

VILLAGE POINT IMPROVEMENT DISTRICT

Minutes of the 43RD Annual General Meeting Saturday, April 23rd, 2022

The 43rd Annual General Meeting of the Village Point Improvement District (VPID) was held via Zoom

PRESENT:

Trustees: Mike Sywulych, Doug Hill, Philippe Kruchten & David Boal
Apologies: Al Maxwell
Staff: Administrator Moira McCulloch, Manager Ian Cocker
Zoom Hosts: Philippe Kruchten
Property Owners: A total of 18 property owners attended via Zoom
(which includes 4 x trustees and 1 x 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 Sywulych who reminded those present that this was the AGM for the year-end 2021. Trustees and Staff were introduced. Mike thanked trustees and staff for an excellent job done in the past year.

1. APPROVAL OF AGENDA:

MOTION: Moved by Philippe Kruchten and seconded by Mike Swyulych to approve the agenda.
Motion carried. 100% poll response.

2. APPROVAL OF MINUTES OF THE 42ND ANNUAL GENERAL MEETING HELD ON MARCH 20TH, 2021:

MOTION: Moved by Mike Sywulych and seconded by David Boal to approve the Minutes of the 42nd Annual General Meeting held on March 20th, 2021. Motion carried. 100% poll response.

3. BUSINESS ARISING FROM THE MINUTES:

There was no business arising from the minutes.

4. CHAIRPERSON'S REPORT – 2021 HIGHLIGHTS:

The 2021 Highlights were posted to the screen so everyone could follow the sequence of topics as Chair Mike Sywulych addressed them. Notably:

1. Well # 19 in operation:

Phase 2 of Well #19 was completed in May with the installation of a 1.5 hp motor and a pump capable of 10 gallons per minute, along with wiring and piping. Controls were placed in the Tank Farm container, saving the cost of a pump house. The well started up in July, producing 495,000 gallons through the summer months. As a result of the additional well capacity, no water was trucked in.

2. COVID-19 Impact:

COVID-19 continued to have a negative impact on VPID. The 2021 Annual General meeting was held via Zoom as well as many Board of Trustee and Standing Committee meetings.

3. **Water Consumption in 2021:**
Net household water consumption in 2021 was 5,119,000 US gallons, a decrease of 8.3% from 2020.
4. **Tank 2 Media Replacement:**
The media in the WesTech #2 filter tank required replacing in February after operating since November 2016. Unfortunately, problems in this tank recurred in November and the media will again be replaced in April, 2022. The cause of this problem is still under investigation.
5. **Major Leaks in 2021:**
13 leaks were detected and corrected, 11 of which were on private property. The total water lost due to leaks was about 358,800 gallons or 6.4% of our total water usage. The largest leak of 219,000 gallons was under Mariners Way and difficult to find due to hidden corporation stops. Three hidden corporation stops were found and the leak stopped without needing to dig up the road.
6. **Leaks on Private Property:**
A number of leaks occurred on private property while owners were away. The VPID Board of Trustees has revised the water distribution Bylaw 101 to allow for leak detection cost recovery when owners are absent for 48 hours or longer and did not shut off their water at the roadside. Those owners who are unsure about the procedure for shutting of water are asked to contact Ian Cocker at 250-222-0143.
7. **Metering Committee Accomplishments:**
The Metering Committee met 8 times last year. Accomplishments include the resurrection of the notice board in Village Bay Park, review of alternate types of meters, estimate of project costs, establishment of household water usage targets and a backgrounder in preparation for the water meter referendum held in January, 2022. An unintended consequence of the metering committee was that we started polling other water districts and realized we were asking questions we couldn't easily answer ourselves. As a result, we created an annual water report which gives us detailed information on one page. 262 ballots were submitted for the referendum, with 58.2% voting no. Consequently, the Board will not be pursuing the financing of water meters. We wish to thank the committee members for their diligence in the pursuit of water conservation.
8. **Landowner Forums:**
Two Landowner Forums were held in May and November, with 20 residents participating in the last one. The next Forum is scheduled for May via Zoom.
9. **Phil Donnelly Tribute:**
Sadly, Phil Donnelly, VPID technician, passed away suddenly on July 27th, 2021. Phil was well known in our community. Always ready to address system problems with unique and successful solutions. We miss his enthusiasm, friendship and love of life. At the end of the meeting, there will be a short slide presentation of some of the work Phil did, ending with Ian and Eleanor Cocker reading the "Ode to Phil" they wrote in tribute to Phil.
10. **Welcome to Rob Noyes:**
We are very pleased to welcome Rob Noyes to VPID. Rob began training in May to provide backup for Ian and Phil. Rob brings experience and a skill set developed from years at Home Hardware and has his EOCP for small water systems.

