



**NORTH RED DEER RIVER WATER SERVICES COMMISSION**

**Regular Meeting**

**October 17, 2016 @ 9:00 AM**

LACOMBE CITY HALL

AGENDA

1. Call to Order
2. Adoption of Agenda
3. Adoption of Minutes
  - a. September 26, 2016 - Regular Meeting (*attached*)
4. Presentation
5. Reports

No reports at this time
6. Correspondence
7. Old Business
  - a. Red Deer Servicing Agreement – Verbal Update
8. New Business
  - a. 2017 Operating and Capital Budget
  - b. 2017-2021 Operating Plan
9. In Camera
10. Next Meeting Date: December 5, 2016 (proposed)
11. Adjournment

**NORTH RED DEER RIVER WATER SERVICES COMMISSION**  
**REGULAR MEETING MINUTES**  
**September 26, 2016**

**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  
Albert Frootman, CAO Town of Ponoka  
Terry Hager, Lacombe County Commissioner  
Preston Weran, Director of Infrastructure, Town of Blackfalds  
Chris Huston, Utilities Manager, City of Lacombe

**1. Call to Order:**

*Chair Christie called the meeting to order at 9:06 am.*

**2. Adoption of the Agenda:**

*MOVED by Mayor Bonnett that the agenda for September 26, 2016, be adopted as presented.*

CARRIED

**3. Adoption of the Minutes:**

*MOVED by Councillor Wigmore that the minutes for April 18, 2016, be adopted as presented.*

CARRIED

*MOVED by Mayor Stol that the minutes for the Special Meeting on August 22, 2016, be adopted as presented.*

CARRIED

**4. Presentation**

**5. Reports**

Operator's Report

Mr. Huston discussed the recent activities.

In summary:

- The Alberta One locates have been busier this year and do not see a decrease in calls until the fall.
- Attended to a repair at the main vault due to it being damaged from a mower
- Received a few call-outs due to data transmission errors in the Region's monitoring system.

### Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Water Supply Agreement is with Red Deer for review and signing. Just waiting on final versions for signing. The next step will be to forward agreements to the Minister.
- Have completed a rate model for the supply of water to the Red Deer.
- The 2017 Budget is currently being compiled. Will have the information to the Commission for review before the October meeting.

Mr. Minchin presented the financial report.

In summary:

- Water sales are right on target. August amounts are low due to the precipitation that occurred through month.
- Expenses remain in line with expectations.
- The revenues show the 2015 true-up.

### Chairman's Report

The Chair shared that the North Red Deer River Wastewater Commission is moving forward with the line.

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

CARRIED

## **6. Correspondence/Information**

### City of Red Deer Conservation, Efficiency and Productivity Plan

The Commission received the link to the plan and is encouraged to go online to review it.

*MOVED by Councillor Matejka to accept as information.*

CARRIED

## **7. Old Business:**

### Ten-year Water Requirement Reassessment Report

Mr. Minchin shared the comments from Alberta Environment and Sustainable with the Commission confirming the Commission's current water diversion amount. The next reassessment is due on and before January 31, 2026.

*MOVED by Councillor Wigmore to accept as information.*

CARRIED

**8. New Business:**

Administration and Operations Service Agreement

Mr. Minchin provided the Commission with options for delivery of administrative and operational services by the City of Lacombe.

*MOVED by Mayor Stol to defer the decision on the agreement to allow further review by the other municipalities on providing the management and operation service. Mayor Stol has asked that the Administrator to send out a Request for Proposal.*

CARRIED

**9. IN Camera**

**10. Next Meeting:**

Monday, October 17, 2016 at 9 am, City of Lacombe Council Chambers.

**11. Adjournment:**

*MOVED by Councillor Wigmore to adjourn this Meeting at 9:37 am.*

CARRIED

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Administrator



**North Red Deer  
Regional Water  
Services  
Commission**

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

## Memorandum

**TO:** Commission Board Members

**FROM:** Michael Minchin, Administrator

**DATE:** October 14, 2016

**RE:** 2017 Operational Budget – 1<sup>st</sup> Draft

REF: 47/934/2017

Administration has prepared a preliminary operating budget for 2017 for the Commission's review. There are no capital expenditures forecasted for 2017.

