



Alberni-Clayoquot Regional District

BEAVER CREEK WATER ADVISORY COMMITTEE MEETING FRIDAY, FEBRUARY 28, 2014, 9:00AM

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

AGENDA

	PAGE #
1. <u>CALL TO ORDER</u>	
Recognition of Traditional Territories.	
2. <u>APPROVAL OF AGENDA</u>	
<i>(motion to approve, including late items required 2/3 majority vote)</i>	
3. <u>ADOPTION OF MINUTES</u>	
a. Beaver Creek Water Advisory Committee Meeting held December 9, 2013.	3-5
<i>THAT the minutes of the Beaver Creek Water Advisory Committee meeting held on December 9, 2013 be adopted.</i>	
4. <u>PETITIONS, DELEGATIONS & PRESENTATIONS</u>	
5. <u>CORRESPONDENCE FOR ACTION/INFORMATION</u>	
6. <u>REQUEST FOR DECISIONS & BYLAWS</u>	
a. MEMORANDUM	6-7
Bulk Water Agreement with the City of Port Alberni	
<i>THAT Beaver Creek Water Advisory Committee receive the agreement and support with the following two amendments:</i>	
a) <i>Language to ensure the current cost structure remains fixed where any cost increases to the rate applied to the Beaver Creek Water System would be equivalent to the % increase applied to city customers.</i>	
b) <i>The creation of an advisory group including bulk water users and the City of Port Alberni to meet on a regular basis to consider matters pertaining to water supply planning and finance.</i>	

b. **REQUEST FOR DECISION**

8-11

Beaver Creek Water System 2014-2018 Draft Financial Plan

THAT the Beaver Creek Water Advisory Committee approves the Beaver Creek Water System 2014-2018 Draft Financial Plan.

7. **REPORTS**

8. **NEW BUSINESS**

(requires 2/3 majority vote)

9. **IN CAMERA**

Motion to close the meeting to discuss matters relating to

i. Litigation or Potential Litigation affecting the Regional District

10. **RECOMMENDATIONS TO THE BOARD FROM IN-CAMERA**

11. **ADJOURN**



Alberni-Clayoquot Regional District

MINUTES OF THE BEAVER CREEK WATER ADVISORY COMMITTEE MEETING HELD ON DECEMBER 9, 2013 at 7:00PM.

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

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

STAFF PRESENT: Andy Daniel, Manager of Environmental Services
Teri Fong, Manager of Finance

1. CALL TO ORDER

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

2. APPROVAL OF AGENDA

MOVED: W. Hasler

SECONDED: G. Blakey

THAT the agenda be approved as circulated with the addition of late items as outlined for consideration.

CARRIED

3. ADOPTION OF MINUTES

a. Beaver Creek Water Advisory Committee Meeting held October 7, 2013.

MOVED: G. Blakey

SECONDED: W. Hasler

THAT the minutes of the Beaver Creek Water Advisory Committee Meeting held on October 7, 2013 be adopted.

CARRIED

4. PETITIONS, DELEGATIONS & PRESENTATIONS

5. CORRESPONDENCE FOR ACTION/INFORMATION

a. Email Concerning use of Gas Tax Funds

MOVED: G. Blakey

SECONDED: W. Hasler

THAT the Beaver Creek Water Advisory Committee receive the report from the CAO regarding the allocation of gas tax funds, written in response to correspondence received from Susan Roth.

CARRIED

6. REQUEST FOR DECISIONS & BYLAWS

- a. Request for Decision regarding New Water Rates for the Beaver Creek Local Service Area.

MOVED: W. Hasler

SECONDED: G. Blakey

THAT the meeting be closed to the public to discuss matters relating to:
i. Litigation or potential litigation affecting the Regional District.

CARRIED

The meeting was closed to the public at 7:35 pm.

The meeting was re-opened to the public at 7:41 pm.

MOVED: W. Hasler

SECONDED: H. Carlson

THAT the Beaver Creek Water Advisory Committee endorse the an \$8/month increase instead of the proposed \$12/month to water rates to apply as of the second quarter of 2014, advise the community of the proposed rates in the next water invoice and refer the rates to the Board of Directors of the ACRD to be adopted in a water rates bylaw.

CARRIED

7. REPORTS

- a. Beaver Creek Water System Draft Operating Expenses-2014 Budget.

