

Landowners Update – November 2014

From the Board

This fall has continued to be a busy time for the Board and we are happy to report that a number of long term projects and/or issues are now completed or very close to completion. This signals the beginning of a phase where as a community and Board we can finally begin to seriously focus our efforts on moving forward with community infrastructure projects. We hope that landowners will attend the mid-year meeting on **November 22nd** in the school gym to learn about UBID's plans. **(Please note the change of date.)**

UBID Reaches an Out-of-Court Agreement with SD #71 Regarding School Property



Just over a year and a half ago, UBID filed civil claim suits against School District No. 71 and Margot R. Rutherford Notary Corporation in an effort to finally resolve the issue of the crown grant notation on the title of the old Union Bay Elementary School property. This trust provision under the School Act limits the use “for educational purposes only” and UBID has been unable to get this notation removed. As this property was originally purchased as an asset for our administrative offices and a new fire hall, which cannot be done under this trust, the value of the property became seriously compromised.

However, we are pleased to report that UBID and School District No. 71 have agreed to a discontinuance of UBID legal action against S.D. #71, which will now be buying back the building and property. This decision is the result of discussions about the original purchase and sale of this property which took place in 2007. The claim against the School District was for reimbursement of the purchase price, and a number of other fees and expenditures. This agreement represents a negotiated settlement that allows UBID to avoid a lengthy court action and additional costs. The School District agreed to purchase the property from UBID for \$620,000, representing about 75% of our original claim, with a completion date of October 31st, 2014.

As a result, the UBID Administration office and public works shop will be moving to another location however the moving date and location is yet to be finalized.

The claim against Margot R. Rutherford Notary Corporation has not yet been resolved and therefore our legal action continues with a court date set for July 2015.



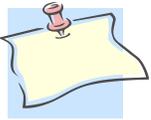
Landowners are invited to a **Mid-Year Landowners Meeting** on **Saturday, November 22nd, 2014** from 2-4 PM in the old school gymnasium

The agenda will include :

- 2015 UBID Operating Budget
- Legal Action and the School Property
- Report on Fire Rescue Services
- Volunteer Firefighter Recruitment Video – “Answer the Call”
- Water (Filtration) Treatment Implementation, PW Review Report & Capital Financial Planning
- Crown Land Grant

Question & Answer period to follow each section

Bits and Pieces



Early in 2011, four (4) landowners filed five separate complaints with the Office of the BC Ombudsperson regarding the actions of the Board of the day. The Ombudsperson has now closed all those files and issued final summary reports which can be viewed on the news page of the UBID website at www.union-bay.ca.



Shaw Cable (Channel 2) has recently been very supportive of our ongoing efforts to recruit new volunteer firefighters. A recruitment announcement has been running on the “crawl” located on the bottom of the screen, and a short public service interview, produced gratis by Shaw has also been randomly played on this channel.

Firefighters Receive Training on SCBA units

UB Firefighters received training on the new Self-Contained Breathing Apparatus units (SCBAs) purchased in August. Four firefighters attended the Comox Fire Training Centre to use this new equipment in a hot smoke environment. The SCBAs were purchased from capital reserves at a cost of \$100,000. (Firefighters pictured left to right: Robson Moulton, Nick Webb, Travis Mephram and Chelsea Waite.)



Answer the Call

Recruitment efforts for the UBFRS have been going very well and we are now up to 20 firefighters on our roster, with another 2 prospects also just coming forward. We continue to seek community-minded individuals who work and/or live locally and are ready to answer the call by becoming a volunteer firefighter or first responder, particularly for day time response. Please call Fire Chief Mark Jackson at 250-335-2345 to find out more about this challenging and rewarding opportunity.

2015 Budget Approved



At its October 15th meeting, the Board approved the annual operating budget for 2015. The following table shows the differences between the 2014 and 2015 budgets.

	2014 Budget	2015 Budget
Total Revenues	\$1,019,983	\$1,046,224
Total Administration Costs	\$158,200	\$122,900
Total Operating Expenses	\$692,810	\$ 634,032

From this table you will see that overall expenses (including administration costs) are estimated to be \$58,778 less in 2015. These savings will be achieved as a result of a decrease in legal fees and the subsequent reductions in building occupancy and operational costs with the buyback of the school property by SD #71.