The 2017 draft operating is based on a 3.85% increase in water rates from the City of Red Deer based on the most recent information obtained by the City. Administration is waiting on formal notification of the rate increase from the City. The preliminary rate from the City is expected to increase from \$1.30 to \$1.35 per cubic metre. **The details of the rate and impact on the budget are outlined on page 3.** The City of Red Deer's new rate will be effective for March 1, 2017.

Water volumes for 2017 have been reduced from the estimates from the 2016 budget. Actual consumption for 2016 was lower than forecasted and Administration is forecasting slower growth in the coming years. Included in the estimate is a change to the water loss estimate as well as the inclusion of water volumes from the City of Red Deer. **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 \$1,511 in interest revenue to reflect growing cash balances.
2. Increase of \$390 to reflect actual billing revenue to Counties.
3. Reduction in Board travel and mileage of \$1,000 to reflect actual expenses.
4. Increase in membership fees of \$100 to offset increase in AAMD&C membership.
5. Reduction in postage of \$100.
6. Increase in Telephone – Office of \$95.
7. Increase of Management Fees based on a January 1<sup>st</sup> increase. \$1,407 increase.
8. Increase in Other Professional Services of \$10,000. Increase SCADA review, which is being carried over from 2016, from \$20,000 to \$30,000.

9. Reduction in legal fees of \$750. Easement and right of way legal search project completed in 2016.
10. Reduction in SCADA costs to reflect new lower monthly rate. Savings of \$2,950.
11. Reduction in Insurance of \$1,611. This is subject to change based on November renewals.
12. Increase Administration (accounting services) based on a January 1<sup>st</sup> increase. \$257.
13. Increase in Operations costs to reflect increased rates effective January 1st.
14. Water purchases are based on projected water volumes and the new City of Red Deer rate.
15. Reduction in Miscellaneous, Meeting and Office Supplies to reflect historic averages. Overall savings of \$550.
16. Reduction in electricity costs to reflect current electricity rates. Factor has been included to cover carbon tax implementation for 2017.
17. 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 2017.
18. Funding from rate stabilization reserve of \$158,000 to offset rate increase from City and reduced water volumes.

Water rates for the Commission to member municipalities would remain unchanged at \$2.03 per cubic metre.

Projections have been included in the 5 year budget for 2017-2021.

The budget is being presented for Commission review and comment.

**North Red Deer River Water Services Commission  
2017 Water Rate Calculations**

2016 City of Red Deer Rate	\$ 1.300
2017 City of Red Deer Projected Rate	\$ 1.350
 % Change	 3.85%

<u>Water Purchases</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
Lacombe	101,251	88,595	1,075,794	1,265,640
Ponoka	56,670	49,587	602,123	708,380
Blackfalds	59,329	51,913	630,369	741,610
Lacombe County (thru Blackfalds)	1,890	1,654	20,081	23,625
Ponoka County	748	655	7,948	9,350
City of Red Deer	1,667	1,667	16,666	20,000
Water Loss	4,443	3,888	47,209	55,540
 Subtotal	 225,999	 197,957	 2,400,189	 2,824,145

Price per m3	1.3000	1.3000	1.3500
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<u>Cost of Water</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
City	131,626.56	115,173.24	1,452,321.90	1,699,121.70
Ponoka	73,671.52	64,462.58	812,866.05	951,000.15
Blackfalds	77,127.44	67,486.51	850,997.48	995,611.43
Lacombe County (thru Blackfalds)	2,457.00	2,149.88	27,109.69	31,716.57
Ponoka County	972.40	850.85	10,729.13	12,552.38
City of Red Deer	2,167.10	2,167.10	22,499.10	26,833.30
Water Loss	5,776.16	5,054.14	63,732.15	74,562.45
 Subtotal	 293,798.18	 257,344.30	 3,240,255.50	 3,791,397.98

