

DEWDNEY AREA IMPROVEMENT DISTRICT

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Email : info@daid.ca Website : www.daid.ca

2014 ANNUAL GENERAL MEETING

Wednesday April 9, 2014 – 7.15 PM

Hatzic Prairie Community Hall, 10845 Farms Road, Hatzic Prairie. B.C.

MINUTES

In Attendance:

Doug McNeill (Chair)
Deb McKay (Vice Chair)
Steve Dimond
Ernest Loewen
Wayne Robertson
Peter Schalkx
Doug Sinitsin
Brett Vander Wyk
Ken Webb

Larry Wiens – project manager
Peter Hanslo – administrator and finance officer
Bruce Edwards – engineering consultant

Dorothy Phillips – electoral officer
Jennifer McAeown – polling clerk
Katherine McAeown – polling clerk

Absent:

Ron Beck – dike maintenance manager

Public attendance: 103 persons.

Call to Order:

Chair 7.20 pm.

Motion: To adopt April 9, 2014 annual general meeting agenda.
B. Vander Wyk/D. McKay.
Opposed: None. Abstentions: None. Passed unanimously.

Motion: To adopt February 26, 2014 minutes.
D. McKay/E. Loewen
Opposed: None. Abstentions: None. Passed unanimously.

Introductions: Chair introduced district board members, staff, the electoral officer and polling clerks to ratepayers.

ELECTIONS

Due to term expiry, the election of three trustees for:

Dewdney zone (1) Hatzic Lake zone (1) and Hatzic Prairie zone(1)
was initiated by electoral officer Dorothy Phillips. The process started with a call for nominees for each zone, then having nominees verbally confirm acceptance of their respective nominations followed by nominees' names being recorded on a chalkboard. Two candidates for each of Dewdney and Hatzic Prairie zones and only one candidate for Hatzic Lake zone were nominated after the electoral officer had made three calls for nominees from each of the three zones. Nominees proceeded to each introduce themselves to the audience. Ballot voting was therefore necessary for Dewdney Zone and Hatzic Prairie zone whilst the nominee for Hatzic Lake zone was elected by acclamation. The electoral officer and polling clerks proceeded to collect the ratepayers' voting ballot slips and began the count process with results announced at the end of the evening's meeting.

REPORTS

Snow pack report:

The Chair provided ratepayers with information contained in the April 1, 2014 "Snow Survey and Water Supply Bulletin" which reported that for most of March weather temperatures and precipitation were above normal for the South Coast. Snowpack indices across the Province range from 75% of normal on the South Coast to 136% of normal on the Upper Fraser which are below 2013 seasonal levels. The overall Fraser River basin snowpack index for April 1, 2014 is 99% of normal. Weather conditions during the snow melt are a critical factor in determining whether or not flooding will occur. Adverse weather conditions, including extreme heat or extreme precipitation, can cause a higher than average spring freshet runoff and result in flooding in years with normal, or even below normal snowpacks.

Auditor's report:

Auditor Ann Harper, representing Ann Harper Inc. presented an unqualified (a report without qualification) report on the district's 2013 financial statements. Mrs. Harper prefaced her report by saying that the format of the 2013 financials differed somewhat from previous years due to evolving audit requirements laid down by the authorities. In her report Mrs. Harper referenced the:

- Statement of operations
- Statement of financial position
- Notes on the financial statements

and offered to answer questions from ratepayers. None were forthcoming.

Motion: To accept auditors' report on 2013 financial statements.

K.Webb/P.Schalkx.

Opposed: None. Abstentions: None. Passed: Unanimously

Motion: To appoint auditor for 2014.

The Chair proposed a motion that the firm of Ann Harper Inc. be appointed as district auditors for the year 2014.

S. Dimond/W. Robertson.

Opposed: None Abstentions: None Passed: Unanimously

Dike maintenance manager report: Ron Beck. Appendix 1.

Administration and finance report: P. Hanslo Appendix 1.

Project management report: L. Wiens Appendix 2.

Public question period:

All questions during the public question period were responded to by DAID board members and staff.

