



**NORTH RED DEER RIVER WATER SERVICES COMMISSION**

**Regular Meeting**

**December 8, 2014 @ 9:00 AM**

**LACOMBE CITY HALL**

**AGENDA**

1. Call to Order
2. Adoption of Agenda
3. Adoption of Minutes
  - a. November 3, 2014 Regular Meeting (*attached*)
4. Reports
  - a. Operations (*attached*)
  - b. Administrator (*attached*)
    - i) Monthly Report
    - ii) Financial - November 2014 Interim
  - c. Chair
5. Information
  - a. 2015 Water Supply Rate Notification – City of Red Deer (*attached*)
6. Old Business
  - a. 2015 Commission Operating Budget – Submission for Approval
7. New Business
  - a. True Up – 2013 Supply Year – City of Red Deer (*attached*)
8. Next Meeting Date: April 13, 2015 – proposed
9. Adjournment

**NORTH RED DEER RIVER WATER SERVICES COMMISSION**  
**REGULAR MEETING MINUTES**  
**November 3, 2014**

**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, Lacombe

**Others Present:** Preston Weran, Director of Infrastructure, Town of Blackfalds  
Jordan Thompson, Engineering Manager, City of Lacombe  
Chris Huston, Utilities Manager, City of Lacombe

**1. Call to Order:**

*Chair Christie called the meeting to order at 9:03 am.*

**2. Adoption of the Agenda:**

*MOVED by Councillor Wigmore that the agenda for November 3, 2014 be adopted as presented.*

*CARRIED*

**3. Adoption of the Minutes:**

Mr. Huston asked that the September 8, 2014 minutes under "Operation Reports" be corrected to state following:

*"Responded to 1068 Alberta One-Call Locate requests; 119 - April; 326- May; 273 - June; 242- July; 108 - up till August 18. 75-80% of the calls are for locates for the new fibre optical lines and road widening within the town and area of Blackfalds."*

*MOVED by Mayor Stol that the minutes for September 8, 2014 be adopted as amended.*

*CARRIED*

**4. Reports**

Operator's Report

Mr. Thompson discussed the recent activities.

In summary:

- Responded to 430 Alberta One-Call Locate requests; August -182; September -145; October 28 - 103
- A graph was shared with the Commission comparing the years 2013 and 2014 for the requests for locates. November and December of 2014 are estimated to show the comparison.
- Completed the moving of the values for the 34<sup>th</sup> Street road widening & realignment.
- Entered into Crossing Agreements with Lacombe Market Square and with the Town of Blackfald for their new subdivisions.
- Made repairs to the Riverside site due to value failing to close.
- Representatives from Rotork and Summit Values are working with Operations to investigate value malfunctions at Luca.
- The remaining four values will be replaced in 2015 after the 2014 replaced values have been working without issues.

### Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Completed the first draft of the 2015 operating budget
- Waiting for the final executed agreement between the Commission, Blackfalds and the County for the water sales to the industrial park.
- Working at cataloguing the right of way agreements and ensuring they are registered on title.
- Will be meeting with Red Deer to discuss the 2015 water rates.

Mr. Minchin presented the Financial 3<sup>rd</sup> Quarter report.

In summary:

- Water sales are at or above targeted sales.
- Replacement of the four values are completed and reflected in the operating statements. The remaining four have been budgeted for 2015.
- Incurred hydrovac costs with the expansion of 34<sup>th</sup> Street.
- The water leak and associated road repairs costs in Ponoka are the only unbudgeted items for 2014.
- The Commission is on track to meet the targeted surplus for 2014.

### Chairman's Report

Chair Christies presented the Chairman's report:

- Is excited to have signed the agreement with Lacombe Market Square.
- While at a meeting in Ponoka was approached with and asked about supplying water to Maskwacis. The Commission members commented that when the line was first being constructed they had been in conversation with them but Maskwacis chose at that time not to be part of the final construction. Administration has been waiting for a formal request but has yet to receive anything.

*MOVED by Councillor Wigmore to accept the reports as information.*

*CARRIED*

## **5. Old Business:**

## **6. New Business:**

### 2015 Operating Budget

Mr. Minchin presented to the Commission with the proposed operating budget for 2015. Key items that were pointed out are:

- Water Rate from the City of Red Deer are set to increase. Offsetting the increase is the projected water volume sales.
- Small increase to *Other Professional Services* for the replacement of the values.
- Reduction in *Accounting Services* with the new audit services contract.
- Reduction in *Board Meeting* expenses – meeting only 4 times a year, not 5 as originally budgeted.
- Increase to Management and Operation Fees based on June 1<sup>st</sup> increase.

