minutes (November)
  - a) E-MAIL MOTION to approve November meeting minutes on January 7, 2016. Moved by Lance McLaren, second by Ron McKilligan. Gillian Froese in favour. Passed.
- 4) Approval of Financial Report (Tammy Horick)
  - a) Year-end financials are still being reviewed by Tammy, but these statements should be very close to the final version.
    - Balance Statement to December 31, 2015:
      - \$137,613.76 in Cash plus \$1,919.84 still expected in 2015 tax revenues.
      - \$229,169.82 in Total Liabilities and Equity, which includes capital assets.
      - Net operating profit of \$15,734.96 for 2015.
    - Income Statement to December 31, 2015:
      - Payroll expenses of 48 hours for Secretary Treasurer in December and January (advance).
      - Payroll expenses of 39 hours Maintenance in 2015.
      - Honoraria expenses of \$1,362.50 in 2015, corrected from October 31 financials (\$250 moved from wages).
    - Cash availability:
      - Unrestricted: \$37,417.64
      - Capital Expenditure Charge per Bylaw 2: \$19,823.38
      - Renewal Reserve per Bylaw 60: \$78,368.06
    - MOTION to accept December financials as circulated. Moved by Laurie Hartland, second by Ron McLaren. All in favour. Passed.
  - b) Community Works grants
    - Annual reports for Water Systems Infrastructure (\$12,205 approved in 2013 for berms) and Centralized Water Treatment Project grants (\$30,000 approved in 2010 for tank relining) are overdue, an oversight by Tammy. May also need to complete a final report for the Centralized Water Treatment Project grant, some confusion there.

- Tanji at RDCK was concerned that the tank relining grant was titled “Centralized Water Treatment Project”. The work was actually required to ensure the success of any water treatment system, but reporting must clearly explain this if FCID is to get a grant toward a POE water treatment system. Some of that grant was unused (the flowmeter wasn’t purchased) and a small amount was used for work specific to Centralized Water Treatment (geotechnical study). Those portions will probably have to be returned so FCID can start fresh with a new grant application for POE.

**ACTION: Tammy to submit CW annual reports to RDCK, and a final report if necessary.**

c) Review of budget for 2016

- Assumptions:
  - \$136,401 cash actually in the account on December 31, 2015, slightly more after outstanding income and expenses are included.
  - POE units and installation valued at \$3,000 each, about 20% higher than the quote.
  - 50 total connections: 40 active + 10 inactive (e.g. connections on a vacant lot).
  - Non-capital POE expenses estimated at \$3,000 (water testing of POE units at \$50 each plus contingency).
  - Maintenance payroll doubled from \$1,000 to \$2,000, or about 40 maintenance hours added for POE project.
  - Secretary Treasurer payroll reduced to \$5,500.
  - Community Works Centralized Water Treatment Project grant money unused or not used for POE to be returned, estimated at \$3,800.
- Four budget options were considered with resulting cash projections at the end of 2016:
  - No POE units installed, tax rate unchanged → \$149,434
  - 40 POE units installed, tax rate unchanged → \$29,434
  - 50 POE units installed, tax rate unchanged → (\$566)
  - 50 POE units installed, tax rate increased 10% → \$2,395
  - The first three budgets projected a net operating profit of \$12,554. The fourth budget projected a net operating profit of \$15,515 due to the 10% tax increase.
- Budget #2 (40 POE units installed, tax rate unchanged) was felt to be the most reasonable and will be presented at the AGM with the following comments and adjustments:
  - Additional 40 maintenance hours is likely to be more than enough.
  - Non-capital POE expenses other than water testing are not expected. Water testing was previously paid for by IHA, it’s not clear who will pay for it now or even where to submit the tests. Gar Creek’s maintenance contract stipulated one test per unit per year but they’ve had problems with their water source so they may not be testing yet.  
**ACTION: Lance to ask if Gar Creek is doing annual water tests and, if so, get details.**
  - Regular maintenance should be increased from \$1,000 to \$2,500 because fixing the standpipe on Hwy 31 is likely to be expensive.  
**ACTION: Ron to get estimate on fixing the standpipe.**
  - Exact # of POE units needed to lift the BWA was discussed, currently thought to be 40. One connection without a residence uses water occasionally. Another connection may have an adequate treatment system already. Inactive connections will have the water shut off until a POE unit is needed.  
**ACTION: Tammy to confirm the number of active and inactive connections.**  
**ACTION: Ron to ask Brad Hartland about curb stops without shutoffs.**
  - FCID water rates are still below most RDCK community water rates. It was agreed that the current rate is a reasonable level to stabilize at after the increases of recent years.

- d) Review of taxation Bylaw #62 for 2016 (attached).
- Bylaw # 62 First Reading. MOTION to adopt Bylaw #62 such that the tax rate for 2016 is unchanged from 2015. Moved by Laurie Hartland, second by Gillian Froese. All in favour. Passed.
  - Bylaw #62 Second Reading. MOTION that Bylaw #62 is now adopted. Moved by Lance McLaren, second by Ron McKilligan. All in favour. Passed. Two copies signed by Lance, and officially sealed.

**ACTION: Tammy to register signed and sealed copy with Local Government Branch.**

5) Maintenance Report (Ron McKilligan)

- a) Standpipe on Hwy 31 is a problem. It has to be left running a little so it doesn't freeze up, but it runs too much when it's warmer and causes runoff to neighbouring properties.
- b) The lake pump will need to be tested in the spring.
- c) Maintenance report accepted.

**OLD BUSINESS**

6) Action items from last Trustee minutes

- a) Tammy can't reach the property owner with taxes in arrears. A message has been left with the property manager. The taxes will have been unpaid for more than 24 months after June 30, 2016 and FCID must hold a tax sale in the fall to recover the outstanding taxes.

