

## DEWDNEY AREA IMPROVEMENT DISTRICT

Box 3005, Mission B.C. V2V 4J3

Phone: 604-826-2713 (messages) Fax: 604-826-0578

Email : [info@daid.ca](mailto:info@daid.ca) Website : [www.daid.ca](http://www.daid.ca)

### 2015 ANNUAL GENERAL MEETING

Wednesday April 8, 2015 – 7.15 PM

Clarke Theatre, 33700 Prentis Avenue, Mission. B.C.

### MINUTES

**In Attendance:**

Doug McNeill (Chair)

Deb McKay (Vice Chair)

Angus Derewenko

Steve Dimond

Ernest Loewen

Peter Schalkx

Doug Sinitsin

Brett Vander Wyk

*5162 P 5*

Peter Hanslo – administrator and finance officer

Larry Wiens – project manager

Dorothy Phillips – electoral officer

Jennifer McAeown – polling clerk

Katherine McAeown – polling clerk

**Absent:**

Ron Beck – dike maintenance manager

Darrell McDonald – assistant dike manager

**Public attendance:** Approximately 80 persons.

**Call to Order:** Chair 7.17 pm.

- Motion:** To adopt April 8, 2015 annual general meeting agenda.  
P. Schalkx/E. Loewen.  
Opposed: None. Abstentions: None. Passed unanimously.
- Introductions:** Chair introduced board members, staff, the electoral officer and polling clerks.
- Objectives of the Improvement District** In terms of the district's Letters Patent the objects of the improvement district shall be the diking and drainage of land and the construction, acquisition, maintenance and operation of works for those purposes and all things incidental thereto. D. McNeill (Chair)

## ELECTIONS

Due to term expiry and one resignation, the election of four trustees for:

Dewdney zone (1): Doug McNeill (term expired)

Hatzic Lake zone (1): Steve Dimond (term expired)

Hatzic Prairie zone(1): Craig Brooks (resigned with 2 years remaining on his term) ✓

Hatzic Prairie zone (1): Peter Schalkx (term expired)

was initiated by electoral officer Dorothy Phillips. The process started with a call for nominees followed by those nominees verbally confirming acceptance of their respective nominations. After the electoral officer had made three calls for each of the four trustee vacancies, the following names were recorded on a chalkboard as replacements for the outgoing board members:

Dewdney zone: Doug McNeill (3-year term)

Hatzic Lake zone: David Scott (3-year term)

Hatzic Prairie zone: Christian Leuzinger (3-year term)

Hatzic Prairie zone: Peter Schalkx (2-year term)

As each of the abovenamed went unopposed, **all four nominees were elected by acclamation.** No ballots were completed. The electoral officer made her public announcement of the names of the new trustee appointments to the board.

**Snow pack report:**

The Chair referenced the B.C. River Forecast Centre April 1, 2015 "Snow Survey and Water Supply Bulletin" which reported as follows:

- "snow basin indices are at historic minimum values (30 years of record) in the Lower Fraser and South Coast..."
- "...seasonal flood risk for the entire Fraser River is below normal with the observed 84% of normal snow basin index being 54<sup>th</sup> lowest year out of the past 63 years of snow observations."
- "Flooding is always possible during the snowmelt freshet season, even in years with lower than normal snow packs. Given the snow conditions this year, extreme weather, such as extreme precipitation or combined hot and wet weather, would be required to produce flooding or higher than expected flows."
- "Low flows are expected to occur earlier than normal this year, very low flows can be expected in the summer unless significant rainfall occurs through the spring and summer."

Ratepayers were directed to the B.C. River Forecast Centre website for more information.

**Auditor's report:**

Chartered Accountant Ann Harper, representing Ann Harper Inc. presented her report on the district's 2014 audited financial statements. Mrs. Harper referenced in some detail the:

- Statement of financial position
- Statement of revenue and expenditures
- Notes on the financial statements

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

**Motion:** To accept auditors' report on 2014 financial statements.

D. McKay/P.Schalkx.

Opposed: None. Abstentions: None. Passed: Unanimously

**Motion:** To appoint auditor for 2015.

The Chair proposed a motion that the firm of Ann Harper Inc. be appointed as district auditors for the year 2015.

S. Dimond/E. Loewen.

Opposed: None Abstentions: None Passed: Unanimously

**Fraser Vallet Regional District** presentation by Parks Manager Christina Vugteveen.

"The September 2014 DAID Visioning Session was held where strengths of the park, challenges of the park and priorities were identified. The top 5 priorities are as follows:

- New washroom
- Dock for launching boats
- Garbage management (including access points)
- Mosquito management
- Road access improved before any parking would be expanded

DAID Visioning Next Steps:

- FVRD budget 2015 planning to include some requests for park improvement in partnership with Experience the Fraser.
- FVRD to complete visioning exercise with other park stakeholder and draft a park vision statement for consideration by DAID to be the focus for the park management plan.
- FVRD to create a comprehensive park management plan in 2015.
- DAID to consider a name change of the park to Dewdney Regional Boat Launch.

