

Cowichan Lake Recreation Community (CLRC) Inc.

Minutes of the 2021 Annual General Meeting

Sunday, December 5, 2021

10:00am – 1:00pm

1. Welcome & Introductions

Chair Rick Jeffery welcomed everyone to the meeting, introduced Directors, and noted an addition to the Agenda (Mike Seymour, MSR Engineering for Item 5).

2. Attendance/Quorum

31 Class A shares represented in person.

5 Class A shares represented by proxy.

Quorum achieved; **AGM declared official.**

3. Approval of 2019 AGM Minutes

Motion: To approve the minutes of the 2020 Annual General Meeting (July 7, 2021)

Proposed by Elaine Jackson (Lot 50)

Seconded by Peter Siemens (Lot 31)

Carried unanimously; **2020 AGM minutes approved.**

4. President's Report

a. New Shareholders

Rick Jeffery welcomed the new shareholders:

- Shaylin & Evan Williams – #1B
- Shanon & Robert Salvador - #26
- Shane & Wendy Watt - #32

b. Website Update

The new CLRC website is: www.clrcbc.ca. The old website (www.cowichanlakerv.com) will be active until transition is complete in the Spring of 2022. Transitioning to a new website will also allow for dedicated CLRC email addresses for board portfolios, simplifying contact for all shareholders.

c. 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, Jim Bourne (Caretaker), Jordon Dagg (#51/Website), and CLRC Directors (current and former).

d. Board Priorities

The Priorities and focus of the Board were presented to the shareholders. These included managing the Park safely during COVID; delivering effective governance; capital planning; infrastructure repair/replacement; responsible fiscal management; and, uplifting the services, appearance, enjoyment and value of the Park.

5. Infrastructure Report

a. 2021 Capital Projects

In-progress and completed projects include: redevelopment and sale of Lots 1A, 1B & 10; house improvements (deck & workshop); and hydro replacement/upgrade for Lots 46-53 (see Item 5c).

b. 2022 Capital Projects

Priority projects for 2022 include: sewerage systems; water lines; gates; and house basement. The septic concerns for Lots 23-45, and interim solutions, were noted.

c. Hydro Replacement/Upgrade (Lots 46-53 & 17)

CLRC is responsible to provide fully functioning 30amp service to all Lots. An independent inspection verified that 30amp service was not being provided to Lots 46-53 and 17. This project was initiated due to safety concerns (fused plugs, winter flooding) and to ensure completion prior to the 2022 Season. Impacted Shareholders requested an upgrade to 50amp service at their cost (~\$1200/Lot).

Motion: To retroactively approve the expenditure of up to \$40,000, net after recovery of costs from Lot Owners for 50 amp upgrade, to replace the electrical service on Lots 46-53 and 17.

Proposed by Holly Jeffrey (Lot 30)

Seconded by Tim Chadwick (Lot 20)

Carried unanimously; **\$40,000 expenditure for Lot 46-53 electrical replacement/upgrade approved.**

d. Lot 4 Redevelopment

Potential for redevelopment of Lot 4, including subdivision to two lots for rental and/or future sale, was presented to Shareholders, with a request for feedback.

Initially neighbouring Lots 3 & 5 were opposed, however after consideration of infrastructure improvements and capital requirements, both are in favour. There was consensus that redevelopment to two lots for rental income should move ahead. While there was no strong opposition to selling the lots, it was noted that holding for rental and selling strategically as/if required would be prudent.

See Item 8c for Motion.

Mike Seymour, MSR Solutions Inc., joined the meeting at 10:30am to present Item 8a (see below).

6. Operations Report

The major maintenance projects for 2021 included: new locks/keys for washrooms and electrical room; laundry room improvements; marina maintenance (log removal); beach improvements; workshop roof maintenance; and new tractor tires.

a. Defibrillator

Feedback from Shareholders was sought re: maintaining a defibrillator at the Park, and associated costs (repair/replace to ~\$2,000). There was consensus that a working defibrillator should be on site.

ACTION: Board will advise when working defibrillator is in place at the Park.

7. Treasurer's Report

Lloyd Ferguson, Treasurer, outlined the change of Accounting Firms to Roset Lanyon which has resulted in a delay in receiving the 2020/21 Financial Statements. Financial Statements will be shared with Shareholders when received, and approved at the next General Meeting.

a. 2021/22 Operating Budget

There will be a process change for Shareholders, with accounts being "zero'd out" at year end (Sept 30) to streamline the work of the Treasurer and bookkeeper. Shareholders with a credit balance will be credited in Q1. Shareholders are asked to pay fees by cheque or by e-transfer to: lloydferguson4@gmail.com

In light of anticipated capital expenditures, Shareholders were asked to consider increasing the capital cost contingency budget (~\$25/month/Lot). There was broad support for this approach.

