



# Alberni-Clayoquot Regional District

## BEAVER CREEK WATER COMMITTEE MEETING

MONDAY, DECEMBER 03, 2012, 7:00PM

Regional District Board Room, 3008 Fifth Avenue, Port Alberni, BC

### AGENDA

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PAGE #

1. **CALL TO ORDER**

2. **APPROVAL OF AGENDA**

*THAT the Agenda of the Beaver Creek Advisory Committee meeting held on Monday, December 03, 2012 be approved.*

3. **ADOPTION OF MINUTES**

- a. Beaver Creek Water Advisory Committee Meeting held Monday, October 15<sup>th</sup>, 2012. **1-3**

*THAT the minutes of the Beaver Creek Advisory Committee meeting held on Monday, October 15<sup>th</sup>, 2012 be adopted.*

4. **PETITIONS, DELEGATIONS & PRESENTATIONS**

- a. Barbara Price, CA, Duncan Sabine Collyer Partners LLP presenting the Beaver Creek Improvement District May 31 2012 Highlights **4-6**

*THAT the Beaver Creek Advisory Committee receives the Beaver Creek Improvement District May 31 2012 Highlights.*

5. **CORRESPONDENCE FOR ACTION/INFORMATION**

6. **REQUEST FOR DECISIONS & BYLAWS**

- a. Beaver Creek Improvement District May 31 2012 Audit **7-29**

*THAT the Beaver Creek Advisory Committee approves the BCID May 31 2012 Financial Statement.*

7. **REPORTS**

- a. Project update letter for Kitsuksis Reservoir project by D. Stalker Excavating **30**
- b. Beaver Creek Water Service Area Five (5) Year Water Capital Plan by Koers & Associates Engineering Ltd. **31-33**
- c. 2013 Beaver Creek Water Service Operating Budget **34-36**

*THAT the Beaver Creek Advisory Committee receives the Report(s) a. to c. for December 3<sup>rd</sup>, 2012.*

**8. NEW BUSINESS**  
*(requires 2/3 majority vote)*

**9. ADJOURN**



**MINUTES OF BEAVER CREEK WATER ADVISORY COMMITTEE MEETING  
MONDAY, OCTOBER 15, 2012, 7:00PM**

Regional District Board Room, 3008 Fifth Avenue, Port Alberni, BC

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**MEMBERS PRESENT:** John McNabb, Director, Electoral Area "E" (Beaver Creek)  
Wayne Hasler  
Gord Blakey  
Harold Carlson  
Kelly Schutte

**STAFF PRESENT:** Andy Daniel, Manager of Environmental Services  
Wendy Thomson, Manager of Administrative Services

**1. CALL TO ORDER**

The Chairperson called the meeting to order at 7:00pm.

**2. APPROVAL OF AGENDA**

*MOVED: Wayne Hasler*

*SECONDED: Gord Blakey*

*THAT the agenda be approved as circulated.*

**CARRIED**

**3. ADOPTION OF MINUTES**

**a. Beaver Creek Water Committee Meeting held Monday, August 20<sup>th</sup>, 2012.**

*MOVED: Wayne Hasler*

*SECONDED: Gord Blakey*

*THAT the minutes of the Beaver Creek Water Committee Meeting held on Monday, August 20<sup>th</sup>, 2012 be adopted.*

**CARRIED**

**4. REPORTS**

**a. Kitsuksis Reservoir Update – A. Daniel**

The Manager of Environmental Service provided an update on the Kitsuksis reservoir. Rock breaking has been underway over the last couple of weeks and drainage pipes are being laid. The system should be operational in January 2013. The Committee received the September 19, 2012 tentative schedule from Stalker Excavating Ltd.

**b. Temporary Pump Station Report – A. Daniel**

The Manager of Environmental Services reported on the plan for a temporary pump station in times of high turbidity by using an out of service fire truck. The Fire Truck has arrived and ACRD staff are in the process of purchasing the fittings required to connect to the City of Port Alberni hydrant. A meter is being borrowed from the City to read the consumption during times of high turbidity. This procedure will be tested next week. The fire truck will be located on City of Port Alberni right of way on Grandview Road. A. Daniel advised that this is a temporary emergency measure which has received VIHA approval. The ACRD has worked with an Engineering firm and VIHA to move forward with this project. The Committee discussed the plan and VIHA approvals. The Manager of Environmental Services will provide the Committee with the results of the VIHA testing conducted on the fire truck. The approximate cost of the temporary pump station is \$20,000.00.

**c. Draft Income Statement for period ending September 30<sup>th</sup>, 2012 for the Beaver Creek Water System.**

The Committee reviewed the integrated budget for the Beaver Creek Water service. There was discussion regarding the need to purchase a new vehicle for the Beaver Creek Water System. The Committee requested the Manager of Finance to provide further details on the following in the integrated budget:

- Telephone Sensor Cables (details)
- Light and power (this has doubled – explanation)

*MOVED: Wayne Hasler*

*SECONDED: Gord Blakey*

*THAT the Beaver Creek Advisory Committee receives the verbal report(s) from the Manager of Environmental Services and the Draft Income Statement for period ending September 30<sup>th</sup>, 2012.*

**CARRIED**

**c. Water Supply from Cherry Creek Waterworks District**

The Manager of Environmental Services outlined a proposal of the Cherry Creek Waterworks District for Beaver Creek to share water supply. He asked the Committee if there was any background on this and if it was determined to be a practical solution for Beaver Creek. The Committee members indicated it had been considered and ruled out as a practical alternative.

**5. NEW BUSINESS**

**a. Fire Hydrants**

The Manager of Environmental Services reported that the fire hydrants have been serviced and brush cutting has been conducted around the hydrants.

**b. Proposed Projects for 2013**

The Committee discussed proposed projects for 2013 for the Beaver Creek Water System.

- Extending the line to the Kackaamin Family Development Center (first stage)
- Thompson Road extension to loop to Beaver Creek via Dashwood Road
- Strick Road upgrades to facilitate pump station
- Pierce to Lugin Road upgrades

The Committee will consider and discuss other budget items for consideration in 2013 at the next meeting. There was discussion regarding developing a five year plan for the Beaver Creek Water system.

**6. NEXT MEETING**

Monday, November 19<sup>th</sup>, 2012, 7:00pm, ACRD Board Room, 3008 5<sup>th</sup> Ave, Port Alberni, BC.

**7. ADJOURN**

*MOVED: Gord Blakey*  
*SECONDED: Wayne Hasler*

*THAT this meeting be adjourned 8:45pm.*

**CARRIED**

Certified Correct:

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John McNabb,  
Chairperson

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Wendy Thomson  
Manager of Administrative Services

#### Audit Findings Overview

- Our enquiries of management and testing of financial records did not reveal any illegal or possibly illegal acts
- No material related party transactions were identified
- Unrecorded adjustments require approval by both those charged with governance and management that the amounts are not material and do not require adjustment in the financial statements
  - o Prior year revenue adjustment totaling \$317
  - o Assuming the audit sample of replacement cost of inventory items selected is representative of the inventory population a projected impairment of inventory an additional \$6,056 is estimated. From discussions with management the estimate of actual inventory impairment and obsolescence was limited to 10% of original inventory cost. This estimate is based on impairment for lack of inventory turnover and that price's for these commodities can fluctuate significantly from year to year.
- Evaluation of internal controls of BCID operations to May 31, 2012
  - o Consistent with prior years there was a lack of segregation of duties between the recording function and the handling of assets for the 5 month period ended May 31, 2012 and audit procedures were designed to address this risk.
- Evaluation of internal controls of ACRD management of BCWS operations subsequent May 31, 2012
  - o Limited procedures were performed in connection with subsequent events testing and transactions relevant to May 31, 2012 balances. No significant issues have been noted with respect to ACRD's internal controls.

