



Making a difference...together

**SKANA WATER SERVICE
ANNUAL REPORT ON OPERATIONS
MAY 11, 2010**

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

Operations and Projects

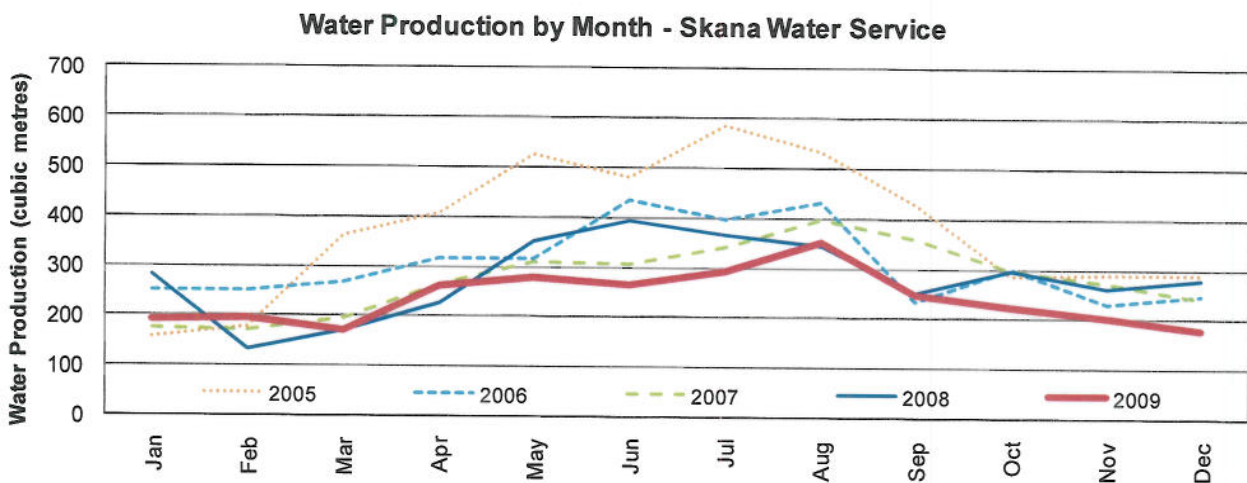
The Skana water system has operated reliably and within budget in the past year. Work on the system in the past year has included routine operation and maintenance by contract operator Jean Beaudet, and the provision of service connections as requested by customers. Service connections were completed at two properties in 2009, with costs recovered through connection charges of \$4,268.

No capital work is planned for 2010. An engineering assessment of the system is tentatively planned for 2011, in order to plan for infrastructure upgrades in the future.

Water Supply and Demand

A total of 2,874 cubic metres (m³) of water was pumped from the Skana well in 2009. Water production by month is shown in Figure 1. Total water demand in the Skana service area in 2009 was 2,673 m³. Measured water usage in 2009 was 93.0% of measured water production. Of the 42 connections to the Skana system, four were unused in 2009. The average consumption of the remaining 38 connections was 70 m³, and the maximum was 300 m³.

Figure 1. Water Production 2005-present



Water Quality

The CRD contractor carries out an annual sampling program including programmed testing of bacterial indicators, and twice annual sample for metals and 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 100 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.

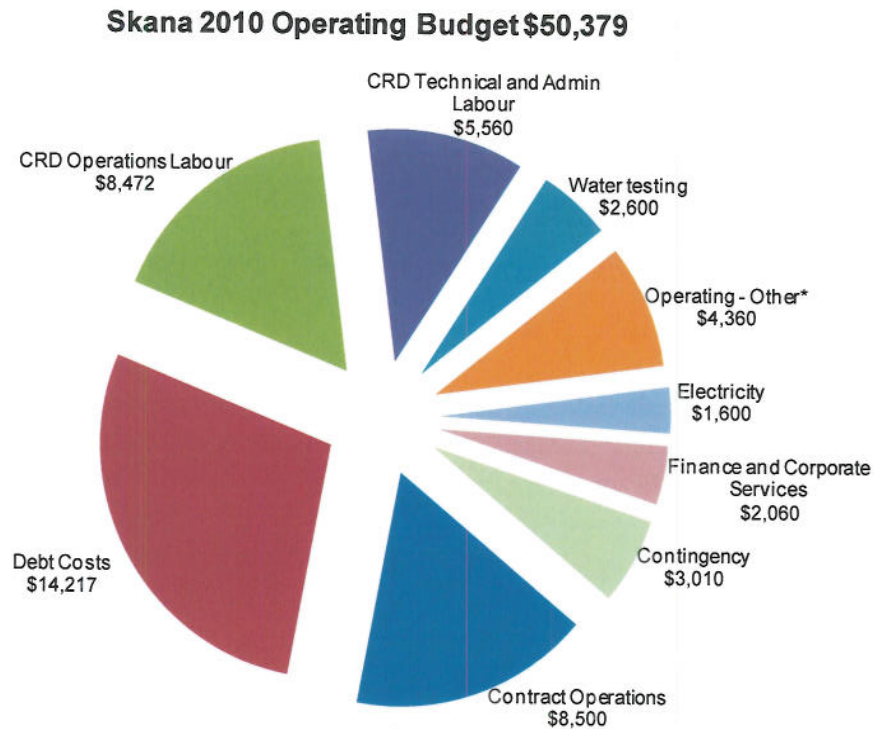
Water delivered to the Skana service area is safe to drink, and typically meets the guidelines set out in the *Canadian Drinking Water Guidelines (CDWG)*, and the requirements of the *British Columbia Drinking Water Protection Act and Regulation* as administered by the Vancouver Island Health Authority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

2009 Financial Report

Attached is a copy of the *Statement of Financial Activities* as prepared by CRD Finance and Corporate Services for the year 2009. 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 annual costs of service as budgeted for 2010 are shown in Figure 2.

Figure 2. 2010 Operating Budget



*Includes repair and maintenance parts, operating supplies, insurance, travel expenses, meeting expenses, building inspection services, telecommunications, permits and licenses, rentals and leases

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. Regional District 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 2009 revenue of \$51,162 includes \$18,937 parcel tax and \$27,452 user fees. The *other* revenue is primarily connection charges. The total expenditures for 2009 were \$39,803, of which \$14,217 was 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 2009 amounted to a net revenue of \$11,359 at year-end. This amount added to the surplus of \$2,860 carried forward from 2008. A total of \$1,327 was transferred to the reserve fund, leaving net surplus of \$12,892 carried forward to 2010. The current balance in the reserve fund is \$33,487. A balance of \$10,247 also remains available in the capital project account.

There was no increase in taxes or user fees for 2010.

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, 2009

		Skana Water Supply
Revenue		
Transfers from government	\$	18,937
Sale of services		27,452
Other revenue from own sources:		
Interest earnings		191
Other revenue		4,554
Grants in lieu of taxes		28
		<u>51,162</u>
Expenses		
General government services		1,930
Grants in aid		-
Other		37,824
Salaries and wages		-
Other fiscal services		49
Recovery		-
		<u>39,803</u>
Net revenue(expenses)		
		11,359
Transfers to own funds:		
Water Capital Fund		-
Reserve Funds		1,327
Equipment Replacement Fund		-
Transfers from own funds:		
Reserve Funds		-
Annual Surplus		
		10,032
Accumulated surplus, beginning of year		2,860
Accumulated surplus, end of year	\$	<u><u>12,892</u></u>