

Shared Water Shared Solutions



Okanagan Basin
WATER BOARD

2014 ANNUAL REPORT

SHARED WATER, SHARED SOLUTIONS

It's a sunny day on Okanagan Lake. Boats, paddle boarders and swimmers play in the water; gulls fly overhead. Under the surface, fish go about their business avoiding fishing lures. Water flows in from streams; water is pumped out through hundreds of intakes. On the hillsides, grapes and apples turn irrigation into sweet fruit. This is what shared water is all about. This is why we all love the valley.

Water makes everything possible, but it also shows our weaknesses. If we waste it, there can be shortages and bitter conflicts. If I take more than my share, there may not be enough left for you, next door. Water is polluted by erosion off roads, trails and stream banks; with pesticides and fertilizers from farms; or just dirt and cigarette butts on our city streets. We share water problems as much as we share in water enjoyment.

In this small valley, we share the solutions, too. That's why the Okanagan Basin Water Board is set up on the boundaries of the watershed: the geographic area where everyone shares the fate of the water that falls on the land. We pool resources, we share ideas, and we work together for a better common future.

Photo: Summer recreating
on Kalamalka Lake

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MESSAGE FROM THE CHAIR

“Shared water, shared solutions” is a natural theme for the OBWB. Living together in a watershed is like all being in the same boat – everyone depends on each other. More than 40 years ago, community leaders said, “We have all these problems that we can’t tackle alone. We need a valley-wide water board.” In those early days, the biggest challenge was raw sewage in the lakes, and getting the sewage pollution cleaned up was an early success of the OBWB.

Our challenges now are no less onerous, as our cities sometimes seem to grow faster than we can upgrade our infrastructure. Some communities need new drinking water treatment plants, others need better stormwater systems to prevent flooding. Everywhere, civic leaders are conscious that we are one mussel-infested boat away from having our bridge, water intakes, stormwater outfalls, docks and beaches covered with zebra and/or quagga mussels. The costs of managing these problems would be enormous, both in social/environmental impact and to our economy. We would “share” the zebra mussels, and share the burden of learning how to manage them.

As a mayor, as well as the Chair of the OBWB, I see that it makes sense to tackle some problems directly within our communities. We have direct responsibility for drinking water delivery, and emergency response plans, for example. But issues like preventing zebra mussels, or managing milfoil, or looking out for local needs as the Water Sustainability Act rolls out – these make sense to do valley-wide, through the OBWB.



The OBWB allows economies of scale that really help, as do the extra funds the Board can leverage. We share one valley, one water, and one taxpayer. With the OBWB, we can share the expert staff, the advice from the Water Stewardship Council, and hear ideas from other parts of the valley. Sharing solutions just makes sense.

Doug Findlater, Chair

MESSAGE FROM THE EXECUTIVE DIRECTOR

Imagine what the Okanagan would be like without lakes. Would we all still live here? It’s a rhetorical question, because they’ve filled the valley for thousands of years and will be here for thousands of years to come. My point is that the lakes define the Okanagan.

I heard recently that USA Today readers voted the Okanagan as the second best wine region in the world to visit, after some place in Portugal, but well ahead of Napa, California. Why do visitors love it? The same reason we do. This valley is an unusual, gorgeous contrast between dry, sunny grasslands and pine forests, giving way to orchards and vineyards – all sloping down to the water. Napa doesn’t have that.

But how do we protect what we love about the Okanagan? Lake Erie, also a beautiful natural wonder, has pollution so bad that the water in Toledo, Ohio recently had a “don’t drink, don’t touch” warning. That isn’t the fault of any one polluter. It’s the collection of runoff from 1,000 different sources, combining and concentrating that makes the problem. When a problem has many sources, it must have many solutions.

When the OBWB was established, local governments in the region were concerned that they were working in silos, with too much local-focused decision making that didn’t deal with regional issues. Yet now, with the possibility to collaborate through the OBWB, we can look at the mosaic of communities as a source of strength and diversity rather than a weakness. There will never be as much funding for water as there should be, especially as everything becomes more expensive because of climate change.



It’s more important to look to our resources of committed, experienced people and good ideas. This is where the best solutions, the shared solutions, come from.

Anna Warwick Sears, Executive Director

ORGANIZATIONAL OVERVIEW

The makeup of the OBWB reflects the shared nature of the valley's water. Board Directors represent all three Okanagan Regional Districts, the Okanagan Nation Alliance, the Okanagan Water Stewardship Council and the Water Supply Association of B.C. The continued participation of these groups ensures that solutions to Okanagan water issues are shared, as they have been for more than 40 years through the leadership of the Board.

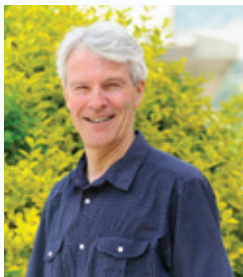
2013-2014 BOARD OF DIRECTORS



Doug Findlater, Chair, RDCO, Mayor District of West Kelowna



Juliette Cunningham, Vice Chair, RDNO, Councillor, City of Vernon



Doug Dirk, RDNO, Councillor, District of Coldstream



Bob Fleming, RDNO, Director, Electoral Area "B"



Keith Fielding, RDCO, Mayor, District of Peachland



Gerry Zimmermann, RDCO, Councillor, City of Kelowna



Allan Patton, RDOS, Director, Electoral Area "C"



Stu Wells, RDOS, Mayor, Town of Osoyoos



Wes Hopkin, RDOS, Councillor, City of Penticton



James Pepper, Okanagan Nation Alliance



Toby Pike, Water Supply Association of B.C.



Don Dobson, Chair, Okanagan Water Stewardship Council

OBWB STAFF

The OBWB, with a staff of seven, both provides solutions, and relies on the solutions of our partners, working with senior and local governments, First Nations, water stakeholders and the public to deal with the shared water issues we face.

OFFICE STAFF



Anna Warwick Sears, Executive Director



Nelson Jatel, Water Stewardship Director



Corinne Jackson, Communications Director



James Littley, Office and Project Manager

MILFOIL STAFF



Ian Horner, Milfoil Supervisor



Pat Field, Milfoil Operator



Dave Caswell, Milfoil Operator

PROGRESS REPORT

STRATEGIC PLAN

“A goal without a plan is just a wish.” (Antoine de Saint-Exupery)

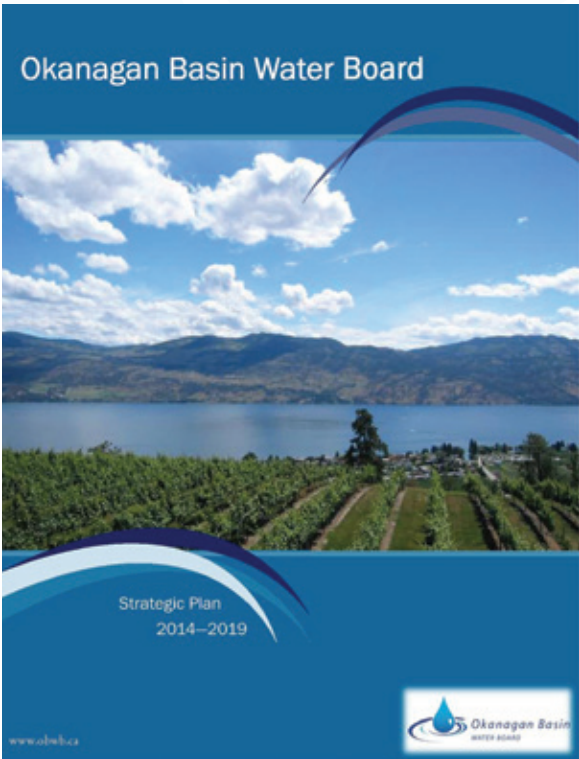
There are very few watershed-based agencies in British Columbia, and none that has the single-focused mandate of the OBWB. The Board was established to take on valley-wide problems, but these problems have shifted over time. Now, instead of municipal sewage pollution being the biggest challenge, we are trying to improve water management during a time of rapid climate change, social change, and population growth. With no clear role models, but with tight finances and big issues to tackle, we must be very deliberate and strategic with our work.

