



Okanagan Basin
WATER BOARD

2012 ANNUAL REPORT



Recognizing the Value of Water

“WHEN THE WELL’S DRY, WE KNOW THE WORTH OF WATER.”

BENJAMIN FRANKLIN, American Author, Scientist, Politician

Some things are so valuable, and yet we rarely take notice of them or stop to see how they are taken for granted. This includes public safety, clean air, plentiful food – and, of course, water. Whether it’s a wet year or a dry year, we value having clean, abundant water, and living in a landscape fed by rain and snow.

People often relate the value of water to what we can do with it, and how it supports us. Drinking water, water for food and gardens, water for nature, water for industry

and water for playing in – the list is infinite. The Okanagan peoples, who have lived in this valley for thousands of years, have long understood its value, believing that water is alive, and sacred.

NASA just spent 2.5 billion dollars to look for water on Mars. The very presence of water means that life can exist. This is a very concrete, dollars-and-cents way to place value on it, but how much is it worth to keep Okanagan water sources clean?

The OBWB’s vision is for all Okanagan residents – and visitors – to have an understanding of how precious this resource is, and how important it is to protect.



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MESSAGE FROM THE CHAIR



The Okanagan Basin Water Board supports collaborative efforts to protect the health of our shared Okanagan water. As you will see in this annual report, it has been a busy year. While we should be proud of our accomplishments there is much more to do.

As we learned at a recent OBWB conference in Kelowna, climate change in Canada is already having a noticeable impact. The Town of Osoyoos has recently experienced two of the highest intensity storms ever recorded, damaging fruit trees and flooding many residences and businesses. Lake Superior, the largest lake in North America, is experiencing the highest water temperatures on record and shipping lanes that once required ice breakers in April and May, no longer freeze over.

Leadership means asking questions and recognizing what it means to live with floods in one season and droughts in another. The landmark return of the largest recorded sockeye salmon run in Osoyoos Lake and the Okanagan River is reason to celebrate, but also raises new concerns. How do we manage water under future drought conditions and share with all the many users? By 2036 the population of the Okanagan is expected to be more than 460,000 people. These increased demands need to be reflected in the new Provincial Water Act, currently under review. First Nations rights and entitlements on both sides of the border must also be considered.

The input from the Water Stewardship Council (the board's technical advisory body) will be crucial for advancing the needs of public sectors and water stakeholders (e.g. health, fisheries, forestry, agriculture, environment, tourism, and business). We truly appreciate these volunteers and their input at the table.

Water leadership has its highest value when it recognizes new trends and helps local governments prepare and adapt to changes. The OBWB has been leading the way by collecting and sharing scientific information about all aspects of our water. I believe that our number one challenge is engaging the public in meaningful and responsible dialogue to ensure everyone is aware of the challenges and opportunities we share. These are some of the tough questions and issues upon which the Board of Directors and Staff are providing leadership. I encourage you to learn more in this report and join us in recognizing the value of water.

Stu Wells, Chair

MESSAGE FROM THE EXECUTIVE DIRECTOR

Our Annual Report is a time to reflect on the past year, and a time to look ahead. The theme of this report, "Recognizing the Value of Water," reflects our commitment to water communication – in all forms, to increase public understanding about water and how it is valued.

The OBWB was established to help communities protect the value of their water and all that springs from it: protecting water sources, planning development for future growth, and anticipating changes to the water supply. It's a way for Okanagan local governments to come together and find solutions to shared water issues. As a result, we are a natural hub for water information, and for identifying community priorities – adding value by providing coordination, science, information, and funding.

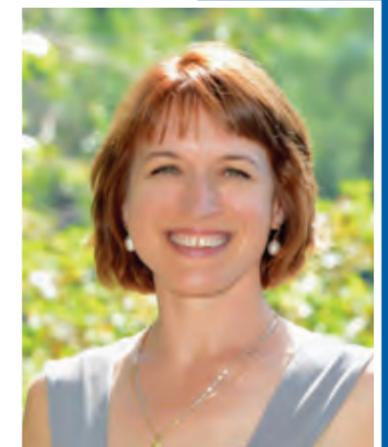
There are many ways to reflect on the value of water. On one hand, it is priceless – the lakes and streams are our greatest wealth. There's nothing more desolate than a land without water. On the other hand, there are real costs to water treatment and delivery, and different approaches to water protection and infrastructure development must be weighed and compared.

Good decisions require good information. In 2011-12, the Board invested resources and energy toward gathering and distributing data on water use, streamflow records and groundwater tables, quantifying the effects of climate change, and providing real numbers for water planning.

The fruits of this work were highlighted at the Osoyoos Lake Water Science Forum, ultimately contributing to the international agreement for Osoyoos Lake by bringing together technical experts from both sides of the border for a public airing of knowledge and a chance for debate. It was also a great year for public water communication, with the launch of "Make Water Work" and an expansion of Okanagan WaterWise activities.

In this report, you'll find great examples of how all these efforts bring Okanagan communities together, recognizing the value of water.

Anna Warwick Sears, Executive Director



ORGANIZATIONAL OVERVIEW

The Okanagan Basin Water Board (OBWB) provides leadership for sustainable water management in the Okanagan valley, protecting and enhancing the quality of life and environment for its 340,000 residents, as well as the larger ecosystem, which depends on a clean, stable water supply. Three directors are appointed from each of the Okanagan's three regional districts with at least one of those from the major urban area within that district. In addition, one director is appointed by the Okanagan Nation Alliance, one from the Water Supply Association of BC, and one from the Okanagan Water Stewardship Council.

2011-2012 BOARD OF DIRECTORS



Chair Stu Wells, RDOS, Mayor, Town of Osoyoos



Vice-Chair Rick Fairbairn, RDNO, Director, Electoral Area "D"



Juliette Cunningham, RDNO, Councillor, City of Vernon



Doug Dirk, RDNO, Councillor, District of Coldstream



Keith Fielding, RDCO, Mayor, District of Peachland



Doug Findlater, RDCO, Mayor, District of West Kelowna



Gerry Zimmermann, RDCO, Councillor, City of Kelowna



Michael Brydon, RDOS, Director, Electoral Area "F"



Tom Siddon, RDOS, Director, Electoral Area "D"



James Pepper, Okanagan Nation Alliance



Toby Pike, Chair, Water Supply Association of BC



Bernard Bauer, Chair, Okanagan Water Stewardship Council

2011 OUTGOING DIRECTORS

Buffy Baumbrough, RDNO | Graeme James, RDCO | Gordon Clark, RDOS | Gwen Bridge, ONA

OBWB STAFF

Eight full-time staff run OBWB's programs that serve 13 municipalities, three regional districts and four First Nations communities in the Okanagan Basin. These programs include the Water Management Program, Sewage Facilities Grants Program, and Eurasian Watermilfoil Control Program. We serve the diverse interests of residents, governments, businesses, non-profit organizations, and visitors in all aspects of water use in the Okanagan. The sections of this annual report reflect these three programs.

