



NATURAL GAS
UTILITY

SERVING YOU SINCE 1979

2024 Budget

County of Vermilion River

Natural Gas Utility

R0102-013

SUMMARY

Gas Utility is pleased to submit our 2024 Budget. This Budget is, once again, developed in accordance with the Goals of providing Safe & Reliable Natural Gas, Environmental Responsibility, and providing a Net Benefit to County Residents.

BUDGET HIGHLIGHTS

The 2024 Budget focuses on continuous improvement to provide safe and reliable natural gas while taking advantage of opportunities to generate revenue and bring a net benefit to County residents through low gas rates and contributions back to the Municipality and our community.

Key projects include completion of the Christopher Lake pipeline acquisition providing a vital gas source north of the North Saskatchewan River and the Tap 10-20 High Pressure Loop providing redundancy to our distribution network and opportunities for additional industrial and transportation sales volumes.

Proposed organizational changes will allow us to continue to pursue innovative initiatives while maintaining our focus on system reliability and regulatory compliance.

We look forward to another year of growth in our system and organization.

Louis Genest,

Director of Gas Utility

SERVICE LEVELS

GOALS | STRATEGIES

Safe & Reliable



- Robust Gas System
- Operational Excellence
- Innovation

Community Minded



- Customer Awareness
- Leading Customer & Landowner Satisfaction
- Community Support