#### Independent Auditor's Report on the Financial Statements - **Page 1 & 2**

- The financial statement have been prepared and presented using Canadian public sector accounting standards (PSAB)
- The financial statements are the responsibility of management and Duncan Sabine Collyer Partners LLP were engaged as the organization's auditors
- We believe the financial statements present fairly, in all material respects, the financial position of BCID as at May 31, 2012 and its financial performance and its cash flows for the five month period then ended in accordance with PSAB
- We draw your attention to (Note 1) to the financial statements which describes the uncertainty related to the Improvement District's ability to continue to operate as a going concern. Our opinion is not qualified in respect of this matter.

#### Management's Responsibility for Financial reporting – **Page 3**

- Provides disclosure of dissolution of BCID and conversion to ACRD and respective management responsibilities

#### Statement of Operations Revenues – **Page 4**

- Budget figures have not been prorated they are for 12 months as issued by BCID (Note 4)
- Water taxes and tolls revenue are adjusted to report only the 5 months earned revenue. 7 months of unearned taxes and 1 month of quarterly tolls have been deferred
- Only 1 connection fee and no subdivision applications were received
- Interest and penalties under budget as only 1 interest and penalty period occurred in 5 months ended

Schedule of Operating expenses – **Page 5**

- Engineering for new Kitsuksis reservoir was capitalized not expensed
- Increased repairs and maintenance on vehicles compared with prior year
- The budget for maintenance wages included funding for payment of employee settlement but this was expensed in 2011
- Materials and repairs and maintenance lower than budget expectation as only general and emergency maintenance and some meter replacement was undertaken (Note 6)

Schedule of Administration expenses – **Page 6**

- Employee benefits budget appears to have been based on 2010 actuals prior to retirement of long term employee
- Professional fees (Note 7) include full audit to May 31, 2012 as well as accounting fees related to systems conversions to Rightwater and Simply Accounting as well as professional consultant fees related to conversion to ACRD. Legal includes costs of arbitration.

Statement of Operations Net Surplus (Deficit)– **Page 4**

- Net deficit for 5 months ended of \$(12,787) which includes
  - Non-cash amortization expense of \$(34,860)
  - Write-down of inventory of \$(5,132) for obsolescence and impairment

Statement of Changes in net financial assets – **Page 7**

- In any given period, a government finances its expenditures by raising revenues, applying existing financial resources or incurring liabilities. The information presented in a statement of change in net assets provides important accountability regarding the extent to which the expenditures of the government in the accounting period have been met by revenues recognized in the period
- BCID reported a net increase in financial assets of \$12,344

Statement of Changes in Accumulated Surplus – **Page 8**

- Provides summary for each Fund maintained and interfund transfers
- \$1,000 in capital levy contributions related to 1 connection fee charged
- No resolutions were made during the year to fund expenses from reserve fund
- No resolutions were made during the year to put additional funds in reserve accounts
- The Capital fund accounts for capital asset transactions, \$24,476 of assets were purchased detailed in Note 8 and 5 months of amortization was recorded \$(34,860)

Statement of Cash Flows – **Page 9**

- Provides for a summary of use of cash by activity
- Net increase in cash prior to transfer for funds to the ACRD prior to May 31, 2012 \$(274,831) (Note 9) in anticipation of dissolution as of May 31, 2012

Statement of Financial Position – **Page 10**

- Decrease in cash, restricted cash and investments as transfer of funds to the ACRD prior to May 31, 2012 \$(274,831) (Note 9) in anticipation of dissolution as of May 31, 2012
- Taxes receivable reflects May 2012 property tax billing
- Net financial assets \$574,065

- Accrued wages and deductions only includes estimated sick leave and accrued vacation. All hourly wages to May 31, 2012 were paid
- Deferred taxes and tolls reflect unearned portion of revenues
- No work done on North Reservoir project to May 31, 2012, \$64,315 (Note 5) of funding will offset future costs of this project. Unfunded portion of estimated projected costs (Note 18(b)) is \$152,000
- Net financial assets \$258,057
- Tangible capital assets net of amortization total \$2,140,818
- Supplies inventory includes write-down of \$(5,132) for obsolescence and impairment
- Accumulated surplus \$2,446,600 compared to December 31, 2012 \$2,459,386

Notes to the Financial Statements

- **Page 11** Added conversion to ACRD
- **Page 11-13** No changes in accounting policies
- **Page 12** Measurement uncertainty provides summary of management estimates and assumptions
- **Page 20** Contingent liabilities and commitments disclosure

***DRAFT***

BEAVER CREEK IMPROVEMENT DISTRICT

Financial Statements

Five Month Period Ended May 31, 2012



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## INDEPENDENT AUDITOR'S REPORT

To the Land Owners of Beaver Creek Improvement District

**DRAFT**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Beaver Creek Improvement District to the date of dissolution, which comprise the statement of financial position as at May 31, 2012 and the statements of operations, changes in net financial assets, changes in accumulated surplus and cash flows for the five month period then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*(continues)*

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Beaver Creek Improvement District as at May 31, 2012 and its financial performance and its cash flows for the five month period then ended in accordance with Canadian public sector accounting standards.

*Emphasis of Matter*

We draw your attention to *(Note 1)* to the financial statements which describes the uncertainty related to the Improvement District's ability to continue to operate as a going concern. Our opinion is not qualified in respect of this matter.

**DRAFT**

Port Alberni, B.C.

**DRAFT**

CERTIFIED GENERAL ACCOUNTANTS

## Management's Responsibility for Financial Reporting

The financial statements of Beaver Creek Improvement District (BCID) have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly.

Prior to dissolution, the Board of Trustees of BCID functioned as management of BCID. Further to the Province of British Columbia, Order of Lieutenant Governor in Council, Order in Council No. 327 approved and ordered May 31, 2012 the rights and obligations of the Beaver Creek Improvement District were transferred to and assumed by the Regional District of Alberni-Clayoquot (or "Alberni-Clayoquot Regional District" or "ACRD"). As a result of the dissolution of BCID pursuant to the Order in Council any reference to the management and those charged with governance of BCID are deemed to be a reference to the management and those charged with governance of the ACRD.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Duncan Sabine Collyer Partners LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and have expressed their opinion in a report accompanying the financial statements.