OFFICE STAFF



Anna Warwick Sears, Executive Director



Nelson Jatel, Water Stewardship Director



Corinne Jackson, Communications Director



K. James Little, Office and Project Manager

MILFOIL STAFF



Ian Horner, Milfoil Supervisor



Pat Field, Milfoil Operator



Gord Greer, Milfoil Operator



Dave Caswell, Milfoil Coordinator

2011 OUTGOING STAFF

Genevieve Dunbar, Office and Grants Administrator | Melissa Tesche, Interim Office and Grants Administrator

WATER MANAGEMENT PROGRAM

The Water Management Program (WMP) was initiated in 2006 to address emerging water issues facing the Okanagan. The program is made up of four parts, Communications and Outreach, the Water Conservation and Quality Improvement Grants Program, the Water Stewardship Council, and Science and Research.

The WMP has provided capacity for a regional approach to water planning that bridges the interests of all Okanagan communities. By working with many partners, the program's impacts have been far greater than would be possible by any one organization, with significant economies of scale. By focusing on valley-wide issues and opportunities the program complements rather than duplicates work of individual jurisdictions. The program was renewed in 2012 for another three year term. The complete terms of reference for this and all OBWB programs can be found in the OBWB's Governance Manual on our website (www.obwb.ca/fileadmin/docs/obwb_governance_manual.pdf).

The Water Board's communication tools and strategies are aimed at helping our audience understand water issues and encouraging collaboration. Communication efforts include:

- the Annual Meeting and release of our Annual Report (available at www.obwb.ca/annual_reports);
- monthly board meetings and the monthly Board Report (available at www.obwb.ca/obwb_minutes);
- presentations to local and senior governments;
- stakeholder outreach (such as the Water Stewardship Council);
- 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 like events and contests;
- public outreach with presentations to groups and at community events, and outreach materials;
- news conferences and media releases;
- use of 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).

RECOGNIZING THE VALUE OF WATER COMMUNICATIONS

The Okanagan Basin Water Board, its Board of Directors and Water Stewardship Council, understand the value of communications and outreach. As the agency responsible for valley-wide Okanagan water leadership, the OBWB has become the go-to place for information on regional water issues and those working towards water sustainability here and beyond. Just as importantly, the OBWB has developed initiatives to reach out to those not already engaged in water issues, recognizing we need everyone at the table to ensure an ongoing healthy water supply.

As a result of these communication efforts, a growing number of residents are becoming involved in water stewardship, both in their community and in their own backyard.

COMMUNICATIONS AND OUTREACH

The OBWB's audience is diverse and includes local and senior government officials, residents, researchers, members of the media, and various other water stakeholders.

WATER IN THE NEWS

An important component of our outreach strategy is to engage media to help share our stories. The OBWB has built a strong connection with media in the valley to inform the public about water issues and their role in helping protect the resource. The Water Board is thankful for the interest shown by local media in this important issue.

Below is a breakdown of the number of OBWB-planned media events, news releases and news stories generated, compared over the last three years. OBWB-related news releases and stories can be found at www.obwb.ca/news. Okanagan WaterWise-specific news releases, stories and audio recordings can be found at www.okwaterwise.ca/news-okww.html. OBWB and OkWaterWise-related TV news recordings are also available at: www.youtube.com/user/OKBasinWaterBoard.

NEWS STORIES

April 1, 2011 – March 31, 2012 **207**
 April 1, 2010 – March 31, 2011 **172**
 April 1, 2009 – March 31, 2010 **80**

NEWS RELEASES

April 1, 2011 – March 31, 2012 **10**
 April 1, 2010 – March 31, 2011 **15**
 April 1, 2009 – March 31, 2010 **9**

MEDIA EVENTS

April 1, 2011 – March 31, 2012 **5**
 April 1, 2010 – March 31, 2011 **5**
 April 1, 2009 – March 31, 2010 **4**

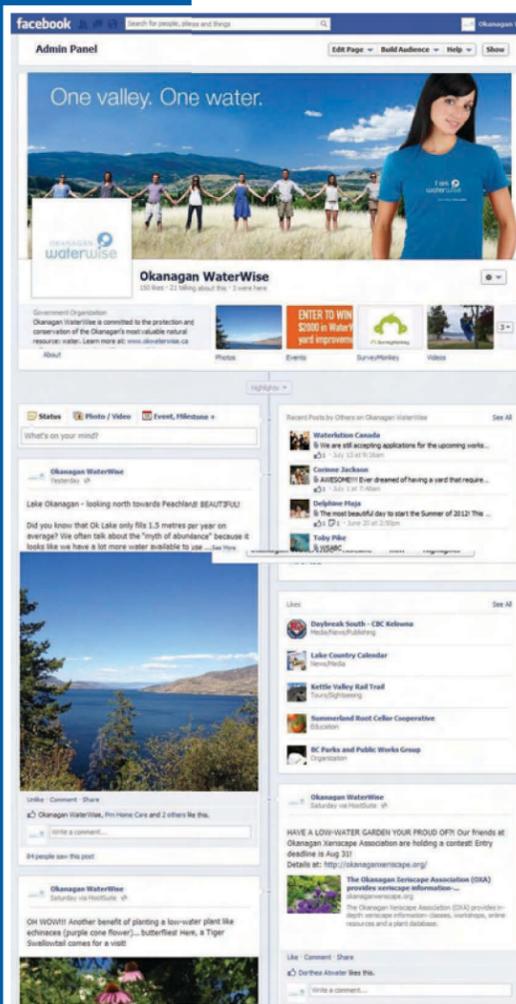


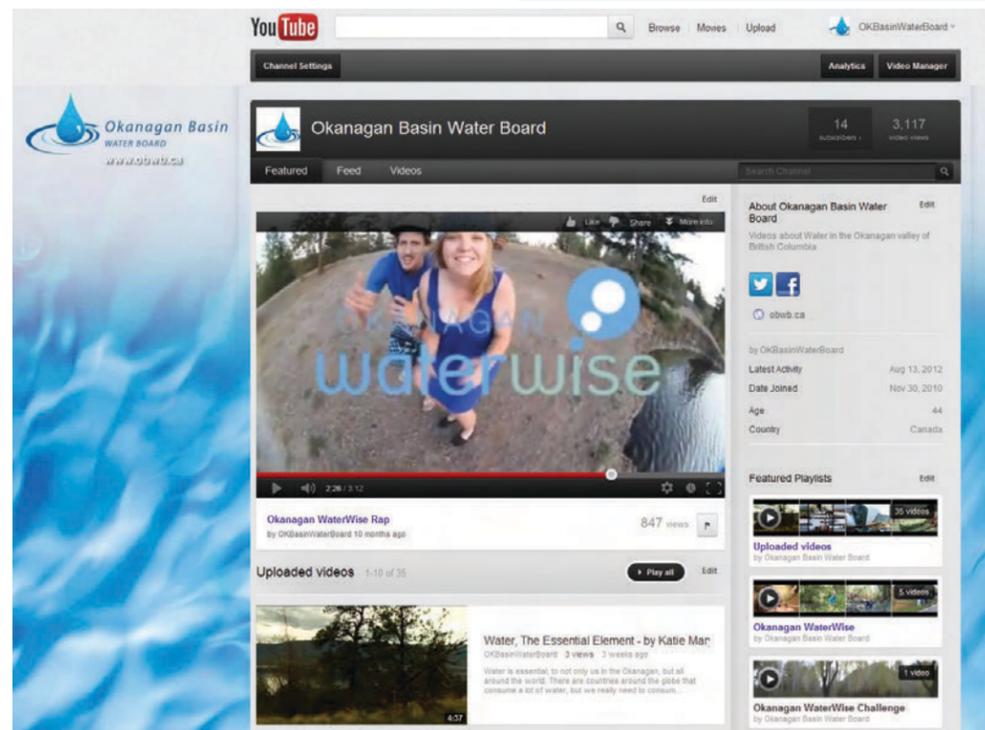
Photo: John Collinson (right), President of the Joe Rich Ratepayers and Tenant's Society, speaks with BC CTV News' Kent Molgat at an OBWB news conference regarding the groundwater monitoring project.

