



Making a difference...together

## LYALL HARBOUR - BOOT COVE WATER LOCAL SERVICE 2013 ANNUAL REPORT AUGUST 16, 2014

### Purpose of the Annual General Meeting

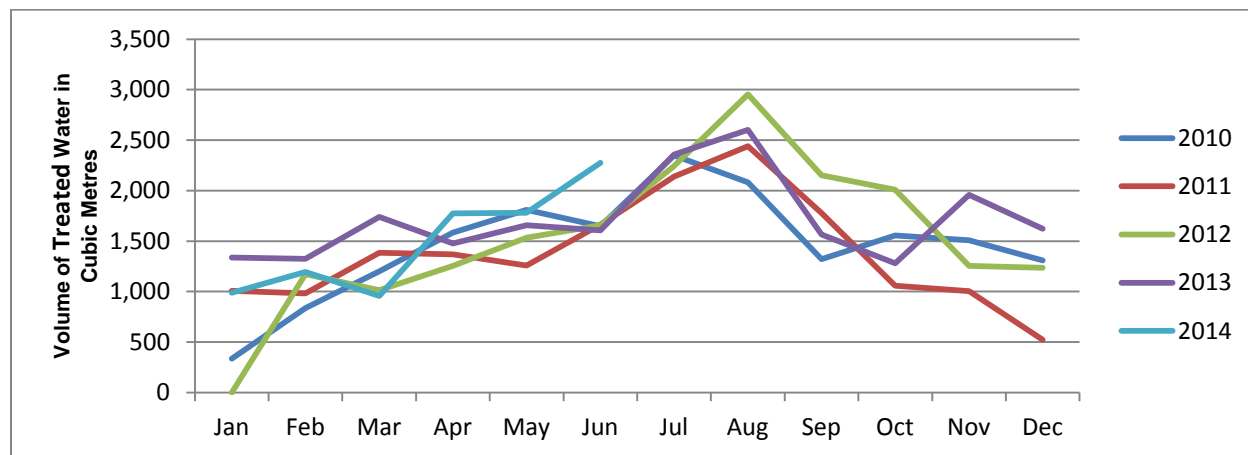
The agenda for the Annual General Meeting (AGM) is approved by the members of the committee. The purposes (and hence the agenda items) of the meeting are:

- To have the last year's Annual General Meeting minutes approved (by Committee members), and to present reports on the work of the Committee, the past year's operation, maintenance, capital upgrades and financial history of the service to the service residents and owners,
- To nominate members for appointment to the Service Committee, and
- To enable the public to share comments on subjects which relate to the work of the committee. The Committee can identify (under "new business") issues on which it wants feedback at the meeting. Motions raised by the public at the AGM will be considered by the committee at a subsequent regular committee meeting.

### Water Production and Consumption

The total volume of water extracted from Money Lake in 2013 was 20,533 m<sup>3</sup>. **Figure 1** shows monthly treated water production from 2010 through June 2014.

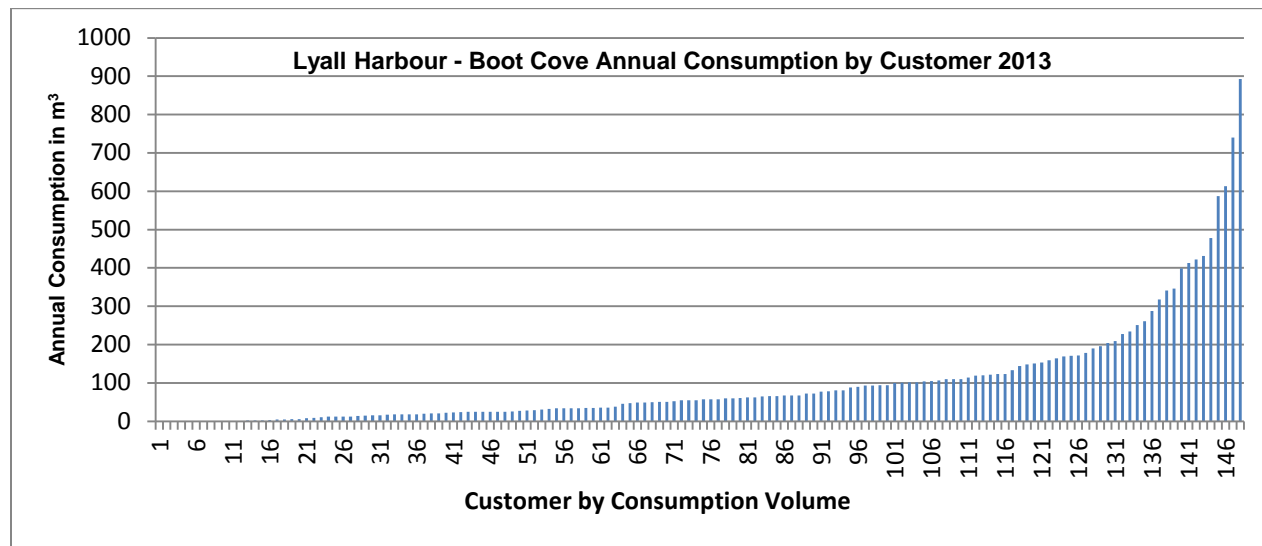
**Figure 1 – Lyall Harbour – Boot Cove Water Production 2010 – June 2014**



The total 2013 metered water consumption (sum of all customer metered usage) was 15,031 m<sup>3</sup>, a decrease of approximately 1,523 m<sup>3</sup> or 9.2% over 2012's consumption volume of 16,554 m<sup>3</sup>. The difference in the volume of raw water extracted from the lake and the volume of treated water consumed is considered non-revenue water. This water is typically used for operational and treatment process purposes such as water main flushing, reservoir cleaning and treatment plant filter backwashing. Non-revenue water also includes water lost to leakage in the distribution system, including private side connections and fire-fighting activities.