Announcement of election results

Voting results were as follows:

New trustee for Dewdney zone – three year term: Gus Derewenko – 65 votes (W. Robertson - 26 votes)

New trustee for Hatzic Lake zone – three year term: Deb McKay (by acclimation)

New trustee for Hatzic Prairie zone – three year term: Craig Brooks- 68 votes (N. Jhulley – 21 votes)

Date/venue next board meeting:

Immediately after adjournment of AGM.

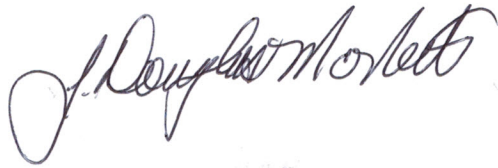
Venue: Hatzic Prairie Community Hall.

Motion to adjourn meeting .

D. McKay/W. Robertson

Passed unanimously.

Meeting adjourned: 9.25 pm

A handwritten signature in dark ink, appearing to read "J. Douglas Morlett". The signature is fluid and cursive, with a large loop at the beginning and a stylized end.

APPENDIX 1

Dike maintenance manager report: Trustee Wayne Robertson on behalf of Ron Beck.

- April 30, 2013: Trees on the dike at the Koopman's property topped.
- May 12-13, 2013: Pumps (old system) turned on.
- May 30 – June 6, 2013: Wes McKimmon mowed dike inside/outside (Spring cut).
- June 3, 2013: Vibration detected on pump #2.
- June 21, 2013: Electrical short – B.C. Hydro crew attended to and fixed problem.
- June 28, 2013: Grease discharge on pump #2. Problem fixed by Ron.
- July 3, 2013: New slide gates installed.
- July 20, 2013: Pumps #1 and #2 (old pumps) turned off for the year.
- July 25, 2013: Flood gates opened.
- July 30, 2013: Construction started for new pump house.
- Mid-October 2013: Wes McKimmon mowed dike inside/outside (Fall cut).

End of report.

Administration and finance officer report: P. Hanslo

- Ratepayers were asked to reference the district's 2013 financial and the 2014 budget statements:

Legal expenses: In 2013 the district paid out \$6,062 in legal expenses to DAID's counsel to defend the district against a ratepayer's appeal of a court action to set aside the May 28, 2012 elections of Peter Schalkx representing zone 1 Hatzic Prairie and Douglas McNeill representing zone 3 Dewdney, as trustees of Dewdney Area Improvement District. The matter was argued in the Supreme Court of British Columbia (von Einsiedel vs Dewdney Area Improvement District, Peter Schalkx and Douglas McNeill) on November 27, 2012 when the Court ruled against the Petitioner saying that (quote): ".....the election was held in accordance with the Letters Patent, and the Amended Letters Patent and the Local Government Act. There is no irregularity and the petition is dismissed with costs." On December 21, 2012 the Petitioner appealed the Supreme Court decision but has not, as yet, provided the Court with his Grounds for Appeal (the "Factum") document. The Petitioner subsequently requested two extensions for

APPENDIX 1 (continued)

submitting that document. DAID accommodated the first request but on March 9, 2014, DAID informed the Petitioner's law firm that the latest request for an extension had been denied by a majority of the DAID board of trustees. On February 18, 2014 the B.C. Court of Appeal advised that if no steps are taken by June 23, 2014 the Appeal will be dismissed pursuant to section 25(5) of the *Court of Appeal Act*. The district's 2014 budget reflects a provision of \$8,000 to cover anticipated legal costs for future Appeal litigation.

Diking taxes receivable: The district's 2013 financial statements show unpaid diking taxes at year ended December 31, 2013 as \$34,316 which is a marginal improvement over 2012. This figure is well below outstandings from previous years, but still represents some 70 (or 12%) district property owners who remain in arrears with payment of their 2013 diking taxes. Administrative efforts continue towards having these arrears collected.

- **2014 diking tax mill rate:** The calculation of the diking tax mill rate is arrived at by dividing DAID's current year annual budget by the total of the district's current year property assessment values. DAID's mill rate for 2014 will remain unchanged at 1.33 or \$1.33 for every \$1,000 of assessed property value. Therefore any increases in diking taxes for the current year will be directly attributed only to increases in property assessment values which are determined by the B C Assessment Authority.
- **Property assessed values:** District property owners wishing to have their property assessment values revised or amended should contact the B C Assessment Authority located on South Fraser Way, Abbotsford.