VIDEO SERIES AND LAUNCH OF YOUTUBE CHANNEL

As part of the Okanagan WaterWise public outreach initiative, a series of videos was created in 2011 with a focus on water conservation and water protection in the Okanagan. The videos are aimed at a youth and young adult audience, but are enjoyed by all ages. The videos can be found on the OBWB YouTube channel at: www.youtube.com/user/OKBasinWaterBoard.

The series includes an "Okanagan WaterWise Rap" music video. "Okanagan Water at Work – Make Water Work!" focuses on outdoor residential water conservation. "Protect Okanagan Drinking Water" looks at source protection.

Another video, "Milfoil Control," was created as a fun and educational look at the OBWB's Eurasian Watermilfoil Control Program, and "Okanagan Water Viewer" features a video tutorial showing how to navigate the OBWB's Water Viewer website (an online tool based on the results of the Okanagan Water Supply and Demand Study). The video and the website are intended to help raise public awareness around water availability and our use of this precious resource.



MAKE WATER WORK CAMPAIGN

Make Water Work (MWW) is an Okanagan-wide social marketing campaign aimed at reducing residential outdoor water use. The program began in the spring of 2011 with the gathering of a valley-wide committee of water utility and local government communications staff from throughout the Okanagan.

One of the committee's goals was to ensure that the valley-wide message complemented rather than duplicated local government communication efforts. The campaign was developed as an extension of the work of local communities, creating a link between the messages, recognizing that we all share one valley, one water.

Over the course of the Spring/Summer 2011, phase 1 of the campaign was developed and the slogan "Make Water Work" adopted – chosen for its positive message. The campaign was empowering and fun – encouraging people to get their water to work productively. Materials were developed including print posters, newspaper ads, radio spots, and a MWW "tips" page on OkWaterWise.ca.

The campaign was launched as a two-month pilot project in the Regional District of North Okanagan (RDNO) and showed excellent results. The number of visits to our home page increased 216% compared to the same time the previous year. The second most visited page was the Make Water Work page.

The success of the MWW pilot in 2011 was the jumping off point for a valley-wide campaign in 2012.



RECOGNIZING THE VALUE OF WATER MANAGEMENT

For OBWB, water management means providing the tools needed by water users to sustainably manage their water. The OBWB supports good management by providing both technical expertise, through the Stewardship Council and expert staff, and funding through Water Conservation and Quality Improvement Grants.

WATER CONSERVATION AND QUALITY IMPROVEMENT GRANT PROGRAM

WCQI Grants are available to local governments, irrigation districts, and non-profit organizations for projects that conserve and protect water, based on the recognition that we are all part of "One Valley, One Water." In 2012, 19 projects were selected to receive grants based on their ability to provide a valley-wide benefit in water conservation and/or water quality improvement. The \$300,000 of grant money awarded helped fund more than \$1 million dollars' worth of water-related projects.

WCQI PROJECTS IN THE SPOTLIGHT



City of Kelowna – Mill Creek Infrastructure Impact Management Study
Project Cost: \$95,000 | WCQI Grant: \$25,000

This project received grant funds to study and evaluate the state of riparian habitats along this key fish-bearing stream. The study helped identify conservation strategies and best management practices. Identifying and addressing vulnerabilities along Mill Creek will inform future habitat restoration and run-off mitigation initiatives in Kelowna and basin-wide.



Okanagan Science Centre – Water, Water (Every) Where?
Project Cost: \$38,000 | WCQI Grant: \$22,000

This educational project had multiple facets including a one-day water conservation and protection summer camp for kids. It also included a school and homeschool program that taught about contamination, treatment and preservation of our water sources. The project was ongoing into the new fiscal year with the display of the world-class exhibit "WaterWorks." This interactive exhibit teaches about water use, treatment, conservation, the natural water cycle and more. The exhibit will remain on display at OSC until January 2013 with the "Household Water Cycle" display on permanent exhibit.

Photo courtesy of Science North

Okanagan Nation Alliance – Okanagan River Water Intake Feasibility Study
Project Cost: \$127,241 | WCQI Grant: \$12,000

The Okanagan Nation Alliance's Okanagan River Water Intake Feasibility Study gathered data and estimated retrofitting costs on irrigation intakes along Okanagan River. Because fish habitat is defined by a flat layer of water which must be the correct temperature and have ample oxygen, year to year weather variations and water availability will directly impact the depth and size of this water layer. Research initiatives of this kind will provide Okanagan communities with a diverse body of knowledge essential for protecting fish habitat and balancing irrigation demands.



Bishop Wild Bird Foundation – Bishop Wild Bird and Native Plant Garden
Project cost: \$31,835 | WCQI Grant: \$2,000

This wild bird sanctuary and natural garden is open to the public year-round. The project included converting a large area of turf into water-conserving native plants, signage, and workshops to demonstrate the effects of this type of landscape. Public outreach and education initiatives by the Bishop Wild Bird Foundation will promote the habitat benefits of native plants for wildlife throughout the Okanagan.



Photo courtesy of Bishop Wild Bird Foundation

WATER STEWARDSHIP COUNCIL

The Okanagan Water Stewardship Council was established in 2006 and is the technical advisory body to OBWB's Board of Directors. The goal of the Council is to capitalize on local water expertise and improve long-term decision making. The 28 member Council represents a diverse group of water stakeholders who meet monthly to provide independent advice and policy recommendations for sustainable water management. The Council's vision is that the Okanagan will have clean and healthy water in sufficient abundance to support its natural ecosystems, agricultural lands and high quality of life in perpetuity.

In 2008, as part of its mandate to practice clear and open communication, the Council developed the Okanagan Sustainable Water Strategy (OSWS), providing a guide for sustainable water management practices that supports decision-making in a changing world. Population growth and climate change require new thinking to solve new and complex problems. The Council strives to support collaborative water management, mindful of the basin's water budget, the importance of using good science, best management practices, as well as the need for appropriate legislation and communication to inform the public and elected leaders.



Emerging issues being examined include ongoing prevention of invasive aquatic species, improving habitat for sockeye salmon and other species, adapting to climate change and the associated increased variability in water supply, enabling cooperative management strategies with all levels of government including First Nations, and improved groundwater monitoring.

The value that the Council provides the Board is in the expertise and perspectives that are brought together on a regular basis. The Council provides an important venue for collaborative learning and dialogue on relevant and timely water issues that impact all residents and visitors of the Okanagan. After all, there is only one water!

RECOGNIZING THE VALUE OF WATER SCIENCE

Good water science is critical for wise water decisions. The OBWB is committed to supporting practical water science – providing information to support sustainable choices about our limited and shared water resources. Science helps us better understand our water supply and enables decision making at all levels of government and for all water stakeholders – public and private – in the Okanagan.

