

**2020 DRAFT AMMENDED
Operating Budget**

**Highway 12/21 Regional Water Services Commission
2020 Projected Sale of Water Rate**

OPERATING REVENUE

		2019 Budget	2019 To Aug 31st	2020 Budget	% Change	2021 Forecast	2022 Forecast
1-00-00-410	Sale of Water	724,890	408,146	705,170	-2.72%	713,750	718,050
1-00-00-510	Penalties and Costs	-	-	-	0.00%	-	-
1-00-00-551	Interest Income	-	1,682	2,500	0.00%	2,550	2,600
1-00-00-556	Dividends	-	-	-	0.00%	-	-
1-00-00-840	Provincial Conditional Grants	-	-	-	0.00%	-	-
1-00-00-750	Local Government Contributions	176,120	81,083	198,680	12.81%	200,020	201,390
TOTAL OPERATING REVENUE		901,010	490,911	906,350	6.95%	916,320	922,040

OPERATING EXPENDITURES

2-00-00-214	Membership Fees	200	-	200	0.00%	200	200
2-00-00-216	Postage & Courier	500	181	500	0.00%	510	520
2-00-00-217	Telephone & Communication	24,100	15,388	23,400	-2.90%	23,870	24,350
2-00-00-230	Contract Administration	43,800	21,900	44,700	2.05%	45,590	46,500
2-00-00-231	Accounting & Contract Service	56,850	35,229	64,550	13.54%	65,840	67,160
2-00-00-232	Legal Fees	1,000	-	1,000	0.00%	1,020	1,040
2-00-00-250	Purchased Line Repairs & Maintenanc	25,000	29,847	25,000	0.00%	25,500	26,010
2-00-00-251	Contract Pipeline Operation	86,020	46,257	87,500	1.72%	89,250	91,040
2-00-00-260	Rentals	2,100	100	2,100	0.00%	2,140	2,180
2-00-00-270	Licenses, Permits, Insurance	7,590	6,414	7,900	4.08%	8,060	8,220
2-00-00-510	Goods and Supplies	7,500	847	5,000	-33.33%	5,100	5,200
2-00-00-520	Small Tools & Equipment	2,500	400	1,500	-40.00%	1,530	1,560
2-00-00-540	Purchase of Water	362,100	198,183	336,430	-7.09%	340,820	340,820
2-00-00-541	Utilities	14,950	10,885	14,790	-1.07%	15,150	15,480
2-00-00-810	Bank Charges & Short Term Interest	1,500	39	500	-66.67%	510	520
2-00-00-815	Amortization	455,680	-	453,350	-0.51%	453,350	453,350
2-00-00-831	Interest on Long Term Debt	108,150	44,482	116,570	7.79%	111,360	105,910
2-00-00-920	Allowance for Doubtful Accounts	-	-	-	0.00%	-	-
TOTAL EXPENDITURES		1,199,540	410,152	1,184,990	5.22%	1,189,800	1,190,060
Surplus/(Deficit)		(298,530)	80,759	(278,640)	-6.66%	(273,480)	(268,020)
Add back non-cash Items							
Amortization Expense		455,680	-	453,350	-0.51%	453,350	453,350
Adjust for cash items not recognized as revenues and expenses							
2-00-00-762	Reserve Contributions	(60,000)	-	(60,000)	0.00%	(60,000)	(60,000)
2-00-00-832	Current Portion of Long Term Debt	(97,150)	(43,604)	(114,710)	-66.67%	(119,890)	(125,340)
Budget Balance		-	37,156	-		(20)	(10)

1-00-00-410

SALE OF WATER

Sale of water by the commission to member municipalities

Historical Consumption in cubic meters

	2015	2016	2017	2018	2019
					As of Aug 31st
Village of Alix	70,125	81,854	98,195	56,639	41,444
Village of Ferintosh	15,052	18,156	19,264	15,004	7,525
Hamlet of Mirror	48,548	41,320	36,815	37,941	24,577
Hamlet of Duhamel	1,481	1,616	1,750	1,781	1,215
Hamlet of New Norway	22,992	24,316	22,766	20,390	12,690
Truck Fill	0	0	3,454	8,143	7,278
Bashaw	0	0	0	87,750	60,862
Total	158,198	167,261	182,244	227,648	155,591

2020	Estimate Cu. Meters	Rate	Total
Village of Alix	53,000	3.09	163,510
Village of Ferintosh	16,283	3.09	50,230
Hamlet of Mirror	40,000	3.09	123,400
Hamlet of Duhamel	1,540	3.09	4,750
Hamlet of New Norway	19,282	3.09	59,480
Town of Bashaw	90,000	3.09	277,650
Camrose County Fill Station	8,478	3.09	26,150
Total	228,583		

705,170

1-00-00-510

PENALTIES AND COSTS

Penalties charged on overdue Accounts Receivable Invoices
Penalties charged at a rate of 2%

2015	0
2016	0
2017	0
2018	0
2019	0 to Aug 31st

2020 Estimate

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1-00-00-551

INTEREST INCOME

Interest paid to the general account at a rate of prime minus 2.5%
Net of interest paid to capital projects.

