

**LUND WATERWORKS DISTRICT
ANNUAL GENERAL MEETING**

Saturday, April 26, 2025 - 11:30 am
Northside Community Recreation Centre
9656 Larson Road, Lund, BC

AGENDA

1. Call to Order
2. Introductions
3. Adoption of 2024 AGM Minutes
4. Business arising from Minutes.
5. Correspondence
6. Reports
 - a) Operator Annual Report
 - b) Receiver Report
7. 2024 Financial Statements Review
8. 2025 Annual Budget
9. Bylaws
 - a) Bylaw 58 – “Taxation Bylaw No. 256, 2025” - *Parcel Tax*
10. Other Business
 - a) 2025 Court of Revision
 - b) Announcements
 - c) Questions from the floor
11. Water System Upgrade and Conversion – Project Update
12. Adjournment

LUND WATERWORKS DISTRICT ANNUAL GENERAL MEETING MINUTES April 20, 2024

The Annual General Meeting of the Lund Waterworks District was held at the Northside Community Recreation Centre on Saturday, April 20, 2024.

RECEIVER PRESENT: Frances Ladret

STAFF PRESENT: Shelley Cherry, Administrator
Courtney Robertson, Water Operator

IN ATTENDANCE: Tom Kiddey, Richard & Ann-Katrin Clark, Charles Latimer, Jennifer White, Ted Winegarden, Chris Drummond, Greg Cran, Doug MacLean, Melise McKee, Mike Burge, Cheryl Walden, Dave Clark, Alan Burgess, Cindy Wong, Paula Rose, Jo Suche, Steve Suche, Ed Levy, Paul Mercs, David Pethick, William Sinclair, Jim Elliott, Kathryn Colby, Carly Aasen, Jan Uhlar, Harold Robertson

ITEMS OF BUSINESS:

1. Call to order:

The Annual General Meeting of the Lund Waterworks District (LWD) was called to order at 10:33AM, on Saturday, April 20, 2024.

2. Introductions:

Frances acknowledged that our meeting was being held on the traditional territory of the Tla'amin Nation in an area known as Klah ah men.

Frances then introduced Courtney Robertson, our Water Operator, and Shelley Cherry, as LWD's Administrator & Bookkeeper.

She also introduced our Advisory Committee members: Doug MacLean, Tom Kiddey, Ed Levy, Harold Robertson, who were present and acknowledged absent members: Laurie Chambers and Jason Lennox.

Frances gave a brief explanation of the Receiver position and how the receiver acts as the Board of Trustees when dealing with resolutions and bylaws.

3. Adoption of the 2023 Annual General Meeting (AGM) Minutes:

The minutes from the 2023 AGM were circulated. Frances asked for any questions or concerns arising from the minutes. No comments were put forward. Frances moved to adopt the minutes.

FRANCES LADRET DECLARED THE 2023 AGM MINUTES ADOPTED.

4. Business arising from Minutes:

Frances asked if there was any business arising from the 2023 AGM minutes. No comments were made. No further business was brought forward.

5. Correspondence:

- a) **Receiver Appointment:** A copy of the letter from the Ministry of Municipal Affairs, to Frances Ladret, acknowledging her appointment as Receiver, was circulated in the agenda package. Frances shared that the Province approached her about assuming the position based on her local knowledge and many years' experience with the Regional District including managing the conversion of the Lund sewer system, which was in receivership, and overseeing a grant application in 2009 for a \$6 million upgrade to the Lund water system.

6. Reports:

- a) **Operator Annual Report** – Courtney read the Operator's report included in the agenda package. Harry Robertson expressed his gratitude to Courtney for keeping the water system running. Everyone applauded her efforts. No further comments or questions were made.
- b) **Receiver Report** – Frances read the Receiver's report included in the agenda package. No further questions or comments were made.

7. 2023 Financial Statements Review:

The 2023 Financial Statements, prepared by Duke & Co., were included in the agenda package. Frances reviewed the statements noting a small year-end surplus and the LWD's slightly improved financial position resulting from increased funds in reserves. No questions were brought forward.

FRANCES LADRET DECLARED THE 2023 FINANCIAL STATEMENTS ADOPTED.

8. 2024 Annual Budget:

Frances reviewed and explained the 2024 Annual Budget, included in the agenda package, with Revenues and Expenses totalling \$220,351. She noted

- o "other" expenses included costs for Kathy Day appointed as the assessor.
- o plans to access the Renewal Reserve Fund to finance two pump replacements.

She reviewed other planned Repair and Maintenance tasks, itemized in the agenda package, and commented on the difficulty of financing unexpected breakdowns. She shared that we have already had an unexpected expense for the Finn Bay booster station repair that already has us behind. Frances welcomed anyone who has any questions, to please email lundwaterdistrict@gmail.com.

9. **Bylaws:**

a) **Bylaw 56 – Taxation Bylaw, 2024**

Frances introduced and gave first reading to the Taxation Bylaw No. 56, regarding parcel taxes. She noted the basic parcel tax has increased \$50 for the year to \$350 for Groups 1 and 2, with proportionate increases applied to other groups set out in the bylaw.

This Bylaw will be adopted after the Court of Revision.

A question was asked whether the parcel tax is part of the property taxes from the qRD. Frances clarified that the Parcel Tax is sent out from LWD, mailed separately, and does not qualify for the Home Owners Grant.

b) **Bylaw 57 – 2024 Capital Works Renewal Reserve Fund Disbursement Bylaw**

Frances Ladret introduced and gave first reading to 2024 Capital Works Renewal Reserve Fund Disbursement Bylaw No. 57.

