



NORTH RED DEER RIVER WATER SERVICES COMMISSION

Regular Meeting

August 10, 2015 @ 9:00 AM

LACOMBE CITY HALL

AGENDA

1. Call to Order
2. Adoption of Agenda
3. Adoption of Minutes
 - a. April 13, 2015 Regular Meeting (*attached*)
4. Presentation
 - a. Wayne Gustafson, PEng., Engineering Services Manager, City of Red Deer – Supply Request
5. Reports
 - a. Operations (*attached*)
 - b. Administrator (*attached*)
 - i) Monthly Report
 - ii) Financial - June
 - c. Chair
6. Correspondence
 - a. 2014 True-up – City of Red Deer(*attached*)
7. Old Business
8. New Business
 - a. 2016-2020 - 5 Year Budget Projection (*attached*)
 - b. Supply of Water Services – City of Red Deer to be presented at meeting.
9. In Camera
10. Next Meeting Date: October 5, 2015
11. Adjournment

NORTH RED DEER RIVER WATER SERVICES COMMISSION
REGULAR MEETING MINUTES
April 13, 2015

In Attendance: Mayor Steve Christie, City of Lacombe
Mayor Rick Bonnett, Town of Ponoka
Mayor Melodie Stol, Town of Blackfalds
Councillor Ken Wigmore, Lacombe County
Councillor Mark Matejka, Ponoka County
Michael Minchin, NRDRWSC Administrator
Jennifer Peterson, Administrator Assistant

Others Present: Norma MacQuarrie, CAO City of Lacombe
Terry Hager, Lacombe County Commissioner
Preston Weran, Director of Infrastructure, Town of Blackfalds
Jordan Thompson, Engineering Manager, City of Lacombe
Chris Huston, Utilities Manager, City of Lacombe

Guest: Dan Luymes, BDO Canada LLP

1. Call to Order:

Chair Christie called the meeting to order at 9:05 am.

2. Adoption of the Agenda:

MOVED by Mayor Bonnett that the agenda for April 13, 2015 be adopted as presented.

CARRIED

3. Adoption of the Minutes:

MOVED by Mayor Stol that the minutes for December 8, 2014, be adopted as presented.

CARRIED

4. Presentation

2014 Audit Financial Statement

Mr. Luymes of BDO LLP reviewed the Auditor's Report on the 2014 Audited Financial Statements.

In summary:

- NRDRWSC has a "clean audit".
- Very healthy balance sheet due ongoing operating surplus plus and unexpected "True Up" payment of \$400,000 for 2013.

MOVED by Councillor Matejka to accept the 2014 Audit Financial Statement as presented.

CARRIED

5. Reports

Operator's Report

Mr. Thompson discussed the recent activities.

In summary:

- Responded to 147 Alberta One-Call Locate requests from December 8th to March 30, 2015.
- Locates are down from last year
- The roundabout design at 597 and Hwy 2A has been reviewed; there are no further objections from the engineering services. The Commission operators will have access to isolation valves in the area.
- Mr. Huston advised the Commission of a number of repairs that had occurred through December 2014 until the end of March 2015.

Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Deferred the preparation of the 2016-2020 operating projects as the City of Red Deer is currently working on an updated 5 year operating plan.
- Participated in an operational survey conducted by Alberta Municipal Affairs.
- Mr. Minchin shared that the Municipal Affairs is recommending that the Commission adopt an annual rate bylaw. He is waiting to hear from Financial Services on the requirements will be for the annual bylaw. NRDRWSC already has a bylaw that outlines the calculation method and approval.
- Administration is requesting that all municipalities within the Commission add them to their notification list for subdivision applications.

Mr. Minchin presented the financial report.

In summary:

- Water sales in most communities are above targeted sales for the year.
- Value expenses for the year are already over budget, due to the replacement of the mechanical portion of the 8 inch value in Ponoka. If all water revenues stay on track, this expense should not be a concern.

