

Landowners Update – September 2013

From the Board

Much of the infrastructure across Canada was built 50+ years ago and is now showing its age. Unfortunately, over this time little has been done to plan for the eventual replacement of this infrastructure with many communities now facing a crisis as bridges collapse, sink holes appear and drainage systems fail. Union Bay is not in a crisis – yet. However, we are all going to have to face the music soon with higher costs and planning for expensive infrastructure replacement and improvements.

For the past decade we have hoped that the Kensington Island Properties (KIP) development would help with the huge financial burden and Mr. McMahon is still indicating the project will proceed. Nevertheless, your Board has adopted the principle of **“plan for the worst and hope for the best”**. This approach was adopted in the Fire Services Review completed last year which outlines a plan for a new fire hall without KIP. The public works review now to be done this year will adopt a similar approach.



On July 24th, the UBID Trustees, Finance Committee and Administrator met to discuss the 2014 annual budget and to provide direction for a draft budget that will be presented for approval in October. Three principals have guided the Board in this process. They are:

- Additional funds must be put aside for fire and public works infrastructure; and
- Last year’s plan to increase water tolls to cover the operating costs of the system will continue; and
- Ongoing efforts must be taken to reduce costs.

The Board will hold its semi-annual information session for landowners on November 23rd from 2-4 PM at the UBID offices in the downstairs gymnasium. The preliminary agenda will include the 2014 budget and implementation of the Fire Review recommendations.

Property Taxes

UBID property taxes pay for fire services, street lighting and a portion of the overall administrative costs including a portion of the mortgage on the UBID building. Property taxes for UBID have not increased over the past three years. In 2014, there will be an increase in order to begin to grow the capital fund for a new fire service / administration building. This increase will be approximately an additional \$80 per year on average. Landowners will see this increase reflected on their property tax bill based on the assessed value of the property.

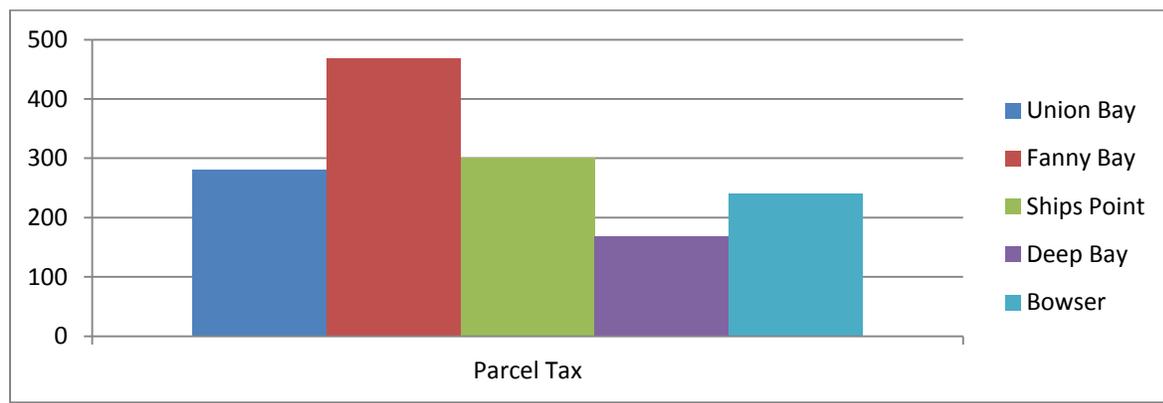


Water Tolls and Parcel Taxes

Approximately 37% of all waterworks operating costs are still being subsidized through parcel taxes, funds that should be dedicated solely for waterworks capital infrastructure. As the Board moves toward achieving total cost recovery for all waterworks operations through water tolls, these charges will continue to increase. For 2014, the base rate for water tolls will increase from \$50 to \$70 bi-monthly (a 40% increase) with excess usage rates to also increase by a comparable percentage. Landowners should expect further increases until 100% of the operating costs are fully covered by water toll revenues, however at the same time we will continue to seek out cost savings wherever possible.

Parcel taxes will also increase in 2014 from \$280 to \$330 per year, a 17.9% increase or just over \$4 per month. All of these additional funds will be allocated to capital infrastructure reserves. Once the waterworks review and capital plan is completed, UBID will be better able to tell landowners what capital savings will be required over the longer term.

The following chart illustrates that UBID parcel tax rates are well in line with those in neighbouring districts.



