

Cowichan Lake Recreation Community (CLRC) Inc.

Minutes of the 2022 Annual General Meeting
Sunday, December 4, 2022
10:00am – 1:00pm

1. Welcome & Introductions

Chair Rick Jeffery welcomed everyone to the meeting, introduced Directors, and asked Shareholders to introduce themselves.

- President & Chair – **Rick Jeffery #30**
- Treasurer – **Lloyd Ferguson #7**
- Secretary– **Michele Gibbs #52**
- Operations – **George Hillier #5**
- Communications – **Elaine Dagg-Jackson #50**
- LIRF Docks/Marina– **Kim Chadwick #20**
- Director at Large/Insurance – **Sue Fox #15**
- LIRF Committee Chair – **Mike Bourne #11**

2. Attendance/Quorum

25 Class A shares represented in person.

9 Class A shares represented by proxy.

DECISION: Accept email proxy

Proposed by Mike Bourne (#11)

Seconded by Tim Chadwick (#20)

Quorum achieved; **AGM declared official.**

3. Approval of 2021 AGM and 2022 SGM Minutes

DECISION: To approve the minutes of the 2021 Annual General Meeting (December 5, 2021)

Proposed by Ray Riddell (#35)

Seconded by Jay Thomas (#12)

Carried unanimously; **2021 AGM minutes APPROVED.**

DECISION: To approve the minutes of the Special General Meeting (May 29, 2022)

Proposed by Randy Sanderson (#28)

Seconded by Glen Jackson (#50)

Carried unanimously; **2022 SGM minutes APPROVED.**

4. President's Report

a. New Shareholders

Rick Jeffery welcomed the new shareholders:

- Matt and Alecia Rutherford #1A
- Stephanie Sand #4A
- Shawn Fagan & Cathy Carlson #4B
- John and Katya Liggett #6

b. Volunteer Recognition

The Board is very appreciative of the contributions of the many people that volunteered in the Park this year. Special thanks to those who joined various work parties throughout the year, to **Jim Bourne** (Caretaker), finally to **Mike Bourne** (LIRF Committee Chair) and to **George Hillier** (Operations) who are retiring from the Board after contributing significant time and energy to their roles – thank you!

c. Update on Legal Matters

The Board worked to with new legal counsel (Reed Pope) to ensure compliance with Real Estate Development and Market Act (REDMA) and the Securities Act, including the filing of a new Disclosure Statement at a cost of \$20,000. The Disclosure Statement is available to Shareholders on the website.

The Board has increased liability insurance to \$2M and is proposing a requirement for Shareholders to meet the same threshold.

d. Site 4 Redevelopment

Revenue	
Site 4A Sale	\$285,000
Site 4B	<u>\$290,000</u>
Total	\$575,000
Expenses	
Real Estate Commissions	\$ 21,262
Development Costs	<u>\$ 20,276</u>
Net Proceeds	\$533,462

Net proceeds were ~\$27,000 less than budgeted, but sales were completed prior to market slow down.

Electrical upgrade for the replacement of the electrical shack (servicing Sites 3-7) was \$30,000.

e. Board Priorities

- Continue to deliver effective governance to guide business of the Corporation and ensure compliance with legal requirements;
- Delivery of Water and Wastewater Replacement;
- Responsible fiscal management; and,
- Deliver mandate and vision for the Park: improving the services, appearance, enjoyment and value of the Park

5. Infrastructure Report

Rick Jeffrey provided the Infrastructure Update:

2021/2022 Capital Projects completed:

- Redevelopment and sale of Sites 4A and 4B
- Hydro replacement and upgrade Sites 46-53
- Hydro upgrade Sites 3-7

2021/2022 Capital Projects (In Progress):

- Water and Wastewater Replacement
- Basement of the House (slow clean-out to make useable).

Water and Wastewater Replacement

Construction underway with an April completion forecast

- Paid MSR \$687,060 (project to date)
- Cash \$300,000
- Two Shareholder levies raising \$464,000 to date
- Site 4 Redevelopment \$533,462
- Third levy in early January TBC
- A final levy may be required at the end of the project.
- Project reconciliation will be conducted in April 2022.

Shareholders discussed asking contractor to purchase pipe (for site extensions) on behalf of Shareholders as there is limited availability and wholesalers are selling only to installers (at the time). There was limited interest from Shareholders; each Shareholder will be responsible to source individually as required.

MSR Update

Saman Khoddam provided a brief project update:

- Ahead of schedule
- Successfully out of floor pan prior to start of rainy season
- Two lift stations completed
- four manholes and two tanks placed, two more tanks to be placed next week.
- Treatment Plant scheduled for Dec 8 to mid/late January 2023
- Water and sewer connections to be done in March 2023

Shareholders had questions regarding connections as follows:

- Note: Sites 18-22 have not yet been completed
- [Can conventional PVC connect with MSR pipe?](#) Yes. Use a coupler as required.
- [After project is complete, who does maintenance and does it need to be Red Seal?](#) No, it can be someone from CLRC. There will be follow-up by contractor for one year, and then hand-off to CLRC.
- [Depth of services isn't 18" on some sites.](#) Will be adjusted in March at MSR expense. Several water lines on beach also to be pushed further back on sites. Now is the time to advise if there are any concerns with siting of services.
- [Concern that bringing pipe into the valve box will undermine the integrity of the valve box \(undercut\).](#) Shareholders will need to dig their own trench if they want to be 24/7 all year.
- [Should CLRC have a standard for connecting to sewer system?](#) The Board will consider best practices/ standards.