Chairman's Report

The Chair received a call from Slave Lake area Council with regards to the install of a waterline. He will advise them to contact Mr. Minchin for more information.

MOVED by Mayor Bonnett to accept the reports as information.

CARRIED

6. Correspondence/Information

Alberta Government – Improved Regulation of Drinking Water

The consultation report on Improved Regulation of Drinking Water for Alberta was provided to the Commission as information.

7. Old Business:

Nothing at this time

8. New Business:

2014 Allocation of Surplus

Mr. Minchin asked the Commission for approval of the allocation for the 2014 surplus based on the Commission's Reserve Policy. As part of the recommendation, Administration suggested that the one time 2013 true up revenue of \$409,800 be transferred to the Operating Reserve. Once the 2013 true-up has been added to the operation reserve, the reserve will have exceeded the targeted amount of \$1,220,086 as set forth in the policy.

Mr. Minchin requests that the remaining operating surplus of \$288,871 and amortization in the amount of \$465,610 be transferred to the capital reserves.

MOVED by Councillor Wigmore to accept the transfer of the 2014 Surplus as presented.

CARRIED

9. IN Camera

MOVED by Mayor Bonnett to move In Camera at 9:37 am to discuss land matters.

CARRIED

MOVED by Mayor Stol to move out of Camera at 9:54 am.

CARRIED

10. Next Meeting:

Monday, August 10, 2015 at 9 am, City of Lacombe Council Chambers.

11. Adjournment:

MOVED by Mayor Bonnett to adjourn this Meeting at 9:55 am.

CARRIED

Chairperson

Administrator

M E M O R A N D U M



North Red Deer River Water Services Commission

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Phone: (403) 782-6666
Direct Line: (403) 782-1268
Fax: (403) 782-5655

jthompson@lacombe.ca

August 10, 2015

Attn: NRDRWSC

Re: Operational Report since April 15, 2015 to current

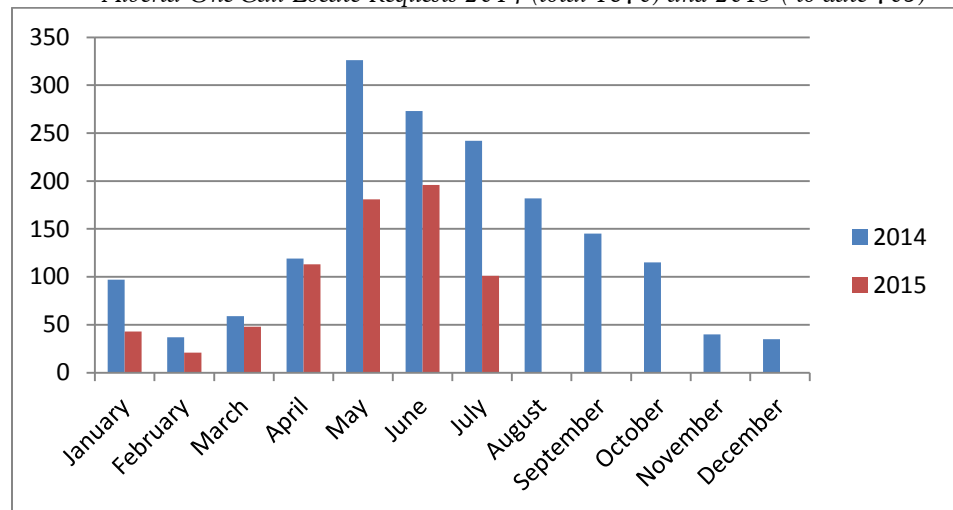
Since the last update provided to members of the Commission (April, 2015), the City of Lacombe has dealt with the following:

GENERAL ISSUES

➤ Alberta One-Call Locate Requests:

- April - 113 locates
- May - 181 locates
- June - 196 locates
- July 27 - 101 locates

Alberta One-Call Locate Requests 2014 (total 1670) and 2015 (to date 703)



Repair response charges:

- May 28 - Red deer lost communication with all sites, unable to restore. All sites were transmitting, Bryce (Stantec) and Chris Huston troubleshooted communication at Plant, had to reset the wireless router, communication restored.
- June 11 - Brian Riggins replaced UPS batteries at Railway and order new router for Treatment Plant after visit to Plant with Lacombe's IT.

