

# WEATHERING EXTREMES



*Okanagan Basin*  
WATER BOARD

# 2017 ANNUAL REPORT

# WEATHERING EXTREMES

We've been weathering a lot of extremes. In 2015, we had a Level 4 drought. In 2017, we had the highest lake levels in living memory. One resident took a break from bailing his basement this spring to email that *"OBWB should start focusing on climate variation."* Beyond the extremes of weather, there are also major shifts in population – from the local scale, where Kelowna is ranked as one of the fastest growing cities in Canada; to the national scale, where Canada is expected to have an all-time high in 2017 for immigration and asylum seekers.

Our work is to protect Okanagan waters – taking a valley-wide perspective, seeking common solutions and working with all communities. To be effective, we can't just look at one part of the water cycle, we have to look at the natural environment and human needs as one integrated system. Throw in climate variation and things get even more complicated. For that reason, we need a steady, strategic approach, and to consider the way things are changing and how to make the best use of resources – whether water, funding, talent, knowledge, data or any other tools and resources on hand.

Floods and droughts have huge effects – the more frequently extreme events occur, the higher the costs. While climate science and meteorology are rapidly improving, we still only get rough warnings about the weather from one season to the next – so we have to be proactive. To prepare for droughts, we work on drought plans and focus on water conservation. To limit flood damage, we help make floodplain maps. We monitor stream flows, install water meters, and learn to work together – each community with the others. There are many things that we can do to prepare for extremes, if we understand the risks and make resilience a priority.



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## MESSAGE FROM THE CHAIR



The Okanagan Basin Water Board had a productive year. One highlight was seeing the announcement of many of the items on our wish list for protection against invasive mussels, with funding and plans from the Province of B.C. to improve protection. This brought five years of strong advocacy to fruition. There are still loopholes and there is still work to do, particularly with regulation and emergency response, however we were grateful for the progress. In addition, Directors Findlater, Cunningham, Waterman and I met with the Ministry of Fisheries and Oceans in Ottawa.

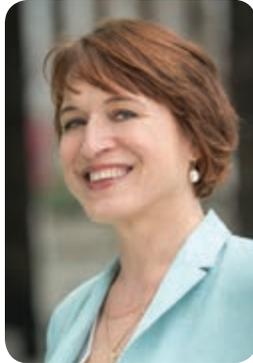
Our goal was to elevate the awareness about invasive mussels at the federal level and to have the federal government at the table for provincial and regional discussions.

Important work was done this year on the Sustainable Water Strategy, preparing drought trigger guidelines, projects involving agricultural water supply and environmental flow needs, and a 20-year Capital Plan that was adopted to replace aging milfoil equipment. Public communications and outreach continue as a priority, and our messaging and press releases receive excellent local coverage. The Water Stewardship Council continues to be an incredible asset to our Board and our region. This large group of individuals and organizations works collaboratively on local water issues, and advises the Board, continuing to bring credibility to the OBWB. This is a unique structure, and we often hear from others across the country, asking how to replicate it in their region.

In the coming year, we will continue to focus on our strengths of building partnerships, bringing people and resources together, being a public voice for water education, and advocating for our local water concerns to senior governments.

**Tracy Gray, Chair**

## MESSAGE FROM THE EXECUTIVE DIRECTOR



The OBWB has a great reputation as a technically-minded organization focused on science-based water management and planning. But the reason we are successful is because of people and relationships. We were formed as a collaboration of Okanagan local governments – recognizing that water binds us together, and if the water system fails, everyone loses. This spirit of collaboration still holds true.

The OBWB is a hub of communication between different communities, levels of government, organizations, universities, and the public. We are also a hub for science and data – sharing resources and exchanging information for improving water management and planning. We convene and connect, recognizing that, in a complex world, everyone goes farther and faster by working together.

The staff is a small, tight-knit group: each person has an area of unique expertise, and a unique network of external partners that help move the projects forward. The board is engaged and supportive, keeping us focused on the collective needs of communities – sharing public concerns and local government challenges. The Water Stewardship Council connects us to the labyrinth networks of all organizations working in water-related fields – giving their time to improve the quality and strategic thinking of our approaches.

As conditions change around us – from weather, to population growth, to invasive species or new legislation – it makes sense to adapt, while keeping the best of what's working. Our ability to respond depends on the strength and quality of our partnerships, and moving forward together.

**Anna Warwick Sears, Executive Director**

# ORGANIZATIONAL OVERVIEW

The Board of Directors represent the citizens of the Okanagan valley and their shared water interests, rather than specific jurisdictions. Nine directors are elected officials from the valley's three regional districts. One director is appointed by the Okanagan Nation Alliance, one represents the Water Supply Association of BC, and one represents the Okanagan Water Stewardship Council. Because of their variety of roles and geography, the directors provide a balance of views for considering the water needs of the valley as a whole.

## BOARD OF DIRECTORS



Tracy Gray, Chair, RDCO,  
Councillor, City of Kelowna



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



Doug Dirk, RDNO, Councillor,  
District of Coldstream



Rick Fairbairn, RDNO,  
Director, Electoral Area "D"



Doug Findlater, RDCO,  
Mayor of West Kelowna



Cindy Fortin, RDCO,  
Mayor of Peachland



Peter Waterman, RDOS,  
Mayor of Summerland



Ron Hovanes, RDOS,  
Mayor of Oliver



Sue McKortoff, RDOS,  
Mayor of Osoyoos



Lisa Wilson,  
Okanagan Nation Alliance



Toby Pike,  
Water Supply Association of B.C.



Brian Guy, Chair, Okanagan Water  
Stewardship Council

## STAFF



Anna Warwick Sears,  
Executive Director



Nelson Jatel,  
Water Stewardship Director



Corinne Jackson,  
Communications Director



James Littley,  
Operations & Grants Manager



Kellie Garcia,  
Policy & Planning Specialist



Ian Horner,  
Milfoil Supervisor



Pat Field,  
Milfoil Operator



David Hoogendoorn,  
Milfoil Operator



Monique Stone,  
Milfoil Operator

# REPORT ON SERVICES

The Okanagan Basin Water Board provides three core services: Water Management, Milfoil Control and Sewerage Facilities Assistance Grants.



## **WATER MANAGEMENT PROGRAM**

The Water Management Program is one of the OBWB's three core services. Through this program, we provide communications and outreach, Water Conservation and Quality Improvement grants, water stewardship and water science and information.



# COMMUNICATIONS & OUTREACH

## OKANAGAN WATERWISE

Okanagan WaterWise is the public education and outreach program of the OBWB – making Okanagan water science more accessible. The goals of OkWaterWise are to inform valley residents of the issues we are facing around water, to engage them, and support them in making positive changes in their own water habits, recognizing we are all part of ‘One valley. One water.’

These goals are met in a variety of ways, including [www.OkWaterWise.ca](http://www.OkWaterWise.ca), a website that explains why we need to be WaterWise and how we can be - for residents, businesses, teachers and students. Find resources on the site, including our popular “Slow it. Spread it. Sink it!” guide for homeowners, and information about events, such as our annual Canada Water Week public forum, Okanagan WaterWise Youth Challenge, and more.