Through the FVRD budget process and Experience the Fraser funding, the following improvements have been planned in 2015 which relate back to the visioning and the work that we have done over the past year.

2015 Planned Improvements:

- Signage updates including new kiosk and directional and regulation signage will be implemented in 2015 to enhance customer experience and knowledge.
- New washroom facility.
- New garbage can to assist with garbage management.
- Consideration of a lease agreement renewal as current lease expires December 2015."

Questions were invited from the audience and were responded to by Parks Manager Christina and her colleague Dave Urban, FVRD Planner.

**End of presentation**



**Dike maintenance manager report:** Ron Beck. Appendix 1.

**Administration and finance report:** P. Hanslo Appendix 1.

**Project management report:** L. Wiens Appendix 2.

**Tribute to Steve Dimond:** The Chair paid special tribute to Mr. Steve Dimond for his many years of service to the district as a valued member of the board of trustees. Mr. Dimond is retiring to the Maritimes.

**Motion by district ratepayers to set trustee meetings honorarium for 2015** Mr. R. Boucher proposed a motion to set the DAID trustee honorarium for 2015 at \$50 per trustee per meeting attendance. Seconded: Bob Haffner.  
Ratepayers' vote:  
Approved: approximately 78. Opposed: 2  
Motion passed.

**Public question period:**

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

**Date/venue next board meeting:**

Immediately after adjournment of AGM.

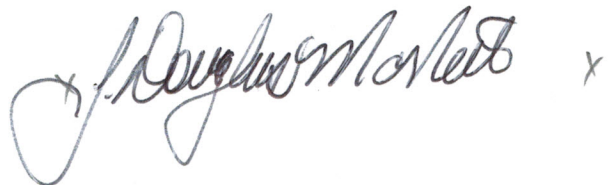
Venue: Clarke Theatre, 33700 Prentis Avenue, Mission. BC.

**Motion to adjourn meeting .**

S. Dimond/P. Schalkx

Passed unanimously.

Meeting adjourned: 9.02 pm



## APPENDIX 1

**Dike maintenance manager report:** Ron Beck (read by Larry Wiens)

- March 13, 2015: fixed door on old pumphouse and cleaned river guage and cleared big rocks along the dike at the pump station.
- March 13, 2015: cleared downed trees and branches along dike from pumphouse to boat launch.
- March 16, 2015: started checking water levels twice-a-day.
- March 28-April 1, 2015: Al working on jibs for discharge pipes.
- March 28, 2015: started #2 and #3 pumps.
- April 1, 2015: also started #1 pump.
- April 1, 2015: cleared trees and branches from McKamey's to boat launch.
- April 2, 2015: All, Bruce, Wayne and Ron placed boom logs at pump intake.
- April 6, 2015: turned off pumps.
- April 6, 2015: Al re-installed trash racks on old pump intake.

**End of report.**

**Administration and finance officer report:** P. Hanslo

Ratepayers were asked to reference the district's 2014 financial statements and the 2015 budget statement:

**Legal expenses:** In 2014 the district paid out \$7,893 to close-out the payment of legal expenses for counsel to represent DAID against an appeal by a district property owner on the subject of district voting methods. For those new to the district the Supreme Court of British Columbia ruled in favour of DAID in 2012 and also the appeal in 2013 that voting has been, and continues to be, carried out in accordance with the dictates of the district's 1972 Letters Patent. Over the last 2 ½ years the district spent a total of \$48,594 in legal fees to defend its position (in 2012: \$31,741; in 2013 and 2014: \$16,853).

**Insurance expenses:** Infrastructure assets rose from \$13.9 million in 2012 to 17.8 million in 2014 (an increase of 27.8%) due primarily to the construction of the new Hatzic pump station. Insurance cover to protect those assets increased from \$12,235 in 2013 to \$29,336 in 2014.

**Utilities expenses:** Utilities ( that is B.C. Hydro electrical) expenses increased from \$42,475 in 2013 to \$112,749 in 2014 and DAID's operations manager, I am sure, will include in his report to you this evening, on the reasons for that 161% increase.

**Amortization expenses:** "Amortization" is defined as the equal distribution of expensing the acquisition cost of an asset over its estimated useful life to reflect its decline in value as a result of its life expectancy. As a direct result of the increase of 27.8% infrastructure asset values as mentioned earlier, corresponding amortization values increased accordingly.