2015	4,753
2016	1,567
2017	1,220
2018	1,318
2019	1,682 to Aug 31st

2020 Estimate	2,500	2,500
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1-00-00-556

DIVIDENDS

AAMDC Dividend

2015	22
2016	22
2017	19
2018	0
2019	0 to Aug 31st

2020 Estimate	-	-
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1-00-00-840

PROVINCIAL CONDITIONAL GRANTS

Provincial operating grants

2015	0
2016	0
2017	0
2018	0
2019	0 to Aug 31st

2020 No Grants Anticipated	-	-
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1-00-00-750

LOCAL GOVERNMENT CONTRIBUTIONS

Participating municipalities contribution to debenture debt reduction and contribution to Operating Reserve

Debenture # 4000616 Annual Repayment	\$133,742.18
Debenture # 4000830 Annual Repayment	\$25,807.10
Debenture #4001869 Annual Repayment	\$24,660.84
Debenture #4002563 Annual Repayment	<u>\$47,039.28</u>
2020 Debenture costs	\$231,249.40

Village of Alix	28.20%	65,212	-	
Town of Bashaw	10.75%	24,859	-	
Lacombe County	15.66%	36,214	36,214	
Hamlet of Mirror	6.47%	14,962	-	
Village of Clive	7.70%	17,806	17,806	
Village of Edberg	2.62%	6,059	6,059	
Village of Ferintosh	3.07%	7,099	-	
Hamlet of New Norway	5.10%	11,794	-	
Hamlet of Duhamel	0.64%	1,480	-	
Camrose County Water Rate	0.17%	393	-	
Camrose County	19.62%	<u>45,371</u>	<u>45,371</u>	
		231,249	105,450	105,450

Operating Reserve 60,000

Village of Alix	28.20%	16,920	-	
Town of Bashaw	10.75%	6,450	-	
Lacombe County	15.66%	9,396	9,396	
Hamlet of Mirror	6.47%	3,882	-	
Village of Clive	7.70%	4,620	4,620	
Village of Edberg	2.62%	1,572	1,572	
Hamlet of Ferintosh	3.07%	1,842	-	
Hamlet of New Norway	5.10%	3,060	-	
Hamlet of Duhamel	0.64%	384	-	
Camrose County Water Rate	0.17%	102	-	
Camrose County	19.62%	<u>11,772</u>	<u>11,772</u>	
		60,000	27,360	27,360

Participating municipalities contribution to administrative and board costs

2020 Estimated costs attributed to the Board of Directors	<u>116,450</u>		
Number of members	6		
Cost per member	19,408	x 2	38,817
Lacombe County Portion of \$19,393 less Mirror			13,738
Camrose County Portion of \$19,393 less Duhamel, New Norway, Ferintosh & fill station			13,315

Note* The Town of Bashaw, Village of Alix and the Hamlets of Mirror, New Norway, Ferintosh and Duhamel contribution to board costs, debt reduction and operating reserve contribution included in the rate for sale of water

198,680

**2020 DRAFT AMMENDED Operating Budget Highway 12/21 Regional Water Services Commission
2020 Projected Sale of Water Rate**

2-00-00-214 MEMBERSHIP FEES

	2015 <u>Actual</u>	2016 <u>Actual</u>	2017 <u>Actual</u>	2018 <u>Actual</u>	2019 <u>to Aug 31st</u>	2020 Estimate
Membership in RMA	195	195	195	183	0	200

200

2-00-00-216 POSTAGE & COURIER

Reimbursement to Lacombe County for postage & courier relative to the administration of the financial records of the Commission
Courier and freight charges to ship supplies from suppliers

2015	469					
2016	311					
2017	509					
2018	278					
2019	181	to Aug 31st				
2020 Estimate					500	

500

2-00-00-217 TELEPHONE & COMMUNICATION

Data Costs

2015	17,743					
2016	19,461					
2017	19,468					
2018	22,458					
2019	15,355	to Aug 31st				
2020 Estimate - Data Costs for Line Operations					23,400	

23,400

**2020 DRAFT AMMENDED Highway 12/21 Regional Water Services Commission
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2-00-00-230 CONTRACT ADMINISTRATION

Management of the Water Commission on a sub-contract basis.