She explained that this bylaw will authorize the disbursement of up to \$6,400 from the renewal reserve to be spent only on two pump replacements. Upon adoption this Bylaw will go to the Inspector of Municipalities with the required backup documents.

Frances moved and approved adoption of Bylaw No. 57.

FRANCES LADRET DECLARED THE 2024 CAPITAL WORKS RENEWAL RESERVE FUND DISBURSEMENT BYLAW NO. 57 ADOPTED

10. **Other Business:**

a) **2024 Court of Revision**

Frances reviewed information included in the agenda package on the Court of Revision scheduled for May 28, 2024. She noted property owners may file a complaint with the Court of Revision about the classification, name, legal description, etc. included on their assessment notice; however, they may not complain about the amount of the parcel tax.

Frances encouraged owners to make sure that BC Assessment has their current mailing address as we are legally required to send the parcel tax notices to the address on file. Please ensure Shelley with LWD has it too as well as your email address.

b) **Announcements –**

Frances made the following announcements and reminders to those present:

- Ensure your visitors and guests are aware of the Water Quality Advisory.
- The parcel tax deadline will be September 30th, 2024
- Ensure your water lines are protected from freezing and that any pumps also have protection for low pressure, etc.
- Owners must not alter any water system lines or equipment that are not on your property.

c) **System Upgrade and Conversion – next steps**

Frances outlined the status of the conversion/upgrade process, noting we are not as far along as expected due in part to the delayed grant announcement. The qRD, LWD and engineers are conferring to finalize plans, update costs, etc. Frances reviewed some of the next steps from the System Upgrade and Conversion information sheet included in the agenda package. She highlighted the numerous administrative steps involved in conversion noting that we are currently at the shaded area – “assembling detailed system information for the qRD.”

There will be a community meeting in May or June to present updated information on the upgrade plan, costs, borrowing and tax implications.

Frances commented that the approved project has total eligible costs of \$15,024,380 with the grant to cover 73.33% of those costs or \$11,017,378. The local share will be the difference plus 100% of any non-eligible costs. The scope of work proposed by the most recent engineering plan done by MSR Solutions differs from the scope in the grant application so the qRD will have to apply for a change of scope. The goal is to complete the system conversion by the end of this year or early in 2025. The qRD will then oversee the construction which is expected to begin in 2025 and continue into 2026/27.

d) **Questions from the floor –**

Question re ground water exploration.

Frances advised that while groundwater is seen as a potential reliable future source, presently there are no funds available for exploration which is a rigorous and costly process when dealing with a community water system. There have been discussions with Tla’amin regarding groundwater and these will continue. However, our infrastructure is in poor shape and needs more immediate repairs and upgrading.

Suggestion that the proposed Finn Bay Loop should be looked at in conjunction with a sewer extension.

Frances commented that this option was too expensive at this time.

Kathryn Colby thanked Frances for keeping the water running and for all the hard work being put forward.

11. **Adjournment:**

The meeting was adjourned at 11:56AM



July 17, 2024

Dam File: 76915-20/ D42108-00

VIA EMAIL: lundwaterdistrict@gmail.com

Lund Waterworks District
c/o Joyce Lennox
PO Box 113, Lund BC V0N 2G0

Attention: Joyce Lennox

Re: Dam Safety Audit of THULIN LAKE DAM– D420108-00

Lund Waterworks District owns THULIN LAKE DAM. The dam has recently been audited to determine compliance with the [Dam Safety Regulation](#) (B.C. Reg. 40/2016; the *Regulation*). This does not constitute a formal inspection of the dam. Formal inspections and regular site surveillance are the responsibility of the dam owner. The recent dam audit revealed that the deficiencies identified in the 2013 Dam Safety Review (DSR) report have not been addressed. These deficiencies include:

- inadequate spillway capacity and freeboard
 - As per the 2013 DSR report the 1000-year flood and the Probable Maximum Flood (PMF) were determined to be **17.4 m³/s** and **54.5 m³/s**, respectively. The peak inflow to Thulin Lake during the Inflow Design Flood (IDF) was determined to be approximately **32.1 m³/s**. However, the discharge capacity of the spillway, to the dam crest, is **2.2 m³/s**.
- the potential instability during a seismic event

As a result of these findings, the failure probability rating has increased from small to **large**, and the Risk Level has risen from 4 – Stable to **1¹ - Alert**. The current consequence classification, failure probability rating and Risk Level for THULIN LAKE DAM are High, Large and **1 –**

Alert, respectively. Please note that the Dam Audit Check Sheet discussed during the audit incorrectly identified the Failure Probability Rating and Risk Level.

¹ 1 - ALERT (immediate attention required):

Enhanced monitoring / consultants involved / repairs ASAP / may restrict reservoir operation / DEP reviewed / CWR or RWM notified, possible Order

Ministry of Water, Land and Resource
Stewardship

Water, Fisheries and Coast Division
Water Management Branch
Dam Safety Section

Suite 200, 10428 - 153 St
Surrey BC V3R 1E1
Phone: (604) 586-4400
Fax: (604) 586-4444

Under Section 25 of the Freedom of Information and Protection of Privacy Act (FOIPPA) states: 25 (1) Whether or not a request for access is made, the head of a public body must, without delay, disclose to the public, to an affected group of people or to an applicant, information

- (a) about a risk of significant harm to the environment or to the health or safety of the public or a group of people, or
- (b) the disclosure of which is, for any other reason, clearly in the public interest.

