



FLETCHER CREEK IMPROVEMENT DISTRICT

RR 2, Site 3, Comp 38
Kaslo, BC V0G 1M0

Website: www.fletchercreekwater.com
Email: fletchercreekwater@gmail.com

Agenda

Annual General Meeting

7 pm, Wednesday April 26, 2017
Seniors Hall, Kaslo

1. Report on the condition of the Improvement District's works
2. Presentation of the annual financial statement
3. Current year's budget
4. Decision about Trustees' honorarium
 - a. Current level:
 - i. Chair receives a \$500/year honorarium
 - ii. Trustees receive a \$250/year honorarium
 - b. Decision
5. Election of Trustees
 - a. Ron McKilligan ends 3 year term
 - b. Laurie Hartland continues for 1 more year
 - c. Lance McLaren, Tina McLaren and David Sheppard continue for 2 more years
 - d. One vacancy for a 3 year term
 - e. Call for Nominations
 - f. Election
6. Adjournment

*Please note: Minutes of the 2016 AGM were reviewed and adopted by the Board as per Bylaw #58, at the Board Meeting May 11, 2016.



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2016 Annual Update Message from the Trustees

Water Treatment

The Board continued to pursue Point of Entry (POE) water treatment in 2016 after learning that Interior Health (IHA) had approved other small water systems using POE. Unfortunately, POE has turned out to have its own hidden costs and complexities, and Interior Health may still impose conditions that make POE unacceptable. The Board is consequently considering getting a quote for a centralized system so that they can be sure they understand both options completely.

POE water treatment for small water systems is relatively new to Interior Health. Because small water systems can vary tremendously in water quality, the number of connections, and other factors, POE water treatment applications for small water systems are looked at on a case by case basis. It was necessary for FCID to submit a POE construction permit application in order to begin the dialogue which would allow both the Board and Interior Health to evaluate POE as a water treatment option specifically for FCID's water system.

In June 2016, a construction permit application was submitted with a POE unit designed for FCID, as circulated in our August 2016 newsletter. In November 2016, Interior Health responded with a detailed list of requirements regarding the POE unit's design, installation, maintenance, and monitoring.

A number of pieces must be put in place before FCID can proceed with POE:

- Interior Health would like to see a 12 to 18 month POE pilot project of 2 or 3 residences before a full-scale rollout. FCID is considering up to 3 pilot units at low, medium, and high pressure locations. POE units are about \$3,000 installed.

- Water system users must sign an agreement allowing the unit to be installed and accessed on their property. This will likely take the form of a Statutory Right of Way (a type of easement) on the land title as the unit is owned by FCID and is actually part of the water system. This also ensures it stays with the property in the event of a sale.
- Maintenance and monitoring procedures must be defined along with a method for assuring Interior Health that they are being followed. FCID can do this by amending Bylaw #36 - Water Distribution Regulations and Penalties.

Interior Health has confirmed that the proposed POE unit will elevate our water system from being on a *Boil Water Notice*¹ to a *Water Quality Advisory*. This would be a major win for all concerned, as Health Authorities are impatiently trying to reduce the several hundred *Boil Water Notices* around the province, but it should be noted that FCID would still not be meeting its legal obligation to provide potable water if it is under a *Water Quality Advisory*.

There are currently 2 major hurdles to implementing POE:

- Eliminating the *Water Quality Advisory* requires disinfection to a level that typically uses chlorination, according to IHA, but adding this to a POE unit is very expensive and impractical. High dose UV has been proposed as an alternative to chlorine, but this would also significantly increase the cost of each POE unit. If this level of disinfection is required, then a centralized system will likely be the only option.

However, several small water systems have been IHA approved for POE without chlorine or high dose UV, so it's a grey area. IHA is evaluating small water systems on a case by case basis and may eventually not require this treatment level at all, which is what's happening elsewhere in the province.

- Not all homes are suitable for the installation of a POE unit inside, and allowing homeowner maintenance is still a sticking point with IHA. Further, the UV bulbs are reportedly delicate and easily broken.

Other communities have installed the POE units outside and maintenance is done as needed (once or twice a year) by a resident who has been certified to do this, as the training is not particularly arduous or expensive. The imposition on the homeowner is then similar to the reading of a hydro meter outside the home, the maintenance cost is kept relatively low, and there's reduced risk of breakage. In this case the outdoor shed would be paid for by FCID, increasing the installed unit cost.

¹ Interior Health has renamed "Boil Water Advisory" to "Boil Water Notice".

If the above issues for POE cannot be resolved or are too expensive, then FCID will have to look at centralized water treatment again. A centralized system is particularly daunting for FCID because it would require constructing a new intake building in a new location, arranging road and power access, and making special accommodation for building on a flood plain. Other centralized systems in the region have been well over \$400,000.

