

Union Bay Improvement District

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November 2009 Landowners' Update

KEEP INFORMED BY READING THESE LANDOWNERS' UPDATES; ASKING QUESTIONS BY PHONE – VARIOUS CONTACT NUMBERS OR IN PERSON AT THE OFFICE; ATTEND THE REGULAR BOARD MEETINGS AND THE ANNUAL GENERAL MEETING. ADDITIONAL SPECIAL MEETINGS ADD TO THE ALREADY INCREASING COSTS OF OPERATION.

The Special Meeting held on October 26, 2009 was attended by over 219 individuals. David McDowell presented information about the operations of the UBID, past and present and outlined the processes that are followed regarding questions put forward by landowners. The following is the information that was addressed at the meeting.

- Information about UBID is available on the website www.union-bay.ca, by attending at the office, contacting the office at 250-335-2511, contacting a trustee – David McDowell (Chair) 250-335-3205; David Godfrey (Public works Chair) 250-335-0717; Denis Royer (Fire Rescue Chair) 250-335-2411; Doug Geidt (Public Works) 250-335-1042; Alan de Jersey (Fire Rescue) 250-335-1197
- Regular board meetings are open to the public; delegations may make an appointment to present at the board meeting by contacting the office at least one week in advance of the meeting with details of the presentation.
- Closed meetings (in-camera sessions) are scheduled for each board meeting in the event that there may be information that needs the venue. Information discussed in closed camera will meet the criteria set out in the Community Charter.
- Parcel Taxes are \$200 per year. This will remain the same for 2010.
- Water Rates will be \$40 per bi-monthly base rate will include 15m³ of water. The new rates for 16-50m³ = \$.55/m³; 51-75m³ = \$.75/m³; 76-100 = \$1.00/m³; over 100m³ = \$1.50/m³
- Fire Protection and Street Lighting Tax Advance will remain the same for 2010
- Water Usage for billing period is 21,106m³ and average household usage 31.9m³.

Here are some of the questions and answers provided at the UBIB meeting on Oct. 26th:

Q. Under the current economic climate, does this board have any plans in place to hold taxes, parcel taxes and water rates to a non or minimal increase in the next fiscal year?

A. We will not be increasing the parcel taxes in 2010. Water rates are going up slightly, but only for those who use a lot of water. There will be no water rate increases for the majority of landowners.

Q. Is the board planning to raise the parcel tax to \$500 next year and if so, why?

A. No increase

Q How then does the UBID intend to pay for all the infrastructure upgrades that it is proposing and operating costs with only 636 hook-ups to bear these costs without substantially raising our taxes?

A. The infrastructure renewal and replacement and the installation of water treatment are legislated to be scheduled and funds accumulated to meet these requirements. In future, taxes may have to be raised to meet the time lines that are mandated.

Q. Water system service implications” report posted on the UBID website, it states that “overall systems upgrade costs cited as roughly \$4,000 per equivalent connection”. Does this mean that it will cost an additional \$4,000 for existing residents or just for new hook-ups?

A. The engineer has confirmed that it is \$4,000 for new hook-ups.

Q. The Union Bay tax base is mainly made up of seniors and those on fixed or limited incomes. Has consideration been made to these facts when setting forth UBID’s budget proposals?

A. We do not know that it is a fact that the tax base is mainly made up of seniors and those on fixed or limited incomes. Simply because you are a senior doesn't necessarily mean that you are in the low income bracket. Further, a fixed income can be a high or a low amount. A fixed income of 5-6 thousand per month may not be a burden. What we do take into consideration when we complete and draw up our budget proposals is the amount of disposable income.

Q. Why have taxes tripled in the past 9 years? What additional services have we received?

A. Assessment values set by the Province have impacted taxes and the increased costs for materials and operations contribute to increased living costs. You have not received a lot of additional services.