Mr. Minchin asked the Commission to take the proposed budget to their respective Council for review and comments.

*MOVED by Councillor Matejka to accept as information and to send out for review and comments from the Municipalities.*

*CARRIED*

## **7. Round Table**

- Mayor Bonnett expressed concerns with the Riverside Reservoir in Ponoka being too small for the Town. The Town of Ponoka will be responsible for the expansion if required.
- Councillor Matejka asked if there is something in place if Maskwacis does approach the Commission for water. Mr. Minchin replied that Administration would review prior correspondence to determine the conditions for inclusion into the Commission.
- Councillor Wigmore commented that the subdivision south of Blackfalds is booming. He has heard that Pidherney's is preparing strip another location in that area.
- Mayor Stol shared with the Commission that one of the developers in Blackfalds has removed trees that are on the Commission's right of way. Blackfalds had done everything to preserve them. It was an error by the contractor. The developer will be responsible for placing them. Mr. Thompson added that he has been made aware of the issue and is working with the developer to correct the issue.
- Mr. Minchin advised the Commission that once he has confirmed the 2015 years rates with the City of Red Deer he will provide the Commission with the updated information to share with their respective Councils.

**8. Information**

**9. In Camera**

**10. Next Meeting:**

Monday, December 8, 2014 at 9 am, City of Lacombe Council Chambers.

**11. Adjournment:**

*MOVED by Mayor Bonnett to adjourn this Meeting at 9:30 am.*

*CARRIED*

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Chairperson

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Administrator

# M E M O R A N D U M



## North Red Deer River Water Services Commission

5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

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

jthompson@lacombe.ca

December 8, 2014

Attn: NRDRWSC Commission

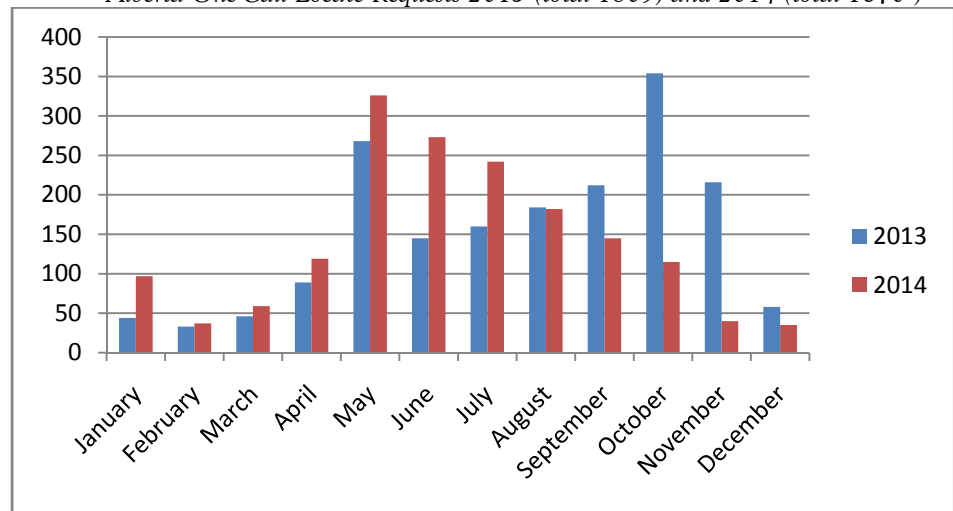
**Re: Operational Report since November 3, 2014 to current**

Since the last update provided to members of the Commission (November, 2014), the City of Lacombe has dealt with the following:

### GENERAL ISSUES

- Responded to 40 Alberta One-Call Locate Requests:
  - November – 40 locates

*Alberta One-Call Locate Requests 2013 (total 1809) and 2014 (total 1670<sup>1</sup>)*



*<sup>1</sup> Requests for December 2014 are estimated*

Repair response charges:

- Nov. 6<sup>th</sup>- 7<sup>th</sup> – Trouble with actuator valve at Wolf Creek, had Summit Valve visit site to reprogram actuator.
- Nov. 26<sup>th</sup> – UPS battery backup at Lucas died, replaced pack with new one.