With these expected reductions in operating costs, in conjunction with the Board's continued commitment to a move towards full operating cost recovery of water toll rates in the next couple of years, the planned increase in water tolls will be \$5 bi-monthly, from the current \$70 to \$75 (rather than an originally proposed increase to \$78). Water usage excess rates will remain at 2014 levels. This modest increase in water rates means that in 2015, UBID Parcel Taxes will only be subsidizing 11.25 % of our public works administrative and operating costs versus nearly 35% in 2013.

As well, parcel taxes will slightly increase from \$330 per year to \$340 per year. There will be no increase to our property tax requisition for 2015. Capital Reserves contributions in 2015 will increase by \$80,000, with \$217,000 to be allocated for Public Works and \$183,000 for the Fire Department.

Water Treatment Plan Approved by VIHA

At the end of September, UBID submitted a report to Island Health called, "Response to Island Health's Surface Water Quality Treatment Objectives" that outlines plans to construct a water treatment system and new reservoir in Union Bay. Island Health (VIHA) has formally accepted this plan which grants UBID an extension for the completion and start-up of a water (filtration) treatment plant until 2018.

To reflect the plan, Island Health is in the process of modifying our water system operating permit to reflect new terms and conditions. They are:

- On or before May 31, 2015 complete filtration plant pilot testing;
- On or before August 31, 2017 obtain a permit to construct the water filtration plant, disinfection processes and all necessary works to meet the Surface Water Quality Treatment Objectives;
- On or before August 31, 2018 construct and commission a water filtration plant and all necessary works; and
- On or before August 2021 add a secondary primary disinfectant, if deemed necessary.

Water Treatment Plan (Continued)

Although a new reservoir is not a requirement of Island Health, UBID’s plan calls for construction of a new reservoir by the end of 2023.

The following table outlines two options to fund the infrastructure costs. Both options project 3 - 5 new home starts each year (0.5%) and includes required contributions from capital reserves. Landowners will be asked to vote for approval of one option on January 24, 2015. More detailed information will be provided to landowners in the comings months.

Options	Projected Increases in Parcel Tax Rates (Over next 10 years)	Primary Advantages	Primary Disadvantages
Annual modest increases to parcel tax rate, use of capital reserves and with long-term borrowing	Parcel tax rates increase annually by a couple of dollars, going from \$330 in 2014 to \$345 in 2023. 0.5% increase in parcel taxes (Year over Year)	Minimal increases in future Parcel Tax Rates levied on Landowners Would allow for funding to be set aside for other necessary capital works (e.g. water distribution line reinvestment / replacement)	Greater reliance on long-term borrowing and potential risks due in part to potential fluctuations in future interest rate.
Fund by parcel taxes, use of capital reserves with no borrowing	Parcel taxes increase by about \$10/year, from \$330 in 2014 to \$431 in 2023. 3.01% increase in parcel taxes (Year over Year)	No long-term debt with the associated borrowing costs and no credit risks would be incurred.	Project would be fully funded by “current” landowners and not shared between existing and future recipients of these long-term assets.

Mark Your Calendar

▶ Special General Meeting and Water Filtration Funding Vote – January 24th, 2015



Board Approves Pilot Testing for New Water Treatment

The first step in implementing UBID’s water treatment plan is to conduct a month long pilot test of the DAF system determined to be the most appropriate filtration option. This trial run will tell us:

- The necessary parameters for specifications for the plant;
- Whether we will be required to install ultra-violet (UV) treatment in the future; and
- How we will need to handle and dispose of the solid sludge that will be skimmed off the water.

The fall / winter months are characteristically when we expect to see increased particulates in the water so this is the ideal time to conduct this pilot testing. Island Health is also now requiring that pilot testing be done before May 2015. Accordingly, the Board approved an expenditure of up to \$50,000 to commence pilot testing. At least half of these costs will be covered by unexpended funds available in UBID’s 2014 professional fees budget with the remaining costs to be funded either with a portion of the anticipated year-end surplus or from Public Works Capital Project Reserves.