Call-Out:

- June 7 - Brian Riggins called at 8:50 pm to Blackfalds by Blackfalds - low level at Broadway, Red deer lost signal and local PLC was reset. Went to Plant to reset router also.

Crossing/Proximity Agreements -

- Blackfalds roundabout - Engineering reviewed Alberta Transportation's design drawings and required an existing access be maintained so that Commission operators have access to isolation valves in the area. The roundabout design was revised and engineering services has no further objections. A copy of a memo confirming that steel crossings were installed along the full length of the Alberta Transportation road allowances for both crossings is also attached at the end of this report.

If you have any questions or comments regarding the operations described above please don't hesitate to call or email me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jordan Thompson', with a stylized, sweeping flourish extending to the right.

Jordan Thompson, CET, PMP
Engineering Services Manager

MEMORANDUM

August 10, 2015

File 47/132 (2015.2)

Attn: NRDRWSC Commission

RE: NRSRWSC Crossing Under Highway 2A and Highway 597



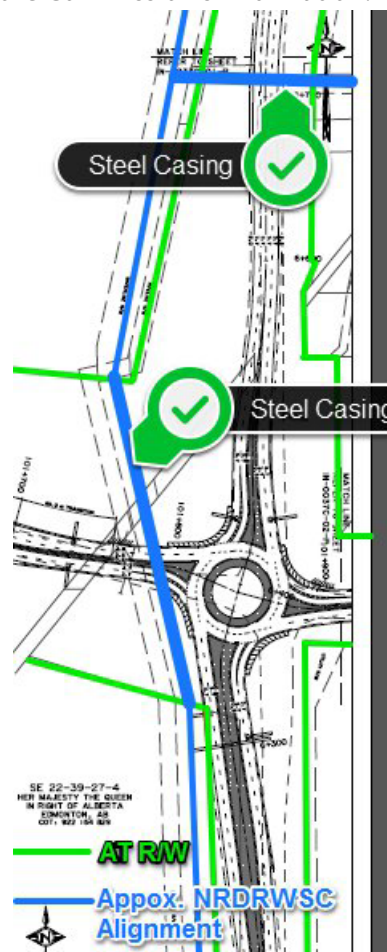
North Red Deer
Regional Water Services
Commission

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Phone: (403) 782-6666
Fax: (403) 782-5655

At its regular meeting on April 13, 2015 while discussing Administration's operational report a Commission member asked if a casing was installed under Highways 2A and 597.

Engineering services has since reviewed the asbuilt drawings and confirms that 1200mm DIA steel casings were installed the full length of the Alberta Transportation road allowances for both crossings. Below is a sketch showing the Alberta Transportation road allowance, approximate location of the NRDRWSC alignment and casing locations for the Commission's information.



A handwritten signature in black ink, appearing to read 'Jordan Thompson'.

Jordan Thompson, CET, PMP
Engineering Services Manager



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta
T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: August 7, 2015

RE: Administrator's Report – 2nd Qtr 2015

REF: 47/117
(2015)

The following is a summary of items Administration has been working on since the Board's last meeting:

1. Administrative staff continue to work on reviewing and updating the Commission's files on the right of way for the regional line and its lateral lines. One thing that is of concern is the lack of protection for the lateral lines assumed by the Commission. Many of these lines are in road right of ways and other public spaces with no actual right of way agreement or easement. This has already forced the Commission to work with the City of Lacombe to relocate the one of these lines to facilitate other municipal infrastructure. Staff will be working to establish formal right of ways and easements for these lines. The right of way for the main line appears to be fully registered on the affected titles.
2. Administrative staff reviewed request from a property owner in Ponoka County for a service connection for fire suppression. Staff turned down the request as it was for a simple hydrant connection. The line is not designed to handle such a request from both an operational and safety point of view.
3. Administrative staff had been in continued discussions with the City of Red Deer regarding an expanded request for water service in the annexed areas north of the City.