The OBWB, as a board and with the help of the Okanagan Water Stewardship Council, has held regular strategic planning meetings – making sure, year by year, that the organization was staying on mandate and undertaking projects that will have the biggest impact over time. In 2013, the Board decided that we needed to do more to go farther, faster. Over a series of months, culminating in a major strategic planning workshop with the Council, the OBWB developed a 5-year strategic plan with four central goals:

- Goal 1:** Adequate supplies of water for all human and environmental uses.
- Goal 2:** The Okanagan has excellent source water quality – drinkable, swimmable, fishable.
- Goal 3:** Okanagan local governments, First Nations, water purveyors and stakeholders have up-to-date coordinated plans and policies to protect water quality and water supply, and prepare for extreme events.
- Goal 4:** The OBWB has excellent relationships, a defined role, and clear communications with stakeholders and other levels of government.

What are the biggest issues in the valley? What’s most important for success? What do we want the future to look like? When new opportunities arise, we can evaluate them based on how well they match our mandate, and how well they fit the strategic plan.

No one said that water management in the 21st century would be easy and uncomplicated. If we aren’t experiencing challenges, we aren’t addressing real problems; but we can be smart, and we can be efficient, with a good strategic plan and a vision for the future.



REPORT ON SERVICES

The OBWB provides three core services. The Water Management Program (Page 10) includes our communication and outreach, Water Conservation and Quality Improvement Grants, Water Stewardship Council, and Information Services initiatives. The Milfoil Control Program (Page 26) is a service that treats aquatic weeds in five major lakes in the valley. And our Sewerage Assistance Grants Program (Page 26) assists local governments in replacing aging septic systems with tertiary treatment to improve water quality.

This report on services provides a summary of our programs and their associated projects. More information can be found on our websites at:

obwb.ca okwaterwise.ca makewaterwork.ca dontmoveamussel.ca



Photo: Invasive milfoil being removed from the water in Osoyoos Lake

WATER MANAGEMENT PROGRAM

The Okanagan Basin Water Board was formed in 1970 recognizing the need to address valley-wide water issues at a watershed level – in the beginning, these were sewage pollution and invasive milfoil weeds. From the start, the board noted the importance of local government working with the public to tackle these issues. Since then, the number of issues facing our water – its quality and quantity – has grown. As issues arise and more tools to engage the public become available, the OBWB has expanded its communication efforts.



Photo: Above - OBWB annual meeting speaker and international water expert, Bob Sandford being interviewed by Global Okanagan. Left - Kelowna students - winners of the Okanagan WaterWise Challenge - learn about the water of the Okanagan.

COMMUNICATIONS AND OUTREACH

The OBWB’s audience includes local and senior government officials, residents, researchers, and various other water stakeholders. The Water Board’s communication tools and strategies are aimed at helping our audience understand our water issues and encouraging collaboration to address them.

Communication efforts include:

- the Annual General Meeting and release of our Annual Report,
- monthly board meetings and the monthly Board Report,
- presentations to local and senior governments, NGOs and others,
- stakeholder engagement (e.g. the Okanagan Water Stewardship Council, technical advisory body to the OBWB Board of Directors, meets monthly),
- creation of water policy and legislation,
- workshops and conferences for elected officials, government staff and other stakeholders,
- the OBWB corporate website at www.obwb.ca,
- the Okanagan WaterWise public education program with a website at www.okwaterwise.ca and various other initiatives (e.g. the www.MakeWaterWork.ca and www.DontMoveAMussel.ca campaigns, events, contests),
- public outreach with presentations to groups and at community events, and outreach materials,
- news conferences and media releases,
- social media including Facebook: www.facebook.com/OkWaterWise, Twitter: www.twitter.com/OkWaterWise, the Building Bridges blog - www.obwb.ca/blog/, and a YouTube channel: www.youtube.com/user/OKBasinWaterBoard.



Photo: Top - Vernon students - winners of the Okanagan WaterWise Challenge - on a "Love Your Water Body" educational boat cruise. Below - At Canada Water Week screening of Watermark.

An important component of any outreach strategy is the ability to engage media to help share your story. The OBWB is thankful to local media for their help in informing the public on important water issues, recognizing their role in helping protect the resource. Interestingly, while much of the coverage was local, stories were also picked up provincially, nationally and even by U.S. media.

Below is a breakdown of the number of OBWB-planned media events, news releases and news stories during the past year. OBWB-related news releases and stories can be found at: www.obwb.ca/news. TV news recordings are also available at: <http://www.youtube.com/user/OKBasinWaterBoard>.

NEWS STORIES	April 1, 2013 – March 31, 2014	187
NEWS RELEASES	April 1, 2013 – March 31, 2014	12
MEDIA EVENTS	April 1, 2013 – March 31, 2014	3

MAKE WATER WORK

Make Water Work (MWW) is an Okanagan-wide water conservation campaign, aimed at tackling residential outdoor water use (the second largest use of water in the valley after agriculture). The campaign encourages residents to get the most from their water, making it work as efficiently as possible. The program began in 2011 with the gathering of a valley-wide committee of Okanagan water utility and local government communications staff and the launch of a two-month pilot in the North Okanagan.

In 2013, eight communities partnered with the OBWB and contributed \$2,000 to \$3,000 each in matching funds to assist with the campaign (Armstrong, RDNO-Greater Vernon Water, Lake Country, Peachland, RDOS, Penticton, Oliver and Osoyoos), ensuring the message was seen and heard valley-wide. The campaign ran mid-May to mid-September and included radio and print ads, billboards, Facebook ads, and a contest to win \$5,000 in WaterWise yard improvements.

With the matching dollars provided by the OBWB/OkWaterWise and the in-kind provided by Bell Media, Pattison, Black Press and KelownaGardens.com, partners received \$118,975 worth of advertising and product in 2013 (up from \$92,411 in 2012).

Existing partners re-committed to the program in early 2014 recognizing the value of the initiative, and new partners were added.

“I received 100% positive feedback, and people can quote the messaging—in particular the message on the billboard: ‘Water stays longer when grass is longer.’ People visualize the message and then start to internalize it. We’re moving closer to adopting the behaviours we’re hearing and seeing repeatedly.”

– **City of Penticton**

“The radio ads were awesome. The contest was great. We had posters everywhere. People heard it and saw it, and paid attention.”

– **District of Lake Country**



DON'T MOVE A MUSSEL

Concern regarding the potential introduction of invasive zebra and quagga mussels into Okanagan waters prompted work to develop a campaign to promote awareness.

In early 2013, the Water Board began strategic talks with local and provincial invasive species agencies, tourism and chamber groups, water stewardship groups and more. A plan was developed to support the outreach work of the invasive species groups to recreational water users (e.g. boaters) and their “Clean, Drain, Dry” message, and to develop a complimentary campaign to raise awareness among the general public. The result was the launch of the Don’t Move a Mussel (DMM) campaign (www.DontMoveAMussel.ca) in May 2013.

The campaign used many of the same elements as the Make Water Work initiative because they were successful but also it allowed us to leverage an even greater ad buy and in-kind support. The effort included development of the website, posters, and rack cards, radio ads, billboards and bus shelters, ads on Facebook, Google and Castanet. Based on in-kind support from Bell Media and Pattison (radio and billboard) our \$40,748 campaign was leveraged to \$170,279. Both advertisers noted the importance of the initiative by providing support to “Spread the message, not the Mussel.”

Verbal reporting suggests the effort was very successful, helping get the message out. We had several reports to us and from partners that people were seeing and hearing the message. In fact, the awareness campaign was noted as one of the reasons why a Canada Border Services agent stopped a quagga mussel-infested boat at the Osoyoos border in March 2014.