However, there is a growing recognition that centralized treatment for small water systems do not need to be built to a “light municipal” standard, which dramatically increases costs while providing unneeded capacity. Instead, a scaled down approach known as “multiple commercial” may be possible for less than \$200,000. This has been successful in a few other BC communities, and annual operating costs can be kept low if residents are trained and willing to monitor and maintain the system for a nominal stipend. Otherwise, hiring an outside professional is extremely expensive.

While the lack of progress is frustrating, there are benefits to not rushing to a decision. There are hundreds of small water systems in BC on a *Boil Water Notice*, and innovative solutions are being developed to help them while Health Authorities are becoming increasingly more receptive to alternatives to traditional “light municipal” centralized treatment. Also, FCID’s Capital Renewal Reserve continues to grow and make it more likely that water treatment can be implemented without a loan, which would be a great administrative and financial burden if needed.

Meanwhile, one troublesome requirement has been cleared up by Interior Health. It makes sense for Interior Health to expect that all members on the water system must receive treated drinking water. However, this is not the same as requiring the unanimous approval of members in making a water treatment choice, which is what the FCID Board was originally led to believe. This misunderstanding resulted in FCID asking members to sign POE approval letters before the Board was even sure of the financial and technical details of implementing POE. A few members rightly objected to this, and the Board itself was frustrated by it. Interior Health has since acknowledged that the choice of water treatment is a governance issue internal to FCID.

The Board was more optimistic in 2015 that POE could be implemented quickly and relatively easily. However, the following has always been the case and should be made clear:

The Board will hold a member vote before directing Capital Reserve Renewal funds toward water treatment of any kind.

The Board will do its best to provide members with sufficient information, including a long-term capital asset forecast, before this vote. When the members have made their water treatment choice and FCID is ready to make a significant financial commitment to its implementation, then members who do not agree will have to withdraw from the water system to ensure 100% compliance. It should be emphasized that this requirement is not specific to POE. Whatever water treatment method FCID implements, POE or centralized, members who disagree must withdraw from the District's water system.

The Year to Come

Annual taxation is unchanged from 2016.

FCID will continue to meet with Interior Health, small water system advocates, and water treatment suppliers and engineers to determine the best treatment path for our water system. The budget for 2017 allows for the installation of 3 pilot POE units. A quote for a centralized water system can be covered with money currently in the operating account. It is possible that both or neither will be enacted in 2017.

Volunteers and Staff

Ron McKilligan will be stepping down from Maintenance this year. Maintenance workers are paid \$23 per hour and work around 20 hours per year. Most of this time is spent over 2 days, doing system flushes in spring and fall when the water mains are bleached and the tanks cleaned. If you can help FCID, please contact Ron McKilligan or Brad Hartland for information about what this entails. Thank you to Ron for his several years of service to FCID both in Maintenance and as a Trustee.

Graham Gilbert continues to do turbidity testing while wistfully hoping that someone will take on the turbidity mantle. Turbidity testing requires a quick trip to the intake just off Thompson Road once a week from about April to October, and Graham can show you how to use the turbidimeter.

FCID relies on its members to keep the water system up and running. The above tasks have to be done, and if FCID has to outsource them then your taxes will go up. Please phone a trustee or email the Secretary Treasurer at fletchercreekwater@gmail.com if you can help with either water testing or system maintenance.

With regret, Tammy Horick is leaving as Secretary Treasurer in July. The position pays \$20 per hour and requires about 30 hours per month. If you know of someone who may be interested in this position, please have them contact a trustee for more information.

Reminders

Watering restrictions are in place from June 1 to Sept 30. During this period, please water with fixed sprinklers only every other day after 6 pm and before 9 am. Your tax notice indicates whether your household waters on odd or even days of the month.

Meeting minutes, AGM information and current bylaws are on our website at www.fletchercreekwater.com.

New Members

The Board welcomes new members Cindy Kehoe, Michael Walker, Steven Julien and Marielle Ferrigno to the District.

FCID's volunteer board requires 1 new trustee

FCID is looking for one new trustee this year as Ron McKilligan is completing his 3 year term. Trustees attend monthly meetings and are currently granted an annual honorarium of \$250, which is assessed and approved each year at the AGM. Trustees must own land in the FCID or be married to an FCID landowner, be at least 18 years of age and be eligible to vote in BC, which means having been a resident of BC for at least 6 months.

Contact any of the Board members if you would like to know more about being a trustee, and please attend the AGM on April 26th at 7 pm at the Kaslo Seniors Hall.