Respectfully submitted.



5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: August 7, 2015

RE: 2nd Quarter 2015 Variance Report

REF: 13/860
2015

Attached is the 2nd quarter 2015 variance report for the regional water commission. The report includes transactions to the end of June.

Strong water sales have continued and mean that the Commission remains on target to meet its budgeted surplus. A few items of note:

1. Water sales for most of the communities are at or above target sales for the year. These are records for Lacombe and Blackfalds in terms of actual consumption. Volumes are still in line with budget expectations. Consumption for July was also higher. Higher consumption is the result of increase in population in Blackfalds and Lacombe and drier conditions throughout the Commission service area.
2. Expenses remain in line with expectations. As previously reported, valve expenses for the year are already over budget. This valve costs relate to the replacement of the mechanical portion of the 8 inch valve at the 39th Avenue Reservoir in Ponoka.
3. All other expenses remain on target.

CITY OF LACOMBE
GL Department Report



GL5330

Page : 1

Date : Aug 07, 2015

Time : 9:31 am

Year : 2015

Period : 6

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
REGIONAL WATER REPORTING						
6 REGIONAL WATER COMMISSION						
1 REVENUES						
47 Regional Water Revenues						
06-1-47-35110	Water Sales - City of Lacombe	-253,691	-1,402,141	-2,613,223	-1,211,082	54
06-1-47-35120	Water Sales - Town of Ponoka	-132,269	-737,915	-1,445,462	-707,546	51
06-1-47-35130	Water Sales - Town of Blackfalds	-152,843	-763,083	-1,332,594	-569,510	57
06-1-47-35140	Water Sales - Ponoka County	-2,105	-8,219	-16,319	-8,100	50
06-1-47-42200	Line Crossing Fee	-250	-500	-1,750	-1,250	29
06-1-47-55100	Interest Revenue	-3,705	-21,792	-37,530	-15,738	58
06-1-47-55500	Rebates & Dividends	-350,632	-350,632	-50	350,582	701264
06-1-47-85140	Lacombe County Contribution	0	0	-67,000	-67,000	
06-1-47-85150	Ponoka County Contribution	0	0	-67,000	-67,000	
47 Regional Water Revenues		-895,494	-3,284,283	-5,580,927	-2,296,644	59
1 REVENUES		-895,494	-3,284,283	-5,580,927	-2,296,644	59
2 EXPENSES						
47 Regional Water Operating Expenditures						
06-2-47-11110	Board Wages-City of Lacombe	0	350	1,400	1,050	25
06-2-47-11120	Board Wages-Town of Ponoka	0	150	600	450	25
06-2-47-11130	Board Wages-Town of Blackfalds	0	150	600	450	25
06-2-47-11140	Board Wages-Lacombe County	0	0	600	600	
06-2-47-11150	Board Wages-Ponoka County	0	150	600	450	25
06-2-47-21110	Board Travel-City of Lacombe	0	0	500	500	
06-2-47-21120	Board Travel -Town of Ponoka	0	27	500	473	5
06-2-47-21130	Board Travel-Town of Blackfalds	0	15	500	485	3
06-2-47-21140	Board Travel-Lacombe County	0	0	500	500	
06-2-47-21150	Board Travel-Ponoka County	0	0	500	500	
06-2-47-21400	Membership Fees	0	0	200	200	
06-2-47-21500	Postage & Freight	0	0	150	150	
06-2-47-21700	Telephone - Office	25	151	305	155	49
06-2-47-21701	Telephone - Operations	669	4,015	9,084	5,070	44
06-2-47-23000	Management Fees	4,353	25,688	52,230	26,543	49
06-2-47-23100	Accounting and Auditor Fees	0	181	8,000	7,819	2
06-2-47-23200	Legal Fees	0	0	500	500	
06-2-47-23900	Other Professional Services	1,885	6,267	40,300	34,033	16
06-2-47-25300	Equipment Repair & Maintenance	538	3,635	7,500	3,865	48
06-2-47-25301	SCADA Maintenance	897	5,382	10,800	5,418	50
06-2-47-27400	Insurance & Bond Premiums	0	3,560	5,500	1,940	65
06-2-47-34200	Administration	812	4,792	9,744	4,952	49
06-2-47-35100	Purchase of Water	379,455	1,816,067	3,374,201	1,558,134	54
06-2-47-35200	Operations	9,656	57,247	107,580	50,333	53
06-2-47-51000	Miscellaneous Expenses	0	0	500	500	
06-2-47-51100	Meeting Supplies	0	0	250	250	
06-2-47-51400	Office Supplies	0	0	250	250	
06-2-47-52400	General Materials & Supplies	91	192	500	308	38
06-2-47-54400	Utilities-Electricity	254	1,994	5,000	3,006	40
06-2-47-56400	Valves	0	14,761	5,000	-9,761	295
06-2-47-81400	Bank Charges & Interest	0	20	0	-20	
06-2-47-83100	Debenture Interest	297,502	332,724	658,578	325,854	51
06-2-47-83200	Debenture Principal	273,186	304,726	616,323	311,597	49
06-2-47-99000	Amortization	0	0	465,610	465,610	