RBC WORKSHOP—GROWING A WATERWISE COMMUNITY IN THE OKANAGAN

On March 6-7 2013, we held a strategic workshop, bringing together the Make Water Work committee (Okanagan local government utility and communications staff) and the landscape/irrigation/nursery sector in the valley. This workshop was held thanks to funding and support from Tides Canada and RBC Blue Water.

The purpose of the meeting was to hear from the Make Water Work partners and those working on the frontlines in the landscape industry, about the challenges and opportunities to improve residential outdoor water conservation. The meeting was also an opportunity to expand the MWW partnership to include greater participation from industry.

As a result of the meeting, a number of new partnerships have developed among the attendees aimed at assisting each others' efforts. We look forward to sharing some of the projects that are underway as a result of this workshop in next year's annual report.

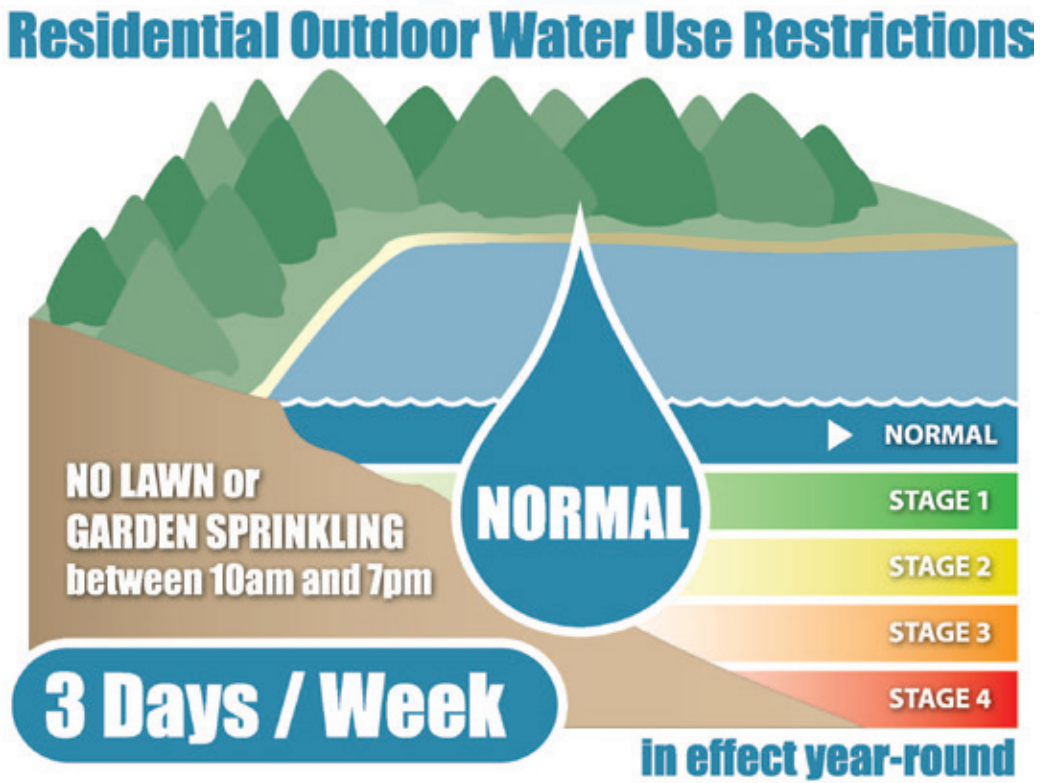


WATER CONSERVATION AND QUALITY IMPROVEMENT GRANTS

The OBWB provides small grants between \$3,000 and \$30,000 each year to collaborative projects that address valley-wide water conservation and quality improvement. In 2014, we provided \$300,000 to 16 projects throughout the valley. In 2014 we also conducted a comprehensive review of the program, identifying that the easy, flexible and local process led to greater success of projects. The program also provides leverage for grantees to attract dollars from outside the valley for projects within the valley. Of course, the greatest benefit of the program is the actual water conservation and quality improvement that is achieved through these shared solutions. The following are some highlighted projects from the 2013-14 grant year. For a full database of granted projects from 2006 – 2014, go to obwb.ca/wcqi_project.

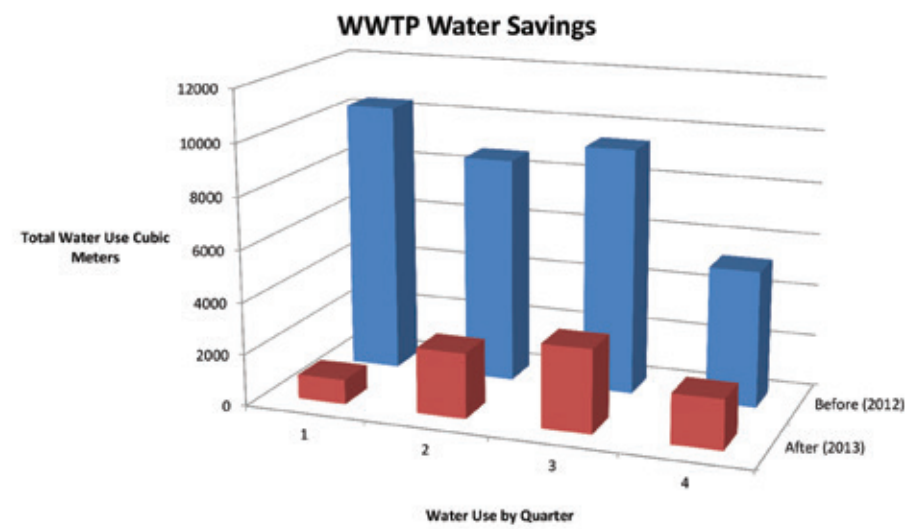
Drought Awareness Signs—Greater Vernon Water \$3,000

This project developed a communication tool to raise awareness of local drought conditions and water restrictions in the Greater Vernon Water area. Based on the concept of fire danger signs, the new drought awareness signs show drought conditions, stage of restriction and what the restrictions mean for residential watering. These signs serve the dual purpose of notifying of current conditions, and also being a permanent reminder to conserve water.



**Reclaimed Water Upgrade—
Regional District of Central Okanagan \$25,000**

The Westside Regional Wastewater Treatment Plant used this grant to improve their system of using reclaimed water for washwater, mechanical cooling, and irrigation and spray nozzle mechanisms. Through using reclaimed water, the WWTP was able to reduce potable water use by 25,215 cubic meters compared to the previous year. As well as achieving significant water savings, this project sets an example that might be copied in other water intensive industrial applications. The chart below shows the total potable water saved in each quarter.



**Water Ambassador—
Regional District of Okanagan Similkameen \$12,500**

The Water Ambassador program provides information, workshops, outreach and practical opportunities to assist local residents in achieving water conservation. The RDOS Water Ambassador also partnered with the Summerland Ornamental Gardens, and the RBC Blue Water Initiative, sharing solutions to water conservation issues. While the direct effect of outreach programs can be hard to quantify, community participation in these activities in the Okanagan has continued to grow, suggesting that people are taking an interest in water issues, and looking for concrete steps to reduce consumption.



WATER STEWARDSHIP COUNCIL

**BUILDING A LEADERSHIP NETWORK FOCUSED ON
WATER STEWARDSHIP**

How do we improve water stewardship in the Okanagan? The Okanagan Water Stewardship Council explores this question monthly, showing the value of a talented and committed group of volunteer community members. The in-kind contribution of the Council members volunteering their time is estimated at \$62,000 for the 2013-14 fiscal year.

Water conflicts between different water user groups can be notoriously destructive. Council members educate each other about the values and needs of their sectors, and build relationships that create trust between people in the Okanagan water community. The value from the trust relationships that have formed, and the opportunity to communicate contemporary water management issues in a timely manner, is priceless.