**Diking taxes receivable:** The district's financial statements (page 2) show unpaid diking taxes at the 2014 year-end as \$35,047 which has since been reduced to \$18,433 as of today. The 2014 outstandings represent about 10% of the district ratepayers (about 50). We continue with our rigorous efforts to collect these outstandings either administratively or with the help of our lawyers.

**2015 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 2015 will be 1.78 or \$1.78 for every \$1,000 of 2015 property assessed value. Notes on calculation of the 2015 mill rate are attached to the 2015 budget statement included with the package hand-outs.

Our records show that the last major (for the district) dike improvement project of around 5 million dollars was undertaken in the years 1986 to 1988 and that the district's diking tax mill rate was doubled (from 1.4 to 2.8) at that time to meet increased expenditures. Your information hand-outs include some background material for the facts just provided.

A look at of DAID's 2014 financial statements (page 2) shows that infrastructure assets increased from \$13.9 million in 2012 to \$17.5 million in 2014 – an increase of 27.8% due principally to the construction of the new Hatzic pump station.

The present and future impact of the infrastructure assets increase will reflect primarily in the following expenditure line-items:

- insurance
- utilities (BC Hydro)
- maintenance
- salaries (pump station staff)
- telecommunications (pump station hookup)
- amortization



The 2014 increase in operating expenditures over 2013 were as follows (page 4 of the financial statements):

	<u>2013</u>	<u>2014</u>	<u>Percentage</u> <u>increase</u>	<u>2015</u> <u>Budget</u>
Insurance	\$12,235	\$ 29,336	140%	\$ 25,000
Interest longterm debt	\$ 3,483	\$ 23,913	586%	\$ 26,000
Utilities (B C Hydro)	\$42,475	\$112,749	161%	\$100,000
Amortization	\$38,628	\$111,594	177%	\$ 50,000

DAID's 2015 Budget is drawn up as a spending plan or an allocation of resources based on estimated revenues and expenditures prioritizing fiscal responsibility in the spending of taxpayer dollars.

In a statement made at the district's board meeting on January 21, 2015 DAID's project manager said: "The operations and maintenance cost of the new infrastructure to prevent flooding is now the responsibility of the DAID taxpayers alone" which essentially means that source revenue needed to service ongoing operating expenditures will come from district diking taxes only.

**Property assessed values:** District property owners wishing to have their current year property assessment values revised or amended should contact the B C Assessment Authority located in Abbotsford north-west corner of South Fraser Way and Clearbrook Road (first floor).

**Invitation to attend board meetings:** DAID board meetings are held regularly throughout the year and all district property owners are cordially invited to attend as many of those meeting as they can fit into their schedules. Notice of these meetings are posted on some community notice boards by Brenda Koop and are advertised in the "Mission Record" newspaper ahead of time. Meeting notices are also posted on the DAID website in the "News" module which can be accessed by typing in "www.daid.ca"

**Appreciations:** Our thanks again to Brenda Koop for her valued volunteer work in distributing DAID meeting notices for display on community notice boards. Special thanks also to trustee Deb McKay for her excellent and hard work in preparation for this annual general meeting and also to returning officer Dorothy Phillips and her team of Jennifer McAeown and Alisha McAeown for once again running the voting process so very professionally and efficiently.

**End of report.**



## APPENDIX 2

### Project manager report: L.Wiens

Let's look back at the 10-year program "Hatzic Valley Flood Management Infrastructure Plan 2006-2016":

**2006** DAID trustees started discussions to formulate a long range plan to prevent damage caused by flooding in the Hatzic Prairie, Hatzic Island and Dewdney area.

**2007** DAID received major funding from the Provincial Government to build up the level of our dike to meet the expected spring water levels. This project was completed under budget and on time in May 2007.

**2008** DAID prepared a plan to present to Fraser Salmon Watershed Program (FSWP) to receive a grant to move our project ahead. DAID was successful and received \$40,000 in funding.

**2009** DAID approved the spending of \$80,000 of their reserves plus the \$40,000 received from FSWP to fund Golder Engineering to study and produce the "Hatzic Valley Flood Management Infrastructure Plan". This plan was completed in October of 2009.

**2010** DAID with Golder's assistance made an application to the Province and the Federal Infrastructure Program to build a new fish-friendly pump station (Tier 2) and to clean out a trench in Hatzic Lake to facilitate the water movement to the new pump station (Tier 3).

**2011** The Tier 3 application for the Hatzic Lake cleanout was approved on March 24, 2011.

**2012** The Tier 2 application for the new pump station was approved in January 2012. Both the Tier 3 and the new pump station had a completion date of March 31, 2014. The new pump station was completed on time and well under budget including a beam to hold the outlet gates open for a better fish passage and increased water drainage in the winter months.

**2013** DAID constructed flood box intake slide gates to control Hatzic Lake water levels after the freshet to extend recreational use and to maintain water reserves for irrigation.