Thanks extended to Brenda Koop for continuing to distribute DAID meeting notices for display on community notice boards. Thanks also to trustee Deb McKay for her hard work in preparation for this AGM and to returning officer Dorothy Phillips and her team of Jennifer and Katherine McAeown for running the voting process so efficiently.

End of report.

APPENDIX 2

Project manager report: L.Wiens

- **Flood boxes and intake slide gates:** Permitting, engineering and installation of the new slide gates makes it possible for DAID to regulate the water flow from Hatzic Lake to the Fraser River when the river levels drop after the Spring run off. With input from trustees and assistance from staff, the district will shortly have an operations schedule in place to regulate the use of the flood box slide gates.
- **Flood box outflow gates control:** An overhead beam and chain lift is now in place to give DAID the ability to lift and hold in place the outflow gates to allow a two-way fish passage and a passage for flood water from Hatzic Lake to the Fraser River, with no gate restrictions, during the winter months.
- **Chilqua Creek clean-out:** DAID received Water Branch and Agricultural Land Reserve (ALR) approvals to clean out obstructions on Chilqua Creek through the Steiger property. The result of this clean-out was that no flooding occurred this winter on the neighbouring Vandeburgt property and, for the first time in many years, fish again reached the Chilqua spawning grounds.
- **New Hatzic pump station:** Construction of the DAID new pump station is now completed. The following are the final costs:

Total project budget as approved by EMBC and WD	\$4,039,500
Final project cost (excluding taxes)	\$3,801,726
Cost savings (under budget savings)	\$ 237,774
Federal and provincial tax rebate	\$ 225,000
Total savings	\$ 462,774
Direct savings to DAID ratepayers: \$79,258 + \$225,000 tax rebate	\$ 304,258
Savings for federal and provincial taxpayers	\$ 158,516

Bruce Edwards prepared a photographic slide show (more than 100 slides) which depicts the construction of the new Hatzic pump station from day one, until the recent commissioning of the new pumps by the Bedford engineers flown out from the U.K. The slide show ended with a round of applause from audience.

Trustee Steve Dimond congratulated DAID staff members for their work in having the new pump station come in on time and under budget with special accolades for project manager Larry Wiens. The audience responded with a standing ovation.

- **EMBC Intake 2013:** DAID has applied for Intake 2013 funding from EMBC and the federal government for extensive work in the Hatzic Valley. If and when this funding is approved details of the project plans will be provided and approval sought from DAID trustees and ratepayers for commencement of this work.

End of report.

DEWDNEY AREA IMPROVEMENT DISTRICT
Financial Statements
Year Ended December 31, 2013

Ann Harper Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Dewdney Area Improvement District

I have audited the accompanying financial statements of Dewdney Area Improvement District, which comprise the statement of financial position as at December 31, 2013 and the statements of revenues and expenditures, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements accordance with Canadian Public Sector Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

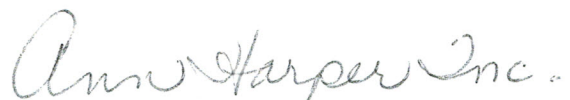
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Dewdney Area Improvement District as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Standards.

The financial statements for the year ended December 31, 2012 were audited by another accounting firm and are presented for comparative purposes only.

Mission, British Columbia
April 4, 2014



Ann Harper Inc.
Chartered Accountant

DEWDNEY AREA IMPROVEMENT DISTRICT**Statement of Financial Position****December 31, 2013**