The activities of the Council create broad communication networks both within and between individual organizations. The Council’s network of water leaders increase OBWB’s influence in managing our shared Okanagan waters, and reinforce collaboration.

“...The benefit of the Council is that it brings together people working within water management...There is tremendous value in having such a group convene and be able to look at issues, potential projects, and overall water management from all perspectives—integration of these perspectives is vital for sound resource management.”
– Anna Page, RDNO

VISION: The Vision of the Okanagan Water Stewardship Council is that the Basin will have clean and healthy water in sufficient abundance to support the Okanagan’s natural ecosystems, agricultural lands and high quality of life for perpetuity. Accurate, up-to-date water information and scientific knowledge will support community and regional planning. Water will be managed in a spirit of cooperation, and a valley-wide ethic of conservation will create a lasting legacy of sustainable water resources for future generations.

The table below highlights many of the priority issues discussed and acted on by the Council:


Council Priority Themes (2013-2014)

DISCUSSION TOPICS & PRESENTERS	Planning	Okanagan First Nations Partnerships	Ground Water	Hydrometric Monitoring
Building an Okanagan water management plan [OBWB staff]	x			
Okanagan Fisher—panel discussion [Okanagan Nation Alliance Fisheries Department]		x		
Syilx water strategy: ‘Our Syilx water’ [Okanagan Nation Alliance]		x		
In-flow stream flows – Middle Vernon creek pilot [ESSA Technologies]	x	x		
Current state of Okanagan water policy—panel [Okanagan Regional Districts]	x			
Water pricing [OBWB staff; Dr. Janmaat, UBCO]	x		x	
A changing [water] landscape: 1880-1920 [Wayne Wilson]	x			
Developing Okanagan water indicators [OBWB staff]				x
Keeping nature in our future [Okanagan Collaborative Conservation Program]	x			
Okanagan flood risk & management – panel discussion [co-hosted by Okanagan Mainline Real Estate Board]	x			x

The Council in 2013-14 provided a range of policy recommendations to the Board, included policies on four key aspects of water in the Okanagan: the new BC Water Act (including groundwater management), improving water-use reporting, protecting the Okanagan from invasive mussels, and water pricing principles.

AWARD TO OKANAGAN COLLEGE

In 2013, the Council received recognition for its continued excellence in water stewardship (Council of the Federation of Canadian Provinces). With this national recognition, a \$1,000 award was granted to the Council—who in turn voted to use the funds to support a deserving Okanagan College student in the Water Engineering & Technology program through a one-time bursary.



BC WATER SUSTAINABILITY ACT

This year was an historic year for water governance in the province of British Columbia as the new Water Sustainability Act received Royal Assent on May 29th, 2014. After a four year process involving a discussion paper, a policy proposal, consultation with stakeholders, and a proposed legislative framework the new act provides a road map describing the government’s commitment to resolving a number of timely water management issues that are important to the Okanagan including :

- Groundwater will be licenced and regulated over time [s.6(1) and s.140]
- Consideration of in-stream flows [s.15 and s.127(l)(o)]
- Protection of aquatic ecosystems and fish [s.11]
- Water Sustainability Plans [s.64 to 85]
- Agricultural water reserves [s.82]
- Licenses are attached (appurtenant) to land [s. 9]
- Licenced users must make ‘beneficial use’ of water [s. 30]
- Licence holders must pay for their use of water if required by regulation [s. 125]
- First in time, first in right is maintained [s. 22]
- The comptroller may make critical environmental flow protection orders (s.87) if the minister has made a declaration of significant water shortage (s.86). This order has precedence over water rights [s.22(9)] and may not be appealed to the Environmental Appeal Board.

How the act is to be resourced and the recognition of First Nations water rights and treaty – providing for long term certainty - continues to be a significant challenge.

“Bill 18 is the best piece of environmental legislation introduced in B.C. in more than a decade.”
– Deborah Curran, Hakai Professor in Environmental Law and Sustainability University of Victoria.



INFORMATION SERVICES

WETLAND STRATEGY

In 2009 a Wetland Inventory Project developed by the B.C. Ministry of Environment recommended the development of a regional wetland strategy to identify high risk wetlands. The OBWB in collaboration with regional and provincial partners is working to develop an Okanagan wetland strategy. This project is being developed collaboratively, and builds on a range of previous work enabling further conservation, preservation, and rehabilitation efforts of Okanagan wetlands. The Okanagan Wetland Strategy is

a three-phase effort to re-establish these important ecosystems. Results from Phase I, now completed, included the following recommendations:

- Update and refine the GIS wetland database
- Develop targets and timelines for wetland conservation and protection
- Conduct field inventory and map remaining wetlands
- Refine prioritization of wetlands
- Protect priority wetlands
- Monitor, restore and enhance wetlands
- Increase education and outreach on the importance of wetlands

Wetlands in the Okanagan are home to some of the richest biodiversity in Canada. Wetlands also have economic value. They are an important source for food and fresh water and also provide valuable ecological services such as: water purification, flood protection, and erosion control. Because they are usually in easily accessible low-lying areas, wetlands are prime targets for development. By draining or filling a wetland, and building houses, roads, and factories, a community may boost its economic performance; but this is done at the expense of biodiversity and ecosystem services. These areas are often also flood prone. In 1997, it was estimated that the economic value of wetlands, considering all the services provided, including water purification, flood control, and refuge for was \$22,000 (CDN) per hectare per year in 1994 dollars.

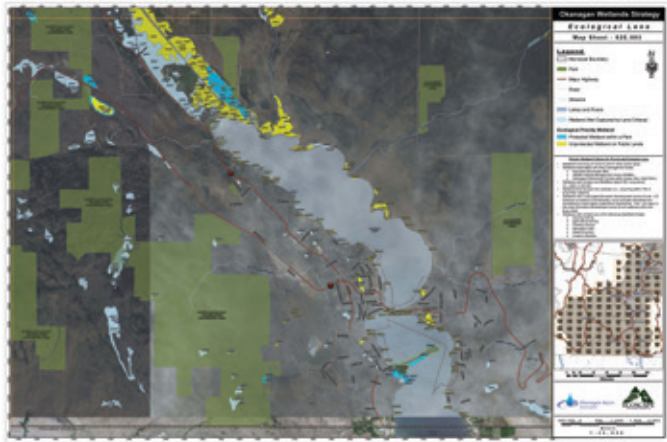


Image: top - RDCO hosts a tour of a wetland restoration project in Joe Rich. Bottom - Yellow areas indicate remaining unprotected wetlands.

NOT WAITING FOR NOAH

Humans have a long history of settling in floodplains. Flat land and rich soil make shorelines attractive for development. Beaches and shorelines make desirable residential neighbourhoods, and more people are moving into flood prone areas.

BC's flood management policies and programs are based on historical flood events because flood frequency was thought to be relatively predictable. Today however, climate changes, such as increased intensity and magnitude of precipitation, and more rain-on-snow events, have increased the risk of flooding. Historical records can't provide a roadmap for planning, because the past is no longer a good guide to future conditions.

Yet, awareness of the need for better flood planning and management is growing, and there are many initiatives underway. The "Not Waiting for Noah" workshop held in 2013 by OBWB and the BC Water and Waste Association, helped create a shared understanding of flood risks to people and properties in developed areas, how those risks are evolving, and what measures can be taken to avoid the losses that could occur if business as usual were to continue.

WATER ALLOCATION TOOL

In 2004, the OBWB and province initiated the Water Supply and Demand Project to develop a water budget for the valley. The project began out of concern that population growth and climate change could limit water availability. The main work was completed in 2010.