Q. Why do we, a tiny community, need a full time Administrator and two part-time Administrative Assistants?

A. To complete all the requirements of legislation, preparing and receiving water bills, record keeping, answering enquiries, and other administrative tasks. We are staffed similar to other Improvements Districts of our size that are providing similar services.

Q. Can you explain Union Bay parcel taxes comparatively to land owners in Courtenay Comox?

A. No. We don't know that answer.

Q. Water system service implications” report posted on the UBID website, it states that “overall systems upgrade costs cited as roughly \$4,000 per equivalent connection”. Does this mean that it will cost an additional \$4,000 for existing residents or just for new hook-ups?

A. We have confirmed with the engineer that it is for new hook-ups.

Q. Why is there a need for two full time staff to look after water?

A. We have two staff that looks after both water and public work concerns. We have more water problems due to aging infrastructure. In addition, cleaning around fire hydrants, Langley lake dam growth, meter reading, snow removal, and increased public demand all adds to the job description. Increased legislation and WorkSafe BC regulations mean many of the jobs require two workers.

Q. What is UBID’s policy regarding recruitment and selection of staff?

A. Our recruitment policy set in July 2005 states that under normal conditions, vacant positions will be advertised and a selection process to determine the best candidate for the position will be followed.

Q. Are there any plans in place to reduce staff or salaries at this time?

A. We do not have any plans as of this date. However, it is on the agenda for future discussion.

Q. How many new water hook-ups have there been within the UBID since 2000? What specific administrative needs, if any, have resulted from this increase?

A. 34 hook-ups - 34 meters to read, 34 more bills to send, 34 landowners to deal with.

Q. Which positions are the three newest and how were these positions posted and advertised?

A. Administrative Assistant in 2005; Public Works Superintendent in 2007; Public Works Superintendent in 2008. The first two positions were advertised locally and in the newspapers. The last position was not advertised. We hired back our previous Superintendent.

Q. Since the office is not open full time, what does the Administrator spend her time on to warrant full time?

A. Research, answering correspondence from various outside agencies, fulfilling trustee requests for information, reading and implementing various government legislated changes, supervising staff, answering inquiries, ensuring records are up to date, filing and typing of minutes, attending meetings, ensuring bylaws are up to date, filing required reports, completing and monitoring budgets, as well as numerous other administrative duties.

Q. How does UBID monitor staff hours?

A. The Administrator monitors all staff time with the use of time cards that are filled out by the employees. At present, the board does not formally monitor time spent by the Administrator

Q. Why is the year to date income and expense statements not included as an addendum in the UBID board minutes?

A. Financial reports are made annually to the landowners after records have been audited. The trustees are responsible for reviewing and accepting the reports. Financial information does appear in the minutes and is reviewed at the meeting.

Q. There appears a perceived impression of a conflict of interest involving representatives of the UBID?

A. Trustees are required to declare if a conflict of interest exists and to excuse themselves from discussions regarding that topic. We were not in any discussions with KIP regarding anything. So, no actual conflict was present at that time. There was some perception of conflict; however, the trustees followed the conflict of interest policies.

Q. What is the cost of the old school and how will it be paid for?

A. Cost \$700,000 through a five year mortgage at 5% per annum.

Q. How much is paid on the principal and how much on the interest? (for school property)

A. Approximately \$10,000 per year on the principal and \$25,000 in interest at 5% per annum

Q. Why does the UBID need a building that large to operate out of?

A. We do not need a building that large. The building was purchased for future fire hall requirements as well as an investment.

Q. If we got such a good deal on the school, why not sell it and use the profit to build a fire hall with office at the side?

A. The land was originally donated to the community and has a Crown Grant still in place, which means the property may not be sold with the Crown Grant on it. Plus the building has historic value that many landowners wish to preserve.

Q. How much money has been spent renovating and improving the school to date? How has this been budgeted?

A. Renovation costs: \$8,370. (full details were provided in the annual general report and are available on the website) Budgeting for this was provided under renewal and replacement in the fire rescue budget.

