

LUND WATERWORKS DISTRICT ANNUAL GENERAL MEETING MINUTES April 26, 2025

The Annual General Meeting of the Lund Waterworks District was held at the Northside Community Recreation Centre 9656 Larson Road, Lund, BC on Saturday, April 26, 2025.

PRESENT

Receiver: Frances Ladret

Staff: Courtney Robertson, Water Operator

Kelly Rankin, Administrator

Also Present: Jack Davidson, Drinking Water Officer

Lund Water Advisory Committee Members: Ben Bouchard, Tom Kiddey,
Ed Levy, Doug McLean

Nine members of the public: Wayne Watson, James Bradley, Mike Burge,
Kim Gray, Ted Winegarden, Wendy Larson, Dean Elsworth, Ron Bignell,
Jan Lovewell

for a total of 17 attendees.

ITEMS OF BUSINESS:

1. Call to order:

The Annual General Meeting of the Lund Waterworks District (LWD) was called to order at 11:46AM, on Saturday, April 26, 2025.

2. Introductions:

The receiver 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 Kelly Rankin, as LWD's Administrator. Frances acknowledged the contributions of Shelley Cherry to LWD as the former Administrator & Bookkeeper. She noted Shelley's role is now split with Laurie McNeill as bookkeeper and Kelly Rankin as administrator, relieving the Receiver of some administrative work.

Frances also acknowledged the contributions of Mike Burge and Doug MacLean in providing assistance to our Water Operator and the assistance of many volunteers.

She introduced the Lund Water Advisory Committee members: Ben Bouchard, Doug MacLean, Tom Kiddey, and Ed Levy who were present, and acknowledged absent members Laurie Chambers and Jason Lennox- exofficio. Also, the Tla'amin Nation was invited to have a representative on the committee and had participated as their time allowed. She noted that this was an unofficial ad hoc committee established by Tom Day, former receiver.

Frances gave a brief explanation of the Receiver position and how she acts as the Board of

Trustees when dealing with resolutions and bylaws.

3. **Adoption of the 2024 Annual General Meeting (AGM) Minutes:**

A copy of the minutes from the 2024 AGM was circulated in the agenda package. 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 2024 AGM MINUTES ADOPTED.

4. **Business arising from Minutes:**

Frances asked if there was any business arising from the 2024 AGM minutes. No comments were made. No further business was brought forward.

5. **Correspondence:**

a) Correspondence dated July 17, 2024 from B. Acharya, Dam Safety Officer, Ministry of Water, Land and Resource Stewardship regarding Dam Safety Audit of Thulin Lake Dam. Frances noted that a copy of the letter which was included in this meeting agenda package had been circulated to all owners on the LWD email list after being received. She reported MSR Solutions Inc. has subsequently completed two reports on both dams, which have been submitted to the DSO. The water operator advised the water levels are being monitored in the lakes and Thulin Lake is being actively lowered to decrease water volume to mitigate the effects in the event of dam failure.

6. **Reports:**

- a) **Operator Annual Report** – Courtney read the Operator's report included in the agenda package. The water operator was asked if flushing the lines improved the water quality when there were positive samples and she advised that it had according to new samples taken afterwards. The Drinking Water Officer spoke to the Water Quality Advisory. Everyone applauded her efforts. No further comments or questions were made.
- b) **Receiver Report** – Frances reported on the past year, noting that the Upgrade Project update would be provided at the end of the agenda. A copy of her full report will be included in the AGM agenda package to be posted on the qRD website.

Question (W. Larson): Are owners of properties within the Improvement District boundaries, which cannot be serviced by the system presently paying parcel taxes?

Response: No

Question (W. Larson): Does the project include work on the dams?

Response: Yes, the water system upgrade would be done first and the work on the dams would be done after conversion.

Question (W. Larson): Do we have plans and estimates of costs for dams?

Response: Current estimate is \$2 million plus engineering, including contingency. The cost is kept down as Lund Lake is to be decommissioned.

Frances noted that LWD lacks an effective method of keeping residents informed. She

noted many improvement districts have websites, something LWD may consider, time and funds permitting. Ben proposed that Kelly could take that on. No further questions or comments were made.

7. 2024 Financial Statements Review:

Frances provided an Overview report of the 2024 Financial Statements Review, prepared by Duke & Company. She noted that at December 31, 2024 the Capital Works Renewal Reserve Fund (established in 2023 by the former receiver) had a balance of \$138,000.

Question (W. Larson): Is the approved \$11M grant earning interest?