	2013	2012
Assets		
Financial Assets		
Cash, unrestricted	\$ 105,969	\$ 59,353
Cash, restricted Tier 2	198,728	17,801
Cash, restricted Tier 3	374	107,336
Investments, restricted Tier 3 (Note 3)	202,832	327,233
Renewal reserve fund investments (Note 4)	5,112	387,779
Receivables, taxes	34,316	34,524
Receivables, other (Note 8)	287,839	4,796
Goods and services tax recoverable	200,959	42,130
	1,036,129	980,952
Liabilities		
Accounts payable	576,286	75,634
Deferred revenue (Notes 5, 8)	202,136	243,158
Loan payable (Note 6)	487,500	-
	1,265,922	318,792
Net Financial (Liabilities) Assets	(229,793)	662,160
Non-Financial Assets		
Prepaid expenses	12,971	8,337
Tangible Capital assets (Note 7)	17,000,557	13,953,410
	17,013,528	13,961,747
Accumulated Surplus	\$ 16,783,735	\$ 14,623,907

On behalf of the Board

Trustee_____
Trustee

DEWDNEY AREA IMPROVEMENT DISTRICT**Statement of Revenues and Expenditures****Year Ended December 31, 2013**

	Budget 2013	2013	2012
Revenue			
Emergency Management BC, Tier 2 cost sharing agreement (<i>Note 8</i>)	\$ 2,525,485	\$ 2,114,776	\$ 50,185
Dyking tax levy, interest and penalties	270,000	299,203	287,212
Emergency Management BC, Tier 3 shared cost agreement (<i>Notes 5, 8</i>)	268,772	41,022	62,932
Interest	-	4,811	12,523
	3,064,257	2,459,812	412,852
Expenses			
Administrative			
Advertising	1,500	1,244	1,959
Amortization of tangible capital assets	55,325	38,028	21,958
Audit	6,300	7,000	7,000
Bank charges and interest	1,000	906	954
Insurance	13,000	12,235	11,448
Interest on long term debt	15,300	3,483	-
Legal	20,000	6,062	31,741
Management and accounting	28,083	27,721	27,721
Meetings	2,700	2,415	4,640
Office and postage	3,700	5,274	4,472
Storage	1,500	1,825	732
Workers' compensation	1,500	942	1,153
Write down of tangible capital asset	-	7,200	-
	149,908	114,335	113,778
Operating			
Maintenance and construction	30,336	70,923	57,058
Mowing	13,000	13,285	9,963
Power	54,000	42,475	65,387
Telephone	1,500	1,813	1,514
Tier 3 silt management program (<i>Notes 5, 8</i>)	-	57,153	62,931
	98,836	185,649	196,853
Excess of revenue over expenses for the year	\$ 2,815,513	\$ 2,159,828	\$ 102,221

See accompanying notes to the financial statements

DEWDNEY AREA IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2013

1. Purpose of the Improvement District

Dewdney Area Improvement District (the "Improvement District") was incorporated in 1972 by Letters Patent issued under Order in Council number 3164/72 with the objects of dyking and drainage of land and construction, acquisition, maintenance and operation of works for these purposes. Dewdney Area Improvement District is exempt from income taxes provided certain requirements of the Income Tax Act are met.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments using guidelines developed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The financial statements for the year ended December 31, 2012 were audited by another accounting firm and prepared in accordance with Canadian generally accepted accounting principles for government not-for-profit organizations. Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates :

Pumps	10 years
Pump house	80 years
Gates	10 years
Cattle guards	40 years
Outflow gates	20 years
Flood box slide gates	20 years
Power lines	25 years
Fencing	40 years
Grating	20 years
Flow measurement system	5 years
Software	10 years

The Improvement District regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets constructed during the year but not placed into use are not amortized until they are placed into use.

Revenue Recognition

Revenue from taxes are accrued and recorded during the period that the related services are provided.

Transfers from Emergency Management BC under shared cost agreements are recognized as revenue in the period in which the eligible expenditures have been made.

(continues)

DEWDNEY AREA IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2013

2. Summary of significant accounting policies (*continued*)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period which they become known. Actual results could differ from these estimates.

Investments

Investments are recorded at the lower of cost plus accrued interest, and market value.

3. Investments

Investments are held to maturity.