Q. What is the cost of the old school and how will it be paid for?

A. \$700,000, through a five-year mortgage at 5%

Q. Since the purchase, how much space in the building or land is being utilized beneficially and effectively or is this more than we need?

A. All of it is being utilized beneficially and effectively with lease income of approximately \$20,000 per year.

Q. What is the specific criteria to rent space in this building?

A. Nothing illegal, no alcohol, can't be a school board decides other criteria (i.e. noise factors) based upon application

Q Why did the board proceed with new revised fire hall plans when it was so recently rejected?

A. The majority of feedback pertained to the cost of the fire hall. The feedback was clear in having a fire hall. We do need a new hall to meet the standards set for operating a fire rescue service that meets all legislated and seismic requirements.

Q. Has the UBID approached Fanny Bay or Ships Point to explore efficiencies of joining services for fire protection?

A. A meeting was held in September with the Comox Valley Regional District and the Comox Valley fire chiefs to review joining services. It was acknowledged that the fire departments could not meet the 15 minute response time required by joining services.

Q. How has the UBID financed the \$130,000 plus costs of a new emergency first responder vehicle?

A. Funds for the new first responder truck were taken from the reserve fund. The actual cost was \$120,000.

Q. Is UBID considering paying for a full time chief and how will we afford it?

A. No.

Q. What are UBID's plans for a new fire truck, and how much will it cost?

A. A new fire truck cannot be purchased until we have a new fire hall. A new fire truck will be approx. \$250,000 - \$450,000.

Q. When and how was it decided our volunteer fire department would respond to traffic accidents and spend extra funds to do so?

A. Union Bay Fire Rescue has always responded to motor vehicle accidents. Auto extrication was added when Courtenay fire department donated the Jaws of Life. This was done to reduce response time for auto extrication in Union Bay.

Q. Is it true that the fire department purchased a 250 place setting of china, glassware and cutlery? If yes, how much did it cost and what is the intended purpose?

A. No - a 100 place setting was purchased for use when internal functions are held. Previously dishes, etc. were rented - Less than \$300 was spent.

Q. Approximately 5 years ago, there was a fire hall replacement fund. How much is currently in the fund and have there been any expenditure from it?

A. The current balance in the fund is \$31,028. Recent purchases include: 5359 South Island Highway property - \$200,000; 2005 DAKOTA Duty Officer's vehicle - \$25,000; and 2008 FORD First Responders Truck for \$120,000.

Q. To date the fire department has been called out 61 times. How many were for fires and how many for vehicle accidents and other emergencies?

A. 40 first responder calls - 11 motor vehicle accidents and 11 fire calls. We presently have 19 trained first responders in the department.

Q. When responding to a traffic accident, what are the firemen allowed to do?

A. Anything required within their expertise and training to assist and preserve life.

Q. When the proposal for a new fire station came about, it was stated that if UBID residents had to use fire protection from Courtenay the cost of our fire insurance would be \$3,500.00 or more for a \$500,000 home. I question this figure and would like to know what source was used for this amount?

A. The figures were obtained from Coast Country Insurance and several other insurance companies. Check with your insurance company for cost of coverage if fire protection is beyond 12 kilometers.

Q. Has there been any studies on the effect of water flow into Hart/Washer Creeks if the dam gets raised, or if more water is taken out of Langley Lake?

A. There have been numerous studies conducted if more water is taken out of Langley Lake. We are in the process of completing another study, called a Bathymetric Survey, to measure the capacity of the lake. We have not conducted any studies on the effect of water flow into Hart/Washer creek if the dam gets raised. Studies may be required if this proposal was considered.

Q. What upgrades does the UBID plan to do to our water system to make the water more usable to drink? (Example, removing a lot of bleach)

A. A water treatment system is planned which will remove organic matter from the water and provide disinfection to the accepted level for safe drinking water. The system will be approved by VIHA.