Response: Grant funds have not been advanced to the qRD. They are part of federal/provincial coffers. Interest will not be added to the approved grant amount.

Frances commented she received a negative response to her inquiry whether the province would incorporate an escalation allowance in the grant to account for cost increases resulting from a delayed project start.

No further questions were brought forward.

FRANCES LADRET DECLARED THE 2024 FINANCIAL STATEMENTS ADOPTED.

8. 2025 Annual Budget:

Frances reviewed the 2025 Annual Budget and Schedule 1 – 2025 Repairs & Maintenance and Capital, with Revenues and Expenses totalling \$246,096.

She noted the \$25,000 grant represents 50% of a grant awarded to qRD to offset conversion costs, which the RD offered to pass on to LWD for this same purpose.

She reported that \$6,400 was accessed from Renewal Reserve Fund in 2024 to finance two pump replacements. A bylaw was necessary to release the funds. Also, the two MSR reports on the dams reduced the Dam Safety Review Fund from \$31,349 to approximately \$9,000.

9. Bylaws:

a) Bylaw 58 – Taxation Bylaw, 2025

Frances introduced and gave first reading to Taxation Bylaw No. 58, 2025 regarding parcel taxes. She noted the basic tax has increased \$50 to \$400 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 has confirmed the assessment roll.

10. Other Business:

a) 2025 Court of Revision

The administrator reviewed information included in the agenda package on the Court of Revision. He noted the 2025 Assessment Notices are being prepared for mailing in early May and the Court of Revision has been scheduled for May 28, 2025 at 5pm at the NCRC. He advised that property owners may file a written complaint with the Court of Revision by emailing the assessor at LWDAssessor@gmail.com. They may also present a verbal complaint in person at the Court of Revision meeting. He noted complaints may be only about the description, ownership, or that the property was placed in the wrong

assessment category. Owners may not complain about the amount of the parcel tax.
Question (T. Kiddey) Can property owners within the district area opt out even if their property was inadequately served by the water?

Response: Property owners within the district boundaries cannot opt out.

Frances referred attendees to the map on display from the 2024 Court of Revision indicating which assessment category properties have been placed in.

b) Announcements –

The following announcements and reminders were made:

- Ensure your visitors and guests are aware of the Water Quality Advisory.
- The Dam Emergency Plan for 2025 has been updated and forwarded to Dam Safety Officer for approval.
- Two Dam Emergency Plan exercises have been scheduled: Local Emergency Authorities meeting on May 26, 2025, and people and business owners who may be evacuated in the event of a potential dam failure on Saturday May 31, 2025, at 2:30pm. Notices will be sent to relevant invitees.
- Nanaimo Regional District has a “Rainwater Harvesting – Best Practices Guidebook” available on their website (rdn.bc.ca). This may interest those concerned about water conservation.

c) Questions from the floor –

Would water flow along the highway during a dam failure?

Response: Kelly advised the flood water would spread out behind Lund Marine and would follow Thulin Creek. Courtney advised the campground area and Harbour Edge Holdings property would be impacted.

Is an insurance reduction available from caching water and securing propane tanks?

Ben Bouchard advised he had seen insurance reduced when propane tanks are secured and has previously installed water caching tanks for clients.

Response: No definitive answer available.

11. Water System Upgrade and Conversion – Project Update

The meeting moved on to a presentation on the water system upgrade and conversion to a qathet Regional District service.

Frances commented on

Why is the project needed? Water quality is substandard. People deserve clean drinking water and the regulations require a community water system to provide it.

Why conversion to the qRD? Improvement districts cannot access grants and LWD cannot afford to pay 100% of the required upgrade costs.

Why is the project delayed? Many parties involved, all with busy schedules and important priorities.

Seven display charts were presented. The chart information and associated comments and questions follow.

Chart 1 Project Outcomes:

What the project would achieve with respect to water quality, storage, distribution system upgrades, dam improvements and fire protection.

Questions:

- Why are we decommissioning the Lund Lake dam?
Not required for supply. Will reduce ongoing maintenance and capital costs.
Pond will remain for aesthetic purposes.

Charts 2 and 3 Scope of Work to Achieve Outcomes:

Includes two options for improved storage:

- one maintains three reservoir sites with larger and upgraded tanks but does not meet post-disaster (e.g., earthquake) standards as the BC Building Code requires; therefore likely not feasible.
- Option 2 has single large tank at existing primary reservoir site. Meets code requirements at considerably higher cost.