	2013	2012
Investments:		
Canadian Imperial Bank of Commerce, Guaranteed Income Certificate maturing March 28, 2014 with interest @ 1.5%	\$ 202,832	\$ 202,126
Prospera Credit Union, Term deposit, matured June 12, 2013 with interest at 1.65%	-	125,107
	\$ 202,832	\$ 327,233

4. Renewal reserve fund investments

The investments are held until maturity

	2013	2012
Investments:		
Prospera Credit Union, Term deposit, maturing June 12, 2014 with interest at 1.25%	\$ 1,860	\$ 374,739
Cash	3,252	13,040
	\$ 5,112	\$ 387,779

DEWDNEY AREA IMPROVEMENT DISTRICT**Notes to Financial Statements****Year Ended December 31, 2013****5. Deferred Revenue**

In 2011 the Improvement District contracted with the Emergency Management BC (EMBC), Flood Protection Program to implement the Tier 3 Lower Lagace Creek Sediment Management Program. EMBC advanced the full amount of \$320,000 under the shared cost agreement in 2011. EMBC's proportionate share of costs is recognized as revenue in the period to which the eligible expenditures relate.

	2013	2012
Province of British Columbia, Tier 3 grant		
Opening balance	\$ 243,158	\$ 306,090
Less: expenses paid	(41,022)	(62,932)
Closing balance	202,136	\$ 243,158

6. Long term debt

	2013	2012
CIBC loan bearing interest at prime rate plus .5% per annum, repayable in annual installments of \$37,500, plus monthly payments of interest only. The loan matures on July 31, 2032 and is secured by charge over the taxation authority and toll collection of the Improvement District.	\$ 487,500	\$ -
Amounts payable within one year	(37,500)	-
	\$ 450,000	\$ -

Principal repayment terms are approximately:

2014	\$ 37,500
2015	37,500
2016	37,500
2017	37,500
2018	37,500
Thereafter	300,000
	\$ 487,500

DEWDNEY AREA IMPROVEMENT DISTRICT**Notes to Financial Statements****Year Ended December 31, 2013****7. Tangible capital assets**

	2013		2012 Restated	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Dykes	\$ 13,506,488	\$ -	\$ 13,506,488	\$ -
Land	47,910	-	47,910	-
Pumps	165,830	127,749	165,830	99,166
Pump house	20,000	16,000	20,000	15,750
Gates	17,500	15,750	17,500	14,000
Cattle guards	10,000	3,750	10,000	3,500
Outflow gates	-	-	12,000	4,800
Power lines	100,000	66,000	100,000	62,000
Fencing	25,000	15,000	25,000	14,375
Grating	10,000	7,000	10,000	6,500
Flow measurement system	24,000	24,000	24,000	24,000
Software	10,000	3,500	10,000	2,500
Flood box slide gates	42,800	1,070	-	-
Tier 2 Pump house	3,300,848	-	251,273	-
	\$ 17,280,376	\$ 279,819	\$ 14,200,001	\$ 246,591
Net book value	\$ 17,000,557		\$ 13,953,410	

8. Contractual obligations and subsequent events

1. Dewdney Area Improvement District (DAID) has contracted with Emergency Management BC (EMBC), Flood Protection Program to implement the Tier 3 Lower Lagace Creek Sediment Management Program. The agreement is in effect from March 24, 2011 to February 28, 2014. Performance of the various works under this project are limited to a very specific time frame under the jurisdiction of the Ministry of Fisheries, as a result the project will not be completed by February 28, 2014. EMBC has indicated the project completion date will be adjusted to accommodate the restrictions placed by on it by Ministry of Fisheries.

Under the shared cost agreement the total budget was established at \$480,000. EMBC advanced its full share of \$320,000 (67% of the total) in 2011, with DAID financing the balance of \$180,000 (33%).

Project expenses from 2011 through 2013 total \$176,793. The remaining balance of the project budget is \$303,207; the EMBC portion of \$202,138 is carried forward in deferred revenue with the remaining \$101,069 to be funded by DAID when the project continues.

2. On January 24, 2012, Dewdney Area Improvement District (DAID), received approval for funding through Emergency Management BC (EMBC), Flood Protection Program in the amount of \$2,693,000 (67% of total) for the construction of a new pumphouse. The total budget was established at \$4,039,500, with the project completion by March 31, 2014.