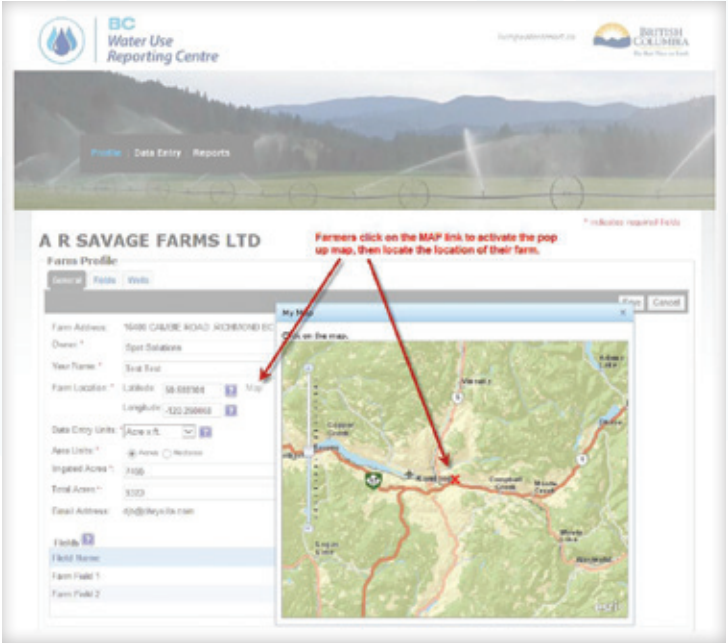
It appears that many streams in the Okanagan are now fully allocated, especially when climate change is considered. Yet the population and economic output of the valley is projected to increase considerably over the next 20 years and beyond. In this context, it is essential to map out where and whether there is water to allocate.

The Water License Allocation Tool project is a collaboration between OBWB and the province to use the Okanagan Water Supply and Demand results to create an easy tool for water managers to make new licensing decisions. In 2014, we completed a plan for developing this tool.



BC WATER USE REPORTING CENTRE (BCWURC)

The made-in-the-Okanagan B.C. Water Use Reporting Centre (BCWURC) is a simple to use and extensively tested water reporting system for surface and (with the new Water Sustainability Act) groundwater license holders that specifically addresses agriculture water reporting needs and would meet the B.C. Oil and Gas Commission rent collection requirements. The software has been operational in the Okanagan for the past three years and recently the District of Nanaimo has successfully adopted it. Attributes of the BC WURC include:



- three years tested in the Okanagan, one year tested in Nanaimo
- very good acceptance by user groups/ licensees
- accounts for up to 70% of water use reporting in the Okanagan
- new agriculture module supports agriculture user reporting (details given in the next section)
- fully integrated groundwater / surface water licence reporting
- complementary to the O&G commission's system and needs

In 2013 the report, *Counting Every Drop – The Case for Water Use Reporting In BC* (Parfitt, B), identified that:

“A requirement that all major water users meter their water withdrawals would ensure not only that critical baseline information on water use is captured, but act as a powerful incentive to conserve water and be more efficient in its use... An increased focus on water supply and water quality makes sense. A useful tool to assist government with its water sustainability goals would be a single water use authority, responsible for critical information on water use.”

The OBWB continues to work closely with Okanagan water suppliers, agricultural water users, and other strategic partners to improve the BCWURC and its ability to streamline and simplify water-use reporting, and administration of water resource rent information to the province. The data is extremely valuable for Okanagan water managers, and for provincial water stewardship staff.

AGRICULTURAL WATER USE REPORTING— NEW BCWURC MODULE

Agriculture water licence holders now have a tool to report surface and groundwater use to the government. The agriculture sector's water reporting needs are different from purveyors who meter their water use. A new agricultural water interface for the BC Water Use Reporting Centre was developed this year with support from the B.C. Ministry of Agriculture, B.C. Wine Grape Council and the Investment Agriculture Foundation of B.C.

This project, with agricultural producer consultation, resulted in a new web-based interface with a number of important attributes:

- The application is designed to be an easy to use online water use reporting tool for farmers
- One landing page - no need for a separate login page for the farmers and the Utilities using BCWURC
- Self-registration, linked to existing water licenses
- Farmers can define their farm fields and link them to their water licenses
- Calculator function embedded in the application allows farmers to easily calculate their water use
- Farmers provide the % consumed from each license
- Numerous 'Help' icons on every page provide the farmers quick and easy access to information on through a built-in user manual

Single year droughts have occurred in recent history (2003 and 2009) but a severe, multi-year drought has not affected the Okanagan since the 1930s. However, an extended drought would have potentially significant economic consequences within the agricultural community. Increased monitoring of water use in the Okanagan will help support better water decisions in times of need. This year will focus on improving and testing the agriculture module for producers to easily report surface and groundwater use.



INTEGRATED HYDROMETRIC NETWORK

This year the OBWB built a new module for the BC Water Use Reporting Centre to incorporate current and historical hydrometric data – linking together local, privately-collected stream flow data with data from Water Survey of Canada. The Hydrometric Data System provides an easy web interface for hydrologists to input data and tells the user what the quality of the data is. Hydrometric data sets are geo-referenced, and incorporate links to Water Survey of Canada station sites. While most of the data meets B.C. standards, the incorporation of semi-automated dataset grades allows users to

look at historical data and assess their suitability for a given need.

In the next phase, the HDS may allow real-time updates from re-established hydrometric stations, including the assignment of ratings curves. Although this data would still require review from a hydrologist, the system represents a large leap forward in our ability to measure and track streamflows in the Okanagan.



RE-ESTABLISHED HYDROMETRIC STATIONS

The Okanagan is at high risk for future water shortages because of its arid climate and rapid population growth - with the lowest per capita supply in Canada, and anticipated impacts of climate change. In 2008, the OBWB and the B.C. Ministry of Environment commissioned a study to determine the location of hydrometric monitoring stations essential to long-term water management in the Okanagan. Their importance is underscored by a recent audit of the National Hydrometric Program which found that hydrometric monitoring has significant value to our environment and economy. Building on this work, the OBWB has initiated a project to re-establish key hydrometric stations at critical information sites in the valley.

The project objectives include:

1. Improving hydrometric data in the Okanagan basin.
2. Building on a multi-level collaborative partnership to re-establish strategic hydrometric stations.
3. Supporting the use of long term hydrometric data for the purposes of: water management, modeling, research, and decision support tool development.

This year's project efforts focused on developing a collaborative agreement that would support installation of two of these stations. Project partners included:

- Water Survey of Canada
- Okanagan Nation Alliance Fisheries Department
- Ministry of Forests, Lands and Natural Resource Operations
- Habitat Conservation Trust Fund (sponsor)
- University of British Columbia - Okanagan
- Agriculture and Agrifood Canada Research Stations (Kamloops and Summerland)

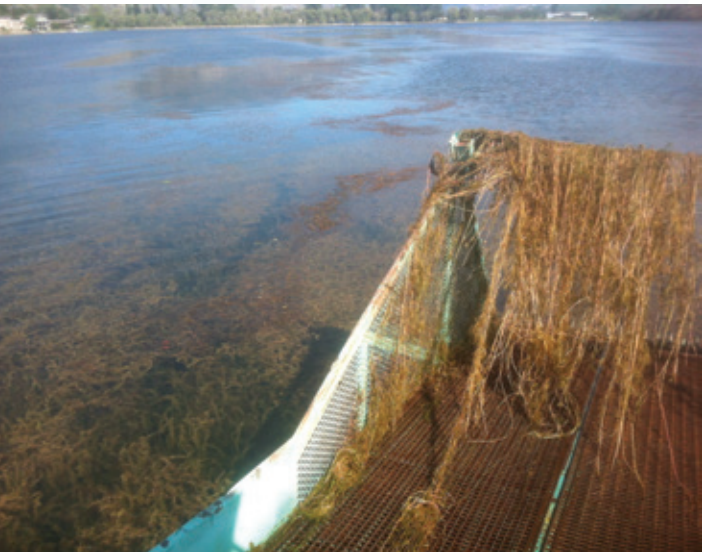


Photo: Clark Creek hydrometric station.