CITY OF LACOMBE
GL Department Report



GL5330

Page : 2

Date : Aug 07, 2015

Time : 9:31 am

Year : 2015

Period : 6

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
REGIONAL WATER REPORTING						
	47 Regional Water Operating Ex	969,323	2,582,244	5,384,405	2,802,161	48
	2 EXPENSES	969,323	2,582,244	5,384,405	2,802,161	48
	Surplus/(Deficit)	73,829	-702,039	-196,522	505,517	357
	6 REGIONAL WATER COMMISSION	73,829	-702,039	-196,522	505,517	357
	REGIONAL WATER REPORTING Total	73,829	-702,039	-196,522	505,517	357



ENVIRONMENTAL SERVICES

June 2, 2015

Michael Minchin, Commission Administrator
North Red Deer River Water Services Commission
c/o City of Lacombe
5432 – 56 AVE
Lacombe AB T4L 1E9

Dear Mr. Minchin,

Re: 2014 True-up Per the Water Supply Agreement

Each year, we review actual costs and actual usage for the regions and assess whether or not there should be a reconciliation of costs (i.e. a “true-up”). Based on Schedule E of the Water Supply Agreement, if actual usage and costs results in a variance compared to the amounts charged of more than 10%, a “true-up” amount will be charged or paid to reconcile the difference.

The 2014 budgeted revenue requirement for the water utility was \$23.68 million, but the actual revenue requirement was \$23.25 million; a net reduction of \$0.43 million from budget. The primary reason for this reduction is related to depreciation and cost of capital, which reduced by \$0.89 million and \$0.82 million respectfully because some anticipated capital expenses were deferred from 2014 to 2015. Operating costs also reduced by about \$0.09 million.

The overall water consumption projection of 14,552 ML was reasonably close to the actual of 14,179 ML (97%).

For the North Region, the actual cost allocated is \$3,018,454 and the actual consumption is 2,758,003 m³; or \$1.094/m³. This compares to actual revenue collected of \$3,369,086; resulting in a variance of **\$350,631.78**. Because the variance exceeds 10% of budget, this is an amount owing to the region.

A cheque in the amount of \$350,631.78 is included. Please give me a call if you have any questions or would like to discuss this matter further.

