

MINUTES

COBBLE HILL IMPROVEMENT DISTRICT

Meeting 43rd Annual General Meeting
Date **Thursday, May 4, 2023**
Time 6:30 p.m.
Place Cobble Hill Youth Hall, 3565 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.

Absent:

Call to Order 6:35 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 two Trustees to each serve for a three-year term.

ADOPTION OF AGENDA

Moved: Tony Balding

Second: Denise Motherwell

Carried: That the May 4, 2023, Annual General Meeting agenda be adopted as circulated.

ADOPTION OF PREVIOUS MINUTES

Minutes of the June 2, 2022, Annual General Meeting were distributed to the members in attendance.

Moved: Janice Hyles

Second: Tony Balding

Carried: That the June 2, 2022, 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.

Work completed in the last year includes:

- There were 11 Trustee meetings held over the past year
- A number of meetings had developers in attendance during the Public Period portion
- Trustees have been quite busy with new development: currently 2 boundary extension applications (Hutchinson Road and Gallier Road); 3 subdivision applications (Gallier Road, Fisher Road, Princess Avenue); 1 secondary dwelling application (Fairfield).
- A new Master plan update has been completed by CHID's engineer. The Board will be reviewing this plan and developing schedules for Capital works items. An updated CEC Bylaw has been passed and is waiting for Ministry approval. The CEC charge is under review.
- Meter replacements are ongoing.
- Installation of off grid power at the reservoir has been completed, standard operating procedure manual and as built drawings are pending from the contractor
- Installation of a Flow Meter and Communication System upgrade in the Holland Well are currently in progress
- Installation of a New Level Sensor and Cell communications at the Fisher Road Well Site are currently in progress
- As everyone is aware costs have increased for not only homeowners but for the District as well. Tolls were increased in April 2022 and Taxes were increased in June 2022. Further increases are not planned in 2023.

Moved: Janice Hyles

Second: Denise Motherwell

Carried: That the May 4, 2023, Trustees' Report on the condition of the CHID water system be accepted as presented.

2022 AUDITED FINANCIAL STATEMENTS - Karen Berezki, 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, 2022. These statements are available for viewing on the Cobble Hill Improvement District (CHID) website at www.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 January 12, 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 unqualified 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, 2022, 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, 2022, 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, 2022, is \$2,014,806.

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, 2022, totals \$274,270.

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 has been ongoing at an annual amount of \$36,000.00. 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 2022 totalled \$34,487 comprised of the control system upgrades.

The accumulated surplus in this fund at December 31, 2022, totals \$352,000.

Capital Expenditure Charge Fund (CEC):

Capital expenditure charges are currently levied under Bylaw no. 86, 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. These funds cannot be used for any other purpose like repairing or replacing assets the District already owns.

CEC expenditures in 2022 totalled \$6,635 comprised of Master Plan Update expense.

The accumulated surplus in this fund at December 31, 2022, totals \$106,013.

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.

There were no capital asset disposals or acquisitions in 2022.

The accumulated surplus in this fund at December 31, 2022, totals \$1,282,523.

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 for their commitment to system sustainability, continuous improvement, and service to the community.

Moved: Tony Balding

Second: Denise Motherwell

Carried: That the 2022 Audited Financial Statements, and May 4, 2023, Financial Officer's report be accepted as presented.

TRUSTEE HONORARIUM

Chair Rob Reid reported that the honorarium is currently set at \$8000.00 per year, as approved by ratepayers at the June 2, 2023, AGM; to be divided as determined by the Trustees.

The honoraria last increased from \$6,000 to \$8,000 in 2018.

Moved: Janice Hyles

Second: Denise Motherwell

Carried: That the trustee honorarium be set at \$10,000 for the 2023 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: Trustees Harry Benson's three-year term and Robert Morris's one-year term has completed.

Rob Reid nominated Robert Morris to serve for a three-year term. Accepted.

Robert Morris nominated Harry Benson 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.

Harry Benson and Robert Morris were declared elected by acclamation.

The 2023/24 Board of Trustees was confirmed as follows: Harry Benson, Don Herriott, Robert Morris, Bill Motherwell and Rob Reid.

OTHER BUSINESS

A lengthy discussion resulted from a landowner’s comments about development and making sure the water flows. It was strongly recommended that a second tower be constructed adjacent to the existing tower located on Cobble Hill Mountain. Discussion resulted in the following motion put forward from the floor:

Moved: Tony Balding

Second: Denise Motherwell

Carried: That a second water tower be constructed adjacent to the existing tower located on Cobble Hill Mountain.

Further comments from the floor included disappointment in the low turn-out at the AGM. It was strongly voiced that being part owners of the system, residents should show up at meetings.

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

ADJOURNMENT

Moved: Denise Motherwell

Second: Janice Hyles

Carried: That the meeting be adjourned.

The Annual General Meeting adjourned at 7:29 p.m.

The next regular meeting of the Board of Trustees will be held at 7:00 p.m., on Thursday, May 4, 2023, immediately following the AGM at the Cobble Hill Youth Hall, 3565 Watson Ave., Cobble Hill.

CERTIFIED CORRECT

Chairperson

Administrator