

AGENDA
FOR THE ANNUAL GENERAL MEETING TO BE HELD ON
APRIL 26, 2018 AT 7:00PM
AT THE
BOUNDARY MUSEUM SOCIETY
6145 RESERVOIR RD
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 APRIL 27, 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 2018 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**

**SION IMPROVEMENT DISTRICT
ANNUAL GENERAL MEETING
THURSDAY, APRIL 26, 2018 at 7:00 PM
AT THE
BOUNDARY MUSEUM SOCIETY
6145 RESERVOIR RD, GRAND FORKS, BC**

1. CALL TO ORDER

Chairman Ron Subotin called the meeting to order. There were sixteen (16) landowners, and three (3) guests in attendance.

2. CHAIRMAN'S OPENING REMARKS

Chairman Ron Subotin welcomed everyone to the 55th Annual General Meeting and introduced the Attending Trustees:

Larry Jmaiff (Vice Chairperson), Roy Stevenson (trustee), Brent Heric (trustee) and Alex Padmoroff (Secretary).

Staff present:

Dan Koochin (Water Operator), Heather Smith (Administrator) and Cassandra Thomas (Bookkeeper).

3. READING OF THE NOTICE OF MEETING AND AGENDA

Chairman Ron Subotin read the Notice of the Meeting be adopted as read.

Motion: Resolved that the Agenda and Notice of Meeting be adopted as read.

M/S/C: Margaret Stevenson / Bill Danshin

4. ADOPTION and APPROVAL OF MINUTES OF THE LAST AGM

Minutes of the Annual Meeting held on Apr 27, 2017 were circulated.

Motion: Resolved that the Minutes be adopted as circulated.

M/S/C: Henry King / Margaret Stevenson

5. BUSINESS ARISING FROM MINUTES

Question asked by Land Owner A: Do we want to get into the backflow situation now or later in the meeting?

Ron answered: Dan will be discussing this later in the meeting. We have done a lot work with this since last year and will continue to work on this. We have until 2019 to complete this. Dan will be discussing this in the water operators report.

Question asked by Land Owner A: Will we be replacing the waterline regarding Ward Road?

Ron answered: That is on the agenda for repair.

Question asked by Land Owner B: I noticed we have less than half the people here attending this meeting, we came due to the email we got and noticed ad in newspaper but does this mean our neighbors didn't know about it otherwise?

Ron answered: Everyone should have received notice about the AGM with their Statements. I think a lot of the reason for high attendance last year was due to having to put backflow preventers in. This year's attendance size is more normal.

6. CHAIRMAN'S REPORT

Ron Subotin said we have had a really good year. We are maybe two weeks short of having every pump house, booster pump and above ground facility completely redone, rewired and revolted. Dan has done an excellent job. Even our little booster pumps have been put onto variable frequency drives so that we don't have our customers turning our water off and on like they use to. Notable improvements since last year. Our financials statement looks \$60,000 better than last year. We are in the process of looking into purchasing property in our district to put our own facility/office and shop/storage on. This would be more economical as we would not have to pay rent and own the property. Right now our office and storage are in different locations. We have more water than last year due to snow impact.

7. BOARD OF TRUSTEE' S REPORT

Trustee, Larry Jmaiff, read the Report of the Board of Trustee which is attached to the AGENDA for AGM. Larry Jmaiff wanted to add to what Ron Subotin was saying about the property we are looking to purchase. We have started discussions with the directors of the Grand Forks Flour Mill and the first thing they have to do is to have the Dept of Hwy easement decommissioned and added to their property. Dan is working out of a Seacan and this can be contrary to WCB regulations so we would like to change this as well.

8a. ADMINISTRATOR'S REPORT

Heather Smith, Administrator, read the Administrator's Report which is attached to the AGENDA for AGM.

8b.WATER OPERATOR'S REPORT

Stated in last year's Water Operator Report was that we used 100,000 m3 of water last year, this was an error there was 1.5 million m3 2017. We paid about \$3200.00 for that water. All the wells are registered now. This was implemented through our governing authority. The quality of water, no significant changes. With the exception of the South side, there is a extremely concentration of manganese and on the North side, calcium. Still healthy levels. There were four e-coli positive tests last year. This can be from a sample that was not handled with proper sterilization or the tap which the sample is taken from may be contaminated. Immediately it is retested and shows as no e-coli. If there is more than one e-coli present, then the system is contaminated and then needs to be shock treated with bleach into the reservoir.

Back flow preventers are being purchased especially for the agriculture stand pipes. Agriculture stand pipes are more at risk for the backflow contamination due to possibly losing pressure in the system which causes the water to get sucked back into the system. The goal is to put everyone in a data base to track serial numbers to know if they have been tested. Will implement a system to track by 2020. \$20-30 a test. This will be taken off in the winter to be tested.

