



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

# FLETCHER CREEK IMPROVEMENT DISTRICT

Website: [www.fletchercreekwater.com](http://www.fletchercreekwater.com)  
Email: [fletchercreekwater@gmail.com](mailto:fletchercreekwater@gmail.com)

## Annual General Meeting

June 16, 2021

4950 Fletcher Creek Frontage Rd (Sonnenberg Residence)

4:00 pm Tour of facility for those interested (meet at above address)

5:00 pm AGM

*Due to Covid restrictions, the AGM will again be held outdoors. Please bring your own lawn chair.*

## AGENDA

1. Welcome
2. Report on Condition of the Improvement District's Works
  - a. Improvements in 2020 and works required
  - b. Goals for 2021
3. Presentation of the 2020 Annual Financial Statement
4. Current Year's Budget
5. Decision about Trustees' Honorarium
  - a. Current level:
    - Chair receives a \$500/year honorarium
    - Trustees receive a \$250/year honorarium
  - b. Decision
6. Election of Trustees
  - a. Current status: R. Cunliffe and J. Kern terms expire 2021; P. Sonnenberg and M. Wanke terms end in 2022; vacancy for term expiring in 2023
  - b. Renewal of J. Kern appointment to 2024
  - c. Call for nominations and election for vacant position 2021 to 2023
  - d. Call for nominations and election for vacant position 2021 to 2024
  - e. Call for nominations and election for M. Wanke position 2021 to 2022
7. Adjournment

\* Note: Minutes of the 2020 AGM were reviewed and adopted by the Board as per Bylaw #66 at their August 26, 2020 Board meeting.



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## Annual General Meeting

### Minutes

July 27, 2020 7:00 p.m.

4930 Fletcher Creek Frontage Rd

**Welcome.** Call to order at 7:05 p.m.

**Attendance:** Jen Craig-Evans, Robert Cunliffe, Alan Davidson, Donna Gellner (guest), Graham Gilbert, Neil Kelly, Heather Kelly, Joe Kern, Ivan Metzlar, Barbara Neelands, Diane Schrieber, Joerg Schrieber, Steve Scott, Margaret Wanke, George Wilson, Richard Wlosek, Valerie Woodmass, Donna Butt (Secretary/Treasurer).

Steve Scott introduced the trustees and Secretary/Treasurer. There were no questions about the 2019 minutes which had already been passed by the previous board.

### **Presentation of the Annual Financial Statement**

Donna Butt presented the 2019 financial statements. There were no questions.

MOTION: to approve the 2019 financial statements. Diane Schreiber/ Neil Kelly. Carried.

### **Current Year's Budget**

Steve Scott highlighted aspects of the 2020 budget, including the plans for the budgeted \$30,000 under treatment system.

MOTION: to approve the 2020 Budget. Graham Gilbert/ Barbara Neelands. Carried.

### **Decision about Trustees' Honorarium**

Current level: Chair receives a \$500/year honorarium. Trustees receive a \$250/year honorarium.

MOTION: to hold the honorariums at the current rate. Neil Kelly/ Robert Cunliffe. Carried.

### **Election of Trustees**

- Keith Mathers has resigned his position as trustee due to illness and decision to move from the district.
- Robert Cunliffe has completed his term but has agreed to remain on as a trustee until April 2021 filling the vacancy resulting from Keith Mathers resignation. This will provide continuity during the early implementation stages of the water treatment system.
- Joe Kern continues as a trustee for 1 more year.
- Steve Scott and Margaret Wanke continue as trustees for 2 more years (ending 2022)

Call for Nominations for two positions – Steve Scott put forward a call for nominations from the floor after explaining Robert Cunliffe's situation and the fact that it would be optimum to have five trustees. The call for nominations from the floor was repeated three times in total. No name was put forward, and all members present were asked to solicit interest from members who were not present at the AGM.

## **Report on Condition of the Improvement District's Works**


Recent Leakage Test Results – The water loss situation was explained. FCID has over one kilometre of water pipe and some loss is to be expected. Once a facility with access to electricity is built, it will be possible to install a flow meter to obtain a more accurate reading of water loss.

Phased Approach to Water Treatment – A water treatment system must be implemented in order to remove the boil water notice. E. Coli and unacceptable coliform levels were found to be present in the last set of water quality testing performed in early July. Water users should be aware that the water is considered unsafe to drink and required boiling before consumption. One member suggested that residents could install their own UV system after filtration. It was pointed out that this is an option for individual residents, however, point of entry water treatment is not an acceptable solution as far as Interior Health is concerned and it would not help to remove the boil water notice.

