

Landowners Update – January 2015

From the Chair



2014 has been a busy and productive year for UBID. Major accomplishments include the sale of the old school property back to the School District and completion of the Comprehensive Review of Public Works and Water Management in Union Bay. A significant portion of the review includes UBID's plans to meet Island Health's Surface Water Quality Treatment Objectives, which they subsequently approved and incorporated into new terms and conditions to our water system operating permit. Challenges for 2015 will include completion of the legal action related to the school property against the Notary along with the continued development of plans to move forward with water treatment and a new fire hall/admin building respectively.

Finally, it has been a great pleasure to serve on the Board with the other Trustees this past year. They always provide thoughtful input on issues, are willing to jump in to assist and as a team we come to sound business decisions. The Administrator has been central in moving plans and issues forward and we feel fortunate to have him managing the affairs of UBID. Thank you Anne Alcock, Marie Gaudreau, Bruce Livesey, Alan Webb, Kevin Douville and the staff.

Year End Allocations

In the 2014 annual budget, funds were allocated for capital reserve fund contributions. As such, at its December 17th meeting, the Board approved the following transfers to reserves:

Waterworks Renewal and Replacement Reserve	\$170,173.00
Fire Department Renewal and Replacement Reserve	\$157,000.00

Additionally, after the mortgage on the school property was repaid, and the fees and costs to complete this transaction were deducted, **\$200,000** was returned to the Fire Dept. Renewal and Replacement Reserve fund with **\$83,000** (net sale proceeds) being transferred to the Public Works Renewal and Replacement fund for anticipated capital equipment needs in the next couple of years.

Our capital reserve fund balances as at December 31st, prior to year-end interest allocations, are as follows:

Waterworks Renewal and Replacement Reserve	\$568,006.09
Capital Expenditure Charges Reserve	\$242,435.80
Fire Department Renewal & Replacement Reserve	\$582,623.07

Once the 2014 fiscal year is closed off, the Board will decide the allocation of any surplus funds.

It's Moving Time: *Back to Basics and Moving Forward in 2015*

Effective January 1st, 2015 UBID's administration office will be at the former Otter Sports & Cafe location at 5579 South Island Highway (on the corner of McLeod Road). The telephone number remains the same at 250-335-2511.



Taxes and UBID Revenues

It's the beginning of a new fiscal year which means it is tax time again. This provides a good opportunity to review where UBID gets its funds and what this means to you. There are four key sources of revenue comprised primarily of levies, taxes and charges.



These are:

Capital Expenditure Charges (CEC): A well planned water system should have built-in spare capacity in order to service future development. CECs are intended to help UBID cover the costs of providing, constructing, altering or expanding the current and future waterworks infrastructure needed to service those properties to be developed with water. Presently, a fee of \$8,900 is collected from a landowner prior to development of his/her property, assuming this fee hasn't already been paid prior, and upon submitting an application for water service to UBID. These funds are placed into a dedicated capital reserve fund that can only be used for capital works projects associated with the water system.

Water Tolls: Water tolls are user charges payable by all landowners in the District who receive water service and are intended to pay for the day-to-day operational and administrative costs of the system. These tolls are levied based on each landowner's actual metered usage of the service under two primary rates structures, residential and commercial. Effective January 1st, the base rate for two months of water has been increased to \$75 in an effort to continue moving towards full cost recovery of all operational expenditures from these water tolls by 2016.

Parcel Tax: Parcel taxes are often used in conjunction with user fees (i.e. water tolls) to recover the costs of providing water services. They are levied on any property that has the opportunity to be provided with a service, regardless of whether or not the service is currently being used. These taxes levied by UBID are used towards the renewal, replacement and capital costs of the water system and are not to be used to subsidize general operational or administration costs. However, a small portion of our water system operating costs continues to be subsidized by parcel taxes. Parcel taxes increase in 2015 from \$330 to \$340 for contributions to capital reserves.

Property Tax: A portion of your overall property taxes are collected by the Province on behalf of UBID and enable us to pay for the costs of providing fire rescue services and street lighting in Union Bay. Your property tax bill, which is calculated using an applicable "mill rate" set by the province and based on the assessed value of land and improvements, shows the tax rate and amount allocated for UBID. The amount we have requested for property taxes in 2015 remains unchanged from 2014.

For more information on 2015 fees and charges, please visit the Fees and Taxation page on our website at www.union-bay.ca.

Bits and Pieces



The Special General Meeting and Water Filtration Funding Vote that was to be scheduled for January 24th, 2015 have been postponed until a later date so as to provide UBID with time for further analysis and to compile more information.



On December 10th, the Board hosted a Christmas Social to recognize the ongoing dedication and contributions of our staff, Board Committee members and volunteer firefighters that support our community.

Fire Hall and Admin Building Construction Plan

This past year the Fire Committee has focused on two objectives. They are:

- Volunteer firefighter recruitment which has been very successful as six new members were recruited during the second half of 2014; and
- Investigating potential sites for a new fire hall. In the New Year, a special select sub-committee will be formed with the initial purpose of investigating and reviewing potential land options.

