



North Red Deer River Water Services Commission

2016-2020 Project Operating Budget

Version 3

October 16, 2015

*City of Red Deer Rates based on Aug 27, 2014 for 2017 to 2020 and Oct 15, 2015 for 2016

**North Red Deer River Water Services Commission
2016 -2020 Assumptions**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>City of Red Deer Rate</u>	1.25	1.30	1.33	1.41	1.54	1.59
% Increase		4.0%	2.3%	6.0%	9.2%	3.0%
<u>Cost Escalators</u>		2016	2017	2018	2019	2020
Rates						
General		2%	2%	2%	2%	2%
Utilities		5%	5%	5%	5%	5%
Materials		3%	3%	3%	3%	3%
Contract		4%	4%	4%	4%	4%
<u>Cost of Water</u>						
Lacombe		1,697,117	1,781,282	1,926,201	2,145,867	2,259,851
Ponoka		924,047	954,661	1,016,131	1,114,252	1,155,024
Blackfalds		904,311	967,775	1,067,032	1,212,026	1,301,431
Lacombe County (thru Blackfalds)		7,044	7,395	7,995	8,901	9,381
Ponoka County		12,473	15,401	19,599	25,687	31,832
Water Loss		<u>55,371</u>	<u>58,121</u>	<u>62,844</u>	<u>70,008</u>	<u>73,728</u>
Subtotal		3,600,363	3,784,635	4,099,802	4,576,741	4,831,247
<u>Water Sales Required</u>						
Cost of Water		3,600,363	3,784,635	4,099,802	4,576,741	4,831,247
Other Expenses		2,014,119	2,023,368	2,032,665	2,042,636	2,052,657
Less Non Water Revenue	-	183,800	-	187,440	-	266,153
Plus Surplus		<u>137,081</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Subtotal		5,567,763	5,770,563	6,016,314	6,374,436	6,710,100
Water Sales Volume (excl loss)		2,742,740	2,801,890	2,863,090	2,926,450	2,992,150
<u>Regional Water Rate</u>	2.03	2.030	2.060	2.101	2.178	2.243
		0.00%	1.48%	1.99%	3.66%	2.98%

**North Red Deer River Water Services Commission
2016 -2020 Water Sales Forecast**

Historical Consumption

	Actual <u>2007</u>	Actual <u>2008</u>	Actual <u>2009</u>	Actual <u>2010</u>	Actual <u>2011</u>	Actual <u>2012</u>	Actual <u>2013</u>	Actual <u>2014</u>	Budgeted <u>2015</u>
City of Lacombe	1,168,822	1,200,431	1,219,621	1,135,454	1,150,948	1,192,004	1,240,649	1,328,507	1,287,302
Town of Ponoka	795,012	866,298	767,791	703,634	700,402	699,781	699,205	706,460	712,050
Town of Blackfalds	462,420	478,435	515,855	524,584	526,983	564,434	593,449	678,191	651,450
Lacombe County	-	-	-	-	-	-	-	-	5,000
Ponoka County	-	116,099	4,844	2,705	3,560	4,662	5,771	7,336	8,039
Water Loss	<u>42,469</u>	<u>171,715</u>	<u>61,116</u>	<u>48,296</u>	<u>39,407</u>	<u>11,252</u>	<u>49,987</u>	<u>37,509</u>	<u>42,000</u>
	2,468,723	2,832,978	2,569,227	2,414,673	2,421,300	2,472,133	2,589,061	2,758,003	2,705,841
Change									
City of Lacombe		2.70%	1.60%	-6.90%	1.36%	3.57%	4.08%	7.08%	-3.10%
Town of Ponoka		8.97%	-11.37%	-8.36%	-0.46%	-0.09%	-0.08%	1.04%	0.79%
Town of Blackfalds		3.46%	7.82%	1.69%	0.46%	7.11%	5.14%	14.28%	-3.94%
Lacombe County									
Ponoka County				-44.16%	31.61%	30.96%	23.79%	27.12%	9.58%
Water Loss		304.33%	-64.41%	-20.98%	-18.41%	-71.45%	344.25%	-24.96%	11.97%
Water Loss (% of Total)		6.06%	2.38%	2.00%	1.63%	0.46%	1.93%	1.36%	1.55%

Sales Volume Forecast

% Changes

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City of Lacombe	2.0%	2.0%	2.0%	2.0%	2.0%
Town of Ponoka	0.4%	0.4%	0.4%	0.4%	0.4%
Town of Blackfalds	7.4%	4.0%	4.0%	4.0%	4.0%
Lacombe County	9.0%	2.0%	2.0%	2.0%	2.0%
Ponoka County	20.0%	20.0%	20.0%	20.0%	20.0%
Water Loss	2.0%	2.0%	2.0%	2.0%	2.0%