BC WATER USE REPORTING CENTRE

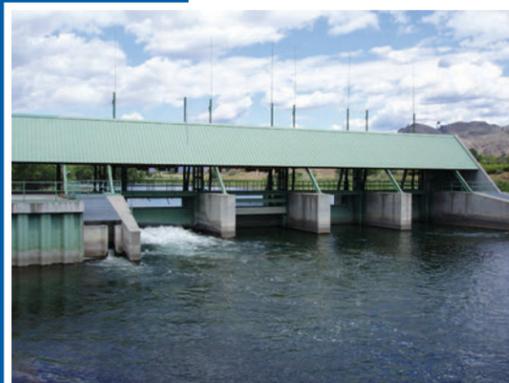
(formerly Streamlined Water Use Reporting Tool)

The BC Water Use Reporting Centre (BC WURC) is a simple web-based system designed to help utilities and large water users regularly record water use.

In the Okanagan, we must use the best available strategies to manage our water. As new technologies emerge, we can now report more quickly, with less effort, and more frequently than ever before. Water use reporting is about more than meeting regulations. The more often we report, the more accurate our data is, and the more responsive we can be to shortages. The vision of the Water Board is to have a fully-integrated water system, meeting the needs of residents and agriculture while supporting wildlife and natural areas. Recognizing this, in partnership with the Government of B.C. and Environment Canada, we have developed and launched this online water management and reporting system to help make smarter decisions today for a better, stronger tomorrow. For more information visit: <http://www.obwb.ca/bcwaterusereporting/>.



Photo: Skaha Lake, Penticton



OSOYOOS LAKE OPERATING ORDERS

Osoyoos Lake, in the South Okanagan, straddles the U.S.-Canada border. Nowhere in B.C. is water more important – surrounded by Canada’s only desert. Its management is governed through Orders – to be renewed in 2013 – by the International Joint Commission under the Boundary Waters Treaty. The OBWB has been closely involved with the renewal process: providing technical analyses, organizing the Osoyoos Lake Water Science Forum to share the results, and submitting recommendations to the Commission based on the science and public response. There has been real concern that the new orders would set fixed cross-border flow rates, but technical studies by the OBWB and our partners were able to show that better management will address most existing problems while protecting Canadian water sovereignty.



Osoyoos Lake Water Science Forum

September’s Osoyoos Forum showcased the value of collaborative approaches to water management. Faced with a contentious international water agreement, agencies, organizations, First Nations and citizens from the U.S. and Canada gathered to hear the science and discuss the issues. Our common interests emerged much stronger than our differences, and the assembly was able to provide positive guidance to the International Joint Commission for renewal of the Osoyoos Lake Operating Orders and the future of the lake.

Photo: Lana Pollock, International Joint Commission’s U.S. section chair provides final comments to delegates at the Osoyoos Lake Water Forum as Canadian IJC Commissioner Lyall Knott looks on.

GROUNDWATER MONITORING PROJECT

The primary goal of the Okanagan Groundwater Monitoring Project is to develop 15 observation wells in aquifers identified as vulnerable and in need of monitoring. Ten wells were drilled in 2010-11 and another five are planned.

Expansion of the well network will also be useful when integrated with other OBWB projects such as water management planning, ambient water quality monitoring, developing priorities for recording wells, future groundwater licensing plans and other research initiatives.



Photo: The people behind the Joe Rich monitoring project: RDCO electeds and staff along with OBWB, B.C. Ministry of Environment, B.C. Ministry of Forests, Lands and Natural Resource Operations, Agriculture and Agri-Food Canada, Environment Canada and JR Drilling.

LAKE EVAPORATION STUDY

In collaboration with Environment Canada, three large yellow buoys and two land-based stations were launched on Okanagan Lake to monitor lake evaporation and will stay in location until at least 2015. This project will look at the characteristics of evaporation from large valley-bottom lakes in the Okanagan and help us understand the climatic and physical processes which influence lake evaporation.

Initial estimates put lake evaporation at about one metre of loss per year.



Photo Courtesy of Environment Canada

HYDROLOGIC CONNECTIVITY STUDY

The Hydrologic Connectivity project improves our understanding of managing water supply in an interconnected basin. We all share the limited rain and snow that falls within the Okanagan watershed. Understanding how water supplies are connected supports wise decisions during times of water scarcity. This study looks at how water utilities are connected, both hydrologically (how water flows through the valley) and legally through water licences (who has priority for water based on their licence).

The OBWB, in partnership with water utilities and senior government, has taken a proactive approach in developing a model to examine water allocation questions and concerns. The OBWB has referred to this tool as the Okanagan Hydrologic Connectivity Model (OHCM) and it is intended to illustrate how water management decisions are interconnected – building on our understanding of the Okanagan’s water supply & demands.

The Okanagan Basin covers a total of 8,046 square km with a population of 340,000 (2011). Stats Canada reports

that the Okanagan has the highest ratio of population to water supply in Canada and projections indicate that the Okanagan will continue to attract in-migration as baby-boomers retire and the economy continues to diversify. This growth, combined with the effects of a warming climate, indicates increasing potential for water demand to exceed water supply during hot, dry years, which has serious implications for the economy, environmental quality, and our way of life.

To add to the complexity of water resource management within the valley, there are over 100 water suppliers and nearly 4,000 active water licences issued by the province to store or use surface water. Although most water users do not use their full allocation in average years, the only formal legal mechanism for conflict resolution when demand exceeds supply is to invoke the Water Act, in particular the “first-in-time, first-in-right” (FITFIR) principle within the act.

With many considerations that go into long-term planning and management of the Okanagan’s limited water supply, the OHCM is a practical tool to support wise decisions during years of water scarcity and increasing demand.

DATABASE HOSTING AND DATA DELIVERY TO LOCAL GOVERNMENTS

A 2003 B.C. business review found that there was a \$19 payback to the economy for every dollar invested in streamflow monitoring. Water data is critical for everything from flood prediction to drought management and water planning. Unfortunately, the information can be difficult and expensive to collect – and challenging to organize for easy access and interpretation. When water data is carefully collected, it’s a waste to not use it in as many ways as possible for future planning.

This year, we’ve focused on compiling data (already collected by water utilities, municipalities, government agencies, and other partners) and building a database to store, organize, and analyze it – making the information available to share and use.

Modeled data on water demand and hydrology – from the Water Supply and Demand Project – has been used for Penticton’s master irrigation plan, Vernon’s liquid waste management plan, master water plans for Lake Country and Peachland, and for studies on dam safety. Our new BC Water Use Reporting Centre is bringing together actual water use data – compiling contributions from the valley’s major water utilities, as a pilot for the rest of B.C.

We’ve also been drilling monitoring wells, and building a system to combine independently-collected streamflow data with Water Survey of Canada information, steadily moving toward a fully-integrated water supply database. The highest and best value is achieved when we can easily and quickly use and re-use all the data for multiple purposes.



Photo: All water in the Okanagan is connected, including the waters of Wood Lake on the left and Kalamalka Lake on the right.