MOVED: W. Hasler

SECONDED: G. Blakey

THAT the Beaver Creek Water Advisory Committee receives the Beaver Creek Water System Draft Operating Expenses-2014 Budget.

CARRIED

8. IN-CAMERA

9. **ADJOURN**

MOVED: G. Blakey
SECONDED: W. Hasler

THAT this meeting be adjourned at 8:55PM.

CARRIED

Certified Correct:

John McNabb,
Chairperson

Andy Daniel,
Manager of Environmental Services



MEMORANDUM

To: Beaver Creek Water Advisory Committee

From: Russell Dyson, CAO

Date: February 25, 2014

Subject: Bulk Water Agreement with the City of Port Alberni

The Beaver Creek Water Advisory Committee is asked to review the proposed bulk water agreement with the City of Port Alberni and provide advice to the regional board for their consideration.

The adopted strategy for meeting the drinking water treatment objectives for the Beaver Creek water system depends upon the connection with the City of Port Alberni followed by the City's implementation of a UV disinfection system. An agreement for use of City water is required. A proposal from the City is attached for consideration and comment. Please note this is a bulk water service agreement not a regional water service. The distinction is as follows:

- **Regional water service** – works are held by the regional district and governance of the system is by the regional district. Variations exist on voting structure and are agreed to by the participants. As policy, fees, cost allocation etc. are adopted by the governing body they apply to all participants. Options for operations are flexible, while voting strength may vary among participants – they are partners and their decisions are consistently applied.
- **Bulk water service agreement** one party owns and operates the works and sells product to the other by contract negotiated between the two parties. The customer may have an advisory role, but is not part of the governance. Terms of contract define relationship and may be different from terms with city users.

The Regional District has prepared various studies and reports on the premise that water supply was to be a regional service and each water purveyor – whether a municipality, improvement district or local service area would continue to be responsible for distribution. The benefits to a regional approach include:

- costs shared for the required treatment works,
- minimizes overall infrastructure needs within the valley;
- governance that enables participants to have a say based on respective investment;
- focused approach to grant applications and efficiency and affordability realized by centralized works.

While it has been the Regional District's position the two parties continue to work toward a regional supply, the City's position is that they agree to pursue Sproat Lake as a regional supply but they are not willing to have their works managed as a regional service. They would only entertain this discussion if the regional district is prepared to consider regionalizing other city services such as parks, recreation, fire and heritage.

While a regional supply has not been achieved the McElhanney and Associates report determined that a bulk supply is the second best option over the long term.

The proposed bulk water agreement was provided by the City, it represents a standard bulk water agreement and the City indicates it is similar to what applies to other City customers such as the Tseshaht First Nation. Summary:

- Water rates are set by City bylaw – this is standard with other agreements across BC and applies to the Tseshaht.
- Outside City rates are higher than inside city rates but decrease with higher use
- No reference to regionalization of the city's current water supply, the ACRD will analyze Sproat Lake in 2014 as a possible regional service.
- No limitation on alternative water supply for BCWS
- Beaver Creek to adopt water conservation standards equivalent to the City
- City access to the works common with other agreements across BC.

It is recommended that the agreement be received by the advisory and supported with the following two amendments:

- a) Language to ensure the current cost structure remains fixed where any cost increases to the rate applied to the Beaver Creek Water System would be equivalent to the % increase applied to city customers.
- b) The creation of an advisory group including bulk water users and the City of Port Alberni to meet on a regular basis to consider matters pertaining to water supply planning and finance.



Submitted by: _____
Russell Dyson, CAO



**ALBERNI-CLAYOQUOT REGIONAL DISTRICT
2014-2018 FINANCIAL PLAN
BEAVER CREEK WATER SYSTEM
PARTICIPANTS: PORTION OF ELECTORAL AREA 'E'**