Call-Out:

- N/A

Crossing/Proximity Agreements -

- N/A

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

Sincerely,

Jordan Thompson, CET, PMP  
Engineering Services Manager



5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

## Memorandum

**TO:** Commission Board Members

**FROM:** Michael Minchin, Administrator

**DATE:** October 31, 2014

**RE:** Administrator's Report – 3<sup>rd</sup> Qtr 2014

REF: 47/117  
(2014)

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

1. Administration has completed the first draft of the 2015 operating budget for the Board's review.
2. Administration is waiting for the final executed agreements between the Commission, Blackfalds and Lacombe County regarding sale of water to the industrial park west of Blackfalds.
3. Staff are currently working with Lacombe County regarding construction of the new 34<sup>th</sup> Street/Range Road 26-4 Bypass Road. The Commission's water line runs through this area. Above ground equipment is being relocated at the City of Lacombe's expense.
4. Administration staff have begun the process of cataloguing all of the right of way agreements and ensuring the agreements are registered on relevant titles. This project is expected to continue into the year.
5. Staff have a meeting with City of Red Deer in early November to review the City's water rate model and proposed 2015 water rates.



5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

## Memorandum

**TO:** Commission Board Members

**FROM:** Michael Minchin, Administrator

**DATE:** December 3, 2014

**RE:** November 2014 Interim Variance

REF: 13/860  
2014

Attached is the 2014 interim variance report for the regional water commission to the end of November. The report includes transactions to the end of October as well as a number of transactions to the end of November. Water purchases and sales for November have not yet been included in the statements.

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 targets are also well above historic sales figures for the Commission. October and November continued that trend.
2. The Commission received the 2013 true-up payment which is shown as a \$409,800 item under rebates revenue. Future true-up will be applied against the water by the City of Red Deer.
3. All other expenditures have been incurred or will be within projections to the end of the year.



**CITY OF LACOMBE**  
**GL Department Report**



**GL5330**

**Page :** 1

**Date :** Dec 03, 2014

**Time :** 4:21 pm

**Year :** 2014

**Period :** 11

**Budget :** FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
<b>REGIONAL WATER REPORTING</b>						
<b>6 REGIONAL WATER COMMISSION</b>						
<b>1 REVENUES</b>						
<b>47 Regional Water Revenues</b>						
06-1-47-35110	Water Sales - City of Lacombe	0	-2,247,573	-2,443,966	-196,392	92
06-1-47-35120	Water Sales - Town of Ponoka	0	-1,205,546	-1,431,150	-225,604	84
06-1-47-35130	Water Sales - Town of Blackfalds	0	-1,149,362	-1,248,769	-99,407	92
06-1-47-35140	Water Sales - Ponoka County	0	-12,895	-11,021	1,874	117
06-1-47-42200	Line Crossing Fee	0	-1,500	-1,000	500	150
06-1-47-55100	Interest Revenue	0	-32,068	-33,000	-932	97
06-1-47-55500	Rebates & Dividends	-409,800	-409,800	-50	409,750	819600
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	
<b>47 Regional Water Revenues</b>		<b>-409,800</b>	<b>-5,058,743</b>	<b>-5,302,955</b>	<b>-244,212</b>	<b>95</b>
<b>1 REVENUES</b>		<b>-409,800</b>	<b>-5,058,743</b>	<b>-5,302,955</b>	<b>-244,212</b>	<b>95</b>
<b>2 EXPENSES</b>						
<b>47 Regional Water Operating Expenditures</b>						
06-2-47-11110	Board Wages-City of Lacombe	350	1,050	1,750	700	60
06-2-47-11120	Board Wages-Town of Ponoka	150	450	750	300	60
06-2-47-11130	Board Wages-Town of Blackfalds	150	450	750	300	60
06-2-47-11140	Board Wages-Lacombe County	0	0	750	750	
06-2-47-11150	Board Wages-Ponoka County	150	450	750	300	60
06-2-47-21110	Board Travel-City of Lacombe	0	0	500	500	
06-2-47-21120	Board Travel -Town of Ponoka	17	77	500	423	15
06-2-47-21130	Board Travel-Town of Blackfalds	15	45	500	455	9
06-2-47-21140	Board Travel-Lacombe County	0	0	500	500	
06-2-47-21150	Board Travel-Ponoka County	30	30	500	470	6
06-2-47-21170	Travel-Administration	0	205	0	-205	
06-2-47-21400	Membership Fees	0	195	200	5	98
06-2-47-21500	Postage & Freight	0	50	150	100	34
06-2-47-21700	Telephone - Office	0	251	305	55	82
06-2-47-21701	Telephone - Operations	0	6,875	9,084	2,209	76
06-2-47-23000	Management Fees	4,267	46,019	50,202	4,184	92
06-2-47-23100	Accounting and Auditor Fees	0	202	8,900	8,698	2
06-2-47-23200	Legal Fees	0	0	500	500	
06-2-47-23900	Other Professional Services	783	65,276	38,372	-26,904	170
06-2-47-25300	Equipment Repair & Maintenance	0	22,541	7,500	-15,041	301
06-2-47-25301	SCADA Maintenance	0	8,073	10,800	2,727	75
06-2-47-27400	Insurance & Bond Premiums	45	45	5,500	5,455	1
06-2-47-34200	Administration	804	7,813	9,366	1,553	83
06-2-47-35100	Purchase of Water	0	2,810,576	3,114,356	303,780	90
06-2-47-35200	Operations	0	94,339	96,300	1,961	98
06-2-47-51000	Miscellaneous Expenses	0	42	500	458	8
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	0	257	500	243	51
06-2-47-54400	Utilities-Electricity	0	3,163	5,000	1,837	63
06-2-47-56400	Valves	16	9,110	5,000	-4,110	182
06-2-47-83100	Debenture Interest	0	381,924	685,458	303,534	56
06-2-47-83200	Debenture Principal	0	322,289	589,443	267,154	55
06-2-47-99000	Amortization	0	0	465,610	465,610	