This initiative enabled the installation of the two stations, with a three year maintenance commitment from the District of Lake Country. The Clark Creek station near Winfield will monitor natural flow. There are 15 years of historical monitoring on record for this site, from 1968-1982. The Vernon Creek station at the outlet of Swallow Lake has a period of record from 1921 - 1998. Both locations are highly valuable because they are mid-elevation and have long historical datasets.

MILFOIL CONTROL PROGRAM

For almost 40 years, the OBWB has been managing invasive Eurasian milfoil in Okanagan lakes. In the winter months, root systems are removed from the lake bottom. In the summer months, the plants are cut two metres below the surface, and the material is transferred to land for use in composts. While the de-rooting is a more effective treatment, a number of factors restrict when and where this treatment is an option. This leaves the cosmetic summer harvesting as the only option for some areas.



The effects of milfoil have been widely studied since the 1960's. The plant can grow in water down to six metres. It grows rapidly in summer, and forms a dense mat on the surface of the water. While native aquatic plants provide good habitat for fish and other organisms in the water, milfoil crowds out these native plants and provides a less desirable habitat, especially for salmonids. Our control program treats 200 sites on five lakes, each with specific work windows and environmental considerations. The program prioritizes public beaches and boat launches, ensuring a great water experience for the majority of users, prior to controlling areas in front of private land. However, the program also acknowledges that our water is shared, and public, and our control program treats as much permitted area as possible each year.

SEWER ASSISTANCE GRANTS

This program provides grants to local governments to replace aging septic and sewage infrastructure in order to directly reduce the amount of pollution entering our waters. The Sewer Facilities Assistance program is one of the earliest OBWB programs, and it continues to provide financial support to communities that otherwise might not be able to replace this infrastructure. Only areas where development occurred prior to 1978 are eligible for the 16% of project costs that this fund provides. As the number of eligible areas is reduced by time, discussions among local government partners have looked at whether this shared solution of an infrastructure grant might be useful for updating stormwater infrastructure to continue protecting our shared waters.

LOOKING FORWARD

2015 will be a big year. The municipal election will bring new faces and ideas to board and council tables, and new directors to the OBWB. The new four-year term will give more time for strong starts and follow-through on initiatives. Strength and stability in local government is especially important, with the expected changes in water regulations from the new Water Sustainability Act.

The province has been downsizing in the last several years through attrition and hiring freezes. While some new staff have been hired, many are early-career professionals who are just learning the ropes. And many senior staff have been tasked with developing the new water regulations. What does this mean to local governments and the OBWB? We may or may not have new downloaded responsibilities, but certainly we'll need to be more self-reliant.

For the OBWB, self-reliance still means we work in partnerships, but the nature of the partnerships change. Typically we have help from provincial staff with organizing and managing projects, reviewing reports, and planning new initiatives. For the next year or two, we expect that this relationship will be more consultative, with less hands-on input from government staff. Instead, we will grow deeper partnerships with local governments, especially on initiatives that help shape the outcomes and Okanagan response to the new act's regulations.

Along with all these organizational changes, there continue to be other changes on the landscape. For example, 2014's milfoil growth was very intense, likely as a result of warmer lake temperatures and a flush of nutrients from the strong spring runoff. In 2015, we will re-evaluate our milfoil program to increase the efficiency of control in case the pattern this year is related to climate change, and a sign of things to come. But whether it is droughts, floods or weed growth, it's the OBWB's job to think ahead and help communities prepare.



FINANCIALS

OVERVIEW OF FINANCIALS

The OBWB was founded as a way to pool funds for shared water priorities that span the entire valley, and reduce conflict between water users. When funds are tight and getting tighter, we must focus on those activities that give the valley the highest and best value moving forward. It's not just a case of needing to do more with less; it's a case of needing to do more, regardless.

One of our abilities is the flexibility for building partnerships and leveraging external funds and in-kind contributions. In 2013-14, the OBWB received \$165,500 in grants and funding partnerships. These went to water monitoring, water supply and demand studies and water data access for local governments, training and workshops for local government staff and the wetlands strategy.

An even larger portion of fund leveraging didn't appear on our balance sheets this year, through some unusual approaches. We assisted the RDOS receiving a \$90,000 grant from the RBC Blue Water Project – by proposing to use the existing Make Water Work program as a cash match to trigger the grant. The Make Water Work and Don't Move a Mussel campaigns both attracted huge in-kind contributions from media partners this year together totalling more than \$150,000. The Water Stewardship Council members donated their professional time for more than \$62,000.

The OBWB distributes grant funds as well as receives them. In 2013-14 we awarded \$300,000 in local Water Conservation and Quality Improvement grants, matching funds from recipients and other funding agencies. In addition, we provided the third installment of a \$100,000/year commitment to UBC Okanagan, a five-year agreement that brought more than \$1.5 million in external funds to support an endowed Water Research Chair. As part of our granting program, we've been building connections with B.C. water funders, and will be hosting a tour to highlight Okanagan projects for philanthropic foundations and funding agencies this October.

FINANCIAL HIGHLIGHTS FOR 2013-14

REVENUES (THOUSANDS) ^{NOTE 1}	2013-14	2012-13
Levies from member regional districts		
North Okanagan	659	666
Central Okanagan	2,035	2,032
Okanagan-Similkameen	750	752
Government grants and contracts	166	355
Non-government grants and contracts	5	3
Interest income	51	44
TOTAL	3,666	3,852

EXPENSES (THOUSANDS) ^{NOTE 2}		
Sewage infrastructure grants	1,695	1,774
Water management	1,128	1,127
Water supply & demand project ^{NOTE 3}	-	106
Eurasian watermilfoil control	604	600
UBC-O water research chair	100	100
TOTAL ^{NOTE 4}	3,617	3,707

NOTE 1 Each Okanagan property owner contributed at the same rate of approximately \$5.68/\$100,000 assessment in 2012-13.
NOTE 2 All programs were within planned budgets.
NOTE 3 The water supply and demand project now incorporated with other water management projects.
NOTE 4 The OBWB may have revenue above or below our expenses, depending on timing of grants and project contracts.

Details about the OBWB's financial position can be found on our audited financial statements, given on pages 30-48.





Financial Statements
For the year ended March 31, 2014

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Independent Auditors' Report

To the Chairperson and Directors of the
Okanagan Basin Water Board

We have audited the accompanying financial statements of the Okanagan Basin Water Board, which comprise the statement of financial position as at March 31, 2014, and the statements of financial activities, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of management's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Okanagan Basin Water Board as at March 31, 2014, and its financial activities and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants

Kelowna, British Columbia
June 3, 2014

Okanagan Basin Water Board Statement of Financial Position

March 31	2014	2013
Assets		
Cash (Note 1)	\$ 253,153	\$ 3,017,935
Temporary investments (Note 2)	2,919,911	-
Accounts receivable	38,625	67,681
	<u>3,211,689</u>	<u>3,085,616</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 262,511	\$ 290,994
Grants payable (Note 3)	251,624	203,806
	<u>514,135</u>	<u>494,800</u>
Net Financial Assets	<u>2,697,554</u>	<u>2,590,816</u>
Non-financial Assets		
Prepaid expenses	-	13,838
Tangible capital assets (Note 4)	137,336	181,791
	<u>137,336</u>	<u>181,791</u>
Accumulated Surplus (Note 5)	<u>\$ 2,834,890</u>	<u>\$ 2,786,445</u>

Approved on behalf of the Board:

Doug Findlater
Juliette Cunningham

Doug Findlater, Chair

Juliette Cunningham, Vice-Chair

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Okanagan Basin Water Board Statement of Operations and Accumulated Surplus			
For the year ended March 31	2014	2014	2013
	Actual	Budget	Actual
Revenue (Note 11)			
Levies from member Regional Districts (Note 6)	\$ 3,444,600	\$ 3,444,600	\$ 3,449,885
Grants	165,530	-	355,448
Interest	50,587	25,000	43,808
Other income	4,796	-	3,078
	<u>3,665,513</u>	<u>3,469,600</u>	<u>3,852,219</u>
Expenses (Note 11)			
Sewerage facilities (Note 7)	1,694,817	1,695,100	1,774,496
Water management	1,218,326	1,059,350	1,126,917
Water supply and demand	-	-	106,046
Aquatic weed control	603,925	615,150	599,579
UBCO Water Research Chair	100,000	100,000	100,000
	<u>3,617,068</u>	<u>3,469,600</u>	<u>3,707,038</u>
Annual Surplus (Note 11)	48,445	-	145,181
Accumulated Surplus, beginning of year	2,786,445	2,786,445	2,641,261
Accumulated Surplus, end of year	<u>\$ 2,834,890</u>	<u>\$ 2,786,445</u>	<u>\$ 2,786,445</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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Okanagan Basin Water Board Statement of Cash Flows			
For the year ended March 31	2014	2013	
Operating Activities			
Annual surplus	\$ 48,445	\$ 145,181	
Items not involving cash:			
Amortization	<u>46,285</u>	<u>46,354</u>	
	94,730	191,535	
Changes in working capital:			
Decrease in accounts receivable	29,056	1,657	
Decrease in accounts payable and accrued liabilities	(28,483)	(88,389)	
(Decrease) increase in grants payable	47,818	(14,554)	
Decrease (increase) in prepaid expenses	<u>13,838</u>	<u>(13,066)</u>	
	156,959	77,183	
Investing Activities			
Purchase of investments	(2,900,000)	-	
Accrued interest	<u>(19,911)</u>	<u>-</u>	
	(2,762,952)	77,183	
Capital Activities			
Purchase of tangible capital assets	<u>(1,830)</u>	<u>(5,532)</u>	
Increase (decrease) in cash during the year	(2,764,782)	71,651	
Cash, beginning of year	<u>3,017,935</u>	<u>2,946,284</u>	
Cash, end of year	<u>\$ 253,153</u>	<u>\$ 3,017,935</u>	

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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Okanagan Basin Water Board
Statement of Change in Net Financial Assets

For the year ended March 31	2014	2013
Annual surplus	\$ 48,445	\$ 145,181
Acquisition of tangible capital assets	(1,830)	(5,532)
Amortization of tangible capital assets	46,285	46,354
Change in prepaid expenses	13,838	(13,066)
Net change in net financial assets	106,738	172,937
Net financial assets, beginning of year	2,590,816	2,417,879
Net financial assets, end of year	\$ 2,697,554	\$ 2,590,816

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Okanagan Basin Water Board
Summary of Significant Accounting Policies

March 31, 2014

Nature of Business

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, the sewerage facilities assistance fund, and a water management program 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.).

Basis of Presentation

It is the Board's policy to follow accounting principles generally accepted for municipalities in the Province of British Columbia and to apply such principles consistently. The financial statements include the account of all funds for the Board. All interfund transfers have been eliminated. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants (CICPA).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles for British Columbia Regional Districts 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 year. Actual results could differ from those estimates.

Financial Instruments

The Board's financial instruments consist of cash, temporary investments, accounts receivable, accounts payable and accrued liabilities. 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.

Okanagan Basin Water Board Summary of Significant Accounting Policies

March 31, 2014

Tangible Capital Assets	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 on a straight line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:	
	Buildings	25 years
	Equipment	10 years
	Vehicles	7 years
	Office Furniture & Equipment	10 years
	Computers	4 years

Revenue Recognition The levies from member Regional Districts are recognized when the levies for the fiscal year are approved by the Board and requisitioned.

Grants, interest and other income are recognized in the period in which they are earned.

Government Transfers Government transfers, which include grants and funding agreements are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Okanagan Basin Water Board Notes to Financial Statements

March 31, 2014

1. Cash

The Board's bank account is held at one financial institution. The bank account earns interest at bank prime minus 1.8%.

2. Temporary Investments

	2014	2013
Bank of Montreal GIC, bearing interest at 1.4%, maturing October 2014	\$ 2,900,000	\$ -
Accrued interest	19,911	-
	<u>\$ 2,919,911</u>	<u>\$ -</u>

3. 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- 25 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 non-government organizations 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.

Okanagan Basin Water Board
Notes to Financial Statements

For the year ended March 31, 2014

4. Tangible Capital Assets

	Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	2014 Total
Cost						
Balance, beginning of year	\$ 118,352	\$ 779,450	\$ 127,037	\$ 2,250	14,040	\$ 1,041,129
Additions	-	-	-	-	1,830	1,830
Dispositions	-	-	(74,239)	-	(2,505)	(26,344)
Balance, end of year	118,352	779,450	102,798	2,250	13,765	1,016,615
Accumulated amortization						
Balance, beginning of year	28,241	709,436	111,480	2,250	7,931	859,338
Amortization	4,743	31,803	6,298	-	3,441	46,285
Dispositions	-	-	(24,239)	-	(2,105)	(26,344)
Balance, end of year	32,984	741,239	93,539	2,250	9,267	879,279
Net book value	\$ 85,368	\$ 38,211	\$ 9,259	\$ -	\$ 4,498	\$ 137,336

Okanagan Basin Water Board
Notes to Financial Statements

For the years ended March 31, 2014

4. Tangible Capital Assets (continued)

	Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	2013 Total
Cost						
Balance, beginning of year	\$ 118,352	\$ 779,450	\$ 127,037	\$ 2,250	\$ 8,508	\$ 1,035,597
Additions	-	-	-	-	5,532	5,532
Balance, end of year	118,352	779,450	127,037	2,250	14,040	1,041,129
Accumulated amortization						
Balance, beginning of year	23,498	677,634	105,181	2,250	4,421	812,984
Amortization	4,743	31,803	6,298	-	3,510	46,354
Balance, end of year	28,241	709,437	111,479	2,250	7,931	859,338
Net book value	\$ 90,111	\$ 70,013	\$ 15,558	\$ -	\$ 6,109	\$ 181,791

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2014

5. Accumulated Surplus

The Board maintains a reserve for future expenditures. Canadian public sector accounting standards require that non-statutory reserves be included with the operating surplus. The reserve and change therein included in the operating surplus is as follows:

	2014	2013
Aquatic Weed Control Equipment Reserve		
Balance, beginning of year	\$ 262,183	234,504
Net deficit	17,256	(18,675)
Transfer of amortization	46,285	46,354
Balance, end of year	325,724	262,183
Invested in Tangible Capital Assets		
Balance, beginning of year	181,791	222,613
Transfer for acquisition of tangible capital assets	1,830	5,532
Transfer of amortization	(46,285)	(46,354)
Balance, end of year	137,336	181,791
Sewerage Facilities Assistance Reserve Fund		
Balance, beginning of year	1,701,306	1,689,327
Net surplus	12,327	11,979
Balance, end of year	1,713,633	1,701,306
Water Management Accumulated Surplus		
Balance, beginning of year	641,165	440,604
Net surplus	18,862	206,093
Transfer for acquisition of tangible capital assets	(1,830)	(5,532)
Balance, end of year	658,197	641,165
Water Supply & Demand Accumulated Surplus		
Balance, beginning of year	-	54,216
Net deficit	-	(54,216)
Balance, end of year	-	-
	\$ 2,834,890	\$ 2,786,445

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Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2014

6. Levies from Member Regional Districts

	2014	2014	2013
	Actual	Budget	Actual
North Okanagan	\$ 659,458	\$ 659,458	\$ 665,731
Central Okanagan	2,034,892	2,034,892	2,032,296
Okanagan Similkameen	750,250	750,250	751,858
	\$ 3,444,600	\$ 3,444,600	\$ 3,449,885

7. Sewerage Facility Grants to Member Local Governments

Included in Sewerage Facilities are the following grants to member local governments:

	2014	2013
District of Coldstream	19,193	19,193
City of Kelowna	296,275	297,722
District of Lake Country	246,903	269,433
Town of Oliver	30,594	30,594
Town of Osoyoos	16,806	16,806
District of Peachland	212,779	212,779
City of Penticton	220,481	203,320
Regional District of Central Okanagan	(3,643)	9,145
Regional District of North Okanagan	4,679	4,679
District of Summerland	401,715	401,715
City of Vernon	94,519	125,583
Westbank First Nation	50,469	48,463
District of West Kelowna	54,295	84,816
	\$ 1,645,065	\$ 1,724,248

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Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2014

8. 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 Canadian public sector accounting standards ("PSAB"). The budget was prepared on a modified accrual basis while PSAB now require a full accrual basis.