The nature of the deficiencies constitutes a “*risk of significant harm*” as defined in FOIPPA. As the risk of significant harm is to the downstream residents and/or infrastructures, you must ensure that appropriate disclosure is provided to the affected people.

Additionally, these deficiencies under the Regulation constitute a **Potential Safety Hazard**. As per Section 15 of the Regulation, you are required to:

- (b) on or before **August 31, 2024**;
 - (i) prepare a plan, in the form and with the content specified by the dam safety officer, that sets out, in order of priority, any actions required to rectify the potential safety hazard, and
 - (ii) submit the plan to a dam safety officer for acceptance by the dam safety officer;
- (c) if the plan referred to in paragraph (b) is accepted by a dam safety officer, implement the plan, on or before the date specified by a dam safety officer, in the order of priority identified in the plan and in accordance with any requirements or conditions specified in an authorization, change approval or order.

The plan should consider mitigating the risk in the short term and a plan to remediate the deficiencies.

Please submit a plan that sets out how you will immediately mitigate the current hazard, and, in order of priority, any actions required to rectify all potential safety hazards, complete with timelines for completing those actions. The plan must be delivered on or before **August 31, 2024**.

Findings from the audit

The dam audit was undertaken by Frew Azene P.Eng. from the BC Dam Safety Section. The audit included a review and discussion of your safety management system and a site visit on May 23, 2024. Dam owner representatives during the audit included Courtney Robertson and Frances Ladret.

The following documents were referenced as part of our understanding of your dam safety management system:

- 2013 Dam Safety Review (DSR) report prepared by EBA Engineering Consultants Ltd. operating as EBA, A Tetra Tech Company
- Operation, Maintenance & Surveillance (OMS) manual dated 2013
- Dam Emergency Plan (DEP), dated February 2024
- 2022 & 2023 Formal Dam Inspection Report

Based on the audit, Lund Waterworks District is currently **non-compliant** with the Regulation. Details on the non-compliance, deficiencies and steps to move towards compliance are provided in the next sections. Actions required to address the non-compliances are identified by green boxes.

Dam Safety Review

As per Section 20 of the Regulation an owner of a High consequence dam must have a Professional Engineer with qualifications and experience in dam safety analysis carry out a DSR at least every 10 years.

The last DSR prepared by EBA dated 2013, identified several deficiencies and non-conformances, which are considered potential safety hazards to the dam. One of the main deficiencies is inadequate spillway capacity. This deficiency is generating the large failure probability. EBA has also provided recommendations to address these deficiencies and non-conformances. For over ten years since these recommendations were provided, very limited progress has been made to address or mitigate the potential safety hazards.

The second Dam Safety Review (DSR) for the dam was due in 2023. During the audit discussions, it was mentioned that Lund Waterworks District (LWD) wishes to delay preparing the Dam Safety Review report due solely to funding issues. However, this is a non-compliance with Section 20 of the Regulation.

Please ensure a DSR is carried out and report submitted to a DSO as soon as possible. If you are planning to rehabilitate or reconstruct the dam, we can wait until **October 31, 2024**, for the plan otherwise the Dam Safety Program may take the necessary actions against the non-compliance offence.

Dam failure consequences classification

During the audit discussions, it was identified that redetermination of the dam failure consequence classification was not occurring. Under section 3 (2) of the Dam Safety Regulation, redetermination of dam failure consequence classification is a requirement, and the dam owner must redetermine the classification of the dam in accordance with section 2 of Schedule 1 to assess whether the classification of the dam has changed and submit a proposed new classification if the classification of the dam has changed.

Please ensure that you undertake an annual redetermination of your dam classification and record the results.

Operation, Maintenance, and Surveillance manual (OMS)

Your OMS manual dated 2013 (included in the DSR), has been reviewed and has **NOT** been accepted. The following must be addressed prior to resubmitting:

- Updates to dam operation contacts
- Roles and responsibilities for reservoir operation are not well defined.
- Description of situations in which operations may go from normal to abnormal or become an emergency is not discussed
- Updates to surveillance procedure required as there is no functional instrumentation on the dam.

The Canadian Dam Association (CDA) Dam Safety Guidelines and the BC Dam Safety Program both provide guidance to assist dam owners in the development of an OMS manual.

Please revise / resubmit your OMS manual by **August 31, 2024**.

Dam Emergency Plan (DEP)

Your DEP revised and updated in February 2024 has been reviewed and has been accepted. Please use the **New** DEP template found on our website for future updates.

https://www2.gov.bc.ca/assets/gov/environment/air-land-water/water/dam-safety/dam_emergency_plan_template_2024apr20.pdf

Instrumentation

During the audit discussion, you indicated that you do not have instruments necessary to adequately monitor the dam and the area surrounding or adjacent to the dam. This is a non-compliance with the Regulation.

Section 19 of the *Regulation* requires a dam owner to do all of the following:

- (a) install the instrumentation necessary to adequately monitor the dam and the area surrounding or adjacent to the dam;
- (b) maintain or replace the instrumentation referred to in paragraph (a) to ensure continuity of readings;
- (c) collect readings from the instrumentation referred to in paragraph (a) and analyze and interpret the readings no less frequently than is specified in item 5 of the table in Schedule 2 for the classification of the dam.

You must submit to a dam safety officer for acceptance an instrumentation plan for adequately monitoring your dam and surrounding area, by **August 31, 2024**.