New Works - Steve Scott explained that there are three potential sites for the treatment facility: the current facility, a triangle of land on the Schreiber property (which was a site initially considered when the system was built), and the end of Twin Bays Road to access lake water. Reservations about the lake water site were voiced by one member. It was noted that Woodbury has received federal/provincial infrastructure dollars for a major upgrade of their water treatment system. This may not be an option for FCID as access to the funding would be through RDCK which may have competing priorities for their allotted submissions for the next round of this grant. Unlike a number of water systems including Woodbury, the FCID's water system is not managed by RDCK.

Over 1,000 feet of water line was put in this spring with group effort from Ian McKinnon, Tucker the Plumber, and several of the trustees. All properties originally included in the FCID boundaries have a water line running past their land.

**Adjournment** – 8:00 p.m.

  
Donna Butt, Secretary/ Treasurer  
Steve Scott, Chairperson

## **Fletcher Creek Improvement District (FCID) 2020 Trustee Report**

### **Administration**

The Board welcomes the following new residents to the Fletcher Creek Improvement District (FCID) in late 2019 and 2020:

- Bruce and Sandra Dalshaug,
- Barbara Lee and Warren Pashkowich,
- Laurie Rutherford, and
- Douglas Traub.

Shortly after purchase, new landowners of an additional property requested withdrawal from the FCID. A boundary adjustment is currently in process and should be completed in 2021.

The 2020 Annual General Meeting (AGM) was postponed until July 27, 2020 and held outdoors due to Covid-19 restrictions. A full slate of Board members was not recruited at the AGM but was finalized at a Special General Meeting, held on September 24, 2020. The Board members as of the end of December 2020 were: Robert Cunliffe, Neil Kelly, Joe Kern, Peter Sonnenberg, and Margaret Wanke. A subscription to Zoom enabled trustees to meet virtually while indoor meeting restrictions remained in place. The Board was pleased to renew the contract with our Secretary Treasurer, Donna Butt.

In November 2020, the Board established a Finance Committee to advise the FCID Board and Secretary Treasurer on financial matters and accounting practices. Terms of Reference may be found on the FCID website. Responsibilities of committee members are to:

1. Review on an ongoing basis, the Improvement District's bookkeeping and accounting practices, and offer recommendations for improvement.
2. Support the Secretary Treasurer in the preparation and presentation of year end financial statements.
3. Support the preparation of the FCID annual and long-term budgets/plans.
4. Provide guidance and/or recommendations on other financial matters or practices as requested by the Board through its Chair or Finance Committee representative.

The current Committee composition is comprised of: Graham Gilbert and George Wilson (community members), Donna Butt (Secretary Treasurer), and Margaret Wanke (Board representative). The Board continues to look for a professional with an accounting background to round out this Committee's membership.

In 2020, the Board was able to resolve a long-standing administrative issue. The Capital Expenditure Charge Fund (Bylaw 2) was enacted in 1982 to secure the capital required to build the distribution system. Almost 40 years later, this bylaw was no longer relevant and presented a problem – money in this fund could only be used to expand our distribution system, such as for a new development. The dollars were not available to address current needs, such as building a treatment system or upgrading our existing system. Bylaw 2 was therefore repealed, and under the provision of a new Bylaw 70, the \$40,368.94 balance in this fund was transferred to our Capital Works, Renewal Reserve Fund. The dollars previously locked are now available under the same provisions as our Reserve Fund (Bylaw 60).

## **Maintenance and System Upgrades**

One of the Board's goals in 2020 was to install connections for the Baker and Baumgardner properties along Twin Bays Road as well as the Wlosek property on the Frontage Road, the latter made possible because of the McLaren disconnection from our system. This work was completed successfully in the spring of 2020. With this work, curbstops are now in place for all the original lots planned for the Improvement District.

Joe Kern retained his position in general maintenance. He undertook a number of improvements, including installing a more secure door to the facility as well as installing a previously built structure, with screens and filters, around our wet well to reduce the debris entering it. Debris is most problematic in the spring freshet season and in the autumn when leaves fall.



Plans for 2021 include replacing a leaking standpipe located at the southern end of our distribution system, along Highway 31, and installing filter fabric around the wet well and intake pipe inside the existing intake structure, with a view to further reducing the debris and large particles entering our system. The effectiveness of the wet well filtration is being evaluated through turbidity readings before and after the wet well intake.

## **Water Treatment**

Conditions on our operating permit, as issued by Interior Health, stipulate that we continue our endeavour to implement water treatment to deliver potable water to all FCID residents. As reported last year, meetings and discussions with the Environmental Health Officer in late 2019 resulted in a Board decision to pursue an affordable, staged approach to implementing centralized water treatment (see Framework for a Staged Approach for Centralized Water Treatment, available on the FCID website).