**DRAFT**

(signed)

(print name), Former Trustee, BCID

**DRAFT**

Ms. Teri Fong, CGA, Manager of Finance, ACRD

**DRAFT**

(signed)

(print name), Former Trustee, BCID

**DRAFT**

(signed)

(print name), Chair, ACRD

Port Alberni, BC  
December 3, 2012

Port Alberni, BC  
December 7, 2012

## BEAVER CREEK IMPROVEMENT DISTRICT

## Statement of Operations

Five Month Period Ended May 31, 2012

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	Budget (Unaudited Note 4)		
	December 2012 (12 months)	May 2012 (5 months)	December 2011 (12 months)
<b>REVENUE</b>			
Water taxes	\$ 233,240	\$ 97,084	\$ 232,050
Water tolls	443,961	179,042	428,312
Connection fees	19,000	3,800	22,800
Capital levy deposit	5,000	1,000	5,000
Water turn on fees	400	550	350
Subdivision application fees	1,500	-	4,500
Sale of materials	800	1,491	746
Interest and penalties	12,000	1,897	21,574
Interest income	300	1,121	2,526
Expense recoveries and other income	600	2,767	5,962
	716,801	288,752	723,820
<b>SCHEDULE OF OPERATING EXPENSES</b>			
	464,700	140,473	293,908
	252,101	148,279	429,912
<b>SCHEDULE OF ADMINISTRATION EXPENSES</b>			
	251,150	121,913	293,499
<b>SURPLUS OF REVENUE OVER EXPENSES</b>			
	951	26,366	136,413
<b>OTHER REVENUES (EXPENSES)</b>			
Amortization	-	(34,860)	(81,363)
Capital project contribution recovery - North Reservoir (Note 5)	-	-	65,616
Gain (loss) on disposal of assets	-	839	(3,360)
Write down of obsolete inventory	-	(5,132)	(2,420)
	-	(39,153)	(21,527)
<b>NET SURPLUS (DEFICIT)</b>			
	\$ 951	\$ (12,787)	\$ 114,886

BEAVER CREEK IMPROVEMENT DISTRICT

Schedule of Operating Expenses

Five Month Period Ended May 31, 2012

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	Budget		
	<i>(Unaudited Note 4)</i>		
	<i>December</i>	<i>May</i>	<i>December</i>
	2011	2012	2011
	<i>(12 months)</i>	<i>(5 months)</i>	<i>(12 months)</i>
Engineering	\$ 17,500	\$ -	\$ 9,082
Licences and permits	900	578	737
Maintenance - vehicles	12,000	9,547	6,734
Maintenance - wages	213,000	69,041	176,030
Maintenance vehicles - insurance	4,500	1,804	4,155
Materials and repairs and maintenance <i>(Note 6)</i>	183,500	43,645	62,098
Power	26,000	12,055	26,888
Sale of materials cost of goods sold	680	1,210	634
Telephone and pager	5,520	2,274	5,455
Telephone sensor cables	1,100	319	2,095
	\$ 464,700	\$ 140,473	\$ 293,908

BEAVER CREEK IMPROVEMENT DISTRICT

Schedule of Administration Expenses

Five Month Period Ended May 31, 2012



	Budget		
	<i>(Unaudited Note 4)</i>		
	<i>December</i>	<i>May</i>	<i>December</i>
	2012	2012	2011
	<i>(12 months)</i>	<i>(5 months)</i>	<i>(12 months)</i>
Advertising	\$ -	\$ 144	\$ 2,100
Bank charges	8,200	4,981	8,661
Computer expense	4,500	4,077	4,505
Education	5,000	2,309	3,411
Employee benefits	61,150	18,337	43,098
Insurance	18,500	11,725	23,659
Light and power	3,250	1,723	3,538
Office and postage	19,700	8,972	15,447
Office car allowance	450	60	402
Office wages	70,000	31,765	113,790
Professional fees <i>(Note 7)</i>	41,000	30,209	56,952
Telephone	4,000	1,236	3,613
Trustees' honorariums	15,300	6,375	14,300
Trustees' expenses	100	-	23
	\$ 251,150	\$ 121,913	\$ 293,499

BEAVER CREEK IMPROVEMENT DISTRICT  
Statement of Changes in Net Financial Assets  
Five Month Period Ended May 31, 2012

**DRAFT**

	Budget (Unaudited Note 4) December 2012 (12 months)	May 2012 (5 months)	December 2011 (12 months)
Net surplus (deficit)	\$ 951	\$ (12,786)	\$ 114,886
Acquisition of tangible capital assets (Note 8)	-	(24,476)	(168,775)
Amortization	-	34,860	81,363
(Gain) loss on disposal of assets	-	(839)	3,360
Proceeds on sale of tangible capital assets	-	839	-
Equity distribution on portfolio investment	-	(29)	-
	951	(2,431)	30,834
Acquisition of prepaid expenses	-	(1,533)	(9,550)
Use of prepaid expenses	-	9,550	10,692
Acquisition of supplies inventory	-	(14,682)	(13,151)
Consumption of supplies inventory	-	16,308	11,266
Write down of obsolete inventory	-	5,132	2,420
	-	14,775	1,677
<b>INCREASE IN NET FINANCIAL ASSETS</b>	951	12,344	32,511
<b>NET FINANCIAL ASSETS, Beginning of period</b>	245,713	245,713	213,202
<b>NET FINANCIAL ASSETS, End of period</b>	\$ 246,664	\$ 258,057	\$ 245,713

BEAVER CREEK IMPROVEMENT DISTRICT  
Statement of Changes in Accumulated Surplus  
Five Month Period Ended May 31, 2012

**DRAFT**

	<i>May 31</i> <b>2012</b> <i>(5 months)</i>	<i>December 31</i> <b>2011</b> <i>(12 months)</i>
<b>GENERAL REVENUE FUND</b>		
Accumulated surplus, beginning of period	\$ 132,572	\$ 88,066
Net surplus (deficit)	(12,786)	114,886
Contribution and allocation to Capital Development Fund	(1,734)	(6,620)
Contribution and allocation to Renewal Reserve Fund	(11)	(24)
Recovery from (contribution and allocation to) Employees Sick Leave Fund	(77)	20,497
Contribution and allocation to Vehicle Replacement Fund	(84)	(182)
Acquisition of tangible capital assets <i>(Note 8)</i>	(24,476)	(168,774)
Amortization of tangible capital assets	34,860	81,363
Loss on disposal of tangible capital assets	-	3,360
Accumulated surplus, end of period	<b>128,264</b>	132,572
<b>CAPITAL DEVELOPMENT FUND</b>		
Accumulated surplus, beginning of period	142,295	135,676
Capital levies	1,000	5,000
Interest and bank charges	-	(2)
Interest earned	734	1,621
Accumulated surplus, end of period <i>(Notes 9, 10, 11)</i>	<b>144,029</b>	142,295
<b>RENEWAL RESERVE FUND</b>		
Accumulated surplus, beginning of period	2,715	2,691
Interest earned	11	24
Accumulated surplus, end of period <i>(Notes 9, 10)</i>	<b>2,726</b>	2,715
<b>EMPLOYEES SICK LEAVE FUND</b>		
Accumulated surplus, beginning of period	10,254	30,751
Contribution from General Revenue Fund	-	5,000
Transfer to General Revenue Fund to fund retirement payout	-	(25,368)
Interest earned (rate adjustment)	77	(129)
Accumulated surplus, end of period <i>(Notes 9, 10, 11)</i>	<b>10,331</b>	10,254
<b>MOTOR VEHICLE REPLACEMENT FUND</b>		
Accumulated surplus, beginning of period	20,348	20,166
Interest earned	84	182
Accumulated surplus, end of period <i>(Notes 9, 10)</i>	<b>20,432</b>	20,348
<b>GENERAL CAPITAL FUND</b>		
Accumulated surplus, beginning of period	2,151,202	2,067,151
Acquisition of tangible capital assets <i>(Note 8)</i>	24,476	168,774
Amortization	(34,860)	(81,363)
Loss on disposal	-	(3,360)
Accumulated surplus, end of period <i>(Note 12)</i>	<b>2,140,818</b>	2,151,202
<b>TOTAL ACCUMULATED SURPLUS</b>	<b>\$ 2,446,600</b>	<b>\$ 2,459,386</b>

