



Making a difference...together

**STICKS ALLISON WATER LOCAL SERVICE COMMITTEE
2008-2009 OPERATIONS REPORT
8 AUGUST 2009**

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

Operations

The Sticks Allison water system has operated reliably and within budget in the past year. A leaking water service was identified and repaired in May 2009. Replacement of aging water meters with new units capable of being read by radio commenced in 2008, with seven meters replaced in November. The replacement program will continue at an anticipated rate of 6-10 meters per year until all meters have been replaced in the system.

Water Supply and Demand

Total annual water production since 2003 is shown in Figure 1, and water production by month is shown in Figure 2. A total of 7,647 cubic metres (m³) of water was abstracted from the Sticks Allison well in 2008, which is 7% more than in 2007. Total water demand in 2008 was 5,462 m³ based on metered usage, indicating that up to 2,185 m³, or 28.6% of water produced by the well, was lost to distribution leakage in 2008.

The difference between production and total metered consumption increased from 1,767 m³ in 2007, which is consistent with a longer-term trend of increasing water production since 2003. This increase is clearly evident in the winter months, suggesting either increased year-round occupancy or increased distribution losses. Well levels are reported to have improved in the past year despite increasing consumption.

Water demand per average household in the Sticks Allison system was 144 m³ in 2008, which is greater than other groundwater systems in the Gulf Islands, and roughly two thirds of that of a typical surface water system in the Islands. As shown in Figure 3, there is a range of annual usage in the service area, reflecting that several dwellings are likely unoccupied for a significant portion of the year. Average water use per account increased by 1.5% from 2007 to 2008.