Photo: Installation of groundwater monitoring well in Joe Rich

WATER SUPPLY AND DEMAND STUDY – FUTURE SCENARIOS

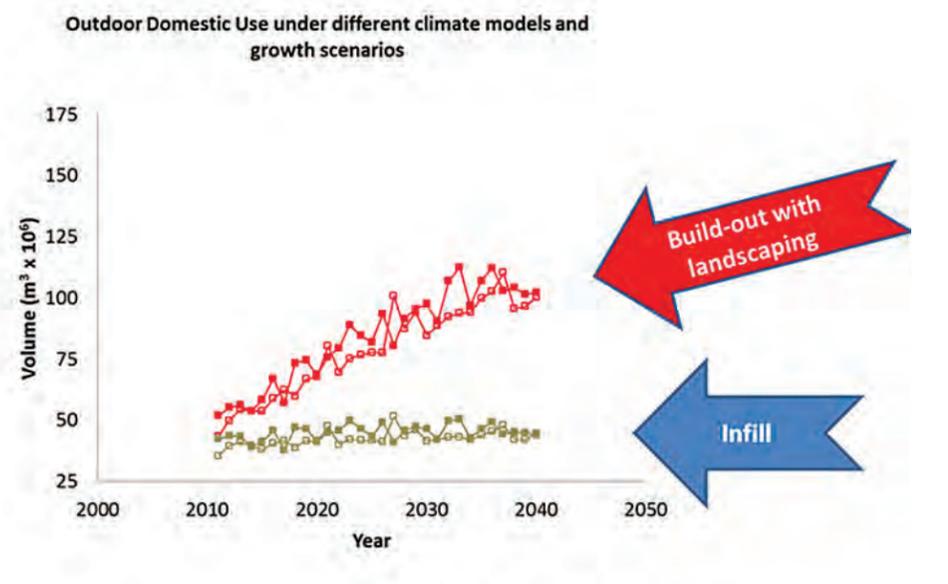
What's the biggest concern for water in the future? No one knows exactly what the future brings, but local governments – faced with long-term decisions for infrastructure and development – need to know reasonably-likely outcomes. There's no question that there will be more people and warmer temperatures, but what should our priorities be to reduce costs and protect investments and quality of life?

In 2010, OBWB assessed the overall water balance for the valley, but there were more questions about climate change and population growth. This year, we followed up with more detailed analyses.

All climate models show increased risk of floods and droughts, but in the next 25 years population growth may have the biggest impact on water demand. BC Stats predicts that the Okanagan population will increase by up to 45% by 2036.

The Okanagan depends on snow pack to extend the capacity of our reservoirs. If precipitation comes as rain more than snow, it may be difficult to store the water we need to get through a hot dry irrigation season – while leaving enough water in the streams for fish. Today, 25% of water use is for home landscaping. If new residents have similar lawn sizes to existing residents, by 2036 we will be using as much water as all the valley's agricultural production – even with increases in efficiency.

It will be prudent to expand reservoir storage, but the lowest cost solution is to increase development density, and reduce outdoor water use.



LOOKING AHEAD

It is always exhilarating, finishing one year and looking to the next. The last fiscal year included a municipal election, changes in board directors, and another three-year renewal of the OBWB's Water Management Program. Now, with a sense of stability and renewed purpose we look forward to new tasks and challenges.

The board's current priorities continue the tradition of filling information and policy gaps on a valley-wide basis, focusing on issues that cross jurisdictions. There are exciting opportunities to build new bridges with the local First Nations communities, to find new ways to gather and deliver water data to local governments, and to deliver projects and programs to better understand the complex challenges of climate change and population growth.

Over the next few months we are co-hosting a Federation of Canadian Municipalities workshop on water service agreements for First Nations and municipalities; an Agriculture Canada Invitational Drought Tournament (a gaming exercise in drought preparedness); and an Irrigation Industry Association of BC workshop on "What the Okanagan can learn from Las Vegas."

As a collaborative institution, all our work involves partnerships: with communities, industry, post-secondary education, and senior government. The OBWB will continue to maintain intense involvement with the finalization of the international agreement for the Osoyoos Lake Operating Orders, with the B.C. Water Act Modernization process, and with the water conservation initiatives of local government.

Ultimately, the OBWB is flexibly-structured to respond to the needs of communities, ready to bring added value as new issues arise.



The OBWB joins with Okanagan Nation Alliance, Okanagan school children and community members in a ceremonial release of sockeye fry into Okanagan River in Penticton.

RECOGNIZING THE VALUE OF WATER QUALITY

By the late 1960s, water quality in Okanagan valley lakes had become the source of major concern for local governments. Uncontrolled lake weeds and toxic algae blooms caused by municipal sewage were beginning to take their toll on the quality of life for Okanagan residents and the emerging tourist industry. More than 40 years later, action taken by local governments through the Okanagan Basin Water Board has led to excellent water quality, and made the Okanagan valley the premier destination for tourists and seasonal home owners in Canada. Acting to protect the “one water” of the valley was, and continues to be critical to the Okanagan experience.



Early control methods included the use of the chemical 2-4-D

EURASIAN MILFOIL CONTROL PROGRAM

Eurasian Watermilfoil (a.k.a. “milfoil”) is a serious aquatic invasive plant that was introduced into the Okanagan in the 1970s. Milfoil robs native plants and fish species of food and habitat. It creates a public health concern by loading areas with excess nutrients that promote harmful algal blooms. Milfoil is unpleasant for swimmers, and a nuisance to boats.

Control efforts have come a long way since the 1970s. Originally run by BC Ministry of Environment, the Okanagan milfoil program has in the past tried all manner of mechanical and chemical processes to control this invasive aquatic species. Some of the control methods that were developed in the 1970s are still the most safe and effective ones used today. Rototilling the root beds in the winter and harvesting the plants in the summer using large custom-made floating machines has become the main method of keeping milfoil growth under control.

The OBWB continues to investigate the latest scientific methods to control, or even eradicate this weed, and collaborates with milfoil control programs in other jurisdictions.

This year the Water Board has been gathering information about a native aquatic weevil that eats the weeds. Because this weevil is a native species, artificially increasing the population to wipe out weed beds would not change the fundamental makeup of our water bodies. An introduction of weevils in an area might control the growth of milfoil for several years. However, more scientific research is needed before this form of bio-control can be effective in the Okanagan.



Photo: OBWB Milfoil operator Pat Field on one of the harvesters.

The expertise of our staff also provides significant economic advantages to the Milfoil Control Program. Only three operators run the program year-round for the whole valley, and conduct all of the maintenance on their own machines. Their knowledge of local lakes and water systems allows them to run the program in a safe and efficient manner, and to avoid costly damage to public or private infrastructure. This year, the OBWB has focused on changing to environmentally safe fuels and hydraulic fluids to reduce risks to water quality in the case of an accident.

In recent years the Milfoil Control Program has also faced other challenges. New concerns about endangered mussels and disturbance of fish habitat has increased permitting requirements and closer collaboration with other government agencies.