BEAVER CREEK IMPROVEMENT DISTRICT

Statement of Cash Flows

Five Month Period Ended May 31, 2012

**DRAFT**

	<i>May 31</i> 2012 <i>(5 months)</i>	<i>December 31</i> 2011 <i>(12 months)</i>
<b>OPERATING ACTIVITIES</b>		
Net surplus (deficit)	\$ (12,787)	\$ 114,886
Items not affecting cash:		
Amortization	34,860	81,363
(Gain) loss on disposal of assets	(839)	3,360
Equity distribution on portfolio investments	(29)	-
Capital project contribution recovery - North Reservoir <i>(Note 5)</i>	-	(65,616)
Accrued interest on restricted short term investments	1,189	(1,189)
	<b>22,394</b>	<b>132,804</b>
Changes in non-cash working capital:		
Accounts receivable - sales tax	(4,099)	(1,698)
Accounts receivable - other	(13,825)	4,560
Taxes receivable	(144,649)	(18,621)
Water tolls receivable	(8,146)	(20,379)
Supplies inventory	6,731	535
Prepaid expenses	8,016	1,139
Accounts payable and accrued liabilities	5,459	5,445
Accrued wages and deductions payable	(62,488)	65,641
Deferred taxes	134,324	1,316
Deferred tolls	46,635	1,110
	<b>(32,042)</b>	<b>39,048</b>
	<b>(9,648)</b>	<b>171,852</b>
<b>CAPITAL TRANSACTIONS</b>		
Additions to tangible capital assets <i>(Note 8)</i>	(24,476)	(168,775)
Proceeds on disposal of capital assets	839	-
	<b>(23,637)</b>	<b>(168,775)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of restricted temporary investments	(5,000)	(138,880)
Proceeds on redemption of restricted short term investments	143,880	-
Acquisition of portfolio investments	-	(717)
	<b>138,880</b>	<b>(139,597)</b>
<b>FUNDS TRANSFERRED TO THE ALBERNI-CLAYOQUOT REGIONAL DISTRICT</b> <i>(Note 9)</i>	<b>(274,381)</b>	<b>-</b>
<b>DECREASE IN CASH FLOW</b>	<b>(168,786)</b>	<b>(136,520)</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	196,298	332,818
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b> <i>(Note 13)</i>	<b>\$ 27,512</b>	<b>\$ 196,298</b>

The accompanying notes are an integral part of these financial statements

BEAVER CREEK IMPROVEMENT DISTRICT

Statement of Financial Position

Five Month Period Ended May 31, 2012



	<i>May 31</i> <b>2012</b> <i>(5 months)</i>	<i>December 31</i> <b>2011</b> <i>(12 months)</i>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 27,512	\$ 96,441
Restricted cash and cash equivalents <i>(Note 10)</i>	-	99,857
Accounts receivable - sales tax	16,265	12,166
Accounts receivable - other	14,199	374
Taxes receivable	178,114	33,465
Water tolls receivable	62,848	54,702
Restricted temporary investments <i>(Note 11)</i>	-	140,070
Portfolio investments <i>(Note 15)</i>	746	717
Funds held by the Alberni-Clayoquot Regional District <i>(Note 9)</i>	274,381	-
	<b>574,065</b>	<b>437,792</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	46,150	40,692
Accrued wages and deductions payable	19,278	81,766
Deferred taxes	135,918	1,594
Deferred tolls	50,347	3,712
Deferred project contribution - North Reservoir <i>(Note 5)</i>	64,315	64,315
	<b>316,008</b>	<b>192,079</b>
<b>NET FINANCIAL ASSETS</b>	<b>258,057</b>	<b>245,713</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 12)</i>	2,140,818	2,151,201
Supplies inventory	46,192	52,923
Prepaid expenses	1,533	9,549
	<b>2,188,543</b>	<b>2,213,673</b>
<b>ACCUMULATED SURPLUS <i>(Note 14)</i></b>	<b>\$ 2,446,600</b>	<b>\$ 2,459,386</b>

GOING CONCERN *(Note 1)*

OPERATING LINE OF CREDIT *(Note 16)*

CONTINGENT LIABILITY AND COMMITMENTS *(Note 18)*

\_\_\_\_\_  
Former Trustee, BCID

\_\_\_\_\_  
Former Trustee, BCID

\_\_\_\_\_  
Teri Fong, Manager of Finance, ACRD



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1. NATURE AND CONTINUANCE OF OPERATIONS

On March 25, 1959, the Beaver Creek Improvement District was incorporated as a water improvement district by Letters Patent under the the provisions of the British Columbia Local Government Act. The activities of the Improvement District are carried out through the following funds: General Revenue Fund, General Capital Fund, Capital Development Fund, Renewal Reserve Fund, Employees' Sick Leave Fund and Motor Vehicle Replacement Fund. There are no other entities that meet the criteria for inclusion in this financial statement.

**Conversion to a local service area of the Alberni - Clayoquot Regional District (ACRD)**

Further to the results of the October 29, 2011 referendum which provided electoral assent for conversion of the Improvement District to a local service area of the ACRD, on April 4, 2012 the Board of Trustees endorsed a board resolution supporting the conversion to a local service area.

Further to the Province of British Columbia, Order of Lieutenant Governor in Council, Order in Council No. 327 approved and ordered May 31, 2012 the rights and obligations of the Beaver Creek Improvement District were transferred to and assumed by the Alberni-Clayoquot Regional District.

**Going Concern**

The accompanying financial statements have been prepared on the going concern assumption that the Improvement District will be able to realize its assets and discharge its liabilities in the normal course of operations. The Improvement District's Operating Permit is conditional upon meeting certain Vancouver Island Health Authority (VIHA) requirements. If the Improvement District is unable to meet these conditions VIHA has the unilateral right to levy fines at a minimum of \$600 per day and require additional water testing and/or restrict water operations. In order to meet the conditional requirements of the current Operating Permit capital outlays in excess of funds on hand are required. In either situation, the Improvement District may undergo severe cash flow problems. Should the Improvement District be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its commitments as they become due. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Improvement District were unable to continue its operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Improvement District, which are the representations of management, are prepared in accordance with Canadian public sector accounting standards for public sector entities established by the Canadian Public Sector Accounting Board (PSAB).

The Improvement District follows the fund basis of accounting. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Currently in use are:

- a) **General Revenue Fund** - This fund accounts for all financial resources except those required to be accounted for in another fund. The General Revenue Fund is the Improvement District's operating fund and includes collection of taxation and tolls and administration of operations and the water system.
- b) **General Capital Fund** - This fund accounts for all property and equipment and un-funded work in progress of the Improvement District and is offset by the investment in tangible capital assets.