Benefit to County

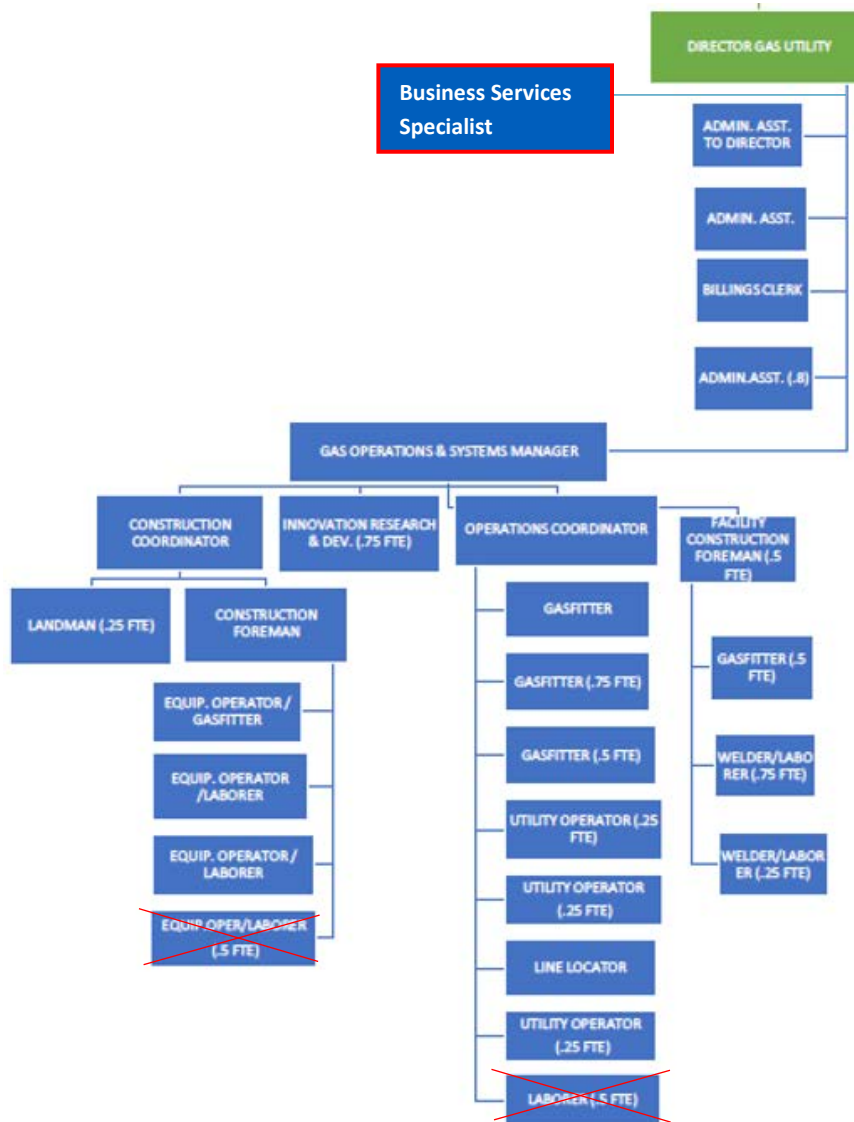


- Affordable Energy Source
- Multiple Services Offered
- Reduce Emissions/ Improve Air Quality

OBJECTIVES / TACTICS

OBJECTIVE	TACTICS
Implement Safety Loss Management System	Develop and maintain SLMS per CSA Z662 which will organize all policies, procedures and practices for design, construction and operation of our system into a single "System" that will be maintained on an ongoing basis with a focus on continuous improvement.
Follow Asset Management Plan	Utilize our Asset Management Plan to guide investment into infrastructure improvement, renewal and replacement.
Renew aging and inadequate Above- Ground Infrastructure	Active replacement and rejuvenation program for ensuring above ground infrastructure is replaced and renewed as equipment approaches end of life or becomes inadequate.
Ensure infrastructure meets existing customer needs	Utilize opportunities presented by new customer requests or undertake specific projects to improve pipeline capacity where pressure issues exist.
Meet and Exceed Operation and Maintenance Standards	Using the FedGas Operations & Maintenance Manual, CSA Z662, and other applicable codes and regulations as a guide, carry out a maintenance program that meets or exceeds all applicable standards.
Follow Innovation Strategy	Utilize our Innovation Strategy to guide investment into research and development, government and industry partnerships, and procurement of grant funding.
Invest and Participate in Community Events and Initiatives	Support community events and initiatives throughout the County through donations, Staff/Council participation, and use of County equipment.
Aware and Inform Customers	Utilize multiple communication mediums (Newsletters, Bill Stuffers, Social Media, Staff Interactions, and Public Meetings) to keep customers informed of important details about the Gas Utility and our operations.
Provide cost-savings to County residents through use of Natural Gas	Affordable rates through sound financial and asset management, developing new markets, increasing industrial customers, and providing diversified services/products. Natural Gas solutions as a lower cost option to other energy sources for heating, power generation, grain drying, and vehicle fuel.
Maximum Utilization of Local Excess Gas	Continue to develop our natural gas infrastructure to allow us to utilize the maximum amount of excess casing (and gas well) gas while ensuring customers are provided with safe and reliable gas service.

HUMAN RESOURCES



Two staffing changes are planned for 2024. We will lose one operations/construction support staff to retirement. Rather than replace that position we plan to add a position titled Business Services Specialist. The intent of this position is to provide additional support to management and staff in business duties such as regulatory compliance, financial planning/reporting, industrial contract management, and other business duties. Our hope is that the addition of this position will allow manager's and supervisors to provide more effective support to their divisions eliminating the need for the additional operations/construction support. We continuously evaluate staffing levels to ensure we are operating efficiently without overtaxing staff to the extent that we cannot achieve our maintenance and regulatory requirements.

BUDGET SUMMARY

Key highlights of the overall budget include:

- Reduced User Charges Revenue/Expense due to low market gas rates.
- Increased Capital Revenue and Industrial Gas Sales due to more industrial projects and proposed cost-shared 10-20 Loop.
- Increased OpEx due to inflationary increases and increasing regulatory and maintenance requirements.
- Increased Internal Capital Projects and Contribution to Infrastructure Reserve

