



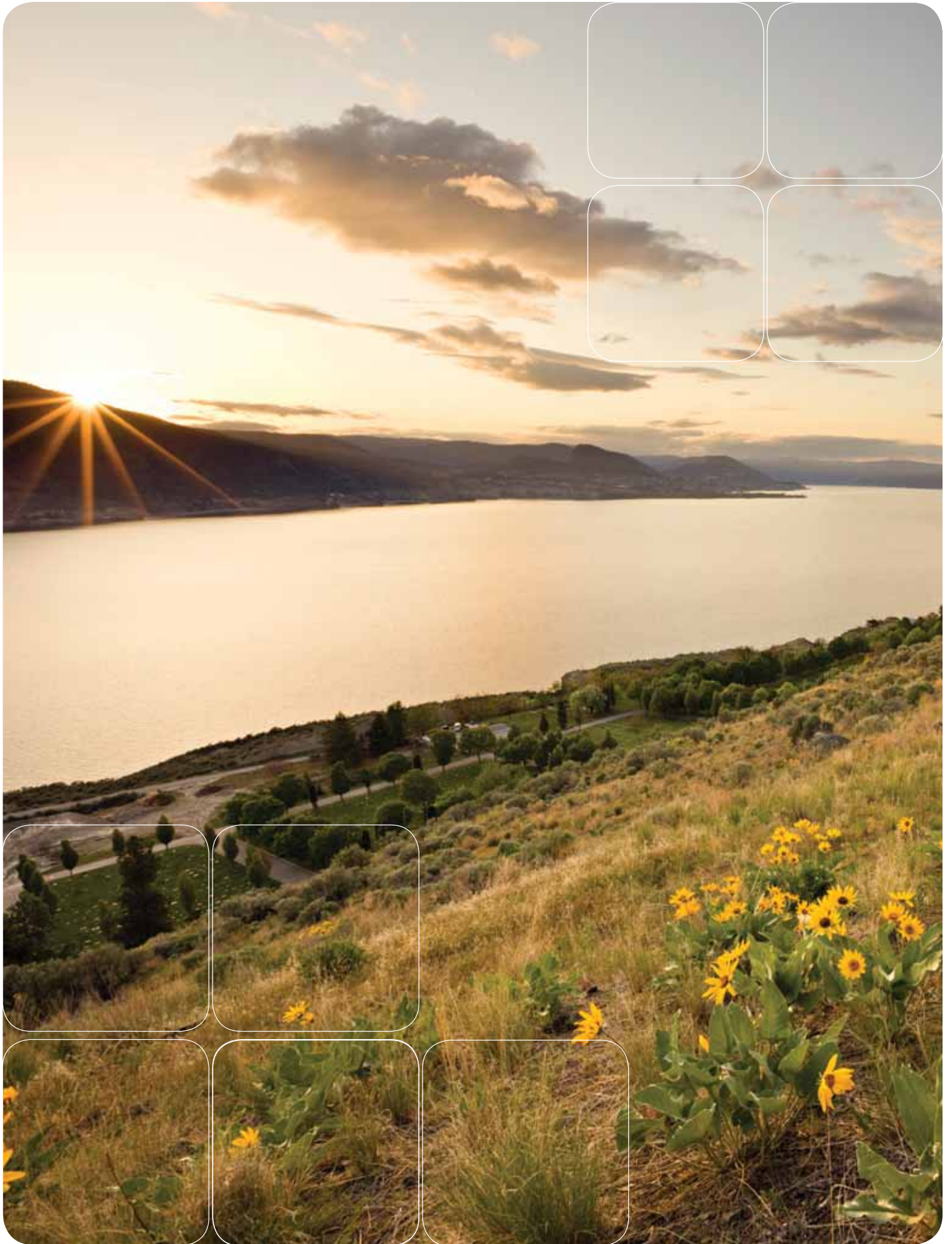
# 2010 ANNUAL REPORT

*Growing Partnerships.  
Bringing Home Results.*



Okanagan Basin  
WATER BOARD





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## Message from the Chair

*"What we all have in common is water, and when we make the right decisions for the watershed, each of our communities benefits."*

- Stu Wells, OBWB Chair

We are, as they say, "living in interesting times" here in the Okanagan. Just when it seemed like we were headed for the drought of the decade, we had a rainy spring that rescued our water supplies. In that tense time before the weather changed, it became obvious how important the OBWB's role is in getting the word out. Starting from the grassroots, citizens, local governments and water suppliers began asking for information. At the same time, senior government was telling us that they needed a partner at the local level. Meeting needs in the middle is what the OBWB really does best.

As a result, this year the OBWB took a big leap forward with communications. With presentations, workshops, webinars, and the new Okanagan WaterWise program, we want to get up-to-date information out so people can make better choices. For me, having the knowledge about what is really happening is the first step for water management. There is only one taxpayer, and we need to get the highest possible value out of each dollar. We do that by leveraging every project, stretching the funding by matching it with other partners, and making best use of all the results that come in.

The directors on the board are bridges out to the public. The OBWB has representatives from very different communities with different needs. Whether we come to the table from Osoyoos, Kelowna or rural areas in the North Okanagan, the board's diversity of backgrounds and experiences is hugely important. The diversity of the Okanagan Water Stewardship Council Council, with water stakeholders from across the valley—is just as important. What we all have in common is water, and when we make the right decisions for the watershed, we know each of our communities benefits. It is a great feeling, and why the OBWB works so well together.

What's ahead? This coming year we are looking forward to "bringing home" the results of a number of different projects, including the three-year Okanagan Water Supply and Demand study. Going out and getting information and not using it is like buying a new bicycle and letting it sit in the garage. We only get the benefit when we take it out on the road.

Stu



Stu Wells





## Message from the Executive Director

*"The two questions for every new project are: 'Does it benefit everyone in the valley?' and 'Who are our partners?'"*

- Anna Warwick Sears, OBWB Executive Director

Welcome to the OBWB 2009-10 Annual Report.

The theme for 2009-10 is "Growing partnerships, bringing home results." Forty years ago, the OBWB was established as a collaboration between the three Okanagan regional districts. The two questions for every new project are: "Does it benefit everyone in the valley?" And, "Who are our partners?" Using this model, we have had a great year—completing big projects and kicking off new initiatives.

The OBWB is unique in B.C., allowing Okanagan communities to solve shared problems and pool resources across jurisdictions. The valley's recent progress has stimulated much interest in Okanagan water governance—the OBWB's mandate and extent of authority. In answer, this year the board published a governance manual, an easy reference for our local government partners and others outside the valley.

The OBWB's structure allows a variety of programs under one roof, but they all share a common theme of best practices in water management. We have two popular grant programs, we are out on the lakes controlling watermilfoil in summer and winter, and we have an extremely active water management initiative—addressing the science and policy needs of Okanagan communities. The water management initiative is supported by the stakeholders of our Water Stewardship Council. We have also expanded public outreach this year, getting water information out to homeowners, students, and businesses.

As a hub for water collaboration, we have been fortunate this year to receive more than \$650,000 in new grant commitments, and to claim almost \$800,000 from prior senior government pledges. These funds allow us to do very comprehensive water studies and make this information accessible to planners and policy makers.

The Okanagan is an inspiring place to work on water issues. Despite our shortages and concerns, there is a strong community spirit and shared value in the benefits of good water management.

Anna



Anna Warwick Sears, PhD

## Organizational Overview

### Current Board of Directors

CHAIR: Stu Wells, RDOS, Mayor, Town of Osoyoos  
 VICE-CHAIR: Rick Fairbairn, RDNO, Director, RDNO Electoral Area 'D'  
 Buffy Baumbrough, RDNO, Councillor, City of Vernon  
 Gyula Kiss, RDNO, Councillor, District of Coldstream  
 James Baker, RDCO, Mayor, District of Lake Country  
 Doug Findlater, RDCO, Mayor, District of West Kelowna  
 Graeme James, RDCO, Councillor, City of Kelowna  
 Michael Brydon, RDOS, Director, RDOS Electoral Area 'F'  
 Gordon Clark, RDOS, Councillor, District of Summerland  
 Bernard Bauer, Chair, Okanagan Water Stewardship Council  
 Toby Pike, Chair, Water Supply Association of B.C.  
 Timothy Manuel, Chief, Upper Nicola Indian Band

### Staff

Executive Director: Anna Warwick Sears, PhD  
 Water Stewardship Director: Nelson Jatel, BSc  
 Office and Grants Administrator: Genevieve Dunbar, BSc  
 Communications and Research Coordinator: Corinne Jackson, BA  
 Eurasian Watermilfoil Field Supervisor: Ian Horner  
 Eurasian Watermilfoil Control Crew: Pat Field, Gord Greer

### Completed service

*Thank you to staff completing service with the Water Board in 2009:*

Kellie Garcia, Research and Communications Coordinator - Kellie now holds the role of Director at Insight Environmental Consulting, Inc. Congratulations Kellie!