*(continues)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- c) **Capital Development Fund** - This fund accumulates funds to be used for new waterworks expansions.
- d) **Renewal Reserve Fund** - To comply with the requirements of Section 852 of the Local Government Act (British Columbia) the trustees in February, 1984 established Bylaw No. 133. This will provide funds for the Improvement District for the renewal of works. Amounts to be transferred to this fund will be determined by the trustees from time to time by ordinary resolution.
- e) **Employees' Sick Leave Fund** - To provide for accumulated sick leave the trustees in February 1991 authorized the establishment of the Employees' Sick Leave Fund which is to be funded annually at \$5,000. Sick leave is payable only for sick leave, is not payable upon an employee leaving the district unless through retirement and will be recognized as an expense only when a claim is made. As at May 31, 2012 accumulated sick leave amounted to \$12,936 (December 31, 2011 - \$10,586). \$NIL (December 31, 2011 - \$5,000) was transferred in the period resulting in an under funded position of \$2,605 (December 31, 2011 - \$332).
- f) **Motor Vehicle Replacement Fund** - To provide for replacement of the district's motor vehicles, the trustees in November 2003 authorized the establishment of the motor vehicle replacement fund which is to be funded annually at \$5,000, to a maximum of \$40,000. In April 2009, the trustees authorized a reduction on the maximum contribution to the fund from \$40,000 to \$20,000. Transactions will be recognized as an expense or capital asset addition in the period the claim is made.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of tangible capital assets for amortization purposes, the estimated fair value of contributed capital assets, the net recoverable amount of accounts receivable, supplies inventory, and tangible capital assets, the extent of the pension and sick leave liabilities and the Improvement District's ability to continue as a going concern. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Revenue recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due. Specifically:

- a) Taxation revenues are recognized at the time of issuing the tax notices for the fiscal year. Revenue unearned in the current period is recorded as deferred revenue.
- b) Sale of services and user fee revenues are recognized when the service or product is rendered by the Improvement District. Revenue unearned in the current period is recorded as deferred revenue.
- c) Externally restricted contributions are recognized as revenue when the related expenditures are incurred.

*(continues)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Cash and cash equivalents

Cash consists of cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents. Cashable term deposits, regardless of maturity date, are also considered highly liquid investments and are considered to be cash equivalents.

Cash equivalents consists of cashable term deposits. Term deposits are valued at cost plus accrued interest.

Temporary investments

Temporary investments include long and short term non-cashable fixed term investments. Temporary investments are recorded at cost plus accrued interest.

Portfolio investments

Portfolio investments include investments in equity securities. Portfolio investments are reported using the cost method, a basis of accounting for portfolio investments whereby the investment is initially recorded at cost and the earnings from such investments are recognized only to the extent received or receivable. When the investment is in the form of shares, dividends received in excess of the Improvement District's pro rata share of post acquisition income are recorded as a reduction of the carrying value of the investment.

Supplies inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first in, first out basis.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Donated and contributed capital assets are reported at fair value at the time of donation or contribution. Contributed line extensions are recognized as assets of the Improvement District one year from the date of initial water testing certification.

Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service. Estimated useful lives are as follows:

Land improvements	20 years
Buildings and improvements	20 to 60 years
Maintenance vehicles	5 to 10 years
Tools and equipment	5 to 20 years
Computer equipment	3 years
Office furniture and equipment	5 years
Water distribution system	30 to 50 years
Water reservoirs	40 to 50 years
Land	non-depreciable

Leasehold improvements are amortized over the lesser of the remaining life of the lease term and the life of the improvement.

The Improvement District regularly reviews its tangible capital assets to eliminate obsolete items.



3. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current period's presentation.

4. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and reflect the estimates approved by the the Board of Trustees of the Beaver Creek Improvement District on April 4, 2012. The budgeted figures were prepared for the twelve months ended December 31, 2012. No adjustment has been made to pro-rate the estimated activities for the five month period ended May 31, 2012.

5. DEFERRED PROJECT CONTRIBUTION - NORTH RESERVOIR

	<i>May 31</i> 2012	<i>December 31</i> 2011
Beginning balance	\$ 64,315	\$ 129,931
Current year eligible capital expenditures	-	(65,616)
	<b>\$ 64,315</b>	<b>\$ 64,315</b>

During the 2010 prior year, the Kackaamin Family Development Centre (formerly known as Kakawis) contributed \$150,000 to be used to partially offset the costs of upgrading the North Reservoir booster pump station, replacing existing 4 inch main to 6 inch main and using any remaining funds to replace existing 6 inch main with new 8 inch main for the North Beaver Creek Road Area. Management refers to this project as the North Reservoir project (*Notes 8, 18*).

As the contributions are externally restricted in their use, they are recognized as revenue contributions when the eligible related expenditures are incurred.

6. MATERIALS AND REPAIRS AND MAINTENANCE

	<i>May 31</i> 2012	<i>December 31</i> 2011
Pump station maintenance	\$ 16,222	\$ 13,391
Repairs - water system	4,565	29,020
Inventory purchases	15,714	13,143
Inventory count adjustments	416	(2,520)
Small tools and supplies	1,661	1,594
Maintenance - buildings and grounds	2,946	7,470
Water Samples	2,121	-
	<b>\$ 43,645</b>	<b>\$ 62,098</b>

**DRAFT**

## 7. PROFESSIONAL FEES

	<i>May 31</i> 2012	<i>December 31</i> 2011
Annual budget	\$ 1,970	\$ 1,653
Audit	12,000	15,648
Legal	7,553	11,173
Other consultants	8,686	28,478
	<b>\$ 30,209</b>	<b>\$ 56,952</b>

## 8. TANGIBLE CAPITAL ASSET ADDITIONS

	<i>May 31</i> 2012	<i>December 31</i> 2011
<b>Purchased capital assets</b>		
Beaver Creek Road Pump station engineering costs	\$ 235	\$ -
Computer hardware, software and equipment - office	1,308	4,471
Darnley Booster Station control systems upgrade	-	4,581
Electronic read meter system	-	14,108
Kitsuksis Reservoir control systems upgrades	-	6,292
Kitsuksis Reservoir land clearing and engineering costs for new reservoir	21,378	-
McKenzie Road pump house paving	-	6,023
McKenzie Road pump house roofing	-	3,907
North Reservoir project	-	125,736
Water service connections	1,555	3,657
<b>Contributed capital assets</b>		
Line extensions	-	-
	<b>\$ 24,476</b>	<b>\$ 168,775</b>

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## 9. FUNDS HELD BY ALBERNI-CLAYOQUOT REGIONAL DISTRICT

In preparation for the conversion of BCID to a local service area of the ACRD (*Note 1*) the following funds were transferred to the ACRD at the end of May 2012:

	<i>May 31</i> 2012	<i>December 31</i> 2011
<b>Restricted funds</b>		
Capital Development Fund	\$ 144,029	\$ -
Renewal Reserve Fund	2,726	-
Employees Sick Leave Fund	10,331	-
Motor Vehicle Replacement Fund	20,432	-
North Reservoir Project	64,315	-
Subtotal	241,833	-
<b>General operating funds</b>	32,548	-
	<b>\$ 274,381</b>	<b>\$ -</b>