2015	39,600
2016	40,800
2017	42,000
2018	42,900
2019	21,900 to Aug 31st

2020 Estimate	44,700	44,700
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2-00-00-231 ACCOUNTING & CONTRACT SERVICE

	to Aug 31st					
	2015	2016	2017	2018	2019	2020
Accounting & Administration services	37,120	39,330	40,300	41,260	21,040	43,230
Audit Fees	10,598	11,485	9,593	6,042	10,229	10,550
Sage -Financial Software	-	-	960	1,496	1,310	2,500
AB One Call	444	558	738	753	108	1,000
Computer Maintenance	-	-	269	-	-	270
Business Plan Review	-	-	-	-	-	7,000
Other	-	-	-	229	-	-

64,550

2-00-00-232 PROFESSIONAL - LEGAL

Costs relative to services provided by the legal profession

2015	0
2016	0
2017	0
2018	0
2019	0 to Aug 31st

2020	1,000	1,000
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**2020 DRAFT AMMENDED Highway 12/21 Regional Water Services Commission
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2-00-00-250 PURCHASED LINE REPAIRS & MAINTENANCE

Costs relative to repair and maintenance provided for line operations, that are not conducted by member municipalities

2015	9,848
2016	43,896
2017	41,829
2018	39,363
2019	29,847 to Aug 31st

2020 Estimate 25,000

25,000

2-00-00-251 CONTRACT PIPELINE OPERATION

Pipeline checks conducted by member municipalities
Includes Line locates and maintenance and on-call service

2015	63,515
2016	66,892
2017	70,483
2018	66,393
2019	46,257 to Aug 31st

2020 Estimate 87,497

87,500

2-00-00-260 RENTALS

Office facility rental

2015	600
2016	700
2017	700
2018	175
2019	100 to Aug 31st

2020 Estimate - Board Costs 600
Lease Agreement - Camrose County 1,500

2,100

2-00-00-270

LICENSES, PERMITS, INSURANCE

Insurance

Master Bond & Crime	2015	352	
	2016	352	
	2017	357	
	2018	366	
	2019	290 to Aug 31st	
	2020 Estimate		370

Property	2015	687	
	2016	2,120	
	2017	2,238	
	2018	2,267	
	2019	2,009 to Aug 31st	
	2020 Estimate		3,810

Boiler & Machinery	2015	63	
	2016	63	
	2017	63	
	2018	63	
	2019	52 to Aug 31st	
	2020 Estimate		60

Master Liability & Genesis	2015	2,826	
	2016	2,747	
	2017	2,914	
	2018	3,132	
	2019	3,519 to Aug 31st	
	2020 Estimate		3,610

Heavy Equipment	2015	0	
	2016	0	
	2017	0	
	2018	109	
	2019	544 to Aug 31st	
	2020 Estimate		50

7,900

**2020 DRAFT AMMENDED Highway 12/21 Regional Water Services Commission
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2-00-00-510 GOODS and SUPPLIES

Consumable goods & supplies

2015	4,444
2016	7,526
2017	6,364
2018	1,945
2019	847 to Aug 31st

2020 Estimate	5,000	5,000
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2-00-00-520 SMALL TOOLS and EQUIPMENT

Purchase of non-capital equipment as required

2015	0
2016	10,805
2017	2,954
2018	901
2019	400 to Aug 31st

2020 Estimate Line Operations	1,500	1,500
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2-00-00-540 PURCHASE OF WATER

This includes a contingency to account for water losses

	Cu. Metres	Rate	TOTAL
Town of Stettler	238,600	1.41	336,426

336,430

2020 DRAFT AMMENDED Operating Budget **Highway 12/21 Regional Water Services Commission**
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2-00-00-541 **UTILITIES**

Electricity for Meter Vault

2015	9,982
2016	9,242
2017	6,596
2018	8,411
2019	10,855 to Aug 31st

2020 Estimate	14,790	
Includes allowance for Carbon Tax		14,790

2-00-00-810 **BANK CHARGES & SHORT TERM INTEREST**

Bank overdraft charges as a result of potential cash shortfalls

2015	3,158
2016	1,061
2017	441
2018	166
2019	39 to Aug 31st

2020 Estimate	500	500
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2-00-00-815 **AMORTIZATION**

Amortization expense for Tangible Capital Assets.

