

Regina South Pipeline Annual General Meeting

February 17, 2009
Rowatt Hall

Deborah Lewko

- We would like to thank Deborah Lewko for her visionary work in leading the Regina South Pipeline from a possibility to a reality!
- Thanks, Deborah, for ALL your hard work

Board Members 2008

- Thank you to all who have served faithfully over the last year:
 - Deborah Lewko
 - Pat Otte Jim Chernick
- Ken Clarke, Grant Nelson, Randy Schmidt
John Wilke, Mandy Windecker

New Chairman

- Grant Nelson was appointed as the Chairman to replace Deborah Lewko.

Contract Staff Members

- Brian Shauf, Administrator
- Fred Mytopher, Certified Operator

Additions to the Agenda

- Items not specifically provided for can be discussed under Questions and Answers.
- If there is a specific subject that requires a decision, a motion should be made to add it to the Agenda at this time.

The Year in Review

- This is the 2nd full year for water to be flowing.
- Water is purchased from the City of Regina and redistributed to approximately 80 customers.



The Year in Review

- We are at a point in the life cycle of the RSPPUB that many of the functions have become “operational”.
- Rather than meeting monthly, the Board is using it’s Executive Committee (Chairman, Vice Chairman, Secretary-Treasurer) to meet monthly while the full Board will meet quarterly.

The Year in Review

- After two full years of operation, we have determined that in order to maintain the financial viability of the Public Utility Board, the Water Rates will have to increase.
- Last years addition of a \$15.00 per month Admin fee has helped to some extent but our only ‘real source’ of revenue is from reselling the water.

The Year in Review

- We remain under a boil water advisory.
- Our previous understanding from dealing with Sask Environment was that some of the compliancy rules (safe water) could not be expected because:
 - A) the length of the pipeline
 - B) we are re-selling treated water.

The Year in Review

- This year, it has been clarified that we are required to meet ALL rules of Saskatchewan Environment. These include:
 - Testing (previously done but an annual report was not submitted to the consumers. This has now been completed for ‘2007).

The Year in Review...

- Chlorination. (it was previously ‘understood’ that because of the low level of usage and the amount of water in our lines (chlorine disipates over time) our water tests would not have the proper levels. It has been clarified that we “need” to have proper levels from our test points.

The Year in Review

- A chlorinator has been purchased and is being installed. DAILY tests are required and are being done by the Board Members presently, but will be automated.
- The placement of the chlorinator is at the Pump House. We are hopeful that this will provide the proper levels and satisfy the requirements of Sask Environment.

The Year in Review

- Administratively, 2008 has been a challenge as has been explained to you in a recent letter. The Administrator has initiated steps to ensure that there is improvement in this area. Thank you to all for your patience.

The Year in Review

- Fred Mytopher has served very well as our contract operator. Prior to our rate change last year, Fred was responsible for getting meter readings for all customers who had not provided meter readings. A remote gun was purchased to assist in that process.

Signage

- An additional requirement was that the Pipeline be "signed" at all crossings. The signs have now all been installed with thanks to Pat Otte and Grant Nelson

The Year in Review

- From early capital payments, a lump sum loan payment was made on the Capital Loan with the Royal Bank, paying down 10% of the balance which is the maximum allowed per year. It amounted to approximately \$110,000.00

The year in Review

- The City of Regina had to shut water off to our line in October in order to do a planned repair/improvement. Thankfully, our "tank" system meant there was little interruption to service.

The Year in Review

- It has been a stretching year in many respects. We are very pleased that good quality water is being delivered.
- We still have several customers who are "on line" but to whom water has not yet been turned on. Once everyone is using the water, this will help our revenues as well.

Minutes of Previous AGM

- Printed and included in packages
- Mover / Seconded required:
- MOTION:
- BE IT RESOLVED that the minutes of the October 28, 2007 Annual General Meeting be acknowledged and adopted as circulated.

Financial Statement

- Unaudited statements supplied in your packages:
- Highlights:
- Revenues – 94,610.53
- Expenses – 110,039.59
- Net shortfall – (15,429.06)

Financial Review

- Interest charges appear to be where we are having the biggest trouble. While we are passing the largest amount we pay the Royal Bank to those who took out capital loans, in order to finance the project, more was borrowed than the amount of the grants received.
- Capital costs were \$1,516,998.75 in 2006 and 309,744.52 in 2007 – Total 1.86 M
- Grants received were \$466,684.25 in 2006 and 67,128.14 in 2007, 6,800.00 in 2008 Total \$540,612.39
- Capital loans were \$1.25 Million originally
- Original amount borrowed from Royal Bank was 1.37 million
- Capital construction financed through loans \$700,000.00

Financial Statements

- Request Mover and Seconded
- MOTION:
- BE IT RESOLVED that the un-audited Financial Statement to December 31, 2008 be acknowledged and accepted.
- Questions?
- Call for the Vote.