Q. What is the UBID planning to do about the excessive amount of peat in Langley Lake?

A. Nothing right now. In September 2009 a quote from Seaway Diving was obtained to have the floating peat removed. The cost was \$3,000 per day for labour and equipment. To dredge the lake and clear the cause of the peat was quoted at \$500,000 and would take 2 months. (Provided by Fraser River Pile Driving). We simply can't afford it right now.

Q. Taking into consideration that there are about 650 homes being serviced, we would like to know what has changed that we now can supply water to an additional 3000 homes projected by KIP?

A. Water meters have reduced the usage by two thirds. We are not supplying water to 3000 homes as stated. We are supplying water to 100 homes to start, and we will look at each stage whether to approve or not approve.

Q. Why this year being one of the hottest driest in recent record did we not have any water restrictions?

A. Every year recommended watering is suggested for summer conditions, with watering permitted on odd and even days from 7 PM to 7 AM. In 2005, a 'Water Conservation and Drought Management Plan' was implemented that sets the lake levels as the trigger points for water restrictions. In 2009, the levels of the lake were well above the first stage restriction level of 12 ft. for the whole summer. The lake did not go below 12 ft. 6 inches in 2009.

Q. I would like to know why we had to pay for our water meters when Royston got a grant and had to pay nothing and Cumberland also got a grant and don't have to pay installation costs?

A. Our understanding is that Royston did not get a grant for water meters. When meters were proposed for Royston in 1993 via referendum, it was defeated. Royston then set aside funds for meters that were accumulated year to year until sufficient funds were available to install meters. Cumberland is a Municipality and as such is eligible for infrastructure grants. If we were a municipality we would be eligible for infrastructure grants also.

Q. Has the board considered turning responsibility for services over to the Regional District as Royston has done?

A. No.

Q. What is the process that UBID has to decide on taxes?

A. Throughout the year the Board has planning and budgetary sessions to discuss our ongoing operating costs and our renewal and replacement costs. We obtain input from our Fire Chief, Waterworks Superintendent and previous year's information. We also consider what our reserves are at that time. We discuss what we need right now, what we think we will need in the future and what has been requested that we can do without for the year. We then have a budget meeting to allocate dollars to specific items or operating costs. Based upon our revenues, we determine whether or not an increase is warranted.

Q. Is the board considering changing the date of the AGM? If yes, why?

A. The date has not been set.

Q. What steps are taken to ensure that those of us who live in Union Bay have an opportunity to participate in decisions about capital projects?

A. Any person or group can request to make a presentation to the board at its regular monthly meeting.

Q. With the majority of union bay taxpayers voting against Union Bay becoming a municipality, why is the UBID proposing another vote on this issue?

A. The referendum lost by only 9 votes. There was misinformation appearing in the media prior to the referendum and this misinformation was not corrected. There are financial advantages to being a municipality. It would be wrong for the board not to seek ways to save the landowners dollars. Many are still interested in seeking municipal status. The landowners would still have the final decision if another referendum was held.

Q. With which law firm does UBID consult for legal advice?

A. STAPLES, McDANNOLD, STEWART, in Victoria, BC

Q. Could you please clarify what is meant between 635 property connections and (some properties have multiple parcels) 820. I'm confused, does this mean there are a total of 820 connections? Clarification is appreciated.

A. 635 is the number of the water connections for UBID, while 820 is the number of folio numbers on the assessment roll and some of the 820 properties have more than one parcel or PID#. Properties with more than one parcel may mean that the property could be divided and sold separately.

Q. Why was the following included in the response regarding questions being submitted? "Please be advised that your name and property address will appear on documentation for the public record."

