



Making a difference...together

**PORT RENFREW UTILITY SERVICES
2014 ANNUAL REPORT
SEPTEMBER 21, 2015**

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 AGM 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 information to the service area residents and owners,
- To vote for nominated committee members for appointment to the 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 are not considered from the public at the AGM.

PORT RENFREW UTILITY SERVICES COMMITTEE

The Port Renfrew Utility Services Committee (PRUSC) has authority delegated by the Capital Regional District (CRD) Board for provision of water, sewer, street lighting and refuse disposal for the Port Renfrew community. Refuse disposal service is also provided to the Pacheedaht First Nation under a service delivery agreement. This Annual Report relates to the services provided under the authority of the PRUSC.

STREET LIGHTING SERVICE

Street lighting service is provided in the area of Port Renfrew known as Beach Camp. The street lights are operated and maintained by BC Hydro, and costs are recovered through a parcel tax and user charge on parcels in the area where the service is provided. There have been no significant issues with the service in the past year.

DRINKING WATER SERVICE

The Port Renfrew water service area exists to extract water from a well, treat the water and distribute it to customers. This service is paid for by all properties in the service area since all properties benefit from the service. Total costs to operate the system are supported 50% by parcel taxes and 50% by user fees. Although parcel taxes are the same for every lot, user fees vary based on Single Family Equivalents (SFE) assessed, so individual properties will not see an exact 50/50 split between parcel taxes and user fees.

Snuggery Cove was a group of 43 lots added to the Port Renfrew water service area in 2002. In order to connect Snuggery Cove to the rest of the system, a water main extension was required. At the time it was decided that only the residents of Snuggery Cove would pay for this extension since they were the sole beneficiaries of the extension. The cost of this project was borrowed in 2002 and is being paid back by the properties in the Snuggery Cove water service area. As of

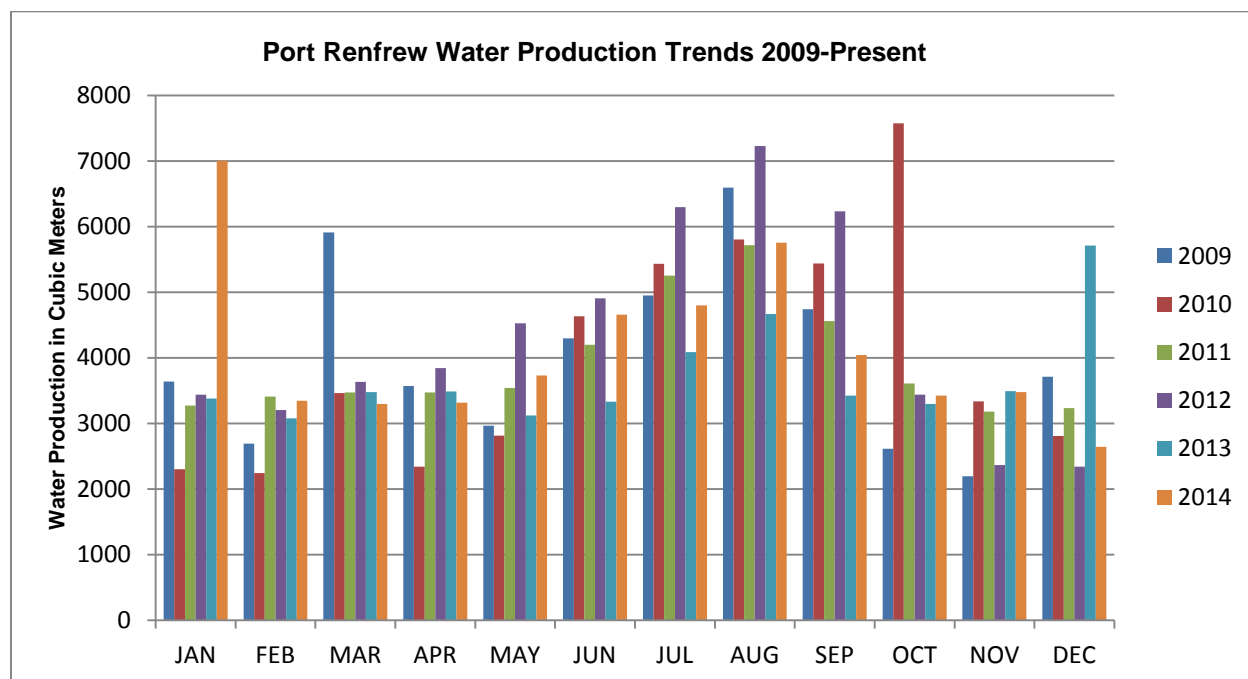
January 1, 2014, there is now a total of 94 folios (properties) participating in the debt recovery, an increase of 120% since 2011 which has lessened the individual debt payment per folio substantially over the past few years

