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VALLEY WATER NEWS

BMID PROJECTS UNDERWAY

Scotty Creek System Separation:

This project is the first phase of the works that will see all water from Scotty Creek used only for irrigation. Watermain construction is complete and a pressure reducing valve will be installed. This is in order to transfer 135 customers in Ranch Park and Country Lane areas off of Scotty Creek and onto the wells or our Mission Creek source.

Mission Creek Water Use Plan: This plan is being developed jointly with several other local government agencies. The plan sets out strategies for reservoir operations so that the beneficial use of water is maximized for both the BMID customers and the environment. Recommendations of the plan are being utilized to operate reservoirs of both BMID and SEKID in the Mission Creek watershed.

Metering: Agriculture meter installs are completed. Retrofitting of existing industrial and commercial meters is almost complete. The first monthly agriculture water use reports were issued at the end of June. These monthly reports should be useful to all of our agricultural water users for understanding their water usage.

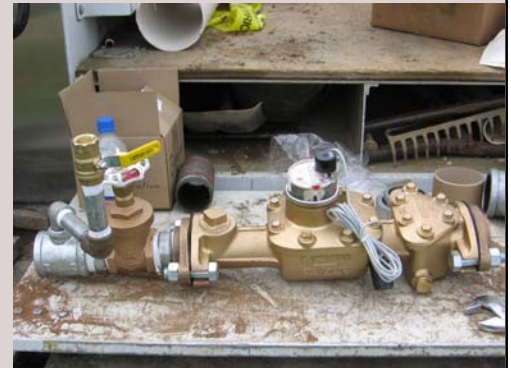
BMID Reservoir BCEA: Due to the size of the proposed Black Mountain Reservoir and height of the dams, BMID must carry out a BC Environmental Assessment for the project. The project has been received by the BCEA office and a Project Manager has been assigned to the file. The work is expected to take 18 months. The review is extensive in covering all potential environmental impacts that may be created by the project. Habitat areas, wildlife, impact on waterways and riparian areas, and overall benefits of the project are reviewed in this process and recommendations for mitigation or adjustment are made by the consultants and the BCEA personal.

BMID Reservoir Pipe: BMID has received all of the 42" pipe for the reservoir project. The pipe is being coated in our works yard with a potable water coating inside and a high quality tank and lining coating on the exterior. Approximately 1/3 of the painting is completed. BMID is also assembling bends for the project and (continued on Pg. 2)

BMID METERING PROGRAM UPDATE

BMID is following the metering plan and recommendations within our 2007 Capital Plan. The Capital Plan recommended a staged approach that would maximize efforts by staff to install and implement a metering program. The metering program is as follows:

1. From 2006 to 2008, the District installed 363 meters to all large agricultural properties. The water supplied for irrigation forms the largest demand within the District. There are relatively few meters and they are now being read and reported on monthly in the format shown below.
2. In total, we have 390 metered commercial and industrial connections. These meters are being upgraded in 2008 so that the meter reading technology is consistent and up to date throughout BMID.
3. There are 615 single family residential domestic meters installed to date and although they are not currently being read, they are ready to read. Since January 2005, domestic meters are required to be installed on all new connections and on homes where there are changes in land use. BMID will be utilizing the automated technology to read meters and report on them starting in 2009.



Agriculture Consumption Report The agriculture water consumption reports are being issued monthly. The allotment of 27 inches of water is the annual depth of water that is deemed sufficient by the Ministry of Agriculture and Lands to support most forms of agriculture in the Central Okanagan. This is the same allocation used by SEKID with their metering program. The amount of water that each property is assigned is based on the area of Grade A lands for which taxes are paid. The amount of water used each month is provided in units of cubic metres and US gallons. This number is converted to a depth of water (inches) over the irrigated land as listed in the right hand column on the form.

Reporting Period: - June 30 to July 31, 2008

	Consumption		
	m ³	US-Gallons	Inches-(depth)
2008-Allotment			
Initial Yr 2008-Reading			.0
June 30 Consumption Read			
July 31 Consumption Read			
Reading Date No. 3			
Reading Date No. 4			
Total Consumption-to-Date			
Remaining Allotment			

Avg. Water Use (all BMID Grade A lands) Apr.15-June 30, 2008 = 4.8 inches
Average Use (all BMID Grade A land) July, 2008 = 5.4 inches

BMID will not be utilizing a metered rate or penalties for overuse in 2008 as the current focus is on education. There are only 10 customers that are utilizing water at a rate greater than that allowed by their acreage that have not yet conformed. Failure to conform will result in dole valves being placed on those connections at the owners cost.

