

MINUTES

COBBLE HILL IMPROVEMENT DISTRICT

Meeting 44th Annual General Meeting
Date **Thursday, May 9, 2024**
Time 6:30 p.m.
Place Cobble Hill Community Hall, 3550 Watson Ave., Cobble Hill

Present: Rob Reid, Chair; Harry Benson, Trustee; Don Herriott, Trustee; Robert Morris, Trustee; Bill Motherwell, Trustee; Alan Seal, Operator; Karen Bereczki, Administrator.

Call to Order 6:30 p.m.

INTRODUCTION

Chair Rob Reid called the meeting to order and introduced the Trustees, the Operators 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 one Trustee to serve for a three-year term.

ADOPTION OF AGENDA

Moved: Janice Hyles
Second: Denise Motherwell

Carried: **That the May 9, 2024, Annual General Meeting agenda be adopted as circulated.**

ADOPTION OF PREVIOUS MINUTES

Minutes of the May 4, 2024, Annual General Meeting were distributed to the members in attendance.

Moved: Sandra Reid
Second: Michelle Sawyer

Carried: **That the May 4, 2023, 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:

Background:

- There are three active production wells: 1) Holland Avenue; 2) Fisher Road (the main production well); and 3) Hutchinson Road.
- There is one water tower located at the top of Cobble Hill Mountain.
- There are 36 hydrants.
- The District currently employs one Operator, one Relief Operator and one contract Administrator.
- The quality of water is very good with no treatment required. It is tested weekly for bacteriological parameters, quarterly for nitrates and annually for chemical analysis. Test results are available on the District's website at cobblehillimprovementdistrict.com.

Work completed in the last year includes:

- There were twelve Trustee meetings and one AGM held over the past year
- Trustees have been quite busy with ongoing development:
 - one 3-lot subdivision on Princess Avenue received final approval from the Ministry of Transportation
 - two subdivision applications are in progress (Gallier Road - 35-lot, Fisher Road – undetermined number of lots at this time)
 - two boundary extension applications are in progress (Hutchinson Road and Gallier Road)
 - an expression of interest has been received to expand the boundaries to include 1320 Fairfield Road. An application has not been submitted by the owner as of yet.
- As reported at the 2023 AGM, a new Master Plan was completed by CHID's engineer on August 22, 2022.
- CEC Bylaw 116 was registered by the Inspector of Municipalities on February 23, 2024. As recommended in the 2022 Master Plan, the CEC charges have been set at:
 - \$9,908.00 for each single-family dwelling lot created
 - \$7,077.00 for each multi-unit created
 - \$11,889.00 for each commercial lot created
- Capital works items as recommended in the 2022 Master Plan document have been thoroughly reviewed by the Board. The Board is in the planning stages to carry out the Project #2 proposal, comprising:
 - Water main installation along Fairfield Road between Fisher Road to the CVRD park boundary, Watson Avenue between Fairfield Road and Fisher Road, and Fisher Road between Watson Avenue and Holland Avenue.
 - The project cost is approximately \$800,000.00. Funding is under consideration. A combination of operating surplus, CEC funds and borrowing are anticipated. Should borrowing be pursued, a legislated process will be followed.

- The one capital project completed during 2023 included a communications system upgrade at a cost of approximately \$18,000.00, expended from the Renewal Reserve Fund.
- On the Operations side, meter replacements are ongoing.
- Underwater Remotely Operated Vehicle (ROV) Reservoir Inspection was recently carried out. The tower is very clean and in good shape. No maintenance required at this time.
- Spring flushing and hydrant maintenance is currently in progress.
- As everyone is aware costs have increased for not only homeowners but for the District as well. Base tolls were increased from \$70.00 to \$75.00 effective April 30, 2024 and Taxes will be increased from \$200.00 to \$225.00 effective June 30, 2024.

Moved: Janice Hyles

Second: Denise Motherwell

Carried: That the May 9, 2024, Trustees' Report on the condition of the CHID water system be accepted as presented.

2023 AUDITED FINANCIAL STATEMENTS - Karen Bereczki, 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, 2023. These statements are available for viewing on the District's website at cobblehillimprovementdistrict.com. A limited number of paper copies are available here.

The District's financial statements have been audited by Morine and Schindler LLP, Chartered Professional Accountants, as appointed by the Board of Trustees at its December 14, 2023, regular meeting. The Independent Auditor's Report sets out the Auditor's responsibilities, the scope of their examination, and their opinion on the District's financial statements.

The auditor has expressed its opinion, as follows:

Auditor Opinion:

We have audited the consolidated financial statements of Cobble Hill Improvement District (the "District"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2023, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Consolidated Statement of Financial Position:

The consolidated accumulated surplus as at December 31, 2023, is \$2,122,311.

Fund Accounting:

Having reported on the consolidated financial position, it is important to note that the District records accounting transactions using the fund accounting method. Each fund has a specific purpose, with spending restrictions that must be adhered to. Money in each individual fund, and interest earned on it, must be used only for the purpose for which the reserve fund was established.