Yours truly,



Tom Warder, P. Eng.
Environmental Services Manager
SM/lms
attachment

- c. Director of Development Services
Environmental Services Administrative & Accounting Supervisor
Water Superintendent



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: August 7, 2015

RE: 2016-2020 Budget Projections

REF: 47/934
(2016)

Purpose

To present to the Board for discussion the first draft of the Commission's 2016-2020 Operations Budget.

Background

Administration has prepared an initial 5 year operations budget for the Regional Water Services Commission. This document is intended to provide the Board with a projection of the expected operations of the Commission for the period 2016-2020. The document is a planning document. Administration will be preparing a more detailed operating and capital budget for 2016 for the Board's approval.

This document is the first draft and is being presented for Board input. The report will be updated over the next few months in conjunction with the preparation of the 2016 budget.

The document is 3 pages. The first page outlines the cost escalators and projected City of Red Deer water rates. Page 2 outlines the forecasted water volumes for the Commission. Page 3 outlines the projected budget for the next 5 years.

Issue Analysis

The projections have been prepared based on the following assumptions:

1. Water forecasts based on a combination of 4 year average and expected growth.
2. Water loss based on 2% of total annual consumption.
3. Water forecast done on year by year basis.
4. City rate applied based on an average monthly consumption for first two months (non-seasonally adjusted).
5. City of Red Deer rates based on previous year's increase
6. Operations based on current customer base and current asset inventory.
7. Apply 2014 True up against rates over 4 years starting in 2017.
8. No change to debt payments.

9. Maintain annual operating surplus of \$150,000 per year.

The City of Red Deer has prepared a long term rate plan but has not yet identified the rates for the Commission in that report. Accordingly, Administration has used historic increases as a projection for future rate increases.

The plan itself calls for very stable rates over the next five years. This is due to increasing water demand and stable non water supply costs. The plan maintains a projected surplus of \$150,000 annually that could be applied against future rate increases and/or offset lower than expected water sales.

Water rate increases are projected to be minimal over the 5 year period.

Alternatives

1. The report is prepared for information. Administration is seeking input from the Board on any possible changes. No other alternatives are proposed at this time.

Attachment

- 2016-2020 Projected Operations Budget – North Red Deer Water Services Commission – version 1

Action/Recommendation

- Administration is recommending that this report be received for information.



North Red Deer River Water Services Commission

2016-2020 Project Operating Budget

Version 1

August 7, 2015

**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	1.29	1.33	1.37	1.41	1.45
% Increase		3.0%	3.0%	3.0%	3.0%	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	1,693,835	1,781,282	1,871,557	1,964,722	2,060,871
Ponoka	922,221	954,621	987,263	1,020,149	1,053,280
Blackfalds	873,988	937,131	1,003,922	1,074,561	1,149,241
Lacombe County (thru Blackfalds)	7,095	8,047	9,124	10,335	11,687
Ponoka County	12,965	16,705	21,509	27,678	35,583
Water Loss	<u>55,264</u>	<u>58,121</u>	<u>61,061</u>	<u>64,099</u>	<u>67,237</u>
Subtotal	3,565,368	3,755,907	3,954,436	4,161,544	4,377,899

<u>Water Sales Required</u>					
Cost of Water	3,565,368	3,755,907	3,954,436	4,161,544	4,377,899
Other Expenses	1,988,816	1,997,582	2,006,403	2,015,891	2,025,422
Less Non Water Revenue	- 176,761	- 230,261	- 283,830	- 287,471	- 291,184
Plus Surplus	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Subtotal	5,527,423	5,673,228	5,827,009	6,039,964	6,262,137

Water Volumes	2,721,010	2,780,290	2,841,880	2,905,990	2,972,870
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<u>Regional Water Rate</u>	2.03	2.031	2.041	2.050	2.078	2.106
		0.1%	0.4%	0.5%	1.4%	1.3%

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

Histocial 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>50,435</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	2,549,510	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%	0.90%	-16.72%
Water Loss (% of Total)		6.06%	2.38%	2.00%	1.63%	0.46%	1.93%	1.98%	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	4.0%	4.0%	4.0%	4.0%	4.0%
Lacombe County	10.0%	10.0%	10.0%	10.0%	10.0%
Ponoka County	25.0%	25.0%	25.0%	25.0%	25.0%
Water Loss	2.0%	2.0%	2.0%	2.0%	2.0%

