



Making a difference...together

**STICKS ALLISON WATER SERVICE
ANNUAL REPORT
27 August 2011**

Operations

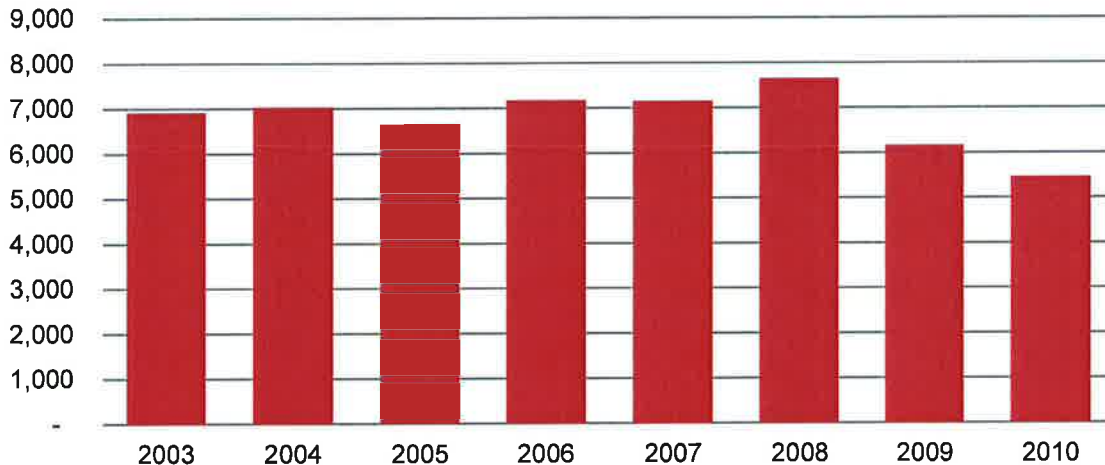
The Sticks Allison water system has operated reliably in the past year. Significant activities include:

- Standpipe maintenance
- Refurbishment of the UV disinfection system
- Replacement of air release valves in the distribution system

Water Supply and Demand

Total annual water production since 2003 is shown in Figure 1, and A total of 5,458 cubic metres (m³) of water was drawn from the Sticks Allison well in 2010, 11% less than in 2009 and 29% less than in 2008.

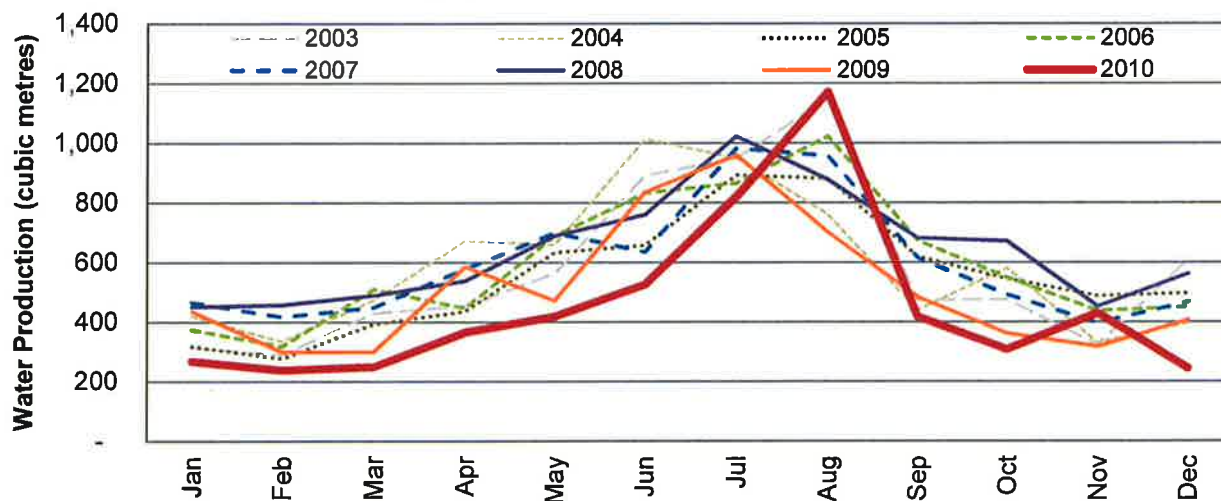
Figure 1. Total Annual Water Production (cubic metres)



Water production by month since 2003 is shown in Figure 2. The largest reductions in water demand have occurred in August, September, November and December. April and June usage in 2010 was considerably greater than in the previous two years. These monthly variations suggest that the overall water use reductions likely include changes in seasonal occupancy patterns, and/or the occurrence and repair of short-term leaks.

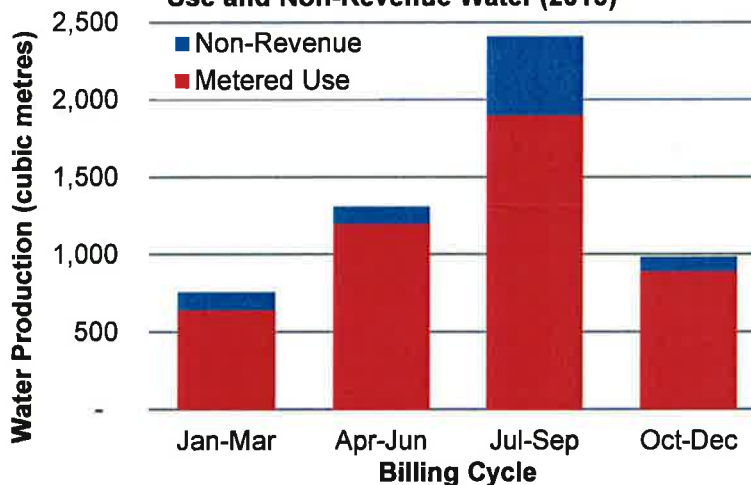
Total metered usage by customers of the Sticks Allison Water Service in 2010 was 4,645 m³, which is 11% less than in 2009 and 15% less than in 2008.

