

AGENDA
FOR THE ANNUAL GENERAL MEETING TO BE HELD ON
THURSDAY, APRIL 25TH, 2019 AT 6PM
AT THE
USCC Community Centre
GRAND FORKS, B.C.

1. CALL TO ORDER
 2. CHAIRMAN'S OPENING REMARKS
 3. ADOPTION OF AGENDA
 4. APPROVAL OF MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON Thursday April 26TH, 2018
 5. BUSINESS ARISING FROM MINUTES
 6. CHAIRMAN'S REPORT
 7. BOARD OF TRUSTEE'S REPORT
 8. ADMINISTRATOR'S AND WATER OPERATOR'S REPORT'S
 9. DISCUSSION AND APPROVAL OF ALL REPORTS
 10. REPORT OF AUDITORS, TREASURERS, FINANCIAL STATEMENTS AND 2016 BUDGET
 11. DISCUSSION ON REPORTS AND APPROVAL
 12. APPOINTMENT OF AUDITORS
 13. TRUSTEE HONORARIUM
 14. REPORT ON NOMINATION COMMITTEE AND ELECTION OF TRUSTEE
 15. NEW BUSINESS
 16. ADJOURNMENT
 17. REFRESHMENTS
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SION IMPROVEMENT DISTRICT
ANNUAL GENERAL MEETING
THURSDAY, APRIL 25, 2019
AT THE
U.S.C.C. COMMUNITY CENTRE
6140 HIGHWAY 3, GRAND FORKS, B.C.

1. CALL TO ORDER

In the absence of Chairman Ron Subotin, Vice-Chairman Larry Jmaiff called the meeting to Order at 7:07 p.m. Attendance: 17 landowners; 17 guests.

2. CHAIRMAN'S OPENING REMARKS

Vice-Chairman Larry Jmaiff welcomed everyone to the 56th Annual General Meeting of the Sion Improvement District, and introduced the Trustees in attendance: Roy Stevenson, Alex Padmoroff, Brent Heric and himself, Larry Jmaiff. He also introduced Dan Koochin, Administrator and Water Operator, and Edith MacAllister, Recording Secretary. Chairman Jmaiff noted that Chairman Ron Subotin was absent due to a recent injury and that he was recovering at home.

3. ADOPTION OF AGENDA

Resolved that the Agenda be adopted as circulated.

M/S/C: Larry Kurnoff/Kathleen Gabelmann

4. APPROVAL OF MINUTES, ANNUAL GENERAL MEETING HELD ON THURSDAY, APRIL 26, 2018

Resolved that the Minutes of the Annual General Meeting held on Thursday, April 26 2018 be adopted as circulated.

M/S/C: Curtis Shokoples/Kathleen Gabelmann

5. BUSINESS ARISING FROM MINUTES

Vice-Chairman Jmaiff called for questions arising from the last Annual General Meeting. Hearing none, the meeting proceeded to the next item on the Agenda.

6. CHAIRMAN'S REPORT

In the absence of Chairman Subotin, Vice-Chairman Jmaiff presented the following report on his behalf. extending thanks to the management of the Sion Board and to the new Administrator Dan Koochin. He went on to note there have been a lot of things happening, including saving some money, and that, overall, the operation is good and running in the black. That will be discussed with the financial statements later in the meeting.

7. BOARD OF TRUSTEES REPORT

Vice-Chairman Jmaiff read the Report of the Board of Trustees dated April 25, 2019, which covered a general statement, domestic water, irrigation water, water main flushing, administrative changes, and by-laws passed. A copy of the said Report is attached and forms part of these Minutes.

8. ADMINISTRATOR'S AND WATER OPERATOR'S REPORTS

Administrator Dan Koochin presented the Water Bailiff's Report, a copy of which is attached and forms part of these Minutes.