We are active on Facebook, Twitter and, new this year, Instagram. We post regular updates, with tips to protect and conserve water, as well as water-related events happening around the valley and other water news. Stay connected! “Like” us on Facebook at [www.facebook.com/OkWaterWise](http://www.facebook.com/OkWaterWise), follow us on Twitter at [www.twitter.com/OkWaterWise](http://www.twitter.com/OkWaterWise) and Instagram at [www.instagram.com/okanagan\\_waterwise/](http://www.instagram.com/okanagan_waterwise/). Plus, find a growing number of videos on our YouTube channel at [www.youtube.com/user/OKBasinWaterBoard](http://www.youtube.com/user/OKBasinWaterBoard).

Highlights in 2017 include the development of an Okanagan WaterWise school curriculum in partnership with the Okanagan Collaborative Conservation Program, providing teachers with Okanagan-specific water modules. Other highlights include a sold-out screening of *RiverBlue* including a Q&A with local filmmaker David McIlvride, a very successful rain barrel sale, and the launch of a Conservation App with BC Wildlife Federation to report environmental infractions in B.C., including mud bogging, cattle in fish-bearing streams, and more.



## MAKE WATER WORK

Make Water Work (MWW) is a valley-wide outdoor water conservation initiative of the OBWB's Okanagan WaterWise program, delivered in partnership with local governments and utilities throughout the valley.

The initiative is intended to help residents prepare for the extreme weather events we are seeing in the Okanagan, building landscapes that are resilient in wet and dry years. By doing so, they conserve and protect water quality on their own property, but also the water in their community and, ultimately, the valley as a whole, ensuring a healthy, sustainable water supply for the Okanagan.

The campaign includes a website ([www.MakeWaterWork.ca](http://www.MakeWaterWork.ca)) with tips to make water work more effectively and efficiently in our yards. You can also find watering restrictions for your neighbourhood, and are invited to "Take the Challenge" and pledge to Make Water Work for your chance to win up to \$8,000 in prizes, including a \$6,000 WaterWise yard upgrade thanks to several business partners.

We also created a Make Water Work Plant Collection with Bylands Nursery and the Okanagan Xeriscape Association which is available at garden centre partners throughout the Okanagan. This year the collection was expanded to include 54 plants, including beautiful grasses, perennials, shrubs and trees, perfect for our Okanagan climate, and two new garden centres joined the effort, bringing the total to nine.

In a region where we are now on the frontlines of climate change – experiencing record-breaking heat and drought, as well as historic flooding – Make Water Work is helping residents do their part to build a more liveable community now and for the future.



2016 Make Water Work contest winners, Felicia Taylor and Rob Abbott. Before and after the WaterWise yard upgrade.



## DON'T MOVE A MUSSEL

The Don't Move A Mussel campaign raises awareness around invasive zebra and quagga mussels, the risks they pose to our waters, and how everyone must do their part to keep them out.

The campaign was launched in 2013 with a website ([www.DontMoveAMussel.ca](http://www.DontMoveAMussel.ca)), billboards, radio ads, distribution of Don't Move A Mussel muscle shirts, and more. The Okanagan has the highest level of awareness about the issue in B.C. However, the threats of invasive mussels are not as well-known outside our valley. Last year, we extended the campaign to include "Have the Talk," encouraging people to help 'Spread the message. Not the mussel.' It's not always easy to talk with neighbours, friends or family, and encourage behaviour change, but it's important that if someone is planning to bring any kind of watercraft (motorized or non-motorized) or water recreation equipment into our region, they are aware of the mussels, stop at inspection stations, and follow the "Clean-Drain-Dry" protocol.

The Okanagan is especially vulnerable to the mussels. Our lakes are a tourism mecca, attracting watercraft from throughout Canada and the U.S., including mussel-infested regions. Our calcium-rich waters, which give us the beautiful greens and blues, are hospitable habitat for the mussels, and our warm waters would help them rapidly multiply. At this time, there is no proven method to eradicate the mussels once they arrive that doesn't also cause significant environmental impacts. Our best offence at this time is an effective defence, keeping the mussels out of our waters.



## INVASIVE MUSSEL STRATEGY

After years of efforts to keep invasive mussels out of the Pacific Northwest, in October 2016, mussel larvae were found in Montana. This is the closest confirmed occurrence in a water body near B.C., and the Okanagan. For those water bodies with mussel larvae in Montana, the fight is likely already lost, but the effort to prevent invasive mussels goes on in B.C., Alberta, Saskatchewan, Idaho, Oregon and Washington. We can't afford to let down our guard. Inspection stations and public education are critical. The costs of an infestation are too great.

Since 2012, the OBWB has been a vocal advocate for improved legislation, inspections, and funding from both the provincial and federal governments. We have been an active participant in the Pacific NorthWest Economic Region (PNWER) Invasive Species Working Group, which coordinates action between multiple jurisdictions and partners from government and industry to academia. OBWB calls to action have been met by significant improvements in the provincial inspection regime, increased funding for enforcement and better monitoring. In 2014, OBWB also provided policy feedback on federal invasive species legislation, which was ultimately enacted in spring, 2015.

While we continue to focus on prevention, we also need to consider the risks to our infrastructure and the level of protection built into our water systems, sewer outfalls, bridges, dams and dikes. The advantage to being in one of the last mussel-free zones in North America is that we can learn from the hard lessons of our neighbours. We can prepare to weather the extremes that so many other jurisdictions have already experienced. This starts with our support for local communities completing vulnerability assessments, and continues with design and equipment improvements, redundant systems, and well-informed infrastructure managers.

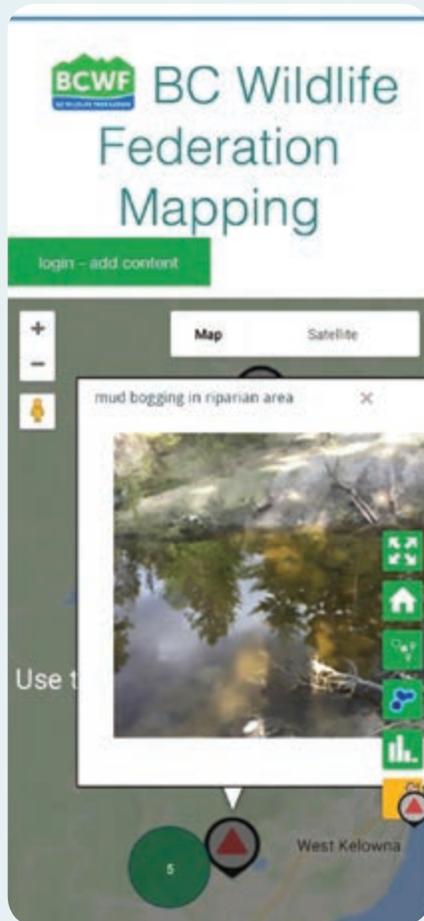
Now is the time to prepare for an infestation of invasive mussels, even while we fight to keep them out of our waters. We can take a proactive approach to lessen the potential costs and damage that they will do should they arrive. We know that



in the Okanagan, these mussels could cost \$43 million a year, to just manage. Before we have to bear that cost, let's invest in resilience to minimize the initial shock of an infestation, and to mitigate the sudden costs we will all share. Let's prepare now.