Phase	2015	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Actual	Budget	Estimate
Stettler to Alix	133,628	133,628	133,628	133,628	133,628	133,628
Alix to Mirror	65,619	65,619	65,619	65,619	65,619	65,619
Bashaw to Ferintosh	66,671	66,671	66,671	66,671	66,671	66,671
Ferintosh to Duhamel	62,983	98,806	62,983	98,806	98,806	98,806
Mirror to Bashaw	-	-	14,323	88,780	90,582	88,624
Operating	404	370	404		370	-
	329,310	365,090	343,630	453,500	455,680	453,350

453,350

**2020 DRAFT AMMENDED Highway 12/21 Regional Water Services Commission
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2-00-00-831 INTEREST ON LONG TERM DEBT

Interest portion on repayment of debentures

Debenture repayment based on estimated principal amount of
 1,851,947 @ 5.667% over 25 years
 381,482 @ 4.589% over 25 years
 434,291 @ 2.943% over 25 years
 811,301 @3.1320% over 25 years

	Debenture #	Amount	Budget
2017	4000616	77,504	
2017	4000830	14,272	
2017	4001869	12,158	
2018	4000616	74,518	
2018	4000830	13,737	
2018	4001869	11,787	
2019	4000616	71,374	
2019	4000830	13,177	
2019	4001869	11,405	
2019	4002563	12,705	
2020	4000616		68,063
2020	4000830		12,590
2020	4001869		11,012
2020	4002563		24,899

116,570

2-00-00-920 ALLOWANCE FOR DOUBTFUL ACCOUNTS

2015	0
2016	0
2017	0
2018	0
2019	0 to Aug 31st

2020 - No write-offs anticipated 0

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**2020 DRAFT AMMENDED Highway 12/21 Regional Water Services Commission
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2-00-00-762 **RESTRICTED SURPLUS TRANSFER**

Transfer of funds to reserves for operating contingencies

	Balance Jan 1	Contribution	Balance Dec 31
2014	71,944	20,000	91,944
2015	91,944	8,060	100,004
2016	100,004	20,000	120,004
2017	120,004	20,000	140,004
2018	140,004	20,000	138,245
2019	138,245	60,000	198,245
2020	198,245	60,000	258,245 Estimate

60,000

2-00-00-832 **CURRENT PORTION OF LONG TERM DEBT**

ACFA Debentures - Projected 5 year Repayment Schedule

Debenture #4000616

	Principal	Interest
2020	65,677	68,063
2021	69,165	64,577
2022	72,837	60,905
2023	76,704	57,038
2024	80,776	52,967

Debenture # 400830

	Principal	Interest
2020	13,217	12,590
2021	13,830	11,977
2022	14,472	11,335
2023	15,144	10,663
2024	15,847	9,960

Debenture #4001869

	Principal	Interest
2020	13,678	11,012
2021	14,053	10,608
2022	14,470	10,191
2023	14,899	9,762
2024	15,340	9,320

Debenture #4002563

	Principal	Interest
2020	22,140	24,899
2021	22,839	24,200
2022	23,560	23,479
2023	24,304	22,735
2024	25,071	21,968

2020 Portion of Long Term Debt #4000616	65,677
2020 Portion of Long Term Debt #4000830	13,217
2020 Portion of Long Term Debt #4001869	13,678
2020 Portion of Long Term Debt #4002563	22,140

114,710

**Highway 12/21 Regional Water Services Commission
2020 Projected Sale of Water Rate**

ADMINISTRATIVE BOARD COSTS

Interest Income	-2,500
Membership Fees	200
Postage & Courier	500
Telephone & Communication	0
Contract Administration	44,700
Accounting & Contract Service	63,550
Legal Fees	1,000
Rentals	600
Licenses, Permits, Insurance	7,900
Small Tools & Equipment	0
Bank Charges & Short Term Interest	<u>500</u>
 Total Administrative/Board Expenditures	 116,450

COSTS INCLUDED IN WATER RATE

Administrative Board Costs	50,580	
Debenture Costs	125,800	
Operating Reserve Contribution	32,640	
Meter Calibration Testing Contribution	0	
Telephone (data Costs for Operation)	23,400	
AB One-Call	1,000	
Rentals	1,500	
Professional - Contract Service Line Operation	25,000	
Contract Services - Line Operations	87,500	
Goods and Supplies	5,000	
Small Tools & Equipment	1,500	
Purchase of Water	336,430	
Utilities	<u>14,790</u>	
Total Cost		<u>705,140</u>
Total Estimate Water Consumption		228,583

Rate = total cost divided by consumption 3.0850

Water Allocation

	<u>Cu Meters</u>	<u>Percent</u>
Village of Alix	589,699	28.20%
Town of Bashaw	224,699	10.75%
Lacombe County	327,491	15.66%
Hamlet of Mirror	135,185	6.47%
Village of Clive	161,093	7.70%
Village of Edberg	54,727	2.62%
Hamlet of Ferintosh	64,213	3.07%
Hamlet of New Norway	106,535	5.10%
Hamlet of Duhamel	13,456	0.64%
Camrose County fill station	3,500	0.17%
Camrose County	<u>410,194</u>	<u>19.62%</u>
	2,090,792	100.00%