

**MINUTES OF
LUND WATERWORKS DISTRICT'S
2nd OPEN HOUSE
SUNDAY, NOVEMBER 27TH, 2022
LUND RESORT AT KLAH AH MEN**

IN ATTENDANCE: Tom Day, Courtney Robertson, Shelley Cherry, Harry Robertson, Jason Lennox, Kim Gray, Evan Gray, Larry Warner, Shirley Warner, Lauritz Chalmers, Doug MacLean, Monique Labusch, Paul Mercks, Colin Mallery, Paula Rose, Tom Kiddey, Jo Suche, Steve Suche, David Hurford, Ken Read, Ted Winegarden, Joan Winegarden, Cindy Wong, Sonny Wong, Cheryl Walden, Wendy Larson, Ruth Sutherland, Herb Rehfeldt, Suzanne Brandau, Frances Ladret, Gweneth Mills, Christine Hollman, Hugh Prichard, Gerry Elsworth, Simone Monckton, Dave Clark, Mike Burge, Jim Bradley, Carly Aasen, Jan Uhlar, Ron Robb, Bill McKee, Jeff Leavitt, Jan Lovewell, Tina Ferreira, Charles Latimer, Jesse Firempong, Nicole Robb, Rich Robb

Meeting Commenced at 11:10AM

Tom Day introduced himself as the Receiver, Courtney Robertson as the Water Operator, Shelley Cherry as the Administrator, Harold Robertson as retired Chairman of the Lund Waterworks District and Jason Lennox the new Director for the qathet Regional District (qRD) Electoral Area A.

Tom stated the purpose of this meeting is to:

1. Provide results of the Ratepayer's Input Survey
2. How to proceed with the grant process
3. Day to day business regarding tolls and technical matters.

1. **Public Input Results** – Tom expressed that this is a survey only. It is not a referendum or vote. It was strictly for feedback only. We considered all submissions. This was not considered Public Consent.
 - a) 78 named persons responded. 60% were in favour of phase 1. 90% were in favour of the 30-year amortization. The preferred tax was a dead split with only 1 vote difference in favour of the 3 taxation options. He then noted that variable rate option is not available. It would either be by flat rate or assessed value.
 - b) Many comments from the responses were the same. Unaffordability was the number 1 comment. The application for the grant was done so quickly, that the numbers provided, although considered excessive, were not looked at critically. All the numbers were driven by available information and time constraints. It is our intention to be more focussed on the actual spending.

Other less frequently noted issues include:

Northside Fire should pay for the fire-protection water services provided by Lund. Below, is the response from qathet Regional District:

That is a policy question that the Board would have to explore. It would be prudent to understand what the rationale is and how the perceived mechanics play out. Any such considerations could possibly trigger a ripple effect Regional District-wide of other water systems in the qRD wanting the same. For instance, it could likely be seen as unfair for property owners

in Penrose Bay, part of the Northside fire service area, to pay for Lund water infrastructure when they have to pay for their own Penrose Bay water system and fire hydrants. With the water supply improvements made in the Northside service area (tank farms in Okeover, Craig Road, and the new Lund Hall), the fire department is almost at a point where it could choose to not use the Lund Waterworks District hydrants. But it is something that the Board could examine.

Non treated water for the fire protection will be considered. Perhaps a possible 2nd water distribution system.

Capital costs for improvements must be considered on top of the tolls (user fees) required to operate the system.

Comments were made that groundwater should be considered as a source. There is a previous study available for consideration.

Neighbourhood groundwater systems were suggested. This option may be worth exploring.

More public consultation and information is required. Tom has asked for volunteers to form a committee to address system improvements.

Tla'amin partnership is being sought. There have been some active meetings. Tla'amin Management was invited to attend both meetings.