CITY OF LACOMBE  
GL Department Report



GL5330

Page : 2

Date : Dec 03, 2014

Time : 4:21 pm

Year : 2014

Period : 11

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
REGIONAL WATER REPORTING						
	47 Regional Water Operating Ex	6,777	3,781,796	5,110,796	1,329,000	74
	2 EXPENSES	6,777	3,781,796	5,110,796	1,329,000	74
	Surplus/(Deficit)	-403,023	-1,276,947	-192,159	1,084,788	665
	6 REGIONAL WATER COMMISSION	-403,023	-1,276,947	-192,159	1,084,788	665
	REGIONAL WATER REPORTING Total	-403,023	-1,276,947	-192,159	1,084,788	665



ENVIRONMENTAL SERVICES

November 14, 2014

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: North Red Deer River Water Services Commission  
2015 Water Supply Rates**

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We have recently evaluated our water rate and financial models and have tentatively established rates for 2015, subject to Council approval. Please be advised that the unit rate for the supply of water under the Water Supply Agreement with the North Red Deer River Water Services Commission (NRDRWSC) is expected to increase to \$1.25 per cubic metre, effective March 1, 2015.

The NRDRWSC rate was calculated on a cost of service basis, utilizing the principles set out in the American Water Works Association manuals of practice. The price was derived using an estimated volume of 2,604,595 cubic metres, which is a 4% increase over the forecast 2014 volume of 2,501,900. The 2015 rate is an increase of 2.5% above the 2014 rate of \$1.22

As per the Water Supply Agreement, we will prepare a “true-up” reconciliation following our 2015 year-end to develop an actual cost per cubic metre based on actual costs and supply volumes. We will then issue an invoice or credit if the actual unit cost is more than 10% above or below that used during the course of the year.

Yours truly,

Tom Warder, P. Eng.  
Environmental Services Manager

sm/

c. Water Superintendent  
Development Services Director  
Environmental Services Office Supervisor





5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

## Memorandum

**TO:** Commission Board Members

**FROM:** Michael Minchin, Administrator

**DATE:** December 4, 2014

**RE:** 2015 Operational Budget – 2<sup>nd</sup> Draft      **REF:** 47/934/2015

Administration has prepared a preliminary operating budget for 2015 for the Commission's review. There are no capital expenditures forecasted for 2015.