Motion: To approve the 2021/2022 Operating Budget as presented

Moved by Mike Lidgate (Lot 27)

Seconded by Jay Cousins (Lot 41)

Carried unanimously, **operating budget approved.**

8. Capital Plan

The Capital Plan is guided by a vision that prioritizes the enjoyment, use, services, appearance, management and value of the Park for every shareholder. The existing infrastructure was not designed for current use, and significant work is required to ensure ability to meet all operational demands.

The Board has drafted a list of Capital Projects so that shareholders can assess capital expenditures in the context of longer-term horizons, however short-term priorities continue to be: sewer/septic system, water and electrical (all core services the Park is obligated to provide to each lot in working order and to acceptable standards). Gates and improvements to the House basement (for rental) are also included in short-term priorities.

a. Water and Wastewater Assessment

This item was discussed after Item 5d.

Mike Seymour, MSR Solutions Inc., presented the Assessment and Findings Report (appended).

There were several key questions from Shareholders:

- Smell: Can be mitigated with various strategies including carbon filters (additional cost), chemical drip, and/or load reduction (ie/ emptying schedule)
- Noise: Minimal (3hp blowers); can be located in insulated container
- System: Recommended based on CLRC constrictions (space/volume) and cost
- Maintenance: ~\$15,000 annually
- Location: System efficiency is critical, but concerns/ideas of Lot Owners will be considered
- Cost Estimate:
 - Phase I in 2022 (Lots 23-52, 17, 54-60) - \$670,000
 - Phase II in 2027 (Lots 1-7, 8-14, 18-22) - \$500,000
- Funding: see below

There was clear consensus that a functioning wastewater system is necessary.

Shareholders support moving forward with next steps, with a motion to approve anticipated at an Extraordinary General Meeting in the Spring. Shareholders indicated they would like see options for both a single phase and two phase approach, and that they would prefer to move ahead promptly and avoid increased costs due to delays and/or inflation.

b. Gates

Gates at the Park entrance/exit are anticipated to be ~\$40,000. Shareholders were asked to indicate priority in relation to other capital needs.

Next steps:

- Project Design and Cost Projections
 - Water & Wastewater option - Spring 2022
 - Electrical Upgrades (Lots 23-?) – Fall 2022

- Gates
- House Basement
- Confirm priorities – Spring 2022 (Extraordinary General Meeting)

The Board presented five cash flow funding models for capital expenditures moving forward (for discussion):

- Model 1 – monthly maintenance fee increase
- Model 2 – bi-annual special levy and/or special levies
- Model 3 – combination of 1 and 2
- Model 4 – existing capital and cash reserves and LOC
- Model 5 – levy on share sales

There was some discussion about funding options, and the Board encouraged ongoing dialogue as we move forward.

The Board requested direction from Shareholders with regard to Lot 4 redevelopment, and Water & Wastewater. There was a clear mandate to move forward with both projects. A motion re: Water & Wastewater is not required at this time.

Motion: To approve up to \$40,000 for the redevelopment/subdivision of Lot 4 into two lots (Lot 4a & 4b)

Moved by Holly Jeffrey (Lot 30)

Seconded by Dave Seivewright (Lot 29)

Carried unanimously, **Lot 4 redevelopment/subdivision approved.**

9. Rules and Regulations

The Rules and Regulations are being reviewed and reworked, including a proposed dispute resolution process. The revised document(s) will be presented at the next general meeting.

Shareholders were advised that CLRC lawyer, Brenda Milbrath, McMinn & Co, is retiring and has recommended Sitka Law Group.

ACTION: Current Rules & Regulations to be amended to reflect new CLRC lawyer/contact information.

10. Standard Resolutions

The following standard resolutions were voted on as a block:

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.

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.

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.

That the 5th day of December 2021 be selected as the annual reference date for the company for its current annual reference period.

Motion to approve Confirmation of Acts, Appointment of Accountants, Waiving appointment of Auditors and Selection of Annual Reference Date

Moved by Randy Sanderson (Lot 28)

Seconded by Elaine Jackson (Lot 50)

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

11. Election of Board Members

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

- Kim Chadwick, Lot 20
- Lloyd Ferguson, Lot 7
- Sue Fox, Lot 15
- Michele Gibbs, Lot 52
- George Hillier, Lot 5
- Rick Jeffery, Lot 30

Nominations from the floor:

- Elaine Jackson, Lot 50

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

Motion: To appoint Directors by acclamation.

Moved by Mary Thomas (Lot 12)

Seconded by Tim Christy (Lot 44)

Carried unanimously. Directors appointed by acclamation.

12. Other Business

None

13. Adjournment

Motion to adjourn (1:00pm)

Moved: Sean Gibbs (Lot 52)