Administrator Koochin also elaborated on each of the points in his report. With respect to the possible combining of the Covert and Sion systems he explained that if it goes ahead Covert would become part of Sion and his responsibility would be to upgrade their system to our level and be compliant with all regulations. Discussion and questions followed, mostly concerning possible cost to Sion, non-compliance issues, and cost to existing owners. Mr. Koochin responded, in part, that the whole community is going to be extended and the economy of scale has to be considered. Covert has approximately \$50,000.00 and it is not going to cost Sion \$50,000.00 to join the two. He also said he feels the engineering audit will cost the most, and after that their pumps have to be upgraded as they are still at 480 and they have to be a 600 volt system and put on Sion's system.

9. REPORT OF AUDITOR, TREASURER'S FINANCIAL STATEMENTS AND 2019 BUDGET

In the absence of Sarah Kientz of KH Burch Kientz Inc., Chartered Accountants, Administrator Dan Koochin presented the Auditor's Report and Financial Statements.

Administrator Koochin noted that while Ms. Kientz was not at this meeting, she had been at the Board Meeting two weeks ago and based on what she said there is nothing out of the ordinary in our report. Based on our statement last year we continue to grow financially stronger. That is based on the amount of money we have in the bank, the accumulated surplus, and the reduction of the loan.

He went on to say that we have no major projects other than Covert, and the possible acquisition of the property by the flour mill if it is available.

This year there was a 2% increase which only reflects inflation. However, we have a healthy contingency fund which, possibly, could be about \$300,000.00 by the end of this year. Mr. Koochin also noted that, until three or four years ago, we broke even every year but now we have money in the bank and the loan is going down.

10. DISCUSSION AND APPROVAL OF ALL REPORTS

Following discussion, it was:

Resolved that the Chairman's Report, Board of Trustees Report, Administrator and Water Operator's Report, and the Report of Auditors, Treasurer, Financial Statements and 2019 Budget all be adopted as read and presented.

M/S/C Bill Heilimo/Larry Kurnoff

11. APPOINTMENT OF AUDITOR

Vice-Chairman Jmaiff noted that, as a result of a motion at the 2018 A.G.M., the Board researched for a new auditor. This resulted in going locally with KH Burch Kientz Inc. for \$5,000.00. This is one-half the cost of the previous auditors Grant Thornton. He went on to say that Sarah Kientz came to the Board meetings and discussed items with the Board, that she and her workers spent three days in the office, and made excellent reports. She was also at the Board meeting two weeks ago.

Resolved that KH Burch Kientz Inc. be appointed Auditors for the 2019 year.
M/S/C: Kathleen Gabelmann/Norm Chapman

12. TRUSTEE'S HONORARIUM

Resolved that the Trustee's Honorarium for 2019 be \$125.00 per meeting.
M/S/C: Kathleen Gabelmann/Mike Lederhouse

13. REPORT OF NOMINATION COMMITTEE AND ELECTION OF TRUSTEES

Vice-Chairman Jmaiff noted there are two (2) vacancies on the Board of Trustees, each a three-year term expiring for Brent Heric and Alex Padmoroff. The Nominating Committee is pleased to present the following names, each of whom has agreed to let their names stand for a three-year period: Brent Heric and Alex Padmoroff.

After calling for nominations from the floor three times, and there being none, Vice-Chairman Jmaiff declared the nominations closed, and declared the election of Brent Heric and Alex Padmoroff, each for a three-year term, by acclamation.

14. NEW BUSINESS

In response to a question regarding loss of power and water supply in the case of a wildfire, Dan Koochin responded:

(a) He had looked into this when the Stickpin fire happened in the States, the Regional District had provided a temporary generator for the Grand Forks Irrigation District, but since there is a river barrier we didn't get one;

(b) We are still considering putting in at least gen sets (generator connection apparatus) in the north pumps and one in the south. It's going to be an expenditure of about \$5,000 - \$6,000 per unit. That is so you can put a generator in and hook it up; right now you can't do that.