## 10. RESTRICTED CASH AND CASH EQUIVALENTS

	<i>May 31</i> 2012	<i>December 31</i> 2011
<b>Capital Development Fund</b>		
Royal Bank account	\$ -	\$ 4,312
Due from general revenue fund	-	2,963
	-	7,275
<b>Renewal Reserve Fund</b>		
Royal Bank Cashable GIC, due December 11, 2012 at 0.90% per annum if held more than 30 days, early redemption annual interest at 1 - 29 days - 0.00% (2010 - 0.90%)	-	2,714
<b>Employees' Sick Leave Fund</b>		
Due from general revenue fund	-	5,204
<b>Maintenance Vehicle Replacement Fund</b>		
Royal Bank Cashable GIC, due December 14, 2012 at 0.90% per annum if held more than 30 days, early redemption annual interest at 1 - 29 days - 0.00% (2010 - 0.90%)	-	20,348
<b>North Reservoir Project</b>		
Royal Bank account	-	64,315
Restricted cash and cash equivalents	<b>\$ -</b>	<b>\$ 99,856</b>

In preparation for the conversion of BCID to a local service area of the ACRD (*Note 1*) restricted cash and cash equivalents were transferred to the ACRD at the end of May 2012 (*Note 9*).

**DRAFT**

## 11. RESTRICTED TEMPORARY INVESTMENTS

	<i>May 31</i> <b>2012</b>	<i>December 31</i> 2011
<b>Capital Development Fund</b>		
Royal Bank non-redeemable GIC, due May 23, 2012 at 1.4% per annum	\$ -	\$ 133,880
Royal Bank non-redeemable GIC, accrued interest	-	1,140
	-	135,020
<b>Employees' Sick Leave Fund</b>		
Royal Bank non-redeemable GIC, due April 27, 2012 at 1.45% per annum	-	5,000
Royal Bank non-redeemable GIC, accrued interest	-	49
	-	5,049
Restricted investments	<b>\$ -</b>	<b>\$ 140,069</b>

In preparation for the conversion of BCID to a local service area of the ACRD (*Note 1*) restricted temporary investments were transferred to the ACRD at the end of May 2012 (*Note 9*).

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## 12. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	May 31 2012 Net book value	December 31 2011 Net book value
Land	\$ 248,326	\$ -	\$ 248,326	\$ 248,326
Land improvements	3,391	2,614	777	847
Buildings and improvements	542,936	214,000	328,936	333,338
Computer equipment	18,450	14,410	4,040	3,387
Leasehold improvements	123,214	38,964	84,250	86,424
Maintenance vehicles	31,717	28,234	3,483	4,400
Office furniture and equipment	6,113	5,781	332	366
Tools and equipment	268,974	92,318	176,656	183,473
Water distribution system	3,294,492	2,147,507	1,146,985	1,163,426
Water reservoirs	208,423	61,390	147,033	127,214
	\$ 4,746,036	\$ 2,605,218	\$ 2,140,818	\$ 2,151,201

The Improvement District has \$21,613 (2011 - \$15,819) of tangible capital assets under development as at May 31, 2012 which are not subject to amortization. In addition, included in tools and equipment are redundant assets of \$1,624 (2011 - \$1,624) which are to be disposed and are not subject to amortization. Gains recognized on the salvage of replaced meters was \$839 (2011 loss on disposal of various assets - \$(3,360)). During the five month period ended there were \$Nil in write downs (2011 - \$Nil) related to impairment of capital assets. In addition, the Improvement District has expended \$Nil (2011 - \$65,615) for the development of tangible capital assets funded by external contributions (see *Note 5*).

Water distributions system infrastructure recognized as a contribution to the Improvement District totaled \$Nil as at May 31, 2012 (2011 - \$Nil) at their fair value determined at the date of initial water testing certification. Contributions are capitalized one year from the date of initial water testing certification at their fair value determined at the date of initial water testing certification. On June 8, 2011 \$60,000 of contributions received initial water testing certification.

For additional information see the Schedule of Tangible Capital Assets (Schedule 1).

## 13. CASH AND CASH EQUIVALENTS

	May 31 2012	December 31 2011
Cash	\$ 27,512	\$ 96,441
Restricted cash and cash equivalents	-	99,857
	\$ 27,512	\$ 196,298

**DRAFT**

## 14. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	<i>May 31</i> 2012	<i>December 31</i> 2011
General Revenue Fund	\$ 128,264	\$ 132,572
Capital Development Fund <i>(Notes 9, 10, 11)</i>	144,029	142,295
Renewal Reserve Fund <i>(Notes 9, 10)</i>	2,726	2,715
Employees Sick Leave Fund <i>(Notes 9, 10, 11)</i>	10,331	10,254
Motor Vehicle Replacement Fund <i>(Notes 9, 10)</i>	20,432	20,348
General Capital Fund <i>(Note 12)</i>	2,140,818	2,151,202
	<b>\$ 2,446,600</b>	<b>\$ 2,459,386</b>

## 15. PORTFOLIO INVESTMENTS

	<i>May 31</i> 2012	<i>December 31</i> 2011
Alberni District Co-op Association equity shares	\$ 746	\$ 717

## 16. OPERATING LINE OF CREDIT

On May 21, 2008, the Improvement District obtained an operating line of credit to a maximum of \$100,000 to be drawn in increments of \$250. The line of credit bears interest at Royal Bank Prime Rate plus 1.3% per annum with interest payable monthly. No amounts were drawn on the line of credit during the five month period ended May 31, 2012 (December 31, 2011 - \$Nil). The line of credit was cancelled effective May 31, 2012.

## 17. FINANCIAL INSTRUMENTS

The Improvement District's financial instruments consist of cash and cash equivalents, taxes receivable, water tolls receivable, other accounts receivable, accounts payable and accrued liabilities, accrued wages and deductions payable and deferred project revenue. It is management's opinion that the Improvement District is not exposed to significant currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values. The Improvement District is exposed to interest rate cash flow risk to the extent that the operating line of credit is at a floating rate of interest. The Improvement district is also exposed to interest rate price risk to the extent that cash equivalents are at a fixed rate of interest.

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## 18. CONTINGENT LIABILITY AND COMMITMENTS

## a) Pension Liability

The Improvement District and its employees contribute to the Municipal Pension Plan (or "the Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an un-funded liability of \$1,024 million for basic pension benefits. The next valuation will be at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the un-funded liability to individual employers. The Beaver Creek Improvement District paid \$4,618 (December 31, 2011 - \$9,087) for employer contributions while employees contributed \$4,355 (December 31, 2011 - \$9,023) to the plan to the date of dissolution May 31, 2012.

## b) North Reservoir Project Capital Commitment

The estimated North Reservoir project costs based on April and June 2009 cost estimates with known cost change orders and estimated cost increases is approximately \$426,000. To date monies have been expended totaling \$209,517 (December 31, 2011 - \$209,517). The Kackaamin Family Development Centre contribution (*Note 5*) remaining to expend on this project is \$64,315 (December 31, 2011 - \$64,315). The remainder of the estimated project costs to be funded by the Improvement District are \$152,000 as at May 31, 2012.

## c) Long-term Lease at non-market rates

In 2010 the Improvement District entered into a letter of understanding with the Alberni Clayoquot Regional District with respect to the use by the Beaver Creek Volunteer Fire Department (BCVFD) of the Improvement District's building and facilities. The agreement has a 99 year term and allows the BCVFD to continue using the space at no charge. The fair market value of this transaction is not readily determinable. Consistent with prior years, the donation to BCVFD for the use of the space has not been recorded in these financial statements.