The Board commissioned Kerr Wood Leidal (KWL) Consulting Engineers to: (a) assess local water sources for potential use by FCID, (b) assess available sites for a centralized treatment facility, (c) develop feasibility-level concepts and costing for the two best site options, and (d) provide a high-level implementation plan.

Five possible sites were considered: Kootenay lake, top of panhandle, lower panhandle, triangle shaped property on Schreiber land, and the current intake site. After consideration, these five site options were reduced to two: the Schreiber triangle site and the current facility. Each has advantages and disadvantages. Treatment system configurations and Class D capital cost estimates were provided for the two alternatives, with the current facility site estimated at \$465,000 plus 30% contingency, and the triangle site at \$495,000 plus 30% contingency. These may be compared with the \$415,000 plus 25% contingency estimate received in 2019 by 9dot/Aquadiversities. All estimates assumed the purchase of a containerized unit to house the treatment components.

In June 2020, two trustees conducted a water loss assessment as part of the engineering study. The results revealed a water loss estimate of 49m<sup>3</sup>/day, which the engineers report is within the expected range for a system of our size. The system has experienced breaks in the past, and these will continue to be resolved as they are identified. However, there is a possibility that our water loss is not due to one or a few breaks in our system. Rather, there may be many leaks, primarily at the valve and curbstop connections, reflecting the 40-year age of our distribution system. Flow meter data (as described below) will provide more precise measures of the extent of the problem. In the meantime, residents are advised to regularly walk their property along the main line and report any unexpected water pooling.

The engineering reports completed to date have provided general guidance and cost estimates for a centralized water treatment, based on the limited data we have been able to provide to them. There is now a need to obtain more precise data to design and cost a specific system that meets our specific needs. These are the recommended next steps:

1. Flow. A flow measurement assessment was conducted over a two-month period in 2018. However, a more precise and longer-term measurement of our actual flow, usage, and level and nature of leakage is needed to design the right size of system. One of our operating permit conditions is that we obtain flow data for 6-12 months; the KWL engineers recommend a 12-month timeframe.
2. Water testing/monitoring. The water engineers recommended specific water testing requirements to support the design of the system. These include more regular, continuous turbidity monitoring and quarterly water testing of particular parameters, including particle size.
3. Residential pilots. KWL engineers identified possible treatment options and recommended we undertake a pilot test to compare the effectiveness and cost of each. It is possible that our system could be as simple as requiring a coarse screen and multi-media backwashable filter prior to disinfection. If feasible, this would be the least expensive alternative. A second recommended pilot would focus on an alternative 5-micron and 1-micron filtration system.

The Board plans to move forward with this data collection phase, using internal FCID resources as much as possible. In addition to serving our immediate needs for system design, the turbidity and flow meters have long-term utility for our system, and purchase of these units represents the first capital investment into our water treatment system.

The Board continues to strive for a water treatment system that is affordable, effective, as simple as possible, and meets Interior Health/provincial standards.

## **Challenges and Appreciation**

Recruitment to the FCID Board remains an ongoing issue, representing a challenge to the long-term sustainability of our current governance model. The situation is aggravated by provincial legislation that allows only permanent BC residents to serve as trustees. More than one-third (36%) of our membership fall into this category, and are ineligible/unable to serve. Another 10% are seasonal visitors with primary residences elsewhere in BC. Another 21% represent individuals who have previously served or are currently serving as FCID trustees or in other capacities. Most who have contributed considerable time and effort in the past express reluctance to re-engage. This leaves only about 20 eligible residents to draw upon for a role on the Board. If we are unable to identify five members willing to serve, it may be necessary to notify the Ministry of Municipal Affairs and Housing and/or the Regional District of Central Kootenay for resolution.

Having said this, the Board wishes to express our appreciation to the members who contributed their time and energies to support our water distribution system in 2020/2021:

- Robert Cunliffe (Board)
- Rick Doucette (water quality monitoring)
- Graham Gilbert (Finance Committee)
- Gerry Hallett (water quality monitoring)
- Neil Kelly (Board)
- Steve Scott (Board)
- Craig Tucker (residential pilot study)
- George Wilson (Finance Committee)

## **Goals for 2021**

1. Replace the leaking standpipe at the south end of Highway 3.
2. Install additional filters at our intake and evaluate the impact of the wet well modifications on water turbidity.
3. With the Finance Committee, complete a long-term financial budget/plan for the water treatment system.
4. Install flow and turbidity meters needed to design the treatment system.
5. Prepare and submit an application to RDCK for a \$10,000 matching provincial Infrastructure Planning Grant, to fund engineering design, drawings, and the Interior Health construction permit application.
6. Initiate a review of bylaws that may require revision or repeal, specifically: Bylaw 1 (Capital Expenditure Charge), Bylaw 36 (Water Distribution Regulation), Bylaw 53 (Tax Notice Assessment Bylaw).