(c) Actually buying a generator is over \$100,000, they have to be maintained and they would rarely be used;

(d) The community would have to decide if it was worth such an expense;

(e) He believes it would be better right now to just install the generator connection apparatus. Then, if a generator is required, it could be brought in. This is just an apparatus, a receptacle, so you can plug the generator in.

In response to questions about the Covert system, the condition of their wells, and production, Dan Koochin responded:

- (a) Covert has three wells, one is a 16" bore. To drill a well like that at this time would be over a million and a half dollars;
- (b) One well is on a 150 h.p. motor, so you can expect 1500 gallons per minute; one has a 40 h.p. motor which could give you 300 - 400 gallons per minute; and one with a 10 h.p. motor that supplies domestic use in the winter time;
- (c) The wells are not compliant to standards. Costs will be involved to upgrade the electrical equipment and put a SCADA system in. However, they just revitalized their big well three years ago, at a cost of \$50,000. The bottom line is we all benefit in the long run.

It was suggested that the Board do a feasibility study to see where the bottom line is. Dan said we'll note that.

There was a question concerning water meters. Dan replied that he did a study last year on water metering. First of all, water meters cost in the neighbourhood of \$500. Secondly, as has happened in a number of communities in British Columbia, because of lack of use of the water it would become unsustainable. In order for sustainability they basically had to put on a base charge, just like Fortis does for electricity.

In response to queries about the Covert amalgamation, , government interest, and benefits, Dan Koochin responded:

- (a) Sion doesn't need Covert, but they approached us, and it is a good fit. No growth is not necessarily good, either;
- (b) We can probably get \$10,000 on our side and \$10,000 for Covert, to do a feasibility study, but that is it. All Irrigation Districts and all Improvement Districts are cut out of funding. In order for us to be funded we would have to immediately turn over our assets to the Regional District, who don't want us anyway. That is why only 15 of 200 other Irrigation and Improvement Districts decided to go because they are unsustainable. A lot of Regional Districts don't want them and they are not ready for that kind of capital investment.

15. ADJOURNMENT

The 56th Annual General Meeting being deemed to be completed, at 7:56 p.m. the meeting was adjourned by Motion of Mike Lederhouse.

15. ADJOURNMENT

WATERWORKS

WATER BAILIFF'S REPORT

The Board of Trustees and Water Users SION IMPROVEMENT DISTRICT

Ladies and Gentlemen!

Welcome to the General Meeting of the Sion Improvement District. It is imperative for our Improvement District to focus on the two specific qualifiers of change identified as Effective and Affordable. The challenges are abundant within the water industry. Water supply in the province has taken many new directions and will continue to evolve quickly under new legislation, regulation and public expectations.

Water conservation is extremely important and we ask that you only use what you are permitted and then what you require. It is beneficial to water smartly, not in the heat of the day and do not leave sprinklers running for extended periods of time in one place. It is also wise to consider water use in the home as water is a finite resource. The cost of providing potable water to you is increasing as always and if we use it wisely we can help keep the cost down.

Please do not plant or grow shrubs, hedges and any kind of trees near the mainline shut-offs of either irrigation or domestic valves. Serious injuries could occur during opening or closing, and all efforts to prevent this are a Work Safe BC - Workers' Compensation Board of BC requirement.

The district is always concerned about cross connections in the system. A cross connection can be as simple as a hose left in a bucket containing anything other than potable water. Please refer to the District's Irrigation System requirement on backflow prevention device as referenced in the Standard Agricultural Irrigation Connection.

Water conservation

New agricultural opportunities. Fruit trees.

Back flow preventer sales and presentation.

Covert explanation and foreseeable future benefits.

Economies of scale is the competitive advantage that large entities have over smaller ones. The larger the business, non-profit, or government, the lower its per-unit costs. It can spread fixed costs, like administration, over more units of production.

In conclusion, we would like to take this opportunity to express our appreciation to the Water Users, Board of Trustees, and our Staff and to all who have worked with us, for their help and support throughout the year.