# WATER CONSERVATION & QUALITY IMPROVEMENT GRANTS

Each year the OBWB awards \$300,000 in grants throughout the Okanagan for Water Conservation and Quality Improvement (WCQI) projects. The program provides an opportunity to fund projects that can coordinate local plans and policies like flood and drought mitigation and response – a major focus in 2017. This year we funded drought or flood-related management plans in four Okanagan local governments, ensuring that the valley is better prepared for weathering extremes.



## IN FOCUS—OCEOLA FISH AND GAME CLUB CONSERVATION APP

In 2016 the Oceola Fish and Game Club, as part of the BC Wildlife Federation, received a \$5,000 grant toward the development of a conservation app for reporting issues related to illegal use or abuse of the province's natural resources. The app allows users to take a time-stamped and geo-referenced photo and submit a simple report which goes directly to enforcement officials. These reports help officials to identify areas of concern, and to prioritize actions and resources. In 2017, the app was completed and launched for iPhone users, and in 2017-18, the app will be built out to support all smartphone users.

# WATER STEWARDSHIP

## OKANAGAN WATER STEWARDSHIP COUNCIL

The Okanagan Water Stewardship Council (the Council) continues to have an active membership, and each meeting hosts one or more presentations on current and emerging water issues. The Council, which includes representatives from provincial and local governments, professional organizations, academic institutions, and other water sector representatives, discusses the issues, and provides expert information to OBWB staff on how best to address them.

In the first half of 2017 the Council launched a number of initiatives. The priorities include updating the Okanagan Sustainable Water Strategy, updating a number of the Okanagan water supply and demand models, improving communication among Council members and with member organizations, providing policy guidance to the Board, examining source water protection opportunities and challenges, evaluating water allocation policies, supporting drought and flood response planning, and supporting best practices in irrigation management.

Recent Council deliberations have included climate impacts on water availability, fisheries regulations, valuation of the region's natural capital, enhancing biodiversity, and conservation. In addition, the Council has examined challenges related to the delivery of water supply to Okanagan communities, and considered the pros and cons of applying locally produced biosolids on agricultural lands in the Okanagan. Anticipating further regulatory changes implied by the new Water Sustainability Act remains a topic of discussion during each Council meeting.



The Council meets to discuss project priorities for the upcoming year.

## SUSTAINABLE WATER STRATEGY

The Okanagan Sustainable Water Strategy was released in 2008, after more than two years of planning, discussion, consultation, and writing. The strategy brings together technical information about the valley and highlights the most important water management issues of the time. The strategy contains actions designed to protect water at its source, share water in times of shortages, manage water demand, and collect and distribute data and information.

The strategy has informed Council work plans and guided projects and priorities of the OBWB staff and Board, and has been referenced by staff from all levels of government, elected officials, non-profit organizations, and others involved in water management in the Okanagan and beyond. It has also been used to advise and inspire new studies, identify emerging issues, and develop scientific insights into potential solutions.

The Council is now updating the strategy to reflect new research and information and significant changes in the regulatory environment over the last decade. The update will help the Council and Board re-hone priorities and plan new water management strategies. Among other updates, the next version will incorporate insights into changes in water legislation and regulations (e.g. the new *Water Sustainability Act*). It will also address other issues, such as our capacity to adapt to climate change, and regional ecological challenges.

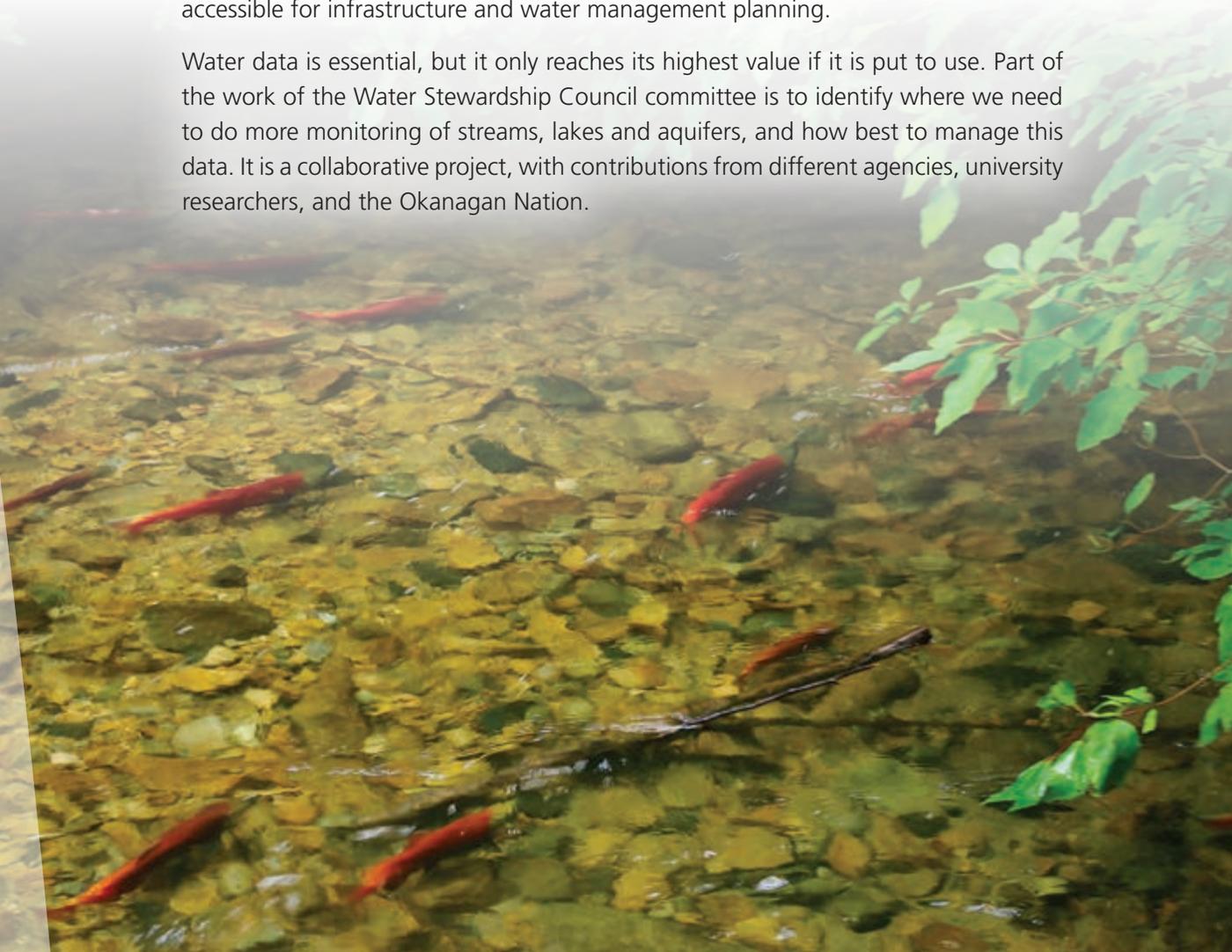


## WATER SUPPLY & DEMAND UPDATE

The Okanagan Water Supply and Demand Project was the OBWB's most ambitious initiative of the last decade – seeking to understand water availability and water needs throughout the basin. The main report, completed in 2010, created a wealth of data and hydrology models to be used by local and senior governments for water management and planning. Since the main report was completed, work has continued each year to refine different aspects – for example, the Environmental Flow Needs project, currently underway, provides much clearer information on exactly how much water is needed by fish, in different seasons. Similarly, much more work is underway to understand the storage and flows of groundwater.

