

VILLAGE POINT IMPROVEMENT DISTRICT

Minutes of the 42nd Annual General Meeting

Saturday, March 20th, 2021

The 42nd Annual General Meeting of the Village Point Improvement District (VPID) was held via Zoom

PRESENT:

Trustees: Mike Sywulich, John Glover, Al Maxwell, Doug Hill & Philippe Kruchten
Staff: Administrator Moira McCulloch, Manager Ian Cocker and Technician Phil Donnelly
Zoom Hosts: Philippe Kruchten & former trustee Don Enright
Property Owners: A total of 29 property owners attended via Zoom (which includes trustees and staff)

MEETING CALLED TO ORDER:

We start this meeting with the acknowledgement that we live and meet on the unceded territory of the Coast Salish peoples. May our words and actions always reflect our awareness and appreciation of this.

The meeting was called to order at 1:00 PM by Chair Mike Sywulich who reminded those present that this was the AGM for the year-end 2020. Trustees and Staff were introduced.

Mike Sywulich thanked former trustee Don Enright for the additional 6 months he spent as a trustee because of the COVID restrictions at that time to hold an AGM. Mike added that Don Enright had agreed to co-host the AGM Zoom meeting, and would monitor questions from the floor.

1. APPROVAL OF AGENDA:

MOTION: Moved by John Glover and seconded by Doug Hill to approve the Agenda. Motion carried. 100% poll response.

2. APPROVAL OF MINUTES OF THE 41st ANNUAL GENERAL MEETING HELD ON OCTOBER 16TH, 2020:

MOTION: Moved by Philippe Kruchten and seconded by Doug Hill to approve the Minutes of the 41st Annual General Meeting held on October 16th, 2020. Motion carried. 100% poll response.

3. BUSINESS ARISING FROM THE MINUTES:

There was no business arising from the minutes.

4. CHAIRPERSON'S REPORT – 2020 HIGHLIGHTS:

The 2020 Highlights were posted to the screen so everyone could follow the sequence of topics as Chair Mike Sywulich addressed them. Notably:

- New Well # 19:
 - drilled on Right of Way leading up to the Treatment Plant; Red Williams, drilling contractor, recommended lining the well shaft because of rocks tumbling into the well; the lining of the well had originally been scheduled for 2021, but Red Williams said it should be done immediately to prevent damage. Phase 2 of the well to be completed in 2021.
- COVID-19 Impact:
 - measures such as the wearing of face masks and physical distancing were implemented;
 - Meeting Bylaw 112 was revised to allow electronic meetings for the board and the AGM;
 - 2020 AGM was delayed until October 16th, 2020 and was held in the Adachi Pavilion under strict COVID-19 protocols.

- Water Consumption in 2020:
 - 5.7 million US gallons was used in 2020, an increase of 8% over 2019. It appeared that more homeowners chose to stay on Mayne Island to ride out the pandemic
- Trucked-in Water:
 - three truckloads of water were brought in. The unusually high summer water consumption reduced water storage levels creating concern leading up to what is traditionally a high-usage period over the Labour Day weekend. A further complication was that the water supplier had a 10-day waiting list, so unlike past years, water couldn't be brought in overnight if required. A decision had to be made rather quickly, so 3 truckloads were ordered ahead of time.
- Leaks in 2020:
 - 18 leaks were detected and corrected, 13 of which were on private property. The total water lost due to leaks was about 25,500 US gallons or only about 0.44% of our total water usage. Ian Cocker and Phil Donnelly continue to isolate and fix leaks in a very efficient manner. Leaks on private property are easier to find, because corporation and curb stops can be shut off. Leaks within the infrastructure are more difficult to find.
- Filtering at the Treatment Plant: fixed in January 2020
- Landowner Forum:
 - First ever Forum held in November 2020 with a summary report posted to the website. Next Forum scheduled for Saturday, May 8th at 11:00 am via Zoom
- 319 Mariners Way:
 - We continue to communicate with government officials over the issue of this property which is owned by the BC Government, and consequently, is not available for development and VPID are unable to collect taxes. This has been going on for a significant number of years and VPID has lost over \$6,000 in tax revenue as a result. VPID will continue to monitor this issue.
- Metering Committee:
 - was resurrected as of the AGM in 2020 and has been very active
 - Chair Mike Sywulich handed over to Trustee Al Maxwell, Metering Committee Chair, to report further
 - Al Maxwell said the committee met under the Terms of Reference agreed to by the board
 - name recently changed to Water Conservation & Metering Committee
 - committee member qualifications and skill sets summarized as: critical thinking, understanding of detailed work, budgeting and futuristic planning
 - Al Maxwell thanked the committee for its intensive commitments over the past 6 months, and introduced the current committee, namely trustees Philippe Kruchten and John Glover, and property owners Olivia Kajander, Avon Mersey, Mike Jones and David Boal
 - work has culminated in a full Committee Report, a Survey and an Executive Summary, all of which are available on the VPID website at vpid.ca
 - Three (3) Recommendations to the board have been enacted:
 1. Reduce consumption by 12% over 2020. That is, down to 55 US Gallons (210 Liters) per day per household *on average over the year and the entire district*. Al emphasised that there was not an expectation that individuals would hit the 55 USG mark
 2. Fact-checking and outreach over the upcoming year on water conservation (namely, the facts, asking the questions), current operations (namely, that we develop what the facts are from the questions property owners had on the survey or by asking us questions, and develop answers that have been posted to the website), and meters
 3. Put metering issue to a formal vote at the 2022 AGM, which gives the committee a year to gather information, and to try different metering options. Currently attempting to have three

