

BLACK MOUNTAIN IRRIGATION DISTRICT



Annual Report And Financial Statements

For the Year Ended December 31st, 2002

- TRUSTEES -

- Until 2003 Election.....Ivans: G.
- Until 2003 Election.....Kempf: A.
- Until 2004 Election.....Koetz: O.H.
- Until 2004 Election.....Petch: E.
- Until 2005 Election.....Kirsehner: A.

- DISTRICT OFFICERS -

- Administrator: P.R. (Phil) Ruskowsky
- Operations Supervisor: Malcolm Tomlinson
- Auditors: MacKay LLP
- Engineering Consultants: Earth Tech Canada



THE ANNUAL GENERAL MEETING
 Will be held in the BMID Boardroom
Wednesday, May 14th, 2003
Time: 8:00PM

BLACK MOUNTAIN IRRIGATION DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31ST, 2002



BLACK MOUNTAIN IRRIGATION DISTRICT
285 GRAY ROAD, KELOWNA, B.C.

Trustees Report To The Water Users

MEETINGS:

The Board of Trustees held a total of 37 regular and special meetings to conduct the business activities of the District.

ELECTION:

A. Kirschner was re-elected to a three-year term as Trustee of the District. G. Ivans was appointed Chairman of the Board.

The term of office for G. Ivans and A. Kempf expires in 2003. Both have indicated they will be seeking re-election. Other nominations will be received until 4:00 PM on May 21st, 2003. If an election is required, voting will take place on *Wednesday, May 28th, 2003* at the BMID office, 285 Gray Road between the hours of 8:00 am and 6:00 pm.

WATER TREATMENT FACILITY:

The treatment plant again operated at peak efficiency with turbidity levels averaging <1 NTU and color units were less than 5 TCU's.

In 2002, the District engaged the services of Brian Thorburn as the main plant operator. Brian is well experienced with chemicals and is very familiar with the coagulation and flocculation treatment process. He required very little training at start-up. His back-up is Ted Bashaw and between the two, they performed very well and optimized the plant chemical dosage to operate and perform at its peak level to provide excellent water quality even through the spring run-off period.

DRINKING WATER PROTECTION PLAN:

In an effort to ensure safe reliable drinking water for all BC residents, the Provincial Government has developed a new action plan to safeguard the quality of drinking water throughout the Province. The plan includes legislation to protect drinking water by improving standards for monitoring, treatment, and reporting to the public. The Provincial Government was to introduce legislative changes to the Drinking Water Protection Act in the fall 2002 legislative session. This has not been done as yet, and it is hoped that legislation will be forthcoming in the spring session 2003. The Ministry of Health Services will be the lead ministry responsible for implementing the action plan.

In keeping with this responsibility, the Interior Health Authority has established conditions, which must be met by water purveyors in order to obtain an annual operating permit from the Ministry of Health Services. These conditions were listed in last year's annual report.

CROSS-CONNECTION CONTROL PROGRAM:

As a requirement of the BMID operating permit, one of the conditions is provision of a Cross Connection Control Program. All members of the Kelowna Joint Water Committee have agreed to support and implement a Cross Connection Control Program. A survey of high risk commercial and industrial properties have been completed and back flow devices are in the process of being installed. After installation and inspection of these devices they are registered in a Central Registry in order that they can be suitably tracked and tested on an annual basis. The Central Registry will be administered by the City of Kelowna and administration costs will become part of the operating expenses of the District.

**FOREST SERVICE
CAMPSITES:**

The Government has announced that the small forestry campsites in the upper watershed like Ideal Lake (Belgo) and James Lake will be discontinued. This is a concern to BMID and other water purveyors since haphazard disposal of human waste will have serious implications on drinking water sources. Letters have been forwarded to local MLA's and the Minister of Sustainable Resources objecting to closure of the Forestry campsites. As of now, the government has not changed it's position with regard to Forest Service Campsite closures.

CROWN LEASE SALES:

Land and Water BC (LWBC) announced that a number of recreational leased lots located next to drinking water reservoirs will be offered for sale. This is a concern to BMID along with other districts and the BC Water Supply Association. A position statement by WSABC outlines reasons why these sales should not take place. Despite opposition, LWBC has indicated they will proceed with the sale of these lots located on the drinking water reservoirs. Selling these Crown leases will encourage additional recreation on and around these lakes, and will present a threat to source drinking water and public health above and beyond the septic disposal issue, which LWBC has agreed to address. The Ministry has announced that they will commission a study by an independent consultant to look at water quality issues on these lakes, and assess the impact on water quality as a result of future sale of those leased properties.

**LOGGING/REFORESTATION
(BELGO DAM):**

The district continued its program with regard to supervised timber harvesting activity in the Belgo Dam (Ideal Lake) area. Property pins were located and cutting boundaries of BMID lands were established. Trees infested with Mountain Pine Beetle were selectively removed from the campground area and logging of over-mature timber was harvested. In addition, 15,000 trees have been planted in the last two years where harvesting took place. An additional 15,000 trees will be planted in 2003.