Other Expenses (Includes Amortization)	<u>2,026,017.00</u>
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Total Operating Costs	5,817,414.98
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Less non-water Revenue	<u>342,931.00</u>
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Total Water Sale Revenue Required	5,474,483.98
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<u>Water Sales Required</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
City	205,539.94	179,847.44	2,183,861.82	2,569,249.20
Ponoka	115,040.91	100,660.80	1,222,309.69	1,438,011.40
Blackfalds	120,437.46	105,382.78	1,279,648.06	1,505,468.30
Lacombe County	3,836.70	3,357.11	40,764.94	47,958.75
Ponoka County	1,518.44	1,328.64	16,133.43	18,980.51
City of Red Deer	3,117.29	3,117.29	31,165.42	37,400.00

Subtotal	449,490.74	393,694.06	4,773,883.36	5,617,068.16
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Operating Surplus	142,584.18
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Price per m3	\$ 2.0300	\$ 2.0300	\$ 2.0300
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Rate Increase	0.00%
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**North Red Deer River Water Services Commission  
2017 Water Sales Forecast**

	2016 Projected		Total	2016 Budget	Variance
	Jan to Sept	Oct to Dec			
City of Lacombe	956,314	296,792	1,253,106	1,313,050	-4.78%
Town of Ponoka	531,659	173,896	705,555	714,930	-1.33%
Town of Blackfalds	566,664	146,421	713,085	699,660	1.88%
Lacombe County	16,875	5,625	22,500	5,450	75.78%
Ponoka County	7,342	1,560	8,902	9,650	-8.40%
Water Loss	<u>40,836</u>	<u>13,612</u>	<u>54,448</u>	<u>42,840</u>	<u>21.32%</u>
	2,119,690	637,906	2,757,596	2,785,580	-1.01%

**2017 (Estimated)**

	2017 (Estimated)			Total
	January	February	March to December	
City of Lacombe	101,251	88,595	1,075,794	1,265,640
Town of Ponoka	56,670	49,587	602,123	708,380
Town of Blackfalds	59,329	51,913	630,369	741,610
Lacombe County	1,890	1,654	20,081	23,625
Ponoka County	748	655	7,948	9,350
City of Red Deer	1,667	1,667	16,666	20,000
Water Loss	<u>4,443</u>	<u>3,888</u>	<u>47,209</u>	<u>55,540</u>
	225,999	197,957	2,400,189	2,824,145

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Projected 2016	Estimated 2017
City of Lacombe	1,219,621	1,135,454	1,150,948	1,192,004	1,240,649	1,328,507	1,361,741	1,253,106	1,265,640
Town of Ponoka	767,791	703,634	700,402	699,781	699,205	706,460	715,080	705,555	708,380
Town of Blackfalds	515,855	524,584	526,983	564,434	593,449	678,191	752,324	713,085	741,610
Lacombe County	-	-	-	22,500	-	-	-	22,500	23,625
Ponoka County	4,844	2,705	3,560	4,662	5,771	7,336	8,383	8,902	9,350
City of Red Deer									20,000
Water Loss	<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>52,169</u>	<u>54,448</u>	<u>55,540</u>
	2,569,227	2,414,673	2,421,300	2,494,633	2,589,061	2,758,003	2,889,697	2,757,596	2,824,145

City of Lacombe	1.60%	-6.90%	1.36%	3.57%	4.08%	7.08%	2.50%	-7.98%	1.00%
Town of Ponoka	-11.37%	-8.36%	-0.46%	-0.09%	-0.08%	1.04%	1.22%	-1.33%	0.40%
Town of Blackfalds	7.82%	1.69%	0.46%	7.11%	5.14%	14.28%	10.93%	-5.22%	4.00%
Lacombe County									5.00%
Ponoka County	-95.83%	-44.16%	31.61%	30.96%	23.79%	27.12%	14.27%	6.19%	5.03%
City of Red Deer									0.00%
Water Loss	-64.41%	-20.98%	-18.41%	-71.45%	344.25%	-24.96%	39.08%	4.37%	2.01%
Total	-9.31%	-6.02%	0.27%	3.03%	3.79%	6.53%	4.77%	-4.57%	2.41%