Audit Site Visit – Summary of noted Physical Deficiencies and External Hazards

These are some of the observation notes and comments.

- Concrete Dam
 - The presence of seepage in the downstream dam foundation
 - Deteriorated log boom
- Spillway
 - Wooden stoplog was observed installed on the spillway

Please note that although concrete dams are generally more resistant to erosion and can withstand some overtopping, the 2013 DSR indicates that during an IDF event the dam will be overtopped by approximately 0.19m. The DSR has recommended either enlarging the spillway or raising the dam crest to avoid overtopping of the dam. The use of stoplog is compromising the spillway capacity. Please consider removing the stoplog from the spillway so that it can at least pass the designed capacity of 2.2 m³/s .

- Low-level outlet (not assessed due to water level in the reservoir)
 - Leakage at knife valve
- Instrumentation
 - There is no instrumentation to adequately monitor the dam and surrounding area.

As noted above, you are non-compliant with the *Regulation*. You must submit to a dam safety officer for acceptance of a plan prepared by a qualified professional to address all the above non-compliances, and deficiencies by **August 31, 2024**.

As no adequate training information was available during the audit, you should consider providing training for all individuals with responsibilities for dam safety activities.

The CDA prescribes that an owner's dam safety management system includes "*adequate training and qualifications of all individuals with responsibilities for dam safety activities.*"

Although not mandated by the *Regulation*, the BC Dam Safety Program strongly encourages training and offers regular workshops, both in-person and virtually. For more information on training opportunities, please visit our website at

[Education and training - Province of British Columbia \(gov.bc.ca\)](https://www2.gov.bc.ca/gov/content/safety/dam-safety-program)

July 17, 2024

Should you wish to further discuss any aspect of your dam and dam safety management system, do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read 'Binod Acharya', with a horizontal line underneath.

Binod Acharya, P. Eng.
Dam Safety Officer
Ministry of Water, Land and Resource Stewardship
778.572.2183
binod.acharya@gov.bc.ca

Cc: Mike Noseworthy, Head, Dam Safety Section, mike.noseworthy@gov.bc.ca
Bryan Robinson, Deputy Comptroller of Water Rights, bryan.robinson@gov.bc.ca

Attachment: Thulin Lake Dam Revised Audit Check Sheet

Lund Waterworks District
2025 Annual General Meeting
April 26, 2025

2024 Operations Report

Consumption / Leaks

Extreme freezing temperatures in January 2024 contributed to the highest consumption month, where people had to run taps to prevent freezing, with a few residents experiencing leaks subsequently. In January, we were pumping on average 263 m³ per day, over two and a half times our lowest consuming month, December 2024, at 97 m³. On average, in July and August 2024, we pumped between 200 and 240 m³ daily. Overall consumption in 2024 was approximately 64,000 m³, compared to 2023, which was 61,000 m³, an increase from 2022, where we pumped 56,000 m³.

Repairs

Larson and Finn Bay Rd pumphouses received new booster pumps. The pump from Larson was able to be repaired, so it will sit as a spare or backup for either pumphouse. The Larson Rd pumphouse received a new Air Relief Valve, as the previous one was undersized and prone to airlocks in the system after power failures.

Dams

Failure to submit a qualified Engineered Dam Safety Review, due in 2023, for both Lund and Thulin Lake Dams, triggered an audit conducted by the Provincial Government in late August. Immediate work required at Lund Lake Dam included the permanent removal of stop logs, and installing a 6" siphon to draw the lake level below the spillway. Weekly monitoring is now required at Thulin L. Dam, keeping the Low-Level outlet flowing to draw the lake level down and take pressure off the backside of the Dam. OMS manual has been updated to reflect these changes.

Sampling

This year, we met our sampling objective with 91 samples submitted throughout the distribution system and 22 raw water samples. All distribution samples but 2 came back showing less than 1 for coliforms and E. coli. The 2 samples that came back positive showed a low amount of coliform: 3.1 ppm on November 25 and 6.4 ppm on May 29. Both times were during a temperature swing with either a storm or heavy rainfall kicking up sediment in the lake. The lines were flushed and resampled, with results showing less than 1 ppm.

The Water Quality Advisory for Lund Waterworks District remains effective and in place until treatment can be improved to meet Vancouver Coastal Health's 4,3,2 <1,0 treatment objective with dissolved organic filtration, allowing us to disinfect with UV and use less chlorine, resulting in lower Trihalomethanes or THM. Copies of LWD's current WQA, as well as sample results are always available to users by contacting me or another LWD representative.

Submitted by: Courtney Robertson, Operator

Lund Waterworks District 2024 Financial Statements Review
Presented at the 2025 AGM April 26, 2025
OVERVIEW

The attached 2024 Financial Statements Review Engagement Report (Duke & Company) is a review of the financial statements prepared by the improvement district; it is not a full audit. Reviews are an acceptable and reliable method of evaluating the financial records of small organizations. They are also considerably cheaper than an audit. Following are comments on the significant aspects of the review.

Statement of Financial Position (aka Balance Sheet) summarizing LWD's overall financial position as of Dec 31 2024 shows a slight improvement over 2023. This is primarily due to parcel tax revenue, most of which has been placed in the Capital Works Renewal Reserve Fund to be used only for upgrading, replacement, or renewal of existing works.