OBWB Directors 2009-10  
 (L to R - front row: Michael Brydon, Buffy Baumbrough, Stu Wells, Rick Fairbairn. L to R - back row: RDCO alternate Jim Edgson, Gordon Clark, Gyula Kiss, Bernie Bauer, Toby Pike, Doug Findlater.)



OBWB Office Staff 2009-10  
 (L to R: Corinne Jackson, Anna Warwick Sears, Nelson Jatel, Genevieve Dunbar.)



OBWB Milfoil Crew 2009-10  
 (L to R: Gord Greer, Pat Field, Ian Horner.)



**Our Mandate:** The Okanagan Basin Water Board provides leadership to protect and enhance quality of life in the Okanagan Basin through sustainable water resource management.

**Our Vision:** That the Okanagan has a sustainable water system, meeting the needs of residents and agriculture while fully supporting wildlife and natural areas - now and in the future.





## OBWB Governance

*“Fundamentally, the goal of improving governance is to build flexibility and resilience into the governance structure, thus enhancing the ability to adapt and effectively address current and future challenges.”*

- Oliver Brandes and Deborah Curran<sup>1</sup>

## OBWB Governance

Governance is a catch-all word for who makes decisions, how and why they are made, and who is accountable for the outcomes. For much of its history, B.C. has had loose water laws, with most of the authority held by the province. With the modernization of the B.C. Water Act, government hopes to improve and tighten some aspects of water policy and delegate more authority to local jurisdictions. The OBWB is one of the few watershed institutions in B.C. and has only recently started to explore how it can best serve the valley in a water management role—building flexibility and helping communities adapt to challenges. In 2009-10, we produced the first-ever OBWB governance manual. We are now sharing our experiences with the Ministry of Environment and interested local governments throughout B.C.

The basic role of the OBWB is to bridge the water interests of all the Okanagan communities and find sustainable solutions to shared problems. Our primary governance tool is the board table, where directors from across the valley identify common concerns and earmark shared resources to address the issue. The board advocates for local governments on Okanagan water issues, providing a unified voice to senior government. The OBWB also acts as a hub of communications and water information for governments, universities, and the public.

The OBWB has no regulatory duties. This is seen as a strength, rather than a weakness. It can be difficult to build a consensus between so many varied interests and stakeholders when you are also a regulator. Instead, we are able to ask the question: “Since we don’t carry a big stick, how can we lead with carrots?” In this role, trust grows and communities are brought together. When problems cannot be solved locally, the province continues to act as the final decision-maker, refereeing between local jurisdictions and where local needs conflict with activities on crown land.

The OBWB’s formal submission to the B.C. Water Act Modernization recommends that the province put legislation in place to enable other regions in B.C. to form their own Water Boards, according to local need and interest. The OBWB’s governance manual is available at: [www.obwb.ca/structure\\_governance](http://www.obwb.ca/structure_governance).

<sup>1</sup> Setting a New Course in British Columbia: water governance reform options and opportunities. Prepared for the B.C. Ministry of Environment by the Polis Project on Ecological Governance, Victoria, B.C.





# Report on Services

## OBWB Governance

The theme of our 2009-10 annual report is *“Growing Partnerships, Bringing Home Results.”* This theme is evident in the work of the OBWB’s three principle programs:

- **The Water Management Program, which has four main parts:**
  - Water Conservation and Quality Improvement Grant Program
  - Water Science
  - Okanagan Water Stewardship Council
  - Communication and Outreach
- **The Eurasian Watermilfoil Control Program**
- **The Sewage Facilities Grant Program**

Beautiful Okanagan Lake. While it looks large and plentiful, the lake requires everyone’s efforts to ensure its protection now and for future generations.



## Water Management Program

### Water Conservation and Quality Improvement Grant Program

Since the Water Conservation and Quality Improvement (WQCI) Grant Program began four years ago, the aim has been to encourage collaboration and promote best practices in Okanagan water management. The results have been improved communications and stronger partnerships between local governments, the OBWB, and other water stakeholders in the basin, with some partnerships continuing beyond the life of the received grant.



District of Coldstream councillors and staff meet with consultants completing the Sensitive Habitat Inventory Mapping project on Coldstream Creek.

The program is always oversubscribed and very competitive. In 2009-10, grant requests totaled \$651,052. In all, \$300,000 was awarded to 19 projects. In some cases, partial funding was awarded to allow a greater number of projects to move forward. The funds matched and leveraged in 2009-10 reached nearly \$850,000, which includes in-kind donations and external funding. Many recipients secured contributions from NGO's, universities, senior governments, and industry.

This year's projects are diverse in scope, and include: source protection assessments for lake intakes and upper elevation watersheds to reduce risks to drinking water; xeriscape education and creation of an online, searchable, plant database; monitoring water quality during the Okanagan River Restoration and sampling bottom-dwelling invertebrates to assess water quality.

Grant recipients are encouraged to publicize their projects to raise awareness of water management issues, and to share their results with other local governments and community groups across the Okanagan.



Mike Sokal, with Ministry of Environment, samples invertebrates from the cobble bottom of Okanagan Lake. Source: Mike Sokal

#### *Growing Partnerships:*

Many of the projects initiated with funds from the WQCI grant program lead to partnerships that last well into the future. Growing partnerships may be the greatest benefit of the program; While grants help complete individual projects, the community built by working on shared problems opens doors to further collaboration such that the whole is greater than the sum of its parts.



## WCQI grant recipients in the spotlight:

### Okanagan Xeriscape Association - Searchable Xeriscape Plant Database

The Okanagan Xeriscape Association has created a searchable plant database on their website, [www.okanaganxeriscape.org](http://www.okanaganxeriscape.org). The database lists a wide variety of low water and xeriscape plant options suitable for the Okanagan. Homeowners, landscapers, and gardeners alike can use the database by entering the desired plant type (flower, shrub, tree), size, water requirements (none, low, moderate), bloom month, or even bloom colour they desire. Based on these factors, the database provides a list of plants that can be found at local nurseries. This tool can help basin residents plan beautiful, lush gardens and yards that require very little water—perfect for our hot and dry climate. With funding from the WCQI program, the Okanagan Xeriscape Association and its database are starting to change the old perception of xeriscaping—no rock gardens necessary!



Judie Steeves and Barbara Crawford volunteer their time and muscle at the OXA demonstration garden. Inset: Their low-water garden in bloom. Source: Okanagan Xeriscape Association



### Regional District Okanagan-Similkameen and the Okanagan Collaborative Conservation Program - Foreshore Inventory Mapping



Jason Schleppe of Ecoscape Environmental and Susan Latimer, FIM coordinator for the OCCP, cataloguing the features of Okanagan Lake's foreshore during a record-breaking rainy day in August 2009.

Foreshore inventory mapping (FIM) was completed for the southern portions of Okanagan Lake by the Regional District of Okanagan-Similkameen, and for Kalamalka and Wood Lakes by the Okanagan Collaborative Conservation Program (OCCP). These add to a library of maps that is coming close to covering the entire mainstem system. FIM uses Global Positioning Systems and video to catalogue characteristics of a lake's foreshore. This information can then be used to digitally map out the integrity of the foreshore—how much area has been affected by development and what natural area remains. Local governments are using this information to protect and conserve sensitive foreshore areas. The data is also available to the public via the Community Mapping Network at <http://cmnbc.ca/>.

### Bringing Home Results:

Water Conservation and Quality Improvement grant applications go through a stringent review process to ensure funded projects produce tangible results and provide benefits to the entire valley.