**CITY OF LACOMBE**  
**Provisional Budget Report**



Account Code : 06-1-47-?????  
 To 06-2-47-?????  
 Fiscal Year : 2016

Account Code	Account Description	CC1	CC2	2015 ACTUAL VALUES	2016 ACTUAL VALUES	2016 FINAL BUDGET	2017 PROVISIONAL BUDGET
<b>06</b>	<b>REGIONAL WATER COMMISSION</b>						
<b>REVENUES</b>							
06-1-47-35110	Water Sales - City of Lacon			-2,764,334	-1,941,317	-2,665,494	-2,569,249
06-1-47-35120	Water Sales - Town of Ponoka			-1,451,612	-1,079,268	-1,451,308	-1,438,011
06-1-47-35130	Water Sales - Town of Blackfoot			-1,527,218	-1,150,328	-1,431,375	-1,553,427
06-1-47-35140	Water Sales - Ponoka Cour			-17,017	-14,904	-19,592	-18,981
06-1-47-35150	Water Sales - City of Red Cl			0	0	0	-37,400
06-1-47-42200	Line Crossing Fee			-1,000	0	-1,750	-1,000
06-1-47-55100	Interest Revenue			-43,757	-32,310	-42,000	-43,511
06-1-47-55500	Rebates & Dividends			-350,662	-348,357	-50	-30
06-1-47-85140	Lacombe County Contributi			-69,143	0	-70,000	-70,195
06-1-47-85150	Ponoka County Contributio			-69,143	0	-70,000	-70,195
06-1-47-92100	Transfer from Reserves			0	0	0	-158,000
06-1-47-99000	Misc Revenue			0	-323	0	0
<b>Total REVENUES</b>				<b>-6,293,886</b>	<b>-4,566,807</b>	<b>-5,751,569</b>	<b>-5,959,999</b>
<b>EXPENSES</b>							
06-2-47-11110	Board Wages-City of Lacon			1,400	700	1,400	1,400
06-2-47-11120	Board Wages-Town of Ponoka			600	300	600	600
06-2-47-11130	Board Wages-Town of Blackfoot			600	300	600	600
06-2-47-11140	Board Wages-Lacombe Co			0	0	600	600
06-2-47-11150	Board Wages-Ponoka Cour			300	300	600	600
06-2-47-21100	Board Travel Expenses			0	11	0	0
06-2-47-21110	Board Travel-City of Lacom			0	0	500	0
06-2-47-21120	Board Travel -Town of Ponoka			109	53	500	250
06-2-47-21130	Board Travel-Town of Blackfoot			59	30	500	250
06-2-47-21140	Board Travel-Lacombe Cou			0	0	500	250
06-2-47-21150	Board Travel-Ponoka Coun			30	30	500	250
06-2-47-21170	Travel-Administration			100	0	0	0
06-2-47-21400	Membership Fees			196	296	200	300
06-2-47-21500	Postage & Freight			0	0	50	50
06-2-47-21700	Telephone - Office			301	204	305	400
06-2-47-21701	Telephone - Operations			8,447	5,381	9,084	8,072
06-2-47-23000	Management Fees			52,316	31,066	54,321	55,728
06-2-47-23100	Accounting and Auditor Fee			8,031	393	8,000	8,000
06-2-47-23200	Legal Fees			0	288	1,250	500
06-2-47-23900	Other Professional Services			41,712	6,418	36,800	46,800
06-2-47-25300	Equipment Repair & Mainte			17,497	861	7,500	7,500
06-2-47-25301	SCADA Maintenance			11,481	6,126	11,280	8,300
06-2-47-27400	Insurance & Bond Premium			4,157	3,252	5,500	3,889
06-2-47-34200	Administration			9,760	7,452	10,135	10,392
06-2-47-35100	Purchase of Water			3,597,885	2,412,942	3,600,362	3,791,398
06-2-47-35200	Operations			111,314	65,683	111,883	121,300
06-2-47-51000	Miscellaneous Expenses			264	0	500	250
06-2-47-51100	Meeting Supplies			25	0	250	50
06-2-47-51400	Office Supplies			0	120	250	150
06-2-47-52400	General Materials & Supplie			490	212	500	500

## Provisional Budget Report



Account Code : 06-1-47-?????

To 06-2-47-?????