**SUBDIVISION
DEVELOPMENT:**

The district continues to grow at a moderate rate. Although there were few subdivisions in 2002, the upcoming year has several larger proposed developments in the planning stage. The number of new units added to the system in 2002 was 108, which brings the total number of serviced units to 6818, an increase of 1.6% from the previous year.

OTHER:

For other information about BMID we invite you to visit our website at bmid.org and forward suggestions on how to improve the site.

ACKNOWLEDGEMENT:

On behalf of all BMID water users, the Trustees and Administrator thank all District staff for their continued co-operation, dedication to their work, and overall for a job well done.

Respectively submitted,

Gord Ivans
Alf Kempf
Allen Kirschner
Heinz Koetz
Lawrence Petch



BLACK MOUNTAIN IRRIGATION DISTRICT
285 GRAY ROAD, KELOWNA, B.C.

Operations and Maintenance Report for 2002

- NEW DEVELOPMENT:** A new development was created between Leathhead and Houghton roads. Further development took place in the Black mountain area. A small development on Webster road was built along with building of the new Rutland Elementary School. Good main looping was achieved. A few infill lots developed.
- MAINTENANCE:** Hydrants well maintained and in good order. Old irrigation services replaced. Ongoing PRV upgrades and maintenance. PRV No.7 was overhauled and is now in very good condition. Scotty creek controls moved to generator room and upgraded and the Dam boards replaced with steel panels.
- REPAIRS:** No major breaks occurred. Service repairs were done as required. Sewer installations by contractors caused some breaks.
- FLUSHING:** The system was flushed throughout for the first time in many years. Flushing will be continued on a yearly basis.
- CONSUMPTION:** Up from last year; 11,349.33 ac/ft was used. 10,427.11ac/ft from Mission Creek supply and 1,707.07ac/ft from the north end wells and Scotty Creek. There was 4306.56ac/ft remaining in the lakes at year-end. Peak day was 24 July @ 31,458,000 Usg or 96.55ac/ft. Highest total for the system was 23 July @ 35,867,100 Usg or 110.08 ac/ft. The 2001/2002 snow pack was good and came off well. This winters snow pack is normal.
- EQUIPMENT:** Equipment has held up well with no major repairs necessary.
- OTHER WORK:** The Water treatment plant was run by our own operators for the first time and the results were very good. Alterations to the clarifier sludge removal system were carried out this winter and the results are expected to greatly reduce manpower requirements to do that job.
- STAFF:** The system worked well under staff's care and their continuing efforts are appreciated. Members of staff took further certification exams.

Respectively submitted,

M. Tomlinson
Operations Supervisor

Black Mountain Irrigation District

CHARTERED
ACCOUNTANTS

Financial Statements

December 31, 2002

Page

Auditors' Report	2
Statements	
General Revenue Fund	
Balance Sheet	3-4
Statement of Revenue and Expenditure and Surplus	5
Statement of Cash Flows	6
General Capital Fund	
Balance Sheet	7
Statement of Equity in Capital Assets	8
Statement of Capital Financing	8
Capital and Regrade Charge Reserve Fund	
Balance Sheet	9
Statement of Changes in Fund Balance	9
Equipment Replacement Reserve Fund	
Balance Sheet	10
Statement of Changes in Fund Balance	10
Capital Works Renewal Reserve Fund	
Balance Sheet	11
Statement of Changes in Fund Balance	11
Notes to Financial Statements	12-14
Schedules	
General Revenue Fund - Operating Expenditures	15
General Revenue Fund - Administrative Expenditures	16

Black Mountain Irrigation District

March 1, 2003

Chartered Accountants

**CHARTERED
ACCOUNTANTS**

MacKay LLP

Landmark Square
1726 Dolphin Avenue Suite 500
Kelowna BC V1Y 9R9
Tel: (250) 763-5021
Fax: (250) 763-3600
www.MacKayLLP.ca

Auditors' Report

**To the Trustees and Water Users of
Black Mountain Irrigation District**

We have audited the general revenue fund and capital fund balance sheets, capital and regrade charge reserve fund balance sheet, equipment replacement reserve fund balance sheet and capital works renewal reserve fund balance sheet of Black Mountain Irrigation District as at December 31, 2002 and the general revenue fund statements of revenue and expenditure and surplus and cash flows, general capital fund statements of equity in capital assets and capital financing, capital and regrade charge reserve fund statement of changes in fund balance, equipment replacement reserve fund statement of changes in fund balance and capital works renewal reserve fund statement of changes in fund balance for the year ended December 31, 2002. These financial statements are the responsibility of the District's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted for British Columbia improvement districts. As required by the Municipal Act (British Columbia), we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Kelowna, Canada

March 7, 2003

Chartered Accountants