5. AUDITOR'S REPORT:

Chair Mike Sywulich 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:

- Item 6. BANK LOANS
 - "Water Mains Loan": \$27,778 was paid off in 2021
 - "Water Treatment Plant Loan": \$241,458 – the principle was reduced by \$37,719
 - "Sewer Absorption Fields Loan": \$238,135 – the principal reduced by \$27,843
 - With a net reduction in Loans of \$93,340

- Item 7. ACCUMULATED SURPLUS (DEBT)
 - Sewer Operating Fund: \$891 Surplus
 - Water Operating Fund: (\$88,371) Debt
 - Note that the Operating Fund is different from the Reserve Funds
 - Reserve Funds are for capital expenditures, mortgages, etc., and is funded by water or sewer taxes

- Item 8: RESERVE FUNDS
 - Sewer Reserve Fund shows a negative of (\$154,518), but add back the Sewer Loan of \$238,135, for a total of \$83,617 in the Reserve Fund
 - The same applies to Water
 - Water Reserve Fund shows a negative of (\$130,858), but add back the Water Treatment Plant Loan of \$241,458, the Reserve Fund balance becomes \$110,600

Mike Sywulich commented that the audit format changed this year, presenting Sewer separately from Water, making it easier to understand.

Amortization – as mentioned in previous years, 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.

- Statement of Sewer Operating Fund (Schedule 1)
EXPENSES
 - Interest on long-term debt - \$4,989: we usually add this to the reduction in the principal on the loans to total what we spend on the mortgages

- Statement of Water Operating Fund (Schedule 2)
REVENUE
 - Connection and Disconnection Fees - \$500
 - Interest, Penalties and Other Revenue - \$4,479

Mike Sywulich explained that there had been a significant increase in these two items because we began charging fees for a number of things, such as accounts receivable arrears, water connection and charging an administrative fee on property sales

EXPENSES

 - Interest on long-term debt - \$7,302: we usually add this to the reduction in the principal on the loans to total what we spend on the mortgages

In summary, Mike Sywulich said there were no surprises in the audit report, and no recommendations

as a result of the audit.

6. MOTION TO APPOINT AUDITOR FOR 2022:

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 2022.

MOTION: Moved by Philippe Kruchten and seconded by David Boal that the firm of Paterson Henn CPA be appointed as Auditor for the year 2022. Motion carried. 100% poll response.

7. FINANCIAL RESULTS FROM 2021:

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

- Sewer Operating:
 - Revenue on budget
 - Accumulated Operating Surplus of \$891 better than budget.
- Sewer Taxes and Reserve:
 - Capital Projects: spent \$602 less than budget
 - Net Reserves increased \$2,600 over last year
- Water 2021 Capital Expenditures:
 - Well 19: \$5,028 over budget; spent \$19,728 to finish well 19
 - Locate Hidden Corporation Stops: \$1,380 over budget; spent \$5,380 and more work to be done
 - Capital Spare Filters: \$29 over budget; spent \$829
 - Well Depth Measuring Device: \$160 over budget; spent \$660\$6,597 over budget, primarily because of Well 19
- Water 2021 Actual vs Budget:
 - A. OPERATING:
 - Revenue:
 - Just under \$7,000 above budget
 - Expenses:
 - Hydro
 - Doug Hill noticed we were paying a higher rate for the treatment plant account than on other accounts; he wrote letters on our behalf and as a result Hydro revised the rate for the treatment plant; 2021 Hydro expense was significantly reduced as a makeup for overbilling in previous years.
 - Operating & Contingency: considerably less than budgeted; this item can be easily blown by one road crossing issue, for example, a water line breaking beneath the road, resulting in having to dig up the road, then repairing the road and repaving it.Total expenses \$8,000 less than anticipated
Accumulated Operating Losses reduced by \$54,669, an improvement of \$15,000 vs budget.
 - B. TAXES & RESERVE:
 - Loan repayment to RBC - \$5,000 less than budget
 - Capital projects - \$6,597 over budget

- C. NET RESERVE:
 - \$21,700 better than last year

8. BUDGET FOR 2022:

Chair Mike Sywulich explained:

- Sewer 2022 Budget:
 - Taxes and Tolls remain the same as 2021
 - 55 properties paying taxes and 53 paying tolls
 - No Capital Improvements planned
 - Targeting a small operating surplus to carry forward
- Sewer 2022 Budget (2021 Actual and 2022 Budget):
 1. Operating:
 - Revenue the same
 - Expenses anticipated to be \$2,222 higher than last year
 - Accumulated Operating Surplus will be raised to \$4,003
 2. Net Reserve:
 - Net increase of \$3,112
- Water 2022 Budget:
 - No increase in annual fees
 - 276 properties paying taxes and 237 properties paying tolls
 - Targeting the elimination of the Accumulated Operating Deficit of about \$88,000 in 2 more years
 - Capital Improvements:
 - I. Well improvements: \$10,000
 - II. Locate Missing Corporation Stops: \$10,000
 - III. Storage Shelves in Treatment Plant: 3,000
 - Taxes and Tolls remain the same as in 2021. Target reducing the Accumulated Operating deficit by \$43,000.
- Water 2021 Budget (2021 Actual and 2022 Budget):
 1. Operating:
 - Revenue: not budgeting for a significant change in tolls; nor for interest, account receivable or connection fees; revenue will be down by \$3,959 over last year
 - Expenses: anticipated slight increase in hydro; \$6,000 increase in operations and contingency; total increase of \$7,490 over 2021 actual
 - Accumulated Operating Losses: bring it down to (\$45,150)
 2. Taxes and Reserve:
 - Opening R.R.F balance: \$110,600, \$32,956 less than 2021 actual
 - Taxes: remain the same
 - Mortgage on RBC Loan: (\$44,768), reduced by \$5,995
 - Capital projects: Budgeted at \$23,000 is \$3,597 less than last year

3. Net Reserves:

- Budgeted to be \$63,922, which is an improvement of \$41,693 over last year

9. QUESTIONS FROM THE FLOOR:

Bonnie Simmonds, 203 Mariners Way asked:

Air B&B and Short Term Rental, how many on the system? What is the enforcement policy?

Response from Mike Sywulich:

- VPID has 2 B&B's who let us know what months they are operational and we bill them double water tolls for those months
- VPID has 3 full-time rentals; no additional charges apply
- VPID also has 1 property that rents for 30 days or longer, so does not fall within a short-term vacation rental
- We investigated one property, but the property owner said they were not operating an Air B&B
- We understand that there is a moored boat being rented, but that is not within our jurisdiction

10. ELECTION OF TRUSTEES:

Nomination submissions closed on April 8th, 2022 at 5:00PM.

There are two trustee positions available, and two nominations received, namely Kevin McIntyre and Michael Jones. Their Bios have been posted on the web site. Each trustee candidate was invited to introduce themselves. In summary:

- Michael Jones:
I have been regularly visiting Mayne Island since 1980, when my in-laws built a home on Leighton Lane. In 2010 my wife Linda and I bought this house and it is now our principal residence. I am a retired academic, having spent 23 years as a professor of "Fisheries" at a US university, mostly working on Great Lakes fishery management issues. During 2020 and 2021, I served on the VPID metering committee and helped with research to inform our thinking about pros and cons of individual household meters. My primary interest in joining the VPID Board is to help promote water conservation in the district to protect our valuable aquifer.
- Kevin McIntyre:
Kevin McIntyre is a retired insurance broker, and was CEO of Underwriters Insurance Brokers and of Guardian Risk Managers. He is a graduate of BCIT and the Insurance Institute of Canada. He currently sits on the Board of BCAA, where he chairs the Finance and Investment Committee. On Mayne Island, he is the Chair of the Board of Mayne Island Assisted Living Society. He previously served as a corporate director of both ICBC, and of Optimum West Insurance Company. Kevin is a past president and past chair of the Insurance Brokers Association of BC. He has also been certified as an expert witness by the Supreme Court of BC on insurance matters and assists various lawyers with several cases a year.

Both trustees commended the board on the professional and business-like manner in which they conducted meetings as well as the district itself, and that they looked forward to becoming part of the board and learning more about the district.

Mike Sywulich declared that Kevin McIntyre and Michael Jones were elected as Trustees by acclamation. Terms of office to be addressed at the Organization Meeting which will follow immediately after the AGM.

Additional question/s from the floor:

None received

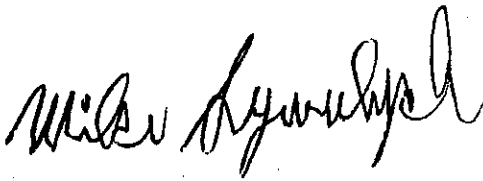
11. A TRIBUTE TO PHIL DONNELLY:

A slideshow of humorous, interesting and poignant photographs was shown, followed by Eleanor & Ian Cocker reading the "Ode to Phil" they had written. It was a sad, funny and altogether memorable ending to this AGM.

ADJOURNMENT:

MOTION: Philippe Kruchten moved to adjourn the meeting at 1:45 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