

**NORTH SALT SPRING WATERWORKS DISTRICT
MINUTES OF TRUSTEES MEETING
HELD AT THE DISTRICT OFFICE
April 6, 2016**

PRESENT AT THE MEETING WERE:

Chairman	Marshall Heinekey
Trustees	Jeff Thompson, Denis Russell, Les Howell, Don Hodgins
District Manager	Ron Stepaniuk
Office Manager/Recording Secretary	Anne Williams
Environment Manager	Meghan McKee

Called to order at 9:32 am

This special meeting was called to deal with legal matters that the board agreed could not wait. Discussion was mainly *in camera* regarding the legal aspects of the District's moratorium, the legal ramifications of the Opus Dayton Knight report from the Islands Trust, and to discuss the principal of the wording of the legal agreements with lakeshore property owners. Once discussion ended the following decisions were reached:

1. MORATORIUM:

The Board of Trustees discussed relaxing the moratorium for all lots on the tax roll with the proviso that there is no increase in demand; i.e. no secondary suite or guest cabins and no increase in service size and no approval of subdivisions not previously agreed on.

The reasons for considering this change in position are as follows:

- NSSWD has a legal obligation to serve current properties on the tax roll and the Board of Trustees must exercise their fiduciary responsibility.
- NSSWD is facing unprecedented costs to build a new water treatment plant and raise the Duck Creek weir and needs to mitigate the cost of any further legal challenges.
- The District may have to go to referendum to obtain ratepayer approval for long-term borrowing to cover the costs of the Duck Creek weir project.
- The Duck Creek weir project timeline is now expected to be a 2018/19 completion.
- NSSWD does not have a mandate to spend ratepayers' money on works or development of water sources that are of no benefit to the ratepayers of the District (supplemental such as groundwater sources).

- The Board of Trustees is fully cognizant of the hardship on the ratepayers wishing to build homes now, but recognised that a precautionary approach was necessary particularly during the recent drought.
- Beginning with voluntary conservation in 2014 and especially during the drought summer of 2015 ratepayers demonstrated their willingness and ability to conserve water.

Staff made the following recommendations:

1. The moratorium be relaxed on St. Mary-served properties to provide a ¾" service to all properties for either a single family dwelling unit or single unit business currently on the parcel tax role upon application and payment of the applicable connection fee.
2. The moratorium stay in place for all requested increases to demand within the District boundaries. This includes subdivision of existing lots not previously approved by the District, secondary suites/apartments or cabins.
3. Refuse all new or other requests for water service.
4. Clearly and consistently articulate reasons for taking this position.
5. Continue to speak about water related issues wherever possible and work with any sister agency involved in this area.
6. Continue environmental monitoring to provide improved data for a review of the hydrology studies and continued defense of the District position.

After discussion two additional recommendations were added:

7. Continue to recommend and implement reasonable water conservation measures and strategies in accordance with our Water Distribution Regulation Bylaw.
8. Reinstate the moratorium in full if circumstances warrant in the future.

Motion: Dr. Thompson moved and Mr. Russell seconded that the Board accept the staff recommendations with the amendments and that the moratorium on St. Mary-served properties on the parcel tax roll be relaxed effective immediately.

Motion Carried

2. OPUS DAYTON KNIGHT (ODK) REPORT FOR THE ISLANDS TRUST

After discussion of the just-published Islands Trust commissioned ODK Report "*Water Conservation and Demand Management Plan for Salt Spring Island*" the board and management agreed that NSSWD cannot support the report. The report is misleading in its conclusions and not based on all the facts. The scope of the report, as noted numerous times throughout it, was not adequate to effectively determine demand vs. supply and in fact

erroneously states there is additional water available for growth. It is possible that such an irresponsible statement could impact the law suit currently in progress against the District, the Islands Trust, the Water Preservation Society and the Province. NSSWD had previously advised the Islands Trust of this.

During discussion it was also noted that the District has on several occasions expressed concern to Islands Trust staff and trustees about the scope of the RFP for the report, and expressed detailed concerns when the preliminary report was released. At that time, after a meeting with the LTC, it was understood that the Islands Trust had agreed that there was a problem with the findings in the report and that the District would have an opportunity to review the final draft before publication. This did not happen. In fact the Islands Trust did not even advise the District that the report was complete and published. It would appear that the Islands Trust is ignoring NSSWDs concerns. The Board and management also expressed the opinion that the Islands Trust do not appear to be acting in the best interests of islanders. Therefore it was agreed that the following actions would be undertaken:

1. A letter will be written to LTC Chair, Peter Luckham, expressing the District's opinion on the report and disappointment in the Island's Trust response to the District's concerns. The letter will also request a meeting with the LTC and IT staff at the District's office. The letter will be copied to the Ministry of Community, Sport and Cultural Development.
2. A letter will be written to Executive Directors of the Intergovernmental Relations & Planning Branch and the Infrastructure & Finance Branch, and the Director of the Infrastructure Unit of the Ministry of Community, Sport and Cultural Development requesting their advice on dealing with the issues the district is experiencing with Islands Trust.

3. AGREEMENT OF WORDING OF AGREEMENTS WITH LAKESHORE OWNERS

At the request of Fletcher & Co., the wording in the draft property owner agreements as drawn up by Fletcher & Co. in coordination with the district's lawyers, Stewart McDannold Stuart, and the overall approach to negotiations was discussed. Each agreement will be specific to each property, but the overall wording will be consistent, as will the approach to either financial or remedial compensation.

Motion: Dr. Hodgins moved and Dr. Thompson seconded that the Board agrees in principal with the wording of the draft landowner agreements and the recommended approach to negotiations proposed by Fletcher & Co. and Stewart McDannold Stuart for the draft Landowner Agreement documents.

Motion Carried

4. NEXT MEETING:

The **Annual General Meeting** is scheduled for **Tuesday, April 26 at 7:00** at Community Gospel Chapel.

The next regular meeting of the trustees is scheduled for **Wednesday, April 27, 2016** at 1:30 pm.

The meeting adjourned at 10:45 am.

Original signed by:

Marshall Heinekey, Chairman

Anne Williams, Recording Secretary/Financial Officer