## Water Science

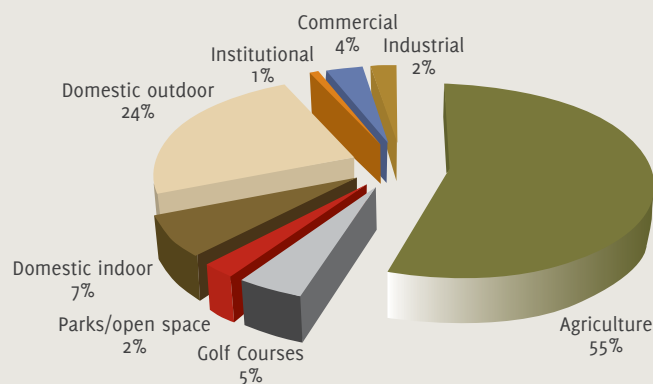
*"A lot of people in Canada look at this place and hold that you are working on things that are going to matter to everybody in the future, because you are addressing some of these water scarcity issues first."*

- Robert Sanford, Canadian Chair, United Nations Water for Life Partnership

The Water Science portion of the Water Management Program embarked on, or completed, a number of significant projects in 2009-10, including Phase 2 of the Okanagan Water Supply and Demand Study, a Drought Planning Workshop and the resulting Drought Webinar Series, the Streamlined Water Use Reporting Tool, and the Endocrine Disrupting Compounds Study. What follows are some of the results of that work.

## Water Supply and Demand Project

In March, 2010, we completed Phase 2 of the Okanagan Water Supply and Demand (OWSD) Project. The study used the latest modeling technology to assess how water supplies might be affected by climate change and population growth. It looked at groundwater, stream flows, environmental water needs, and water use, comparing water supplies against water demands. The effort was led by the OBWB and B.C.'s Ministry of Environment, and included many other partners. With in-kind contributions, the total budget was over \$3 million dollars, including about \$410,000 from the OBWB.



The graph displays the Okanagan's proportional water use by sector.

The last comprehensive water study in the Okanagan Basin was completed in 1974. Since then, the population has boomed and as a result, the Okanagan has the lowest per person water supply in Canada. Water management practices have advanced, but our major industries—including agriculture and tourism—depend heavily on water resources. The Okanagan Water Supply and Demand project fills a key information gap.

### The study says...

The risk of water shortages is increasing in the valley, and some areas are more at risk than

### Growing Partnerships:

The OWSD project was lead by the OBWB and the Ministry of Environment. Other partners included: the B.C. ministries of Agriculture and Lands, Community and Rural Development, and Forests and Range; Agriculture and Agri-Food Canada; Environment Canada; Fisheries and Oceans Canada; Okanagan Nation Alliance; B.C. Agriculture Council; Water Supply Association of B.C.; UBC; UVic; SFU; and the UofL, Alta.



others. The Okanagan naturally fluctuates between dry and wet years, and some areas have more rain and snow or bigger reservoirs than others. Climate change will increase the growing season and demand for irrigation. At the same time, it will decrease winter snowpack—a critical form of water storage. There will also be lower summer stream-flows when we need water the most, and there will be more competition between human and environmental needs. Even communities with lake intakes are at risk of shortages. To use our water resources sustainably, we are limited to the amount of water that is naturally replenished each year.

Each of the Okanagan's 101 water utilities is different, depending on their water sources, reservoir capacity, and location in the valley, and some are more vulnerable to drought than others. Utility managers have a range of options to address these issues, from increasing reservoir capacity to reducing water demands through conservation and improved efficiency. Developing drought response plans for each utility will help reduce impacts of shortages on residents, farms, and businesses.

On average, Okanagan residents use 675 litres of water per person, per day. This average is taken from year-round use, and only looks at users on residential properties. This is much higher than the Canadian average of 329 litres per person, per day and higher than the averages of most other countries. The majority of residential water is used for outdoor landscaping during the summer.

Agriculture is the largest water use sector in the Okanagan Valley and the industry most vulnerable to persistent drought. The ongoing health of the industry will depend on development of agreements for water sharing during shortages, reducing uncertainty about water availability, and reducing competition between farmers and urban and environmental water needs.



The Okanagan WaterWise banners were unveiled March 26, with the launch of the Okanagan Water Supply and Demand Project. (L to R: Brian Symonds, MoE; Brian Guy, Summit Environmental Inc.; Wenda Mason, MoE; Ron Cannon, MP; Anna Warwick Sears, OBWB; John Slater, MLA; and Stu Wells, OBWB Chair.)

### *Bringing Home Results:*

A number of local governments have already accessed project results for master water plans and regional growth strategies. The OBWB is working to make the data and models even more accessible for local government planners and engineers with funds from Natural Resources Canada. A special web-interface will allow users to view the study results.



## Drought Planning Workshop

*“Drought planning is essential for the entire Okanagan and all water purveyors must continue to work together to achieve the best practices for such a plan... The Drought Planning Workshop hosted by the Okanagan Basin Water [Board] should be our first step towards an ultimate goal of achieving a sustainable valley. We live in a beautiful region and need to be vigilant and relentless in maintaining a quality of life for our future generations.”*

- Mayor Sharon Shepherd, City of Kelowna

The Okanagan Valley is a naturally dry place. Historic drought trends in the Okanagan show the valley has a one in 10 chance each year of experiencing a severe drought and receiving less than half its average annual precipitation. Even still, the severity of the drought conditions in 2009 surprised most residents of the valley, and water purveyors were in need of information, and quickly. Although the OBWB generally deals with long-term planning, our role as a communication hub allowed us to bring together water purveyors and managers, scientists, and politicians for a full-day workshop on drought response in the basin.

The workshop, entitled *Living Within Our Means*, provided purveyors with real-time estimates of reservoir and lake levels, and stream flows. It provided a venue for stakeholders to voice their concerns and discuss water storage development, common drought triggers for valley lakes, coordination of water conservation bylaws, and defining and communicating drought to the public. As a result of the workshop, there was a call for more proactive and collaborative basin-wide drought planning. Recommendations were made to local and senior governments, water purveyors, and to the Okanagan Basin Water Board. Recommendations to the OBWB included:

- Build a basin-wide drought response framework
- Forge coordinated drought response agreements between local and senior governments
- Develop the required science to support “drought-proofing” the valley

The workshop began a dialogue about how to prepare the Okanagan Basin for, and limit the impact of, future water shortages. The OBWB is committed to advocating for and coordinating the implementation of the workshop’s recommendations and ensuring drought planning remains a high priority in the Okanagan Basin.

### ***Growing Partnerships:***

With only three weeks to plan, the OBWB brought together 87 people, representing more than 45 different agencies to forge a valley-wide plan to address drought. At the end of the day, the presentations and discussions led to a series of concrete recommendations for senior governments, local governments and water purveyors, as well as for the Water Board itself.



## Drought Webinar Series

OBWB staff organized the first “Drought-Proofing the Okanagan” water supply webinar series to fill an information gap highlighted by the drought workshop. The series was designed to bring together experts in climate, weather forecasting, water science, and agriculture to assess the water supply in the spring. It is easier and more effective to start conservation measures early, before drought conditions actually hit, to ensure that water is available to meet environmental, domestic and agricultural needs through the summer and fall.

Each of the three virtual sessions (February/April/June) presented current hydrometric data including meteorology, stream flow, snow pack, and reservoir levels. Participants could then use this information to assess current drought risk for their areas and possible responses. The series’ intended audience was water professionals, agriculturalists and local government staff.



Anna Warwick Sears and Dean Watts, Sr. Habitat Biologist with Fisheries and Oceans Canada, speak to a packed house about the impact of low flows on fish and fish habitats.



The combination of hot weather and low precipitation can result in extremely low stream flow conditions, as seen in Trout Creek during the 2003 drought. Photo Credit: Dean Watts

The short, one-hour format and use of virtual meeting technology made it easy for stakeholders to participate. More than 30 people tuned in from throughout the Okanagan. The content of each webinar was posted to the OBWB website for those who could not participate.

Planning for drought—and beginning water conservation measures early during a drought year—is essential. The Water Board is committed to ensuring that water policy is developed in a proactive and responsible way, rather than on the run.

### *Bringing Home Results:*

The drought webinar series was a communication tool created as a direct result of the Drought Planning Workshop. Participants found the online seminars useful and convenient to attend. As such, the OBWB intends to hold the webinar series each spring. In the words of one participant: “This method of communication is GREAT and worked very well for me!”

## Endocrine Disrupting Compounds Study

Dr. Jeff Curtis, Associate Professor at UBC Okanagan, and graduate student, Tricia Brett, are sampling municipal wastewater to compare predicted and actual levels of four estrogen compounds: natural Estrone, Estradiol, and Estriol, and the synthetic Ethinylestradiol, which is used in almost all oral contraceptive pills. These are classified as endocrine disrupting compounds (EDCs) because they can alter organisms' hormonal balances. At high, chronic levels of exposure, EDCs can cause feminization of male fish and amphibians. At very high levels, can collapse fish populations.