The updated 2015 draft operating is based on a 2.62% increase in water rates from the City of Red Deer based on the most recent information obtained by the City. The increase is the result of updates to the water model for City and in particular the north part of the City. The preliminary rate from the City is expected to increase from \$1.22 to \$1.252 per cubic metre. This review last year resulted in a decrease in 2014. **The details of the rate and impact on the budget are outlined on page 3.** The City of Red Deer will have final rates in the new year (effective for March 1<sup>st</sup>).

Offsetting this increase in cost is a projected increase in water volume sales. 2014 is on target to see the highest water sales (by volume) since the Commission began operations in 2006. Water volumes are expected to increase by 4.5% from 2013 to 2014. Administration is using 2014 actual volumes as the forecasted volumes for 2015. Included in the estimate is a change to the water loss estimate as well as the inclusion of water volumes from Lacombe County's industrial park. **Water forecasts are outlined in page 4 of this document.**

In addition to water purchases and sales volume estimates adjustments, Administration has also reviewed all expenses for the Commission and made a number of adjustments. The following a summary of those adjustments. **The operating budget starts on page 5.**

1. Increase of \$4,530 in interest revenue to reflect growing cash balances.
2. Minor reduction in meeting expenses for board meetings to reflect 4 meetings instead of 5.
3. Increase of Management Fees based on a June 1<sup>st</sup> increase. \$2,028 increase.
4. Decrease in audit fees of \$900 to reflect new agreement.

5. Increase of \$1,928 for other professional services to reflect additional costs for Alberta First Call. The \$30,000 for actuator valve replacement program remains in order to complete the final phase of the program in 2015.
6. Increase Administration (accounting services) based on a June 1<sup>st</sup> increase. \$378
7. Water purchases are based on projected water volumes and the new City of Red Deer rate.
8. Operations costs have been increased to reflect increase staff demand for responding to Alberta First Calls.
9. Amortization remains unchanged. As this is a non-cash expense, the reserve policy will see this transferred to capital reserves at the end of the year in 2014.

Water rates for the Commission to member municipalities would remain unchanged at \$2.03 per cubic metre. The budget may have to be adjusted once the proposed rate from the City is confirmed.

The surplus increases slightly over 2014 budget by \$4,200. Any actual surplus would be added to the operating reserve as per policy. The surplus would also be used should there be any "true-up" charges.

The budget is being presented for Commission approval.

**North Red Deer River Water Services Commission**  
**2015 Water Rate Calculations**

Page 3

2014 City of Red Deer Rate	\$	1.220
2015 City of Red Deer Projected Rate	\$	1.252
% Change		2.62%

<u>Water Purchases</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
Lacombe	108,125	94,427	1,084,750	1,287,302
Ponoka	58,528	51,178	602,344	712,050
Blackfalds	51,216	43,748	556,486	651,450
Lacombe County (thru Blackfalds)	-	-	5,000	5,000
Ponoka County	579	455	7,005	8,039
Water Loss	5,088	8,908	28,004	42,000
Subtotal	223,536	198,716	2,283,589	2,705,841

Price per m3	1.2200	1.2200	1.2520
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<u>Cost of Water</u>				
City	131,912.50	115,200.94	1,358,106.94	1,605,220.38
Ponoka	71,404.16	62,437.16	754,134.69	887,976.01
Blackfalds	62,483.52	53,372.56	696,720.47	812,576.55
Lacombe County (thru Blackfalds)	-	-	6,260.00	6,260.00
Ponoka County	706.38	555.10	8,769.75	10,031.23
Water Loss	6,207.36	10,867.76	35,061.01	52,136.13
Subtotal	272,713.92	242,433.52	2,859,052.86	3,374,200.30

Other Expenses (Includes Amortization)				<u>2,010,204.00</u>
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Total Operating Costs				5,384,404.30
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Less non-water Revenue				<u>173,330.00</u>
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Total Water Sale Revenue Required				5,211,074.30
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<u>Water Sales Required</u>				
City	219,493.75	191,686.81	2,202,042.41	2,613,222.97
Ponoka	118,811.84	103,891.34	1,222,758.32	1,445,461.50
Blackfalds	103,968.48	88,808.44	1,129,666.58	1,322,443.50
Lacombe County	-	-	10,150.00	10,150.00
Ponoka County	1,175.37	923.65	14,219.32	16,318.34
Subtotal	443,449.44	385,310.24	4,578,836.63	5,407,596.31
Operating Surplus				196,522.01
Price per m3	\$	2.0300	\$	2.0300