Disbursements are authorized by resolution or by Bylaw, passed by the Board of Trustees. Disbursement bylaws must be submitted to the Ministry of Municipal Affairs for registration.

Operating Fund:

Operations accounts for the day-to-day activities of providing services. Such as repairs and maintenance, hydro, insurance, operator wages, training and administration costs.

The accumulated surplus in this fund at December 31, 2023, totals \$277,524, compared to \$274,269 in 2022, representing a 2023 net income of \$3,254.

Renewal Reserve Fund (RRF):

Part 706 of the *Local Government Act* requires the Trustees to create a renewal reserve fund, and to adequately fund it so that infrastructure can be maintained and replaced. The District's renewal reserve fund is set up to pay for the repair, maintenance or replacement of existing assets as they reach the end of their useful life.

Funding of the Renewal Reserve Fund in 2023 was set at \$50,000.00. It is recommended that this annual funding be increased to ensure resources are in place for repair/replacement needs in the future.

RRF expenditures in 2023 totalled \$18,192 comprising communication system upgrades.

The accumulated surplus in this fund at December 31, 2023, totals \$394,404.

Capital Expenditure Charge Fund (CEC):

Capital expenditure charges are currently levied under Bylaw no. 116, pursuant to section 698(1)(e) of the *Local Government Act*, where the creation of parcels of land or development on parcels of land will result directly or indirectly in new capital cost burdens for the District.

CEC funds generally come from developers when the existing boundary is expanded to include a new lot; when an existing lot is subdivided; or when an additional dwelling is developed on a single lot.

CEC funds are restricted by the provincial government to use only for items that increase the water capacity of the District, such as additional wells or reservoirs, and increased pipe size. These funds cannot be used for any other purpose like repairing or replacing assets the District already owns.

There were no CEC charges collected or expenditures made in 2023.

The accumulated surplus in this fund at December 31, 2023, totals \$115,502.

Additionally, deferred CEC charges currently total \$162,000 for developments that have not yet received final approval from outside agencies.

Tangible Capital Assets:

Tangible Capital Assets currently include the water system, water mains, buildings, equipment and fire protection. These are stated at cost less accumulated amortization. Provision for repair/replacement of these assets, including inflation, is planned through the Renewal Reserve Fund.

The accumulated surplus in this fund at December 31, 2023, totals \$1,334,881.

The Cobble Hill Improvement District continues to operate in a favourable financial position. This is largely due to good fiscal management and difficult decisions.

Every year the Board of Trustees goes through the process of setting budgets and reviewing rates. The goal is to ensure that operational costs and reserve funding requirements are being met by the revenues collected.

As always, I would like to recognize the Trustees and the system Operators for their commitment to system sustainability, continuous improvement, and service to the community.

Moved: Denise Motherwell

Second: Janice Hyles

Carried: That the 2023 Audited Financial Statements, and May 9, 2024, Financial Officer’s report be accepted as presented.

TRUSTEE HONORARIUM

Chair Rob Reid reported that the honorarium is currently set at \$10,000.00 per year, as approved by ratepayers at the May 4, 2024, AGM; to be divided as determined by the Trustees.

The honoraria last increased from \$8,000 to \$10,000 in 2023.

Moved: Janice Hyles

Second: Sandra Reid

Carried: That the trustee honorarium be set at \$10,000 for the 2024 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 Bill Motherwell's three-year term has completed.

Karen Berezki nominated Bill Motherwell 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.

Bill Motherwell was declared elected by acclamation.

The 2024/25 Board of Trustees was confirmed as follows: Harry Benson, Don Herriott, Robert Morris, Bill Motherwell and Rob Reid.

OTHER BUSINESS

In reference to the Trustee report, there was some discussion respective to the planned upgrades and borrowing requirements.

In reference to the Trustee report, as requested, clarification of communication system improvements was provided explaining that cell communications are now used, an upgrade from analog to digital.

In response to questions about the proposed 35-lot subdivision on Gallier Road, adjacent to Soren Place, the Board confirmed that in consideration of the feasibility study completed, supply of water to the subdivision has been approved by CHID. It was noted that the subdivision has not yet received approval from the Ministry of Transportation.

There was a discussion on water quality respective to levels of calcium and magnesium. The Board advised that a full spectrum test for chemical analysis is completed annually. There are no concerns noted.

Since there was no other business forthcoming, the Chair thanked the members in attendance, and the meeting was adjourned.

ADJOURNMENT

Moved: Tony Balding

Second: Janice Hyles

Carried: That the meeting be adjourned.

The Annual General Meeting adjourned at 7:21 p.m.

The next regular meeting of the Board of Trustees will be held on Thursday, May 9, 2024, immediately following the AGM at the Cobble Hill Community Hall, 3550 Watson Ave., Cobble Hill.

CERTIFIED CORRECT

Chairperson

Administrator