Further, the Improvement District under the agreement is liable for 20% of all repairs and maintenance required to the common areas. The BCVFD is required to meet specific building code and safety regulations and significant improvements may be required to the facilities' common areas.

## d) Contractual Obligation for Leased Equipment

The Improvement District has entered into a lease for office equipment with annual payments of \$2,628 per annum in each of the next three years. The lease expires December 31, 2015.

## e) Legal claims

In the normal course of operations, the Improvement District is faced with lawsuits for damages of diverse natures. As at the date of dissolution May 31, 2012 no such exposure existed. Subsequent to May 31, 2012 the exposure to each such liability is either not determinable or is not considered to be significant. Claims paid as a result of litigation are reported as expenditures.

BEAVER CREEK IMPROVEMENT DISTRICT

Schedule of Tangible Capital Assets

Five Month Period Ended May 31, 2012



(Schedule 1)

	Opening balance	Additions	Disposals	Write-downs	Balance - End of year	Accum Amort'n - Beginning of year	Net Carrying Amount - Beginning of year	Deletions	Amort'n	Accum Amort'n - End of year	Net Carrying Amount - End of year
Land	\$ 248,326	\$ -	\$ -	\$ -	\$ 248,326	\$ -	\$ 248,326	\$ -	\$ -	\$ -	\$ 248,326
Land improvements	3,391	-	-	-	3,391	(2,544)	847	-	(70)	(2,614)	777
Buildings and improvements	542,936	-	-	-	542,936	(209,598)	333,338	-	(4,402)	(214,000)	328,936
Computer equipment	17,142	1,308	-	-	18,450	(13,755)	3,387	-	(655)	(14,410)	4,040
Leasehold improvements	123,214	-	-	-	123,214	(36,790)	86,424	-	(2,174)	(38,964)	84,250
Maintenance vehicles	31,717	-	-	-	31,717	(27,317)	4,400	-	(917)	(28,234)	3,483
Office furniture and equipment	6,113	-	-	-	6,113	(5,747)	366	-	(34)	(5,781)	332
Tools and equipment	268,739	235	-	-	268,974	(85,266)	183,473	-	(7,052)	(92,318)	176,656
Water distribution system	3,292,937	1,555	-	-	3,294,492	(2,129,510)	1,163,427	-	(17,997)	(2,147,507)	1,146,985
Water reservoirs	187,045	21,378	-	-	208,423	(59,831)	127,214	-	(1,559)	(61,390)	147,033
	\$ 4,721,560	\$ 24,476	\$ -	\$ -	\$ 4,746,036	\$ (2,570,358)	\$ 2,151,202	\$ -	\$ (34,860)	\$ (2,605,218)	\$ 2,140,818

## ***Project update letter for Kitsuksis Reservoir project***

Nov 28, 2012

Alberni-Clayoquot Regional District  
Attn: Andy Daniel

As per your request:

As of Today, here is the status:

- 1) The tank supplier/installation crew (Western Tank & Lining) arrived on-site Nov.20 and has completed the pouring of the tank base this past Monday (Nov.26).
- 2) The tank product is scheduled to begin arriving onsite today (at latest update).
- 3) The valve chamber with pipeworks/spools are 90% installed
- 4) The flow meter chamber with pipeworks/spools are 90% installed
- 5) The offsite drainage ditching and neighboring driveway culvert are completed (including headwalls).
- 6) The drainage works outside of reservoir are approx. 85% complete
- 7) The residential water service re-alignment / connection has been completed (including rock breaking to standard depth compared to the 4" of ground cover previous service had).
- 8) The tank perimeter is 95% backfilled (leaving their installation access as per their request).

We are currently within range of where our target was set for schedule, the few items:

- 1) chlorination shed / equipment
- 2) water system testing / chlorination / tie-ins

Will occur as we continue working the site simultaneously with the tank installation crew, (as where our original schedule reflected nothing other the tank installation occurring during a 4 week period).

I hope this update helps you for being prepared for your meeting Dec.3.

Daryl Foulds  
General Manager  
Cell: 250-739-9020



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November 26, 2012  
1263-01

Alberni Clayoquot Regional District  
3008 5<sup>th</sup> Ave  
Port Alberni, B.C. V9Y 2E3

**Attention: Mr. Andy Daniel, ASCT**  
**Manager of Environmental Services**

**Re: Beaver Creek Water Service Area Five (5) Year Water Capital Plan**

We are pleased to present the Beaver Creek Water Service Area Five (5) Year Water Capital Plan for the replacement and renewal of the Water Service Area's water supply and distribution infrastructure. The projects listed were developed from the findings of the Beaver Creek Improvement District's 2006 Water Study, 2010 Alberni Valley Regional Water Study Update, and 2011 Beaver Creek Improvement District Water Infrastructure Assessment prepared by Koers & Associates Engineering Ltd.

## 1 INTRODUCTION

The 2006 Water Study provided a comprehensive analysis of the District's water supply and distribution system. Improvements to the distribution system were recommended to improve water quality, service pressures, and fire protection.

The 2006 Water Study and 2011 Water Infrastructure Assessment Report identified water supply and distribution infrastructure works to meet projected growth of the next 23 years. These projects, while driven by growth, provide a benefit to existing users with improvements to the water supply and distribution system.

The Vancouver Island Health Authority (VIHA) amended the District's water operating permit requiring compliance with the 4-3-2-1 surface water treatment policy for the removal or inactivation of pathogenic organisms. The policy requires the implementation of two (2) treatment processes that achieve a 4-log removal/inactivation of viruses, a 3-log removal/inactivation of Giardia and Cryptosporidium, and finished water with less than 1 NTU turbidity. Our understanding is that the Regional District intends to participate in the Alberni Valley Regional System with a full time connection to the City of Port Alberni Water System.

.../2



Alberni Clayoquot Regional District  
Mr. Andy Daniels, ASCT

## 2 PROJECTS

### 2.1 Water Supply

The 2010 Regional Water Study update identified the need for a pump station to pump water from the City of Port Alberni to the Beaver Creek Water Service Area. The required works for this project include a pump station near the intersection of Strick Road and Beaver Creek Road and a replacement 200 mm dia watermain on Strick Road from Beaver Creek Road to Gordon Road.

### 2.4 Distribution Improvements

To improve water quality, residual pressures, fire fighting capabilities and to strengthen the distribution system, dead-ended watermains are to be looped whenever possible.

## 3 COST ESTIMATES AND PRIORITY

Table 1 lists, in order of priority, the recommended works for water supply and distribution projects to 2018. The 2012 dollar cost estimates exclude engineering, contingencies administration, legal, land acquisition, interim financing or HST.