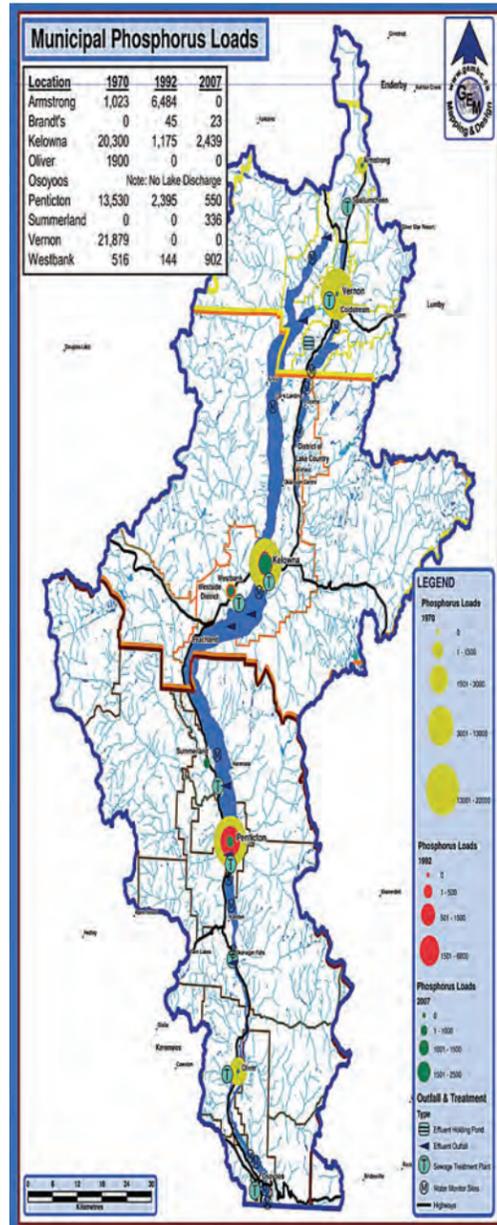
Redesign of local boat launches and waterfront parks often overlooks the logistical needs of the program. Unlicensed water intakes and private infrastructure create a hazard and a liability for program operations, and our anchored machines are sometimes targets of vandalism.

Despite these challenges, the Milfoil Control Program is largely successful in keeping our public beaches and marinas clean of this nuisance invasive species. This program enhances the quality of our water, our way of life, and the economy of our valley as a prime tourist destination.



Aerial view of the effects of the milfoil harvester including one untreated strip.

SEWAGE FACILITIES GRANTS PROGRAM



The Sewage Facilities Assistance Grant Program (SFA) is the OBWB's oldest and financially most significant program. This program (currently with an annual budget of \$1.9 million) provides a portion of the costs for new or upgraded sewer infrastructure and since it began in the 1970's, has helped to greatly improve water quality in the Okanagan. The value of this program can be seen by the number of tourists who frequent this valley for our lakes.

In 2010-2011 the SFA grant program went through a major audit and streamlining. Historically the grants have been based on a complex calculation which caused significant issues for local government staff. The new streamlined process uses a simple percentage-based calculation to assist municipalities to re-pay their infrastructure loans from the Municipal Finance Authority, and the same percentage for those municipalities that self-finance.

The program was also historically tied to the municipality receiving money from the provincial government for each project. Since it has become

more difficult to receive provincial funding the requirement has been amended so that new applications only require a provincial review to ensure that they meet best practice standards for that type of infrastructure improvement. That means that local governments may still qualify for an SFA grant, even if they receive no other funding.

For more information on this grant program, visit our website www.obwb.ca/sewage_facilities_grants/.



Photo: Upgrades to Vernon's Water Reclamation Centre were conducted in part with an OBWB SFA Grant. Images courtesy of Maple Reinders Inc.

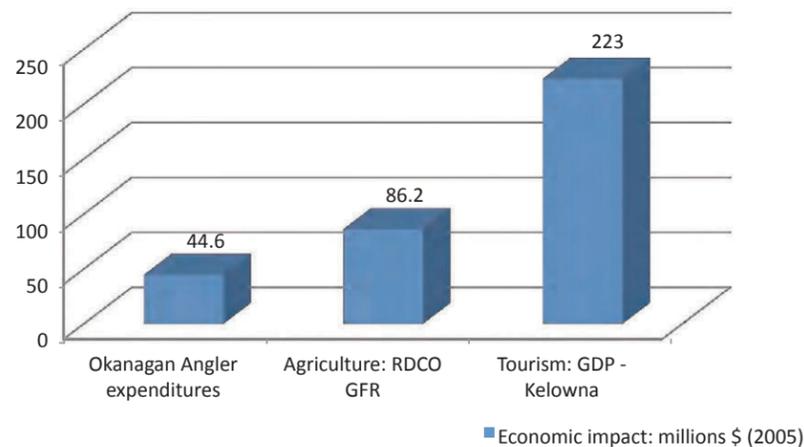
FINANCIAL HIGHLIGHTS

The OBWB's financial structure promotes the sharing of resources to move forward on projects that are a high priority and of high value to communities. The OBWB receives funding from senior government agencies, manages finances for collaborative partnerships, and distributes grants for local water quality and conservation projects. Local dollars leverage funding from other sources and build the Okanagan's capacity.

THE VALUE OF WATER TO ECONOMIC SECTORS

A number of industry sectors including tourism, agriculture and angling depend on wise, long term decisions to support sustainable clean, safe and abundant water. The OBWB continues to work collaboratively with communities to provide practical water science information to support basin water resources management, underpinning the Okanagan's water-dependent economy.

**Three Okanagan water dependent economic sectors:
Benefiting from good water information**



LEGEND

GDP – Gross Domestic Product

GFR – Gross Farm Receipts

RDCO – Regional District of Central Okanagan

Blue columns represent a conservative estimate (circa 2005) of important economic sectors that depend on long-term wise water decision making.

A YEAR OF ACTIVITY

In 2011-12, the OBWB delivered \$1,917,600 in sewage facilities grants to local governments to upgrade sewage treatment plants and help communities move from septic to sewer. For over 40 years, this source of shared, local funding has allowed Okanagan communities to better leverage senior government grants, and build support for projects among community members. Reducing effluent discharge to the lakes is of value to everyone in the valley.

The OBWB also awarded \$300,000 in Water Conservation and Quality Improvement Grants, matching funds from municipalities and private funders. These grants, which ranged in value this year, from \$2,000 to the Bishop Wild Bird Sanctuary, to \$27,500 to the District of Peachland, promote best practices and knowledge sharing.

In the first of a five-year commitment by the three regional districts to the University of British Columbia – Okanagan, the OBWB contributed \$100,000 to support a Water Research Chair at the university. These funds triggered more than \$1.5 million in contributions from the Province of B.C. and the Real Estate Foundation of BC.

As in other years, OBWB received substantial financial contributions from senior government agencies for water management initiatives – totaling more than \$276,000. These funds more than double the OBWB's budget for water science and policy projects, and among other things, supported drilling for groundwater monitoring wells, building the BC Water Use Reporting Centre, and creating the Okanagan Hydrometric Connectivity model to help manage water shortages. We received several grants from Natural Resources Canada to continue work on climate change adaptation, including a series of Tools Training Workshops for local government staff.