**2014** On May 3<sup>rd</sup> DAID held its Grand Opening of the new pump station and on May 6<sup>th</sup> the freshet started. Late July to September DAID used its new slide gates to keep the Hatzic Lake water level high enough for boating.

DAID applied for funding from the Intake 2013/2014 infrastructure program to build 12 sand recovery stations (SRS's) in Hatzic Slough and Legace Creek. The application was successful. Engineering and design are completed.

**2015** DAID received an extension until August 2017 for completion of the Tier 3 project including upgrading the 1949 pump station, as all five pumps are required for flood prevention.

DAID will start construction of the SRS's in July with completion slated for September. Sand will be removed during the August and September fisheries window.

**2015-2016** DAID will complete sand removal at the north-end of Hatzic Lake and in Hatzic Lake.

The October 20<sup>th</sup> 2009 Golder Engineering report estimated the total cost of the 10-year plan would be 6.7 million dollars. DAID's share of this cost would be 2.23 million dollars.

The actual cost of all the projects will be only 4.4 million dollars. DAID's share of this amount is 1.32 million dollars. The balance was funded by the Province, Federal Government and FSWP.

**Operation Manager's Report:** L. Wiens

2014 was a challenging year for the operation of our new facilities as we are learning on the job with our new pumps and slide gates.

We also dealt with unusually frequent severe rain events from October through February that required use of the two 1949 pumps as well as the three new pumps to prevent flooding. Extraordinary high Fraser River levels held the flood box flap gates closed so that pumping was the only means of preventing flooding of the Hatzic Lake area and of Hatzic Prairie.

From the past year's experience we are developing an operations manual for the slide gates, flap gates, pumps, discharge siphons and flaps that will guide operations in years to come to keep our community safe while minimizing the exorbitant cost of hydro electricity.

**End of report**

# DEWDNEY AREA IMPROVEMENT DISTRICT

## 2015 OPERATING BUDGET

### Revenue

#### Taxes

Diking taxes, penalties and interest revenue

\$ 380,000

#### Total Revenue

\$ 380,000

### Operating Expenditure

Advertising/announcements	\$ 1,300	
Amortization	50,000 <sup>(note 3)</sup>	
Audit	6,300	
Bank charges	1,000	
Bank interest – longterm loan	26,000	
Flood control	5,000	
Flow measurement electronic guages	2,000	
Insurance	25,000 <sup>(note 4)</sup>	
Legal	5,000	
Maintenance - pump station	60,292 <sup>(note 5)</sup>	
- dike mowing	10,000	
- weed control	500	
- dike security	500	
- small tools and equipment	200	
- general	2,000	
Meetings	3,500	
Motor vehicle allowances	7,500	
Office and general	3,500	
Postage and courier	2,000	
Contract salaries - administration	31,200	
- project management	13,008	
- dike maintenance	18,000	
Storage	1,900	
Telecommunications	2,800	
Utilities	100,000 <sup>(note 6)</sup>	
WorkSafe premiums	<u>1,500</u>	\$ 380,000 <sup>(note 1)</sup>
Total Expenditure		<u>\$ 380,000</u>

Year surplus/(deficit)

\$ Zero



## NOTES

- **Note 1: Operations expenditures**

The 2015 total expenditures used for calculating the DAID's 2015 diking tax mill rate are \$380,000.

- **Note 2: DAID 2015 mill rate calculation**

Formula: 
$$\frac{\text{district annual budget}}{\text{district total current year property assessed values (provided by B C Assessment Authority annually)}} \times 1000$$

DAID's 2015 mill rate calculation 
$$\frac{\$380,000 (2015)}{\$213,633,401 (2015)} \times 1000 = 1.78$$

or  
\$1.78+ tax  
per \$1000 assessed property value

- **Note 3: Amortization**

The financial statements amortization expense item is based on the total of DAID's tangible capital assets being amortized over their estimated useful lives on a straight-line basis.

- **Note 4: Insurance**

Buildings and equipment insurance cover was increased from \$822,500 in 2013 to \$3,147,500 in 2014 due to the addition of the new Hatzic pump station which resulted in a premium increase of \$17,101 in 2014.

- **Note 5: Maintenance – pump station**

DAID's flood control infrastructure assets (at cost) increased from \$13,948,728 in 2012 to \$17,829,932 in 2014 – an increase of 27.8% primarily due to the construction of the new Hatzic pump station on which work was completed in March 2014. Current and future expected additional related expenses necessary to service DAID's flood control infrastructure are:

1. maintenance
2. utilities (B C Hydro)
3. insurance
4. salaries (pump station and dike management staff)
5. telecommunications (pump station hook up)
6. amortization

As mentioned by DAID project manager Mr. Larry Wiens in his January 21, 2015 report (paragraph 3): "This extensive work prevented major flooding on two occasions in one of the wettest falls on record. The operation and maintenance cost of the new infrastructure to prevent flooding is now the responsibility of the DAID taxpayers alone." Source revenue to meet current and future years' additional expenditures is district diking taxes and district diking taxes only.