Rate Increase				0.00%
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**North Red Deer River Water Services Commission  
2015 Water Sales Forecast**

	2014 Projected			2014	
	<u>Jan to Sept</u>	<u>Oct to Dec</u>	<u>Total</u>	<u>Budget</u>	<u>Variance</u>
City of Lacombe	995,484	331,828	1,327,312	1,203,924	9.30%
Town of Ponoka	537,433	179,144	716,577	705,000	1.62%
Town of Blackfalds	509,270	169,757	679,027	615,157	9.41%
Lacombe County	-	-	-	-	0.00%
Ponoka County	6,254	2,085	8,339	5,429	34.89%
Water Loss	17,869	5,956	23,825	20,000	16.06%
	<u>2,066,310</u>	<u>688,770</u>	<u>2,755,080</u>	<u>2,549,510</u>	<u>7.46%</u>

**2015 (Estimated)**

	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
City of Lacombe	108,125	94,427	1,084,750	1,287,302
Town of Ponoka	58,528	51,178	602,344	712,050
Town of Blackfalds	51,216	43,748	556,486	651,450
Lacombe County	-	-	5,000	5,000
Ponoka County	579	455	7,005	8,039
Water Loss	5,088	8,908	28,004	42,000
	<u>223,536</u>	<u>198,716</u>	<u>2,283,589</u>	<u>2,705,841</u>

	<u>Actual 2007</u>	<u>Actual 2008</u>	<u>Actual 2009</u>	<u>Actual 2010</u>	<u>Actual 2011</u>	<u>Actual 2012</u>	<u>Actual 2013</u>	<u>Budgeted 2014</u>	<u>Estimated 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	1,203,924	1,287,302
Town of Ponoka	795,012	866,298	767,791	703,634	700,402	699,781	699,205	705,000	712,050
Town of Blackfalds	462,420	478,435	515,855	524,584	526,983	564,434	593,449	615,157	651,450
Lacombe County	-	-	-	-	-	0	-	-	5,000
Ponoka County	-	116,099	4,844	2,705	3,560	4,662	5,771	5,429	8,039
Water Loss	42,469	171,715	61,116	48,296	39,407	11,252	49,987	20,000	42,000
	<u>2,468,723</u>	<u>2,832,978</u>	<u>2,569,227</u>	<u>2,414,673</u>	<u>2,421,300</u>	<u>2,472,133</u>	<u>2,589,061</u>	<u>2,549,510</u>	<u>2,705,841</u>

City of Lacombe	2.70%	1.60%	-6.90%	1.36%	3.57%	4.08%	-2.96%	6.93%
Town of Ponoka	8.97%	-11.37%	-8.36%	-0.46%	-0.09%	-0.08%	0.83%	1.00%
Town of Blackfalds	3.46%	7.82%	1.69%	0.46%	7.11%	5.14%	3.66%	5.90%
Lacombe County								
Ponoka County		-95.83%	-44.16%	31.61%	30.96%	23.79%	-5.93%	48.07%
Water Loss		304.33%	-64.41%	-20.98%	-18.41%	-71.45%	344.25%	110.00%
		14.75%	-9.31%	-6.02%	0.27%	2.10%	-1.53%	6.13%

# CITY OF LACOMBE

## Budget Department by Category



GL5290  
Date : Dec 04, 2014

Page 5

From Category: 0 To Category: 97  
Account Code: 06-1-??-????? To : 06-2-??-?????