Draft for first reading
on February 26, 2014

Line	History			Budget					Line
	2013 ACTUAL	2013 PLAN		2014	2015	2016	2017	2018	
REVENUE									
1	\$ 313,581	\$ 310,448	Surplus (deficit) from prior years	\$ 188,695	\$ -	\$ -	\$ -	\$ -	1
2	231,324	232,050	Parcel tax	232,050	233,000	233,000	233,000	233,000	2
3	3,000	1,000	Capital levy deposit	1,000	1,000	1,000	1,000	1,000	3
4	16,100	7,600	Connection fees	7,600	7,600	7,600	7,600	7,600	4
5	13,561	5,000	Interest & penalties	5,000	5,000	5,000	5,000	5,000	5
6	69,032	1,800	Miscellaneous revenue	2,000	2,000	2,000	2,000	2,000	6
7	6,000	1,500	Subdivision application fees	1,500	1,500	1,500	1,500	1,500	7
8	753,873	1,012,576	Transfer of Gas Tax	213,726	-	-	-	-	8
9	494,663	445,000	Water tolls	550,000	550,000	550,000	550,000	550,000	9
10	\$ 1,901,134	\$ 2,016,974	TOTAL REVENUE	\$ 1,201,571	\$ 800,100	\$ 800,100	\$ 800,100	\$ 800,100	10
EXPENDITURES									
11	\$ 69,000	\$ 69,000	Administration charge	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	11
12	418,716	347,818	Capital fund contribution from operating	242,050	92,400	87,600	82,700	77,700	12
13	753,873	1,012,576	Capital fund contribution from grants	213,726	-	-	-	-	13
14	635	2,400	Advertising	1,000	1,000	1,000	1,000	1,000	14
15	3,219	4,000	Bank charges	4,000	4,000	4,000	4,000	4,000	15
16	-	-	Bulk water purchase	80,000	140,000	140,000	140,000	140,000	16
17	15,446	7,000	Computer & controls	25,000	15,000	15,000	15,000	15,000	17
18	4,848	5,000	Education	5,000	5,000	5,000	5,000	5,000	18
19	10,704	40,000	Engineering & consulting	40,000	40,000	40,000	40,000	40,000	19
20	6,289	11,000	Insurance	11,000	11,000	11,000	11,000	11,000	20
21	196,067	242,000	Labour & benefits	231,000	235,700	240,500	245,400	250,400	21
22	9,998	20,000	Legal fees	60,000	10,000	10,000	10,000	10,000	22
23	2,276	1,000	Licenses & permits	2,500	2,500	2,500	2,500	2,500	23



**ALBERNI-CLAYOQUOT REGIONAL DISTRICT
2014-2018 FINANCIAL PLAN
BEAVER CREEK WATER SYSTEM (continued)
PARTICIPANTS: PORTION OF ELECTORAL AREA 'E'**

Draft for first reading
on February 26, 2014

Line	History			Budget					Line
	2013 ACTUAL	2013 PLAN		2014	2015	2016	2017	2018	
			EXPENDITURES (continued)						
24			<i>Materials & repairs/maintenance</i>						24
25	\$ 18,069	\$ 26,000	Pumphouse maintenance	\$ 20,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	25
26	75,078	81,180	Repairs & maintenance	115,295	80,500	80,500	80,500	80,500	26
27	67,167	55,000	Meter exchange program	-	-	-	-	-	27
28	4,467	4,000	Small tools & supplies	10,000	5,000	5,000	5,000	5,000	28
29	2,908	10,000	Maintenance building repairs	5,000	5,000	5,000	5,000	5,000	29
30	2,149	10,000	Fire hydrant maintenance	10,000	10,000	10,000	10,000	10,000	30
31	169,838	186,180	Total materials & repairs/maintenance	160,295	108,500	108,500	108,500	108,500	31
32	698	10,000	Office	1,000	10,000	10,000	10,000	10,000	32
33	5,559	7,000	Telephone and pager	7,000	7,000	7,000	7,000	7,000	33
34	32,253	40,000	Utilities	40,000	40,000	40,000	40,000	40,000	34
35	13,020	12,000	Vehicle operation	12,000	12,000	12,000	12,000	12,000	35
36	\$ 1,712,439	\$ 2,016,974	TOTAL EXPENDITURES	\$ 1,201,571	\$ 800,100	\$ 800,100	\$ 800,100	\$ 800,100	36
37	\$ 188,695	\$ -	FINANCIAL PLAN BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	37
38	1,172,589	1,360,394	Add: Transfer to reserves	455,776	92,400	87,600	82,700	77,700	38
39	104,071	85,000	Deduct: Estimated amortization not included	104,000	104,000	104,000	104,000	104,000	39
40	313,581	310,448	Surplus from previous year	188,695	-	-	-	-	40
41	\$ 943,632	\$ 964,946	ANNUAL SURPLUS/(DEFICIT)	\$ 163,081	-\$ 11,600	-\$ 16,400	-\$ 21,300	-\$ 26,300	41

