



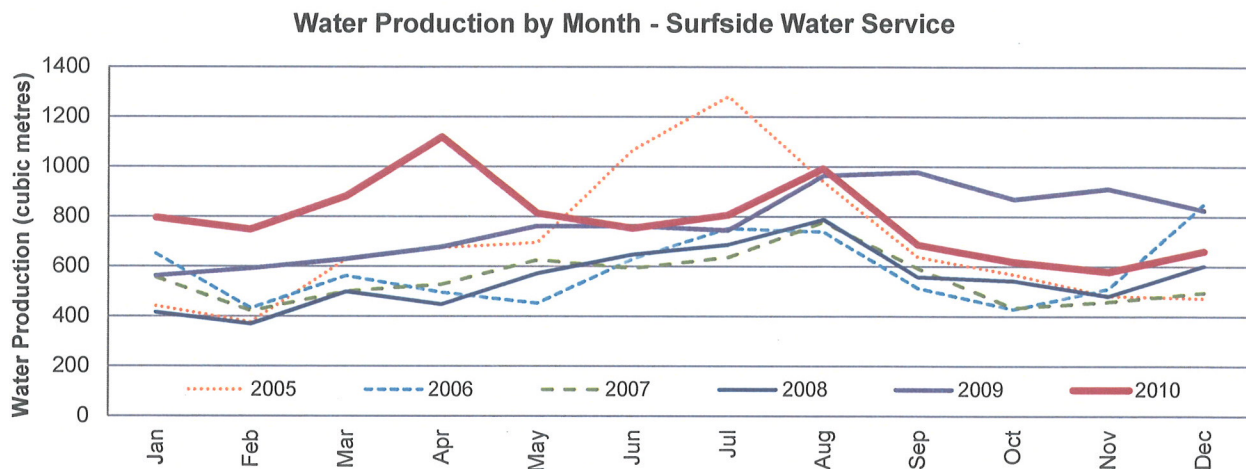
Making a difference...together

**SURFSIDE PARK ESTATES WATER SERVICE  
ANNUAL REPORT ON OPERATIONS  
MAY 24, 2011**

### Water Usage

A total of 9,455 cubic metres (m<sup>3</sup>) of water was abstracted from the Surfside well in 2010, which is 2% greater than 2009 usage and 43% greater than in 2008. The high usage in the last two years was caused by a distribution leak that began in the summer of 2009 and was resolved in May 2010, and by flushing required in August 2010 due to a well pump malfunction. Water production by month is shown in Figure 1, indicating that water usage returned to the normal range after August 2010.

Figure 1. Water Consumption 2005-present



Total metered water use by Surfside customers in 2010 was 4,706 m<sup>3</sup>, somewhat lower than in 2008 (4,826 m<sup>3</sup>) and 2009 (4,853 m<sup>3</sup>).

### Operations and Projects

The Surfside water system operated reliably in 2010, with two significant exceptions. A major leak was identified and resolved in May after several months of searching, and failure of an aging well pump in August caused excessive chlorine concentrations in the storage tanks, requiring flushing and emergency water use restrictions for a few days. A more detailed summary of maintenance work in 2010, and approximate costs, follows:

- Purchased new UV lamps - \$230
- Purchased 14 cubic feet of arsenic media - \$4,270
- Topped up arsenic vessel #1 with 2 cubic feet of media - \$616
- Installed 2" standpipe at end of line at 261 Wooddale - \$750
- Purchased three water meters - \$285.36
- Repaired major leak at PRV station - \$1,332
- Changed media in arsenic vessels - \$1,331.75
- Installed new 1.5 hp well pump and controls - \$5,677
- Installed new chlorine pump in filter building - \$1250

- Installed 3 valve cluster at Bowsprit - \$11,000
- Repaired leaks on Wooddale - \$1,700
- Purchased rebuild kits for backwash controllers - \$1,500

Three capital projects were planned for 2010 in the annual budget for the Surfside water service, with an overall budget of \$20,000. The decommissioning of Well #74-1A and restoration of the site, installation of a control float for filter backwashing and watermain repairs and isolation valve replacements were all completed, at a total cost of approximately \$15,000. In addition, one new service connection was completed at a cost to the owner of \$1,520.