**Table 1 - Water Supply and Improvement Projects to 2018**

Year	Project Description	2012 Cost Estimate	New/Renewal
2013	Strick Rd Pump Station and Watermain 200 Ø (710m)	\$800,000	New
2013	Beaver Creek Rd from North Booster to Corner 200 Ø (500 m)	\$150,000	Renewal
2013	Kitsucksis Reservoir Condition Assessment	\$15,000	Renewal
2014	Kitsucksis Seismic & Leakage Repairs	\$250,000	Renewal
2014	Water Model Update	\$15,000	New
2014	Beaver Creek Rd Watermain from Corner to Dobie Rd 200 Ø (480 m)	\$145,000	Renewal
2014	Tomswood Rd from Railway row to Gordon 150 Ø (250m)	\$65,000	New
2015	Piercy Rd from Beaver Creek to Strick 150 Ø (320m)	\$80,000	New
2015	Holey from Gordon Ave to Maple 150 Ø (550m) Allowance for Rock	\$200,000	New
2015	Saunders to Georgia 150 Ø (300 m)	\$75,000	New
2016	Walker Rd from Wadena to Kellow 150 Ø (810 m)	\$210,000	Renewal
2017	Kellow Rd from Walker to Lamarque 150 Ø (370 m)	\$100,000	Renewal
2018	Darnley Road Pump Station Modifications	\$25,000	Renewal

Table 2 lists, in order of priority, the recommended works for water supply and distribution projects from 2019 to 2035. The 2012 dollar cost estimates include a 30% allowance for engineering and contingencies and 12% for HST. No allowances have been made for administration, legal, or interim financing.

.../3

Alberni Clayoquot Regional District  
Mr. Andy Daniels, ASCT

**Table 2 - Water Supply and Improvement Projects 2019 to 2035**

<b>Year</b>	<b>Project Description</b>	<b>2012 Cost Estimate</b>	<b>New/ Renewal</b>
2019	Grandview Ave from Fraser to George 150 Ø (440 m)	\$110,000	Renewal
2020	Drinkwater Rd from Saunders to 150 Ø (700 m)	\$210,000	Renewal
2020	Gordon from Beaver Creek to Saunders 150 Ø (250 m)	\$65,000	New
2021	Swanson from Fayette to Pleded 150 Ø (310 m)	\$80,000	New
2022	Lothian from Swanson to Springfield 150 Ø (390 m)	\$100,000	New
2023	Beaver Creek Rd from Dobie to end 150 Ø (400 m)	\$120,000	Renewal
2025	Water Study Update	\$15,000	New
2025	Kerry Rd from McKenzie to Plymouth 150 Ø (375 m)	\$95,000	New
2025	Mersey from north end to Grandview 150 Ø (635 m)	\$160,000	New
2030	Kerry Rd from McKenzie to Dashwood 150 Ø (600 m)	\$150,000	New
2030	Dashwood / Thompson loop 150 Ø (515 m)	\$130,000	New
2035	Bainbridge / Cameroon Replacement 200 Ø (350 m)	\$105,000	Renewal

#### **4 CONCLUSIONS**

A total of 13 capital projects have been identified between 2013 and 2018 replacement and renewal and future improvements of the Beaver Creek Water Service Area water supply and distribution system infrastructure. Immediate priority projects include the Strick Road Pump Station and Watermain, Kitsucksis Reservoir Assessment, upgrading the north end of the system, and local distribution Improvements. The combined total estimated cost for these works from 2013 to 2018 is \$2,130,000.

A total of 12 capital projects have been identified between 2019 and 2035 for the replacement and renewal and future improvements of the Beaver Creek Water Service Area water supply and distribution system infrastructure. These projects consist of local distribution Improvements with a combined total estimated cost of \$1,340,000.

We trust this is the information you require. Please call if you have any questions.

Yours truly,

KOERS & ASSOCIATES ENGINEERING LTD.

Chris Downey, P.Eng.  
Project Manager



## MEMORANDUM

**To:** Beaver Creek Water Advisory Committee

**From:** Teri Fong, CGA, Manager of Finance

**Date:** November 28, 2012

**Subject:** Draft 2013 Operating Expenditures

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Attached is the **draft** operating expenses for 2013. This draft has been developed with assistance from Bruce Forsyth, Maintenance Technician Lead Hand and Andy Daniel, Manager of Environmental Services. I must emphasize that this is very draft and will be reviewed and revised multiple times before adoption at the end of March. In the New Year the 2012 budget will be compared to the amount actually incurred in 2012 and the budgeted figures will be adjusted if necessary. I present the draft for comment and input.

The administrative expenses will be presented to the Committee in January for comment as I am in the process of creating an administration charge policy that will apply to all Regional District services. The administration charge will be a decrease from the previous year's administration expenses due to the closure of the Improvement District office.

The revenue portion of the budget will be addressed after we determine the operating and capital needs of the system as well as administration costs to be applied to the service. The availability of other resources such as grants will be explored before increases to tolls or taxes are implemented but the cost of urgent infrastructure upgrades that are required make increases of some level inevitable. Consultation with the public will be undertaken before amendments to the bylaw are made.

The public will have the opportunity to comment and provide input into the Beaver Creek Water System Budget at the following meetings:

- Beaver Creek Water Advisory Comm. January 14<sup>th</sup>, 2013 7:00pm
- Beaver Creek Water Advisory Comm. February 25<sup>th</sup>, 2013 7:00pm
- Board of Directors Meeting February 27<sup>th</sup>, 2013 1:30pm
- Special Board of Directors Meeting March 13<sup>th</sup>, 2013 6:00pm

A public meeting in Beaver Creek, to cover all services provided to the area, will also be

planned for the first week of March. These above dates will be included in a newsletter to water system users that will accompany the next water bill in January.



Submitted by: \_\_\_\_\_  
Teri Fong, CGA, Manager of Finance



Approved by: \_\_\_\_\_  
Russell Dyson, Chief Administrative Officer

**Beaver Creek Water System  
Draft Operating Expenses  
2013 Budget**

<b>OPERATING EXPENDITURES</b>	<b>2013 Draft Budget</b>	<b>2012 Budget</b>
<b>Engineering</b>	<b>40,000</b>	<b>17,500</b>
<b>Licenses &amp; Permits</b>	<b>1,000</b>	<b>900</b>
<b>Maintenance - Insurance</b>	<b>4,500</b>	<b>4,500</b>
<b>Maintenance - Vehicles</b>	<b>12,000</b>	<b>12,000</b>
<b>Maintenance - Wages</b>	<b>160,000</b>	<b>213,000</b>
<b>Materials &amp; Repairs/ Maintenance</b>		
Pump House Maintenance	26,000	26,000
Preventable Maintenance	65,000	45,000
Repairs Water System	30,000	30,000
New Elstar Meters Installation	55,000	55,000
Small Tools & Supplies	4,000	2,000
Repairs - Grounds & Building	10,000	10,000
Fire Hydrant Maintenance	10,000	10,000
Freight	500	500
Park Maintenance	5,000	5,000
	<b>205,500</b>	<b>183,500</b>
<b>Power</b>	<b>30,000</b>	<b>26,000</b>
<b>Sale of Materials COGS</b>	<b>1,000</b>	<b>680</b>
<b>Telephone &amp; Pager</b>		
Telephone - Shop	1,100	1070
Pager & Cell Phone	3,600	3500
Telephone - Pumphouse	1,000	950
	<b>5,700</b>	<b>5,520</b>
<b>Telephone Sensor Cables</b>	<b>-</b>	<b>1,100</b>
<b>Courses &amp; Seminars</b>	<b>5,000</b>	<b>-</b>
<b>Computer Expenses</b>	<b>5,000</b>	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>459,700</b>	<b>464,700</b>