Financial Assets includes a **Guaranteed investment Certificate** valued at \$60,000. This is parcel tax revenue invested to increase interest earnings. It is part of the Capital Works Renewal Reserve Fund and is additional to the Fund Balance of \$78,012 shown under Note 5 – FUNDS BALANCES AND ACCUMULATED SURPLUS. The **Cash** allocation also include some parcel tax revenue.

Statement of Operations and Accumulated Surplus includes current year revenue and expenses related to the day to day activities of providing the water service during the year - repairs and maintenance, water testing, utilities, insurance, wages/fees, etc.

Revenue: For the purposes of this review, regular **user fees** revenue and fees from the sale of bulk water were combined. Considering just the regular fees, new fees implemented for 2024 (e.g. short term rentals) and changes to the application of existing fees increased fee revenues by about 8% even though the standard fee remained the same at \$1,000.

This gain was offset by

- limited spending of the MHA \$20,000 outreach program grant. The balance will be carried forward for future public engagement activities.
- declining over usage fees, likely due to more diligent tracking and repair of leaks. This downside is offset by less wear and tear on equipment and lower treatment costs for reduced consumption.

The net result was a shortfall in 2024 budgeted revenues and a substantial decrease from 2023 totals.

Expenses: Excluding amortization, operating expenses were lower than budgeted for 2024, similar to 2023, but substantially higher than in 2022. The trend towards higher operating costs is expected to continue as we maintain an old system and plan for conversion.

Although expenses were similar to last year, the Annual Surplus is lower in part because some expense items were financed from reserve funds (rather than current year revenue) which do not show on this statement. I.e.,

- **Surveying and engineering** expense includes \$12,796 for a Dam Assessment Report required by the provincial Dam Safety Section and not anticipated when the budget was adopted. Cost paid from the Dam Safety Review Fund
- **Repairs & Maintenance** includes \$6,398 for two pumps. Cost paid from the Capital Works Renewal Reserve Fund.

The use of these funds is reflected in Note 5. Adding these fund revenues to the annual surplus makes the total very similar to the budgeted surplus amount.

Note 5 Fund Balances and Accumulated Surplus

Operating Fund Balance at year end is consistent with 2023.

Dam Safety Review Fund balance has decreased due to a disbursement to fund the Dam Assessment Report. Monies are no longer being contributed to this fund. Instead we are building the Capital Works Renewal Reserve fund which has more flexibility.

Capital Works Renewal Reserve Fund: As previously noted, the current balance of \$78,012 is augmented by \$60,000 in a GIC. To date, all funds going into the reserve have come from parcel taxes and associated penalties. The intention is to use these funds sparingly, allowing the fund to build and offset the local share of costs for the system upgrade. They are also a source of funds for any major breakdowns, which become increasingly likely as the infrastructure ages.

The balance that has accumulated in this fund demonstrates the value of regularly setting funds aside for inevitable infrastructure replacement or major repairs.

Note: 100% of parcel tax revenues are not necessarily transferred to the Capital Works Renewal Reserve Fund. Portions may be used to finance major maintenance or minor capital items directly or to offset general operating expenses.

CONCLUSION

LWD managed to meet its 2024 costs with no increase to user fees and a modest tax increase. This was possible thanks to government grants to assist with conversion related costs and the use of some prior years' surplus funds. Prior years' surpluses are not a reliable source to cover current costs as they will quickly disappear.

Declining revenues and anticipated higher costs are not a good formula for sustainable system operations. Given the aged and aging infrastructure ratepayers will likely be facing higher costs to maintain the current system.

Submitted by: Frances Ladret, Receiver

DUKE & COMPANY *

CHARTERED PROFESSIONAL ACCOUNTANT

**LUND WATERWORKS DISTRICT
FINANCIAL STATEMENTS
REVIEW ENGAGEMENT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**To Lund Waterworks District:**

I have reviewed the accompanying financial statements of Lund Waterworks District, which comprise the statement of financial position as at December 31, 2024, the statement of changes in net assets, the statement of operations and accumulated surplus, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Practitioner's Responsibility

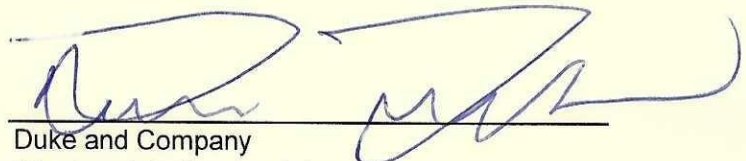
My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures and evaluates the evidence obtained. The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Lund Waterworks District as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Powell River, BC
April 15, 2025



Duke and Company
Chartered Professional Accountant

LUND WATERWORKS DISTRICT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(UNAUDITED)

ASSETS

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash	\$ 79,826	\$ 89,651
Guaranteed investment certificate	60,000	-
Accounts receivable	4,022	4,609
GST receivable	2,745	9,686
	<u>146,593</u>	<u>103,946</u>
LIABILITIES		
Accounts payable	3,553	3,316
Deferred Grant	17,925	-
Prepaid water fees	-	850
	<u>21,478</u>	<u>4,166</u>
NET FINANCIAL ASSETS	125,115	99,780
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	381,088	391,930
Prepaid expenses	5,271	5,906
	<u>386,359</u>	<u>397,836</u>
ACCUMULATED SURPLUS (note 5)	<u>\$ 511,474</u>	<u>\$ 497,616</u>