Saman will meet SH at site today as required, and will address individual queries. Everyone is invited for the walk-about.

Future Capital Projects

- Electrical Assessment Sites 18-22 and 35-45
Urgency due to safety concerns in alleyway (fire hazard). Looking at fire suppression (water/extinguishers) for Park. As with other electrical upgrades within the Park, upgrades to 30amp service are CLRC expense; upgrade from 30-50amp service at Shareholder expense.
- Equity, Diversity, Inclusion (EDI) – Handicap Access
No specific project in mind, but aware changes are required. Input welcome.

- Paving
Paving was not included in the Water and Wastewater Replacement project scope due to cost uncertainty. Board will consider condition of Park following project completion and return to Shareholders for feedback and with options (patch, pave or do nothing) and costs. The boat ramp should be in working order in the Spring; apologies to those Shareholders that had to take their boats out elsewhere.
It was noted that some Shareholders have asphalt driveways that have been impacted by the project. Directors will consider how to address.
- Basement of House (#8)
This is a volunteer project, so progressing as there is time. Cabinets and flooring installed.
- Gates
Not on priority list at the moment

6. Operations Report

George Hillier reviewed the Operations Report:

Maintenance Projects for 2021

- Deferred maintenance knowing that construction of our new septic/water system was going to happen this fall.
- Installation of tank effluent pumps sites 39 and 52 and run pipe above ground to other tanks to get us through the summer.
- Basement of house (#8) renovation (see above).

Defibrillator:

The Park does not have a functioning defibrillator. The nearest defibrillator is at the Ambulance Station in Youbou. Cost of new defibrillator is approx. \$2,000.

According to BC Law Bill M216-2019:

- a defibrillator must be registered within 30 days
- the defibrillator must be maintained and tested in accordance with the manufacturer's guidelines
- the owner must document and keep records of maintenance and testing
- the defibrillator is subject to inspection at any time

Following discussion, Shareholders indicated - by a show of hands - that they would like to have a defibrillator on site.

John Ligget (#6) volunteered to be the "keeper" (current/maintained). Marianna Fiocco (#7) can provide demonstrations as required. The Board will move ahead with purchase and sharing user videos.

7. Treasurer's Report

Lloyd Ferguson, Treasurer, reviewed the YE2022 Draft Financial Statements, circulated to Shareholders in advance of the meeting (by email 22.12.03). Of note:

- Does not include \$22,000 legal fees (YE2022) related to the Disclosure Agreement/Statement
- Legal fees +\$7000 for YE2021
- Excess water billing due to another water leak was negotiated to ~\$1000 - this is the fourth incident in three years, with ~\$17,000 forgiven by CVRD Water.

Lloyd also engaged Shareholders about CLRC financial health, including financing the completion of the WW project, ongoing maintenance and park improvements:

- Following WW project completion and reconciliation in Spring 2022, a fourth levy may be required.
- Disclosure Agreement/Statement was costly but required and CLRC is now in good shape.
- George Hillier (#5) in his role as Operations Coordinator, has saved CLRC thousands of dollars in general manual labour costs. As we move forward without George there will a need to ask for the help of Shareholders
- YE2023 Budget has a \$25,000 contingency however this is not expected to be adequate and it would be financially prudent to increase to \$75,000 (?)
- How can CLRC raise funds? Some ideas include:
 - CLRC Assets include Sites 9 (which can be subdivided) and 13, both currently rented, for three possible sites/shares to sell.
 - Keep fees low and make cash calls as required?
 - Increase fees and start saving?
 - Bank financing or mortgage?
 - Consider a seller's fee (2-3%) paid by purchaser?

Shareholders responded with the following feedback:

- Implement a surcharge on sales AND bump up fees. Currently fees are ridiculously low (not market), and sites/shares are increasing in value.
- There are ramifications for a seller's fee: selling price; responsibility of seller to ensure buyer is aware, but a health contingency fund means less likelihood of future cash calls
- Shareholders were reminded that CLRC governance documents require SH approval for capital expenditures of contingency funds
- Consider conducting a "stress test" to determine best rate for seller's fee (2% vs 3%). There is frustration that flippers are making money based on real estate increases and Park is not seeing any piece of increase.
- The seller's fee can be marketed as a cost to either the seller or the buyer.
- With the seller's fee option, there is no income for CLRC if there are no sales. A seller's fee isn't the only solution, but rather one of several opportunities.