Water Supply and Demand

Supply: Well Extraction

Total water production through the Port Renfrew water treatment plant in 2014 was 49,510 m³; a increase of approximately 4,940 m³ (11.5%) from the previous year. The production amount includes water used for fire-fighting, hydrant flushing, maintenance activities and water system leaks. **Figure 1** provides a monthly comparison of treated water volumes over the past six years. Singular spikes in monthly well extraction are largely attributable to recorded watermain and service failures. Non-revenue water also includes water lost to leakage in the distribution system, including private side connections.

Figure 1. Port Renfrew Water Production 2009 - Present



Demand: Customer Consumption

Of the 172 taxable folios within the water service area, 145 have service connections. There are 243.33 SFEs (Single Family Equivalents) being provided drinking water through the 145 connections, consisting of single detached residences, duplexes, commercial businesses and properties with multiple dwellings (both strata and non-strata), each on a single property or folio.

To estimate average annual water use per connection, the total volume of produced water (measured as drawn from the well) is divided by the number of connections; for 2014, this equates to 340 m³/yr. per connection.

An average water demand by residential service connection for water service areas operated by the CRD is shown in **Figure 2**. This comparison shows that Port Refrew customers, on average,

use about the same amount of water that Greater Victoria area customers use on an annual basis. However, the higher usage rate for Port Renfrew in 2014 is the result of a significant watermain break that doubled the January consumption.