CURRENT LIST OF TRUSTEES

Laurie Hartland, Co-Chair	(250) 353-2966
Lance McLaren, Co-Chair	(250) 353-2963
Ron McKilligan	(250) 353-2679
Tina McLaren	(250) 353-2963
David Sheppard	(250) 353-2197

MAINTENANCE

Brad Hartland	(250) 353-2966
Ron McKilligan	(250) 353-2679

SECRETARY/TREASURER

Tammy Horick	(250) 509-4215
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Water System Wrangle

The Ballad of FCID

Thirty years ago, or so
The old folks came to town.
They bought a place in Fletcher Creek
Intent to settle down.
Along with all the neighbours
It looked like win & win,
And though a wee bit pricy
The water was put in.

Oh... (chorus)

We love our water system
It's mighty fine you see.
We water all our gardens
And do our laundry!
It's gravity fed,
Contains no lead,
Needs no 'lectricity.
We love our water system,
It suits us to a tee.

Way back there in Ontario,
(Had naught to do with us!)
Bad water made the people sick.
Kicked up a lot of fuss.
The folks in this fair province who had
The authority
Looked around, and then at us
Screamed "Liability!"

Oh.. (Chorus)

The government reaction
Was to change up all the rules.
They said to us "Get with it or
Your license you will lose!"
They gave us no direction, help,
and no financial aid.
"Put in this fancy system
No matter how it's paid!"

Oh...(chorus)

Now the
Neighbors started fighting
'cause all it caused was pain.
Central now, No! POE
Now central back again.
Leaky stand pipes, frozen lines,
That demon called chlorine!
And if you don't agree with it,
You're out! Now that's obscene!!!

Oh... (chorus)

Now, let's not be too hasty.
Help may be on it's way.
A water firm in Kamloops
Could maybe save the day.
There are some new suggestions,
New trials to be braved.
Go "multi commercial" or something
with the funds already saved!



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Statement of Financial Position December 31, 2016 Unaudited

	2016	2015
Assets		
Current Assets		
Cash	\$ 156,848	\$ 135,694
Accounts Receivable	(57)	1,920
	<hr/> 156,791	<hr/> 137,614
Capital Assets		
Property, Plant and Equipment	84,582	88,069
Total Assets	<hr/> 241,373	<hr/> 225,683
Liabilities and Members Equity		
Current Liabilities		
Accounts Payable	(121)	(121)
Deferred Revenue	0	0
Unearned Revenue	0	0
GST Receivable	(453)	(320)
	<hr/> (574)	<hr/> (441)
Member's equity, opening	226,124	213,877
Net income	15,823	12,247
Member's equity, closing	<hr/> 241,947	<hr/> 226,124
Total Liabilities and Members Equity	<hr/> \$ 241,373	<hr/> \$ 225,683



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Statement of Revenue and Expenses December 31, 2016 Unaudited

	2016	2015
Revenue		
Water tax payments	\$ 29,596	\$ 29,614
Water tax penalties	9	414
Prepaid taxes	0	0
Grants	0	0
Interest	1,476	1,129
Other	0	19
Total Revenue	31,081	31,176
Expenses		
Water System Expense		
Maintenance: Regular	1,685	320
Treatment System	542	2,636
Upgrade Expenses	<u>0</u>	<u>0</u>
Subtotal Water System Expense	2,227	2,956
Payroll Expense		
Trustee and Phoner Honoraria	1,588	1,362
Secretary Treasurer Payroll	5,304	7,952
Maintenance Payroll	1,076	933
Payroll Expense	<u>189</u>	<u>464</u>
Subtotal Payroll Expense	8,157	10,711
Administration Expense		
Advertising	298	352
Office and Postage	755	1,063
Bad Debt	0	0
Legal and Accounting	0	110
License, Fees and Dues	334	250
Amortization Expense	<u>3,487</u>	<u>3,487</u>
Subtotal Administration Expense	4,874	5,262
Total Expenses	15,258	18,929
Net income (loss) from operations	\$ 15,823	\$ 12,247
Part that is income to asset	(3,487)	(3,487)
Part that is income to cash	19,310	15,734