- **Note 6: Utilities** 2015 budgeted expenditures are based on actual expenses of \$112,749 in 2014 with a downward adjustment for planned energy savings in 2015.



## DEWDNEY AREA IMPROVEMENT DISTRICT

Box 3005 Mission. B.C. V2V 4J3

Phone: 604-826-2713(messages) Email: info@daid.ca

### MIL RATE HISTORIC RECORD: 1986 - 2013

<u>Year</u>	<u>Mil Rate</u>	<u>By Law</u>	<u>Comments</u>
1986	1.4	#28	
1987	1.4	#32	
1988	2.8	Minutes May 18,1989	Refer also Minutes February 28,1986
1989	2.8	#34	Copy of By Law #34 attached.
1990	1.4	#35	
1991	1.4	#36	
1992	1.4	#37	
1993	1.0	#38	
1994	1.0	#39	
1995	1.0	#40	
1996	1.0	#41	
1997	1.0	#42	
1998	1.0	#43	
1999	1.0	#44	
2000	1.05	#45	
2001	1.05	#48	
2002	1.05	#50	
2003	1.10	#51	
2004	1.10	#53	
2005	1.167	#54	
2006	.977	#55	
2007	1.045	#58	
2008	.90	#59	
2009	.86	#61	
2010	1.04	#63	
2011	1.26	#65	
2012	1.26	#67	
2013	1.33	#70	
2014	1.33	#71	

DEWDNEY AREA IMPROVEMENT DISTRICT

Minutes of Trustees Meeting held May 18, 1989  
at Bellevue Hotel in Mission, B.C.

**Present:**

R. Kinneard	D. McDonald
D. Bogstie	B. Atkinson
E. Davies	H. Bryant
J. Garvey	
J. Price	-- Administrator
A. Oliver	-- Operations Manager

Call to order at 7:30 p.m.

The minutes of the meeting held on March 21, 1989 were adopted as read.

**Project Report:**

Mr. Kinneard reported that Mr. Aubrey Brown had telephoned to ask if the Trustees had objections to the proposed dredging of Hatzic Lake. During this conversation Mr. Kinneard mentioned his intention to write a letter objecting to certain items in the project report. Mr. Brown agreed and stated that the report would be changed.

**Financial Report:** Accepted as presented

**Correspondence:**

Letter from D. A. R. D. regarding Dog Control Citizens Committee. Mr. Kinneard will attend.

Letter from B. Strachan regarding the dredging of Hatzic Lake.

**Tax Rate:**

After considerable discussion, it was moved by R. Bogstie and seconded by E. Davies that the 1989 tax rate remain the same as 1988.

**Court of Revision:**

Will be held on Wednesday, June 28, 1989.

DEWDNEY AREA IMPROVEMENT DISTRICT

BY-LAW NO. 34

A by-law for imposing taxes upon land and improvements in the district, and to provide for imposing a percentage addition to encourage prompt payment thereof.

The trustees of Dewdney Area Improvement District ENACT AS FOLLOWS:

#1. The following taxes (Rates) are hereby imposed and levied for the year 1989:

<u>Property Class</u>	<u>Tax Rates (dollars of tax per \$1,000 taxable value)</u>
1. Residential	2.8
2. Utility	2.8
3. Forestry	2.8
4. Machinery	N/A
5. Industrial	2.8
6. Business	2.8
7. Tree Farm	2.8
8. Seasonal	2.8
9. Farm	2.8

#2. The minimum amount of taxation upon a parcel of real property shall be thirty dollars.

#3. The aforementioned taxes shall be due and payable on or before the 30th day of September, 1989, and a percentage addition of ten (10) per centum of the amount thereof shall be added to all taxes remaining unpaid after the said date. Payments made for the year 1988 shall be credited as payment against the amount of taxes levied above.

#4. In addition, taxes remaining unpaid on the 1st day of March next following the date upon which the taxes are levied shall bear interest at the rate prescribed by the Lieutenant Governor in Council under Section 11 of the Taxation (Rural Area) Act, as set out under Section 837 of the Municipal Act.

#5. This by-law may be cited as the "Tax Rates By-law", 1989. INTRODUCED and given first reading by the trustees on the 18th day of May, 1989. RECONSIDERED and finally passed by the trustees on the 18th day of May, 1989.

Chairman of the Trustees

Secretary of the Trustees

I hereby certify under the seal of Dewdney Area Improvement District that this is a true copy of By-law No. 34 of Dewdney Area Improvement District passed by the trustees on the 18th day of May, 1989.

