

MINUTES

COBBLE HILL IMPROVEMENT DISTRICT

Meeting 40th Annual General Meeting
Date **Wednesday, October 7, 2020**
Time 6:30 p.m.
Place Outdoor Pavilion, Evergreen Independent School, 3515 Watson Avenue, Cobble Hill, BC

Present: Rob Reid, Chair; Harry Benson, Trustee; Don Herriott, Trustee; Jens Liebgott, Trustee; Karen Berezcki, Administrator; Alan Seal, Operator.
Absent: Bill Motherwell, Trustee.
Call to Order 6:37 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, acknowledged the Trustees, the Operator 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 two Trustees: each to serve for a three-year term.

ADOPTION OF AGENDA

Moved: Don Herriott
Second: Jens Liebgott

Carried: **That the October 7, 2020, Annual General Meeting agenda be adopted as circulated.**

ADOPTION OF PREVIOUS MINUTES

Minutes of the May 1, 2019, Annual General Meeting were distributed to the members in attendance.

Moved: Don Herriott
Second: Harry Benson

Carried: **That the May 1, 2019, 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 over the past year.

Reason for Boil Water Advisory

CVRD Parks irrigate in the summertime with re-claimed water from the Cobble Hill Village wastewater treatment system. From time to time there are reasons why Parks staff may choose to switch from the re-claimed water to potable water from CHID.

On July 22, 2020, the Vancouver Island Health Authority (VIHA) issued a Boil Water Advisory on the CHID water system. The advisory was issued due to a potential cross-contamination between the Village reclaimed water and the CHID potable water supply. Thankfully, water sample test results demonstrated that reclaimed water did not enter the potable water system, and that the water quality was never compromised. The Boil Water Advisory was lifted by VIHA on July 24, 2020.

Follow-up investigation identified that the switching station was not built as designed, allowing for human error during the switching process. This is being rectified. In the meantime, the community water has been disconnected from the CVRD Parks irrigation system so a repeat of this event is not possible until the fail-safe mechanism can be properly installed.

As a further precautionary measure, new CVRD Staff procedures have been implemented. Going forward, when CVRD Parks changes its irrigation from reclaimed water to potable water, or vice versa, CHID must be notified and the CHID Operator must be in attendance to observe the switch.

Emergency Response Plan Update

As a consequence of the above, the CHID Emergency Response Plan is in the process of being updated; in particular the section related to public notification. As such, each resident of the District is strongly encouraged to complete and submit the emergency response plan form found at the Alert button on the CHID website.

Fisher Road Monitoring Wells

Trustee Don Herriott requested that CVRD Director Mike Wilson make enquiries as to the status of the results from sampling of the four test wells in the Fisher Road area. It appears that the trend is going in the right direction for the wells north of the two composting facilities (still above standard but getting better). However, the inorganic nitrates at the well by the old green house is still high and not decreasing despite no operations at the site for several years, and the nitrate levels at the well on Fairfield Road are going in the wrong direction. This situation will continue to be closely monitored by the Board.

Moved: Harry Benson

Second: Don Herriott

Carried: That the October 7, 2020, Trustees' Report on the condition of the CHID water system be accepted as presented.

2019 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, 2019.

As the new Financial and Corporate Administrator of the Cobble Hill Improvement District, it is a pleasure to present the audited financial statements for the year ended December 31, 2019.

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 Cobble Hill Improvement District (the “District”), financial statements have been audited by Morine and Schindler LLP, Chartered Professional Accountants, as appointed by the Board of Trustees at its January 8, 2020, regular meeting. The Independent Auditor’s Report outlines the Auditor’s responsibilities, the scope of their examination, and their opinion on the Improvement 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 their unqualified opinion that the statements present fairly, in all material respects, the financial position of the Cobble Hill Improvement District as at December 31, 2019.

The District records accounting transactions using the fund accounting method. Highlights of these Financial Statements are set out by individual fund as follows:

Operating Fund:

Operations accounts for the day-to-day activities of providing services. Such as insurance, hydro, wages, training, administration, etc.

The 2019 Statements show an accumulated Operating surplus of \$203,586, compared to prior year surplus of \$166,965 (page 12). Representing a net 2019 operating surplus of \$36,623.

Renewal Reserve Fund:

The District holds tangible capital assets at a total cost basis of \$2,024,720. The 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 Renewal Reserve Fund as at December 31, 2019 was \$298,313, compared to the prior year balance of \$257,475. 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 incrementally increased to ensure resources are in place for repair/replacement needs in the future.

Expenditures 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 official record.

There were no expenditures from this fund during 2019.

Capital Expenditure Charge Fund (CEC):

These funds come from developers if the existing boundary is expanded to include new lots, or if an existing lot is subdivided. CEC funds are restricted by the provincial government to use only for items that increase the water capacity of the District – basically for additional wells or reservoirs. These funds cannot be used for any other purpose like repairs or replacing assets the district already owns. Expenditures from this fund are also authorized by Bylaw passed by the Board of Trustees, and then submitted to the Ministry of Municipal Affairs and Housing for official record.

A total of \$31,500 in CEC fees was collected in 2019. This represents seven new parcels x \$4,500 CEC fee each, comprising one four-lot subdivision and one three-lot subdivision; both on Hutchinson Road.

There were no expenditures from this fund during 2019.

The balance of the Capital Expenditure Charge Fund as at December 31, 2019 was \$146,813, compared to the prior year balance of \$112,732.

Tangible Capital Assets:

Tangible Capital Assets currently include land, the distribution system, equipment and facilities. These are stated at cost less accumulated amortization.

There were no capital asset acquisitions in 2019.

Including the 2019 amortization expense, the net book value of tangible capital assets totals \$1,375,127 compared to \$1,407,202 in 2018.

Consolidated Financial Statements:

The Cobble Hill Improvement District continues to operate in a favourable financial position. Taking into account each of the funds reported, the consolidated accumulated surplus as at December 31, 2019 is \$2,023,841 compared to \$1,944,373 in 2018.

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 and service to the community.

Moved: Don Herriott
Second: Harry Benson

Carried: That the 2019 Audited Financial Statements, and October 7, 2020, 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 May 1, 2019, AGM; to be divided as determined by the Trustees.

Moved: Karen Berezcki
Second: Jens Liebgott

Carried: That the trustee honorarium be set at \$8,000.00 for the 2020 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 Harry Benson and Trustee Jens Liebgott three-year terms have concluded.

Rob Reid nominated Jens Liebgott to serve for a three-year term. *Accepted.*

Don Herriott nominated Harry Benson 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.

Jens Liebgott and Harry Benson were declared elected by acclamation.

The 2020/21 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: Don Herriott
Second: Jens Liebgott

Carried: That the meeting be adjourned.

The Annual General Meeting adjourned at 7:19 p.m.

CERTIFIED CORRECT

Chairperson

Administrator