



Making a difference...together

**SKANA WATER SERVICE COMMITTEE  
2008-2009 OPERATIONS REPORT  
MAY 30, 2009**

The following is provided for information to residents and users of the Skana water service.

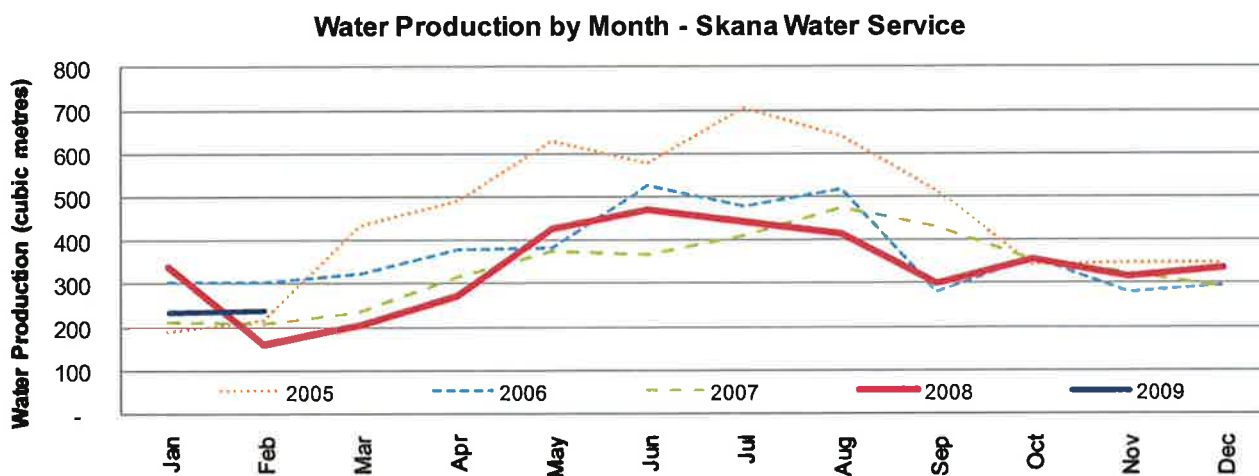
**Operations and Capital Upgrades**

The Skana water system has operated reliably and within budget in the past year. Aside from routine operation and maintenance by Capital Regional District (CRD) contract operator Jean Beaudet, work on the system has consisted of improvements to the pumphouse, installation of radio read components on meters, and various work on service connections as requested by customers. In response to an electrical safety inspection by operations staff, the roof and electrical service mast on the well pumphouse were replaced in fall 2008. Water meters were retrofitted early in 2009 with transceiver devices that enable the meters to be read remotely from a vehicle. The cost of the transceivers was funded by a gas tax grant, and the installation labour and the pumphouse improvements were funded from available balance in the capital project account. Service connections were completed at three properties in 2008 and two in 2009 to date, with costs recovered through connection charges of \$6,234 and \$4,250 respectively.

**Water Supply and Demand**

A total of 2,798 cubic metres ( $\text{m}^3$ ) of water was abstracted from the Skana well in 2008, nearly identical to 2007. Water production by month is shown in Figure 1. Total water demand in the Skana service area in 2008 is estimated to have been 2,800  $\text{m}^3$  based on metered usage beginning March 2008, suggesting the distribution system is free of significant leaks. Measured water usage between March and December was 99.0% of measured water production in the same time period.

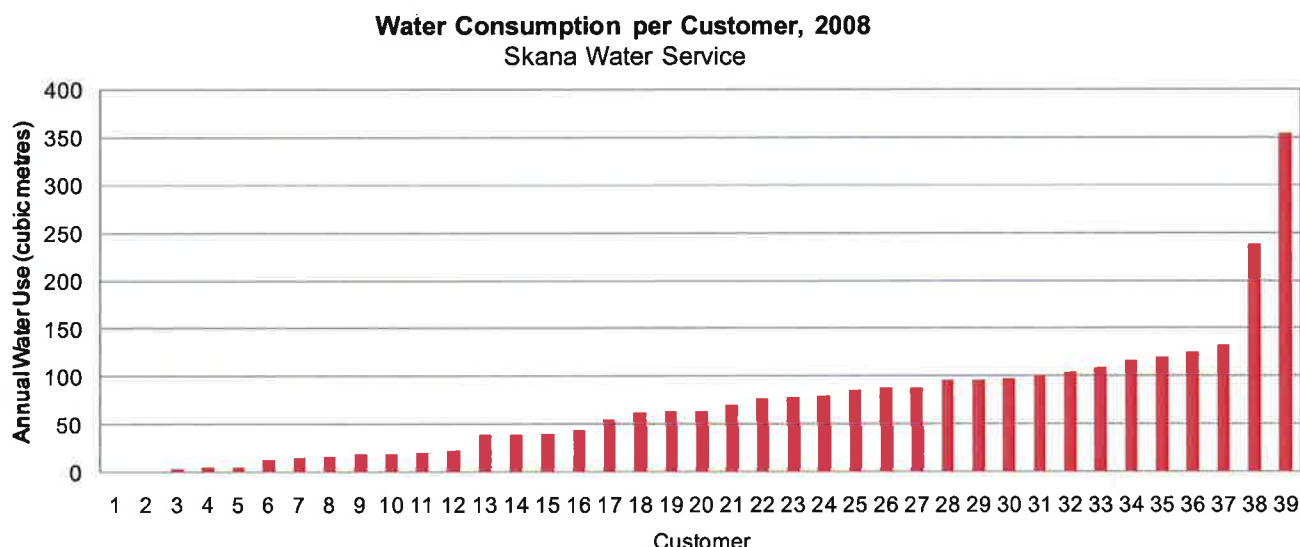
Figure 1. Water Consumption 2005-present



Water demand per average household in the Skana system is estimated to have been 72  $\text{m}^3$  in 2008, which is lower than other groundwater systems in the Gulf Islands, and roughly one third of that of a typical surface water system in the Islands. As shown in Figure 2, there is a range of annual usage in the service area,

reflecting that several dwellings are unoccupied for a significant portion of the year. However, even the highest users in the Skana area would be considered close to average in Greater Victoria, and only marginally higher water users than an average customer of a water system with a surface water source on Salt Spring Island.