Nonetheless, it's time to expand the pace and scope of the updates. This spring, the Water Stewardship Council struck a committee to look at what is changing in the watershed (climate, population, development patterns), what information is still lacking, and how to move forward. With this guidance, the OBWB sought and received a grant to update the demand models – showing where water is being used, by what crops and sectors, and how this may change in the future. We are also pursuing funding to update our models for surface flows – to make them more accessible for infrastructure and water management planning.

Water data is essential, but it only reaches its highest value if it is put to use. Part of the work of the Water Stewardship Council committee is to identify where we need to do more monitoring of streams, lakes and aquifers, and how best to manage this data. It is a collaborative project, with contributions from different agencies, university researchers, and the Okanagan Nation.



# WATER SCIENCE & INFORMATION

## WETLAND STRATEGY

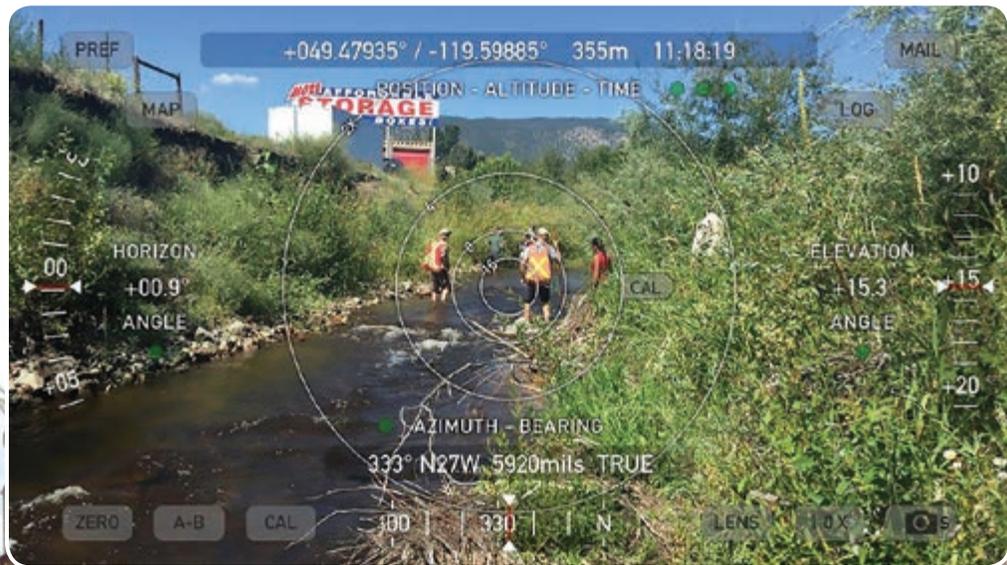
Wetlands play a key role in sustaining the ecological and social well-being of communities and maintaining regional resilience to climate change. Recognizing wetland value, the OBWB is working cooperatively with our federal, local and regional governments, environmental groups and businesses to eliminate further wetland loss, and support protection, as well as science, restoration and enhancement. The main objectives of the next phase of the Okanagan Wetland Strategy include establishing basin-wide wetland policies and best practices to protect wetlands in all jurisdictions. Other objectives include improving communication between partners, and facilitating and funding wetland outreach and education.

The project is led by a committee of experts from local and province government, Okanagan Nation Alliance, and the consulting community. Earlier this year, OBWB obtained funding from the provincial government to support the development of a guidebook for constructing stormwater treatment wetlands and work on this project will begin in summer 2017.



## ENVIRONMENTAL FLOW NEEDS PROJECT

Last year the OBWB completed a review of the best methods for establishing environmental flow needs (the stream levels needed to protect fish and environmental health) for the Okanagan. The next stage of the project was launched in 2016, to establish stream and species-specific flows and habitat suitability in 19 Okanagan fish-bearing streams. This effort was made possible through a \$397,000 grant from the Federal Gas Tax Strategic Priorities Fund. Results build on the real-time stream flow data collected from sampling in selected locations. Biologists and hydrologists from the province, Okanagan Nation Alliance, and representatives from the Okanagan Water Stewardship Council took part in selecting streams and sampling locations.



## WATER & CLIMATE-FRIENDLY BYLAWS PROJECT

Many toolkits and policy guides have been developed to help communities adapt to climate change, support water conservation, and become more sustainable. They provide comprehensive examples, including case studies and bylaw language. Unfortunately, the uptake of these toolkits and guides has been very slow. The OBWB is working on a project, funded by the B.C. Ministry of Municipal Affairs and Housing, to develop a strategy to increase the uptake of water-friendly policies in bylaws, including zoning and OCPs.

In early 2017, the OBWB surveyed 45 local government and consulting planners and engineers to identify what toolkits and guides have been developed for B.C., obstacles to their widespread use, and possible solutions. The survey confirmed that most toolkits and guides are not well-known or used. The main barriers are the time and resources to consider the information, and a lack of outreach and support. Other obstacles include challenges with presenting technical material to decision-makers, and bylaw updates being given low priority by elected officials. Survey participants said it would be helpful to have a searchable online hub that provides access to all the resources. Webinars, workshops, and a “guide to the guides” handout were also top recommendations, demonstrating the need for a multi-faceted outreach strategy.

We are now working with CivicInfo BC to develop the online hub, and will be launching it and carrying out several outreach activities in the fall. We are also considering long-term support mechanisms, including extension services for one-on-one support to local governments who are interested in learning how and when to use the toolkits and guides.



## DROUGHT PLANNING

This year we completed our Okanagan Drought Response Strategy that will guide the actions of OBWB staff and our water purveyor partners before, during, and immediately following a drought. The goal of the strategy is to facilitate a more consistent and cooperative valley-wide drought response. It provides a system for information flow between local water purveyors, between the province and purveyors, and with the general public. It also defines how the OBWB will integrate information from a variety of sources on emerging drought conditions, and quickly share that with the appropriate people.

To promote drought preparedness, we hosted a workshop with topics on how to prepare robust drought plans; collect and share drought-related information; improve outdoor water use efficiency; develop and use drought indicators and triggers; and better communicate and collaborate during drought. Water purveyors were invited to share experiences and concerns, ask questions, and let the OBWB know what support is needed in their communities.

One obvious gap was the need to develop drought trigger guidelines for purveyors with intakes on the Okanagan mainstem lakes. The Mainstem Drought Triggers Project brought together technical experts, water purveyors, provincial staff, and Okanagan Nation Alliance fisheries staff to develop guidelines for the valley lakes and river. The triggers can be incorporated into local drought plans so water suppliers on the mainstem will have a consistent, rational process for their response – similar to the water use plans and reservoir management plans in place for purveyors with upland reservoir storage.

## DROUGHT OUTREACH TO AGRICULTURE

The Agriculture Water Supply Outreach Project is funded through the BC Agriculture and Food Climate Action Initiative, with in-kind support from the OBWB. We are working with two pilot purveyors, Greater Vernon Water and the City of Penticton, and producers in their areas, to develop and test outreach methods to get local water supply information to producers early and often during the growing season.



One thing we are testing is a mass notification system that will allow purveyors to send text and email alerts to registered agricultural customers. The pilot is running through the 2017 growing season, and we anticipate it will be ready to share with other purveyors in early 2018.