Figure 1. Water Production 2003-2008

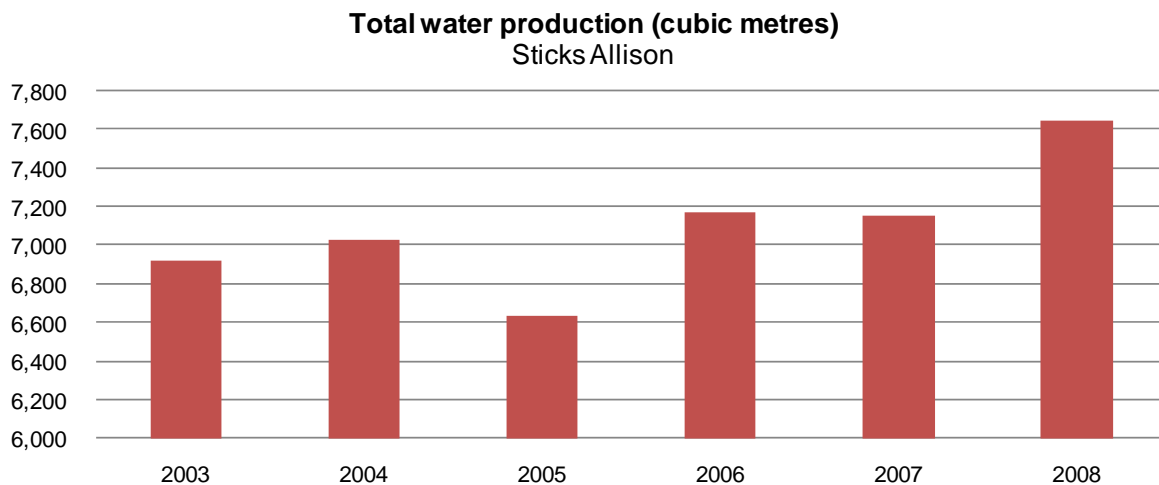


Figure 2. Water Production by Month, 2003-2008

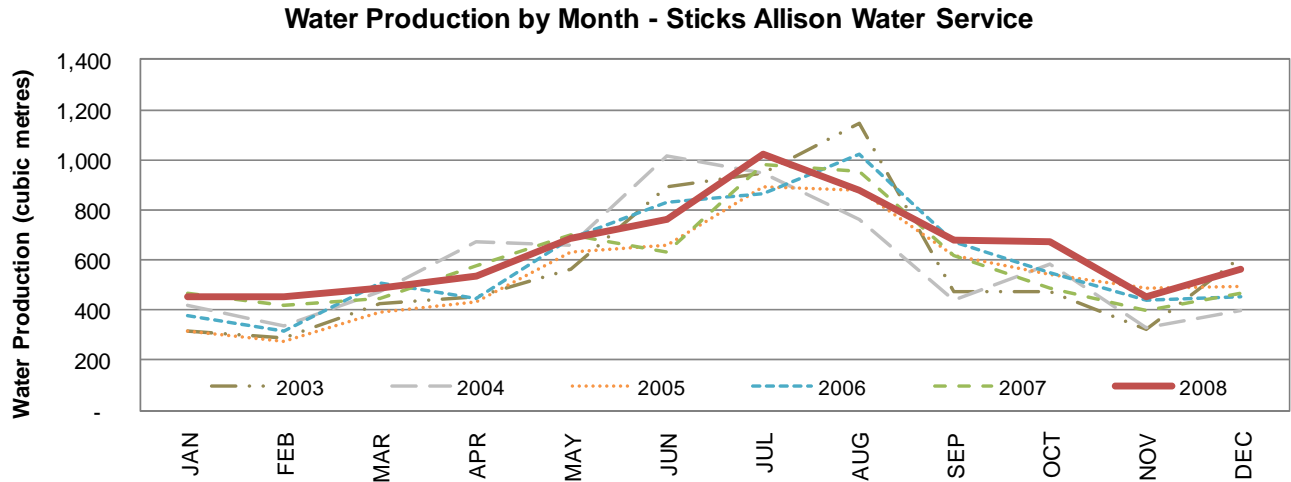
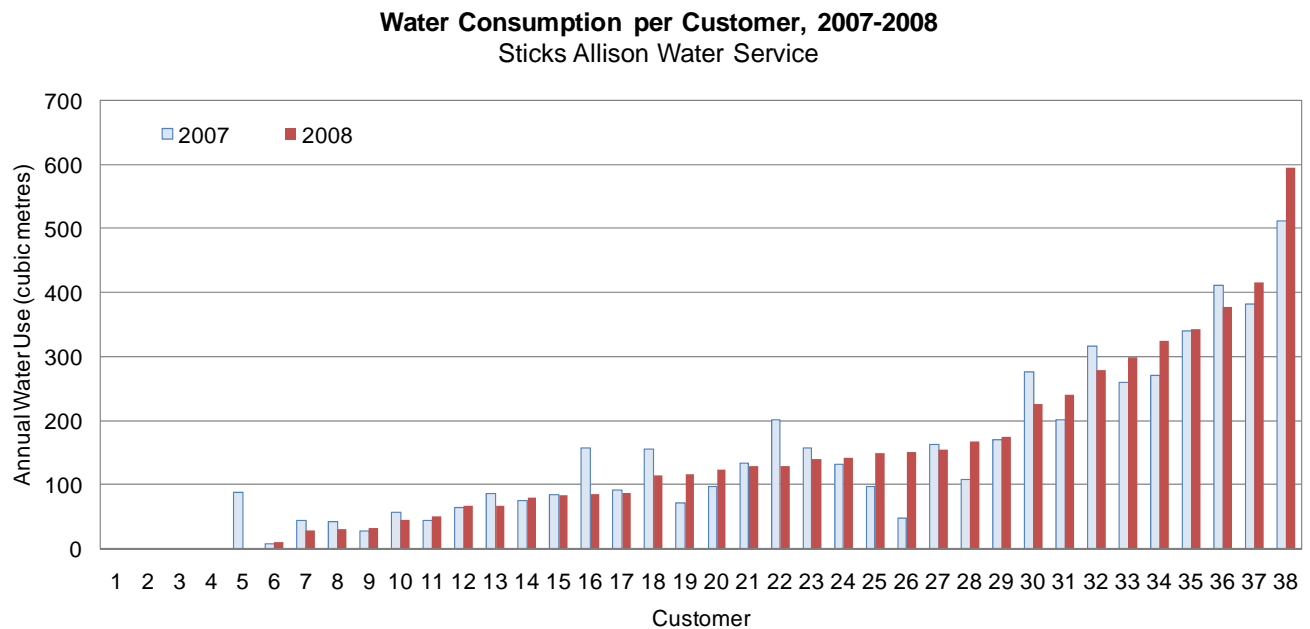


Figure 3. Water Consumption per Customer



Water Quality

The Capital Regional District (CRD) operator 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 Sticks Allison 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 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. 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 Sticks Allison 2008 revenue of \$33,862 includes \$10,260 parcel tax and \$23,100 user fees. The *Other Revenue* is primarily late payment penalties. The total expenditures for 2008 were \$34,984, of which \$10,264 is the annual cost of borrowing for capital work, and the remainder is the cost of operation and administration of the service. A planned transfer of \$3,000 to the reserve fund was not completed, as the funds were instead used to directly fund the replacement of seven water meters from the operating budget.

The difference between revenue and expenditures in 2008 amounted to a net expenditure of \$1,122 at year-end. This amount offset the surplus of \$1,000 carried forward from 2007, leaving net deficit of \$122 carried forward to 2009. The current balance in the reserve fund is \$11,846.

There was no increase in taxes or user fees for 2009. Although the operating budget for the Sticks Allison water service has been adequate in previous years to meet immediate needs, an increase in revenue may be needed for 2010 to offset increasing costs of operation.

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Attachments: 1