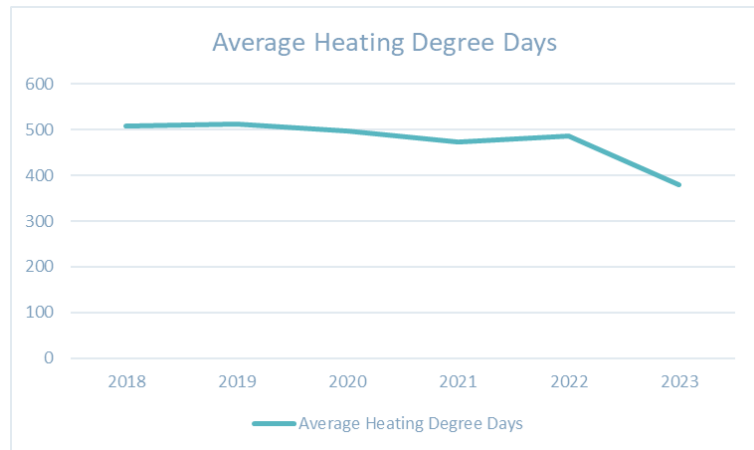
SUMMARY	2023 Budget	2024 Budget
<u>Revenue</u>		
User Charges and Sale of Goods	-\$ 10,714,244	-\$ 8,028,657
Government Grants	-\$ 200,000	\$ -
Capital Project Revenue	-\$ 850,000	-\$ 1,605,000
Interest Income	-\$ 100,000	-\$ 200,000
Other	-\$ 575,000	-\$ 600,000
Interdepartmental Transfers	\$ -	\$ -
Total Revenues	-\$ 12,439,244	-\$ 10,433,657
<u>Expenses</u>		
Materials, goods and utilities	\$ 7,241,713	\$ 4,469,740
Salaries, Wages, Benefits, Training	\$ 1,979,413	\$ 2,059,806
Contract and General Services	\$ 520,100	\$ 567,780
Internal Transfers	-\$ 50,000	-\$ 50,000
Transfers to Municipal Budget	\$ 636,000	\$ 686,000
Other	\$ 4,000	\$ 4,000
Total Expenses before Amortization	\$ 10,331,226	\$ 7,737,326
Amortization	\$ 1,400,000	\$ 1,500,000
Profit from Operations	-\$ 708,018	-\$ 1,196,331
<u>Capital Adjustments</u>		
Amortization	-\$ 1,400,000	-\$ 1,500,000
Transfer to Reserves	\$ 1,133,653	\$ 1,060,625
Transfer from Reserves	-\$ 872,760	-\$ 1,245,230
Internal Project Capital Expenditures*	\$ 1,117,760	\$ 1,439,944
Billable Project Capital Expenditures*	\$ 601,550	\$ 888,796
Purchase (Sale) of Capital Equipment	\$ 125,717	\$ 548,000
Total Adjustments	\$ 705,919	\$ 1,192,135
Net (Profit) after Capital Adjustments	-\$ 2,099	-\$ 4,196
*Includes Materials, Wages, Contract Services and other expenditures associated with Capital Projects		

REVENUE SOURCES

GAS SALES AND TRANSPORTATION

Industrial Sales are projected to steadily increase due to additional wells requiring fuel gas and addition of peak power generation loads. New transportation systems continue to be installed. However, changes in oil/gas production rates, producer operations, and other factors make Transportation volumes difficult to predict. Weather also affects Industrial and Transportation sales. As such we are predict a small increase 2023-2024.

2023 residential heating degree days are at historic lows for the Gas Utility and Residential Gas Sales are accordingly down. Although early-2024 is predicted to be warmer than usual as well, we are predicting closer to normal volumes for 2024.