2009 Budget

- We must increase our revenues significantly to remain viable
- The Board of Director's voted to increase the water rate to \$4.00 per cubic meter, up from \$2.40 per cubic meter, effective March 1, 2009.
- This will be reviewed again in 6 months time and revisions made accordingly

2009 Budget

- Our budget will call for revenues of
- \$91,670.00 revenue before water rates are increased.
- The approximate revenue from increasing the water will be \$15,500.00
- The expenses we plan, including the chlorination expenses (1 time of approximately \$15,000) will cost \$115,000.00
- We will see another short fall of approximately \$8,000 this year.
- We hope to return to a positive income position in 2010.

Election of Officers

- 4. **BOARD MEMBERSHIP:**
- Elected by Subscribers
- The subscribers shall annually elect at least five (5) of their number, for a two (2) year term, who shall constitute the Board.

Election of Officers

- Would like to increase to the full 10 board members so that every year, ½ of the Board is up for election

Election

- Current Board:
 - Jim Chernick, Pat Otte are willing to stay on for 1 additional year
 - Grant Nelson, Mandy Windecker, John Wilke were elected at last year's meeting so will stay on for the second term
- Up for election and prepared to let their names stand from the existing Board:
- Ken Clarke
- Randy Schmidt

Elections – Additional Names

- Must be present and willing to serve
- MOVER/SECONDER requested
- BE IT RESOLVED that _____ be nominated to serve on the Board of Regina South Pipeline Public Utility Board for a year two term starting after this meeting

Declaration of Results

- Verbal listing of people elected to serve on the Board of Directors.

New Subscribers Policy

- We require a \$20,000 initial fee
- The costs for the construction of the lines to their property line shall be the applicants
- -The responsibility for applying for/researching/obtaining any grant that may be available belongs to the customer.

Questions and Answers

- Direct questions to the Chair
- The Chair will answer or refer the topic to the person he deems best able to answer the question.

Adjournment

- Adjournment, at the call of the Chairman.
- THANKS FOR COMING AND MAKING YOUR WATER UTILITY ALL THAT IT CAN BE.
- THIS IS A VOLUNTEER BOARD AND WE APPRECIATE YOUR INPUT FOR THE BETTERMENT OF THE BOARD!

Budget Summary 2009

Total of Previous Actual Total of Approved Budget

4040	-\$6,899.00	\$0.00	Grant Revenue
4050	-\$35,708.00	-\$42,900.00	Resale of Water
4060	-\$54,916.00	-\$52,170.00	Interest Income
4070	-\$12,085.00	-\$12,000.00	Admin Fee Revenue
5010	\$375.00	\$375.00	Stationery & Supplies
5011	\$455.00	\$470.00	Postage
5020	\$741.00	\$745.00	Bank Charges
5025	\$75.00	\$75.00	Annual Meeting Expenses
5100	\$17,900.00	\$18,437.00	Water Charges
5105	\$1,284.00	\$1,300.00	Utilities (Power)
5110	\$350.00	\$350.00	Insurance
5115	\$0.00	\$0.00	Small Tools & Equipment
5116	\$1,207.00	\$15,000.00	Capital Purchases
5165	\$0.00	\$0.00	Signage
5340	\$0.00	\$0.00	Board Expenses
5345	\$69.00	\$1,000.00	Leases Rentals & Agreements
5350	\$78,900.00	\$65,000.00	Interest Charges
5355	\$3,165.00	\$4,368.00	Testing
5360	\$0.00	\$1,000.00	Repairs
5365	\$0.00	\$660.00	Chlorination
5445	\$0.00	\$0.00	Crop Damages
5500	\$168.00	\$168.00	Software
5550	\$2,301.00	\$3,000.00	Contract - Administration
5555	\$1,907.00	\$2,000.00	Contract - Operator
5560	\$1,077.00	\$1,077.72	Travel - Operator
		7955.72	

Budget Summary

REVENUES 2009

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4070	-\$12,085.00	-\$12,000.00	Admin Fee Revenue
		<u>-\$107,070.00</u>	

Budget Summary

EXPENSES 2009

Total of Previous Actual Total of Approved Budget

5010	\$375.00	\$375.00	Stationery & Supplies
5011	\$455.00	\$470.00	Postage
5020	\$741.00	\$745.00	Bank Charges
5025	\$75.00	\$75.00	Annual Meeting Expenses
5100	\$17,900.00	\$18,437.00	Water Charges
5105	\$1,284.00	\$1,300.00	Utilities (Power)
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