Account Code	Account Description	2013 FINAL BUDGET	2014 ACTUAL VALUES	2014 FINAL BUDGET	2015 PROVISIONA L BUDGET	Variance	Var %
<b>REGIONAL WATER COMMISSION</b>							
<b>REVENUES</b>							
<b>Regional Water Revenues</b>							
06-1-47-35110	Water Sales - City of Lacombe	2,423,743	2,247,573	2,443,966	2,613,224	-169,258	6.48
06-1-47-35120	Water Sales - Town of Ponoka	1,519,131	1,205,546	1,431,150	1,445,461	-14,311	0.99
06-1-47-35130	Water Sales - Town of Blackfalds	1,164,466	1,149,362	1,248,768	1,332,593	-83,825	6.29
06-1-47-35140	Water Sales - Ponoka County	13,365	12,895	11,022	16,319	-5,297	32.46
06-1-47-42100	Water Sales	0	0	0	0	0	0.00
06-1-47-42200	Line Crossing Fee	0	1,500	1,000	1,750	-750	42.86
06-1-47-55100	Interest Revenue	14,910	32,068	33,000	37,530	-4,530	12.07
06-1-47-55500	Rebates & Dividends	50	409,800	50	50	0	0.00
06-1-47-83100	Federal Grants	0	0	0	0	0	0.00
06-1-47-84100	Provincial Grants	0	0	0	0	0	0.00
06-1-47-85100	Municipal Grants	0	0	0	0	0	0.00
06-1-47-85140	Lacombe County Contribution	67,000	0	67,000	67,000	0	0.00
06-1-47-85150	Ponoka County Contribution	67,000	0	67,000	67,000	0	0.00
06-1-47-99000	Misc Revenue	0	0	0	0	0	0.00
Total REVENUES		5,269,665	5,058,744	5,302,956	5,580,927	-277,971	
06-2-47-11100	Wages	0	0	0	0	0	0.00
06-2-47-11110	Board Wages-City of Lacombe	1,750	1,050	1,750	1,400	-350	-25.00
06-2-47-11120	Board Wages-Town of Ponoka	750	450	750	600	-150	-25.00
06-2-47-11130	Board Wages-Town of Blackfalds	750	450	750	600	-150	-25.00
06-2-47-11140	Board Wages-Lacombe County	750	0	750	600	-150	-25.00
06-2-47-11150	Board Wages-Ponoka County	750	450	750	600	-150	-25.00
06-2-47-13000	Payroll Benefits	0	0	0	0	0	0.00
06-2-47-21100	Board Travel Expenses	0	0	0	0	0	0.00
06-2-47-21110	Board Travel-City of Lacombe	500	0	500	500	0	0.00
06-2-47-21120	Board Travel -Town of Ponoka	500	77	500	500	0	0.00
06-2-47-21130	Board Travel-Town of Blackfalds	500	45	500	500	0	0.00
06-2-47-21140	Board Travel-Lacombe County	500	0	500	500	0	0.00
06-2-47-21150	Board Travel-Ponoka County	500	30	500	500	0	0.00
06-2-47-21170	Travel-Administration	0	205	0	0	0	0.00
06-2-47-21180	Travel - Operations	0	0	0	0	0	0.00
06-2-47-21400	Membership Fees	200	195	200	200	0	0.00
06-2-47-21500	Postage & Freight	350	50	150	150	0	0.00
06-2-47-21600	Staff & Volunteer Appreciation	0	0	0	0	0	0.00
06-2-47-21700	Telephone - Office	305	251	305	305	0	0.00
06-2-47-21701	Telephone - Operations	9,240	6,875	9,084	9,084	0	0.00
06-2-47-22100	Advertising & Promotion	0	0	0	0	0	0.00
06-2-47-23000	Management Fees	48,825	46,019	50,202	52,230	2,028	3.88
06-2-47-23100	Accounting and Auditor Fees	8,875	202	8,900	8,000	-900	-11.25
06-2-47-23200	Legal Fees	1,000	0	500	500	0	0.00
06-2-47-23900	Other Professional Services	44,100	65,276	38,372	40,300	1,928	4.78
06-2-47-25300	Equipment Repair & Maintenance	15,000	22,541	7,500	7,500	0	0.00
06-2-47-25301	SCADA Maintenance	11,500	8,073	10,800	10,800	0	0.00
06-2-47-26200	Building Rent	0	0	0	0	0	0.00
06-2-47-26300	Equipment Rentals	0	0	0	0	0	0.00
06-2-47-27400	Insurance & Bond Premiums	5,500	45	5,500	5,500	0	0.00
06-2-47-34200	Administration	6,782	7,813	9,366	9,744	378	3.88
06-2-47-35100	Purchase of Water	3,164,829	2,810,576	3,114,356	3,374,200	259,844	7.70
06-2-47-35200	Operations	100,000	94,339	96,300	107,580	11,280	10.49
06-2-47-51000	Miscellaneous Expenses	500	42	500	500	0	0.00
06-2-47-51100	Meeting Supplies	250	0	250	250	0	0.00
06-2-47-51200	Safety Gear	0	0	0	0	0	0.00
06-2-47-51400	Office Supplies	250	0	250	250	0	0.00



## Budget Department by Category



From Category: 0 To Category: 97  
 Account Code: 06-1-??-????? To : 06-2-??-?????

