

MILL BAY WATERWORKS DISTRICT AGM April 28, 2022

Report from the Chair for 2021

I am pleased to submit my report to registered landowners on the business of Mill Bay Waterworks District (MBWD), during 2021. It was an eventful year in which some of our earlier plans had to be curtailed owing to unexpected situations arising, and I will elaborate in the following paragraphs.

Our financial statements were prepared, once again, by the accounting firm MNP LLC who also performed the audit of our affairs. Their report is available on the MBWD website. We are in a good cash position with respect to our operations but continue to be concerned about the inadequacy of our reserves to meet capital renewal costs, given the significant content of aged asbestos cement (AC) pipe in our distribution infrastructure.

There has been no progress since I last reported to you, a year ago, on the licensing of both our existing wells and new well license applications. These licences are issued by the Ministry of Forests, Land, Natural Resource Operations, and Rural Development (FLNRORD) under the Water Sustainability Act. Last year, I boldly suggested that we hoped for progress in 2021; I'm making no such forecasts for 2022!

At last year's AGM, we spoke of replacing the AC pipe along parts of Noowick Road with work commencing during the summer. MBWD wished to replace the line in a new alignment, leaving the old AC pipe in the ground. This approach would have avoided having to tear out mature landscaping within the pipeline easement. Unfortunately, the Ministry of Transportation and Infrastructure (MoTI) insisted on the old pipe being removed, if it was no longer in use, meaning that we had to revert to replacement along the original alignment. These discussions with MoTI, along with our appeal against its decision, brought about a delay in the intended start date which would have meant construction occurring during the winter. The Trustees decided to postpone the start to the summer of 2022.

Meanwhile, later in 2021, MBWD was informed that MoTI was intending to upgrade Mill Bay Road beneath which lies AC pipe. This length of line is also a high-priority for pipe renewal. You probably appreciate that it is significantly less costly to replace the AC main along Mill Bay Road, before MoTI embarks on its upgrading, than it is to do so after such work has been completed. With insufficient financial reserves to be able to complete the work on both Noowick and Mill Bay Roads in the next two years, the Trustees had to reconsider the priorities and decided to proceed with work on Mill Bay Road, suspending further work on Noowick Road until funds are available for its completion. While MoTI is not forthcoming on its schedule for work on Mill Bay Road, MBWD understands the work could be started in the next few years.

By way of a footnote for residents along Noowick and Mill Bay Roads, if anyone is contemplating landscaping projects within the service easement at the front of your property, you may wish to put such plans on hold. MBWD, along with other utilities, is under no obligation to restore landscaping other than to re-seed the area disturbed by construction.

COVID continues to ravage our cost of living and that includes the cost of supplying water. For 2022, we have found it necessary to increase the base rate for our water tolls by 14%, with the higher demand tiers rising between 22% and 24%. We have also had to increase the parcel tax by 31.5% across all land classifications and I invite you to visit the MBWD website for an explanation as to why this was deemed necessary.

At the beginning of August, we lost the services of our District Administrator and then, at the start of November, those of the two remaining administrative staff. In December, Mr. Paul Carver joined MBWD as its District Manager. At the time of writing, I can advise that Ms. Rae-Ann Reitor joined our staff in January and a search has just concluded for a second, part-time administrative staff member, bringing us up to a fully functioning staff complement. Between August and the end of the year, we experienced significant challenges in staffing the office and I am particularly grateful to my fellow Trustees for stepping in with some administrative duties and in helping to find third party contractors to keep the organization functioning.

During these disruptions, we acknowledge that the quality of service was compromised and we apologize for any inconvenience caused. We believe we are more or less 'back to normal', as I write, and we will always welcome any questions or concerns you may have about your account. I would also like to acknowledge, with gratitude, our remaining staff: Mr. David Martin, Mr. Scott McCartney, Ms. Sandy Craddock, and Mr. Trevor Tallis, who were steadfast throughout this difficult period and delivered safe, high-quality water to our customers.

The staffing disruptions had further impacted our plans for 2021 in that we had to postpone the conversion of our financial records system from one software brand to another, more suited to an organization like MBWD. Further, it had been our intention to develop a strategic plan.

Looking ahead, we intend catching up on the shelved plans of 2021 and we will be ramping up our attention to the replacement of aging infrastructure.

Following the drought of last summer, and expectations of this pattern continuing, an initiative was launched by the water purveyors in the Cowichan valley to develop stronger water restriction guidelines. MBWD is taking part in this dialogue which seems to be heading toward a fourth stage of watering restrictions. While MBWD appears less exposed, because of its exclusive reliance on groundwater, the Trustees believe it is appropriate for MBWD to align itself with the other water purveyors in the region, when it comes to setting watering restrictions. Please watch our website for more information.

It has been a tough year but I can report that MBWD is in good hands. On behalf of the Trustees, I would like to thank you all for your understanding during the latter months of 2021.

Brian Young
Chair, Board of Trustees
March 2022