EDCs are found in all human wastewater, and because the Okanagan Basin's water supplies are all interconnected, downstream residents receive wastewater from upstream communities. Vernon's wastewater is discharged into a reservoir for spray irrigation, Kelowna's into Lake Okanagan, and Penticton's into Okanagan River. The differences between discharge practices of the cities might allow the researchers to identify ways to reduce risks of EDC impacts in the Okanagan.



Dr. Curtis. Source: Tricia Brett



University of B.C. Okanagan Master of Science student, Tricia Brett, spent many days on Okanagan Lake, sampling wastewater discharge in an effort to detect potentially harmful endocrine disrupting compounds.  
Source: Tricia Brett

Preliminary results indicate that concentrations of the EDC estrone are lower than expected in wastewater from Vernon and Penticton, and higher than expected in wastewater from Kelowna. Sampling and analysis of wastewater discharge is ongoing.

### *Growing Partnerships:*

The Water Management Program is committed to supporting research that protects and enhances sustainable water resource management in the Okanagan. Partnering with researchers like Dr. Curtis at UBC Okanagan supports locally-focused applications of world-class science, with results that will directly benefit all valley residents.



## Streamlined Water Use Reporting Tool

*"It is expected that under the Living Water Smart program, all large water users will be asked to report water use by 2012. The SWURT tool will help Okanagan users meet this requirement."*

- Nelson Jatel, OBWB Water Stewardship Director



The Dashboard is a management tool that enables water purveyors to compare, at a glance, their water use and lake/reservoir levels against other purveyors.

The Streamlined Water User Reporting System – Okanagan Pilot (SWURT) is an online tool that allows large-volume water users in the Okanagan to report and track their water use. The SWURT tool is simple and easy to use and its development was guided by a technical committee of water suppliers, co-chaired by Mike Stamhuis and Bruce Wilson.

SWURT will improve efficiency for both the water user and government agencies by standardizing

data collection and organizing the information in a useable form. The system helps government water and infrastructure planners understand water use at a large geographic scale, and helps individual utilities understand their own water use patterns and compare themselves to neighbours and other water users.

After adding their data, water users have access to two main features:

- The "Dashboard" lets water purveyors compare, at a glance, their use and lake/reservoir levels against other purveyors. It also provides current climate, evapotranspiration, and drought information for their area.
- The "Reports" feature allows water purveyors to export and print their compiled data into an easy-to-use spreadsheet.

Along with allowing water purveyors to improve their water management, the SWURT system will eliminate the need for annual reports to B.C.'s Ministry of Environment.

### Bringing Home Results:

Two workshops were held during the spring of 2010 to test the usability of SWURT. Twenty-six participants, representing about 70% of water delivered in the Okanagan, provided important feedback on the development of the web-based reporting tool.

## Okanagan Water Stewardship Council

*"The Water Stewardship Council has done some impressive work, bringing together a diverse group of community and senior government partners to reach consensus on a vision for water management in the Okanagan."*

- Hon. D. Ross Fitzpatrick

The Okanagan Water Stewardship Council is the technical advisory body of the OBWB, providing input on a range of policy and management issues facing the Okanagan. The council is a broad-based group of technical experts and water stakeholder group members that provides independent advice and policy recommendations to the Board of Directors to support sustainable water management.

In the early spring of 2009, the Board of Directors requested that the council review and comment on the B.C. Government's Water Act Modernization (WAM) process. The intent was to have the council support a board submission to the Province of B.C., providing an "Okanagan perspective" and commenting on key water management issues being explored as part of the WAM process. The council, with the leadership of chair Dr. Bernie Bauer, prepared a document titled: *Modernizing the B.C. Water Act – The Okanagan Voice*. The document was submitted to the B.C. Government on April 23, 2010.

Building on the *Okanagan Sustainable Water Strategy*, which the OWSC developed in 2008, the council has provided a venue for varied water stakeholders to voice concerns and discuss big water issues, such as: water governance, economics, and supply management (rainwater, drought) in the Okanagan Valley. The council frequently brings in water experts to present on topical issues, keep council members informed and up-to-date. In an effort to share this knowledge with the broader Okanagan community, the multimedia presentations are posted on the OBWB website, [www.obwb.ca](http://www.obwb.ca), providing a library of information on contemporary and emerging water issues.



Members of the Okanagan Water Stewardship Council discuss the progress of OBWB-granted programs.

### *Growing Partnerships:*

The council is a strong example of OBWB partnership-building. The OWSC brings together a diverse group of water stakeholders, representing from 27 different agencies. The council has enabled stakeholders to find a common voice for sustainable water management in the basin, producing the landmark documents *Okanagan Sustainable Water Strategy* (2008) and *Modernizing the B.C. Water Act – The Okanagan Voice* (2010).



## Communication and Outreach

As the agency charged with water leadership in the Okanagan, the OBWB is a communications hub for information on Okanagan water. We are continually working to improve communication and outreach, improve accountability, and serve the public, water stakeholders and local government as efficiently and effectively as possible.

### Website

The OBWB has an extensive corporate website, [www.obwb.ca](http://www.obwb.ca), with information with information on Water Board programs, the Board of Directors and Stewardship Council (OWSC), news updates, and links to research projects and partner websites.

### Board reports

The monthly OBWB Board Report was introduced in May 2008 to highlight activities and decisions arising from OBWB meetings. Our distribution list now sits at 181 and is continually growing.

### Local Government, public and stakeholder outreach

OBWB staff participated in a number of public forums, conferences and events in 2009-10, all with the goal of sharing and gathering water information. Presentations were made to local and regional government boards and councils. We were also invited to speak with water-related organizations, such as B.C. Water and Waste Association and Fraser Assembly, but also a number of unrelated community groups and professional organizations, suggesting a growing interest in water issues. The Water Board was also pleased to co-host a variety of events for World Water Week with UBC-Okanagan.

### Media releases and events

The OBWB maintains an active relationship with local media, recognizing the significance of this partnership for sharing information on important water issues with the public. This year saw extensive news coverage of OBWB and OWSC initiatives, including the launch of Phase 2 of the Okanagan Water Supply and Demand project, World Water Week events, and projects funded through OBWB grant programs. All news articles are posted on the OBWB website.



The OBWB partnered with UBC-O to put on a number of events as part of World Water Week in March 2010. Water drummers was one of the featured attractions. Source: UBC-O

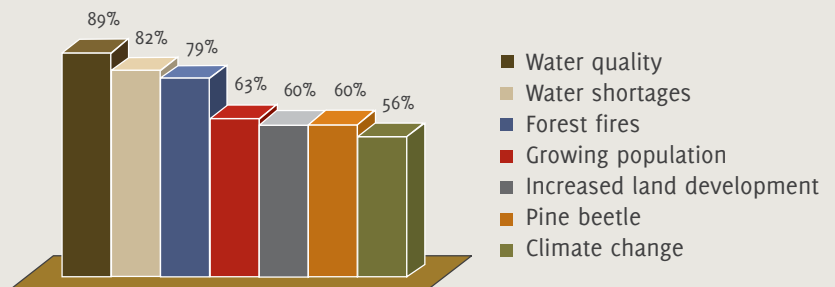
## Okanagan WaterWise

*"The vision for a valley-wide public outreach initiative began with former Water Board Chair Brian Given. He believed in the need to foster understanding among valley residents that we are all connected by one water, and the need to inform people about the critical water issues we face together and what we can do about it. Okanagan WaterWise holds true to that vision. The future of this valley depends on each one of us being water-wise."*

- Corinne Jackson, OBWB Communications and Research Coordinator

The Okanagan WaterWise initiative was born out of discussions by the OBWB's Board of Directors in 2009, who believed in the need for a community outreach program to unite valley residents with the understanding that we are all critically linked by one water source.

A phone survey was conducted with a random sampling of 400 residents throughout the Okanagan Valley. The purpose of the survey was to determine the level of understanding on the OBWB's Okanagan Water Management Program and water issues in general in the valley.



The percentage of people in the Okanagan who viewed environmental issues facing Okanagan Water as "important" (ranking it between 8-10 on a 10-point scale), based on a survey of 400 Okanagan residents.

### The study says...

- Water quality was chosen as the most important issue facing water in the Okanagan, followed by water shortages.
- 43% of respondents agreed there is currently a water supply problem in the Okanagan Valley and 64% agreed there is likely to be a water supply problem within the next 10 years.
- Only 16% of respondents thought they were knowledgeable about water issues in the Okanagan, while 69% felt they were somewhat knowledgeable and 15% said they have no knowledge of water issues.
- The longer someone has lived in the valley, the higher they ranked their knowledge of water issues in the Okanagan.
- 45% of respondents said they would most likely get information about water issues facing their community by phoning the regional district/local government (followed by newspaper at 33%, online - 26%, television - 17%, and radio - 10%).