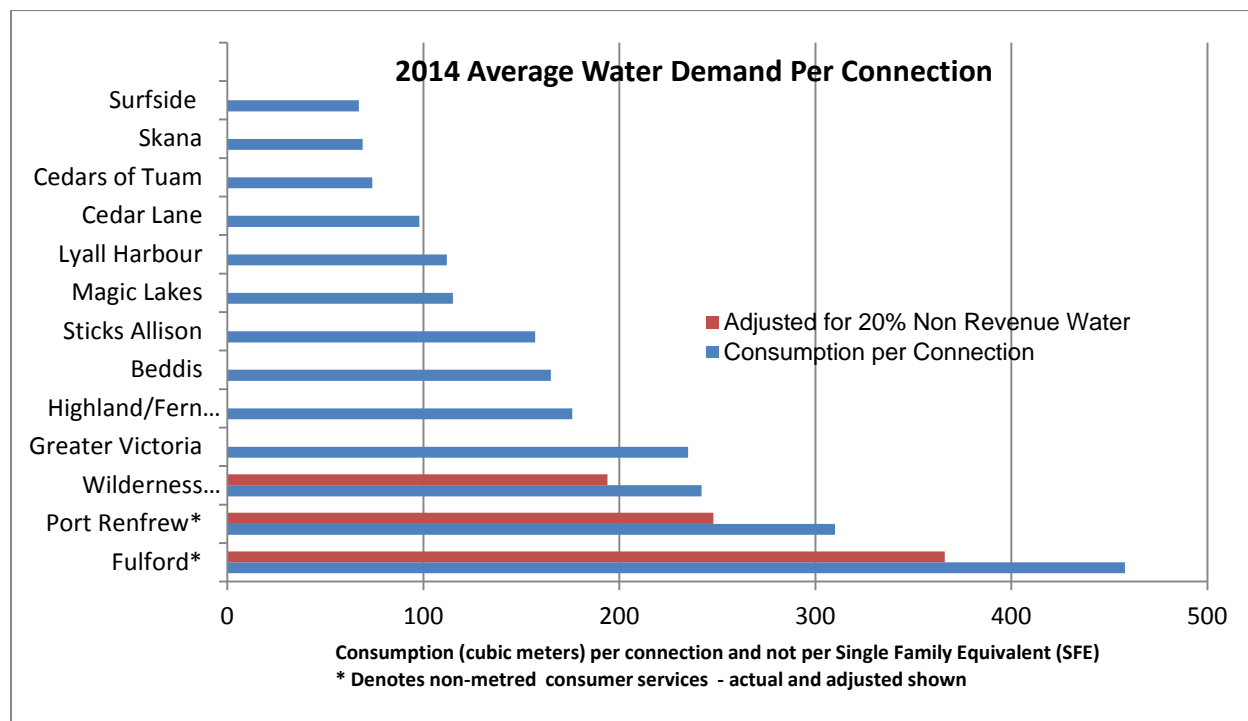


Figure 2 – 2014 Average Water Demand per Connection

The Port Renfrew water system does not have meters installed on residential services. Without the ability to monitor individual residential use, leaks on private properties may go un-noticed, potentially wasting a significant amount of treated drinking water from the system. Commercial properties are fitted with meters which are periodically checked for anomalous readings and flagged for investigation where atypical flow is identified, but they are not used for billing purposes.

Drinking Water Quality

Typical Port Renfrew Water System water quality characteristics include:

- The raw well water was free of any coliform and *E. coli* bacteria, free of any parasites, was slightly hard and exhibited a median pH value of 8.27. Turbidity (cloudiness) was not tested in 2014. All metals were below the limits of the *Guidelines for Canadian Drinking Water Quality*.
- Treated water was bacteriologically safe to drink. In 2014, a total of 61 treated water samples were analyzed; there was one total coliform positive sample; however, the resample was negative and no *E. coli* bacteria found in any treated water samples.
- Total organic carbon was not detected in the treated water.
- Disinfection by-products (total trihalomethanes) were well below the guideline limit of 100µg/L.

- Residual chlorine was maintained within the acceptable operational range to ensure the system remained disinfected at all times.

Analytical results of water samples collected during 2014 from the Port Renfrew Water System show that the quality of drinking water is satisfactory and well within regulatory limits. Water quality data collected from this drinking water system can be viewed on the CRD website at: <https://www.crd.bc.ca/about/data/drinking-water-quality-reports/juan-de-fuca-water-quality-reports/port-renfrew-water-quality-reports>

Operations

The Port Renfrew Water System, which serves the Beach Camp and Snuggery Cove areas, has operated reliably in the past year. Significant events and activities for 2014 and to date include:

- New no flow sensor switch and pressure transducer installed at the Water Treatment Plant
- Hydrant inspection and flushing
- Water service repairs at 17025 Tsonoqua Drive and 6687 Queesto Drive
- Red Creek right of way main repairs (early January)
- One new water service installed
- Connection to new watermain on Baird Road

All planned 2015 preventive maintenance work including annual hydrant and valve maintenance, and reservoir cleaning are expected to be completed by December 31, 2015.

Capital Expenditures

There were no planned capital improvements budgeted in 2014.

