

Landowners Update – September 2014

From the Board

This summer has been very busy at UBID with the following projects:

- Finalizing requirements for a Crown Land grant;
- Preparing the water works review and capital plan;
- Reviewing and updating UBID's current 5-year strategic plan;
- Exploring property options for a new fire hall and administration building; and
- Ongoing work with our legal counsel to address the school property legal issue.

We hope to be able to update landowners on many if not all of these issues later this fall.

UBID Agrees to Purchase New Equipment for the Fire Department

A self-contained breathing apparatus (SCBA) is the primary safety device worn by rescue and/or fire fighters to provide breathable air in an immediate danger to life and health atmosphere such as smoke or chemicals. WorkSafeBC, the National Fire Protection Agency (NFPA) and CSA Standards apply when determining whether such units are compliant.



UBID and UBFR have been discussing/reviewing the replacement of our existing SCBAs for about the past seven years. In 2010, it was determined that half of these packs were in fact industrial packs and thus not rated for fire service use. Later that year, a number of older but certified packs were therefore purchased second hand. Since then a number of improvements have been made to SCBA technology and we have also now concluded that our SCBAs are at the end of their useful life. But upgrading to new SCBA units doesn't come cheap.

At its July Board meeting, the UBID Trustees approved the purchase of 14 new SCBA units at a cost of \$109,368. Included in this cost are necessary upgrades to the UBFR's existing air compressor. These funds will be disbursed from the Fire Dept. Renewal and Replacement Capital Reserve Fund. With the withdrawal, \$222,691 remains in this fund which is largely earmarked for future fire hall/fire truck replacement. The Board has asked the Administrator to budget \$10,000 per year for the next ten years to be set aside for the eventual replacement of these SCBA's 10 – 15 years from now.

Snow Birds... Keep up-to-date with the happenings at UBID while you are away by ensuring UBID administration has your current e-mail address so we can forward your future water toll bills, parcel tax notices and Landowners Updates to you electronically. Contact Kevin at 250-335-2511 or admin@union-bay.ca.





A Mid-Year Landowners Meeting is being scheduled for Saturday, November 15th from 2-4 PM. Potential topics to be included are:

- Presentation of the 2015 Operating Budget
- UBID's Water Treatment Implementation and Financial Plans
- Other pertinent updates of interest

Bits and Pieces



Trustee Alan Webb has been appointed as UBID's representative to the CVRD South Sewer Project Technical Advisory Committee with Administrator Kevin Douville as his alternate. Trustee Anne Alcock has also been appointed by the CVRD to the Public Advisory Committee for this project as a landowner representative and not on behalf of UBID.



UBID has engaged the services of Sonya Jenssen on a short-term contract to assist with completion of the water filtration (4-3-2-1) plan submission to Island Health in addition to the overall water works review and capital plan.



As of August 4th, Langley Lake was 41 cm (16 inches) below the spillway and it was estimated that it will not drop below 3 feet before the fall rains come. Thus further water restrictions are not necessary. Prior to water meters the lake routinely dropped below 4 feet in the summer.

Fund Balance Report

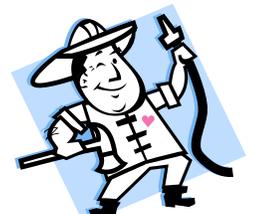
The Board now receives quarterly Fund Balance Reports from the Administrator for both UBID's capital and operating funds. The balances as of June 30th, 2014 are as follows:

Capital Funds	
Public Works Capital Expenditure Charges (CEC) Reserve	\$221,873.95
PW Renewal & Replacement Capital Reserve	\$312,838.86
Fire Dept. Renewal & Replacement Capital Reserve	(*see note below) \$332,059.74
Operating Funds	
Public Works Operational Equipment Reserve	\$15,000.00
Fire Dept. Operational Equipment Reserve	\$15,000.00
Information Systems Reserve	\$4,947.00
Operating Contingency Reserve	\$99,289.12
Operating Bank Balances	
General Operating Bank Account	\$215,842.96
Quick Access (for small operating expense debit purchases)	\$520.04

(Note - \$109,368 was removed for SCBA equipment in July. The remaining balance in this account is \$222,691)

Answer the Call

Union Bay Fire Rescue is seeking community-minded individuals who work and/or live locally and are ready to answer the call by becoming a volunteer firefighter or first responder. Please call Fire Chief Mark Jackson at 250-335-2345 to find out more about this challenging and rewarding opportunity.



Engineer Proposal for Water Treatment Endorsed by the Board



The Drinking Water Protection Act requires that all water supply systems in BC provide potable water and furthermore that drinking water originating from surface water sources must be disinfected. Island Health (formerly known as VIHA) issues the water system operating permit that enables UBID to withdraw water from Langley Lake for distribution throughout the community. As a means for implementing this legislation, Island Health adopted a policy in November 2007 (commonly known as the 4-3-2-1 water filtration / treatment) that applies to water systems serving 500 or more persons per day.