Under the shared agreement EMBC reimburses DAID for its proportionate share of eligible expenditures, and revenue is recognized in the period the related eligible expenditure is incurred. At December 31, 2013, other receivables includes \$279,234 in outstanding reimbursements from EMBC.

In 2012 the rate payers approved a bank loan agreement for up to \$750,000 to assist with DAID's portion of the shared cost agreement of \$1,346,500 (33%). During 2013 loan advances totaled \$525,000. The remaining \$225,000 was advanced in February and March of 2014.

DEWDNEY AREA IMPROVEMENT DISTRICT

Notes to Financial Statements

Year Ended December 31, 2013

9. Contingency

The Improvement District has been named a defendant in a legal action. On November 27, 2012 a ruling in favour of the Improvement District was issued. This ruling is currently under appeal. As the outcome of the legal action is not known or determinable, no provision for losses has been reflected in the accounts of the Improvement District for this matter.

DEWDNEY AREA IMPROVEMENT DISTRICT

2014 BUDGET

Revenue

2014 dike taxes, penalties and interest revenue \$ 290,000

Other Revenue

Federal/Provincial Tier 2 Grant \$ 2,506,667
Transferred from Renewable Reserve Fund 503,333
CIBC bank Loan 750,000 \$ 3,760,000 (note #1)

Federal/Provincial Intake 2013 Grant \$ 416,667
Transfer from GST Rebate Account 208,333 \$ 625,000 (note #2)

Total Revenue

\$ 4,675,000

Expenditure

Advertising/announcements \$ 1,300
Amortization 61,352 (note #5)
Audit 6,300
Bank charges 1,000
Bank interest –CIBC long term loan 26,250 (note #6)
Flood control 10,000
Flow measurement electronic gauges 10,000
Insurance (2014 includes old & new pump stations) 24,630
Legal 8,000 (note #7)
Maintenance - old pump station (grease leak) 2,500
 - dike mowing 15,000
 - weed control 500
 - dike security 355
 - general 1,750
Meetings (includes full year trustees' honorarium) 3,400
Motor vehicle allowances 8,000
Office and general 3,800
Postage and courier (2014 rate increase) 2,500
Contract salaries – administration 27,600
 - project management 15,000
 - dike maintenance 12,000
Storage 1,869
Telecommunications 2,000
Utilities 50,000
WorkSafe premiums 1,500 \$ 296,606 (note #4)

Capital Expenditure out of Other Revenue

Tier 2 - New Hatzic pump station	\$ 3,760,000	
Intake 2013 – Hatzic Slough sediment management project	<u>625,000</u>	<u>\$ 4,385,000</u> (note #3)

Total Expenditure \$ 4,681,606

Year surplus/(deficit) \$ (6,606)

NOTES

- **# 1 & #2: Other Revenue**
2014 sources of revenue to finance cost of new Hatzic pump station (Tier 2) project and Intake 2013 Hatzic Slough silt management project.
- **# 3: Capital Expenditure**
Tier 2 & Intake 2013 total capital expenditures.
- **# 4: Operations Expenditure**
2014 expenditure used for calculating DAID 2014 diking tax mill rate is \$296,606.
- **# 5: Amortization**
Old plant and equipment \$20,000
New pumps and pumphouse:

	<u>Cost</u>	<u>Amortization</u> <u>period</u>	<u>Annual</u> <u>amortization</u>		
New pumphouse	\$3,197,170	50 years	\$63,943	(1 st year @50%)	\$31,972
New pumps	\$ 562,830	30 years	\$18,760	(1 st year @50%)	<u>\$ 9,380</u>
Total 2014 amortization expense					<u>\$61,352</u>
- **# 6: Bank interest – longterm loan**
Interest at 3.5% pa on \$750,000 CIBC loan January 1, 2014 - December 31, 2014 - \$26,250
- **# 7: Legal expenses**
Anticipated 2014 legal expenses for the district's defence against Petitioner's appeal in litigation von Einsiedel vs. Dewdney Area Improvement District, Peter Schalkx and Douglas McNeill



Snow Survey and Water Supply Bulletin March 1st, 2014

The March 1st snow survey is now complete. Data from 142 snow courses and 51 snow pillows around the province and climate data from Environment Canada form the basis for the following report¹.