We are planning on putting in legal Fire Hydrant in the North System Protection and Prevention discussion and planning.

Legal Hydrants in North System to provide for the fire trucks. We have three in the South. We are looking to set up Generator hook-ups ,one in the North and one in the South.

Booster Pump one is totally automated. Booster Pump two is almost completed, working to get totally automated as well

Future Planning and land usage: cherries/hemp etc...added agriculture will put more pressure on system in near future.

Scada monitoring of booster pump one, two, and three.

Total engineering audit of dated infrastructure.

In regards to the Ward Lake leak, there have been four leaks happen. One of the reasons can be the combination of PVC (thin walled) and Schedule 40 (thick walled). The plan is to replace 50ft on both sides with schedule 40.

Question by Landowner D: When you are fixing the pipes, is it more feasible to dig a new trench or dig up the old trench and replace the pipe?

Dan answered: We don't have a lot of room as we are on crown land- easement between properties so there wouldn't be enough room to dig a new trench.

Question by Landowner E: Do you recommend manufacturer and cost for the backflow preventers and who can install them?

Dan answered: I prefer the brand Zurn Wilkins, they are double check valve, they are the minimum standard that we need to satisfy the Interior Health. all the other manufacturers basically make them have to take the whole preventer off to get it serviced whereas the Zurn Wilkins you just have to take the guts out by removing 4 bolts and put new guts in. You can install your own. The 3/4" price is up to \$150.00 and 1.5" is just over \$400.00.

Question by Landowner F: What other communities have to put in these backflow preventers?

Dan answered: Interior Health has enforced this. This is to reduce liability.

Question by Landowner G: What about buying the backflow preventers in a large quantity, would this be less expensive?

Dan answered: We will not be doing this as we do not have time to track and order.

9. DISCUSSION AND APPROVAL OF ALL REPORTS

Question by Landowner H: Just looking at the Financials and it shows your budget for 2019 showing a \$ 85000.00 loss?

Heather answered: That is because of amortization, depreciation. It always shows as an expense even though it not an actual physical expense but as your assets depreciate in value just like your car would, it will be worth less so the way to lower the value is to enter it as an expense.

We also have a budget that we didn't have last year for the cost of that Pump house 1 upgrade this year plus the other upgrades Dan wants to do which is a significant amount of money.

So noted at the bottom is the Capital Expense of \$70,000.00, this is not repair and maintenance expense, it's actually upgrading your assets which will be included on the balance sheet.

Question asked by Land owner H: Are the Water rates going up?

Ron answered: Not sure. Power continually goes up. Tech repairs have gone down due to Dan's Qualifications. We are undergoing some job amalgamations which will cost less. Insurance was less as well.

Question asked by Land owner I: How will the new property, office and shop be financed?

Ron answered: We actually have been banking money (contingency fund) for the last 5 years. We have used this money to do a lot of improvements with our infrastructure and what is left in the fund will be enough to purchase of the property, office and shop. We don't plan to finance to do this.

Motion: Resolved that the Chairman's Report, Board Trustee's and the Administrator's, and Water Operator's Reports all be adopted as read

M/S/C: Michael Lederhouse / Bill Danshin

10. REPORT OF THE AUDITORS, COLLECTORS, FINANCIAL STATEMENT REVIEW AND 2018 BUDGET

Trustee Ron Subotin read the Auditor's Report on summarized consolidated financial statements. Statements available at the meeting.

MOTION: Resolved that the Auditors, Collectors Financial Statement and the 2018 Budget be approved as read and explained by the Administrator/Accountant

M/S/C: Michael Lederhouse / Chris Stanley-Jones

11. APPOINTMENT OF AUDITOR

Ron: Grant Thornton rates have gone up

Dan: We would like to try to deal locally

MOTION: Resolved that the Trustee's research a new Auditor for the 2018 year

M/S/C: Sam Semenoff / Henry King

12. TRUSTEE'S HONORARIUM

Land owner- Heilimo : I propose it be dropped down to \$100.00

Land owner:- Bill Danshin: I oppose the proposal and say it should stay at \$125.00, they are doing a good job

Motion: Resolved that the Trustee's Honorarium for 2018 be \$125.00 per meeting

M/S/C: Sam Semenoff / Edith McAllister/ All in Favor

13. NOMINATION AND ELECTION OF TRUSTEES

Trustee Larry Jmaiff reported that there is one (1) vacancy on the Board for a three (3) year term expiring for Trustee Roy Stevenson

The Nominating Committee presented Roy Stevenson who let his name stand after calling for nominations from the floor three (3) times, no names were presented from the floor.