DEWDNEY AREA IMPROVEMENT DISTRICT

Special meeting of Trustees held February 28, 1986 at 7:00 p.m.,  
7340 Horne Street, Mission, B.C.

Present: Ross Kinneard                      Brian Appleby  
          Jerry Anderson                     Bob Bryan  
          Daryl McDonald                  Harry Bryant  
          John Garvey                      Dick Bogstie  
          Ed Davies  
          Albert Oliver (maintenance of dykes)

Guest: Eric Bonham, Project Engineer, Ministry of Environment

The meeting was called to order at 7:15, and R. Kinneard explained that the purpose of the meeting was to discuss the upcoming dyke improvement project. He introduced Mr. Bonham to the Trustees.

1. Supervision of project:

Mr. Bonham explained that the Ministry will be totally responsible for supervision of the construction.

Mr. Fred Wodtke will be supervising the Dyking aspect, and Mr. Karl Borneman the Bank Protection aspect. Both gentlemen work out of the Abbotsford office.

Project engineer is Mr. Walter Shukin of Kohn Leonoff Engineering, Vancouver.

The Ministry will hire a Project Superintendent, responsible for hiring trucking outfits, authorizing payments etc.

Mr. Bonham reported that an initial project meeting had been held on February 27, and that it is hoped work will commence in April. An agreement is needed between the Ministry of the Environment and the Dewdney Area Improvement District - the Ministry will draw up the agreement and forward same to DAID for review. The agreement is to be signed by DAID and the Minister responsible, Austin Pelton, prior to commencement of the project.

2. Design:

The project has a \$5 million budget, with \$3 million allocated for this fiscal year (April 1 1986 to March 31 1987). The balance to complete the project is budgeted for the following fiscal year.

- a) The basic design concept for the dykes was discussed. It was suggested by two trustees that sand might be preferable to gravel as a weighting material.
- b) Dam/Floodbox - deep wells will be put in to release pressure. The intent is to retain the existing structure. This phase will cost approximately \$250,000 and the work is scheduled for this year.
- c) Norrish Creek - a study is in progress. The Ministry feels this problem is relevant to the dyking district although the area is



**DEWDNEY AREA IMPROVEMENT DISTRICT**

**Financial Statements**

**Year Ended December 31, 2014**

# *Ann Harper Inc.*

Suite A – 7311 James Street, Mission, BC V2V 3V5 | Office: 604.826.1631 | Fax: 604.814.2431

---

## 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, 2014 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, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Standards.

Mission, British Columbia  
April 6, 2015



**Ann Harper Inc.**  
**Chartered Accountant**

**DEWDNEY AREA IMPROVEMENT DISTRICT****Statement of Financial Position****December 31, 2014**

	2014	2013 <i>Restated</i>
<b>Assets</b>		
Financial assets		
Cash, unrestricted	\$ 24,665	\$ 105,969
Cash, restricted Tier 2	6,833	198,728
Cash, restricted Tier 3	14,190	374
Investments, unrestricted	21,770	-
Investments, restricted Tier 3 (Note 5)	283,671	202,832
Renewal reserve fund investments (Note 6)	3,440	5,112
Receivables, taxes	35,047	34,316
Receivables, other (Note 10)	30,563	287,839
Goods and services tax recoverable	43,598	200,959
	463,777	1,036,129
Non-financial assets		
Prepaid expenses	25,098	12,971
Tangible Capital assets (Note 9)	17,533,610	17,007,157
	\$ 18,022,485	\$ 18,056,257
<b>Liabilities and Accumulated Surplus</b>		
Liabilities		
Accounts payable	\$ 85,331	\$ 576,286
Deferred revenue (Notes 7, 10)	183,671	202,136
Loan payable (Note 8)	675,000	487,500
	944,002	1,265,922
<b>Accumulated Surplus</b>		
General Fund	17,078,483	16,790,335
	\$ 18,022,485	\$ 18,056,257

**On behalf of the Board**\_\_\_\_\_  
*Trustee*\_\_\_\_\_  
*Trustee*

See accompanying notes to the financial statements

**DEWDNEY AREA IMPROVEMENT DISTRICT****Statement of Changes in Net Financial Liabilities****December 31, 2014**

	Budget 2014 (Note 4)	2014	2013 Restated
<b>Operating surplus (Note 3)</b>	\$ 4,378,394	\$ 288,148	\$ 2,166,428
Acquisition of tangible capital assets	(4,385,000)	(638,047)	(3,092,375)
Amortization of tangible capital assets	61,352	111,594	38,628
	(4,323,648)	(526,453)	(3,053,747)
Acquisition of prepaid expenses	-	(25,098)	(12,971)
Use of prepaid expenses	-	12,971	8,337
	-	(12,127)	(4,634)
<b>Change in net financial (liabilities) assets</b>	54,746	(250,432)	(891,953)
<b>Net financial assets, beginning of year</b>	(229,793)	(229,793)	662,160
<b>Net financial (liabilities) assets at end of year</b>	\$ (175,047)	\$ (480,225)	\$ (229,793)