# WATER MONITORING SCAN

This year, the OBWB entered into a partnership with the B.C. Water Funder’s Collaborative to evaluate the state of water monitoring in B.C. The collaborative, a diverse group of public, private and corporate granting agencies, wants to make better-informed, strategic decisions on where and how to make grants. The OBWB, as a member of the collaborative, is directly interested in the state of water monitoring in the Okanagan – the gaps and opportunities. Over the next year, we are leading the project on behalf of the collaborative, and in this way, promoting more efficient uses of funding and water monitoring efforts.

# INDICATORS PROJECT

The three Okanagan regional districts have recently completed an ambitious project to develop joint, inter-regional indicators to track progress on their regional growth strategies – leading to a State of the Basin Report. The report focused on 10 categories, ranging from Economic Development to Community Health & Well-being, and Water Stewardship. This was a first for B.C. It’s rare to have regional districts work together in this way, because different local governments collect data in different ways and (in other parts of B.C.) are less obviously connected. Indicators take many forms, but their purpose is to set baselines and measure changes over time – positive or negative. The OBWB provided a grant to help secure external funding, and also helped create indicators for water stewardship in the valley. By jointly measuring progress, the Okanagan recognizes the interconnectedness of our communities and how we can together make continuous improvements.



## GROUNDWATER STUDIES

Groundwater is one of the best sources of drinking water in the valley, but little is known about the health of our aquifers. It's becoming ever-more important to have this information as the demand for groundwater increases, and with new requirements for groundwater licensing. This year, the OBWB completed the first stage of a study on the connection between groundwater and surface water in Mission Creek. Our initial report found that the locations where Mission Creek gains and loses water, change depending on the season. We are collecting more stream flow and groundwater data through the summer of 2017, and the final report will be available in the fall of 2017.

In a related study done in partnership with the B.C. Ministry of Environment, and funded by Environment and Climate Change Canada, we are re-mapping the location and depth of Kelowna aquifers, based on soil layer data from all the wells that have been drilled in the area. Understanding the aquifers will support more sustainable groundwater management. We hope that the lessons from these studies can be applied throughout the valley.

## FORESHORE INVENTORY & MAPPING

In the summer of 2016, OBWB partnered with the Regional District of Central Okanagan, the Okanagan Collaborative Conservation Program, and the South Okanagan-Similkameen Conservation Program to complete a new round of Foreshore Inventory and Mapping (FIM) for all of Okanagan Lake. FIM records every structure on the lake, and all shoreline conditions to create a record for comparison between mapping years. This year, they also mapped aquatic plant beds to determine which were native and which were invasive.

Importantly, the 2016 FIM preceded the floods of 2017, and provides a baseline for changes caused by the high water. Planners and permitting agencies will be able to look at the foreshore inventory and maps, and determine what the appropriate level of rebuilding is to protect and restore sensitive areas that may have been damaged. This comprehensive mapping shows how good data can help us weather extremes.



## MILFOIL CONTROL

The milfoil control program is one of OBWB's three core services. Since the early 1970s, the OBWB has been controlling invasive milfoil in Okanagan lakes. Recent years have seen increased calls for milfoil control as a growing number of people build along the waterfronts, and start recreating in infested areas. In 2016, a comprehensive equipment review led to a long-term asset management plan, which accounts for replacing and updating aging machines. The plan also ensures we are prepared to expand milfoil control as demand increases, and if milfoil growth increases from the changing climate. Flooding provides extra nutrients – fertilizing the milfoil early in the spring, while hot, sunny weather ensures that light reaches the weed in the water, allowing it to grow to its maximum size in a few short weeks. Weathering extremes means our program is ready to adapt to changing conditions and has the flexibility to meet increasing demand.



# SEWERAGE FACILITIES ASSISTANCE GRANTS

The third core service and longest running program of the OBWB is the Sewerage Facilities Assistance grants. These grants provide up to 16% of total project costs to replace aging septic systems with up-to-date sewer systems, reducing pollution and improving water quality. Since the grant program began, the amount of phosphorus and nitrogen entering valley lakes from human waste has been drastically reduced. Fixing the old problem through septic replacement is also complemented by policies to ensure that new problems are not created. That is why eligibility for local governments requires bylaws to prevent small lot subdivision on septic systems, which would only perpetuate the problem that the program seeks to address. In 2017, the program paid \$1.65 million toward sewer infrastructure for Okanagan local governments.



Above Photo Courtesy District of Lake Country



Left Photo Courtesy City of Vernon

# LOOKING FORWARD

Change is in the air. As this report goes to print, it is fire season in the Okanagan and every few days smoke blows in, hangs over the valley, and then leaves with a shift in the winds. Despite the dramatic flooding conditions this spring, the summer has been dry and hot with high irrigation demand on the fields and orchards. There's a building boom around the valley, accommodating new families who come for the jobs and stay for the beautiful scenery and lifestyle. The ebb and flow of the economy is on an upswing.

We are fortunate to live in such a beautiful valley, in a peaceful country with abundant natural resources. Like the rest of the world, we will have to weather changes to our climate and our communities, but we are in a strong position compared to many others. The OBWB is in the business of helping local governments and communities, working together to improve the sustainability of Okanagan water. Each community has its own needs and challenges, but many problems are widely shared – like the need for flood protections, water planning and infrastructure improvements. The more communities can work together and align their plans and policies, the stronger, healthier and more prosperous we will be – while protecting the water and the environment.

In the year ahead, we are leaning in and focusing on the big shared problems. Floodplain mapping is a high priority, coming off of this year's new high water mark. We continue to work with communities on their drought plans and water conservation outreach because next year may be dry and we can't take our storage for granted. We will never cease our efforts to prevent invasive mussels, but we are going to start looking at ways to assess our risks and minimize damages should they arrive. With the Okanagan Nation Alliance and our provincial ministry partners, we will complete the most comprehensive environmental flow study in B.C. history. We are also going to dig deeper into groundwater and ensure that essential resource is protected for the future.

Strong partnerships and strong communities will help us weather all extremes.



# FINANCIAL OVERVIEW

It takes resources to weather extremes, and with climate change those resources will be stretched between more and more needs. At the OBWB, we are lucky to be able to receive grants as well as give them, to pool funding with other organizations and agencies and to facilitate financial partnerships. Some of the most valuable contributions we receive are the volunteer time and in-kind support of Water Stewardship Council members, local partners, and water-sector allies across Canada. This makes it possible to make each dollar go farther to protect Okanagan water, even in extreme conditions.

In 2016-17, the OBWB received almost \$268,000 in grants and funding agreements that went to many of the projects described in this report. We were also awarded a number of large grants which will be paid in 2017-18, including \$397,000 from the Federal Gas Tax Strategic Priorities Fund. The “Make Water Work” and “Don’t Move a Mussel” campaigns attracted contributions from media and other partners together totaling more than \$91,000. Our strategic priority is to increase external funding to the valley as a whole – not just OBWB – so we also have written many support letters for partner grant applications and made commitments for matching funds and in-kind partner contributions.

On the direct granting side, in 2016-17 the OBWB awarded more than \$1.6 million in infrastructure grants to improve wastewater treatment, and \$300,000 in Water Conservation and Quality Improvement Grants to local governments and community groups.