Figure 2. Water Production by Month



The difference between production and total metered consumption, called non-revenue water, represents the combined effect of distribution system leaks, system maintenance (e.g. mains flushing), any unauthorized connections, fire fighting and meter inaccuracy. Non-revenue water decreased from 2,216 m³ in 2008 to 813 m³ in 2010. This is attributed in part to a significant watermain leak and six leaking meter assemblies that were repaired in 2009 during meter replacement. The relationship between total water production, customer use and non-revenue water for the four billing cycles in 2010 is shown in Figure 3.

Figure 3. Quarterly Water Production, Retail Use and Non-Revenue Water (2010)



Water Quality

Typical Sticks Allison water quality characteristics include:

- Treated water is bacteriologically safe to drink
- Total trihalomethanes (THMs) are typically below the GCDWQ limit of 100 mg/L
- Metals are typically below limits

Financial Report - 2010

Attached is a copy of the *Statement of Financial Activities (Unaudited)* as prepared by CRD Finance and Corporate Services for the year 2010. The statement provides 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 and miscellaneous revenue such as late payment charges (*other revenue*).

Expenditure includes all costs of providing the service. *General government services* include budget preparation, financial management, loan administration, utility billing, and risk management services. *Other financial services* include administration costs for loans. *Other* includes all other costs to administer and operate the water system, and the principal and interest payments on borrowing to finance capital projects. A breakdown of actual 2010 expense for the Sticks Allison Water Service is shown in Figure 4.

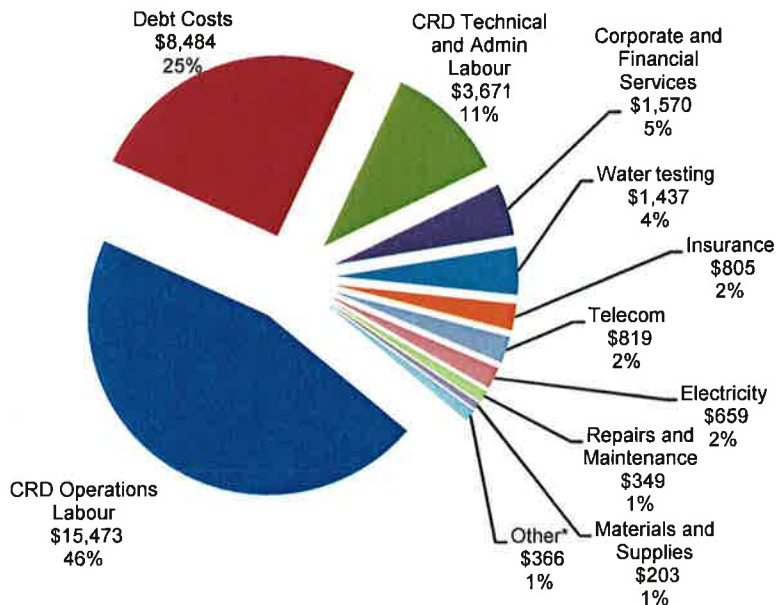
The difference between *revenue* and *expenditure* is reported as *net revenue (expenditure)*. Any transfers to or from capital or reserve

accounts for the service (*transfers to own funds*, or *transfers from own funds*) are deducted and the net *change in fund balance* is added to any surplus or deficit carry forward from the prior year (*opening balance*), yielding a *closing balance* (surplus or deficit) that is carried forward to the following year.

The Sticks Allison 2010 revenue of \$31,317 and expenditure of \$33,835 yielded a net expenditure of \$2,518. There were no transfers to or from capital or reserve accounts, so the change was applied to the surplus opening deficit balance of \$564 yielding a closing deficit of \$3,082 carried forward to 2011. 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 deficit, and the requirement to increase revenue to cover increasing operating costs that caused the deficits in 2009 and 2010, contributed to a required increase in fees and charges for the service in 2011.

The Sticks Allison Water Service held \$4,133 in capital reserves at December 31, 2010.

Figure 4. 2010 Actual Expense \$33,835



*Includes travel expenses, meeting expenses, printing, postage, advertising, permits and licenses

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Concurrence

CAPITAL REGIONAL DISTRICT

WATER REVENUE FUND

Statement of Financial Activities (Unaudited)

For the Year Ended December 31, 2010

		Sticks Alison Galiano Island Water Supply
Revenue		
Transfers from government	\$	8,384
Sale of services		22,786
Other revenue from own sources:		
Other licenses and permits		-
Interest earnings		-
Other revenue		147
Grants in lieu of taxes		-
		<u>31,317</u>
Expenditure		
General government services		1,570
Other		32,165
Other fiscal services		100
		<u>33,835</u>
Net revenue (expenditure)		(2,518)
Transfers to own funds:		
Water Capital Fund		-
Reserve Funds		-
Equipment Replacement Fund		-
Transfers from own funds:		
Reserve Funds		-
Change in fund balance		(2,518)
Opening balance		(564)
Closing balance	\$	(3,082)