Weather

February weather was characterized by alternating periods of wet and cold. Temperatures through February were below average across the province, with moderate departures from normal along the South Coast, Vancouver Island and North Coast (1-3°C below normal) and well below normal (5°C or more below normal) through much of the BC Interior and North.

Precipitation patterns in February were variable across the province. Areas of the South Coast and Southern Vancouver Island and particularly in the regions around the Coquihalla, Skagit and Similkameen watersheds saw well above normal precipitation amounts. Other areas of the province experienced near normal or slightly below normal precipitation. Well below normal precipitation was experienced in the Skeena, Nechako, Chilcotin and Central Interior.

Snowpack

Snow basin indices across the province range from a low of 52% of normal on Vancouver Island, to a high of 137% in the Liard and Upper Fraser (Table 1). Most regions of the province have normal to slightly below normal snow pack (85-110%; See Figure 1). Increased precipitation in the south-west of the province led to increases in snow basin indices in the Lower Fraser, South Coast and Vancouver Island, however these regions remain well below average. Dry conditions in the Nechako basin led to a decline in the snow basin index value, which is currently at 69% of normal.

Normal values for the March 1st period for individual snow observation locations can be found in Appendix 2.

Table 1 - BC Snow Basin Indices - March 1, 2014

Basin	% of Normal	Basin	% of Normal
Upper Fraser	137	Okanagan-Kettle	94
Nechako	69	Similkameen	118
Middle Fraser	95	South Coast	54
Lower Fraser	67	Vancouver Island	52
North Thompson	91	Central Coast	81
South Thompson	100	Skagit	109
Upper Columbia	99	Peace	96
Lower Columbia	87	Skeena-Nass	85
East Kootenay	98	Stikine	86
West Kootenay	96	Northeast-Liard	137

1. Every effort is made to ensure that data reported on these pages are accurate. However, in order to update the graphs and indices as quickly as possible, some data may have been estimated. Please note that data provided on these pages are preliminary and subject to revision upon review.



Snow Survey and Water Supply Bulletin March 1st, 2014

Outlook

By early March, generally about 80% of the annual BC snowpack has accumulated, with another 6-8 weeks still left in the accumulation season.

Snow packs in the Upper Fraser and Liard are elevated (>130% of normal) indicating an increased potential for increased seasonal flood risk. In other areas of the province, near-normal snow pack levels indicate a normal season flood risk. The overall Fraser River basin index for March 1st is 91% of normal. Seasonal weather during the snow melt season is an important factor in determining whether or not flooding will occur. Adverse weather, including extreme heat or extreme precipitation, can cause flooding in years with normal, or even below normal snow packs.

In the south-west (Vancouver Island, South Coast, and Lower Fraser) the low snow packs (52-67%) indicate that we can expect below normal seasonal runoff during the spring melt. Given the time of year, significantly wet weather is required over the next 1-2 months to recover the snow pack to normal levels. While lower than normal spring runoff can be expected, spring and summer weather conditions will be the key factor in determining whether or not drought and low flows will occur this summer.

Seasonal volume runoff forecasts (in Appendix below) have higher than normal runoff (>105%) forecasted in the Upper Fraser and upper Similkameen basins, near normal or slightly below normal runoff (90-105%) forecasted in the Middle Fraser, Thompson, Okanagan, lower Similkameen, and Skeena basins, and below normal runoff (<90%) forecasted in the Nicola and Bulkley basins.

The winter 2013-2014 has been characterized by neutral ENSO conditions. The Climate Prediction Centre at the U.S. National Weather Service/NOAA has begun to forecast an increased likelihood of the development of El Niño conditions into the spring/summer of 2014. El Niño years typically have increased winter temperatures and decreased winter precipitation.

Seasonal forecasts from Environment Canada indicate a modest chance of above normal temperatures for the March to May 2014 period. Forecasts for seasonal precipitation do not indicate an increased likelihood of any particular precipitation trend through the spring.

The River Forecast Centre will continue to monitor snow pack conditions and will provide an updated seasonal water supply and flood risk assessment in the April 2014 Snow Bulletin, scheduled for release on April 8, 2014.

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