Respectfully submitted by the FCID Board of Trustees.

**Fletcher Creek Improvement District  
Comparative Balance Sheet  
2020 vs 2019**

	<u>2020 Actual</u>	<u>2019 Actual</u>	<u>Difference</u>
<b>ASSET</b>			
<b>Current Assets</b>			
Petty Cash	41	48	-7
KSCU Chequing Current	-414	30,058	-30,472
Cap Reserve Bylaw 60	177,791	135,077	40,369
Summit Savings Account	30,026	0	30,026
Capital Expenditure Bylaw 2	0	39,779	-39,779
KSCU Class A Shares	25	25	0
Total Cash	207,469	204,988	2,482
Accounts Receivable	0	234	-234
Total Receivable	0	234	-234
<b>Total Current Assets</b>	<u>207,469</u>	<u>205,222</u>	2,247
<b>Capital Assets</b>			
Pumping System	11,532	11,532	0
Accum. Amort. -Pumping System	-11,532	-11,532	0
Net - Pumping System	0	0	0
Waterworks System	117,710	117,710	0
Accum. Amort. -Waterworks System	-51,062	-47,698	-3,363
Net - Waterworks System	66,649	70,012	-3,363
Building	4,963	4,963	0
Accum. Amort. -Building	-979	-855	-124
Net - Building	3,984	4,108	-124
<b>Total Capital Assets</b>	<u>70,633</u>	<u>74,120</u>	-3,487
<b>TOTAL ASSET</b>	<u>278,102</u>	<u>279,342</u>	-1,240
<b>LIABILITY</b>			
<b>Current Liabilities</b>			
Accounts Payable	0	1,449	-1,449
GST/HST Paid by FCID on Purchases	-1,079	-1,322	243
GST/HST Owning (Refund)	-1,079	-1,322	243
<b>Total Current Liabilities</b>	<u>-1,079</u>	<u>127</u>	-1,205
<b>TOTAL LIABILITY</b>	<u>-1,079</u>	<u>127</u>	-1,205
<b>EQUITY</b>			
<b>Retained Earnings</b>			
Retained Earnings - Previous Year	279,215	263,624	15,591
Current Earnings	-34	15,591	-15,625
<b>Total Retained Earnings</b>	<u>279,181</u>	<u>279,215</u>	-34
<b>TOTAL EQUITY</b>	<u>279,181</u>	<u>279,215</u>	-34
<b>LIABILITIES AND EQUITY</b>	<u>278,102</u>	<u>279,342</u>	-1,240



**Fletcher Creek Improvement District  
Comparative Income Statement  
2020 vs 2019**

	<u>2020 Actual</u>	<u>2019 Actual</u>	<u>Difference</u>
<b>REVENUE</b>			
Revenue from Bylaws			
Tax Payments	33,976	33,754	222
Connection Fees	4,000	105	3,895
<b>Net Revenue from Bylaws</b>	<u>37,976</u>	<u>33,859</u>	4,117
<b>Other Revenue</b>			
Interest Income	2,978	2,658	321
<b>Total Other Revenue</b>	<u>2,978</u>	<u>2,658</u>	321
<b>TOTAL REVENUE</b>	<u>40,954</u>	<u>36,517</u>	4,437
<b>EXPENSE</b>			
<b>Water System Expenses</b>			
Maintenance Contract Labour	0	1,495	-1,495
Maintenance Supplies and Equipment	427	0	427
<b>Total Maintenance</b>	<u>427</u>	<u>1,495</u>	-1,068
Service Connections	7,629	0	7,629
Treatment System Consulting	16,497	5,200	11,297
Treatment System Water Testing	369	48	322
Treatment System Preparation	16,867	5,248	11,619
Water Metering Project Expenses	0	1,104	-1,104
<b>Total Water System Expenses</b>	<u>24,924</u>	<u>7,847</u>	17,313
<b>Payroll Expenses</b>			
Wages & Salaries	0	4,742	-4,742
'Trustee Honoraria	1,646	1,215	431
Other Honoraria	350	0	350
<b>Total Honoraria</b>	<u>1,996</u>	<u>1,215</u>	781
CPP Expense	0	167	-167
EI Expense	0	108	-108
WCB Expense	65	117	-52
Remittances payment account	0	103	-103
<b>Total Payroll Expense</b>	<u>2,061</u>	<u>6,453</u>	-4,392
<b>General &amp; Administrative Expenses</b>			
Advertising & Promotions	473	543	-70
Amortization Expense	3,487	3,487	0
Adjustment Write-off	236	0	236
Interest & Bank Charges	0	31	-31
Miscellaneous Expenses	0	213	-213
Office Supplies	196	416	-220
Permits and Licenses	350	350	0
Postage and Box Rental	239	305	-66
Professional Services	8,885	1,177	7,709
Rent	0	105	-105
Travel Expenses	137	0	137
<b>Total General &amp; Admin. Expenses</b>	<u>14,003</u>	<u>6,626</u>	236
<b>TOTAL EXPENSE</b>	<u>40,988</u>	<u>20,926</u>	20,063
<b>NET INCOME</b>	<u>-34</u>	<u>15,591</u>	-15,625

