



Making a difference...together

MINUTES OF A MEETING OF THE Magic Lake Estates Water and Sewer Committee, held Tuesday, November 14, 2023 at 9:30 a.m., in the Goldstream Conference Room, 479 Island Highway, Victoria, BC

PRESENT: **Committee Members:** M. Fossil (Chair); J. Deschenes (Vice Chair) (EP); R. Fenton (Alternate EA Director) (EP); W. Foster (EP); D. Reed (EP); R. Sullivan (EP)

Staff: J. Marr, Senior Manager, Infrastructure Engineering; J. Dales, Senior Manager, Wastewater Infrastructure Operations; M. Cowley, Manager, Wastewater Engineering and Planning; L. Xu, Manager, Local Services and Corporate Grants; S. Henderson, Senior Manager, Real Estate and Southern Gulf Islands Administration; D. Robson, Manager, Saanich Peninsula and Gulf Island Operations; J. Kelly, Manager, Capital Projects; M. Risvold (recorder)

REGRETS: P. Brent (EA Director); A. Cyr

EP = Electronic Participation

The meeting was called to order at 9:37 am.

1. APPROVAL OF AGENDA

MOVED by R. Fenton, **SECONDED** by D. Reed,
That the agenda be approved.

CARRIED

2. ADOPTION OF MINUTES

MOVED by R. Fenton, **SECONDED** by D. Reed,
That the minutes of the September 12, 2023 meeting be adopted.

CARRIED

3. CHAIR'S REMARKS

The Chair made no remarks.

4. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

5. SENIOR MANAGER'S REPORT

J. Marr provided the following updates:

- Private property winterization. Capital Regional District (CRD) is running a campaign to inform homeowners within small water systems the benefits of winterization to try and avoid leaks during the cold season. Information has been shared on social media platforms and posters will be shared with the committee once they are complete. The information is also available on the respective CRD Drinking Water Systems webpages.
- Internal CRD grant opportunity. Staff applied for an internal grant for Growing Communities to upgrade the Capstan pump station. The grant was unsuccessful. CRD will continue to look for grant opportunities for water and wastewater service.

- Bylaw No. 4447. Staff discussed the Bylaw that outlines the committee's responsibilities. The committee is still responsible for the administration of the service and for reviewing and approving the draft budget.

6. COMMITTEE BUSINESS

6.1. Water Usage Statistics

J. Marr spoke to item 6.1.

Discussion ensued regarding:

- Current water rates
- Water conservation
- Water rate increase
- Rainwater collection

MOVED by R. Sullivan, **SECONDED** by W. Foster,
That the quarterly water usage rate for greater than 80 cubic meters be increased from \$1 per cubic meter to \$1.50 per cubic meter.

CARRIED

6.2. 2024 Operating and Capital Budget

J. Marr spoke to item 6.2.

Staff responded to the following questions:

- Why there is unspent labour. Staff advised the budget includes a contingency for added repairs and one-time maintenance. There is a surplus as it has not been used. As winter approaches, there is a possibility of events occurring that would require that labour.
- The retirement year for the debt summary in the report. Staff advised the retirement year shown in table 1 is the year the debt will be paid off.
- The difference between the Operating Reserve Fund (ORF) and Capital Reserve Fund (CRF). Staff advised the CRF is for replacing larger capital projects like the water treatment plant and pump station. The ORF is for operational activities such as reservoir cleaning, hydrant maintenance and watermain flushing. Operating is short term (year-to-year) funds, and capital is long-term (5+ years).
- Completion of the Buck Lake and Magic Lake adjustable intakes hopefully by the end of the year. Staff advised a contractor has been hired and they are waiting for Magic Lake water levels to increase. Levels are being monitored and construction should begin in late November.
- Budget for replacing the manhole covers. Staff advised some covers are aging and may need to be replaced in the future, but there is nothing imminent.

Discussion ensued.

Staff noted the water consumption rate that was changed in item 6.1 relating to the top tier water usage over 80 cubic meters and rates being increased from \$1 to \$1.50, the incremental revenue on water sales is approximately \$5,000. Staff do not recommend relying on that revenue in the budget as the rate increase is intended to be a water conservation tool. If the rate increase is effective, less people should be using over 80 cubic meters of water. The rate change will be incorporated into the Fee and Charges Bylaw which will be presented to the Board in December 2023. If the Board approves the bylaw, the new rate will be in effect. Staff do not recommend changing the budget projected revenue higher than \$22,000.

MOVED by D. Reed, **SECONDED** by M. Fossil,
The Magic Lake Estates Water and Sewer Committee:

1. Approve the 2024 operating and capital budget for the:
 - a) Magic Lake Estates Water System Local Service as amended and that the 2023 actual operating deficit be balanced on the 2023 Reserve Funds transfer (Capital Reserve Fund and/or Operating Reserve Fund); and
 - b) Magic Lake Estates Sewerage System Local Service as presented and that the 2023 actual operating surplus or deficit be balanced on the 2023 Reserve Funds transfer (Capital Reserve Fund and/or Operating Reserve Fund); and
2. Recommends that the Electoral Areas Committee recommend that the Capital Regional District Board approve the 2024 Operating and Capital Budget and the five-year Financial Plan for the Magic Lake Estates Water and Sewer Services as amended.

CARRIED

Staff responded to a question regarding the \$462,000 water operations CRF, and if the entire amount will be spent in five years. Staff responded yes, however, each year approximately \$40,000 is being added to the CRF with the budget. Staff also noted an upwards trend as there is some existing debt retiring which can be utilized and leveraged to build up the reserves. Existing debt will be retiring from 2025 until 2028. Discussion ensued.

6.3. Project and Operations Update

Staff provided a capital projects and operational update.

Discussion ensued regarding:

- Water conservation.
- Properties containing statutory right of ways for access to dam sites.

Staff responded to the following questions regarding the wastewater treatment plant upgrades:

- Environmental restoration. Staff advised environmental restoration will involve excavation, digging channels and ponds, placing wood debris and weirs to control the water going in and out of the area, and vegetation planting. Costs are currently unknown.
- Cost of additional outstanding work. Staff advised based on tender amount received, it is approximately \$1.5 million.
- If there will be any landscaping to hide the view of the plant. Staff advised once the plant is built, there are plans to add a re-vegetated berm in front of the plant facing Privateers Road.

7. CORRESPONDENCE

There was no correspondence.

8. NEW BUSINESS

The Chair advised there was a conversation on social media regarding a strong chlorine smell. Staff noted weekly testing is completed for chlorine residuals in the system and operational adjustments are made as required, noting slight operational adjustments can have a significant impact to the public. Staff requested the location of where the chlorine smell was detected so it can be investigated. Discussion ensued.

9. ADJOURNMENT

MOVED by D. Reed, **SECONDED** by R. Fenton,
That the November 14, 2023 meeting be adjourned at 11:37 am.

CARRIED

CHAIR

SECRETARY