

**RAYLEIGH WATERWORKS DISTRICT
TRUSTEES' MEETING MINUTES (IN-CAMERA)
April 7th, 2020 (Tuesday) at 4:00 p.m.**

In Attendance: James Kowalchuk, Russ Hay, Ben Pregent, Glen Desjardine (on phone call), Brent Ashby (Skype/phone call), Sydney Emerson (on phone call)

1) **CALL TO ORDER** – Meeting called to order at 4:08p.m. by James Kowalchuk.

2) **MINUTES**- (Trustees to read their own copy)

Motion to approve March 10, 2020 Minutes

M/S- Hay/Pregent

Carried

3) **NEW BUSINESS**

➤ Audit discussion with Brent (Skype) at 4 p.m.

Brent asked about any updates on the business especially during to the coronavirus (COVID) situation.

James noted everything is alright in the operation with one temporary layoff, Michal Linthorne, but might have to reinstate depending on the discussion later.

Brent: Do you anticipate any issues with the septic upgrade project?

James: No issues so far. We received the initial confirmation that the borrowing bylaw 203 has been approved last week. Bids just got in and they look competitive, but awarding is yet to be done. Funds are secured with the bank. We are just waiting on when the construction will commence once the bid is awarded.

Brent: Moving forward, what is the impact on the operations?

James: There are so many things that are unknown, but we are hoping that residents, with the government assistance, will still be able to pay their essential bills like water and other utilities.

Brent walked us through some of the highlights of the financial statements (FS). KPMG issued a clean audit opinion for 2019 in the auditor's report. The 2019 financial position is relatively stable. Financial assets have gone up by about \$38,000 while total liabilities increased by about \$20,000 – net financial assets increased by about \$18,000. Non-current assets balance at \$3.016m with additions of about \$71,000 of which around \$60,000 relates to septic fields upgrade. Revenue is overall relatively similar to last year at \$768,000. Expenses went up mainly due to septic fields and reservoir maintenance, bringing the deficit to \$122,513, up by \$40,000 from last year. Deficit includes amortization of \$213,000 which is a non-cash expense. The operations generated about \$103,000 of positive cash, around \$71,000 of which was spent on capital expenditures and amount of \$30,000 was put into short-term investment – net increase in cash is at \$2,000. For the subsequent events, the RBC loan amount will have to be stated at approximately \$425,000, but this will later be confirmed after the meeting. Brent will revise and provide FS with updated RBC loan amount. Brent thanked the admin and the trustees for the assistance provided during the audit.

➤ Bid discussion with Sydney (Skype) at 4:30 p.m.

Sydney mentioned that there might be future cost of around \$30,000 for engineers' oversight and another invoice will be issued for the tender process. There was a septic upgrade cost from the work in 2019 of about \$70,000. KLL's bid of \$330,000 includes GST of 5% and \$50,000 contingency.

The issue on how to give the money back to the residents in case where there is an excess amount provided in the septic upgrade taxation bylaw was discussed. The excess can be returned to the residents as a way of credit to their account.

Motion to approve KLL's bid.

M/S- Pregent/Hay

Carried

- Mike Linthorne's (Mike) work status
James raised the matter on Shawn's proposal to get Mike back to work as there is a couple of jobs that will have to be done before the holiday season comes. Russ mentioned Joe is supposed to be the one to advise the trustees if this must be done. Russ and Ben see no issues with having Mike back, but Joe must decide on whether it is appropriate. James will talk to Joe again about this but might not be able to get Mike back in a couple of weeks from now.
- Discussion on status update of Ministry's approval of septic borrowing bylaw 203
Borrowing Bylaw 203 has been approved by the Inspector. Governance officer, Lisa Richardson, advised that we just have to wait for the notification from the Administrator, which might be sent to us sometime next week. We will wait for the Ministry's documentation and then TRUE (Sydney) can then award the bid to KLL.
- Royal Flush and consideration of newsletter items for 2nd quarter
James mentioned the issue on not having the time to discuss the newsletters before mailing out due to the billing being such a huge job. He has come up with the draft of the Royal Flush and the information on this year's AGM that he planned to be included in the upcoming newsletter and provided copies to Russ and Ben. Russ and Ben agree with the Royal Flush and AGM information to published in the newsletter.
- Huckleberry & IHA Formal Investigation –
Glen mentioned we have no issues with supporting the project if this is a 5-lot deal but there could be an issue with 7 lots due to our storage capacity. To meet the fire standards, RWWD would have to increase the storage capacity, the reservoir. We need to be able to meet the demand without requiring power. The revenue from those lots should go towards building another reservoir. However, since the City is reluctant in dealing with the fire hydrants, we might have some difficulty with getting them to build a reservoir. This matter is still in progress.
- 2nd quarterly bills payments in the recent COVID situation
We don't have the funds to float people, but we can do without a penalty because it's an encouragement to pay. However, due to the current situation, we understand there will be a shortage of pay. James suggested that we waive the penalty, but the interest will continue to accrue.

Motion to waive the penalty for late payment, due to COVID-19, for the remainder of the year 2020, subject to amendment upon further review.

M/S- Pregent/Hay

Carried

4) **ADJOURNMENT** – James Kowalchuk adjourned the meeting at 5:20 p.m.



Administrator



Chair of Trustees