**Fletcher Creek Improvement District**  
**Statement of Cash Flows**  
**Jan. 1 – Dec. 31, 2020**

<b>Cash Flows from (used in) Operating Activities</b>	
Net Income (Loss)	-34.32
Adjustments to reconcile net income to net cash provided by (used in) operating activities	
Amortization Expense	3,487.23
Increase (Decrease) in Operating Liabilities	
Accounts Payable	-1,448.62
Accounts Receivable (write off expense)	234.04
GST/HST Paid by FCID on Purchases	243.17
Net Cash provided by (used in) Operating Activities	<u>2,481.50</u>
<b>Cash Flows from (used in) Financing Activities</b>	
Net Cash provided by (used in) Financing Activities	<u>0.00</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>2,481.50</u>
Cash and Cash Equivalents at Beginning of Period	<u>204,962.90</u>
Cash and Cash Equivalents at End of Period	<u><u>207,444.40</u></u>

# Fletcher Creek Improvement District

## 2020 Budget vs Actual Comparison and 2021 Budget

	2020		2021
	Budget	Actual	Budget
<b>REVENUE</b>			
Revenue from Bylaws			
Tax Payments	33,791	33,976	33,227
Service Connection <sup>1</sup>	4,000	4,000	0
Net Revenue from Bylaws	37,791	37,976	33,227
Other Income: Interest Income	2,300	2,978	2,320
<b>TOTAL REVENUE</b>	<b>40,091</b>	<b>40,954</b>	<b>35,547</b>
<b>EXPENSES</b>			
Water System Expenses			
Maintenance Contract Labour	500	0	500
Maintenance Supplies & Equipment	500	427	4,000
Treatment System	30,000	16,497	19,000
Water Testing	1,500	369	3,400
Service Connections <sup>2</sup>	10,000	7,629	1,000
Total Water System Expenses	<b>42,500</b>	<b>24,924</b>	<b>27,900</b>
Payroll Expenses			
Wages & Salaries	0	0	0
Trustee Honorarium	1,785	1,646	1,500
Other Honorarium (maintenance, pilot)	350	350	700
Payroll Expenses (EI, CPP, WCB)	65	65	25
Total Payroll Expenses	<b>2,200</b>	<b>2,061</b>	<b>2,225</b>
General Administrative Expenses			
Professional Services (Sec-Tr position)	9,200	8,885	9,000
Advertising & Promotions	550	473	500
Interest & Bank Charges	0	0	0
Permits & Licenses	350	350	350
Postage & Box Rental	300	239	250
Amortization Expense	3,487	3,487	3,487
Office Supplies	300	196	250
Subscriptions	0	0	214
Misc expenses (incl travel)	50	137	50
Rent (hall)	50	0	50
Yr end adjustment	0	236	0
Total General Administration Expenses	<b>14,287</b>	<b>14,003</b>	<b>14,151</b>
<b>TOTAL EXPENSES</b>	<b>58,987</b>	<b>40,988</b>	<b>44,276</b>
Net income (loss) from operations	-18,896	-34	-8,729
Year end operating cash balance (accrual)	<b>14,698</b>	<b>29,653</b>	<b>20,924</b>
Capital Funds			
Cap. Works, Renewal Reserve Fund		177,816	177,816
<b>Cash and Capital Funds at Year End</b>		<b>207,469</b>	<b>198,740</b>

<sup>1</sup> For one of three connections; the two other connections were paid in the 1990's under By

<sup>2</sup> Some work (driveway paving) is yet to be completed.