

Union Bay Improvement District

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Landowners Update – January 2016



From the Board

The beginning of a new year is always a good time to reflect on the accomplishments of the past year. Two significant issues have required the attention of the Board. These are:

Although the Water Infrastructure Agreement between UBID and 34083 Yukon Inc. (Kensington Island Properties) expired on December 31st, 2014, there has been no success in reaching a new agreement. UBID and the Developer did meet on December 1st, 2015 however the Developer has chosen not to negotiate.

A settlement was reached regarding the final phase of legal action related to the old Union Bay Elementary School. This action arose from the original sale of the school property to UBID in 2007 and in particular the issue of the crown grant notation that continues to be on title of that property. UBID's original claim equated to just under \$855,000 and we ultimately received a total of \$740,000 from the two settlements, or 86.5% of the original costs claimed. All applicable legal fees incurred from 2007 until 2015 totaled \$122,015.

Additionally, the Board is pleased to report the following administrative projects undertaken in 2015:

- ✓ Consultation meetings with stakeholders such as Island Timberlands, MLA Don McRae and the Comox Valley Regional District (CVRD);
- ✓ Participation in the 2nd annual Comox Valley Community-to-Community Forum with Courtenay, Comox, Cumberland, the CVRD and K'ómoks First Nation;
- ✓ UBID appointed a representative to the Technical Advisory Committee of the South Sewer Project (Alan Webb), and the CVRD appointed Anne Alcock to the Public Advisory Committee;
- ✓ Reviewed and updated UBID's 5 -year Strategic Plan;
- ✓ Appointed members to the New Fire Hall Project Working Group for a two-year term
- ✓ Purchased a new Public Works' daily operations vehicle to replace the 12-year old Chevy pick-up that was no longer roadworthy;
- ✓ As committed in the 2015 Operating Budget, contributed a total of \$400,000 to our renewal and replacement capital reserve funds; and
- ✓ The 80th anniversary of our Fire Department was celebrated.

2016 Budget

With the New Year comes a new budget.



Although the water toll base rate remains the same at \$75 bi-monthly, excess water rates have increased slightly as the Board continues to move towards a commitment of full operating cost recovery water toll rates by 2017. The increase to water tolls reflects a 2.3% increase. Parcel taxes will also increase slightly from \$340 to \$345 per year as we continue to save for needed water infrastructure improvements and capital asset replacement. This reflects a 1.6% increase and allows UBID to budget a \$233,878 contribution to the Public Works Renewal and Replacement Reserve Fund in 2016.

There is no increase in UBID's property taxes allocation request for 2016. We have budgeted to contribute \$190,060 to the Fire Department Reserve Fund in 2016. Overall, the 2016 budget has increased by 1.13%.

Once the 2015 fiscal year is closed off, the Board will make a decision regarding the allocation of any surplus funds.



Question of the Month

Q: I've heard that all UBID would have to do to increase the amount of water in Langley Lake is to raise the dam by putting a couple of feet more dirt on top. Is this true?

A: Some old engineering reports suggested the Langley Lake dam could be increased by simply adding additional height on top of the existing dam. However this is no longer possible. Around the turn of the century, Langley Lake, at 500' elevation was dammed to supply Washer with water at 200 lb. pressure. An earth-fill dam was built with large timbers facing the toe side. Then a 10" pipe was laid to the Washer, crossing the 200' span at Canyon Creek. It was supported by a 100' high bridge that was only 5' wide. In 1912 the dam burst, flooding Chinatown and the colliery yards. The dam was re-built and is still in use today. New regulations and seismic requirements means a new dam would be necessary if additional height (and water storage) is needed. The cost of a new dam would be significant.

Year End Allocations to Reserve Funds



In the 2015 annual budget, funds were allocated for contribution to our capital reserve funds. These funds, which were transferred in December, totaled as follows:

| | |
|---|------------------|
| Waterworks Renewal and Replacement Reserve | \$217,014 |
| Fire Department Renewal and Replacement Reserve | \$183,028 |
| Total Budgeted Contributions to Reserves | \$400,042 |

As at December 14th, 2015, our capital reserve fund balances were as follows (inclusive of the above contributions):

| | |
|---|-----------------------|
| Waterworks Renewal and Replacement Reserve | \$873,645.46 |
| Capital Expenditure Charges Reserve | \$253,164.28 |
| Fire Department Renewal & Replacement Reserve | \$766,882.17 |
| Total Reserves | \$1,893,691.91 |

UBID Annual General Meeting

The 2016 Annual General Meeting will be held on Saturday, April 2nd, 2016 at the Union Bay Community Hall from 1:00 to 3:00 PM. The purpose of the AGM is to report to the landowners on activities of the past year and to elect two trustees, each for a three-year term. The trustee positions currently held by Bruce Livesey and Marie Gaudreau will be open for election.

If three or more candidates are declared at the **end of the nomination period on Friday, March 11th, 2016 at 4 PM**, an election will occur at the AGM with an advanced poll to then be held on Monday, March 21st from 2:00 – 7:00 PM at the UBID Administration Office. Final voting will occur at the AGM. A copy of the UBID Elections Policy (Policy 1-B-11) is available on the Bylaw and Policies page of the UBID website at www.union-bay.ca. Nomination forms will be available during the first week of February either online via our website or in person at the UBID office.

Persons interested in being a trustee must meet **all** of the following requirements:

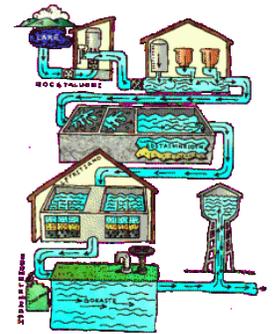
- A Canadian Citizen;
- Eighteen (18) Years or Older;
- A Registered Owner of Land on Title in the Union Bay Improvement District;
- A Resident of BC for the Previous Six (6) Months; and
- Entitled to be registered as a Voter under the Elections Act.

Individuals eligible to vote must meet all of the same requirements as persons who wish to run for office.



UBID Water Infrastructure Plans

The Drinking Water Protection Act requires all water supply systems in BC to provide potable water and furthermore that all drinking water originating from surface water sources be appropriately disinfected. The Board has approved plans for a phased approach that satisfies all applicable regulatory requirements within a reasonable time frame and yet allows UBID to keep advancing its 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 primary reservoir. This plan forms a significant part of UBID's overall review of its waterworks system and long-term plans undertaken in November 2014.



The phased plan outlines the following steps:

- Phase 1:** Includes pilot testing, initial piping, site preparation for a permanent location, building construction and installation of equipment. The estimated cost for Phase 1 is \$1,786,000 and would be completed in 2018. (Pilot testing was completed in January 2015.)
- 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.

The requirements of this plan have been embedded into UBID's water license by Island Health. Any potential participation from the Developer could move current estimated timelines ahead.



Parcel taxes for 2016 have been increased from \$340.00 to \$345.00 and notices will be sent out later in January. If paying in installments the first payment of \$172.50 is due on or before Thursday, March 3rd, 2016.