

MINUTES

COBBLE HILL IMPROVEMENT DISTRICT

Meeting 41st Annual General Meeting
Date **Thursday, September 9, 2021**
Time 6:30 p.m.
Place Cobble Hill Community Hall, 3550 Watson Ave., Cobble Hill

Present: Rob Reid, Chair; Harry Benson, Trustee; Don Herriott, Trustee; Jens Liebgott, Trustee; Bill Motherwell, Trustee; Karen Berezcki, Administrator.
Absent: Alan Seal, Operator.
Call to Order 6:39 p.m.
NOTE: As set out in the Notice of Annual General Meeting, the Ministry of Health's COVID-19 safety measures were strictly adhered to for this meeting.

INTRODUCTION

Chair Rob Reid called the meeting to order and introduced the Trustees and the Administrator.

Chair Reid advised that the meeting was called for the following purposes:

1. To provide the landowners a report on the condition of the Cobble Hill Improvement District (CHID), water system, and to present the financial statements for the preceding year;
2. To discuss with the landowners any matter relating to the works or finances of the Improvement District.
3. To have the landowners fix the honorarium of the Trustees for the ensuing year.
4. To elect one Trustees to serve for a three-year term.

ADOPTION OF AGENDA

Moved: Jens Liebgott
Second: Bill Motherwell
Carried: **That the September 9, 2021, Annual General Meeting agenda be adopted as circulated.**

ADOPTION OF PREVIOUS MINUTES

Minutes of the October 7, 2020, Annual General Meeting were distributed to the members in attendance.

Moved: Shannon Faber
Second: Denise Motherwell
Carried: **That the October 7, 2020, Annual General Meeting minutes be adopted as circulated.**

TRUSTEES' REPORT *Rob Reid, Chair*

CHID was incorporated by letters patent issued on April 16, 1979, and operates under Part 17 of the Local Government Act (BC). The object of the District is to supply potable water for domestic use within its boundaries.

CHID is administered by an elected Board of Trustees, one of whom has the additional duty of Chair. As Chair for the District, on behalf of the Board of Trustees it is a pleasure to present this report respective to the highlights of the CHID water system:

- There are three active production wells: 1) Holland Avenue; 2) Fisher Road (the main production well); and 3) Hutchinson Road.
- There is one water tower located at the top of Cobble Hill Mountain.
- There are 36 hydrants.
- The District currently employs one Operator and two Relief Operators.
- The quality of water is very good with no treatment required. It is tested weekly for bacteriological parameters, quarterly for nitrates and annually for chemical analysis.
- The District's engineer of record is currently in the process of developing a new CHID Master Plan. Managing development within infrastructure limits is critical. Gathering CHID population data over the past fifteen years is currently a work in progress. This information is key for setting the capital expenditure charge.

The Chair then opened the meeting for discussion from the floor.

There were questions about the hot, dry weather during the summer months. The Board noted that CHID draws its water from aquifer 197. While this aquifer is not giving CHID any major concerns, the recent weather trend is something we will all need to be mindful of. That said, now that the fall weather is here, and some rain has fallen, the aquifer has rebounded well.

Discussion concluded with a vote of thanks to the Board.

Moved: Nick Yaremchuk
Second: Denise Motherwell

Carried: That the September 9, 2021, Trustees' Report on the condition of the CHID water system be accepted as presented.

2020 AUDITED FINANCIAL STATEMENTS - *Karen Berezcki, Administrator*

As Financial and Corporate Administrator for the District, it is a pleasure to present the audited financial statements for the year ended December 31, 2020. For reference, these statements are included in the AGM agenda package distributed. They are also available for viewing on the Cobble Hill Improvement District (CHID) website at www.cobblehillimprovementdistrict.com.

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 14, 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 Cobble Hill 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 \$2,023,081.

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 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 \$228,685.

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. 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.

Funding of the Renewal Reserve Fund has been ongoing at an annual amount of \$36,000.00. It is recommended that this annual funding be increased to ensure resources are in place for repair/replacement needs in the future. Rate increases will need to be considered.

There were no expenditures from the RRF during 2020.

The accumulated surplus in this fund at December 31, 2020, totals \$339,178.

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

Capital expenditure charges are levied under Bylaw no. 86, 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.

There were no CEC charges collected, and no CEC fund expenditures in 2020.

The accumulated surplus in this fund at December 31, 2020, totals \$111,025.

Tangible Capital Assets (pages 11 & 15):

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 were no capital asset disposals or acquisitions in 2020.

The accumulated surplus in this fund at December 31, 2020, totals \$1,344,195.

In conclusion, while Cobble Hill Improvement District continues to be well managed financially, improvements are always possible. I would like to recognize the Trustees for their commitment to continuous improvement, system sustainability, and service to the community.

Moved: Jens Liebgott

Second: Don Herriott

Carried: That the 2020 Audited Financial Statements, and September 9, 2021, Financial Officer's report be accepted as presented.

TRUSTEE HONORARIUM

Chair Rob Reid reported that the honorarium is currently set at \$8000.00 per year, as approved by ratepayers at the October 7, 2020, AGM; to be divided as determined by the Trustees.

Moved: Bill Motherwell

Second: Ethan Jones

Carried: That the trustee honorarium be set at \$8,000.00 for the 2021 fiscal.

ELECTION OF TRUSTEES

Chair Rob Reid explained the election process as follows:

Pursuant to Section 684(1) of the *Local Government Act*, in order to vote at an election for improvement district trustees, a person must be:

- a) a Canadian citizen
- b) 18 years of age or older
- c) an owner of land within the improvement district
- d) entitled to be registered as a voter under the *Elections Act*.

Every person who is qualified to be a voter in an improvement district is also qualified to be a trustee.

The trustees' terms of office were accounted for: Trustee Bill Motherwell's three-year term has completed.

Rob Reid nominated Bill Motherwell to serve for a three-year term. Accepted.

Further nominations were called for three times, and when no further nominations were received nominations were declared closed.

Bill Motherwell was declared elected by acclamation.

The 2021/22 Board of Trustees was confirmed as follows: Trustees Rob Reid, Harry Benson, Don Herriott, Jens Liebgott and Bill Motherwell.

OTHER BUSINESS

Since there was no other business forthcoming, the Chair thanked the members in attendance, and the meeting was adjourned.

ADJOURNMENT

Moved: Jens Liebgott

Second: Harry Benson

Carried: That the meeting be adjourned.

The Annual General Meeting adjourned at 7:10 p.m.

The next regular meeting of the Board of Trustees will be held at 7:00 p.m., on Thursday, September 9, 2021, immediately following the AGM at the Cobble Hill Community Hall, 3550 Watson Ave., Cobble Hill.

CERTIFIED CORRECT

Chairperson

Administrator