Fiscal Year : 2016

Account Code	Account Description	CC1	CC2	2015 ACTUAL VALUES	2016 ACTUAL VALUES	2016 FINAL BUDGET	2017 PROVISIONAL BUDGET
06-2-47-54400	Utilities-Electricity			3,525	1,833	4,500	3,500
06-2-47-56400	Valves			12,701	1,510	5,000	5,000
06-2-47-81400	Bank Charges & Interest			20	20	0	25
06-2-47-83100	Debenture Interest			656,651	318,828	630,473	601,086
06-2-47-83200	Debenture Principal			616,323	318,622	644,428	673,815
06-2-47-99000	Amortization			465,610	0	465,610	465,610
<b>Total EXPENSES</b>				<b>5,621,904</b>	<b>3,183,231</b>	<b>5,614,481</b>	<b>5,817,415</b>
<b>Total REGIONAL WATER COMMISSION</b>				<b>-671,982</b>	<b>-1,383,576</b>	<b>-137,088</b>	<b>-142,584</b>



**North Red Deer  
Regional Water  
Services  
Commission**

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

# Memorandum

**TO:** Commission Board Members  
**FROM:** Michael Minchin, Administrator  
**DATE:** October 14, 2016  
**RE:** 2017-2021 Budget Projections

REF: 47/934  
(2017)

## Purpose

To present to the Board for discussion the first draft of the Commission's 2017-2021 Operational Budget.

## Background

Administration has prepared an updated 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 2017-2021. The document is a planning document and is the basis for the 2017 operating budget.

This document is the first draft and is being presented for Board input.

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 projections provided by the City.
6. Operations based on current customer base and current asset inventory.
7. Application of known true up reserves including true up revenue received in 2016.
8. No change to debt payments.
9. Maintain annual operating surplus of \$125,000 to \$145,000 per year.
10. Include projected City of Red Deer water revenue for 2017 and 2018.

11. Impact of potential sale of a portion of line to the City is not yet factored in but expected to be completed by end of 2018.

Administration is awaiting an updated 5 year rate projection from the City and is using most recent information from the City.

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 \$125,000 annually that could be applied against future rate increases and/or offset lower than expected water sales.

Given the projected water rate increases from the City, the Commission's rate is expected to increase starting in 2018 even with the application of true up reserves.

#### 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

- 2017-2021 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**

**2017-2021 Project Operating Budget**

**Draft 1**

**October 17, 2016**

\*City of Red Deer Rates based on Aug 27, 2014 for 2017 to 2020.

**North Red Deer River Water Services Commission  
2017 -2021 Assumptions**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b><u>City of Red Deer Rate</u></b>	1.35	1.41	1.54	1.59	1.64
% Increase	3.8%	4.4%	9.2%	3.0%	3.0%

<b><u>Cost Escalators</u></b>	2017	2018	2019	2020	2021
Rates					
General	1%	1%	1%	1%	1%
Utilities	5%	5%	5%	5%	5%
Materials	3%	3%	3%	3%	3%
Contract	2%	2%	2%	2%	2%

**Cost of Water**

Lacombe	1,699,122	1,802,403	1,988,263	2,073,344	2,159,929
Ponoka	951,000	1,002,806	1,099,637	1,139,887	1,180,439
Blackfalds	995,611	1,087,491	1,235,265	1,326,378	1,422,815
Lacombe County (thru Blackfalds)	31,717	34,976	40,112	43,485	47,101
Ponoka County	12,552	13,846	15,877	17,220	18,647
City of Red Deer	26,833	28,200	-	-	-
Water Loss	<u>74,562</u>	<u>79,877</u>	<u>88,981</u>	<u>93,715</u>	<u>98,597</u>
Subtotal	3,791,398	4,049,599	4,468,135	4,694,029	4,927,528

**Water Sales Required**

Cost of Water	3,791,398	4,049,599	4,468,135	4,694,029	4,927,528
Other Expenses	2,026,017	2,031,324	2,036,788	2,042,211	2,047,756
Less Non Water Revenue	- 342,931	- 336,770	- 488,627	- 340,503	- 292,397
Plus Surplus	<u>145,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Subtotal	5,619,484	5,869,153	6,141,296	6,520,737	6,807,887
Water Sales Volume (excl loss)	2,768,605	2,815,406	2,843,607	2,893,279	2,944,470