The following chart shows the planning steps for construction of a new fire hall and admin building.

	2015	2016	2017	2018	2019	2020
Initial Planning and Consideration	Dark Green	Light Green	Light Green	Light Green	Light Green	Light Green
Site Selection	Dark Green	Light Green	Light Green	Light Green	Light Green	Light Green
Design Phase – Engage Architect	Light Green	Dark Green	Light Green	Light Green	Light Green	Light Green
Communications and Community / Stakeholder Engagement	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green
Financial Analysis and Project Budget Preparations	Light Green	Dark Green	Dark Green	Light Green	Light Green	Light Green
Referendum Planning and	Light Green	Light Green	Dark Green	Light Green	Light Green	Light Green
Confirm Funding – All Sources	Light Green	Light Green	Dark Green	Light Green	Light Green	Light Green
Construction Contract Tender and Permitting Process	Light Green	Light Green	Light Green	Dark Green	Light Green	Light Green
Building Complex Construction	Light Green	Light Green	Light Green	Light Green	Dark Green	Light Green
Fire Department and UBID Administration Office Relocation	Light Green	Light Green	Light Green	Light Green	Light Green	Dark Green
Grand Opening	Light Green	Light Green	Light Green	Light Green	Light Green	Dark Green

Before You Burn

Everyone knows not to burn backyard debris when fire bans are in effect. But when air quality is bad, burning can be prohibited even when it is wet outside. The Fire Chief has reported that some residents have been burning without first checking the provincial Venting Index and thus are often making poor air quality issues worse.

Before you burn, please check the BC Ministry of Environment’s Venting Index website at:

<http://www.env.gov.bc.ca/epd/bcairquality/readings/ventilation-index.html>.



Upcoming Water Tolls and Parcel Tax Billings

January is a busy time of year for water tolls and parcel tax billings in Union Bay. As a reminder, please note this Landowner Update accompanies your January 2015 water toll bill which is due by Thursday, January 29th. Later on this month, you will then be receiving your Annual Notice of Assessment and 2015 Parcel Tax Invoice. Parcel Taxes can be paid either in a single lump sum or in two separate installments, with the due dates being February 26th and September 3rd respectively.

UBID Undertakes Pilot Testing of Water Filtration

On November 28th, a test piloting water filtration system provided by Corix Water Systems arrived here in Union Bay and a team comprised of Alan Webb, Bruce Livesey, Bill Alcock and a technician from Corix got busy installing and securing the plant. By the end of the day, the unit was in place with a temporary structure around it to keep it warm and dry. UBID's engineers (Koers & Associates) and Island Health visited the site and were pleased with the process, which ran full-time for 18 days (apart from a couple of power outages) and has provided encouraging results. The lab has been provided with samples for more detailed analysis and we are now reviewing those results. This experience has been invaluable for learning about the operation of the plant, the characteristics of the back flush water and resulting sludge and in considering options to minimize the need for an outflow discharge. The plant ran until December 16th and has now been shipped back to Corix and the building disassembled and stored.



KIP - UBID Water Infrastructure Agreement Update

Effective December 31st, 2014, the Water Infrastructure Agreement between Kensington Island Properties (KIP) and UBID automatically terminated as per section 2.7 (page 6) as the Phase 1 Works have not been completed and thus a temporary water treatment facility has yet to be constructed and become operational. UBID has still not received any formal confirmation and/or assurances of the status of this project, nor is there a written agreement in place at this time to extend the originally agreed upon time frame for the Phase 1 and Phase 2 Works. However, UBID has informed KIP that it is willing to meet to discuss a new mutually beneficial arrangement so as to provide certainty for both Union Bay and KIP over the long term.

With the approval of the Comprehensive Review of Public Works and Water Management in Union Bay report coupled with Island Health's approval of UBID's Surface Water Quality Treatment Objectives plan, the community is in a very different situation than it was 4 years ago when the agreement with Kensington was first signed.

1. UBID is in the final stages of securing a Crown Land Grant property on upper McLeod Road on which to locate a permanent water treatment plant;
2. The past three years of work by the Public Works Committee and the Board has provided invaluable insight into our community's needs, challenges and options for water treatment;
3. An affordable plan to pay for the required infrastructure has been developed and will not be onerous for landowners; and
4. UBID presently has \$568,006 in its Waterworks Renewal & Replacement capital reserves, with another \$242,436 in CEC reserves, and a process and commitment in place to continue contributions to these funds.

UBID's plan is based on construction of a water filtration (treatment) plant on the permanent site at the top of McLeod Road as the increased elevation will address at least two important issues plaguing our existing water system:

1. Water pressure for those living on the hillside will be increased and many of the pumps currently required will not be needed; and more importantly
2. Fire Flow Pressures in central Union Bay will be vastly improved.