


DEPARTMENT:	
	TOPIC: SRRUC 2025 Budget Approval
REPORT PREPARED BY: Krista Conrad REPORT PRESENTED BY: Harry Riva Cambrin	

PURPOSE OF REQUEST

To have Council approve the 2025 Capital and Operating Budget for Sheep River Regional Utility Corp.

BACKGROUND

The Sheep River Regional Utility Corp. 2025 Budget was approved by the SRRUC board of directors at its November 21, 2024 meeting.

At its April 2, 2025 meeting, Diamond Valley passed the following resolution:

Moved by Councillor Cindy Holladay that Council approve the 2025 SRRUC Operational and Capital Budget as presented.

MOTION CARRIED

The budget is now being brought forward to Foothills County Council for approval.

REQUEST OF COUNCIL

Proposed Motion:

That Council approve the 2025 Budget for Sheep River Regional Utility Corp. as presented.

APPENDICES

Appendix A: SRRUC 2025 Draft Budget
Appendix B: SRRUC 2025 Draft Capital Budget
Appendix C: SRRUC 2025 Budget Notes

Sheep River Regional Utilities Corporation

2025 Draft Budget Notes

November 21, 2024

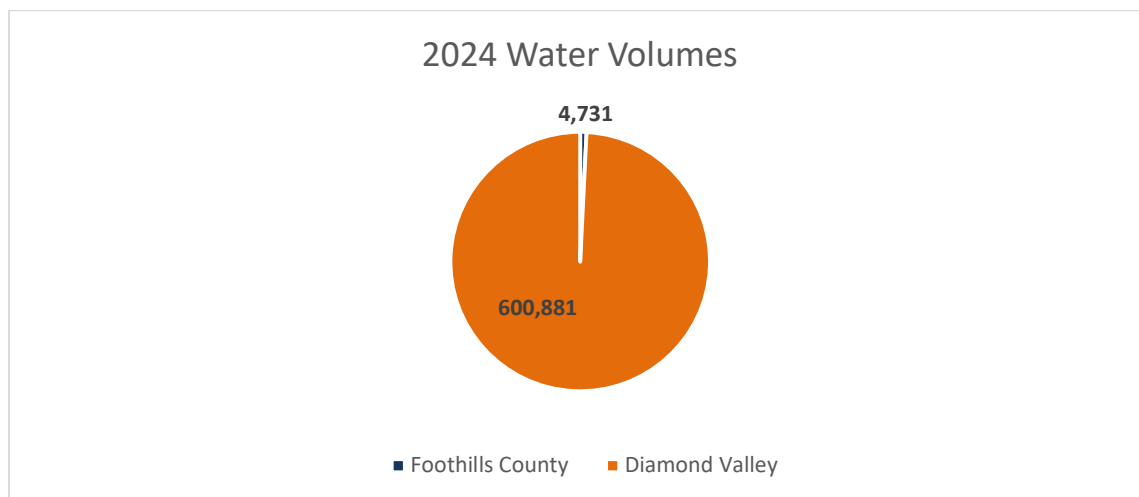
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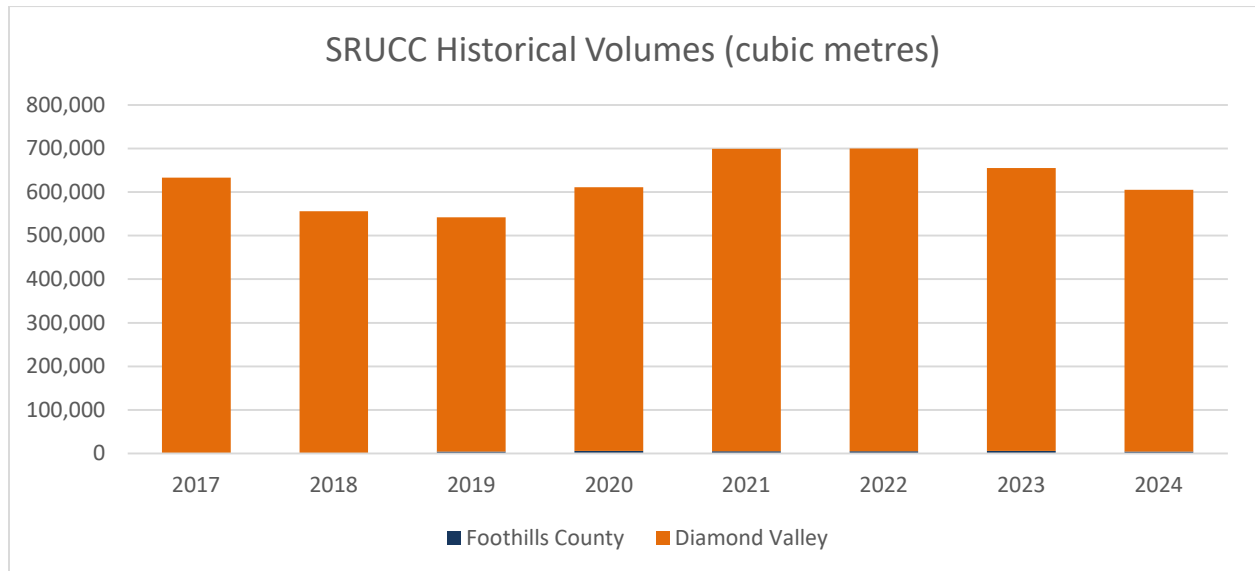
The Sheep River Regional Utilities Corporation (SRRUC) budget comprises two main components: **Fixed Costs** and **Variable Costs**.