<b><u>Regional Water Rate</u></b>	2.030	2.085	2.160	2.254	2.312
	0.00%	2.71%	3.60%	4.35%	2.57%

**North Red Deer River Water Services Commission  
2017 -2021 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>	Actual <u>2015</u>	2016 <u>Projected</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	1,361,741	1,253,106
Town of Ponoka	795,012	866,298	767,791	703,634	700,402	699,781	699,205	706,460	715,080	705,555
Town of Blackfalds	462,420	478,435	515,855	524,584	526,983	564,434	593,449	678,191	752,324	713,085
Lacombe County	-	-	-	-	-	-	-	-	-	22,500
Ponoka County	-	116,099	4,844	2,705	3,560	4,662	5,771	7,336	8,383	8,902
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>52,169</u>	<u>54,448</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	2,889,697	2,757,596
Change										
City of Lacombe		2.70%	1.60%	-6.90%	1.36%	3.57%	4.08%	7.08%	2.50%	-7.98%
Town of Ponoka		8.97%	-11.37%	-8.36%	-0.46%	-0.09%	-0.08%	1.04%	1.22%	-1.33%
Town of Blackfalds		3.46%	7.82%	1.69%	0.46%	7.11%	5.14%	14.28%	10.93%	-5.22%
Lacombe County										
Ponoka County				-44.16%	31.61%	30.96%	23.79%	27.12%	14.27%	6.19%
Water Loss		304.33%	-64.41%	-20.98%	-18.41%	-71.45%	344.25%	-24.96%	39.08%	4.37%
Water Loss (% of Total)		6.06%	2.38%	2.00%	1.63%	0.46%	1.93%	1.36%	1.81%	1.97%

**Sales Volume Forecast**

% Changes	Actual <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>
City of Lacombe	-8.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Town of Ponoka	-1.3%	0.4%	0.4%	0.4%	0.4%	0.4%
Town of Blackfalds (excluding Coun	-5.2%	4.0%	4.0%	4.0%	4.0%	4.0%
Lacombe County (County Estimate)	n/a	5.0%	5.0%	5.0%	5.0%	5.0%
Ponoka County (County Estimate)	6.2%	5.0%	5.0%	5.0%	5.0%	5.0%
City of Red Deer	n/a	n/a	0.0%	-100.0%		
Water Loss	4.4%	2.0%	2.0%	2.0%	2.0%	2.0%

	Budget <u>2016</u>	Projected <u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City of Lacombe	1,313,050	1,253,106	1,265,640	1,278,300	1,291,080	1,303,990	1,317,030
Town of Ponoka	714,930	705,555	708,380	711,210	714,050	716,910	719,780
Town of Blackfalds	699,660	713,085	741,610	771,270	802,120	834,200	867,570
Lacombe County	5,450	22,500	23,625	24,806	26,047	27,349	28,720
Ponoka County	9,650	8,902	9,350	9,820	10,310	10,830	11,370
City of Red Deer			20,000	20,000	-	-	-
Water Loss	<u>42,840</u>	<u>54,448</u>	<u>55,540</u>	<u>56,650</u>	<u>57,780</u>	<u>58,940</u>	<u>60,120</u>
	2,785,580	2,757,596	2,824,145	2,872,056	2,901,387	2,952,219	3,004,590