"The frog does not drink up the pond in which he lives" American Indian Saying

VALLEY WATER NEWS (CONTINUED)

large diameter fittings. To effectively manage project costs, BMID is maximizing the amount of preparation works prior to going to tenders for field work.

FortisBC Land Sale: BMID has sold 6.9 acres of land to FortisBC for their new electrical substation that is to be located within City limits north of Joe Rich Road. The site is in a gully that is relatively remote and not visible from the roads and most of the adjacent properties. The site is directly below their 138 KVA electrical transmission right-of-way. The sale revenue will cover a portion of costs for the Black Mountain Reservoir project.

Kelowna Joint Water Committee

The KJWC is making progress on the following issues:

- Further developing the Cross Connection Control program to assess risks for all remaining severe hazard conditions within the City and develop appropriate actions for protection.
- Beginning Phase 3 of a City-wide groundwater protection plan. The third phase will begin in late 2008 and carry through into 2009. Public information meetings on groundwater protection will be a part of the works.
- KJWC is in the process of reviewing all water quality improvement projects City-wide to determine the projects that are of highest priority. The project review is based on a cost-benefit basis to the public.

Okanagan Water Stewardship Council

The Okanagan Water Stewardship Council is nearing completion of their *Sustainable Water Strategy*. The document sets out many recommendations for water management policy for the entire Okanagan Basin. Twelve (12) high level principles for management are the foundation of the document. Key issues such as water allocation, common drought and sprinkler regulations, protection of water sources and controlling pollution at its source are addressed in the strategy.

BMID has had substantial input in the document which will be publicly released at the Canadian Water Resource Conference that is being held in Kelowna from October 21–23, 2008.

OBSERVE, RECORD & REPORT
questionable watershed activities to
BMID at 765-5169

"You could not step twice into the same rivers; for other waters are ever flowing on to you" Heraclitus of Ephesus



BMID METERING PROGRAM (CONTINUED)

Benefits that have been realized since the start of the metering program include:

- The water distribution system and pressure reducing valves are more stable with less pressure surges placed upon them. This will reduce wear on these critical system components. Water flow rates are more consistent, are at lower intensities, and for more constant durations.
- Maximum daily flows in the overall system have been reduced from 27,500 down to 23,000 USgpm resulting in more stable water pressure year round;
- Customers are adjusting their practices and utilizing their water allotment responsibly.

BMID RESERVE ACCOUNTS

Water districts are a non-profit public utility that operate under the rules of the Local

Government Act. BMID has capital reserve accounts to hold funds for specific projects that are identified in our Capital Plan. The fund levels and transactions made through the year on these accounts are reviewed by the District Auditor. Fund levels at year end are in the Annual Report which is on our website at:

http://www.bmid.ca/maps_reports/reports.aspx

The BMID reserve accounts are as follows.

General Capital Fund: Normal operating revenues and expenditures are administered through this account.

Equipment Replacement Reserve Fund: This is a reserve fund for renewal and/or replacement of BMID equipment. Proceeds from the sale of equipment is also deposited into this account. Trustee resolution is required to utilize funds from this account.

Capital Charge Reserve Fund: Development charges for water are held in this reserve fund. This fund is to replace supply capacity as used by new development. District bylaw and approval from the Ministry of Community Services is required to access these funds.

Renewal Reserve Fund: This fund is for replacement and renewal works as system components wear out. Utilization of these monies also requires approval from the Ministry.

BMID has a significant amount of the Reserve fund accounts invested in accordance with BMID's Investment Policy. Bond investment is permitted and is considered the safest form of investment. BMID has received a return on investment of 5.69% since January 1, 2000. Our accounts are professionally managed by RBC Dominion Securities. The monies have been accruing to fund the Black Mountain Reservoir project and other Capital Works.



WATER QUALITY ADVISORY—REMAINS IN EFFECT

BMID issued a Water Quality Advisory on April 18, 2008. A Water Quality Advisory means that persons that are immune compromised, seniors, infants, or persons wishing to take extra precautions should do so. It is not a Boil Water Notice as it only means there is an elevated level of risk (that may or may not be quantifiable).

The advisory was issued district-wide solely due to elevated levels of 1.5 NTU turbidity units for waters from Mission Creek. Disinfection was not compromised and microbial contamination in the raw water from Mission Creek before disinfection has been relatively low.

Since April, 2008, BMID has never been over 1.6 NTU and has only been over 1.0 NTU for 8 days since May 1. To avoid repeated messaging to the public, BMID has left the Water Quality Advisory on indefinitely so that acute high risk problems such as a disinfection failure can be communicated effectively with media support to protect the public.