Photo: Local residents and visitors enjoying Skaha Beach, Penticton

FINANCIAL HIGHLIGHTS FOR 2011-12

REVENUES (THOUSANDS)	2011-12	2010-11
Levies from member regional districts ^{NOTE 1}		
North Okanagan	726	694
Central Okanagan	2,182	2,092
Okanagan-Similkameen	815	773
Government grants and contracts	276	675
Non-government grants and contracts	18	16
Interest income	47	37
TOTAL	4,064	4,288
EXPENSES (THOUSANDS) ^{NOTE 2}		
Sewage Facilities	1,938	1,861
Aquatic weed control	568	575
Water management	1,192	1,244
Water Supply & Demand Project	98	328
UBCO Water Research Chair	100	---
TOTAL	3,895	4,008
ASSETS (THOUSANDS)		
Current assets (cash and accounts receivable)	3,069	3,155
Property, plant and equipment	247	261
TOTAL	3,316	3,416
LIABILITIES & SURPLUS (THOUSANDS)		
Current liabilities	598	956
Accumulated surplus (end of year) ^{NOTE 3}	2,641	2,473
TOTAL	3,239	3,429

NOTE 1 Each Okanagan Valley property owner contributed at the same rate of approximately \$6.00/\$100,000 assessment in 2010-11.

NOTE 2 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.30)



Financial Statements
For the year ended March 31, 2012

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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, 2012, 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 generally accepted accounting principles 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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, 2012, and its financial activities and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Kelowna, British Columbia
July 3, 2012

**Okanagan Basin Water Board
Statement of Financial Position**

March 31	2012	2011
Assets		
Cash (Note 1)	\$ 2,946,284	\$ 2,975,922
Accounts receivable	69,338	179,060
	<u>3,015,622</u>	<u>3,154,982</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 379,383	\$ 558,397
Grants payable (Note 7)	218,360	397,813
	<u>597,743</u>	<u>956,210</u>
Net Financial Assets	<u>2,417,879</u>	<u>2,198,772</u>
Non-financial Assets		
Prepaid expenses	772	13,023
Tangible capital assets (Note 10)	222,613	260,825
Accumulated Surplus (Note 2)	<u>\$ 2,641,264</u>	<u>\$ 2,472,620</u>

Approved on behalf of the Board:

Chief Financial Officer

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	2012	2012	2011
	Actual	Budget	Actual
Revenue (Note 9)			
Levies from member Regional Districts (Note 3)	\$ 3,722,850	\$ 3,722,850	\$ 3,559,799
Grants	276,199	50,000	675,354
Interest	46,710	13,000	37,022
Other income	18,240	-	15,710
	<u>4,063,999</u>	<u>3,785,850</u>	<u>4,287,885</u>
Expenses (Note 9)			
Sewerage facilities	1,937,589	2,118,890	1,861,231
Water management	1,192,164	973,060	1,244,432
Water supply and demand	97,577	80,000	327,914
Aquatic weed control	568,025	543,900	575,971
UBCO Water Research Chair	100,000	100,000	-
	<u>3,895,355</u>	<u>3,815,850</u>	<u>4,009,548</u>
Annual Surplus (deficit) (Note 9)	<u>168,644</u>	<u>(30,000)</u>	<u>278,337</u>
Accumulated Surplus, beginning of year	<u>2,472,620</u>	<u>2,472,620</u>	<u>2,194,283</u>
Accumulated Surplus, end of year	<u>\$ 2,641,264</u>	<u>\$ 2,442,620</u>	<u>\$ 2,472,620</u>

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

**Okanagan Basin Water Board
Statement of Cash Flows**

For the year ended March 31	2012	2011
Operating Activities		
Annual surplus	\$ 168,644	\$ 278,337
Non-cash charges to operations:		
Amortization	39,648	39,289
	<u>208,292</u>	<u>317,626</u>
Decrease (increase) in accounts receivable	109,721	(133,912)
Decrease in accounts payable and accrued liabilities	(358,466)	(165,235)
Decrease (increase) in prepaid expenses	12,251	(13,023)
	(28,202)	5,456
Capital Activities		
Acquisition of tangible capital assets	(1,436)	(53,187)
Decrease in cash during the year	(29,638)	(47,731)
Cash, beginning of year	<u>2,975,922</u>	<u>3,023,653</u>
Cash, end of year	\$ 2,946,284	\$ 2,975,922

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	2012	2011
Annual surplus	\$ 168,644	\$ 278,337
Acquisition of tangible capital assets	(1,436)	(53,187)
Amortization of tangible capital assets	39,648	39,289
Change in prepaid expenses	12,251	(13,023)
Net change in net financial assets	<u>219,107</u>	<u>251,416</u>
Net financial assets, beginning of year	<u>2,198,772</u>	<u>1,947,356</u>
Net financial assets, end of year	\$ 2,417,879	\$ 2,198,772

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
Summary of Significant Accounting Policies**

March 31, 2012

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 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.).

Basis of Presentation 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).

Use of Estimates 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.

Financial Instruments 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.

Tangible Capital Assets
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 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

**Okanagan Basin Water Board
Summary of Significant Accounting Policies**

March 31, 2012

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 receivable.

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2012

1. Cash

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

2. Accumulated Surplus

The Board maintains a reserve for future expenditures. 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:

	2012	2011
Aquatic Weed Control Equipment Reserve		
Balance, beginning of year	\$ 213,126	251,414
Transfer net deficit	(18,270)	(54,302)
Acquisition of tangible capital assets	-	(23,275)
Amortization	39,648	39,289
Balance, end of year	<u>234,504</u>	<u>213,126</u>
Invested in Tangible Capital Assets		
Balance, beginning of year	260,825	246,927
Acquisition of assets	1,436	53,187
Amortization	(39,648)	(39,289)
Balance, end of year	<u>222,613</u>	<u>260,825</u>
Sewerage Facilities Assistance Reserve Fund		
Balance, beginning of year	1,485,400	1,221,769
Transfer net surplus	203,927	263,631
Balance, end of year	<u>1,689,327</u>	<u>1,485,400</u>
Water Management Accumulated Surplus		
Balance, beginning of year	366,530	419,482
Transfer net surplus (deficit)	75,510	(23,040)
Acquisition of tangible capital assets	(1,436)	(29,912)
Balance, end of year (Note 9)	<u>440,604</u>	<u>366,530</u>
Water Supply & Demand Accumulated Surplus		
Balance, beginning of year	146,739	54,691
Transfer net surplus (deficit)	(92,523)	92,048
Balance, end of year (Note 9)	<u>54,216</u>	<u>146,739</u>
	<u>\$ 2,641,264</u>	<u>\$ 2,472,620</u>

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2012

3. Levies from Member Regional Districts

	2012	2012	2011
	Actual	Budget	Actual
North Okanagan	\$ 725,905	\$ 725,905	\$ 694,130
Central Okanagan	2,181,574	2,181,574	2,092,553
Okanagan Similkameen	815,371	815,371	773,116
	<u>\$ 3,722,850</u>	<u>\$ 3,722,850</u>	<u>\$ 3,559,799</u>

4. Sewerage Facility Grants to Member Local Governments

	2012	2011
City of Armstrong	\$ 76,169	\$ 114,886
District of Coldstream	19,193	17,370
City of Kelowna	399,501	404,091
District of Lake Country	279,652	275,295
Town of Oliver	30,594	59,670
Town of Osoyoos	19,099	19,099
District of Peachland	217,169	118,805
City of Penticton	201,811	206,922
Regional District of Central Okanagan	9,145	9,145
Regional District of North Okanagan	4,679	4,679
District of Summerland	401,715	401,715
City of Vernon	125,583	125,912
Westbank First Nation	48,463	49,128
District of West Kelowna	84,816	85,736
Reverted grants	-	(46,220)
	<u>\$ 1,917,589</u>	<u>\$ 1,846,233</u>

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2012

5. Commitments

The Board is currently in a ten-year lease agreement, which has seven 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:

2013	\$	12,800
2014		12,800
2015		12,800
2016		12,800
2017		12,800

The Board is also currently in a two year lease agreement, which expires December 31, 2013, 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 \$8,406.