	Budgeted <u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City of Lacombe	1,287,302	1,313,050	1,339,310	1,366,100	1,393,420	1,421,290
Town of Ponoka	712,050	714,900	717,760	720,630	723,510	726,400
Town of Blackfalds	651,450	677,510	704,610	732,790	762,100	792,580
Lacombe County	5,000	5,500	6,050	6,660	7,330	8,060
Ponoka County	8,039	10,050	12,560	15,700	19,630	24,540
Water Loss	<u>42,000</u>	<u>42,840</u>	<u>43,700</u>	<u>44,570</u>	<u>45,460</u>	<u>46,370</u>
	2,705,841	2,763,850	2,823,990	2,886,450	2,951,450	3,019,240

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

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	<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	\$ 2,667,312	\$ 2,732,884	\$ 2,801,060	\$ 2,896,158	\$ 2,993,845
Water Sales - Town of Ponoka	1,445,462	1,452,238	1,464,601	1,477,584	1,503,782	1,530,109
Water Sales - Town of Blackfalds	1,332,594	1,376,285	1,437,768	1,502,517	1,583,989	1,669,513
Water Sales - Lacombe County	-	11,173	12,345	13,656	15,235	16,978
Water Sales - Ponoka County	16,319	20,415	25,629	32,191	40,800	51,692
Line Crossing Fee	1,750	1,750	1,750	1,750	1,750	1,750
Interest Revenue	37,530	38,281	39,047	39,828	40,625	41,438
Rebates & Dividends	50	50	50	50	50	50
Lacombe County Contribution	67,000	68,340	69,707	71,101	72,523	73,973
Ponoka County Contribution	67,000	68,340	69,707	71,101	72,523	73,973
Rate Subsidization	-	-	50,000	100,000	100,000	100,000
Subtotal - Revenue	\$ 5,580,928	\$ 5,704,184	\$ 5,903,488	\$ 6,110,838	\$ 6,327,435	\$ 6,553,321
<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	204	208	212	216	220
Postage & Freight	150	153	156	159	162	165
Telephone - Office	305	320	600	600	600	600
Telephone - Operations	9,084	9,538	10,015	10,516	11,042	11,594
Management Fees	52,230	54,319	56,492	58,752	61,102	63,546
Accounting and Auditor Fees	8,000	8,000	8,000	8,000	8,320	8,320
Legal Fees	500	510	520	530	541	552
Other Professional Services	40,300	10,506	10,716	10,930	11,149	11,372
Equipment Repair & Maintenance	7,500	7,650	7,803	7,959	8,118	8,280
SCADA Maintenance	10,800	11,232	11,232	11,232	11,232	11,232
Insurance & Bond Premiums	5,500	5,610	5,722	5,836	5,953	6,072
Administration	9,744	10,134	10,539	10,961	11,399	11,855
Purchase of Water	3,374,201	3,565,368	3,755,907	3,954,436	4,161,544	4,377,899
Operations	107,580	111,883	116,358	121,012	125,852	130,886
Miscellaneous Expenses	500	515	530	546	562	579
Meeting Supplies	250	258	266	274	282	290
Office Supplies	250	258	266	274	282	290
General Materials & Supplies	500	515	530	546	562	579
Utilities-Electricity	5,000	5,250	5,513	5,789	6,078	6,382
Valves	5,000	5,150	5,305	5,464	5,628	5,797
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	\$ 5,384,405	\$ 5,554,184	\$ 5,753,489	\$ 5,960,839	\$ 6,177,435	\$ 6,403,321
Surplus/Deficit (+/-)	\$ 196,523	\$ 150,000	\$ 149,999	\$ 149,999	\$ 150,000	\$ 150,000