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MINUTES OF A MEETING OF THE WILDERNESS MOUNTAIN WATER SERVICE COMMISSION, held Thursday, October 28, 2021 at 1:30 pm, Goldstream Conference Room, 479 Island Highway, Victoria, BC

PRESENT: Committee Members: M. Hicks (Electoral Area Director) (Chair); L. Cutler; M. Lechowicz; D. Pepino (EP)

Staff: T. Robbins, General Manager; S. Irg, Senior Manager, Water Infrastructure Operations; D. Puskas, Manager, Capital Projects; C. Moch, Manager, Water Quality and Demand Management; L. Xu, Senior Financial Advisor, Financial Services; D. Dionne, Administrative Coordinator (Recorder)

EP = Electronic Participation

The meeting was called to order at 1:31 pm.

1. APPROVAL OF AGENDA

The following items were added to the agenda under New Business:

1. Correspondence from Island Health
2. Asset Ownership and Liability
3. Nomination Process

MOVED by D. Pepino, **SECONDED** by M. Lechowicz,
That the agenda be approved as amended.

CARRIED

2. ADOPTION OF MINUTES

The following corrections were made to the November 24, 2020 Annual General meeting minutes:

1. Under Item 4, add the words “the source water protection plan” after “Island Health” in the first sentence of the first paragraph.
2. Under Item 5 add the following paragraph after the first paragraph:

“On November 8, 2020, in a conference call with the Commission, staff recommended and the Commission agreed, not to move forward with the Investing in Canada Infrastructure Program grant application for treatment improvements. The Commission also declined to move forward with any other grant applications for the next year.”

MOVED by L. Cutler, **SECONDED** by M. Lechowicz,
That the minutes of the November 24, 2020 Annual General Meeting be adopted as amended.

CARRIED

MOVED by L. Cutler, **SECONDED** by M. Lechowicz,
That the minutes of the following meetings be adopted as circulated:

- November 24, 2020 Budget Meeting
- February 16, 2021 Meeting
- June 2, 2021 Special Meeting

CARRIED

3. CHAIR'S REMARKS

The Chair made no remarks.

4. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

5. COMMISSION BUSINESS

5.1. Wilderness Mountain Water Service 2022 Operating and Capital Budget

S. Irg spoke to the item. He advised that a letter from Island Health was received after the staff report was written. The letter, which was in response to a letter submitted from the Commission in August, reiterated the requirement to have a proposed timeline for bringing the service into compliance.

He outlined the 5 year capital plan for meeting the Island Health requirement as follows:

- In 2022 the first step is to prepare the conceptual design, estimated at \$50,000, which will allow staff to understand estimated construction costs.
- Once the construction costs are known, the next step would be to move to an Alternative Approval Process (AAP) in 2022.

Discussion ensued regarding Community Works Funds (CWF) and whether those funds could be used to cover the \$50,000 for the conceptual design. Staff confirmed that it could be used for that less any staff time which is estimated at \$5,000.

Discussion ensued regarding the implications of the letter from Island Health. T. Robbins stated that Island Health has put the onus on the CRD to demonstrate that the technology proposed will meet the provincial water treatment objectives and that the Capital Regional District (CRD) is still obligated to provide a response to the letter. Staff would like to respond by the end of the year showing the compliance plan which Island Health indicated in its letter is still outstanding from September 2020.

Discussion ensued regarding the need for an AAP or a referendum. Staff advised that, as set out in the Local Government Act, either an AAP or a referendum is needed in order to gain elector assent to have the electors/users approve the loan authorization bylaw to undertake the construction work. An AAP needs 10% votes against to fail, a referendum needs 50% votes in favour to pass.

The Commission questioned the need to transfer \$25,000 to the Capital Reserve. Discussion ensued regarding options to mitigate a large rate increase. Staff advised that if the Capital Reserve Fund continues to be cut, eventually there will need to be a transfer of funds, as the service will have no buffer funds to deal with any emergency issues or system failure. The Commission requested to withhold the transfer to the Capital Reserve fund this year in order to alleviate a large rate increase.

MOVED by L. Cutler, **SECONDED** by M. Lechowicz,

That the Wilderness Mountain Water Service Commission:

1. Amend the 2022 budget to reduce the contribution to the capital reserve fund from \$25,000 to \$0;
2. Direct staff to apply for \$45,000 from the Community Works Fund and that Project 22-02 reflect \$5,000 capital reserve funding and \$45,000 from Community Works Funding;
3. Approve the 2022 Operating and Capital Budget as amended, and that the 2021 actual surplus or deficit be balanced on 2021 transfer to Operating Reserve Fund; and,
4. Recommends that the Electoral Areas Committee recommend that the CRD Board approve the 2022 Operating and Capital Budget and the five year Financial Plan for the Wilderness Mountain Water Service as amended.

CARRIED

Opposed: Pepino

6. NEW BUSINESS

6.1. Correspondence from Island Health

This item was discussed under Item 5.1 above.

6.2. Clarification on Asset Ownership and Liability

The Commission requested clarification around assets that are not currently being utilized in the operation of the service and whether the community is still liable should something happen to it.

T. Robbins advised that Wilderness Mountain and all of the assets, whether they are in operation or not, transferred to the CRD. Although an asset is not utilized it is an asset that was transferred to the CRD as part of the dissolution of the Water Service. Unless there was negligence on behalf of the community, the CRD carries the liability associated with that asset. Staff to confirm with CRD's Risk Manager the liability around the unused Dam in Wilderness Mountain.

6.3. Nomination Process

The Commission asked about the nomination process with the Annual General Meeting's (AGM) being cancelled this year.

Staff advised that there is one vacancy on the Commission. The vacancy was advertised in the local papers and through social media. The public was invited to submit nominations for candidates. The nominations close on October 29. The nominees will be sent to the Electoral Area Director for review and to put a name forward to the CRD Board for approval. The CRD is reviewing the bylaws for an amendment in 2022 that would see an end to AGMs and put forward a different nomination process.

Director Hicks requested that staff send the nominees to him. He will forward the names to the Commission for them to provide input on who they wish to be on the Commission. Director Hicks would then forward the selected nominee to the CRD Board for approval.

7. ADJOURNMENT

MOVED by M. Lechowicz, **SECONDED** by L. Cutler,
That the October 28, 2021 meeting be adjourned at 3:08 pm.

CARRIED

CHAIR

SECRETARY