### **Water Quality**

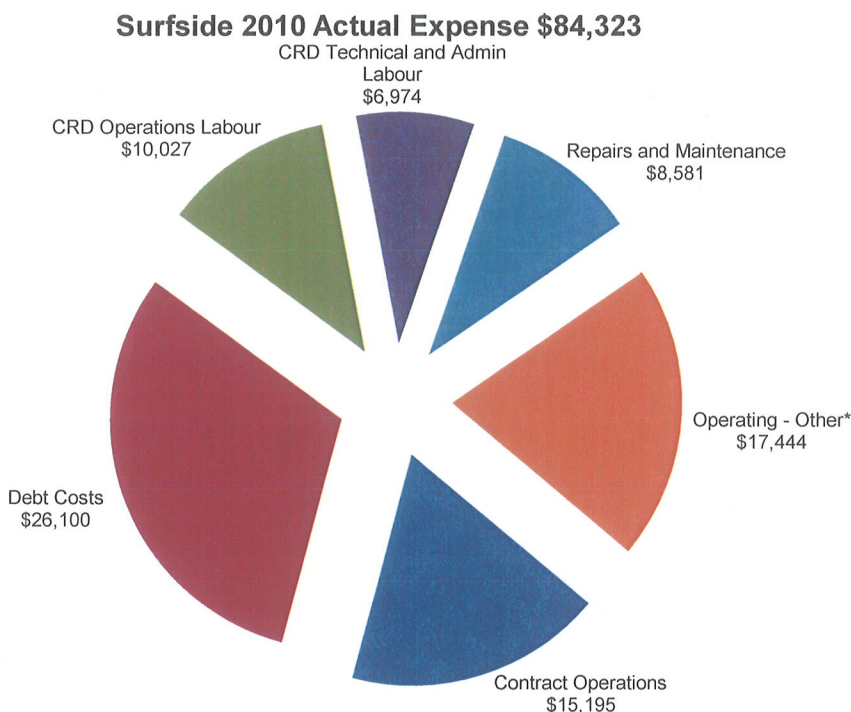
Water Quality Division staff are preparing the *2010 Annual Water Quality Report for the Surfside Park Estates Drinking Water System* which should be available by mid-year. That report will contain a detailed accounting of the water quality testing that was conducted in 2010 and will be available to the public on the CRD website. Currently, there are no specific water quality issues in this drinking water system.

### **2010 Financial Report**

Attached is a *Statement of Financial Activities* as prepared by CRD Finance and Corporate Services for 2010. The statement provides an overview of the revenues and expenditures for the year. *Revenues* include parcel taxes and user fees, 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 and other fiscal services* are charges levied by CRD Corporate Services for accounting, billing and administration of loans. *Other* includes all expenses needed for the operation and administration of the service, including funding of capital projects. Figure 2 shows a breakdown of 2010 actual expenses.

Figure 2. 2010 Operating Expense



\*Includes arsenic media purchase and disposal, water testing, operating supplies, insurance, travel expenses, meeting expenses, financial services, building inspection services, telecommunications, permits and licenses, rentals and leases

The balance of annual revenue and expense is added to any surplus or deficit carried forward from the prior year. If the sum is a net surplus, funds may be transferred to a reserve or capital project account; however, funds may not be transferred to reserve or capital if there is a net deficit. Regional District services are not permitted to budget for a deficit, so a deficit in a given year requires a tax or fee increase in the following year to recover costs and prevent a subsequent deficit.

The Surfside 2010 revenue of \$90,379 includes \$33,153 parcel tax and \$55,253 user fees. The “other” revenue includes connection charges, and other charges such as late payment fees. The total expenditures for 2010 were \$84,323, of which \$26,100 is the annual cost of borrowing for capital work, and the remainder is the cost of operation and administration of the service. Operating costs for Surfside were elevated in 2010 due to efforts to locate and repair distribution leaks, but were accommodated within the operating contingency.

The difference between revenue and expenditures in 2010 was net revenue of \$6,056 at year end. This amount was added to the surplus of \$1,483 carried forward from 2009 and \$3,539 was transferred to the Capital Reserve Fund, leaving a surplus of \$4,000 carried forward to 2011. The current balance in the reserve fund is \$22,232.

The 2011 operating and capital budgets recommended by the Surfside Park Estates Water Service Committee at the November 2010 budget meeting were approved by the CRD Board in March. The approved budget results in the following change to fees and charges for 2011:

- Parcel Tax: No change
- Annual User Charge: Increases from \$867.18 to \$925.53

The increase is the result of increased effort required to administer and operate the service, a new water quality oversight and reporting program, and changes to the method of recovering vehicle and travel costs for CRD staff. The approved budget includes a \$5,000 capital expense in 2011 to complete a strategic asset management plan for the service, funded from available capital reserves.

**Water System Problems - Who to Call**

To report any event or to leave a message for the Surfside 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 **Surfside** water system. Expect a phone call from a CRD duty operator within a short time.



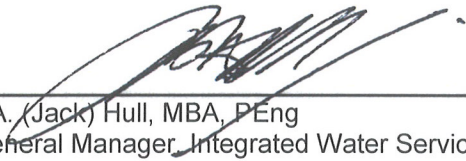
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Colwyn Sunderland, ASCT  
Local Services Engineering Coordinator



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Tim Tanton, PEng  
Senior Manager, Infrastructure Engineering  
Concurrence



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J.A. (Jack) Hull, MBA, PEng  
General Manager, Integrated Water Services  
Concurrence

CS:ls  
Attachments: 1



**CAPITAL REGIONAL DISTRICT**

**WATER REVENUE FUND**  
**Statement of Financial Activities (Unaudited)**  
**For the Year Ended December 31, 2010**

	Surfside Water Supply
<b>Revenue</b>	
Transfers from government	\$ 33,153
Sale of services	55,253
Other revenue from own sources:	
Interest earnings	36
Other revenue	1,937
Grants in lieu of taxes	-
	<u>90,379</u>
<b>Expenditure</b>	
General government services	3,210
Grants in aid	-
Other	80,914
Salaries and wages	-
Other fiscal services	199
Recovery	-
	<u>84,323</u>
<b>Net revenue (expenditure)</b>	<b>6,056</b>
Transfers to own funds:	
Water Capital Fund	-
Reserve Funds	3,539
Equipment Replacement Fund	-
Transfers from own funds:	
Reserve Funds	-
<b>Change in fund balance</b>	<b>2,517</b>
Opening balance	1,483
<b>Closing balance</b>	<b>\$ 4,000</b>