Figure 2. Water Consumption per Customer



### Water Quality

The CRD contractor carries out an annual sampling program including programmed testing of bacterial indicators, an annual sample for metals and an annual sample for disinfection by-products. Unlike a surface water source such as a creek or lake, groundwater sources are generally less variable from season to season.

Bacteria are detected from time to time in the source water. A large increase in bacteria, often following a major weather event, indicates contamination of the aquifer that is often caused by inadequate sealing of a well allowing surface drainage to enter the casing. The risk of aquifer contamination is the primary reason disinfection is provided.

Non-coliform or background bacteria are also present within the water main system. While these bacteria are not harmful to human health, when present in large numbers they have the potential to obscure other, more harmful bacteria in samples and cause errors in detection at the lab. For this reason, a maximum non coliform bacteria count of 200 colony forming units (CFU) per 100 ml is a guideline the CRD strives to maintain. A residual concentration of chlorine is maintained in the system for this purpose. A periodic count may turn up in a section of main, especially one with very little usage. The operator flushes that portion of the main to re-establish the disinfection residual and a re-test is done to confirm results.

Water delivered to the Skana service area typically meets the guidelines set out in the *Canadian Drinking Water Guidelines (CDWG)*, and the requirements of the British Columbia *Drinking Water Protection Act and Regulation* as administered by the Vancouver Island Health Authority (VIHA).

### Annual Operating Budget

Attached is a copy of the *Statement of Financial Activities* as prepared by the CRD Finance and Corporate Services for the year 2008. The statement provides an overview of the revenues and expenditures for the year. Revenues are generated primarily through parcel taxes and user fees (fixed and variable based on

water use), and small amounts for interest on savings and miscellaneous revenue such as late payment charges.

Expenditures include all costs to administer the service. General government services are charges levied by CRD Corporate Services for the financial processing of the budget and collection of fees and charges. Other includes all expenses needed for the operation of the service including all CRD labour costs for day to day operations, CRD service personnel hours performing maintenance and repairs, chemicals, electricity, water testing costs, maintenance parts allowances for electrical and mechanical equipment, rental or equipment as necessary and allowances for technical and staff support to the committee, and for the payment of debt.

The difference between revenue and expense is added to any surplus or deficit carried forward from the prior year. If there is a significant surplus, funds may be transferred to a reserve or capital project account. The surplus or deficit balance after any transfers is carried to the following year. CRD services are not permitted to plan to carry forward a deficit, so a deficit in a given year usually requires a tax or fee increase in the following year to recover costs and prevent a subsequent deficit.

The Skana 2008 revenue of \$52,015 includes \$18,937 parcel tax and \$26,193 user fees. The "other" revenue is primarily connection charges. The total expenditures for 2008 were \$48,120, of which \$14,310 is the annual cost of borrowing for capital work, and the remainder is the cost of operation and administration of the service.

The difference between revenue and expenditures in 2008 amounted to a net revenue of \$3,895 at year-end. This amount added to the surplus of \$1,956 carried forward from 2007. A total of \$2,991 was transferred to the reserve fund, leaving net surplus of \$2,860 carried forward to 2009. The current balance in the reserve fund is \$31,605. A balance of \$10,156 also remains available in the capital project account.

There was no increase in taxes or user fees for 2009. Although the operating budget for the Skana water service has been adequate to meet immediate needs, the committee may wish to consider increasing the contingency to hedge against the risk of an increase in the cost of operator services. Unspent contingency amounts may be transferred to the reserve fund for future capital needs such as infrastructure replacement.

### **Water System Problems - Who to Call**

To report any event or to leave a message for the Skana Water Operator, Mr. Jean Beaudet:

**First Call: 539-3300**

**If you do not reach someone at 539-3300, please report emergency events directly to:**

**1-250-388-6275 and ask for pager 2614**

When connected to the pager message system, please leave your name, your phone number, a brief description of the problem and that the problem is with the **Skana** water system. Expect a phone call from a CRD duty operator within a short time.

CS:ls

Attachments: 1

## CAPITAL REGIONAL DISTRICT

### WATER REVENUE FUND

#### STATEMENT OF FINANCIAL ACTIVITIES (UNAUDITED)

For the year ended December 31, 2008

	Skana Water Supply
<b>REVENUES</b>	
Transfers from government	\$ 18,937
Sale of services	26,193
Other revenue from own sources:	
Interest earnings	192
Other revenue	6,671
Grants in lieu of taxes	22
	<u>52,015</u>
<b>EXPENDITURES</b>	
General government services	1,870
Grants in aid	-
Other	46,144
Salaries and wages	-
Other fiscal services	106
Recovery	-
	<u>48,120</u>
<b>NET REVENUES</b>	
<b>(EXPENDITURES)</b>	3,895
Transfers to own funds:	
Water Capital Fund	-
Reserve Funds	2,991
Equipment Replacement Fund	-
Transfers from own funds:	
Reserve Funds	-
	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	904
Opening balance	1,956
<b>CLOSING BALANCE</b>	<u>\$ 2,860</u>