This year was the fifth in a row without a budget increase. We are slowly spending down accumulated reserve funds in the sewage facilities grants program. We have also had to draw this year on the milfoil equipment fund to replace aging equipment that is getting heavy use. It’s a balancing act, maintaining or expanding projects and programs, and maintaining equipment, while keeping costs down. We are able to continue our high productivity and excellent service delivery because of our strong partnerships and ability to stretch and leverage every dollar.



Okanagan Basin Water Board  
Financial Statements  
For the year ended March 31, 2017

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## Management's Responsibility for Financial Reporting

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The accompanying financial statements of the Okanagan Basin Water Board are the responsibility of management and have been approved by the Chairperson on behalf of the Board.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgements. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Okanagan Basin Water Board maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Board's assets are appropriately accounted for and adequately safeguarded.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the Board. The independent auditor's report expresses their opinion on these financial statements. The auditors have full and free access to the accounting records and to the Board of the Okanagan Basin Water Board.

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Board of Directors Chairperson

  
Executive Director  
June 6, 2017



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BDO Canada LLP  
2706 - 30<sup>th</sup> Avenue, Suite 202  
Vernon BC V1T 2B6 Canada

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## Independent Auditor's Report

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To the Board of Directors of  
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, 2017, and the statements of operations and accumulated surplus, 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 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 controls relevant to the District'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 the District'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, 2017, and its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Professional Accountants

Vernon, British Columbia  
June 5, 2017

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.

## Okanagan Basin Water Board Statement of Financial Position

March 31	2017	2016
<b>Financial assets</b>		
Cash (Note 1)	\$ 337,235	\$ 247,045
Portfolio investments (Note 2)	2,365,330	2,863,118
Accounts receivable	33,773	42,774
	<b>2,736,338</b>	<b>3,152,937</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	255,612	438,538
Grants payable (Note 3)	283,972	289,615
	<b>539,584</b>	<b>728,153</b>
<b>Net financial assets</b>	<b>2,196,754</b>	<b>2,424,784</b>
<b>Non-financial assets</b>		
Prepaid expenses	8,505	8,284
Tangible capital assets (Note 4)	237,393	190,140
<b>Accumulated Surplus (Note 5)</b>	<b>\$ 2,442,652</b>	<b>\$ 2,623,208</b>

Approved on behalf of the Board:

\_\_\_\_\_  
Chairperson

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 Financial Operations

<b>For the year ended March 31</b>	<b>2017</b>		<b>2016</b>	
	<b>Actual</b>	<b>Budget</b>	<b>2016</b>	
			<b>Actual</b>	
<b>Revenue (Note 11)</b>				
Levies from member Regional Districts (Note 6)	\$ 3,444,221	\$ 3,444,222	\$	3,444,376
Grants	267,772	-		244,464
Interest	36,175	35,000		46,611
Gain on disposal of assets	1,500	-		-
	<b>3,749,668</b>	<b>3,479,222</b>		<b>3,735,451</b>
<b>Expenses (Note 11)</b>				
Sewerage facilities	1,649,030	1,785,262		1,702,084
Water management	1,602,078	1,119,860		1,366,708
Aquatic weed control	679,116	714,100		712,313
UBCO Water Research Chair	-	-		100,000
	<b>3,930,224</b>	<b>3,619,222</b>		<b>3,881,105</b>
<b>Annual Deficit (Note 11)</b>	<b>(180,556)</b>	<b>(140,000)</b>		<b>(145,654)</b>
<b>Accumulated Surplus, beginning of year</b>	<b>2,623,208</b>	<b>2,623,208</b>		<b>2,768,862</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 2,442,652</b>	<b>\$ 2,483,208</b>	<b>\$</b>	<b>2,623,208</b>

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	2017	2016
<b>Operating activities</b>		
Annual deficit	\$ (180,556)	\$ (145,654)
Items not involving cash:		
Amortization	51,963	34,943
(Gain) loss on disposal of tangible capital assets	(1,500)	5,672
	<u>(130,093)</u>	<u>(105,039)</u>
Changes in working capital:		
Account receivable	9,001	3,128
Accounts payable and accrued liabilities	(182,926)	243,775
Grants payable	(5,643)	(22,846)
Prepaid expenses	(221)	818
	<u>(179,789)</u>	<u>224,875</u>
<b>Cash from operations</b>	<u>(309,882)</u>	<u>119,836</u>
<b>Investing Activities</b>		
Net change in investments	500,000	(50,000)
Accrued Interest	(2,212)	4,422
	<u>497,788</u>	<u>(45,578)</u>
<b>Capital Activities</b>		
Purchase of tangible capital assets	(99,216)	(44,685)
Proceeds from disposal of tangible capital asset	1,500	500
	<u>(97,716)</u>	<u>(44,185)</u>
<b>Change in cash during the year</b>	<b>90,190</b>	<b>30,073</b>
<b>Cash, beginning of year</b>	<u>247,045</u>	<u>216,972</u>
<b>Cash, end of year</b>	<b>\$ 337,235</b>	<b>\$ 247,045</b>

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

<b>For the year ended March 31</b>	<b>2017</b>		<b>2016</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	
<b>Annual deficit</b>	\$ (180,556)	\$ (140,000)	\$ (145,654)	
Acquisition of tangible capital assets	(99,216)	-	(44,685)	
Amortization of tangible capital assets	51,963	-	34,943	
Change in prepaid expenses	(221)	-	818	
Disposal of tangible capital assets	-	-	6,172	
<b>Net change in net financial assets</b>	<b>(228,030)</b>	<b>(140,000)</b>	<b>(148,406)</b>	
<b>Net financial assets, beginning of year</b>	<b>2,424,784</b>	<b>2,424,784</b>	<b>2,573,190</b>	
<b>Net financial assets, end of year</b>	<b>\$ 2,196,754</b>	<b>\$ 2,284,784</b>	<b>\$ 2,424,784</b>	

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, 2017

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<b>Nature of Business</b>	The Okanagan Basin Water Board ("The Board") is established under Section 138 of the Municipalities Enabling and Validating Act (Province of British Columbia) and administers and operates the aquatic weed control program, the sewerage facilities assistance fund, and a water management program as an agent of the three participation regional districts. The participating regional districts are: Regional District of Central Okanagan (R.D.C.O.); Regional District of Okanagan-Similkameen (R.D.O.S.); and Regional District of North Okanagan (R.D.N.O).
<b>Basis of Presentation</b>	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 Profession Accountants (CICPA).
<b>Use of Estimates</b>	The preparation of financial statements in conformity with generally accepted accounting principles for British Columbia Regional Districts require 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.
<b>Portfolio Investments</b>	Portfolio investments are recorded at the lower of cost and market value.
<b>Financial Instruments</b>	The Board's financial instruments consist of cash, portfolio 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.

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## Okanagan Basin Water Board Summary of Significant Accounting Policies

**March 31, 2017**

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**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 estimate of the amount can be made.

## Okanagan Basin Water Board Notes to Financial Statements

**March 31, 2017**

### 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. Portfolio Investments

	2017	2016
Bank of Montreal GIC, bearing Interest at 1%, maturing August 3, 2017	\$ 2,000,000	\$ -
Bank of Montreal GIC, bearing Interest at 1%, maturing August 10, 2017	350,000	-
Bank of Montreal, matured during the year	-	2,850,000
Accrued Interest	15,330	13,118
	\$ 2,365,330	\$ 2,863,118

### 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 involved municipalities requesting an approximate grant amount early in their funding process, then verifying the 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 \$4,000 to \$30,000. Grants will be expensed in the year of approval as per the budget.