### Growing Partnerships:

Okanagan WaterWise is a public outreach initiative of the OBWB. Its purpose is to provide a valley-wide water protection message, recognizing that Okanagan residents share one water. The program's success is dependent on strong relationships with local governments, water suppliers, agencies working in water, and the public.





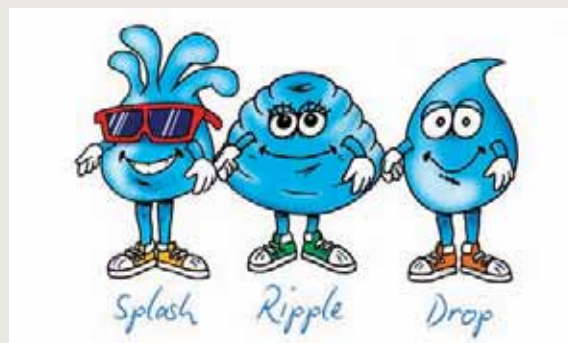
The Okanagan WaterWise website, [www.okwaterwise.ca](http://www.okwaterwise.ca), was designed to inform residents, businesses, educators and youth how to protect our shared water and why it is so important.

While Okanagan WaterWise is intended to appeal to the Okanagan general public, its success over the long term rests with a younger, more socially and environmentally aware group: school-aged children (6-18 years), college/university students (18-24), and young adults (25-34)—especially women who ranked issues facing water in the Okanagan higher overall than men.

At the core of Okanagan WaterWise is the message “One Valley. One Water.” — reflecting the interconnectedness of our water resources and the need for everyone in the basin to do their part to protect it. This message is shared through a number of communication tactics and creative concepts, including the resource-rich and visually-appealing website, [www.okwaterwise.ca](http://www.okwaterwise.ca). By the end of the fiscal year, in March 2010, the website development was nearly complete and the first outreach tactic was created—a water bottle banner display showing the Okanagan’s very high rate of water consumption. The display was unveiled at the launch of Phase 2 of the Water Supply and Demand Study.



The Okanagan Water Wise logo was designed with the target audience in mind.



Splash, Ripple, and Drop will lead the charge in the youth component of the Okanagan WaterWise Program.

### Bringing Home Results:

An initial outreach strategy was developed, informed by the phone survey, numerous meetings with OBWB staff, the OWSC’s communications committee and various stakeholders. The program was named “Okanagan WaterWise,” a logo was created, as was an initial website design and various communication tactics, including mascots for the program’s younger audience.

## Eurasian Watermilfoil Management Program

The goal of the OBWB's Eurasian Watermilfoil Management Program is to reduce the density of non-native aquatic weeds so they do not interfere with public enjoyment of our lakes, or have negative impacts on the aquatic ecosystem. The program is the longest running Water Board program, using mechanical control methods developed over more than 30 years in operation. The program focuses on rototilling, which de-roots the plants, in the late fall through to spring, and harvesting of particularly dense weed beds in the summer.

Tourism is one of the biggest industries in the Okanagan, and the enjoyment of our lakes is one of the primary draws to the area. The Eurasian Watermilfoil Control Program works to keep the publicly enjoyed waters clean and weed-free.

Milfoil harvesting in the summer of 2009 involved some work in the south end of Wood Lake, an area that had not required harvesting for a number of years. A mild winter was key to the successful 2009-10 rototilling season, as iced-over lakes can prevent the machines from accessing weed beds.

In 2008, the OBWB purchased a rubber-tracked crawler made by Morooka. An extensive retrofit made it suitable as a shallow water cultivator in areas unsuitable for floating rototillers. The OBWB milfoil crew tested the Morooka on Kelowna foreshore this spring, while finalizing the mechanical aspects of water-proofing a machine for such a unique purpose. The Morooka is ready to become a regular part of the milfoil control program in early spring.

Look for it in Okanagan Lake in the spring of 2011!



The Morooka takes its maiden voyage.



An extensive retrofit of the rubber-tracked crawler by the mechanically-inclined milfoil control crew enables the machine to de-root weed beds in areas too shallow for the floating rototillers to work.

### *Growing Partnerships:*

The Water Board's milfoil control program is one of the agency's most recognized programs in the valley. Staff members field regular phone calls from the public looking for information on the aquatic weed. The OBWB has also been asked to share its knowledge on milfoil control with other jurisdictions and is always looking to build partnerships and learn from the experience of others.

## Sewage Facilities Grant Program

For more than 30 years, the OBWB has helped communities leverage infrastructure grants from senior levels of government to extend sewers to neighbourhoods with leaky septic fields, and to upgrade sewage treatment plants. Nutrient pollution in our lakes and rivers once caused health hazards and noxious algae blooms. Cleaning up Okanagan wastewater has been a success story that every community can take credit for, with more than 90% reduction in phosphorus loading. Because of this program, the Okanagan even has special protections in law that ensure only municipally-owned facilities can discharge treated wastewater to surface waters.



Upgrades to wastewater treatment plants, like the Westside Regional Wastewater Treatment Plant, have led to significant reductions in phosphorus entering the basin's lakes.

In 2009-10, the OBWB distributed almost \$2 million dollars in debt-retirement grants to 14 local governments. As well, a new grant of \$80,000 per year was awarded to extend sewer to homes in northwest Osoyoos where leaky systems may be contributing to aquatic weed growth. The annual grants are designed to help communities make payments on 20-year loans from the Municipal Finance Authority (MFA). This year the MFA lowered interest rates, reducing debt payments and future requisitions.

The OBWB has begun a financial review and reorganization of this grant program—updating the application and invoicing process for easier tracking and management.

Once completed, a how-to manual will be sent to each municipality, making it simpler for finance departments to access program information.



The quality of water in Armstrong will affect the quality of water in Osoyoos. Keeping the water clean benefits everyone in the basin.

### *Bringing Home Results:*

Ongoing reduction in phosphorous loading is the most important result of the Sewage Facilities Grant Program. The program is unique in B.C., demonstrating that local governments understand that everyone wins when water is kept clean.





## LOOKING FORWARD

It is very gratifying to look back at the progress of the last fiscal year, and exciting to look toward the future.

Over the coming year we will be busy delivering water management tools—science, policy, and communication tools—to Okanagan local governments, water suppliers, the public and other stakeholders. Some of these include: delivering the Okanagan WaterWise website and program—an Okanagan-focused entry point for public information about water conservation and protection in the valley; developing the scientific basis for a valley-wide drought plan; holding a “From Rain to Resource” workshop, showcasing the latest tools for improving stormwater management; launching the Streamlined Water Use Reporting Tool for water utilities; and establishing access to the OKWater Database, making information from the Okanagan Water Supply & Demand Project available to planning departments. We hope also to do a comparative study examining water pricing for domestic and agricultural users in the Okanagan. Meanwhile, we continue to update and streamline our long-term programs for sewerage facilities grants and Eurasian watermilfoil control.

Our goal is always to improve the level of service and the depth of information for Okanagan water management, and we look forward to doing this in the coming year.

OBWB Executive Director







## FINANCIAL HIGHLIGHTS

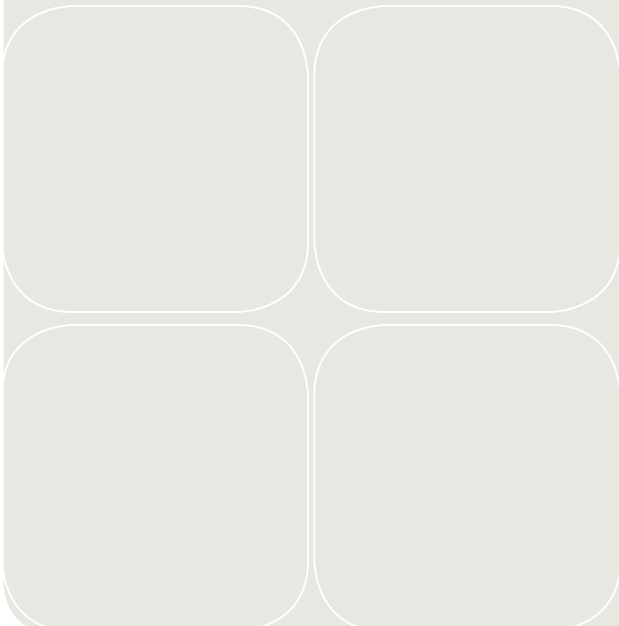
The OBWB's responsibility is to provide water leadership, but it's our financial structure that allows water initiatives to move forward. The OBWB's structure allows the regional districts to pool resources and direct them to shared problems. On one hand, we are a granting agency, but we can also receive grants from senior government agencies. Local dollars are used to leverage external funds, and build funding partnerships for Okanagan projects.