**Fletcher Creek
Improvement District**

2017 Budget

	2015 Actual	2016 <i>Budget</i> 40 <i>unchanged</i>	2016 Actual	2017 <i>Budget</i> 3 <i>unchanged</i>	# POE units installed Tax rate
Revenue					
Water tax payments	30,028	29,614	29,596	29,614	
Grants		(3,800)			Unused CWF funds
Interest	1,128	1,150	1,476	1,000	Term deposits
Other	19		9		
Total Revenue	31,175	26,964	31,081	30,614	
Expenses					
Maintenance: Regular	320	2,500	1,685	2,000	Standpipe repair
Upgrade expenses					
Water treatment (non-capital)	2,636	3,000	542	3,000	
Subtotal Water System Expenses	2,956	5,500	2,227	5,000	
Secretary Treasurer Payroll	7,952	7,300	5,304	7,200	
Maintenance Payroll	1,362	2,000	1,076	2,000	
Payroll Expense (EI, CPP, WCB)	464	200	189	300	
Subtotal Payroll Expenses	9,778	9,500	6,569	9,500	
Honoraria	1,363	1,650	1,588	1,650	5 trustees, 2 phoners
Advertising	352	400	298	400	BWA and website
Office and Postage	1,063	500	755	500	
Legal and Accounting	110	110	-	110	No audit
License, Fees and Dues	250	250	334	350	
Bad debt					
Subtotal Administration Expenses	3,137	2,910	2,975	3,010	
Total Expenses	15,871	17,910	11,771	17,510	
Net income (loss) from operations	15,733	11,054	19,310	13,104	
Transfer to Capital Reserves	1,113	30,000	31,454	30,000	Water treatment
Transfer to Capital Assets	-	120,000	-	9,000	POE units at \$3,000
Year end operating cash balance (accrual)	39,423	33,885	27,146	10,250	
Year end capital reserves account balance	98,191	9,304	129,645	150,645	
Cash and reserves at year end	137,614	43,189	156,791	160,895	



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Minutes Annual General Meeting 7pm, Wednesday April 20, 2016 Seniors Hall, Kaslo

Members: Carlene Command, John Command, Robert Cunliffe, Stu Gibbings, Graham Gilbert, Tina McLaren, Jacqueline Mealing, Barbara Neelands, Steve Scott, David Sheppard, Anne Tellam

Trustees: Gillian Froese, Laurie Hartland, Ron McKilligan, Lance McLaren

Secretary Treasurer: Tammy Horick

1. **Call to order** at 7:05 pm. (Lance McLaren, Chair)
2. **Report on the condition of the Improvement District's works** (Laurie Hartland)

As presented in the AGM package:

- a. The Board has decided to pursue POE water treatment.
- b. Interior Health Authority (IHA) requires that all members consent to POE water treatment - even if their property is not currently using water - before the POE project can proceed and the Boil Water Advisory be lifted.
- c. Aqua Clean is preparing the construction permit application for IHA, but it is expected to be several months before it is approved and POE installations can begin.
- d. Ron McKilligan and Lance McLaren will be doing pre-installation site inspections after the AGM.

Also noted:

- e. Two properties with unusual water connections were acknowledged.
- f. FCID's water licence requires that potable water be provided to all residences on the water system within a set timeframe. Members that refuse to participate must have connections turned off because having non-compliant members on the water system would jeopardize FCID's water licence.

3. **Annual financial reports presented** (Tammy Horick)

- a. FCID had a net income of \$12,247 in 2015.
- b. FCID had \$225,683 in total assets on Dec 31, 2015, including \$137,614 in cash.
- c. Motion to accept financial reports as presented in AGM package by Anne Tellam, second by Lance McLaren. Carried.

4. **Current year's budget** (Tammy Horick)

- a. FCID can comfortably afford to install up to 40 POE units in 2016.
- b. Motion to accept budget as presented in AGM package by Laurie Hartland, second by Ron McKilligan. Carried.

5. **Trustees' honorarium**

- a. No motion, honoraria level unchanged.
- b. Trustee honorarium at \$250/year.
- c. Chair honorarium at \$500/year, currently split between 2 co-chairs.
- d. The approved 2015 AGM minutes stated that the trustee honorarium would remain unchanged but incorrectly noted the amount as \$150/year. The previously approved level was \$250/year and the 2015 AGM minutes should be amended accordingly.

6. **Election of Trustees**

- a. Lance McLaren and Gillian Froese end 3 year terms. Gillian Froese is thanked for her service to FCID.
- b. **Ron McKilligan** continues for 1 more year.
- c. **Laurie Hartland** continues for 2 more years.
- d. Three vacancies, each for a 3 year term (agenda corrected from two vacancies).
- e. Nominations received for Lance McLaren, Tina McLaren, and David Sheppard.
- f. **Lance McLaren, Tina McLaren, and David Sheppard** elected by acclamation.
- g. Turbidity testing volunteer: Laurie Hartland to be trained by Graham Gilbert.
- h. Maintenance volunteer: Still needed.

7. **Adjourned** at 8:10 pm.

*Please note: Minutes of the 2015 AGM were reviewed and adopted by the Board as per Bylaw #58, at the Board Meeting May 21, 2015.

Signed by:

Co-Chair Laurie Hartland May 11, 2016

Co-Chair Lance McLaren May 11, 2016

Trustee _____
Date

Tammy Horick _____

Secretary Treasurer

May 11, 2016

Date