**Okanagan Basin Water Board**  
Notes to Financial Statements

March 31, 2017

4. Tangible Capital Assets		Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	2017 Total
<b>Cost</b>							
Balance, beginning of year	\$	118,352	\$ 875,174	\$ 107,837	\$ 2,250	\$ 17,555	\$ 1,121,168
Additions		-	8,700	80,670	1,523	8,323	99,216
Disposals		-	-	(22,485)	-	(1,750)	(24,235)
Balance, end of year		118,352	883,874	166,022	3,773	24,128	1,196,149
<b>Accumulated amortization</b>							
Balance, beginning of year		42,469	782,841	88,806	2,250	14,662	931,028
Amortization		4,743	25,346	18,236	152	3,486	51,963
Disposals		-	-	(22,485)	-	(1,750)	(24,235)
Balance, end of year		47,212	808,187	84,557	2,402	16,398	958,756
<b>Net book value</b>	<b>\$</b>	<b>71,140</b>	<b>\$ 75,687</b>	<b>\$ 81,465</b>	<b>\$ 1,371</b>	<b>\$ 7,730</b>	<b>\$ 237,393</b>

## Okanagan Basin Water Board

### Notes to Financial Statements

March 31, 2016

4. Tangible Capital Assets (continued)	Prior year comparative information:						2016
	Buildings	Equipment	Vehicles	Office Furniture & Equipment	Computers	Total	
<b>Cost</b>							
Balance, beginning of year	\$ 118,352	\$ 832,650	\$ 129,440	\$ 2,250	\$ 15,394	\$	1,098,086
Additions	-	42,524	-	-	2,161	-	44,685
Disposals	-	-	(21,603)	-	-	-	(21,603)
Balance, end of year	118,352	875,174	107,837	2,250	17,555	-	1,121,168
<b>Accumulated amortization</b>							
Balance, beginning of year	37,726	759,235	100,431	2,250	11,874	-	911,516
Amortization	4,743	23,606	3,806	-	2,788	-	34,943
Disposals	-	-	(15,431)	-	-	-	(15,431)
Balance, end of year	42,469	782,841	88,806	2,250	14,662	-	931,028
<b>Net book value</b>	\$ 75,883	\$ 92,333	\$ 19,031	\$ -	\$ 2,893	\$	190,140

## Okanagan Basin Water Board Notes to Financial Statements

**March 31, 2017**

### 5. Accumulated Surplus

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

	2017	2016
<b>Aquatic Weed Control Equipment Reserve</b>		
Balance, beginning of year	\$ 272,685	\$ 308,060
Proceeds from sale of tangible capital assets	1,500	500
Net surplus (deficit)	37,666	(51,565)
Transfer of amortization	45,879	34,943
Transfer for acquisition of tangible capital assets	(86,913)	(19,253)
Balance, end of year	270,817	272,685
<b>Invested in Tangible Capital Assets</b>		
Balance, beginning of year	190,140	186,570
Transfer for acquisition of tangible capital assets	99,216	44,685
Disposition of tangible capital assets	-	(6,172)
Transfer of amortization	(51,963)	(34,943)
Balance, end of year	237,393	190,140
<b>Sewerage Facilities Assistance Reserve Fund</b>		
Balance, beginning of year	1,511,773	1,554,795
Net deficit	(7,258)	(43,022)
Balance, end of year	1,504,515	1,511,773
<b>Water Management Accumulated Surplus</b>		
Balance, beginning of year	648,610	719,437
Net deficit	(212,464)	(45,395)
Transfer of amortization	6,084	-
Transfer for acquisition of tangible capital assets	(12,303)	(25,432)
Balance, end of year	429,927	648,610
	\$ 2,442,652	\$ 2,623,208

## Okanagan Basin Water Board Notes to Financial Statements

**March 31, 2017**

### 6. Levies from Member Regional Districts

	2017		2017		2016
	Actual		Budget		Actual
North Okanagan	\$ 652,317	\$	652,317	\$	652,766
Central Okanagan	2,074,044		2,074,045		2,058,805
Okanagan Similkameen	717,860		717,860		732,805
	<b>\$ 3,444,221</b>	\$	<b>3,444,222</b>	\$	<b>3,444,376</b>

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

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

	2017		2016
City of Kelowna	\$ 187,108	\$	258,069
City of Penticton	215,822		219,317
City of Vernon	94,203		109,402
City of West Kelowna	51,631		42,241
District of Coldstream	19,193		19,193
District of Lake Country	287,269		287,269
District of Peachland	174,089		212,779
District of Summerland	389,222		392,177
Town of Oliver	-		6,042
Town of Osoyoos	11,278		11,278
Regional District of North Okanagan	4,679		4,679
Regional District of Okanagan Similkameen	139,009		51,175
Westbank First Nation	35,527		48,463
	<b>\$ 1,609,030</b>	\$	<b>1,662,084</b>

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## Okanagan Basin Water Board Notes to Financial Statements

March 31, 2017

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### 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. The following reconciles the difference.

	<u>2017</u>
Budget surplus (deficit) for the year as per board budget	\$ -
Less:	
Transfer from previous years surplus in revenues	<u>(140,000)</u>
Budget deficit per statement of financial operations	<u>\$ (140,000)</u>

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### 9. Commitments

The Board is currently in a ten-year lease agreement, which has two years remaining, with the Regional District of North Okanagan for the lease of land, on which the Board's building resides. 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 \$8,505.

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## Okanagan Basin Water Board

### Notes to Financial Statements

March 31, 2017

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#### 10. Employee Benefits

##### Retirement Benefits

The Board and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The Board paid \$50,214 (2016 - \$46,101) for employer contributions to the plan in fiscal 2017.

The next valuation will be as at December 31, 2018, with results available in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

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## Okanagan Basin Water Board Notes to Financial Statements

March 31, 2017

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### 11. Segment Disclosures and Expense by Object

#### 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 \$367,482 (2016 - \$600,822) for previously committed projects.

#### 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 weed, but when time allows operators and equipment will also to 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

The 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 was completed in the 2016 fiscal year.