LUND WATERWORKS DISTRICT
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

	<u>2024</u> <u>Budget</u>	<u>2024</u>	<u>2023</u>
REVENUE			
User fees	\$ 112,000	\$ 119,023	\$ 110,379
Discounts taken	(3,000)	(3,350)	(3,850)
Over usage fees	17,500	14,277	21,724
Connection fees	500	500	600
Parcel tax	47,600	47,600	41,640
Penalties and Interest	250	708	918
MMA grants - outreach program	-	2,075	25,000
Government transfers	20,000	-	20,000
	<u>194,850</u>	<u>180,833</u>	<u>216,411</u>
EXPENSES			
Amortization	-	10,842	11,314
Insurance	9,200	8,719	8,188
License and membership	550	425	490
Office and miscellaneous	3,720	6,343	6,131
Professional fees	3,500	3,665	3,315
Bookkeeping and receiver	37,892	40,836	37,291
Repairs and maintenance	18,464	17,021	18,248
Subcontracts	4,000	4,094	-
Supplies	10,500	13,558	11,896
Surveying and engineering	5,046	13,859	22,500
System conversion	17,200	-	-
Travel	-	2,069	1,996
Utilities	5,400	5,925	5,084
Water operator	45,570	39,619	40,292
	<u>161,042</u>	<u>166,975</u>	<u>166,745</u>
ANNUAL SURPLUS	33,808	13,858	49,666
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>464,026</u>	<u>497,616</u>	<u>447,950</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>\$ 497,834</u></u>	<u><u>\$ 511,474</u></u>	<u><u>\$ 497,616</u></u>

The accompanying notes are an integral part of these financial statements

**LUND WATERWORKS DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>
ANNUAL SURPLUS (DEFICIT)	\$ 13,858	\$ 49,666
Acquisition of capital assets	-	(2,597)
Amortization of capital assets	10,842	11,314
Acquisition of prepaid expenses	(5,271)	(5,906)
Use of prepaid expenses	<u>5,906</u>	<u>5,315</u>
CHANGE IN NET FINANCIAL ASSETS	25,335	57,792
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>99,780</u>	<u>41,988</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>\$ 125,115</u></u>	<u><u>\$ 99,780</u></u>

The accompanying notes are an integral part of these financial statements

**LUND WATERWORKS DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES:		
Annual surplus (deficit)	\$ 13,858	\$ 49,666
Items not affecting cash:		
Amortization	10,842	11,314
Net change in non-cash working capital balances related to operations	25,475	(14,814)
	<u>50,175</u>	<u>46,166</u>
 INVESTING ACTIVITIES:		
Purchase of capital assets	<u>-</u>	<u>2,597</u>
 (INCREASE) DECREASE IN CASH DURING THE YEAR	50,175	48,763
 CASH, BEGINNING OF YEAR	<u>89,651</u>	<u>40,888</u>
 CASH, END OF YEAR	<u><u>\$ 139,826</u></u>	<u><u>\$ 89,651</u></u>

The accompanying notes are an integral part of these financial statements.

**LUND WATERWORKS DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

1. PURPOSE OF THE DISTRICT

The Lund Waterworks District is an improvement district incorporated under the Local Government Act of British Columbia. The District provides water to properties within the District's boundaries. The District is governed by its own bylaws.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

It is the policy of the District to follow Canadian public sector accounting standards and to apply such standards consistently. As part of this policy, the resources and operations of the district are segregated into various funds for accounting and financial reporting purposes.

The financial statements are prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Reporting entity

The financial statements reflect the assets, liabilities, accumulated surplus, revenues and expenses of the District. These are comprised of the following funds that are accountable for the administration of the financial affairs and resources of the District. (see note 5)

The funds are segregated for the purpose of carrying on specific activities or attaining certain objectives.

The Operating Fund reports revenue and expenses related to the District's operating activities.

The Tangible Capital Asset Fund reports the ownership and cost related to the District's capital assets.

The Dams Safety Review Fund reports funds that will be needed to pay for the required dams safety review in 2023.

The Capital Works Renewal Reserve Fund reports funds that will be needed to pay for required capital expenditures. It is funded by way of parcel taxes

**LUND WATERWORKS DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

2. SIGNIFICANT ACCOUNTING POLICIES continued

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses during the reporting period. The estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known.

Financial Instruments

Financial instruments consist of cash and bank, term deposits, receivables, accounts payable, and long-term debt. It is management's opinion that the District is not exposed to significant interest, currency, exchange, or credit risk arising from these financial instruments.

Tangible Capital Assets

Capital assets are recorded at cost. It is the policy of the district to provide for the amortization of the capital assets over their estimated useful lives using the following rates and methods. One-half the usual rate is used in the year of acquisition.

Chlorinating System	4% On the declining balance basis
Computer Equipment	50% On the declining balance basis
Dams	1.50% On the declining balance basis
Distribution Pumps	4% On the declining balance basis
Fire Hydrants	2.50% On the declining balance basis
Miscellaneous Waterworks Equipment	20% On the declining balance basis
Office Equipment	20% On the declining balance basis
Pipelines	1.25% On the declining balance basis
Treatment Plant	4% On the declining balance basis
Water Tanks and Towers	3% On the declining balance basis

**LUND WATERWORKS DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

3. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2024 Net Book Value</u>	<u>2023 Net Book Value</u>
Chlorinating System	\$ 30,995	\$ 14,141	\$ 16,854	\$ 17,556
Computer Equipment	750	750	-	-
Dams	28,645	11,373	17,272	17,534
Distribution Pumps	117,139	44,899	72,240	75,249
Fire Hydrants	64,581	21,565	43,016	44,119
Miscellaneous Waterworks Equipment	35,053	30,244	4,809	6,011
Office Equipment	451	449	2	3
Pipelines	147,037	37,947	109,090	110,472
Treatment Plant	36,819	24,789	12,030	12,532
Water Tanks and Towers	115,251	33,916	81,335	84,000
Wells	1,000	100	900	914
Land	23,540	-	23,540	23,540
	<u>\$ 601,261</u>	<u>\$ 220,173</u>	<u>\$ 381,088</u>	<u>\$ 391,930</u>

4. APPOINTMENT OF RECEIVER

In 2022 under section 734 of the Local Government Act (Act), the Lieutenant Governor, acting on the advice of the Provincial Cabinet appointed a receiver to manage the affairs of Lund Waterworks District (LWD).