Roy Stevenson is elected by acclamation.

14. NEW BUSINESS

No new business.

15. ADJOURNMENT

55th Annual General Meeting deemed to be over at 8:30PM.

MOTION: Resolved that the meeting be adjourned

M/S/C: Heather Smith / Cassandra Thomas

8. ADMINISTRATOR REPORT

Welcome to our 55th Annual General Meeting.

The 2017 year saw some changes made to our goal we had set for ourselves.

One project we had hoped to complete was the Pumphouse 1 Electrical Upgrade on Canning Rd. This was carried over from 2016 year and was included in our budget for 2017 year but did not happen. The projected costs have been carried over to this year's budget and work has already started this spring.

The real estate market has been busy in Grand Forks which resulted in a high turnover of land titles. We saw 24 land parcels changed hand in 2017 within the SION district. This trend seems to be continuing this year - so far we show 10 parcels sold and as some of you may have seen, there are already new agricultural developments happening on some of these parcels. This is good news for Grand Forks economy. But it does mean more water will be used so the electrical costs to keep the water flowing to more acreage will increase this year.

We had worked on the 2018 toll and tax bylaws in Nov of last year and kept the increase to approximately 2% over the 2017 rates. We are continually putting money aside in preparation for future upgrades to our infrastructures and for major emergency repairs that may occur. The Well#6 tax will be finished in the year 2021 – that will be the last year this tax will be charged.

Last year saw the implantation of the New Water Act to charge a 'water rental' fee. Our cost was approximately 3300.00 and it is expected it will remain close to that amount for this year.

We also saw an increase in the sale of backflow preventers as everyone begins to implement this Interior Health requirement which will come into effect sometime in the future. Dan will give further report on this later.

The website has been revised recently and now features a Contact Us section on the home page so it is easily available to anyone wishing to email SION with any questions they have. Our Water Analysis reports are being updated on the website along with the Current Domestic Toll and Irrigation Tax Bylaws. We know more improvement could be made with our website and we hope this improvement will be made.

Our bookkeeper, Cassandra, had left SION in Dec last year to upgrade her career with further education and an ad was place in the Gazette to replace her. This spring the Board of Trustees decided to not hire a replacement but instead to combine both the bookkeeper and the administrative position with the Water Operator position to reduce costs and further streamline their operation. I respect their decision and will be leaving SION within the next month.

In closing I would like to thank everyone for their co-operation, encouragement and kind words to Cassandra and I in our endeavor to make SION environment a better place for everyone. We enjoyed working with you and feel proud of the accomplishment we made in the reorganization of the office and accounting procedures since we took over in 2014 at the old USCC location in the basement.

We wish Dan best of wishes in his new position and hope everyone will continue to support him in his new role.

I will now turn over the floor over to Dan Koochin who will give you his report and comments on the previous year and what may be coming up in the future.

Thank you

7. REPORT OF THE BOARD OF TRUSTEES - APRIL 26, 2018.

GENERAL

Twelve (12) regular and Four (4) special meetings with the Trustees were held in 2017.

There is one (1) vacancy on the Board of Trustees being for Roy Stevenson for a three (3) year term. The nomination process for this position will be held later in the Agenda.

The SION IMPROVEMENT DISTRICT water system is supplied with fresh clean water by six (6) deep wells and does not need to use chlorine. Your water supply is tested on a weekly basis by Caro Environmental Services and meets Interior Health Authority requirements.

The Board of Trustees would like to thank the Landowners for their continued co-operation and continue with their efforts to make water sustainability and quality a top priority.

DOMESTIC WATER

As of December 31, 2017 there were 345 domestic connections being utilized. This includes 1 new connection made during the year for a new home.

IRRIGATION WATER

The total taxable acreage for irrigation stands at 937 acres as of December 31, 2017. It is estimated that approximately 70% of the total acreage is under active irrigation.

WATER MAIN FLUSHING

Flushing of the lines is required by the Interior Health Authority on an annual basis or more as may be required, this helps to retain the water quality for our landowners and we perform this task during the weeks of April 15 and October 15. While flushing in your area, you may notice a reduction in water pressure, and sediment or discoloration of the water.

BY-LAWS PASSED

By-Law No 143

"A By-law fixing Tolls and other charges payable to the District and the terms of payments thereof, and providing for a percentage addition to encourage prompt payment thereof.

By-Law No. 142

"A By-Law for imposing Taxes upon lands in the District and for providing for a percentage addition to encourage prompt payment thereof. "

The Trustees wish to thank our dedicated management and staff for maintaining the District's exceptional record of delivering safe, reliable and affordable water.

Ron Subotin, Chairman
Larry Jmaiff
Alex Padmoroff
Roy Stevenson
Brent Heric