### TRANSITIONS IN FINANCIAL REPORTING

In 2009-10, the OBWB moved its financial administration from the Regional District of North Okanagan to the Regional District of Central Okanagan and took the opportunity to update its financial systems, which are still being finalized. The reorganization allows OBWB to improve its methods for managing the grants and contracts of its many programs, and improve systems for amortizing capital assets.

### A YEAR OF ACTIVITY

The 2009-10 OBWB Financial Statements reflect another year of significant activity. The OBWB distributed almost \$2 million in Sewage Facilities Grants, and \$300,000 in Water Conservation and Quality Improvement Grants to Okanagan communities. As in prior years, we also received substantial senior government grants – cash and commitments – for Okanagan water projects. Some of these funds are held in reserve to support multi-year contracts and funding agreements for the Okanagan Water Supply & Demand Project, the Groundwater Assessment of the Okanagan Basin, and projects under the Water Management Program. Administration costs met budget forecasts and were shared among the Water Board's three principle programs: Water Management, Eurasian Watermilfoil Control, and the Sewage Facilities Grants.

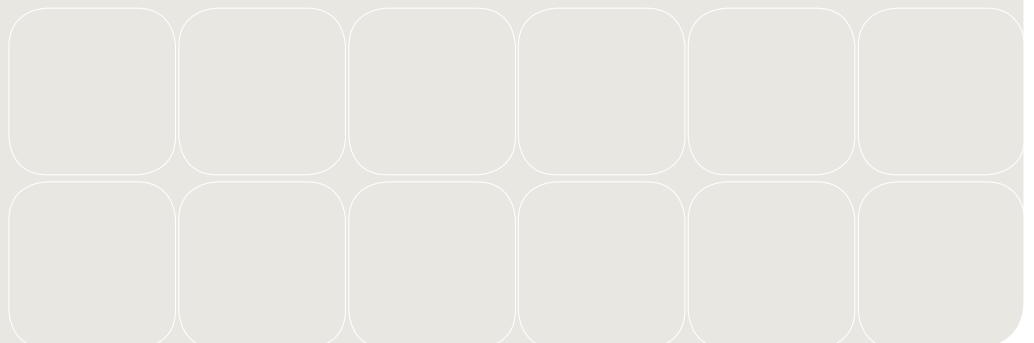


**DETAILS OF GRANTS RECEIVED IN 2009-10**

- \$402,306 from the Gas Tax Agreement for two projects: the Okanagan Water Supply & Demand Project and the Groundwater Bylaws Toolkit
- \$296,900 from the Canada-B.C. Water Supply Expansion Program for the Okanagan Water Supply & Demand Project
- \$15,000 from Environment Canada for the Okanagan Conservation Partnership website – sharing GIS maps of sensitive aquatic habitats with planners and the public
- \$62,764 from the Ministry of Environment for groundwater assessment projects
- \$20,000 from the Ministry of Community and Rural Development for two projects: the Okanagan Water Forum at Penticton BCWWA meeting and the Master Wastewater Management Plan
- \$23,598 from the Canada Water Resources Association for One Watershed, One Water conference revenue sharing

**DETAILS OF GRANTS AWARDED IN 2009-10 OR PRIOR YEARS****(to be funded in 2010-11)**

- \$449,300 from Natural Resources Canada for the Okanagan Water Supply & Demand Project
- \$68,584 from the Gas Tax Agreement for the Okanagan Water Supply & Demand Project
- \$154,000 from the Building Canada program for the Streamlined Water Use Reporting Tool
- \$25,000 from Environment Canada for the Okanagan Conservation Partnership website



## FINANCIAL HIGHLIGHTS FOR 2009-10

<b>Revenues</b>	<b>2009-10</b> (in thousands)	<b>2008-09</b> (in thousands)
Levies from member regional districts <sup>NOTE</sup>		
North Okanagan	667	669
Central Okanagan	2,004	2,028
Okanagan-Similkameen	753	758
Government grants and contracts	821	185
Non-government grants and contracts	3	9
Interest income	16	84
<b>TOTAL</b>	<b>4,264</b>	<b>3,733</b>
<b>Expenses</b> <sup>NOTE 2</sup>		
Sewage Facilities	1,792	2,038
Aquatic weed control	521	430
Water management	972	1,088
Water Supply & Demand Project	633	745
<b>TOTAL</b>	<b>3,919</b>	<b>4,365</b>
<b>Assets</b>		
Current assets (cash and accounts receivable)	3,069	2,268
Property, plant and equipment	247	265
<b>TOTAL</b>	<b>3,316</b>	<b>2,532</b>
<b>Liabilities and Surplus</b>		
Current liabilities	1,121	683
Accumulated surplus (end of year) <sup>NOTE 3</sup>	1,849	
<b>TOTAL</b>	<b>3,315</b>	<b>2,532</b>

NOTE 1. Each Okanagan Valley property owner contributed at the same rate of approximately \$6.00/\$100,000 assessment in 2009-10.

NOTE 2. As part of the financial update, there were changes in 2009-10 in expense allocations, and differences between years. All programs were within planned budgets.

NOTE 3. A number of OBWB projects are multi-year commitments for which funds are accumulated and disbursed. (See p. 28)



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BDO Canada LLP  
Landmark Technology Centre  
300 - 1632 Dickson Avenue  
Kelowna BC V1Y 7T2 Canada

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## Auditors' Report

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### To the Chairperson and Directors of the Okanagan Basin Water Board

We have audited the statement of financial position of the Okanagan Basin Water Board as at March 31, 2010 and the statements of operations and accumulated surplus, cash flows, and change in net financial assets for the year then ended. These financial statements are the responsibility of the Okanagan Basin Water Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether or not the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Okanagan Basin Water Board as at March 31, 2010 and the results of its financial activities and cash flows for the year then ended in accordance with accounting principles disclosed in the summary of significant accounting policies.

A handwritten signature in black ink that reads 'BDO Canada LLP'.

Chartered Accountants  
Kelowna, British Columbia  
June 17, 2010





## Okanagan Basin Water Board Statement of Financial Position

March 31	2010	2009
<b>Assets</b>		
Cash (Note 1)	\$ 3,023,653	\$ 2,193,890
Accounts receivable	45,149	73,846
	<u>3,068,802</u>	<u>2,267,736</u>
<b>Liabilities</b>		
Accounts payable	\$ 292,997	\$ 315,776
Grants payable (Note 7)	828,449	367,558
	<u>1,121,446</u>	<u>683,334</u>
<b>Net Financial Assets</b>	<u>1,947,356</u>	<u>1,584,402</u>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 11)	<u>246,927</u>	<u>264,621</u>
<b>Accumulated Surplus (Note 2)</b>	<u>\$ 2,194,283</u>	<u>\$ 1,849,023</u>

Approved on behalf of the Board:

Chief Financial Officer

## Okanagan Basin Water Board Statement of Operations and Accumulated Surplus

For the year ended March 31	2010	2010	2009
	Actual	Budget	Actual
<b>Revenue (Note 10)</b>			
Levies from member Regional Districts (Note 3)	\$ 3,424,301	\$ 3,424,300	\$ 3,454,894
Grants	821,018	712,790	184,500
Interest	16,265	101,000	83,985
Sales of services	2,674	-	9,251
	<u>4,264,258</u>	<u>4,238,090</u>	<u>3,732,630</u>
<b>Expenses (Note 10)</b>			
Administration	-	-	63,671
Sewerage facilities	1,792,337	2,069,032	2,037,955
Water management	972,177	930,500	1,088,230
Water supply and demand	632,611	882,133	744,669
Aquatic weed control	521,873	511,800	430,352
	<u>3,918,998</u>	<u>4,393,465</u>	<u>4,364,877</u>
<b>Annual Surplus (deficit) (Note 9)</b>	345,260	(155,375)	(632,247)
<b>Accumulated Surplus, beginning of year</b>	<u>1,849,023</u>	<u>1,849,023</u>	<u>2,481,270</u>
<b>Accumulated Surplus, end of year</b>	<u>\$ 2,194,283</u>	<u>\$ 1,693,648</u>	<u>\$ 1,849,023</u>