**ACTION: Tammy to confirm appropriate action with Local Government Branch.**

- b) **ACTION: Tammy to thank Graham and Robert in the next Newsletter or on the website.**

- c) Gillian and Tammy met with Doug Vance of Western Financial Group regarding insurance on January 15.

- Doug strongly advised that the POE unit be owned by the homeowner, not FCID. For example, water damage claims are typically \$30,000 to \$50,000 because of mold concerns. FCID could be sued if they owned the POE unit, but it's only \$5 or so for the member to add it to their house insurance.
- FCID should have Comprehensive General Liability (CGL) and the installer should be insured. If there's a homeowner claim because of the POE unit leaking, then the homeowner's insurance company may try to sue FCID and the installer to get the claim money back.
- FCID could possibly get CGL insurance for the water system (e.g. if digging during water system maintenance damages someone's property) but not for the water itself even if IHA lifts the BWA. IHA's evaluation of the water doesn't matter to the insurance underwriters, and usually only a centralized system would be considered for an insurance company to cover the risk of someone getting sick from drinking the water.
- Doug Vance will investigate options and get back to FCID.
- The Sustainable Infrastructure Society (SIS) offers insurance to small water user groups. They may be FCID's best option.

**ACTION: Tammy to send the SIS insurance webpage link to the Board.**

- It was agreed that the POE contract should make clear that the homeowner owns the unit, although FCID will provide the money for it.

**ACTION: Gillian to ask lawyer Tom Humphries if it matters whether the homeowner pays Aqua Clean for the unit and FCID reimburses them, or if FCID pays Aqua Clean directly in order to establish that the homeowner owns the unit.**

- d) Renee Ansel was verbally supportive to Gillian of FCID's decision to move forward with POE and had no specific concerns. She could come up to Kaslo in February, but would prefer to discuss issues by phone or email.
- ACTION: Gillian to find out from Renee how frequently IHA requires water samples to lift the BWA, who pays for them, and can FCID drop samples off at the Kaslo clinic as before? Does Renee have advice about liability insurance for either the units or water quality?**
- e) Aqua Clean said the UV bulb is left on unless the member is away for more than a few months.
- f) The more expensive next Sand filter is only needed for very high water volumes. The cheaper spin down filter will be fine for use in residential systems.
- g) Tammy didn't revise the POE draft approval letter because of potential feedback from the insurance agent and Renee Ansel. Aqua Clean thought 100% member approval wasn't required for the IHA application to be approved, but required before installations begin.
- ACTION: Tammy to revise the POE approval letter to state that the homeowner will own the unit, although FCID will pay for it.**
- ACTION: Tammy to send out the POE approval letter in March, and request the signed form be returned in April.**
- h) It was realized that outside taps still don't accurately reflect the maximum flow from the water connection, so no attempt was made to determine gallons per minute for 3/4" connections and 1" connections. It was noted that on some properties, particularly those closer to the lake, the homeowner may have to buy a pressure regulator if they haven't already.
- 7) Insurance - see item 6 c) above.
- 8) POE treatment plan
- a) POE unit configuration (FCID standard) will use the spin down filter, as per item 6 f) above.
- b) IHA construction permit application requires a potable water analysis and bacteriological sample test:
- The potable water analysis is about \$300 and must be shipped to a lab in Kelowna.
  - The bacteriological sample must be tested within 24 hours of collection. Previously, when IHA required monthly testing, the samples were dropped off at the Kaslo clinic and paid for by IHA. Alternatively, it can be tested by a lab in Passmore.
- ACTION: Lance to arrange both samples and get the test results to Jared at Aqua Clean.**
- ACTION: Lance to ask IHA in Nelson about water testing in the Kaslo area – who pays for it and can samples be dropped off at the clinic – as the tests for the permit application might be handled differently from the annual testing for an Improvement District.**
- c) Member Request for Approval letter to be updated and sent out in March, returned in April.
- d) Contract and maintenance schedule should be reviewed with Renee Ansel and liability insurer.
- e) Maintenance documentation will be written later.
- f) Bylaw amendment(s) regarding ownership and unit maintenance will have to be made.
- g) Pre-install site visits will have to be arranged.
- h) Discussion of who will install the units:
- Aqua Clean is completing the construction permit application and supplying the components, but FCID could hire a local plumber to do all the installations.
  - There's no contract with Aqua Clean, just payment to complete the application.
  - FCID's contract with the installer should stipulate partial payments according to deadlines to ensure that the project is completed in a timely manner.
  - Decision on who will do the installations to be made later.
- ACTION: Lance to ask Gar Creek if Jared also did the POE installations there.**

9) Website

- a) Tammy got administrator access to the website from Pennywise. Some changes, including the addition of drop down menus, were made in December with input from Pat. Active bylaws are now on the site. Pennywise was very helpful and provided some free support.
- b) Posting the meeting minutes to the website as in-line text is fiddly and frustrating. Tammy is adding them as PDF links now and will try to make them easier for Pat to post.
- c) More changes are planned for February, and more content to be added. Feedback welcome.

**NEW BUSINESS**

10) Correspondence

- a) Update from Rosemary Smart of Hagensborg Water District circulated to Board via email November 23, 2015. Rosemary continues to lobby for Improvement District access to funding. Improvement Districts can get and should apply for Infrastructure Planning grants because Asset Management Plans will likely soon be required to be considered for funding, including Community Works grants.

11) Announcements

Next meeting will be February 24 at 4:30 pm at Gillian's.

12) Adjournment at 9 pm.

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Co-Chair

Fletcher Creek Improvement District

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Secretary Treasurer

Fletcher Creek Improvement District