In 2023 the appointment of the Receiver Tom Day was rescinded.
On October 23, 2023 Cabinet passed an Order-in-Council to formally appoint Frances Ladret as Receiver.

LWD's authority is established by Part 17 of the Act and its Letters Patent. The receiver acts as, and holds all the powers of LWD's Board of Trustees, including authority over any appointed officers and exclusive control of its property, assets and revenues. In short, the receiver is solely responsible for the effective and accountable governance of LWD for the duration of the appointment.

**LUND WATERWORKS DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

5. FUNDS BALANCES AND ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
OPERATING FUND		
Balance, beginning of year	\$ 32,697	\$ 16,872
Annual surplus before amortization	22,505	60,062
Transfer from the Dams Safety Reserve Fund	12,796	-
Transfer from the Capital Works Renewal Reserve Fund	6,398	-
Transfer to the Tangible Capital Asset Fund	-	(2,597)
Transfer to the Capital Works Renewal Reserve Fund	(41,640)	(41,640)
Balance, end of year	<u>32,756</u>	<u>32,697</u>
TANGIBLE CAPITAL ASSET FUND		
Balance, beginning of year	391,930	400,647
Additions	-	2,597
Amortization	(10,842)	(11,314)
Balance, end of year	<u>381,088</u>	<u>391,930</u>
DAMS SAFETY REVIEW FUND		
Balance, beginning of year	31,349	30,431
Interest earned	1,065	918
Transfer to the Operating Fund	(12,796)	-
Balance, end of year	<u>19,618</u>	<u>31,349</u>
CAPITAL WORKS RENEWAL RESERVE FUND		
Balance, beginning of year	41,640	-
Interest earned	1,130	-
Transfer of parcel tax revenue from operations	41,640	41,640
Transfer to the Operating Fund	(6,398)	-
Balance, end of year	<u>78,012</u>	<u>41,640</u>
	<u><u>\$ 511,474</u></u>	<u><u>\$ 497,616</u></u>
TOTAL ACCUMULATED SURPLUS		

**LUND WATERWORKS IMPROVEMENT DISTRICT
2025 ANNUAL BUDGET**

	2024 Budget	2024 Actual	2025 Budget	Notes
REVENUE				
Taxation				
Parcel Tax	47,600	47,600	53,600	Base rate increased \$50 to \$400
	47,600	47,600	53,600	
Fees & Charges				
Basic User Fees	112,000	118,497	115,400	from 2024 Tolls bylaw
Discounts Taken	(3,000)	(3,350)	(3,500)	
Over Usage / Bulk Water Fees	17,500	14,803	7,500	Declining revenue due to leak repairs
Connection Fees	500	500	250	
Penalties & Interest Charges	250	708	500	
Total Fees & Charges	127,250	131,158	120,150	
Interest Bank and Reserve Funds	2,358	2,195	2,910	Dam Safety / Capital Renewal Funds
Government Transfers	20,000	2,075	25,000	Portion of qRD grant for conversion costs
Total Current Year Revenue	197,208	183,028	201,660	
Other Revenue				
Transfer from Dam Safety Review Fund	-	12,796	10,363	Dam Safety Review (modified)
Transfer from Renewal Reserve Fund	6,400	6,398	1,800	Portion of capital
Transfer from Deferred Revenue		-	17,925	Balance of HMA 'Outreach' grant.
Prior Year Surplus	16,743	16,743	14,348	
TOTAL REVENUE	220,351	218,965	246,096	
EXPENDITURE				
Administration				
Salaries and Wages	37,892	41,336	59,600	Admin/Bkpr/Receiver
Office and Utilities	3,720	5,791	6,972	
Audit and Legal	3,500	3,665	4,000	
Insurance	9,200	8,719	9,154	
Engineering	5,046	13,859	19,340	Dam Safety RPT./misc. engineering services
System Conversion - General	17,200	0	17,925	Funded by Provincial grant
Other	4,550	4,520	4,570	Accounting consult/licence/mileage
	81,108	77,889	121,561	
Operations				
Salaries and Wages	45,570	42,687	42,552	Operator regular fee plus extra hours
Repairs and Maintenance	19,664	14,463	20,850	See details on R&M and Capital Summary
Hydrant Repairs and Maint	1,500	0	1,500	
Supplies	10,500	11,609	10,820	Chlorine & sampling
Utilities	5,400	5,630	5,853	Hydro, alarm monitoring
Other			3,750	Casual labour, operator mileage, etc.
	82,634	74,388	85,325	
Total Administration & Operations	163,742	152,277	206,886	
Capital Expenditures				
Capital Acquisitions	6,400	6,398.23	5,800.00	Sevilla ls. connection replacement; pump
Transfer to Reserves				
Dam Safety Renewal Reserve	954	1,065	308	Interest
Capital Works Renewal Reserve	49,254	41,640	33,102	Current yr tax, interest, penalties
TOTAL EXPENDITURE	220,351	201,380	246,096	
SURPLUS (DEFICIT) FOR YEAR	0	17,586	0	