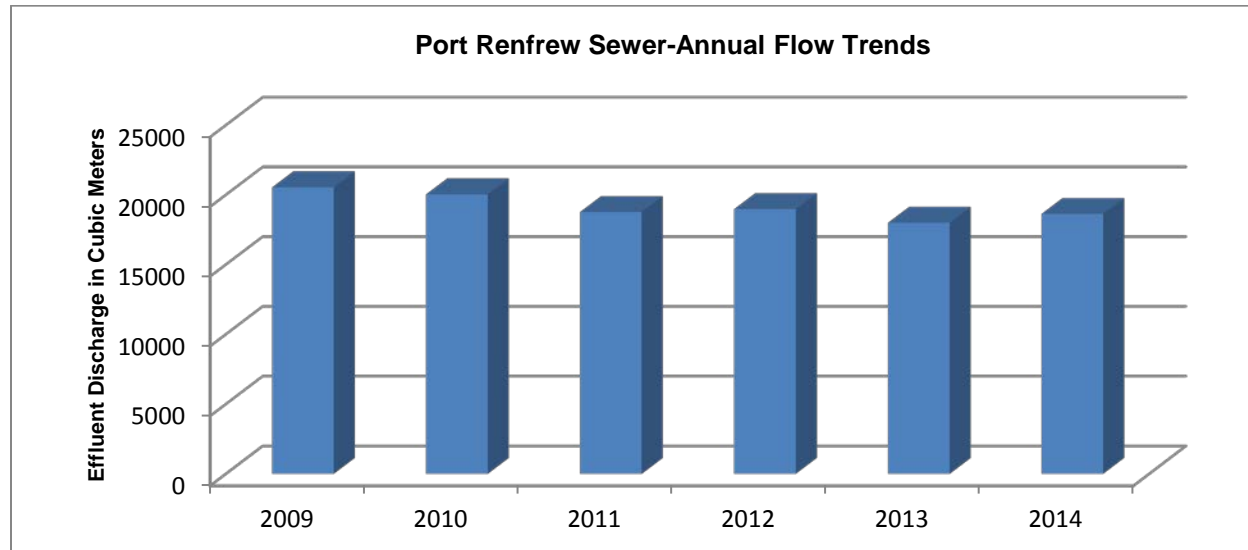
SEWER SERVICE

Sewer Collection Flows

The Port Renfrew sewer system serves 87 properties in the Beach Camp and localized residential area above and has continued to operate reliably in the past year. The treatment process consists of an extended aeration facility and a steel outfall which discharges treated effluent to the San Juan River estuary under Ministry of Environment permit. The 87 properties are comprised of 94.77 Single Family Equivalents (SFEs).

18,631 m³ of sewage was treated and discharged in 2014 for an average of 196 m³/SFE. Sewage flows in Port Renfrew have shown a downward trend over the years with higher recorded flows largely due to rain-fall influence in the wet seasons. Saturated ground conditions allow inflow and infiltration water to enter the system through aged joints and cracks in the old pipes installed in the 60's. **Figure 3** shows Port Renfrew sewer flow trends over the last six years.

Figure 3: Port Renfrew Sewer Flow Trends 2009 – 2014



Treated Effluent Discharge Quality

In 2014 there were no outfall exceedances for daily flows at the Port Renfrew WWTP and one permit violation for TSS levels, representing 8% of the monthly samples. The treatment plant removed approximately 90% of the total suspended solids (TSS) and 96% of the biochemical oxygen demand (BOD) and >99% of the fecal coliforms.

Receiving water monitoring was not required for the Port Renfrew WWTP in 2014 and won't be required again until 2016 unless there is a planned bypass, plant failures/overflows or wet weather overflows that exceed three days duration in the winter and one in the summer.

Operations

Significant events and activities for 2014 include:

- Repairs to both blowers at the wastewater treatment plant
- Significant maintenance including cleaning, painting, building repairs etc...
- Outfall inspection and repairs

2015 preventive maintenance work is expected to be completed by December 31, 2015.

REFUSE DISPOSAL SERVICE

The Port Renfrew Refuse Disposal service serves 277 properties (237 residential folios) within the service area and is funded through direct tax requisition based on the value of each property. The Pacheedaht First Nation also utilizes the facility through fee-for-service agreement. The tonnages of materials received and transferred at the Port Renfrew facility in 2014 are as follows:

Garbage	162 tonnes (9% increase from 2013)
Recyclables: Paper fibres	22 tonnes (22% increase from 2013)
Glass/metal/plastic containers	6 tonnes (25% decrease from 2013)
Scrap metal	68 tonnes (10% increase from 2013)
Oil/filters/containers	6 drums (25% decrease from 2013)
Total recyclables	96 tonnes (7% increase from 2013)

A separate kitchen scraps collection program at the facility was prepared in late 2014 for implementation in early 2015 in response to the kitchen scraps landfill disposal ban was due to come into force on January 1, 2015.