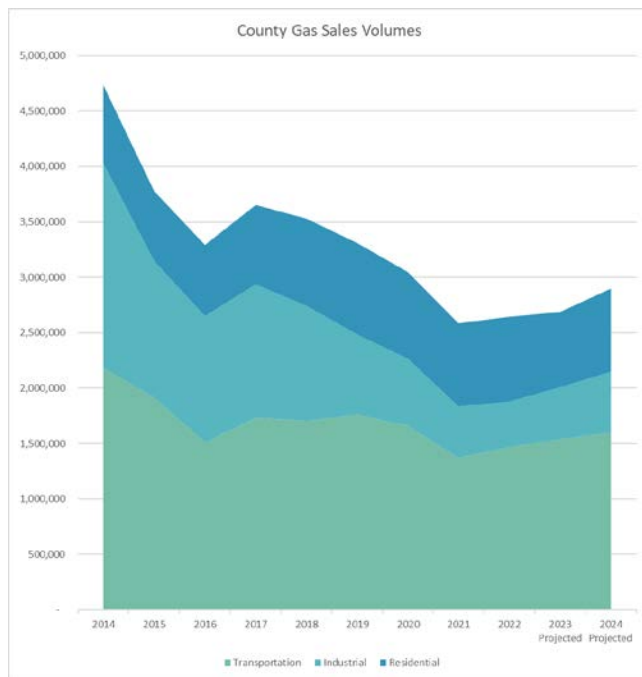
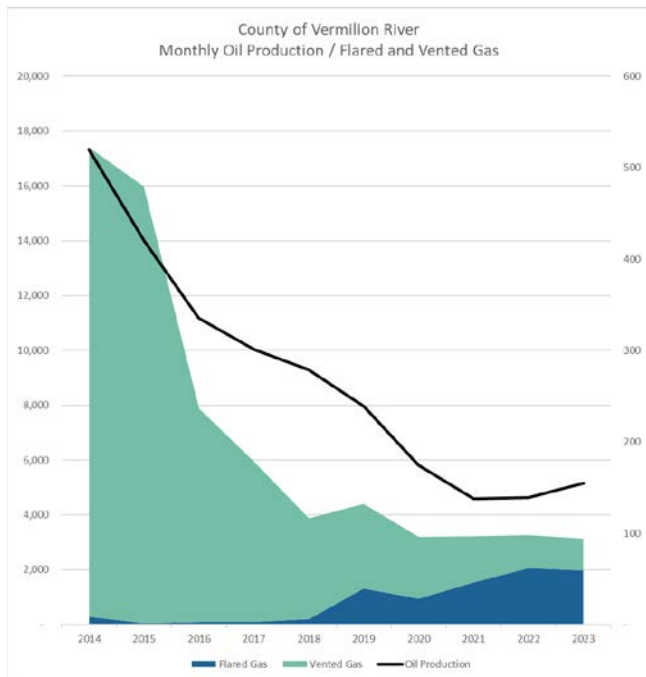


Gas Sales and Service Charges	2024 Budget				Total	2023 Actuals	
	Q1	Q2	Q3	Q4		Total to 10/31	Projected Total
Variable Sales Margin							
Residential/Farm/Commercial	-\$ 408,450	-\$ 97,250	-\$ 77,800	-\$ 389,000	-\$ 972,500	-\$ 634,308	-\$ 850,000
Industrial	-\$ 114,119	-\$ 87,491	-\$ 83,687	-\$ 95,099	-\$ 380,397	-\$ 283,970	-\$ 360,000
Transportation	-\$ 192,107	-\$ 192,107	-\$ 192,107	-\$ 192,107	-\$ 768,429	-\$ 613,237	-\$ 750,000
Gas Loss	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 60,000	\$ 58,772	\$ 65,000
Excess Gas Receipt Tariffs	-\$ 14,000	-\$ 14,000	-\$ 14,000	-\$ 14,000	-\$ 56,000	-\$ 20,678	-\$ 40,000
Total	-\$ 713,677	-\$ 375,849	-\$ 352,595	-\$ 675,207	-\$ 2,117,327	-\$ 1,493,421	-\$ 1,935,000
Fixed Service Charges							
Residential/Farm/Commercial	-\$ 289,500	-\$ 289,500	-\$ 289,500	-\$ 289,500	-\$ 1,158,000	-\$ 964,326	-\$ 1,155,000
Industrial	-\$ 50,000	-\$ 50,000	-\$ 50,000	-\$ 50,000	-\$ 200,000	-\$ 162,066	-\$ 190,000
Transportation	-\$ 54,500	-\$ 54,500	-\$ 54,500	-\$ 54,500	-\$ 218,000	-\$ 178,062	-\$ 205,000
Total	-\$ 394,000	-\$ 394,000	-\$ 394,000	-\$ 394,000	-\$ 1,576,000	-\$ 1,126,392	-\$ 1,550,000