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 \$ 39,062 (2011 - \$ 33,462) for employer contributions to the plan in fiscal 2011.

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2012

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.

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 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:

	2012
Budget surplus (deficit) for the year as per board budget	\$ -
Less:	
Revenue from previous years reserve funds/surplus in revenues	(30,000)
	-
Budget surplus (deficit) per statement of operations	\$ (30,000)

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2012

9. Segment Disclosure

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 \$313,183 (2011 - \$234,935) for previously committed projects.

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.

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.

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 Okanagan Basin Water 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.

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2012

9. Continued - Segment Disclosures for the year ended March 31, 2012

	Water Management	Water Supply and Demand	Aquatic Weed Control	Sewerage Facilities	UBCO Water Research Chair	Consolidated
Revenues						
Levies (Note 3)	\$ 970,060	\$ -	\$ 543,900	\$ 2,108,890	\$ 100,000	\$ 3,722,850
Grant income	272,199	4,000	-	-	-	276,199
Interest income	8,475	1,054	4,555	32,626	-	46,710
Other income	16,940	-	1,300	-	-	18,240
	<u>1,267,674</u>	<u>5,054</u>	<u>549,755</u>	<u>2,141,516</u>	<u>100,000</u>	<u>4,063,999</u>
Expenses						
Assistance grants	300,000	-	-	1,917,589	100,000	2,317,589
Amortization	348,487	119,773	39,648	-	-	39,648
Contract services	10,158	-	1,773	-	-	470,033
Director's remuneration and expenses	791	-	10,159	-	-	20,317
Equipment costs	1,131	-	91,997	-	-	92,788
Insurance	15,557	-	23,724	-	-	24,855
Interest charge	44,680	-	30	-	-	30
Office	37,225	-	10,386	-	-	25,943
Outreach and publicity	8,246	3,285	1,865	-	-	49,830
Overhead allocation	21,152	-	(20,000)	-	-	74,450
Professional fees	30,686	-	37,225	20,000	-	29,516
Rental costs	343,777	-	21,270	-	-	2,947
Safety	30,000	-	2,673	-	-	21,152
Stewardship council expenses	1,192,164	-	-	-	-	38,564
Travel, conferences and meetings	97,577	4,519	3,359	-	-	8,106
Utilities, yard supplies and maintenance	(30,000)	-	8,106	-	-	679,587
Wages and benefits	30,000	(30,000)	335,810	-	-	3,895,355
Water management initiative	1,192,164	97,577	568,025	1,937,589	100,000	168,644
Net revenue (expenses)	\$ 75,510	\$ (92,523)	\$ (18,270)	\$ 203,927	\$ -	\$ -

Okanagan Basin Water Board
Notes to Financial Statements

March 31, 2012

9. Continued - Segment Disclosures for the year ended March 31, 2011

	Water Management	Water Supply and Demand	Aquatic Weed Control	Sewerage Facilities	Consolidated
Revenues					
Levies	\$ 950,499	\$ -	\$ 509,300	\$ 2,100,000	\$ 3,559,799
Grant income	259,803	415,551	-	-	675,354
Interest income	6,135	2,458	3,567	24,862	37,022
Other income	4,955	1,953	8,802	-	15,710
	<u>1,221,392</u>	<u>419,962</u>	<u>521,669</u>	<u>2,124,862</u>	<u>4,287,885</u>
Expenses					
Assistance grants	300,180	-	-	1,846,231	2,146,411
Amortization	-	-	39,289	-	39,289
Contract services	459,003	350,757	2,657	-	812,417
Directors' remuneration and expenses	12,711	-	12,296	-	25,007
Equipment costs	1,471	-	111,814	-	113,285
Insurance	1,144	-	23,064	-	24,208
Interest Charge	42	-	-	-	42
Office	23,615	-	10,548	-	34,163
Outreach and publicity	17,371	993	880	-	19,244
Overhead allocation	40,401	-	(15,000)	15,000	-
Professional fees	9,047	-	38,618	-	79,019
Rental costs	285	-	21,527	-	30,574
Safety	17,977	-	3,902	-	4,187
Stewardship council expenses	21,962	6,164	1,199	-	17,977
Travel, conferences and meetings	309,223	-	12,973	-	29,325
Utilities, yard supplies and maintenance	30,000	(30,000)	312,204	-	12,973
Wages and benefits	-	-	-	-	621,427
Water management initiative	1,244,432	327,914	575,971	1,861,231	4,009,548
	<u>\$(23,040)</u>	<u>\$ 92,048</u>	<u>\$(54,302)</u>	<u>\$ 263,631</u>	<u>\$ 278,337</u>
Net revenue (expenses)					

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Okanagan Basin Water Board
Notes to Financial Statements

For the year ended March 31, 2012

10. Tangible Capital Assets

Cost	Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	2012 Total
Balance, beginning of year	\$ 118,352	\$ 779,450	\$ 127,037	\$ 2,250	7,072	\$ 1,034,161
Additions	-	-	-	-	1,456	1,456
Dispositions	-	-	-	-	-	-
Balance, end of year	<u>118,352</u>	<u>779,450</u>	<u>127,037</u>	<u>2,250</u>	<u>8,508</u>	<u>1,035,597</u>
Accumulated amortization						
Balance, beginning of year	18,755	651,154	98,883	2,250	2,294	773,336
Additions	4,743	26,379	6,299	-	2,127	39,648
Dispositions	-	-	-	-	-	-
Balance, end of year	<u>23,498</u>	<u>677,533</u>	<u>105,182</u>	<u>2,250</u>	<u>4,421</u>	<u>812,984</u>
Net book value	<u>\$ 94,854</u>	<u>\$ 101,917</u>	<u>\$ 21,855</u>	<u>\$ -</u>	<u>\$ 4,087</u>	<u>\$ 222,613</u>

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Okanagan Basin Water Board
Notes to Financial Statements

For the years ended March 31, 2011

10. Continued - Tangible Capital Assets

	Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	2011 Total
Cost						
Balance, beginning of year	\$ 118,352	\$ 752,833	\$ 128,653	\$ 2,250	\$ 2,105	\$ 1,004,193
Additions	-	26,617	21,603	-	4,967	53,187
Disposals	-	(23,219)	(23,219)	-	-	(23,219)
Balance, end of year	118,352	779,450	127,037	2,250	7,072	1,034,161
Accumulated amortization						
Balance, beginning of year	14,012	624,674	115,804	2,250	526	757,266
Additions	4,743	26,480	6,298	-	1,768	39,289
Disposals	-	(23,219)	(23,219)	-	-	(23,219)
Balance, end of year	18,755	651,154	98,883	2,250	2,294	773,336
Net book value	\$ 99,597	\$ 128,296	\$ 28,154	\$ -	\$ 4,778	\$ 260,825





Okanagan Basin
WATER BOARD

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