companies provide us with testing meters, and although they have agreed, we have not received the physical items yet.

5. AUDITOR'S REPORT:

Chair Mike Sywulych reminded everyone that the full Audit Report was available on the website; that he had selected a few pages that would be shown on the screen:

- Statement of Operations: referenced information on this sheet regarding Sewer and Water would be repeated further on in his report with more explanation:
Amortization – typically VPID has not had to present amortization or depreciation as long as we continue to work in a financially prudent manner, particularly as we are still paying off bank loans and Interest on Long Term Debt. Figures that will be referenced further on in the report will include the paydown of the loans as well as the interest.
- Accounts Payable and Accrued Liabilities: The amount of \$8,000 in 2020 was carried over because the \$4,500 in 2019 for the cost of the audit report, had been understated
- Bank Loans: Mike provided details of the paydown on each loan, and commented that a significant amount had been paid down over the past 6 years, and that the difference between 2019 to 2020 showed a reduction of \$241,000.
- Accumulated Surplus (Debt): Operating Surplus and Reserve funds for Sewer and Water are shown here as a deficit because they do not take into account the bank loans. Mike to address this later on in the presentation, when the outstanding balance on the bank loans will be added. Note that the Operating Deficit has been reduced by \$28,348 this past year.

Q: David Boal asked: regarding depreciation and amortization – can be helpful in terms of estimating replacement costs. Is this true of VPID?

A: Chair Mike Sywulych replied: depreciation and amortization only came into play a number of years ago, so it had been basically ignored. Because VPID has been prudent in managing its affairs, the Ministry has not pushed the issue, but once the loans are paid off, there is an expectation that we will pay more attention.

6. MOTION TO APPOINT AUDITOR FOR 2021:

Chair Mike Sywulych commented that VPID had received good service from our auditor and suggested carrying on with the firm, and asked for a motion to approve the Auditor for 2021.

MOTION: Moved by Philippe Kruchten and seconded by Doug Hill that the firm of Paterson Henn CPA be appointed as Auditor for the year 2021. Motion carried. 100% poll response.

7. FINANCIAL RESULTS FROM 2020:

Chair Mike Sywulych commented that the results are presented in a similar manner as been used for a number of years:

- Sewer Operating:
 - Revenue pretty much on budget
 - Expenses down about \$5,000, in part because the septic fields were not flushed because of COVID-19 restraints, but it will have to be addressed in 2021, so expenses will be a little higher in 2021 as a result.
 - Consequently, there was a surplus of \$10,471 which brought the Accumulated Operating Deficit down to \$4,442. We are budgeting to eliminate the operating deficit in 2021.
- Sewer Taxes and Reserve:
 - Loan repayment of \$150,000, which brought the Reserve Fund down from \$133,000 to \$86,347. We ended the year above budget for Net Reserves.

