



First, I'd like to thank the members of the board (first names) that I've had the privilege to work with over the past three years as a board member and most recently as the board chair. As well a big thanks to Shelley who has looked after all the board members ensuring we are kept informed, on task and that we continue to represent the residents of Rayleigh as best we can.

- 2016 has been a very active year. We started the year and ended the year in negotiations between RWWD and CUPE 900. I am happy to say though, that after many meetings and finally through mediation we finally did come to an agreement at the end of November that I believe both parties were satisfied with and now have a contract that will take us to the end of 2018.
- In July of 2016, those that were making payments against the loan for the WTP, may have noticed you were no longer being invoiced as the terms of repayment concluded and we are very happy to report the WTP is paid in full and working very well. Residents will notice in the billing for July 2017 that they are no longer being billed the \$470.00 for the WTP Levy. 2016 was the final billing year for the levy. The loan for the WTP was paid off in 2015.
- We have an improved on our relationship with the City of Kamloops and have had success in a recent grant application that will allow us the funds to perform an asset study that began last week. The study will take some time to conduct but are hopeful that by fall of 2017 we will have a report on the system.
- The study will include valuable and necessary information pertaining to the river intake, water reservoir, infrastructure, septic fields and the WTP itself. Without this study we cannot move forward with future grant applications nor can we budget or plan accurately for repairs and replacement and management of these assets.

- Our agreement with the COK on water supply and charges for Rae-Mor Park expires at the end of this month (April 30, 2017) and we hope to begin negotiations on a new agreement shortly.
- As well over the past year, our Plant Management group from Corix Utilities, has recognized inefficiencies in our technologies, operations and staffing. By cost effective upgrades to our technologies we have seen a significant reduction in man hours and plant run times, but most importantly allowing our plant operators the time to work in the field performing regular inspections and maintenance that they previously could not do during peak demand.
- Lastly a little about our taxes and tolls. As you may already be aware, we have seen an increase in both taxes and tolls over the past couple of years and may see the same trend over the next couple years as well. We have now established positive cash flow and are generating enough revenue to cover the day to day expenses of the RWWD and its operation. This does not however allow us to build finance for future capital projects & contingency and as I'm sure our asset study will tell us, our systems are aging and we should expect costly repairs, replacement of systems and upgrades that we cannot cover with our tolls alone. But with more of that I will hand the floor over to our financial adviser from KPMG – Brent Ashby.