LUND WATERWORKS DISTRICT 2025 ANNUAL BUDGET

Schedule 1 - REPAIRS & MAINTENANCE and CAPITAL - 2025 Expenses

excluding Operator & subcontractor costs

Repairs & Maintenance - Operating		2025 Budget	2024 Actual	2024 Budget
General R&M				
Larson Road Leak Detection - project completion			3,275	3,329
Chlorometer repair			557	585
Storage shed upgrade. Shelving, organizational aids. Inventory.	3,000	-		3,000
Intake inspection and cleaning - by others. <i>May do in-house</i>	4,000	-		4,000
Pump Repairs	1,000	1,131		
Other Equipment Repairs	500	179		
Sites Maintenance	1,500	1,225		
Dams - Lund L. Siphon	750	662		
Sub-total	10,750	7,029		10,914
Other Maintenance Accounts				
Freight <i>4 chlorine deliveries-reduced rate; other freight</i>	2,000	3,219		2,000
Diving Finn Bay submarine distribution inspection / repairs:	4,000			4,000
Parts & Supplie membrane caps @ \$650; miscellaneous	1,600	956		50
Pest Control	2,500	3,258		-
Sub-total Other	10,100	7,433		6,050
Hydrant Repairs and Maintenance				
Fire Hydrants - minor repairs	1,500	-		1,500
* FH #12 replacement (at sewer plant) deferred to upgrade project				-
Total Repairs & Maintenance	22,350	14,463		18,464
Capital Acquisitions / Renewal Expense				
Larson Road Booster Pump Replacement 1 hp - supply/install				2,700
Finn Bay Booster Pump Replacement 1.5 hp - supply/install				3,700
Chlorine transfer pump at pump station	1,800			
Finn Bay Submarine Line - replace Sevilla Is. connection - <i>fund from current yr re</i>	4,000			
Total Capital / Renewal	5,800	6,398		6,400

Lund Waterworks District

TAXATION BYLAW NO. 58, 2025

A bylaw for imposing taxes upon lands in the Lund Waterworks District and to provide for imposing a percentage addition to encourage prompt payment thereof.

The Receiver of the Lund Waterworks District ENACTS AS FOLLOWS:

1. For the year 2024 there is hereby levied the following taxes:
 - a. A tax of \$400.00 on all parcels of land classified into Group 1.
 - b. A tax of \$400.00 on all parcels of land classified into Group 2.
 - c. A tax of \$800.00 on all parcels of land classified into Group 3.
 - d. A tax of \$1,200.00 on all parcels of land classified into Group 4.
 - e. A tax of \$1,600.00 on all parcels of land classified into Group 5.
 - f. A tax of \$2,000.00 on all parcels of land classified into Group 6.
 - g. A tax of \$800.00 on all parcels of land classified into Group 7.
 - h. A tax of \$1,600.00 on all parcels of land classified into Group 8.
 - i. A tax of \$0.00 on all parcels of land classified into Group 9.
2. The taxes shall be due and payable on or before the 30th day of September 2025 and will have a percentage addition of 10% added to all taxes remaining unpaid after the due date.
3. In addition, taxes remaining unpaid on the 1st day of March next following the date upon which the taxes are levied will bear interest at the rate prescribed by the Lieutenant Governor in Council under the Taxation (Rural Area) Act, as set out under Section 717 of the Local Government Act.
4. This bylaw may be cited as the "Lund Waterworks District Taxation Bylaw No. 58, 2025."

INTRODUCED and given first reading by the Receiver on the ____ day of _____, 2025.

RECONSIDERED and finally passed by the Receiver on the ____ day of _____, 2025.

Receiver: Frances Ladret

I certify that this is a true copy of Bylaw No. 58, 2025.

Administrator: Kelly Rankin

LUND WATERWORKS DISTRICT ANNUAL GENERAL MEETING

2025 Court of Revision

The Assessor is preparing an Assessment Roll and will mail a notice to every assessed owner, showing the property address, legal description, and classification into which the property is being placed and the date that the Court of Revision will sit to hear complaints.

The Court of Revision will sit on May 28, 2025 at 5pm to consider:

1. Complaints brought before it regarding assessment.
 - a. Complaints by landowners may be made regarding their own assessment, or the assessment of other property.
2. If the Court finds that the assessment should be changed, they may amend the assessment and change the assessment roll.
3. If the Court confirms the assessment, no change is made to the roll.
4. The Court **only considers complaints about information on the assessment roll** such as description, ownership, or that the property was placed in the wrong assessment category. (The LWD Assessment Roll Bylaw No. 52, adopted in 2023 classifies parcels in 9 groups based on number and size of service connections and ability to connect to the system.)
 - a. Complaints about the taxes levied against the property are not the concern of the Court.

Owners are asked to submit any complaints by emailing LWDAssessor@gmail.com in advance of the Court of Revision. Landowners can also make their complaints in person at the court of revision, in which case staff will try to provide adequate information for the Court to make its decision. If enough information is not available, the Court may provide for an additional meeting at a later date to hear the additional information and to make its decision. If attending in person to make a complaint, please ensure of your arrival by the start of the meeting.