	Projected <u>2015</u>	Budget <u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City of Lacombe	1,333,261	1,313,050	1,339,310	1,366,100	1,393,420	1,421,290
Town of Ponoka	710,895	714,930	717,790	720,660	723,540	726,430
Town of Blackfalds	749,394	699,660	727,650	756,760	787,030	818,510
Lacombe County	-	5,450	5,560	5,670	5,780	5,900
Ponoka County	8,756	9,650	11,580	13,900	16,680	20,020
Water Loss	<u>58,523</u>	<u>42,840</u>	<u>43,700</u>	<u>44,570</u>	<u>45,460</u>	<u>46,370</u>
	2,860,828	2,785,580	2,845,590	2,907,660	2,971,910	3,038,520

**North Red Deer River Water Services Commission
2016 -2020 Operations Budget**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Revenues</u>						
Water Sales - City of Lacombe	\$ 2,613,223	\$ 2,665,492	\$ 2,758,979	\$ 2,870,176	\$ 3,034,869	\$ 3,187,953
Water Sales - Town of Ponoka	1,445,462	1,451,308	1,478,647	1,514,107	1,575,870	1,629,382
Water Sales - Town of Blackfalds	1,332,594	1,420,310	1,498,959	1,589,953	1,714,151	1,835,918
Water Sales - Lacombe County	-	11,064	11,454	11,913	12,589	13,234
Water Sales - Ponoka County	16,319	19,590	23,855	29,204	36,329	44,905
Line Crossing Fee	1,750	1,750	1,750	1,750	1,750	1,750
Interest Revenue	37,530	42,000	42,840	43,697	44,571	45,462
Rebates & Dividends	50	50	50	50	50	50
Lacombe County Contribution	67,000	70,000	71,400	72,828	74,285	75,771
Ponoka County Contribution	67,000	70,000	71,400	72,828	74,285	75,771
Rate Subsidization (2015 Bal - 409,800)	-	-	-	75,000	200,000	125,000
Subtotal - Revenue	<u>\$ 5,580,928</u>	<u>\$ 5,751,564</u>	<u>\$ 5,959,334</u>	<u>\$ 6,281,506</u>	<u>\$ 6,768,749</u>	<u>\$ 7,035,196</u>
<u>Expenses</u>						
Board Wages-City of Lacombe	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
Board Wages-Town of Ponoka	600	600	600	600	600	600
Board Wages-Town of Blackfalds	600	600	600	600	600	600
Board Wages-Lacombe County	600	600	600	600	600	600
Board Wages-Ponoka County	600	600	600	600	600	600
Board Travel-City of Lacombe	500	500	500	500	500	500
Board Travel -Town of Ponoka	500	500	500	500	500	500
Board Travel-Town of Blackfalds	500	500	500	500	500	500
Board Travel-Lacombe County	500	500	500	500	500	500
Board Travel-Ponoka County	500	500	500	500	500	500
Membership Fees	200	200	204	208	212	216
Postage & Freight	150	50	51	52	53	54
Telephone - Office	305	305	600	600	600	600
Telephone - Operations	9,084	9,084	9,538	10,015	10,516	11,042
Management Fees	52,230	54,321	56,494	58,754	61,104	63,548
Accounting and Auditor Fees	8,000	8,000	8,000	8,000	8,320	8,320
Legal Fees	500	1,250	1,275	1,301	1,327	1,354
Other Professional Services	40,300	36,800	37,536	38,287	39,053	39,834
Equipment Repair & Maintenance	7,500	7,500	7,650	7,803	7,959	8,118
SCADA Maintenance	10,800	11,280	11,280	11,280	11,280	11,280
Insurance & Bond Premiums	5,500	5,500	5,610	5,722	5,836	5,953
Administration	9,744	10,135	10,540	10,962	11,400	11,856
Purchase of Water	3,374,201	3,600,363	3,784,635	4,099,802	4,576,741	4,831,247
Operations	107,580	111,883	116,358	121,012	125,852	130,886
Miscellaneous Expenses	500	500	515	530	546	562
Meeting Supplies	250	250	258	266	274	282
Office Supplies	250	250	258	266	274	282
General Materials & Supplies	500	500	515	530	546	562
Utilities-Electricity	5,000	4,500	4,725	4,961	5,209	5,469
Valves	5,000	5,000	5,150	5,305	5,464	5,628
Bank Charges & Interest	-	-	-	-	-	-
Debenture Interest	658,578	630,473	601,086	570,359	538,231	504,637
Debenture Principal	616,323	644,428	673,815	704,542	736,670	770,264
Amortization	465,610	465,610	465,610	465,610	465,610	465,610
Subtotal - Expenses	<u>\$ 5,384,405</u>	<u>\$ 5,614,482</u>	<u>\$ 5,808,003</u>	<u>\$ 6,132,467</u>	<u>\$ 6,619,377</u>	<u>\$ 6,883,904</u>
Surplus/Deficit (+/-)	<u>\$ 196,523</u>	<u>\$ 137,082</u>	<u>\$ 151,331</u>	<u>\$ 149,039</u>	<u>\$ 149,372</u>	<u>\$ 151,292</u>