Option for Extending waterline along Finn Bay Rd to Alannah Rd:

- would create looped system, ideal from system design standpoint; reduced maintenance to some extent; more efficient response to line breakages; would allow for more development on Finn Bay Road;
- added cost of \$1.5 million plus engineering & contingency.
- Inclusion undecided.

Questions

- Could underwater line be removed if extension constructed?
No, intent would be to create a looped system.

Highway 101 extension: needed to eliminate unauthorized lines crossing private property.

Chart 4 Preliminary Cost Estimates – April 26, 2025:

Summarizes total estimated costs, including costs that do not qualify for grant funding, for scenarios 1, 2, & 3 of \$13.5M, \$16M and \$18M respectively.

Chart 5 Preliminary Project Financing:

Sets out funding sources, including local amount to be borrowed, and annual debt payment for each scenario. Frances noted qRD/LWD are continuing to pursue additional funding for the dams from the Disaster Resilience and Innovation Fund program. Funding appears promising but decision may not be made for some time.

Chart 6 Taxation Options:

Sets out taxation approaches available to the qRD for recovering annual debt payments. qRD to decide.

Examples were presented of approximate annual tax rates based on preliminary annual debt payment costs with cost recovery by flat parcel tax, tax based on parcel size, and property value tax for Scenarios 1 and 2. Estimated rates for Scenario 3 were not available.

The petition to convert LWD to a qRD service and approve borrowing for the upgrade was briefly discussed. Attendees were advised that in order to pass, the petition requires signatures representing at least 50% of the parcel owners and 50% of the assessed value of land and improvement in the proposed service area.

Chart 7 Next Steps:

Demonstrates the amount of work still to be done to complete conversion.

Noted that Tla'amin Nation is on board with the project and has generally agreed to pay on the same basis as other property owners. Frances discussed the DRIF program grant and its requirements for a preliminary engineering design estimated to cost \$80,000. If LWD were to agree to fully fund that work, the initial stage (potential) approval could be advanced by six months and actual work by up to a year.

General Discussion

On completion of reviewing the information in the charts, a general discussion ensued with the following questions and points made:

- Community member 1: we need good water; some infrastructure definitely needs replacing; system upgrade will improve the saleability of properties.
- Community member 2: we can't afford to spend \$8k per year on water; if this goes through, people will have to sell their property; upgrades are unaffordable when the water tolls are added.
- General agreement that costs are high.
- No definitive position re flat parcel tax versus property value tax.
- Will water be good to use, with less chlorine and treated with UV?
Water operator confirmed that the water would have lower chlorine and Trihalomethanes (THMs).
- Will treated water be used at the fire hydrants?
Yes. Cost to run two separate lines was investigated but not financially advantageous.
- LWD water tanks are getting rusty and that the storage tanks at fire hall and the hydrants would be needed in an emergency.
- How many hydrants are there? 17 hydrants in LWD.
- Does the fire department use the Lund Marine hydrant? Understanding that not all hydrants are being used.
Not all used. Hydrants are distributed per insurance distance requirements.
- What are the requirements to treat water?
DWO advised that filtration **and** UV treatments are the basic requirements. Water storage issues and the LWD dams are outside of VCH concerns.
- **Drinking Water Officer** was asked what happens if we do not improve the waterworks system and what penalties may apply?
Under the Water Protection Act, the Water Quality Advisory (WQA) would remain in place indefinitely. Potable water is required to be supplied. Water quality is required to be monitored. There are potential fines and penalties for contravening the regulations, however it would not be in the provincial interest to fine LWD for not having funds to treat the water. He noted Gilles Bay ID is under a WQA due to just chlorinating water. Lund is in a unique position because it has access to a grant, subject to conversion.

- The receiver spoke about the qRD being reluctant to accept the liability associated with taking on a deteriorated system for which the Province had some oversight responsibility. Before assuming ownership, they have been arguing for the Province to provide sufficient funding to complete the system upgrades to meet standards.
- Could grant be used for drilling wells for LWD?
Frances advised there have been discussions with Tla'amin Nation regarding potentially accessing groundwater on their DL 1612 holding, however Tla'amin has indicated they are not intending to bring that water onstream for several years.
- Groundwater as a supply was discussed at some length. It was suggested wells could be drilled on other properties. Frances noted that while groundwater may at some point be an optional supply, well exploration and development is a rigorous and costly process when dealing with a community water system. Our information to date is that funds are not available for this work. Also, even with a groundwater source, some treatment may be required and other project costs for storage, distribution system upgrades and dam improvements would still apply.
- It was noted that some area wells have good flow but actual, sustainable quantity is unknown.

12. **Adjournment:**

The meeting was adjourned at 1:35PM.