Parcel Taxes as of April 2013

Capital Expenditure Charges (CECs)

Capital Expenditure Charges (CECs) are paid by a landowner to contribute toward water infrastructure as the community grows. Some landowners have pre-paid their CECs while others wait until their property is ready to develop.

All CECs are put into a protected account and can only be used for water infrastructure purposes. Currently UBID has \$211,147 in this account. In 2009, the CEC was set at \$8,100 and will be raised to \$8,900 in 2014, representing a 9.9% increase.

UBID Begins Planning for Water System Review

The Public Works Committee has begun work with UBID's engineering firm, Koers & Associates Engineering, to review the waterworks system and to ultimately develop a long-term capital plan. We expect to present landowners with the water system review at the 2014 AGM. The Improvement District is presently faced with two key issues:



- Regardless of whether or not KIP completes the water treatment plant by December 2014, UBID must develop a capital plan for the rest of Union Bay; and
- If KIP does not proceed, UBID needs to plan for both water treatment and a new reservoir.

To determine the detailed estimates that are needed for a capital plan the ID will engage Koers to undertake a modelling process. This computer based data system will tell the ID where the weak points are; identify areas of low pressure; help to determine the size of reservoir needed; and identify priority areas for renewal or replacement. In other words it will help the ID to identify the good, the bad, and the ugly of our water system (although it is felt that most of the system falls into a good range). Although some of this work was previously done by McElhanney Consulting Services, it needs to be updated and in more detail. Some of these costs will occur this year but planning is underway for additional funds to be earmarked for engineering work in the 2014 budget.

UBID Administration Moving

It costs approximately \$12,000/year to heat the entire UBID administration building. With the Union Bay Credit Union vacating the front offices of the building, an opportunity now exists to reduce our overall heating and utility costs. As such, UBID Administration will be moving into these front offices sometime this fall, thereby eliminating the need to heat the entire building and resulting in what is expected to be significant cost savings.



Water Line Flushing – September 17th to 19th, 2013

Water lines will be flushed from September 17th – 19th, during which time the water may be highly coloured and turbid but will continue to be chlorinated. Water pressure fluctuations may also occur. Avoid laundry mishaps by running water until it is clear before starting. Consumers using water during this time should be aware that water quality can change rapidly therefore it's advisable to keep an ample supply of potable water on hand or in your refrigerator until this situation clears. People with immune deficiencies should boil water during this period. The water is checked daily and residents will be notified via the local radio station if a Boil Water Advisory occurs.

Partial Open Fire Ban Remains in Effect

Effective August 26th, the Coastal Fire Centre rescinded the campfire ban due to a decreased risk of wildfires. Campfires no larger than a half-metre high by a half-metre wide are now permitted. Category 3 open fires (a fire that burns material in piles larger than two metres high by three metres wide, windrows or grass over an area larger than 2,000 square metres) are also permitted throughout the Coastal Fire Centre area. Any person lighting a Category 3 Open Fire must first comply with burning regulations and obtain a burn registration number by calling 1-888-797-1717. **Small backyard burning piles (Category 2) remain prohibited.**

For the latest information, please refer to the Coastal Fire Centre website at <http://bcwildfire.ca/hprScripts/WildfireNews/Bans.asp> or the link on UBID's website at www.union-bay.ca.



Bits and Pieces



Because the Raven Coal Project is on hold until Compliance Coal provides more information, the environmental firm, Summit that was engaged to review the application on behalf of Union Bay, Ships Point and Fanny Bay has been asked to provide a summary of their review to date. Their report to the Board will be addressed at the October meeting.



There will be no Board of Trustees meeting in September therefore the next scheduled meeting will be held on Wednesday, October 16th at 4:30pm.



Eleven (11) landowners responded to the survey about the Landowners Update and UBID website. All respondents indicated they read the update "always" or "often", while only 3 refer to our website at various times. The majority of respondents liked the updates being provided on important and timely issues while several want to see more frequent financial reporting. Thanks to everyone who provided their feedback.



A hardcopy of UBID's 2012 Annual Water System Report, submitted to VIHA as required under our Permit to Operate, is now available at the UBID offices for the general public's review. It is a requirement of Section 15 of the Drinking Water Protection Act that we ensure this report is readily available to the public. An electronic copy has also been posted to our website, under the Water Quality Issues page.