2013 annual use by connection is shown in **Figure 2**.

**Figure 2 - Annual Consumption by Customer in 2013**



Based on previous public input and subsequent discussions with the Committee, staff developed alternatives for a water usage charge for the Committee to consider in previous years. Charging for water use by measured consumption is considered a fair and equitable way to support operating costs of a small service.

### Water Quality

Since the fall of 2011, Water Quality Division staff has been posting water quality data for the Lyall Harbour – Boot Cove Water System on the CRD website listed below:

<https://www.crd.bc.ca/about/data/drinking-water-quality-reports/southern-gulf-islands-water-quality-reports/lyall-harbour-boot-cove-water-quality-reports>

Since November 2012, the new water treatment process uses seepage water from below the Money Lake dam to supplement flow from the lake itself. The data provided below for the 2013 Annual Report is based primarily on water quality characteristics since the upgrade.

- The treated water was bacteriologically safe to drink.
- The treated water turbidity (cloudiness) was usually near or just over the turbidity limit of 1.0 NTU, with some exceptions at lower usage locations.
- The treated water was tested in May and September for disinfection by-products that result from chlorine reacting with organic carbon. The annual average level of disinfection by-products across the distribution system was below the 100 µg/L limit in the Canadian Drinking Water Guidelines (CDWG).
- The treated water total organic carbon (TOC) was moderate, ranging from 5.4 to 6.8 mg/L. There is currently no guideline in the CDWG for TOC levels.

## **Operations**

The Lyall Harbour/Boot Cove Water System has operated reliably over the past year other than repairs of the ozone units. The system upgrades include enhanced filtration and the addition of a new balancing water storage tank, eliminating the need to process water to meet peak instantaneous demands. The new system upgrades allow a steady flow of water to be processed and fluctuations in water demand are now handled by the water storage tanks.

Significant operations activities in the past year include:

- Repaired washed out access road to upper building
- Repaired damaged MXU on water meter caused by fallen tree at 116 Sunset Boulevard
- Repaired damaged spillway at upper building due to heavy rains
- Repaired leak found in 2" inlet line at Boot Cove PRV station
- Removed gravel from recirculation manhole (dam seepage) due to heavy rains
- Installed water service at 173 east Point Road
- Installed new sample points at upper and lower buildings
- Replaced air valve at 159 East Point Road.
- Replaced worn out 2" Clayton valve at Narvaez PRV station and installed meter bypass
- Addressed failure of both ozone units at treatment plant
- Repaired leak at 207 East Point Road customer service
- Installed air valve on inlet line.
- Repaired leak on 2" galvanized inlet line at Narvaez PRV.
- Repaired leak to 120 east Point Road customer service
- Installed isolation valves on both carbon filters
- Repaired leak to 161 East Point Road customer service
- Repaired leak to 122 East Point Road customer service
- Replaced solenoid valve on filter building inlet pipe
- Installed new headwall at upper building and reservoir site

## **Capital**

The dam continues to operate safely and a recommended list of works has been prioritized by the consultant to ensure the dam remains safe to operate. ~~in the medium to long term.~~ A staff report will be prepared for the committee as part of the budget discussion regarding - significance of the LHBC Dam Report, importance of prioritizing the work (short, medium and long-term), looking at the report from an affordability perspective, identifying the impact that it may have on the taxpayers/users. - Staff will review priorities and provide recommendations and implications of options to the committee.

## **Financial Report - 2013**

Attached is a copy of the *Statement of Operations (Unaudited)* prepared by CRD Finance and Corporate Services for 2013. The statement provides an overview of the revenues and expenses for the year.

*Revenue* includes parcel taxes (*Transfers from Government*), user fees (*Sale of Services*), small amounts for interest on savings (*Interest Earnings*) and miscellaneous revenue such as late payment charges (*Other Revenue*).

*Expenses* includes all costs of providing the service. *General Government Services* includes budget preparation, financial management, utility billing and risk management services. *Other Expenses* includes all other costs to administer and operate the water system and the principal and interest payments on borrowing to finance capital projects. *Other Fiscal Services* includes administration costs for loans.

The difference between *Revenue* and *Expenses* is reported as *Net Revenue (expenses)*. Any transfers to or from capital or reserve accounts for the service (*Transfers to Own Funds*) are deducted from this amount and it is then added to any surplus or deficit carry forward from the prior year, yielding an *Accumulated Surplus* (or deficit) that is carried forward to the following year.

The Lyll Harbour/Boot Cove 2013 revenue of \$157,329 and expenses of \$184,085 yielded a net deficit of \$26,756. There were no transfers to or from capital or reserve accounts, so the deficit was applied to the opening balance of \$13,915 yielding a net deficit of \$12,841 carried forward to 2014.

2013 User Fee charges were \$390.31 per Single Family Equivalent (SFE) and 2013 Parcel Tax charges were \$560.00.

As of 31 December, 2013, the Capital Reserve Fund (#1025) had a balance of \$4,945.

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Concurrence

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Attachment: 1