

Winter 2009

Volume 4, Number 1

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Key Benefits of SIS-sponsored Liability Insurance:

- High policy limit: \$5 Million for the basic policy
- Volunteers are automatically covered
- Broad Form Fire Fighting expenses
- No Failure to Supply exclusion
- No Health Hazard exclusion

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Then go to the SIS website for directions

or call **250-472-4327**

www.SustainIS.org

Managing Your Capital Assets

By Vernon Rogers

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 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 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. It is good practice for water supply organizations of all types to prepare asset management plans. They are of great help in planning water rate adjustments.

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

Operational Assistance Program (OAP)

The SIS Operational Assistance Program (OAP) is now in operation on Vancouver Island. It provides water supply systems with convenient and affordable access to the services of experienced operators who work under contract. Some water systems may need full time services while others may need part-time services to oversee more complex operations, to fill-in for an operator that is on holidays, or relief services for an operator that has fallen ill. These contractors visit the system at regular intervals to carry out operating and maintenance (O&M) tasks.

OAP is delivered in conjunction with our Industry Partners. The cost varies with size and complexity of the system. OAP services are available for as little as \$500 per month, plus modest expenses.

For More Information:

www.SustainIS.org

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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Visit

www.GreenBC.org

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.

GreenBC.org

Add your company to our online database now!

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.

- Was your last tariff increase over 3 years ago?
- Are your tariff rates below \$50 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. The Utility Regulation Section of the Ministry of Environment is the authority responsible for regulating the tariff in use by a private regulated utility. The Ministry expects that water rates should be in the range of \$35 to \$55 per month for each domestic service equivalent. However, rates in BC are often below this range, and there is growing evidence that even \$55 is too low, given requirements for asset replacement!

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 funds 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.

It may be time for you to review your rates and to ensure they reflect the full cost of supplying water to your customers. SIS has Industry Partners who can help. These Industry Partners can review your tariff and seek approval for increases if appropriate. The service they provide is affordable and responsive. They are also able to review rates and charges for all other forms of community water supply organizations.

Please call or email for more information.

Monitoring & Management Support

We continue to hear that conventional SCADA is too expensive for many community water systems. We are now sponsoring the development of affordable water system monitoring and management support tools. We expect these to be offered through a new SIS program. These tools will:

- Enable you to affordably monitor your system operation
- Help you communicate with your customers
- Help you compare your system operation with other similar systems
- Meet regulatory requirements
- Improve your record keeping
- Support the overall operation and management of your system.

Contact SIS for more information.