## Okanagan Basin Water Board Statement of Cash Flows

For the year ended March 31	2010	2009
<b>Operating Activities</b>		
Annual Surplus (deficit)	\$ 345,260	\$ (632,247)
Non-cash charges to operations:		
Amortization	<u>34,952</u>	<u>32,911</u>
	380,212	(599,336)
Decrease in accounts receivable	28,697	267,407
Increase (decrease) in accounts payable and accrued liabilities	<u>438,112</u>	<u>(142,186)</u>
	847,021	(474,115)
<b>Capital Activities</b>		
Acquisition of tangible capital assets	<u>(17,258)</u>	<u>(34,178)</u>
<b>Increase in cash during the year</b>	<b>829,763</b>	<b>(508,293)</b>
Cash, beginning of year	<u>2,193,890</u>	<u>2,702,183</u>
<b>Cash, end of year</b>	<b>\$ 3,023,653</b>	<b>\$ 2,193,890</b>

## Okanagan Basin Water Board Statement of Change in Net Financial Assets

For the year ended March 31	2010	2009
Annual Surplus (deficit)	\$ 345,260	\$ (632,247)
Acquisition of tangible capital assets	(17,258)	(34,178)
Amortization of tangible capital assets	34,952	32,911
Net change in net financial assets	362,954	(633,514)
Net financial assets, beginning of year	1,584,402	2,217,916
Net financial assets, end of year	\$ 1,947,356	\$ 1,584,402





## Okanagan Basin Water Board

### Summary of Significant Accounting Policies

March 31, 2010

<b>Nature of Business</b>	The Okanagan Basin Water Board ("The Board") is established under Section 138 of the Municipalities Enabling and Validating Act (Province of British Columbia) and administers and operates the aquatic weed control program and the sewerage facilities assistance fund as an agent of the three participating regional districts. The participating regional districts are: Regional District of Central Okanagan (R.D.C.O.); Regional District of Okanagan-Similkameen (R.D.O.S.); and Regional District of North Okanagan (R.D.N.O.).										
<b>Basis of Presentation</b>	These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).										
<b>Use of Estimates</b>	The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.										
<b>Financial Instruments</b>	Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.										
<b>Tangible Capital Assets Assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="text-align: right;">Buildings</td><td>25 years</td></tr> <tr> <td style="text-align: right;">Equipment</td><td>10 years</td></tr> <tr> <td style="text-align: right;">Vehicles</td><td>7 years</td></tr> <tr> <td style="text-align: right;">Office Furniture &amp; Equipment</td><td>10 years</td></tr> <tr> <td style="text-align: right;">Computers</td><td>4 years</td></tr> </tbody> </table>	Buildings	25 years	Equipment	10 years	Vehicles	7 years	Office Furniture & Equipment	10 years	Computers	4 years
Buildings	25 years										
Equipment	10 years										
Vehicles	7 years										
Office Furniture & Equipment	10 years										
Computers	4 years										



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## Okanagan Basin Water Board Summary of Significant Accounting Policies

**March 31, 2010**

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**Revenue Recognition**

The levies from member Regional Districts are recognized when the levies for the fiscal year are approved by the Board and invoiced to the members.

Grant revenues are recognized in the period in which they are received.

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## Okanagan Basin Water Board

### Notes to Financial Statements

March 31, 2010

#### 1. Cash

The Water Board's bank account it held at one financial institution, which is in excess of the \$100,000 deposit insurance limit. The bank account earns interest at prime minus 1.8%.

#### 2. Accumulated Surplus

The Board maintains a reserve for future expenditures that may be used at its sole discretion. Canadian Generally Accepted Accounting Principles require that non-statutory reserves be included with the operating surplus. The reserve and change therein included in the operating surplus is as follows:

	2010	2009
<b>Aquatic Weed Control Equipment Reserve</b>		
Balance, beginning of year	\$ 244,581	203,246
Transfer (2010 Net Surplus)	(10,861)	42,603
Acquisition of tangible capital assets	(17,258)	(34,178)
Amortization	34,952	32,910
Balance, end of year	<u>251,414</u>	<u>244,581</u>
<b>Invested in Tangible Capital Assets</b>		
Balance, beginning of year	264,621	263,353
Acquisition of assets	17,258	34,178
Amortization	(34,952)	(32,910)
Balance, end of year	<u>246,927</u>	<u>264,621</u>
<b>Sewerage Facilities Assistance Reserve Fund</b>		
Balance, beginning of year	993,212	983,956
Transfer (2010 Net surplus)	228,557	9,256
Balance, end of year	<u>1,221,769</u>	<u>993,212</u>
<b>Water Management Accumulated Surplus</b>		
Balance, beginning of year	305,266	423,900
Transfer (2010 Net Surplus)	114,216	(118,634)
Balance, end of year	<u>419,482</u>	<u>305,266</u>
<b>Water Supply &amp; Demand Accumulated Surplus</b>		
Balance, beginning of year	41,343	606,816
Transfer (2010 Net Surplus)	13,348	(565,473)
Balance, end of year	<u>54,691</u>	<u>41,343</u>
	<u>\$ 2,194,283</u>	<u>\$ 1,849,023</u>

## Okanagan Basin Water Board Notes to Financial Statements

March 31, 2010

### 3. Levies from Member Regional Districts

	2010	2010	2009
	Actual	Budget	Actual
North Okanagan	\$ 667,457	\$ 667,457	\$ 668,879
Central Okanagan	2,004,075	2,004,074	2,028,220
Okanagan Similkameen	752,769	752,769	757,795
	<u>\$ 3,424,301</u>	<u>\$ 3,424,300</u>	<u>\$ 3,454,894</u>

### 4. Sewerage Facility Grants to Member Local Governments

	2010	2009
City of Armstrong	\$ 114,886	\$ 114,886
District of Coldstream	19,446	15,294
City of Kelowna	439,054	456,156
District of Lake Country	275,296	275,296
Town of Oliver	59,670	54,909
Town of Osoyoos	19,099	19,099
District of Peachland	223,905	223,905
City of Penticton	112,945	32,483
Regional District of Central Okanagan	13,459	102,218
Regional District of North Okanagan	4,679	4,679
District of Summerland	399,019	453,527
City of Vernon	145,183	181,949
Westbank First Nation	49,776	50,409
District of West Kelowna	85,736	-
Reverted grants	(184,816)	-
	<u>\$ 1,777,337</u>	<u>\$ 1,984,810</u>






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## Okanagan Basin Water Board

### Notes to Financial Statements

March 31, 2010

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#### 5. Commitments

The Board is currently in a ten-year lease agreement, which has nine years remaining, with the Regional District of North Okanagan for the lease of a land, on which the Board's building resides on. The agreement provides for an annual lease payment of \$12,800 for the first given years, and for the subsequent five years the lease amount will be indexed to the annual CPI for British Columbia. At the conclusion of the lease term, ownership of the Board's building will be transferred to the Regional District of North Okanagan. Future minimum lease payments over the next five years are as follows:

2011	\$	12,800
2012		12,800
2013		12,800
2014		12,800
2015		12,800

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#### 6. Pension Plan

The Board and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 157,000 active members and approximately 56,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The Water Board paid \$ 30,904 (2009 - \$ 30,914 ) for employer contributions to the plan in fiscal 2010.

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## Okanagan Basin Water Board Notes to Financial Statements

March 31, 2010

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### 7. Grants payable

The sewerage facilities grants program provides funds for municipalities to upgrade their waste water treatment system, the Board's grants provide partial funding for debt repayment on 20-year MFA notes. The process for the sewerage facilities grants program involves municipalities requesting an approximate grant amount early in their funding process, then verifying a final grant amount once municipalities have secured MFA notes and begin making payments. Once the grants are awarded, the Board will only issue the grants based on the proper documentation submitted by individual municipalities, such as formal invoice to the Board.

The Water Conservation and Quality Improvement grant program provides funds to Okanagan local governments, improvement districts, and NGOs to support innovative, tangible, on the ground, water initiatives. The program takes a collaborative approach to water management issues and promotes more uniform standards and best practices throughout the valley. Up to \$300,000 per year is made available for Okanagan projects, with individual grants ranging from \$3,000 to \$30,000. Grants will be expensed in the year of approval as per the budget.

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### 8. Gas Tax Agreement

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of BC Municipalities (UBCM). All UBCM funds received by the Board in fiscal year 2010 were from Gas Tax grants. Included in Grant income is \$347,306 for work related to the Okanagan Water Supply and Demand Project. Included in Grant income for the Water Management Project is \$55,000 for the Groundwater Bylaws Toolkit. 100% of the funds the Board received for both projects was spent on projects. No funds were spent on administration. Grants were paid in arrears, and no interest was earned on unspent funds.