**DEWDNEY AREA IMPROVEMENT DISTRICT**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2014**

	<i>Budget</i> <i>2014 ( Note 4)</i>	<b>2014</b>	<i>Restated</i> <i>2013</i>
<b>Revenue</b>			
Emergency Management BC, Tier 2 cost sharing agreement	\$ 3,760,000	\$ <b>338,338</b>	\$ 2,114,776
Dyking tax levy, interest and penalties	290,000	<b>300,853</b>	299,203
Emergency Management BC, Tier 3 shared cost agreement ( <i>Notes 7, 10</i> )	-	<b>18,465</b>	41,022
Interest	-	<b>3,971</b>	4,811
Emergency Management BC, Flood Protection Program Transfer Under Agreement	625,000	<b>58,791</b>	-
	4,675,000	<b>720,418</b>	2,459,812
<b>Expenses</b>			
<b>Administrative</b>			
Advertising	1,300	<b>2,943</b>	1,244
Amortization of tangible capital assets ( <i>Note 3</i> )	61,352	<b>111,594</b>	38,628
Audit	6,300	<b>7,140</b>	7,000
Bank charges and interest	1,000	<b>1,078</b>	906
Insurance	24,630	<b>29,336</b>	12,235
Interest on long term debt	26,250	<b>23,913</b>	3,483
Legal	8,000	<b>7,893</b>	6,062
Management and accounting	27,600	<b>30,000</b>	27,721
Meetings	3,400	<b>3,530</b>	2,415
Office and postage	6,300	<b>4,863</b>	5,274
Storage	1,869	<b>1,825</b>	1,825
Workers' compensation	1,500	<b>1,234</b>	942
	169,501	<b>225,349</b>	107,735
<b>Operating</b>			
Maintenance and construction	60,105	<b>54,385</b>	70,923
Mowing	15,000	<b>9,680</b>	13,285
Power	50,000	<b>112,749</b>	42,475
Telephone	2,000	<b>2,406</b>	1,813
Tier 3 silt management program ( <i>Notes 7, 10</i> )	-	<b>27,701</b>	57,153
	127,105	<b>206,921</b>	185,649
<b>Excess of revenue over expenses for the year, (Note 3)</b>	<b>\$ 4,378,394</b>	<b>\$ 288,148</b>	<b>\$ 2,166,428</b>

See accompanying notes to the financial statements

**DEWDNEY AREA IMPROVEMENT DISTRICT****Statement of Cash Flows****Year Ended December 31, 2014**

	2014	2013 <i>Restated</i>
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 288,148	\$ 2,166,428
Amortization of tangible capital assets (Note 3)	111,594	38,628
	<b>399,742</b>	<b>2,205,056</b>
Goods and services tax recoverable	157,361	(158,829)
Prepaid expenses	(12,127)	(4,634)
Receivables, taxes	(731)	208
Receivables, other	257,276	(283,043)
Accounts payable	(490,956)	500,651
Deferred revenue	(18,465)	(41,022)
	<b>(107,642)</b>	<b>13,331</b>
	<b>292,100</b>	<b>2,218,387</b>
<b>Investing activities</b>		
Acquisition of tangible capital assets	(1,215,257)	(3,092,374)
Proceeds on disposal of property, plant and equipment	577,211	-
Investments, unrestricted	(21,770)	125,107
Investments, restricted	(80,839)	(706)
Renewal reserve fund investment	1,672	382,667
	<b>(738,983)</b>	<b>(2,585,306)</b>
<b>Financing activities</b>		
Proceeds from long term financing	225,000	525,000
Repayment of long term debt	(37,500)	(37,500)
Cash flow from financing activities	<b>187,500</b>	<b>487,500</b>
<b>Increase (decrease) in cash flow</b>	<b>(259,383)</b>	<b>120,581</b>
Cash - beginning of year	<b>305,071</b>	<b>184,490</b>
<b>Cash - end of year</b>	<b>\$ 45,688</b>	<b>\$ 305,071</b>
<b>Cash consists of:</b>		
Cash, unrestricted	\$ 24,665	\$ 105,969
Cash, restricted Tier 2	6,833	198,728
Cash, restricted Tier 3	14,190	374
	<b>\$ 45,688</b>	<b>\$ 305,071</b>

See accompanying notes to the financial statements

# DEWDNEY AREA IMPROVEMENT DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2014

---

### 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.

#### 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 :

Tier 2 Pump house	50 years
Pumps	10 years
Pumps (Tier 2 Pumphouse)	30 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, 2014

### 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. Prior period restatement

In the prior year outflow gates, having a net book value of \$7,200, were written off in error. The prior year comparative figures have been restated to correct this error. As a result the 2013 Operating surplus increased by \$6,600 (previously reported as \$2,159,828 restated to \$2,166,428); reflecting the reversal of the \$7,200 write down net of additional amortization of \$600. Tangible capital assets (previously reported as \$17,000,557 restated to \$17,007,157) and Accumulated Surplus (previously reported as \$16,783,735 restated to \$16,790,335) have also increased by \$6,600 as a result of this correction.