Federal (40%) and Provincial (33%) funding are involved in the current grant application. No other funding is available at this time

Are metering and tolls by consumption mandatory? Most likely yes. This encourages conservation. Tom stated that in past experience, no grant was offered if there was no metering system. Below is the response from the qRD:

Most likely yes. The province encourages local governments to utilize this methodology for full water cost accounting recovery. At times they make this a consideration in grant applications. It is a pillar in full water cost accounting. It is a method that encourages water conservation. Water metering is promoted in order to encourage water conservation and so that usage can be readily monitored. User fees are to be designed to encourage water conservation. It is currently policy that is in place at an existing qRD water system. Any deviation from policy would most likely mean having to open up the existing water system's cost recovery program and doing the same.

Comments that the design is focussed on driving development is not true but accommodating future growth is normal design criteria.

The water will be drinkable once completed. We would not consider any of this unless the end result is potable water.

Concerns over development regulations were addressed in the writing below from the qathet Regional District. More strategic planning is required to build a system we can add to. There is certainly a balancing situation to think about.

Examples would be appreciated. However, it's historical practice to have developers bear costs for infrastructure hook-ups and improvements whether it be for roads, sewer or

water. Taxpayers as a whole seldom pay for capital cost requirements that benefit the developer, whether the developer is a large firm or a single property owner.

Receivership costs are approximately \$25,000. this year. This represents less than 1% of the funding we hope to obtain. Tom was also hopeful that a \$25,000 grant will be awarded to help cover administration costs.

Regarding Banker's making a profit on public utilities, we currently hold \$25K in a bank account so borrowing will be necessary.

Regarding reducing of administration costs, qathet Regional District has supplied the writing below:

The administration charge is set out in Board policy. The Local Government Act requires that all costs incurred by a regional district in relation to a service, including costs of administration attributable to the service, are part of the cost of that service. Therefore, the administration charge applicable to Lund Water must be included as part of the cost of that service and cannot be reduced in order to relieve a specific service.

The Receiver disagrees with the recommended treatment system based on the available information. He clarified that although the recommended system is cheaper to install, the operating costs for that system are significantly higher. The operating costs fall 100% on Lund. Where the other option (sand filtration), has a higher initial capital cost with a lower operating cost. Tom feels it may be a better financial decision.

The timing for the grant lies with the government. Tom is confident we will see some funds but feels it will likely not be before Spring, 2023. It is his hope that the by the second half of the year, decisions will need to be made.

- 2. Next steps in Grant process:** Tom declared the given study is compared to a "Cadillac" system when only a "Toyota" system is required. It is agreed that the Community cannot afford the study put forward. Therefore, he would like to set up an advisory design committee. This committee will work with Tom on critical components, prioritize the studies recommendations and offer ideas on how to proceed. Ultimately, the choices remain with the Receiver. Tom would like to the committee to include 5 – 7 members that can suggest strategic planning such as: What can be put off; Build a new budget that is a more affordable plan and report back to the community, it's findings. The first meeting will be the week of Jan 9th, if that works. Tom asked anyone interested in sitting on this committee to provide an expression of interest, by letter, outlining their qualifications. He asked that the expressions of interest be submitted by December 7th, 5:00PM. Submissions may be made to lundwaterdistrict@gmail.com or mail to Lund Waterworks District, P.O. Box 113, Lund, BC V0N 2G0.

Tom asked if there were any questions.

Tom was asked if timing is an issue. Are we required to submit certain information by a certain deadline? Is timing a concern? Tom responded that he didn't feel timing was an issue at this stage.

Tom was asked the availability of water. Could we run out? Courtney replied that we are fortunate with our supply. The lake level remained good. There are no concerns of quantity, just quality. Tom

included, the growth management study is not excessive in this area but the qRD will have to align further growth management with servicing.

Have we looked at how other district did it? In most other districts, the infrastructure has been renewed over time. Ours has not.

Are we still an improvement district while in receivership? Tom confirmed we are still considered an improvement district. Once the infrastructure is improved, we will no longer be an improvement district but will become a Regional District function.

Can we not share costs with other improvement Districts (ie: bulk ordering of sand or other materials)? Tom stated that sharing is an unlikely option as each system is best suited to its environment. Perhaps once regional, they could look at all operations.

How long will this process take? Tom could not provide a timeframe. He stated it could take 3 to 5 years. It will not be complete in 2023. Maybe by the end of 2024.