## Okanagan Basin Water Board

### Notes to Financial Statements

March 31, 2010

#### 9. Budget Information

The budget adopted by the Board was not prepared on a basis consistent with that used to report actual results based on current Public Sector Accounting Standards ("PSAB"). The budget was prepared on a modified accrual basis while PSAB now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net debt represent the budget adopted by the Board with adjustments as follows:

	<u>2010</u>
Budget surplus (deficit) for the year as per board budget	\$ -
Add:	
Transfers to Capital Reserve funds budgeted for in expenses	152,968
Less:	
Revenue from previous years reserve funds/surplus in revenues	(308,343)
	<u>-</u>
Budget surplus (deficit) per statement of operations	<u>\$ (155,375)</u>



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## Okanagan Basin Water Board

### Notes to Financial Statements

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March 31, 2010

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#### 10. Segment Disclosure

##### **Water Management**

This initiative undertakes projects and programs that support water sustainability in the Okanagan. This is the original mandate of the Board, providing leadership and coordinating water management activities in the best interests of man. The initiative includes a Water Conservation and Quality Improvement Grants program, water education and outreach, acting as an advocate for Okanagan concerns to senior government, and establishing the science and monitoring systems required for informed decision making.

##### **Water Supply and Demand**

This project is a multi-year assessment of water availability in the Okanagan. It is being conducted as a partnership between the Board, the Ministry of Environment, and nine other agencies and universities. The second phase of the project was completed in March 2010, the third phase is funded and got underway in calendar 2010. The Board is the financial administrator for the project, receiving grants, holding funds and issuing contracts.

##### **Aquatic Weed Control**

This program controls the growth of Eurasian watermilfoil in the shallow waters around Okanagan beaches and boating areas. This is a year-round program managing weed growth with rototillers in the winter and harvesters in the summer. The goal of the program is to keep public areas clear of weeds, but when time allows operators and equipment will also do contract work on a cost-recovery basis.

##### **Sewerage Facilities Assistance**

This program reduces the discharge of polluted water to Okanagan lakes and streams by supporting upgrades of sewerage treatment plants and community sewers. Grants go to Okanagan municipalities as a local match for senior government infrastructure funding. It is one of the Board's longest-running programs, and has led to great improvements in water quality.

##### **Administration**

Administration costs are allocated into four programs above.



# Okanagan Basin Water Board

## Notes to Financial Statements

March 31, 2010

### 10. Continued - Segment Disclosures for the year ended March 31, 2010

	Water Management	Water Supply and Demand	Aquatic Weed Control	Sewerage Facilities	Consolidated
<b>Revenues</b>					
Levies (Note 3)	\$ 917,500	\$ -	\$ 506,800	\$ 2,000,001	\$ 3,424,301
Grant income	166,363	644,655	-	10,000	821,018
Interest income	2,530	1,304	1,538	10,893	16,265
Sale of services	-	-	2,674	-	2,674
	<u>1,086,393</u>	<u>645,959</u>	<u>511,012</u>	<u>2,020,894</u>	<u>4,264,258</u>
<b>Expenses</b>					
Assistance grants(Note 4)	351,770	-	-	1,777,337	2,129,107
Amortization	-	-	34,952	-	34,952
Contract services	121,594	751,404	-	-	872,998
Director's remuneration and expenses	11,366	-	10,492	-	21,858
Equipment costs	403	-	109,911	-	110,314
Insurance	-	-	23,107	-	23,107
Interest charge	444	-	170	-	614
Office	16,474	-	14,851	-	31,325
Outreach and publicity	30,240	2,170	1,244	-	33,654
Overhead allocation	-	-	(15,000)	15,000	-
Professional fees	26,189	-	25,840	-	52,029
Rental costs	7,656	-	20,456	-	28,112
Safety	310	-	1,496	-	1,806
Stewardship council expenses	8,719	-	-	-	8,719
Travel, conferences and meetings	13,365	1,037	1,138	-	15,540
Utilities, yard supplies and maintenance	-	-	5,579	-	5,579
Wages and benefits	261,647	-	287,637	-	549,284
Water management initiative	122,000	(122,000)	-	-	-
	<u>972,177</u>	<u>632,611</u>	<u>521,873</u>	<u>1,792,337</u>	<u>3,918,998</u>
<b>Net revenue (expenses)</b>	<u>\$ 114,216</u>	<u>\$ 13,348</u>	<u>\$ (10,861)</u>	<u>\$ 228,557</u>	<u>\$ 345,260</u>

# Okanagan Basin Water Board

## Notes to Financial Statements

March 31, 2010

### 10. Continued - Segment Disclosures for the year ended March 31, 2009

	Administration	Water Management	Water Supply and Demand	Aquatic Weed Control	Sewerage Facilities	Consolidated
<b>Revenues</b>						
Levies	\$ -	\$ 934,893	\$ -	\$ 520,001	\$ 2,000,000	\$ 3,454,894
Grant income	-	34,500	150,000	-	-	184,500
Interest income	4,876	17,239	14,659	-	47,211	83,985
Sale of services	-	-	-	9,251	-	9,251
	4,876	986,632	164,659	529,252	2,047,211	3,732,630
<b>Expenses</b>						
Assistance grants	-	627,361	-	-	1,984,810	2,612,171
Administration	-	-	-	20,961	-	20,961
Amortization	-	-	-	32,911	-	32,911
Contract services	-	41,479	730,662	5,113	-	777,254
Directors' remuneration and expenses	3,487	16,233	3,304	-	-	23,024
Equipment costs	-	-	-	72,892	-	72,892
Fuel costs	-	-	-	22,313	-	22,313
Insurance	1,001	-	-	21,653	-	22,654
Office	16,905	24,085	-	4,898	-	45,888
Overhead allocation	-	-	-	(15,000)	15,000	-
Professional fees	9,750	12,250	-	4,600	-	26,600
Rental costs	-	-	-	28,859	-	28,859
Sundry	4,437	-	7,411	-	-	11,848
Telephone, communications and utilities	-	-	-	12,621	-	12,621
Travel	-	6,194	3,292	138	-	9,624
Wages and benefits	28,091	251,951	-	218,393	-	498,435
Water management initiative	-	108,677	-	-	38,145	146,822
	63,671	1,088,230	744,669	430,352	2,037,955	4,364,877
<b>Net revenue (expenses)</b>	\$ (58,795)	\$ (101,598)	\$ (580,010)	\$ 98,900	\$ 9,256	\$ (632,247)

# Okanagan Basin Water Board

## Notes to Financial Statements

For the year ended March 31, 2010

### 11. Tangible Capital Assets

	Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	2010 Total	2009 Total
<b>Cost</b>							
Balance, beginning of year	\$ 118,352	\$ 737,680	\$ 128,653	\$ 2,250		\$ 986,935	\$ 952,757
Additions	-	15,153	-	-	2,105	17,258	34,178
Balance, end of year	118,352	752,833	128,653	2,250	2,105	1,004,193	986,935
<b>Accumulated amortization</b>							
Balance, beginning of year	9,278	598,194	112,592	2,250		722,314	689,404
Additions	4,734	26,480	3,212	-	526	34,952	32,910
Balance, end of year	14,012	624,674	115,804	2,250	526	757,266	722,314
<b>Net book value</b>	\$ 104,340	\$ 128,159	\$ 12,849	\$ -	\$ 1,579	\$ 246,927	\$ 264,621

# Okanagan Basin Water Board

## Notes to Financial Statements

For the years ended March 31, 2009

### 11. Continued - Tangible Capital Assets

	Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	2009 Total	2008 Total
<b>Cost</b>							
Balance, beginning of year	\$ 113,599	\$ 708,255	\$ 128,653	\$ 2,250	\$ -	\$ 952,757	\$ 886,313
Additions	4,753	29,425	-	-	-	34,178	66,445
Balance, end of year	118,352	737,680	128,653	2,250	-	986,935	952,758
<b>Accumulated amortization</b>							
Balance, beginning of year	4,544	573,230	109,380	2,250	-	689,404	620,156
Additions	4,734	24,965	3,211	-	-	32,910	69,248
Balance, end of year	9,278	598,195	112,591	2,250	-	722,314	689,404
<b>Net book value</b>	\$ 109,074	\$ 139,485	\$ 16,062	\$ -	\$ -	\$ 264,621	\$ 263,354





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## Okanagan Basin Water Board Notes to Financial Statements

March 31, 2010

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### 12. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

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