**North Red Deer River Water Services Commission  
2017 -2021 Operations Budget**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	Projected	Projected	Projected	Projected	Projected	Projected
<b><u>Revenues</u></b>						
Water Sales - City of Lacombe	\$ 2,543,805	\$ 2,569,249	\$ 2,665,256	\$ 2,788,733	\$ 2,939,193	\$ 3,044,973
Water Sales - Town of Ponoka	1,432,277	1,438,011	1,482,873	1,542,348	1,615,915	1,664,131
Water Sales - Town of Blackfalds	1,447,563	1,505,468	1,608,098	1,732,579	1,880,287	2,005,822
Water Sales - Lacombe County	45,675	47,959	51,721	56,262	61,645	66,401
Water Sales - Ponoka County	18,071	18,981	20,475	22,270	24,411	26,287
Water Sales - City of Red Deer	-	37,400	37,400	-	-	-
Line Crossing Fee	250	1,000	1,000	1,000	1,000	1,000
Interest Revenue	43,080	43,511	43,946	44,385	44,829	45,277
Rebates & Dividends	348,387	30	30	30	30	30
Lacombe County Contribution	69,500	70,195	70,897	71,606	72,322	73,045
Ponoka County Contribution	69,500	70,195	70,897	71,606	72,322	73,045
Rate Subsidization	-	158,000	150,000	300,000	150,000	100,000
Subtotal - Revenue	<u>\$ 6,018,108</u>	<u>\$ 5,959,999</u>	<u>\$ 6,202,593</u>	<u>\$ 6,630,819</u>	<u>\$ 6,861,954</u>	<u>\$ 7,100,011</u>
<b><u>Expenses</u></b>						
Board Wages-City of Lacombe	\$ 1,750	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
Board Wages-Town of Ponoka	750	600	600	600	600	600
Board Wages-Town of Blackfalds	750	600	600	600	600	600
Board Wages-Lacombe County	-	600	600	600	600	600
Board Wages-Ponoka County	750	600	600	600	600	600
Board Travel-City of Lacombe	-	-	-	-	-	-
Board Travel -Town of Ponoka	133	250	250	250	250	250
Board Travel-Town of Blackfalds	148	250	250	250	250	250
Board Travel-Lacombe County	-	250	250	250	250	250
Board Travel-Ponoka County	120	250	250	250	250	250
Travel- Administration	11	-	-	-	-	-
Membership Fees	296	300	303	306	309	312
Postage & Freight	50	50	51	52	53	54
Telephone - Office	306	400	400	400	400	400
Telephone - Operations	8,072	8,072	8,476	8,900	9,345	9,812
Management Fees	54,321	55,728	56,843	57,980	59,140	60,323
Accounting and Auditor Fees	8,393	8,000	8,000	8,160	8,160	8,160
Legal Fees	288	500	505	510	515	520
Other Professional Services	8,557	46,800	47,268	47,741	48,218	48,700
Equipment Repair & Maintenance	5,000	7,500	7,575	7,651	7,728	7,805
SCADA Maintenance	8,300	8,300	8,383	8,467	8,552	8,638
Insurance & Bond Premiums	3,850	3,889	3,928	3,967	4,007	4,047
Administration	10,135	10,392	10,600	10,812	11,028	11,249
Purchase of Water	3,584,875	3,791,398	4,049,599	4,468,135	4,694,029	4,927,528
Operations	111,883	121,300	123,726	126,201	128,725	131,300
Miscellaneous Expenses	250	250	258	266	274	282
Meeting Supplies	50	50	52	54	56	58
Office Supplies	150	150	155	160	165	170
General Materials & Supplies	300	500	515	530	546	562
Utilities-Electricity	2,750	3,500	3,800	3,990	4,190	4,400
Valves	3,000	5,000	5,150	5,305	5,464	5,628
Bank Charges & Interest	20	25	25	25	25	25
Debenture Interest	630,473	601,086	570,359	538,231	504,637	469,512
Debenture Principal	644,428	673,815	704,542	736,670	770,264	805,389
Amortization	465,610	465,610	465,610	465,610	465,610	465,610
Subtotal - Expenses	<u>\$ 5,555,767</u>	<u>\$ 5,817,415</u>	<u>\$ 6,080,923</u>	<u>\$ 6,504,923</u>	<u>\$ 6,736,240</u>	<u>\$ 6,975,284</u>
<b>Surplus/Deficit (+/-)</b>	<u>\$ 462,341</u>	<u>\$ 142,584</u>	<u>\$ 121,670</u>	<u>\$ 125,896</u>	<u>\$ 125,714</u>	<u>\$ 124,727</u>
<b><u>Rate Stabilization Reserve</u></b>						
Opening Balance	760,432	1,108,789	950,789	800,789	500,789	350,789
Annual True Up	348,357	-	-	-	-	-
Withdrawal	-	158,000	150,000	300,000	150,000	100,000
Closing Balance	<u>1,108,789</u>	<u>950,789</u>	<u>800,789</u>	<u>500,789</u>	<u>350,789</u>	<u>250,789</u>