### 4. Budget information

The budget information has been presented for information purposes only and has not been audited or reviewed.

### 5. Investments, restricted

Investments are held to maturity.

	2014	2013
<b>Investments:</b>		
Canadian Imperial Bank of Commerce, Guaranteed Income Certificate Maturing May 6, 2015 with interest @ 1.6%	\$ 183,671	\$ 202,832
Canadian Imperial Bank of Commerce, Guaranteed Income Certificate Maturing May 6, 2015 with interest @ 1.6%	50,000	-
Canadian Imperial Bank of Commerce, Guaranteed Income Certificate Maturing May 6, 2015 with interest @ 1.6%	50,000	-
	<b>\$ 283,671</b>	<b>\$ 202,832</b>



**DEWDNEY AREA IMPROVEMENT DISTRICT****Notes to Financial Statements****Year Ended December 31, 2014****6. Renewal reserve fund investments**

The investments are held until maturity

	2014	2013
<b>Investments:</b>		
Accrued interest	\$ 3,213	\$ 1,860
Cash	227	3,252
	<b>\$ 3,440</b>	<b>\$ 5,112</b>

**7. 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.

	2014	2013
Province of British Columbia, Tier 3 grant		
Opening balance	\$ 202,136	\$ 243,158
Less: expenses paid	(18,465)	(41,022)
Closing balance	<b>183,671</b>	<b>\$ 202,136</b>

**8. CIBC Capital Loan**

	2014	2013
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.	\$ 675,000	\$ 487,500
Amounts payable within one year	(37,500)	(37,500)
	<b>\$ 637,500</b>	<b>\$ 450,000</b>

Principal repayment terms are approximately:

*(continues)*

# DEWDNEY AREA IMPROVEMENT DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2014

### 8. CIBC Capital Loan *(continued)*

2015	\$ 37,500
2016	37,500
2017	37,500
2018	37,500
2019	37,500
Thereafter	487,500
	<u>\$ 675,000</u>

### 9. Tangible capital assets

	2014		2013 <i>(restated - Note 3)</i>	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Dykes	\$ 13,506,488	\$ -	\$ 13,506,488	\$ -
Land	47,910	-	47,910	-
Tier 2 Pump house	3,261,193	64,655	3,300,848	-
Pump house	20,000	16,250	20,000	16,000
Pumps	743,041	163,572	165,830	127,749
Gates	17,500	17,500	17,500	15,750
Cattle guards	10,000	4,000	10,000	3,750
Outflow gates	12,000	6,000	12,000	5,400
Power lines	100,000	70,000	100,000	66,000
Fencing	25,000	15,625	25,000	15,000
Grating	10,000	7,500	10,000	7,000
Flow measurement system	24,000	24,000	24,000	24,000
Software	10,000	4,500	10,000	3,500
Flood box slide gates	42,800	3,210	42,800	1,070
Sand recovery stations	100,490	-	-	-
	<u>\$ 17,930,422</u>	<u>\$ 396,812</u>	<u>\$ 17,292,376</u>	<u>\$ 285,219</u>
Net book value	<u>\$ 17,533,610</u>		<u>\$ 17,007,157</u>	

# DEWDNEY AREA IMPROVEMENT DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2014

---

### 10. 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 \$160,000 (33%).

Project expenses from 2011 through 2014 total \$204,494. The remaining balance of the project budget is \$275,506; the EMBC portion of \$183,671 is carried forward in deferred revenue with the remaining \$91,835 to be funded by DAID when the project continues.

2. On May 5, 2014, Dewdney Area Improvement District (DAID), contracted with Emergency Management BC (EMBC), Flood Protection Program under a Transfer Under Agreement for the upgrade of the Mission - Hatzic Valley Pumping Station in the amount of \$416,668 (67% of total). The total budget was established at \$625,000, with the project completion due by January 31, 2016.

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, 2014, other receivables includes \$30,563 in outstanding reimbursements from EMBC.

Eligible project expenses for 2014 total \$88,190, the EMBC share of \$58,791 has been recognized as revenue in the 2014 financial statements. The remaining balance of the project budget is \$536,810; the share of \$357,874 to be funded by EMBC will be received as the eligible expenditure is incurred and claimed.

---