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Key Benefits of SIS-sponsored Liability Insurance:

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- Broad Form Fire Fighting expenses
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Utilities – Is your tariff too low?

By Jean-Pierre Joly

Many water suppliers, including private regulated utilities, do not charge enough for water to cover all costs. As a result many are facing financial problems.

- Has it been over 3 years since your last tariff increase?
- Are your tariff rates below \$35 per connection per month?
- Is there significant growth and development in your area?
- Does your system infrastructure need to be upgraded?
- Do you need to implement a water treatment system?
- Would you like to implement a remote monitoring system?
- Are you in non-compliance with Safe Drinking Water legislation

If you answer Yes to any of these questions, then consider applying for a tariff increase. Recently approved water rates for private utilities have been in the range of \$35 to \$55 per month for each domestic service equivalent. However, rates in BC are often below this range!

There can be significant costs involved in the safe and sustainable supply of water. Revenues should cover all operating costs, and allow for upgrading to meet regulatory standards. They should also allow for accumulation of an adequate capital replacement fund and money for other intermittent expenses.

Water suppliers do not always recover these costs effectively. In the long run no one benefits when water is supplied at rates that do not reflect full cost pricing. When revenues are inadequate there is typically a progressive decline in the condition of infrastructure and the safety of water supplies.

Water utilities should have their rates reviewed every 3 - 5 years to ensure that they are adequate in order to properly operate and maintain their water systems. It may be time for you to review your rates and to ensure they reflect the full cost of supplying water to your customers.

Please call or email SIS for more information.

Remote Monitoring for Small Systems

By Jean-Pierre Joly

Affordable SCADA for small systems is on its way. We expect to have further information about the way you can monitor important elements of your system remotely. This will help your operator, and provide further protection to your customers. See the next edition of this Newsletter for an update! If you are interested in remote monitoring, please call or email SIS for more information.

Improvement Districts: Managing Your Tangible Capital Assets

By Vernon Rogers

For More Information:

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Official website of the Sustainable Infrastructure Society. Visit this site to learn how the Sustainable Infrastructure Society can help you to conveniently access affordable services & products.

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GreenBC.org is affiliated with the Sustainable Infrastructure Society (SIS), and provides an online directory of suppliers and consultants. Managers of water supply organizations and other industry members frequently use the directory when they are seeking products and services.

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You may be aware of the new standards that must be followed by all improvement districts starting 1st January 2009. Changes by the Public Sector Accounting Board (PSAB) to the accounting treatment of Tangible Capital Assets will impact the financial statement reporting of Improvement Districts. Under the new standards, all capital assets must be recorded at historical cost or fair value at the date of acquisition, and annual depreciation must be recorded. This change will provide better accounting and accountability for capital assets.

There are three key components to implementing this improvement to asset management. The first is an inventory of all tangible capital assets owned by the improvement district. This will include everything from land and buildings to fire trucks, water treatment plants and pipelines. Second is the valuation of these items. This may be more complicated for older components of your system, where the exact date when the assets were acquired, or how much they cost, is not known. Finally, calculation of the useful life and the annual depreciation expense related to each item, or class of item, is needed.

Improvement districts should compile an inventory of their tangible capital assets that have a material value, and determine the cost of these assets. This will lead to fully compliant financial statements for next year.

Throughout Canada there is growing realization that infrastructure, in general, is insufficiently funded for replacement. This has not happened by choice in most areas: infrastructure ages gradually, and the need for systematic replacement is easily overlooked. These changes noted above will help solve this problem.

SIS can help you make these changes. Please call or email for more information.

Liability Insurance Program Delivers!

By Jean-Pierre Joly

In the last newsletter we reported that Larry Fallis of Alto Utilities in Lake Country BC tells us that they saved over \$4,000 with the SIS Liability Insurance Program, and they received more comprehensive coverage. We are pleased we saved money for these folks.

Having said that, please don't make decisions based on cost alone. We hope, even if the cost of services from SIS is about the same as the cost from others, that you will go with SIS! We exist to create affordable and responsive services for community water suppliers. As programs like liability insurance become established we are able to create new programs for our Registered Users. Without your support for established programs we cannot continue to deliver new services. We hope you continue to support SIS programs.

Our best wishes to you for a relaxing Summer!