Account Code	Account Description	2013 FINAL BUDGET	2014 ACTUAL VALUES	2014 FINAL BUDGET	2015 PROVISIONA L BUDGET	Variance	Var %
06-2-47-51500	Computer Services	0	0	0	0	0	0.00
06-2-47-52400	General Materials & Supplies	500	257	500	500	0	0.00
06-2-47-54400	Utilities-Electricity	5,000	3,163	5,000	5,000	0	0.00
06-2-47-56400	Valves	5,000	9,110	5,000	5,000	0	0.00
06-2-47-76100	Transfer to Operating Reserve	0	0	0	0	0	0.00
06-2-47-76200	Transfer to Capital Reserve	0	0	0	0	0	0.00
06-2-47-81400	Bank Charges & Interest	0	0	0	0	0	0.00
06-2-47-83100	Debenture Interest	711,164	381,924	685,458	658,578	-26,880	-4.08
06-2-47-83200	Debenture Principal	563,737	322,289	589,443	616,323	26,880	4.36
06-2-47-92700	Uncollectable Trade Accounts	0	0	0	0	0	0.00
06-2-47-96800	Information Services Recovery	0	0	0	0	0	0.00
06-2-47-99000	Amortization	465,610	0	465,610	465,610	0	0.00
Total EXPENSES		5,175,767	3,781,797	5,110,796	5,384,404	273,608	
Regional Water Revenues Surplus/(Deficit)		93,898	1,276,947	192,160	196,523	-4,363	
Report Total -->		93,898	1,276,947	192,160	196,523	-4,363	



5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

## Memorandum

**TO:** Commission Board Members

**FROM:** Michael Minchin, Administrator

**DATE:** December 4, 2014

**RE:** 2013 True Up from City of Red Deer

REF: 47/451  
(2014)

Attached is a letter dated November 6, 2014 from the City of Red Deer regarding the true-up for 2013. As a result of the true up calculation for 2013, the Commission has received a cheque in the amount of \$409,800.

The true up is the reconciliation process for the water sales agreement between the City and Commission. The calculation is based on the difference between actual revenue collected by the City from the Commission and the original calculated amount. If the difference varies by 10%, a true up payment or invoice is generated. This is the first time since 2009 that a true up of more than 10% has occurred.

The 2013 true up will show as rebate revenue in the statements for the Commission in 2014 (subject to final audit) and will flow and end up as part of the operating surplus. Future true up will be applied against the rate charged by the City.

By policy annual operating surpluses are being allocated to the Commission's operating reserve until the target amount is achieved.

For information, the following is the balance of the Commission Reserves.

Operating Reserve (2013 operating surplus)	\$ 903,613 (target \$1,161,296)
Capital Reserve	<u>1,209,169</u>
Total	\$2,112,782

The Commission is anticipated to reach the operating target by the end of 2014.

This report is provided for information.

471451  
2017



ENVIRONMENTAL SERVICES

November 6, 2014

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: 2013 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 2013 budgeted tariff revenue requirement for the water utility was \$21.74, but the actual tariff revenue requirement was \$18.49 million; a net reduction of \$3.25 million from budget. The primary reason for this reduction is related to depreciation and cost of capital, which reduced by \$2.3 and \$0.6 million respectfully because some anticipated capital expenses were deferred from 2013 to 2014. Operating costs also reduced by about \$0.3 million.

The overall water consumption projection of 14,590 ML was reasonably close to the actual of 14,273 ML (98%).

For the North Region, the actual cost allocated is \$2,756,527 and the actual consumption is 2,589,061 m<sup>3</sup>; or \$1.06/m<sup>3</sup>. This compares to actual revenue collected of \$3,166,327; resulting in a variance of **\$409,800**. Because the variance exceeds 10% of budget, this is an amount owing to the region.



A cheque in the amount of \$409,800 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  
Director of Corporate Services  
Financial Services Manager  
Environmental Services Administrative & Accounting Supervisor  
Water Utility Superintendent