- Water 2020 Capital Expenditures:
 - Well 19: \$9,512 over budget – thought we might only have to drill to 350 ft but had to drill to 440 ft. There were loose rocks in the shale that had to be drilled through and Red Williams, the driller, said the well should be lined to prevent damage from falling rocks. That means lining the well will not be a 2021 expense.
 - Well Pumphouses: put in filter systems to eliminate some of the manganese at source; very successful because the filters removed the manganese before the water gets into the green sand filters
 - Alarm System: if there is a sudden outflow of water due to an unusual event, an alarm will trigger on Water Manager Ian Cocker and Technician Phil Donnelly’s cell phones to identify that there has been a sudden surge of water, allowing them to investigate if it’s a usage issue, or a major leak. It’s been a real bonus to VPID; Ian & Phil did an excellent job installing it.
- Water 2020 Actual vs Budget:
 - Revenue on budget
 - Expenses a bit higher: “legal” refers to audit fees, which were a bit higher than expected, as explained earlier
 - Accumulated Operating Losses reduced by \$17,000
- Taxes and Reserve:
 - balanced through the year
 - repaid the sewer loan of \$100,000
 - Net Reserves at \$517 because more was spent on capital and operating expenses were higher than expected

8. BUDGET FOR 2021:

Chair Mike Sywulych explained:

- Sewer 2021 Budget:
 - Tolls remain the same as 2020 and taxes reduced by \$313 annually to reflect the reduced mortgage payments caused by the \$150,000 paydown and reduced interest rate
 - 55 properties paying taxes and 53 paying tolls
 - Capital Improvements of \$3,500 to remove problem trees from the west end of the Spinnaker Septic Field. This should have been done when the Spinnaker Field was being built. A very large dead Grand Fir was removed, plus a number of other trees
 - Targeting the elimination of the Operating Deficit by the end of 2021
- Sewer 2021 Budget (2020 Actual and 2021 Budget):
 1. Operating:
 - Revenue basically the same
 - Expenses slightly higher as a reflection of doing the septic field flushes
 - Were fortunate in 2020 that we didn’t have to replace any pumps, but have budgeted for that eventuality in 2021
 - Anticipating operating expenses to be about \$5,000 more than 2020
 - Net Operating will be about \$4,762 which will eliminate the Accumulated Operating Deficit leaving a Surplus of \$320
 2. Taxes and Reserve:
 - Nothing special to report other than the \$3,500 on tree removal, the Net Reserve will show an increase of about \$1,400
- Water 2021 Budget:
 - No increase in annual fees
 - 237 properties paying tolls, and 276 properties paying taxes

- Targeting the elimination of the Accumulated Operating Deficit of about \$143,000 in 3 years
- Pay off the Water Mainline Replacement loan which was expected to be about \$27,000 in April 2021. In fact, it will be slightly over \$24,000, saving us the mortgage payment for the balance of the year in the amount of \$13,500
- Capital Improvements:
 - a. Complete new Well 19: \$14,700
 - b. Spare filter for new filtering systems at well heads: \$800
 - c. Locate Corporation Stops: \$4,000. We recognized that there were a number of hidden corporation stops that had been the source of some frustration when dealing with a leak;
 - d. Well Standing Water Measuring device: \$500; helps determine what the effect our draining of the well has on the standing water
- Overall Taxes and Tolls remain the same at \$900 annually; tolls to be increased and taxes decreased by the same amount to reduce the Accumulated Operating Deficit
- Water 2021 Budget (2020 Actual and 2021 Budget):
 1. Operating:
 - Revenue up by about \$21,000 over 2020 to try to reduce the Operating Deficit
 - Expenses close to 2020
 - Net Operating expected to be close to \$40,000 which will drop the Accumulated Operating Deficit to about \$103,319
 2. Taxes and Reserve:
 - One can see the effect of reducing the taxes from \$92,634 in 2020 to \$66,240 for 2021
 - Mortgage on the RBC Loan goes from \$63,707 in 2020 to \$50,774 for 2021 which reflects the paydown of the remaining water mainline loan
 - We budgeted \$27,000 for the paydown of that loan, but it will be just over \$24,000
 - Capital Projects as previously mentioned will be in the range of \$20,000
 - Expect the Renewal Reserve Fund balance to be about \$112,000
 - Net Reserves will improve to \$8,700

9. QUESTIONS FROM THE FLOOR:

There were no additional questions from the floor.