Rumor has it we may no longer have a hotel but condos. Has this been considered? Tom assured the project takes in water demand for the foreseeable future. However, we must be made aware of potential growth. Tom is trying to include Tla'amin in the process.

Why make improvements now? Why has this not been an issue before? The THM's have always been an issue. Vancouver Coastal Health has been lenient with our promises to improve the system. As long as we are working towards improving, they have been renewing our license. Courtney briefly spoke of the water quality, explained what THM's are and that they far exceed the allowable limit. VCH is getting more strict in their requirements. If the permit is not renewed, we will be under a permanent boil water advisory. We need to avoid something drastic happening.

What impact will this have on residents with wells? Residents may remain on wells but will likely still have to pay the tax implemented.

What about areas considering sharing the cost of a well? These residents will still likely have to pay the tax.

What if there is no water line to the property? Tom will address this question further in March. He is currently awaiting information from Municipal Affairs to clarify who pays based on ability or inability to connect.

3. **2023 Budget** is attached. Tom discussed the numbers being presented.
4. **2023 Toll Estimate:** In 2023, annual tolls will be increased from \$900. to \$1000. This still leaves us with a \$5600. deficit in the budget. We will likely be drawing from our surplus to balance. Again, Tom is hopeful for a grant of \$25,000 to help offset administration costs (Tom & Shelley's wages). Repairs and maintenance will also increase. A detailed sheet for the anticipated repairs is also attached. Courtney explained the work to be done in detail. She also stated that we currently have at least one main failure per year.

5. **2023 Tax:** Lund does not have a Capital Works, Renewal Reserve Fund, although we are required by law to do so. This must be established for 2023. We will be adopting a Bylaw to establish this taxation. How much is yet to be determined. Tom stated we will need funds on hand to address an emergency storage response. We have already had one tank fail and we feel the main tanks could too, at any time. Courtney & Tom are currently looking at options and costs for this endeavor.
6. **Next steps:** Tom has yet to figure out the form of taxation that will be implemented. He does know that the variable option is not available. Only a flat rate tax or tax by assessed value will be available. Tom would like to co-ordinate with qathet Regional District for ongoing purposes to ease the transition. He is currently talking with Municipal Affairs to establish if this taxation ties in with a homeowner's grant. Again, he will have clearer answers in March. Tom still needs to clarify who pays and who doesn't. This will be a legal decision. The rules between the qRD and Improvement District could be different. We need these to align as best as possible. Once the tax is established, we will mail the property owners. Every property owner has the right to appeal.

7. **Bylaws:**

- a) Tom read Bylaw No. 47, cited as the "Capital Works Renewal Reserve Fund Establishment". This Bylaw was introduced and given first reading by the Receiver on the 30th day of April, 2022. It was amended and given first reading today, reconsidered and passed, as amended.
- b) Tom read Bylaw No. 48, cited as the "Ninth Tolls Bylaw". It was introduced, given first reading, reconsidered and passed by the Receiver.
- c) Tom read Bylaw No. 49, cited as the "Bylaw No. 6 Amendment", increasing the connection and disconnection fees, to offset actual costs. The Bylaw was introduced, given first reading, reconsidered and passed by the Receiver.

Jason Lennox, Area A Electoral Director, commented that he has had many questions regarding the Lund water system during the elections. Most community members have requested that we slow down and take a close look at what we are doing. Jason stated he appreciates the thought and approach we are putting into this. That he is happy to see we are slowing down and trying to work better.

Tom once again clarified the role of the Advisory Committee. He is currently speaking with qRD and two departments of Municipal Affairs. He was asked what happens if there is no interest from the public to participate. Shelley clarified there is already an application on file and communication with others who have indicated they will be submitting their names.

Tom asked for any further questions. There were none. The Receiver then stated the next meeting will likely be the end of March. That it is his intention to establish the Emergency Reserve Fund this coming year, 2023. The tax will not be included in your land tax notices. The Lund Waterworks district will be billing directly.

Meeting was adjourned at 12:20PM.