A. To advise people of the responsibility under the "Freedom of Information Act".

Q. I was perusing the financial statements that are posted on the internet. I was wondering what "Occupancy" is?

A. *“Occupancy expenses” are rent, garbage collection, janitorial and property maintenance.*

Q. Where can the record of the board decision be found regarding the agreement to provide water?

A. *The minutes of the July 22, 2009 meeting are available on the website: www.union-bay.ca look under “Board Info”.*

Q. When will the terms of the KIP agreement (between UBID and KIP) be made public?

A. *We only have an ‘agreement in principle’ at this time. We are in discussions with Brian McMahon regarding water. The terms and conditions of the agreement will be made public upon conclusion of the CVRD agreement.*

Q. Did the UBID seek legal advice prior to signing the water provision agreement with KIP, and if so, what was the legal advice?

A. *Yes we did seek legal advice. It was appropriate to sign an agreement ‘in principle’ which would be replaced once the negotiations had taken place for the provision of the service.*

Q. Why was this decision not made public, what are the details of the Agreement and how will this impact current landowners?

A. *The Motion 2009-07-04 from the July 22, 2009 minutes states the agreement in principle. This is posted on the website www.union-bay.ca under Board Info. This information was sent on in a flyer as well as being included in the September billing. Landowners update on website under news and article on water available under water quality info. Details of an agreement will be addressed when the subdivision application is in process.*

Q. What are UBID's (hence the property owners) exact responsibilities to KIP?

A. *Provide careful considerations to a request to service the development with water.*

Q. Why did the water source for Kensington project change to Langley Lake?

A. *The regional district had determined that kip would use the water from the van lakes system. When it was determined that the van lakes system had inadequate resources of water Langley Lake was proposed.*

Q. If UBID supplies the Kensington project with water will the area taxpayers & residents be liable for the cost and upkeep?

A. *We are not responsible for the project costs. The upkeep will be the same as with all properties.*

Q. Who is advising UBID and the CVRD on the planning and financing of the KIP project?

A. *Nobody is advising the UBID on the planning and financing of the kip project. I can't speak for the CVRD.*

Q. Cost estimates were stated for the removal of peat build up at Langley Lake. Will KIP participate in this needed service and how much will this cost the taxpayers?

We don't have an agreement with KIP. Costs were explained earlier.

Q. It was recently stated that a bathymetric test was required for Langley Lake at the cost of approximately \$14,500. Since this is a requirement for KIP to determine whether there is sufficient water to supply their extended boundary development should they not have to pay the costs?

A. The study is being conducted as there is not one on file. It is to determine future water license considerations. It has nothing to do with KIP. An infrastructure grant has been applied for through the CVRD.

Q. With our aging and out-dated water pipes needing upgrading, what are the projected costs and will kip participate in the costs related to share pipes to the new development?

A. The infrastructure renewal and replacement plans are in place. Costs to the landowners were mentioned in a previous slide. KIP will be responsible to replace lines if necessary for increased flows or if required as part of their development.

Q. When KIP gets started how will it be charged for parcel tax?

A. The same as any other landowner.

Q. Has UBID considered an oversight committee to review all Kensington Development?

A. No, we haven't.

The Board of Trustees would like to thank the participants for bringing forward the questions and attending the presentation of the answers on October 26th.

Landowners are reminded of the following items which will help to reduce administration and operational costs:

- Keep meter boxes clear from debris, shrubs and other materials and ensure that vehicles are not parked on top of the meter boxes.
- Ensure that house numbers are large enough to be visible from the road and has adequate lighting – this aids in Fire Rescue personnel in the response time to your emergency.
- Ensure that invoices are paid in a timely manner to avoid additional administrative time and office expense costs in follow-up on the collection of fees.
- Clean chimneys on a regular basis to reduce the chance of chimney fires. Brushes are available at the Union Bay Automotive.

The next regular board meeting will take place in the Board Room at 5539 S. Island Hwy., Union Bay on Wednesday, November 18, 2009 at 7 p.m. If you wish to appear as a delegation a detailed request must be submitted no later than one week prior to the meeting.