## Okanagan Basin Water Board Notes to Financial Statements

For the year ended March 31, 2017

### 11. Segment Disclosures and Expense by Object (continued)

	Water Management	Aquatic Weed Control	Sewerage Facilities	UBCO Water Research Chair	2017 Total
<b>Revenues</b>					
Levies	\$ 1,113,859	\$ 710,100	\$ 1,620,262	\$ -	\$ 3,444,221
Grant income	266,147	1,625	-	-	267,772
Interest income	9,608	5,057	21,510	-	36,175
Gain on disposal of assets	-	1,500	-	-	1,500
	<u>1,389,614</u>	<u>718,282</u>	<u>1,641,772</u>	<u>-</u>	<u>3,749,668</u>
<b>Expenses</b>					
Assistance grants	275,000	-	1,609,030	-	1,884,030
Amortization	6,084	45,879	-	-	51,963
Contract services	686,480	7,166	-	-	693,646
Director's remuneration and expenses	10,709	10,709	-	-	21,418
Equipment costs	1,822	106,256	-	-	108,078
Insurance	3,780	25,886	-	-	29,666
Interest charge	78	89	-	-	167
Office	25,167	15,962	-	-	41,129
Outreach and publicity	141,055	1,324	-	-	142,379
Overhead allocation	(20,000)	(20,000)	40,000	-	-
Professional fees	37,634	46,492	-	-	84,126
Rental costs	9,687	21,259	-	-	30,946
Safety	2,458	9,957	-	-	12,415
Stewardship council expenses	5,702	-	-	-	5,702
Travel, conferences and meetings	37,079	9,604	-	-	46,683
Utilities, yard supplies and maintenance	-	15,658	-	-	15,658
Wages and benefits	379,343	382,875	-	-	762,218
	<u>1,602,078</u>	<u>679,116</u>	<u>1,649,030</u>	<u>-</u>	<u>3,930,224</u>
<b>Annual surplus (deficit)</b>	<b>\$ (212,464)</b>	<b>\$ 39,166</b>	<b>\$ (7,258)</b>	<b>\$ -</b>	<b>\$ (180,556)</b>

## Okanagan Basin Water Board

### Notes to Financial Statements

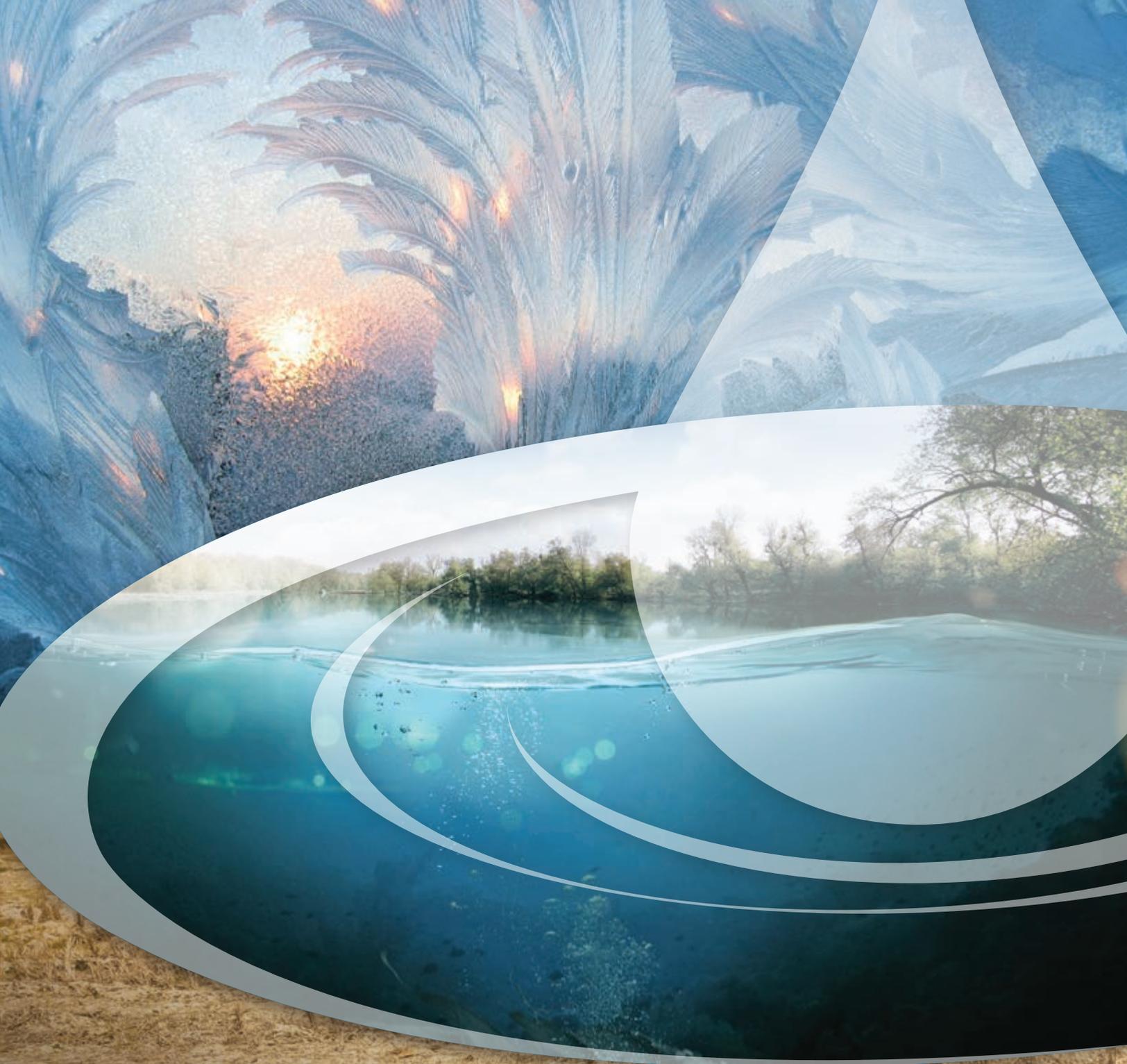
For the year ended March 31, 2017

#### 11. Segment Disclosures and Expense by Object (continued)

Prior year comparative information:

	Water Management	Aquatic Weed Control	Sewerage Facilities	UBCO Water Research Chair	2016 Total
<b>Revenues</b>					
Levies (Note 6)	\$ 1,064,031	\$ 647,800	\$ 1,632,545	\$ 100,000	\$ 3,444,376
Grant income	244,464	-	-	-	244,464
Interest income	12,818	7,276	26,517	-	46,611
	<u>1,321,313</u>	<u>655,076</u>	<u>1,659,062</u>	<u>100,000</u>	<u>3,735,451</u>
<b>Expenses</b>					
Assistance grants	300,000	-	1,662,084	100,000	2,062,084
Amortization	-	34,943	-	-	34,943
Contract services	476,139	4,500	-	-	480,639
Director's remuneration and expenses	10,290	10,290	-	-	20,580
Equipment costs	1,630	149,691	-	-	151,321
Insurance	4,179	21,029	-	-	25,208
Interest charge	6	57	-	-	63
Loss on disposal of assets	-	5,672	-	-	5,672
Office	27,063	15,341	-	-	42,404
Outreach and publicity	130,175	4,427	-	-	134,602
Overhead allocation	(20,000)	(20,000)	40,000	-	-
Professional fees	41,891	41,916	-	-	83,807
Rental costs	7,769	32,933	-	-	40,702
Safety	21	24,005	-	-	24,026
Stewardship council expenses	29,083	-	-	-	29,083
Travel, conferences and meetings	27,776	10,067	-	-	37,843
Utilities, yard supplies and maintenance	-	10,467	-	-	10,467
Wages and benefits	330,686	366,975	-	-	697,661
	<u>1,366,708</u>	<u>712,313</u>	<u>1,702,084</u>	<u>100,000</u>	<u>3,881,105</u>
<b>Annual deficit</b>	\$ (45,395)	\$ (57,237)	\$ (43,022)	\$ -	\$ (145,654)





*Okanagan Basin*  
WATER BOARD

**250 -469 -6270 | [www.obwb.ca](http://www.obwb.ca)**  
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