2014 YEAR END BUDGET AND FINANCIAL REPORT

Attached are copies of the *Statements of Operations (Unaudited)* for Port Renfrew Street Lighting, Water, Snuggery Cove Water, Sewer and Refuse Disposal services as prepared by CRD Finance and Corporate Services for the year 2014. The statements provide an overview of the revenues and expenditures for the year.

Revenue includes parcel taxes (*Transfers from government*) and user fees (*Sale of services*), and small amounts for interest on savings (*Interest Earnings*) and miscellaneous revenue such as connection charges and late payment charges (*Other revenue*). *Expenses* include all costs of providing the service. *General government services* include budget preparation, financial management, utility billing, and risk management services. *Other expenses* include 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.

Street Lighting Service

Revenues of \$6,061 for the Street Lighting service consisted of \$2,974 from parcel taxes, \$2,987 from user charges, and \$100 from other sources such as interest, late payment charges and payment in lieu of taxes on crown property. Of the \$6,168 expense, \$5,699 was paid to BC Hydro (an increase of \$349 over 2013), and the remaining \$390 covered finance and administrative expenses. The difference between revenue and operating expense – a deficit of \$107, plus \$8 of interest costs on temporary borrowing was deducted from the \$725 surplus carried forward from 2013, resulting in a net surplus of \$610 that was carried forward into 2015.

Water Service

The 2014 revenue of \$108,025 included \$51,272 parcel tax and \$52,363 user fees. The total expenses were \$93,295 for operation and administration of the service, leaving a surplus of \$14,730 of which \$32,990 was transferred to Reserve Funds leaving a net deficit of \$18,260. This deficit was added to the \$27,470 surplus carried forward from 2013, resulting in an accumulated surplus of \$9,210 carried forward to 2015.

On December 31, 2014, the Port Renfrew Water Capital Reserve Fund held \$104,359 in funds and the Equipment Replacement Fund had a \$14,516 balance.

Snuggery Cove Water Service Debt Recovery

This service exists for the sole purpose of repaying a \$325,000 loan for expansion of the water system to Snuggery Cove, completed in 2004. The revenue is raised through a property value tax on properties in the Snuggery Cove area that are able to receive water service as a result of the expansion. 2014 revenues of \$31,954 exceeded expenses consisting of payment of principal, interest on the debt, and finance and administration costs by \$5,526 and when added to the carry forward deficit of \$122, created a 2015 carry forward surplus of \$5,400. This one time significant surplus comes from lower than budgeted interest payments as a result of debt refinancing.

Sewer Service

The 2014 revenue of \$81,298 included \$39,914 parcel tax and \$40,056 user fees, the remainder being late payment charges, interest earned and grants in lieu of taxes. The total expenses were \$74,625 for operation and administration of the service, leaving a surplus of \$6,673 for 2014 of which \$9,503 was transferred to the Reserve Fund leaving a year end deficit of \$2,830. This was added to the \$14,320 surplus carried forward from 2013, resulting in an accumulated surplus of \$11,490 carried forward to 2015.

As of December, 2014, the Port Renfrew Sewer Capital Reserve Fund contained \$6,911 and the Equipment Replacement Fund had a balance of \$18,972.

Refuse Disposal Service

The 2014 revenue of \$68,599 included \$29,973 from property value taxes, \$3,561 from the sale of recyclables, \$29,059 contract revenue for service to the Pacheedaht First Nation, \$4,250 in one-time license fees from BC Hydro, \$1,335 in stewardship funding and \$420 in earned interest and grants in lieu of taxes. The operating expense of \$80,440 was partially offset by an internal recovery of \$15,000 from the Solid Waste Function for the recycling program, resulting in a net total expense of \$65,440.

The difference between revenue and expenses in 2014 amounted to a net surplus of \$3,159, which was transferred to the Capital Funds.

As of December 31, 2014, the refuse disposal function had a capital reserve of \$12,576 and the equipment replacement fund contained \$24,410.

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