(for Financial Reporting purposes)



**ALBERNI-CLAYOQUOT REGIONAL DISTRICT
2014-2018 FINANCIAL PLAN
BEAVER CREEK WATER SYSTEM (continued)
PARTICIPANTS: PORTION OF ELECTORAL AREA 'E'**

Draft for first reading
on February 26, 2014

Line	History			Budget					Line
	2013 ACTUAL	2013 PLAN		2014	2015	2016	2017	2018	
CAPITAL DEVELOPMENT FUND									
42	\$ 146,143	\$ 146,143	Balance, beginning of year	\$ 462,781	\$ 157,457	\$ 31,057	\$ 13,957	\$ 47,057	42
43	415,133	347,818	Contribution from operating fund	232,050	92,400	87,600	82,700	77,700	43
44	753,875	1,012,576	Contribution from grants	213,726	-	-	-	-	44
45	3,261	2,500	Interest earnings	3,900	1,200	300	400	800	45
46			<i>Less - capital expenditures</i>						46
47	241,242	307,076	Kitsuksis reservoir project	-	-	-	-	-	47
48	537,521	800,000	Strick Rd pump station & watermain	500,000	-	-	-	-	48
49	-	-	Meter exchange program	80,000	55,000	55,000	-	-	49
50	-	50,000	Old Kitsuksis reservoir repair	40,000	-	-	-	-	50
51	1,292	-	Shop upgrade	60,000	-	-	-	-	51
52	-	-	Water model update	-	15,000	-	-	-	52
53	75,576	90,000	Water system upgrades	75,000	150,000	50,000	50,000	50,000	53
54	855,631	1,247,076	Total capital expenditures	755,000	220,000	105,000	50,000	50,000	54
55	\$ 462,781	\$ 261,961	BALANCE, END OF YEAR	\$ 157,457	\$ 31,057	\$ 13,957	\$ 47,057	\$ 75,557	55
RENEWAL RESERVE FUND									
56	\$ 2,747	\$ 2,748	Balance, beginning of year	\$ 2,779	\$ 2,809	\$ 2,849	\$ 2,889	\$ 2,929	56
57	-	-	Contribution from operating fund	-	-	-	-	-	57
58	32	-	Interest earnings	30	40	40	40	40	58
59	-	-	Less - capital expenditures	-	-	-	-	-	59
60	\$ 2,779	\$ 2,748	BALANCE, END OF YEAR	\$ 2,809	\$ 2,849	\$ 2,889	\$ 2,929	\$ 2,969	60
EMPLOYEES SICK LEAVE FUND									
61	\$ 1,039	\$ 1,039	Balance, beginning of year	\$ 1,345	\$ 1,365	\$ 1,385	\$ 1,405	\$ 1,425	61
62	269	-	Contribution from operating fund	-	-	-	-	-	62
63	37	-	Interest earnings	20	20	20	20	20	63
64	-	-	Less - sick leave payout	-	-	-	-	-	64
65	\$ 1,345	\$ 1,039	BALANCE, END OF YEAR	\$ 1,365	\$ 1,385	\$ 1,405	\$ 1,425	\$ 1,445	65



ALBERNI-CLAYOQUOT REGIONAL DISTRICT
 2014-2018 FINANCIAL PLAN
 BEAVER CREEK WATER SYSTEM (continued)
 PARTICIPANTS: PORTION OF ELECTORAL AREA 'E'

Draft for first reading
 on February 26, 2014

Line	History			Budget					Line
	2013 ACTUAL	2013 PLAN		2014	2015	2016	2017	2018	
	MOTOR VEHICLE REPLACEMENT FUND								
66	\$ 20,590	\$ 20,590	Balance, beginning of year	\$ 20,827	\$ 967	\$ 977	\$ 987	\$ 997	66
67	-	-	Contribution from operating fund	10,000	-	-	-	-	67
68	237	200	Interest earnings	140	10	10	10	10	68
69	-	15,000	Less - capital expenditures	30,000	-	-	-	-	69
70	<u>\$ 20,827</u>	<u>\$ 5,790</u>	BALANCE, END OF YEAR	<u>\$ 967</u>	<u>\$ 977</u>	<u>\$ 987</u>	<u>\$ 997</u>	<u>\$ 1,007</u>	70