10. ELECTION OF TRUSTEES:

Mike Sywulch explained that the Ministry of Municipal Affairs recommended that improvement districts spread out in-person interactions by holding elections separate from AGMs. Accordingly, the in-person election is scheduled to be held at the Adachi Pavilion, Dinner Bay Park between 1:00 -3:00 pm on Saturday, March 27th, 2021 and would be conducted with strict adherence to COVID-19 protocols. VPID have two trustee positions available, and three candidates, namely David Boal, former trustees standing for re-election, John Glover and Doug Hill. Each trustee candidate was invited to introduce themselves.

- David Boal:
Summary: Background in physics and chemistry; Professor at Simon Fraser for more than 30 years; issues worked on were astrophysics and biophysics; has participated in various art shows on Mayne Island; been involved on the Metering Committee and has enjoyed spending time at the treatment plant with Ian Cocker & Phil Donnelly; looking ahead in the short-term, trying to get a soil moisture measuring device interested in doing a soil inventory on Mayne and understanding the aquifer situation better. Looking further ahead, is concerned in the change in the building code coming in 2032 and the requirement that changes be net energy zero, and the ramifications of attempting to achieve that (David spoke in some detail about this as a possible Mayne Island Community

initiative). In conclusion, while David has administrative experience, his preferred interests are technical.

- John Glover:
Been a trustee for two years; been a vigorous learning exercise; had hoped to have more time but as a security management consultant, that was not always easy; enjoyed the time with fellow trustees and learnt a lot about the VPID infrastructure; brings critical thinking and consulting expertise that often helps solve the problem rather than throwing money and energy at it.
- Doug Hill:
Currently a trustee on the Village Point Improvement District and running for re-election; also a trustee on the Mayne Island Improvement District and the current Chair. Other Mayne Island activities include being a Duty Officer with the Southern Gulf Islands Emergency Program, and a member of the Mayne Island Lions Club. Background is as an Electrical Technologist, now retired; worked in the electrical power industry for over 44 years; spent more than 25 years as a board director on a very diverse number of boards; most significant contribution as a trustee over the past two years has been working with Ian Cocker & Phil Donnelly on the development of the leak detection alarm system, which alerts us when there is a large outflow from the plant. Expressed thanks to the staff, Ian, Phil and Moira for the great job they do. Want to urge people to come out to vote on March 27th.

Mike Sywulich encouraged everyone to vote on Saturday, March 27th, and said that a copy of the meeting package would be available should anyone want a copy; or to let the administrator know; that most of the information was already on the website; and encouraged property owners to make more use of the website.

A reminder of the Landowner Form scheduled for Saturday, May 8th, 2021 at 11:00 am via Zoom.

Additional question/s from the floor:

Q: Al Wallace asked: Could the election be postponed to arrange a mail-in ballot to accommodate property owners unable to travel to Mayne Island?

A: Administrator McCulloch responded: In recent discussion with the Ministry, we were told it had to be an in-person election. We would likely have to submit a new bylaw to include mail-in ballots

Chat: Rosemary Cornell: So change the bylaw today

Chat: Steve Fleck: Are there any not in person options for Trustee voting? We will not be on island next week?

A: Administrator McCulloch responded: in the recent discussion with the Ministry, concern was expressed about delaying elections and prolonging the period a trustee would have to serve beyond the term they agreed to initially. Two trustees agreed to stay on for what amounted to an additional 6 months in 2020 because the province would not allow any public meetings due to the COVID situation. This was offered, but at some cost to their personal plans. At that time the Province were reviewing various regulations to try to manage the changing situation.

Q: Al Wallace asked: did you explain the issue of non-resident property owners when talking to the Ministry?

A: Administrator McCulloch responded: Yes, I did.

A: Administrator McCulloch responded: To the question of writing a bylaw. A bylaw of this type has to be approved and registered by the Inspector of Municipalities and is currently taking about 3 months to be returned.

Q: Al Wallace asked: What about proxies?

Note that this question was not answered immediately, but addressed later on in the Q&A

Q: Lorne Yeudall asked: How many Corporation Stops are left to find?