Shareholders also queried the CLRC rental sites:

- [Are there rental sites at CLRC?](#) There are three rental sites: #8 (Caretaker), #9 and #13. Rentals are paying \$251/month or \$3000/year. Rent increases are limited to 2% or \$60; rent increases have not been applied regularly. Eviction for the sub-let on Site #13 was previously unsuccessfully pursued in court.
- [Does CLRC have requirements for renters?](#) Rules and regulations state lots should be in good repair. The Board is aware that Site #9 is in disrepair (blackberries/fire hazards). An offer of a work party to address has been declined. The Board will take next steps to address.

Lloyd thanked Shareholders for their engagement and input. The Board will consider ideas and suggestions for AGM2023, and will engage Shareholders in conversation over the summer period.

To conclude, Lloyd noted the following:

- Quarterly fees should be paid by post-dated cheque or e-transfer to lloydferguson4@gmail.com. Thank you to those Shareholders using e-transfer – it makes Lloyd's job much easier!
- Fees do not generate sufficient funds for Park operations and contingency.

DECISION: Approve YE2022 Financial Statements (Draft)

Proposed by Tim Chadwick (#20)

Seconded by Randy Sanderson (#28)

Carried unanimously; YE2022 Financial Statements (Draft) APPROVED.

DECISION: Approve YE2023 Proposed Operating Budget

Proposed by Tim Chadwick (#20)

Seconded by Randy Sanderson (#28)

Carried unanimously; YE2023 Proposed Operating Budget APPROVED.

8. Communications Report

Elaine noted the focus on communication and transparency has contributed to a positive community and encouraged Shareholders to bring questions to the Board. Shareholders were invited to join the CLRC FaceBook group at: [Cowichan Lake RV Resort](#)

9. Rules and Regulation

- Rules and Regulations require updating resulting from Disclosure Statement
- Clean-up and formatting of current Rules and Regulations also underway
- Shareholders will have an opportunity to review and provide feedback on updated Rules and Regulations, including proposed amendments, during the Summer 2023 period
- Amendments and updates will be presented for approval at AGM2023

Marina

Kim spoke to Marina concerns, including proposed amendments to the Rules and Regulations:

- The marina is full and all boat slips and PWC dock spaces (9) are assigned.
- PWCs must be in dock space by July 1, 2023 or dock space will be reassigned
- Boat slips not in use after one year may be reassigned:
 - If an assigned slip is unused for one year (summer season), it may be reassigned
 - Shareholders are encouraged to liaise with Kim (#20) if their assigned slip is unused; exceptions may be considered.
 - Shareholders may sublet or loan assigned slips to other Shareholders (note that use by non-Shareholders is not permitted)

Shareholders were on board with the proposed amendments. Amendments will be included in the updated Rules & Regulations which Shareholders will be asked to approve at AGM2023.

Insurance

- Minimum liability coverages, for boats/PWCs and for trailers, should be increased from \$1M to \$2M immediately (ie/ for 2023 season)

DECISION: Increase Shareholder liability insurance requirement from \$1M to \$2M.

Proposed by Holly Jeffrey (#30)

Seconded by Dee Lidgate (#27)

Carried unanimously. Requirement for increased SH liability coverages APPROVED.

10. Standard Resolutions

- i. *Confirmation of Acts* - THAT all acts, contracts, resolutions, proceedings, appointments, elections and payments made, done and taken by the Directors and Officers of the Company since the last meeting of the Shareholders referred to in the Reports of the Company be, and the same are hereby approved, ratified and confirmed.
- ii. *Appointment of Accountants* - THAT Roset Lanyon be appointed Accountants of the Company, until the next annual reference date at the remuneration to be fixed by the Directors, the Directors being hereby authorized to fix such remuneration.
- iii. *Waiving Appointment of Auditors* - THAT pursuant to Section 203(2) of the Business Corporations Act, the Appointment of an Auditor for the Company is hereby waived and the necessity for an audit to be made of the financial affairs of the Company for the ensuing year is hereby dispensed with.
- iv. *Selection of Annual Reference Date* - THAT the 4th day of December, 2022 be selected as the annual reference date for the company for its current annual reference period.

DECISION: Approve Standard Resolutions (as a package).

Proposed by Holly Jeffrey (Lot 30)

Seconded by Jay Thomas (Lot 12)

Carried unanimously. Confirmation of Acts, Appointment of Accountants, Waiving Appointment of Auditors and Selection of Annual Reference Date APPROVED.

11. Election of Directors

As is required, the current Board of Directors resigned. Six put their names forward for another term:

- Kim Chadwick (#20)
- Lloyd Ferguson (#7)
- Sue Fox (#15)
- Michele Gibbs (#52)
- Elaine Jackson (#50)
- Rick Jeffery (#30)

Nominations from the floor:

- Jay Thomas (#12)

CLRC Rules allow for a minimum of seven (7) and maximum of nine (9) Directors, and as such a poll was not required.

DECISION: To appoint Directors by acclamation.

Proposed by Jay Thomas (#12)

Seconded by Tim Christy (#44)

Carried unanimously; Directors appointed by acclamation.

12. Other Business

None

13. Adjournment

DECISION: Motion to adjourn (11:45am).

Proposed by Randy Sanderson (#28)