	2014
Budget surplus (deficit) for the year as per board budget	\$ -
Add:	
Amount budgeted for capital expenditures	25,000
Less:	
Transfer from accumulated surplus in revenues	60,000
Transfer from previous years surplus in revenues	(35,000)
Budget surplus (deficit) per statement of operations	\$ -

9. Commitments

The Board is currently in a ten-year lease agreement, which has five years remaining, with the Regional District of North Okanagan for the lease of 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.

The Board is also currently in a five year lease agreement, which expires December 31, 2018, with the option to renew for one additional term of five years, with the Regional District of Central Okanagan for office rent and operating and overhead costs as well as financial, administrative and technology services. The agreement provides for a monthly payment of \$8,296.

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2014

10. 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 179,000 active members and approximately 71,000 retired members. Active members include approximately 7 contributors from the Okanagan Basin Water Board.

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, 2012 indicated a surplus of \$1,370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in the fall of 2016. The actuary does not attribute portions of the unfunded liability to individual employers. The Board paid \$38,512 (2013 - \$39,355) for employer contributions to the plan during the year.

11. Segment Disclosures

Water Management

This initiative undertakes projects and programs that support water sustainability in the Okanagan. It supports the original mandate of the Board, providing leadership and coordinating water management activities in the interests of Okanagan citizens. The initiative includes the Water Conservation and Quality Improvement grant program, water education and outreach, advocacy to senior government for Okanagan water concerns, and establishing the science and monitoring systems required for informed decision making. Many of the projects are conducted as multi-year partnerships with other funding agencies, and operating surplus balances are specifically designated for project commitments through funding agreements with senior government, or targeted to planned projects in development. The Water Management Accumulated Surplus includes \$539,196 (2013 - \$560,627) for previously committed projects.

Okanagan Basin Water Board Notes to Financial Statements

March 31, 2014

11. Segment Disclosures (continued)

Water Supply and Demand

This project is a multi-year assessment of water availability in the Okanagan. It is a partnership between the Board, the BC Ministry of Environment, and nine other agencies and universities. The Board is the financial administrator and local lead for the project, receiving grants, holding funds, and issuing contracts. Operating surplus balances are committed to projects through funding agreements with senior government. The project has now moved into a new phase in which the original senior government funding agreements are completed, and continuing elements of the water availability assessments have been integrated with the Board's Water Management projects. For this reason, remaining operating surplus balances of the Water Supply and Demand have been reallocated to Water Management where they will be used for those continuing water availability assessments.

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. The Sewerage Facilities Assistance Accumulated Surplus includes \$nil (2013 - \$9,751) for previously committed projects.

UBCO Water Research Chair

This program provides matching funds for a Water Research Chair at the University of British Columbia Okanagan. The three Okanagan regional districts requested the Board to provide \$500,000 over a five year period (\$100,000 per year) to match \$1,500,000 funding from the B.C. Leading Edge Endowment Fund and the B.C. Real Estate Foundation. The five year commitment began in the 2012 fiscal year, and will be completed in the 2016 fiscal year.

Okanagan Basin Water Board Notes to Financial Statements

For the year ended March 31, 2014

11. Segment Disclosures (continued)

	Water Management	Water Supply and Demand	Aquatic Weed Control	Sewerage Facilities	UBCO Water Research Chair	2014 Total
Revenues						
Levies (Note 6)	\$ 1,054,350	\$ -	\$ 615,150	\$ 1,675,100	\$ 100,000	\$ 3,444,600
Grant income	155,530	-	-	-	-	155,530
Interest income	12,512	-	6,031	32,044	-	50,587
Other income	4,796	-	-	-	-	4,796
	1,237,188	-	621,181	1,707,144	100,000	3,665,513
Expenses						
Assistance grants	293,144	-	-	1,645,065	100,000	2,038,209
Amortization	-	-	46,285	-	-	46,285
Contract services	418,682	-	2,835	4,275	-	425,792
Director's remuneration and expenses	11,140	-	9,921	-	-	21,061
Equipment costs	1,811	-	128,547	-	-	130,358
Insurance	4,367	-	20,624	-	-	24,991
Interest charge	45	-	-	-	-	45
Office	21,235	-	12,631	-	-	33,266
Outreach and publicity	97,986	-	3,769	-	-	101,755
Overhead allocation	(20,002)	-	(20,000)	40,000	-	-
Professional fees	37,188	-	35,558	-	-	72,746
Rental costs	8,802	-	21,642	-	-	30,444
Safety	1,691	-	2,715	-	-	4,406
Stewardship council expenses	19,309	-	-	-	-	19,309
Travel, conferences and meetings	42,239	-	810	-	-	43,049
Utilities, yard supplies and maintenance	-	-	11,841	-	-	11,841
Wages and benefits	286,164	-	327,347	-	-	613,511
Sewerage facilities transfer	(5,477)	-	-	5,477	-	-
	1,218,326	-	603,923	1,694,817	100,000	3,617,068
Annual surplus (deficit)	\$ 18,862	\$ -	\$ 17,256	\$ 12,327	\$ -	\$ 48,445

Okanagan Basin Water Board Notes to Financial Statements

For the year ended March 31, 2014

11. Segment Disclosures (continued)

	Water Management	Water Supply and Demand	Aquatic Weed Control	Sewerage Facilities	UBCO Water Research Chair	2013 Total
Revenues						
Levies	\$ 1,037,982	\$ -	\$ 573,500	\$ 1,738,403	\$ 100,000	\$ 3,449,885
Grant income	283,618	51,830	-	20,000	-	355,448
Interest income	11,410	-	4,326	28,072	-	43,808
Other income	-	-	3,078	-	-	3,078
	1,333,010	51,830	580,904	1,786,475	100,000	3,852,219
Expenses						
Assistance grants	294,693	-	-	1,724,248	100,000	2,118,941
Anticorrosion	-	-	46,354	-	-	46,354
Contract services	447,027	4,470	6,405	10,248	-	468,150
Directors' remuneration and expenses	10,030	-	9,964	-	-	19,994
Equipment costs	1,862	-	100,279	-	-	102,141
Insurance	3,599	-	21,815	-	-	25,414
Interest Charge	-	-	30	-	-	30
Office	15,190	-	12,789	-	-	27,979
Outreach and publicity	65,803	10	6,493	-	-	72,306
Overhead allocation	(20,020)	-	(20,000)	40,000	-	-
Professional fees	36,434	-	39,398	-	-	75,832
Rental costs	9,682	-	22,352	-	-	32,034
Safety	-	-	1,450	-	-	1,450
Stewardship council expenses	18,916	-	-	-	-	18,916
Travel, conferences and meetings	53,743	1,368	1,570	-	-	56,681
Utilities, yard supplies and maintenance	-	-	13,290	-	-	13,290
Wages and benefits	292,136	-	337,390	-	-	627,526
Water supply and demand transfer	(102,198)	102,198	-	-	-	-
	1,136,917	106,046	599,579	1,774,496	100,000	3,707,038
Annual surplus (deficit)	\$ 206,093	\$ (54,216)	\$ (18,675)	\$ 11,979	\$ -	\$ 145,181



Shared Water Shared Solutions



Okanagan Basin
WATER BOARD

250-469-6270

1450 KLO Road
Kelowna BC V1W 3Z4

www.obwb.ca