A: Manager Cocker responded: Approximately 11. The contractor with the radar detection machine also identified a number on Dalton. The biggest problem with the Mariners leak was because the historical plans were not accurate.

Q: Lorne Yeudall commented: Some corporation stops on Dalton were frozen and Phil Donnelly had said not to close them.

A: Manager Cocker responded: I concur. Those on Mariners were easy to turn.

Q: Lorne Yeudall asked: Leaking mainline valves hinder leak detection. Are they still leaking? Should they be replaced?

A: Manager Cocker responded: No longer leaking. Replacement cost about \$3,500 per valve.

Q: Lorne Yeudall asked: is there a need for additional mainline valves to be installed to facilitate leak detection?

A: Manager Cocker responded: Additional valves are always useful. However, current installations are working very efficiently.

Q: Lorne Yeudall asked: Was the recent Mariners Way leak resolved by finding the corporation stops?

A: Manager Cocker responded: Yes. We can isolate a leak in 1½ hours at 2:30 o'clock in the morning. It's the door-to-door that takes the time, checking each curb stops. The leaking corporation stop line was the one that was buried, the leak lasted for 38 days, and 218,800 USG that never surfaced above ground.

Q: Lorne Yeudall asked: Do staff get salary increases and what percentage increase do they get?

A: Manager Cocker responded: Increase last September.

Q: Lorne Yeudall asked: is that annual? What is the percentage increase? Does it depend on the budget?

A: Chair Mike Sywulich responded: all staff are on an annual contract which is reviewed in October.

Q: Michael Jones asked: The question of a proxy wasn't explicitly addressed in the response. Could the question be clarified to members that voting by proxy is not available to us?

A: Chair Mike Sywulich invited Trustee Al Maxwell to respond: The issue was discussed with the Ministry some years ago, and published on the VPID web site. The reply hasn't changed. There will be no proxy votes. See website posting here: <https://vpid.ca/a-long-term-plan-for-village-point-improvement-district/>

Don Enright drew attention to a chat that had been posted and not answered:

Chat: Olivia Kajander: Are any of the exiting trustees up for re-election and willing to stay on until we can change the bylaws or be in a better position to travel to Mayne for voting or are the exiting trustees wanting to step down and that is why we need to have the vote next week?

A: Administrator McCulloch replied: a reminder to property owners that ID has to be provided in order to vote. Not certain how the identity of a property owner would be proved with a mail-in ballot. The voter has to be checked off the BC Assessments Roll Data. Not a 100% certain, but suggests that a mail-in ballot is probably not allowed for an improvement district.

Trustee John Glover identified that he was impressed with the qualifications of the other two candidates and was willing to step down, and that should be taken into consideration.

Chair Mike Sywulich responded saying that only he, John, could make that determination, and that all three candidates would be welcomed as trustees.

Trustee John Glover responded that the comments raised by property owners were valid and that he would formally step down as a trustee candidate to avoid the onerous issue of current provincial regulations.

Chair Mike Sywulich thanked Trustee John Glover and declared that David Boal and Doug Hill were ~~declared~~ elected as Trustees by acclamation. Each to serve a three-year term.

Chair Mike Sywulich thanked John Glover for his gesture and commitment to the VPID Board, and welcomed the new Trustee, David Boal and returning Trustee, Doug Hill.

Another unanswered chat question was noticed:

Chat: Steve Fleck: I have a more specific restriction question (which likely has history I am unaware of). Why

do we allow washing with hoses with nozzles, but not pressure washers. It would seem to me that pressure washers actually flow less water than a regular nozzle on a hose.

A: Chair Mike Sywulich replied: this is a question that has been given due consideration by the Operations & Compliance Committee. One of the issues with pressure washers is that they tend to be on for 3-4 hours at a time, that he's seen it and heard it, and a significant volume of water is used; that he personally uses his rainwater to power wash and encourages everyone to do the same thing.

ADJOURNMENT:

MOTION: Philippe Kruchten moved to adjourn the meeting at 2:09 PM.

Out-going Chair Mike Sywulich asked the Trustees and Administrator to remain on the Zoom call once the AGM was concluded in order to hold an Organizational Meeting, to determine the position of the Chair and Deputy-Chair, and members of the various Standing Committees.

MIKE SYWULYCH - CHAIR

MOIRA MCCULLOCH - ADMINISTRATOR