- **Fixed Costs:** Include administration fees, insurance, audit expenses, and the Capital Reserve transfer. The Capital Reserve transfer is always 50% of the budgeted amortization. Fixed costs are billed to participants based on ownership (90% for Diamond Valley and 10% for Foothills County).
- **Variable Costs:** Represent Total Operating Costs minus amortization and interest income. Variable costs are billed to participants based on actual usage from the prior year. For the upcoming year, the percentage usage is:
 - Diamond Valley: 99.2%
 - Foothills County: 0.8%

Note: The effective cost of consumption for 2025 is \$1.20/m³, an increase from \$1.10/m³ in 2024, driven by rising costs and an 8.2% decrease in 2024 consumption volumes.

Volume Usage:





Revenue:

- **Other Income:** Directly offsets 2025 capital requests and will be invoiced to participants based on the 90/10 ownership split. This invoice will be issued at year-end based on actual costs incurred.
- **New Rates:** Effective as of June 1, of the Calendar year.
- **Interest Income:** Increased by \$7,000, reflecting growth in SRRUC's capital reserve, which held a balance of \$779,666 in 2023.

Expenses:

- **Wages & Benefits:** Increased by \$15,000 to account for wage adjustments and higher overtime.
- **Amortization:** Increased by \$4,797 based on actual values from prior years.
- **Groundwater Monitoring & Testing:** Maintained at \$50,000, reflecting historical costs.
- **Utilities:** Reduced by \$15,000 in alignment with historical actuals.
- **Engineering Fees:** Remain at prior-year levels to ensure adequate allocation for river intake consulting services.

- **WTP (Water Treatment Plant) Maintenance & Repair:** Increased by \$5,000, reflecting historical actuals.
- **Insurance:** Increased by \$1,500 due to higher premiums.
- **Audit:** Increased by \$1,450 to reflect the new assurance services contract with Avail LLP.

Sheep River Regional Utilities Corporation
Budget 2025 - DRAFT
2024-11-14

	2024 Budget	2025 Budget	Increase (decrease)	
Revenue				
Variable Water Revenue	\$723,852	\$728,050	\$4,198	0.58%
Fixed Revenue	169,124	175,972	6,848	4.05%
Interest Income	24,000	31,000	7,000	29.17%
Other Income	30,000	26,000	-4,000	-13.33%
Total Revenue	\$946,976	\$961,022	\$14,046	1.48%
Expenses				
Wages & Benefits	\$230,000	\$244,000	\$14,000	6.09%
Amortization	224,147	228,944	4,797	2.14%
Groundwater Monitoring & Testing	50,000	50,000	0	0.00%
Utilities Expense	140,000	132,000	-8,000	-5.71%
Engineering Fees	150,000	150,000	0	0.00%
Work Contracted	62,000	62,000	0	0.00%
Small Tools & Supplies	45,000	45,000	0	0.00%
WTP Maintenance & Repair	25,000	30,000	5,000	20.00%
Computer Services	6,000	6,000	0	0.00%
Telephone	6,000	6,000	0	0.00%
Conferences, Memberships & Training	5,000	5,000	0	0.00%
Operating Supplies	15,000	15,000	0	0.00%
Postage	600	600	0	0.00%
Fuel Expense	6,000	6,000	0	0.00%
Office Supplies	5,000	5,000	0	0.00%
Meals & Mileage	0	200	200	0.00%
Advertising	1,000	1,000	0	0.00%
Bank Charges	1,250	1,250	0	0.00%
Total Operating costs	\$971,997	\$987,994	15,997	1.65%
Administration Fee	\$34,500	\$36,000	1,500	4.35%
Insurance	18,500	20,000	1,500	8.11%
Audit	4,050	5,500	1,450	35.80%
Total Management & Admin costs	57,050	61,500	4,450	7.80%
Total Expenses	\$1,029,047	\$1,049,494	\$36,444	16.77%
Excess of Revenues over Expenditures	(\$82,071)	(\$88,472)		
Add back in Amortization	224,147	228,944		
Capital purchases	-30,000	-26,000		
Transfer to Capital Reserve	-112,074	-114,472		
Surplus (Deficit)	\$3	\$0		

Sheep River Regional Utilities Corporation
Budget 2024 - Approved
2024-11-14

Summary of 2025 Rates (Jan - May)

		Consumption				
	Fixed (monthly)	Variable (monthly)				
Diamond Valley	13,395	61,078				
Foothills County	1,488	493				
	14,883	61,571	74,417	307,855	382,272	

Summary of 2025 Rates (June - December)

		Consumption				
	Fixed (monthly)	Variable (monthly)				
Diamond Valley	13,057	59,559				
Foothills County	1,451	469				
	14,508	60,028	101,555	420,195	521,750	
			175,972	728,050	904,022	

**Operating budget &
consumptive cost of
water history**

	2023	2024	2025
Operating budget history	\$682,450	\$723,850	\$728,050
allocation to Diamond Valley	677,673	718,783	722,363
allocation to Foothills County	\$3,681	5,791	5,687
Volume Projection (budgeted)	699,782	655,110	605,612
Effective cost of consumption	0.98	1.10	1.20

SRRUC Capital Projections

Budget 2025

Draft #1

Capital

	2024	2025	2026	2027	2028
Camera Security System	\$14,000	26,000			
2x Raw Water Flow Totalizer Meter	16,000		24,000		
PLC System				\$85,000	
Online Chlorine Analyzers					45000
TOTAL	\$30,000	\$26,000	\$24,000	\$85,000	\$45,000