

BOWEN ISLAND MUNICIPALITY

Minutes of the **Regular Cove Bay Water System Local Management Committee Meeting** held on Thursday, March 8, 2007 at 7:15 p.m. in the Council Chambers of the Bowen Island Municipal Hall, 981 Artisan Lane, Bowen Island, British Columbia.

COMMITTEE IN ATTENDANCE

Doug Berry – Chair
Dennis Dallas
John Rich

REGRETS

Wolfgang Duntz
Bill Hamilton

COUNCIL IN ATTENDANCE

David Wrinch

STAFF IN ATTENDANCE

Joanne Cunday – Director of Finance
Brad Hawthorn – Public Works Superintendent

OTHERS IN ATTENDANCE

David McEachern
Ken Shirley
Gayle Ferguson

CALL TO ORDER

The Chair called the meeting to order at 7:20 p.m.

ADOPTION OF AGENDA

CB RES# 07-07

It was Moved and Seconded

That the agenda be approved as amended. CARRIED

ADOPTION OF MINUTES

CB RES# 07-08

It was Moved and Seconded

That the minutes of the regular meeting of the Cove Bay Water Local Management Committee held January 11, 2007 be adopted. CARRIED

NEW BUSINESS**Budget Presentation**

Staff reviewed the 2007 Draft Five Year Financial Plan for the Cove Bay Water System. The following items were noted:

- 2006 Budget – revenues were up slightly;
- Surplus of \$68,000 was attributable to works not completed in 2006;
- Capital – meter project continued and is 57% completed in both the budget and meters installed;
- Review of other Capital Works;
- Statutory reserve fund increased as budgeted by \$10,779;
- Surplus Funds were targeted to source surplus funds first,

then statutory reserve funds and lastly debt as required for capital projects;

- Proposed 2007-2011 Financial Plan - now can start to target budget in 2008 and beyond. Numbers are more in line with what we have spent;
- Capital projects – replacing all water mains in Snug Point and Deep Bay and Filtration Plant. Have three sources of funds totalling approximately one million in reserves.
- Capital projects – discussed whether to draw reserves right down before debt. Believe it is advisable to maintain a minimum of \$500,000. in Reserves;
- Capital Expenditure Charge (CEC) similar to DCC are levied to fund future works necessitated by growth therefore must relate to enhancing capacity;
- Re: Future water treatment plant – We are currently not required to treat beyond chlorination. When it is required grant funding would likely be made available and suggest waiting as technological advances are being made. Could do a pilot project in 2-3 years. Also need to have results of metering project, which will take 2-3 years. By 2008 all meters should be installed;
- Rate Structure – two rates, metered at \$344 and not metered at \$444. One of the fallouts is that anyone not signed up, will pay approximately \$550 more over the 5 year period than those who signed up in year one. At that point we could fund whatever meters remain.
- \$163,000 out of Surplus is to help fund Capital projects;
- Water Administration has overall reduction in budget expenditures. Public Works clerical and pro rata share, \$41,000 of staffing costs based on proportional number of connections;
- Reviewed distribution of operator's costs – Cove Bay now at 40% – based on Contractor's actual experience to more accurately reflect experience.
- Overall budget is going down;
- Fiscal Services – one debt remaining, Queen Charlotte Heights and is applicable to specific properties;
- \$33,000 budgetted transfer to Reserves. Years 2-5 includes annual transfer to reserves of approximately 50K per year.

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The Committee raised the following issues:

- Rights of way allotment is there enough to purchase them? – Director of Finance noted the funds would likely be taken from Reserves.;
- Pipes in Snug Point and Deep Bay – Staff reported no

evidence of leaks at this time;

- Insurance
 1. Liability insurance – Director of Finance noted that the contractor is separately insured. The Municipality pays for 95% of the contractor’s insurance policy and that cost is allocated on same basis as connections;
 2. Property insurance for physical assets i.e. chlorination sheds storage tanks have now budgeted about \$4,000.

CB RES# 07-09

It was Moved and Seconded

That the Cove Bay Water System Local Management Committee recommend that Council approve the 2007 Draft Five Year Financial Plan as presented to the Committee on March 8, 2007. CARRIED

Priority List for Capital Projects The Public Works Superintendent noted that he had created a priority list of capital projects with a set of criteria to evaluate capital projects. First category was for safety (must dos), followed by a medium category – emergency response plans. Low category was for proactive replacement projects. The result of ranking projects for the Municipal water and sewer systems was that there were only two projects in the must do category – Tunstall Bay and Snug Cove Sewer System. Now working systematically through the list.

BUSINESS ARISING FROM MINUTES

Completion of Metering The Public Works Superintendent noted that the metering project is two years to completion and is going well.

Expansion of the System The Chair noted that the Committee had always taken the position that expansion would not occur until there was an upgraded water treatment and delivery system.

The Public Works Superintendent noted that when rezoning occurs for the development of the Surplus Lands it would be sent to this Committee.

Former Library Lot Councillor Wrinch was to present Resolution No. CB 07-04 to remind Council of Cove Bay’s interest in the former library lot for a water filtration plant.

Acquisition of Rights of Way
CB RES# 07-10

It was Moved and Seconded

That the Cove Bay Water System Local Management Committee recommend that Council request staff to obtain a quote from an appraiser for the evaluation of rights of way.

CARRIED

New Development Cost Charges

Staff provided the following update regarding development cost charges (DCC):

- Council is discussing the best way to have developers contribute. The current process is to look for amenities, which gives the Municipality more leverage and allows conditions to be imposed through the rezoning process;
- The Municipality could continue levying CECs for some water systems including Cove Bay but the funds may only be used for projects required due to growth.

CORRESPONDENCE

Letter dated February 15, 2007 from Grant Campbell to Brad Hawthorn re Waterworks Construction Permit Applications

The Committee received for information the letter dated February 15, 2007 from Grant Campbell to Brad Hawthorn regarding Waterworks Construction Permit applications.

Letter dated February 22, 2007 from Brad Hawthorn to Grant Campbell

The Committee received for information the letter dated February 22, 2007 from Brad Hawthorn to Grant Campbell.

ADJOURNMENT

The meeting adjourned at 9:15 p.m.