UBID first planned to install a water treatment system in 2006 however this plan was put on hold until the amount of expected development in the Improvement District was better known. In June 2008, the Vancouver Island Health Authority (Island Health) issued a request for UBID to advise of its plans to comply with the 4-3-2-1 filtration requirement. The 2008 plan included the construction of a water filtration plant in conjunction with Kensington Island Properties (KIP). In August 2010, UBID's operating permit was amended to include plans for and construction of a new water treatment system. The current water license requires that UBID:

*Complete engineering design for a water filtration plant(s) and obtain a construction permit from Vancouver Island Health Authority Public Health Engineer by **September 30th, 2014** and complete construction of the water filtration plant(s) and commissioning of the works by **December 31st, 2015**.*

In the event that KIP does not proceed in a timely manner, UBID must obtain approval from Island Health for a new plan. Accordingly, UBID has been working with our engineers, Koers & Associates, to develop a water filtration implementation plan for submission to Island Health. This plan forms a significant part of UBID's overall review of its waterworks system and long-term plans.

At its July 16th Board meeting, the Trustees endorsed recommendations for a phased approach that satisfies regulatory requirements within a reasonable time frame and allows UBID to keep advancing the water treatment plant project at a rate which can be accommodated financially. The plan includes dissolved air flotation (DAF) to remove particulates and microorganisms; ultraviolet disinfection (if deemed required) and construction of a new reservoir. The phased plan outlines the following steps:

Phase 1: Includes pilot testing, initial piping, site preparation, building construction and installation of equipment. The estimated cost for Phase 1 is \$1,786,000 and would be completed in 2018.

Phase 2 (if necessary): Includes installation of ultraviolet disinfection equipment, mechanical and electrical connections, controls and programming. The estimated cost for Phase 2 is \$234,000 and would be completed by 2021.

Phase 3: Includes construction of a new larger water storage reservoir to provide for fire protection, emergency storage and system equalization. The estimated cost for Phase 3 is \$954,000 and would be completed by the end of 2023.

Engineer Proposal for Water Treatment Endorsed by the Board (Continued)

By endorsing the Koers plan, the Administrator can now proceed to develop potential funding scenarios including revenue from taxation, short and/or long-term borrowing and use of existing capital reserves. We anticipate discussing this financial plan with landowners in November.

UBID has been meeting with Island Health to discuss our plans and, at this point we are optimistic Island Health will approve the new plan and issue an extension on the deadline for which a new treatment plant must be constructed and operational. (This would be our third overall extension since 2006). If such an extension is not granted, UBID could decide to continue providing water to Union Bay residents however we would be deemed in non-compliance of our operating permit thus would need to address a number of problematic liability and related issues.

Financial Planning

On July 25th, once again the UBID Trustees, Finance Committee and Administrator met to discuss the upcoming 2015 Annual Budget and to provide direction for a draft of this next year budget that will be presented for approval in October. Three principles continue to guide these discussions. They are:

- Additional funds must be put aside for both fire department and public works infrastructure;
- Water tolls must be sufficient to cover the full public works operating costs; and
- Ongoing efforts must be taken to reduce UBID's overall costs.

The Board re-affirmed its commitment to full cost recovery of water system operating costs and have set 2017 as the target date for full implementation. Over the next three years water tolls will need to increase by approximately 11% per year to achieve this goal. The term 'full cost recovery' simply means securing funding or "recovering" all of UBID's costs, including the direct costs of providing water and their associated overheads. Full cost recovery is a process and as operating costs increase so will the need to increase water tolls into the future.

Approximately 17% of all waterworks operating costs in 2014 are still funded by a contribution from parcel taxes, funds that should be solely dedicated for waterworks capital infrastructure. In 2013, 24.5% of operating costs were subsidized. For 2015, the base rate for water tolls is currently being proposed to increase from \$70 to \$78 bi-monthly with any comparable change in excess usage rates to be considered. Landowners should expect further modest increases until 100% of the operating costs are fully covered by water toll revenues. At the same time we will continue to seek out cost savings whenever and wherever possible.

Parcel taxes are also planned to increase in 2015 from \$330 to \$340 per year. All of these additional funds will be allocated to capital infrastructure reserves. At the November update meeting, landowners will learn about options for implementation of our new waterworks capital plan.

Some Dates to Note

- ▶ Fire Prevention Week – October 5-11, 2014
- ▶ Mid-Year Landowners Meeting – Saturday, November 15th, 2014
- ▶ Special General Meeting and Water Filtration Funding Vote – January 24, 2015