Volume Projections

	2023 Budget	2023 Projected	2024 Projection
Residential Sales	775,000	680,000	750,000
Industrial Sales	380,000	460,000	540,000
Transportation	1,650,000	1,525,000	1,600,000

*All volumes in GJ's



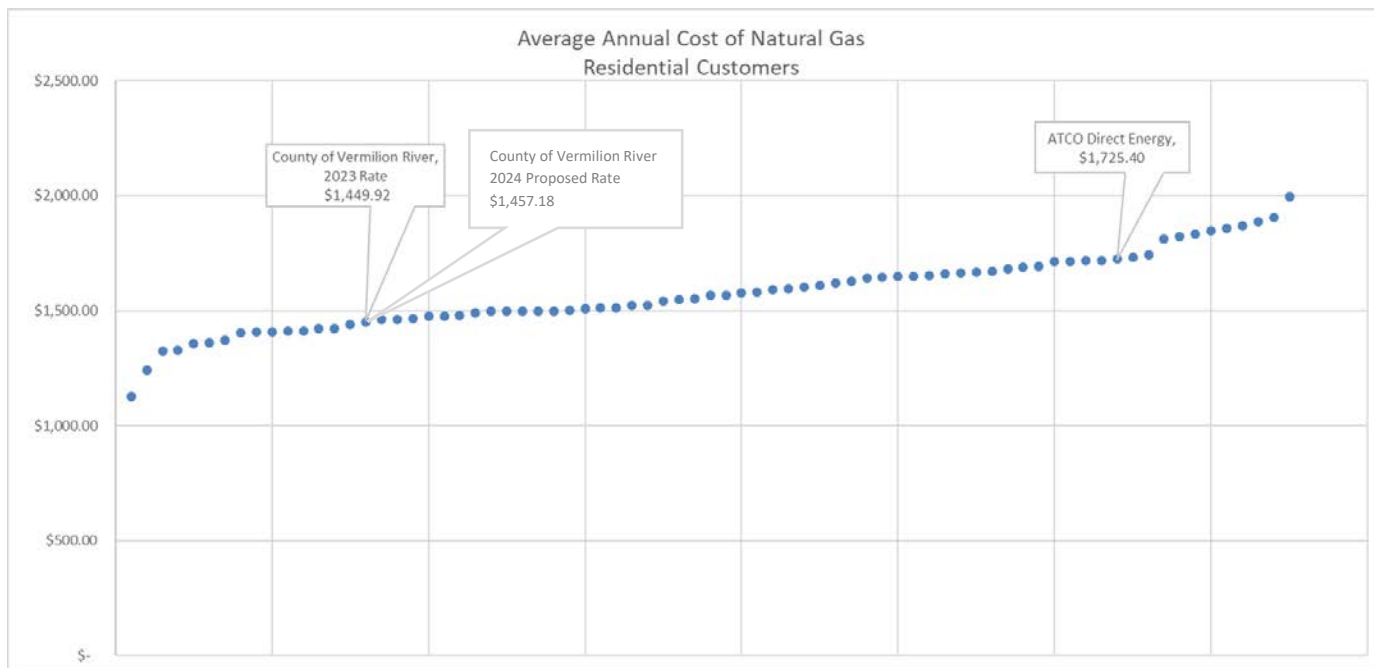
Proposed Rate Changes

The above Budgeted Variable Sales Margins and Fixed Service charges include several proposed rate changes as follows:

Rate Code	2023 Rate	2024 Proposed Rate
Residential	\$1.32/GJ	\$1.35/GJ
Industrial Low Volume	\$0.80/GJ	\$0.83/GJ
Industrial High Volume	\$0.53/GJ	\$0.55/GJ
Transportation – Foreign Pipeline Connections and Large PL Systems	\$0.43/GJ	\$0.45/GJ
Transportation - Intermediate PL Systems	\$0.58/GJ	\$0.60/GJ
Industrial Standard Accounts	\$190/Month	\$200/Month
Excess Gas Taps – Low Volume	\$250/Month	\$275/Month

Rate Comparisons

There are many differences in gas system operational requirements, customer density, and other revenue/expense variables that make gas rates across the province difficult to compare accurately. However, the County is proud to offer among the lowest rates in the Federation of Alberta Gas Co-ops and a much lower rate than our competing Investor-owned utilities, while maintaining one of the most operationally intensive systems including the longest high-pressure steel/aluminum pipeline network and most intermediate regulating stations in the Federation. Additionally, the Gas Utility brings financial benefit back to the County by contribution of \$686,000, of which \$400,000 goes towards the Municipal Budget to reduce tax revenue requirements. This affects customers' total gas bill by 6%. We are not aware of other Federation Utilities paying franchise fees or contributing moneys back to general municipal budgets.



*Data from Federation of Alberta Gas Co-ops September Rate Survey; AND ATCO/Direct Energy August Billing (Islay).

**Excludes Carbon Levy.

For High Volume Customers it is important to measure our rate performance against our competitors as Gas Franchise rules do not apply over 10,000 GJ/Year, and we face competition against Investor-owned utilities and oil and gas producers.

	Monthly Fixed Charge	Variable Energy Charge /GJ	Peak Daily Demand Charge/GJ
Vermilion River Std Industrial	\$190.00	\$0.83	\$0.00
Vermilion River High Use Industrial	\$275.00	\$0.53	\$0.00
ATCO Mid Use	\$53.69	\$2.125	\$0.00
ATCO High Use	\$199.75	\$0.096	\$0.50

Peak Daily Demand Charges can vary greatly depending on customer usage. Comparing a single Vermilion River, High-Use customer with an annual demand of 83,050 GJ and peak daily demand of 240 GJ: County charges would be \$47,317 and ATCO charges would be \$54,170.

BILLABLE SERVICES

We expect billable services will exceed projections in 2023 and remain steady 2023-2024. RMO Station Construction continues to produce at capacity. Oilfield construction crews are busy throughout the season. We hope to increase pipeline construction services for neighbor co-ops but have not budgeted for additional revenue. Residential secondaries can be difficult to predict, but we expect Industrial secondaries to increase due to increasing oilfield reclamations.

Billable Services and Other Revenues	2024 Budget						2023 Actuals	
	Q1	Q2	Q3	Q4	Total	Total to 10/31	Projected Total	
Capital Billable Projects	-\$ 145,602	\$ -	\$ -	-\$ 145,602	-\$ 291,204	-\$ 113,766	-\$ 215,000	
Billable Non-Capital Projects	\$ -	-\$ 64,807	-\$ 64,807	\$ -	-\$ 129,614	-\$ 77,525	-\$ 140,000	
Secondaries, Installations, Appliances	-\$ 7,000	\$ 5,000	\$ 5,000	-\$ 32,075	-\$ 29,075	-\$ 24,898	-\$ 55,000	
CNG Refueling Station	-\$ 2,869	-\$ 2,869	-\$ 2,869	-\$ 2,869	-\$ 11,475	-\$ 9,599	-\$ 11,500	
Sale of Goods	-\$ 10,625	-\$ 10,625	-\$ 10,625	-\$ 10,625	-\$ 42,500	-\$ 40,841	-\$ 50,000	
Service Calls	-\$ 525	-\$ 525	-\$ 525	-\$ 525	-\$ 2,100	-\$ 3,409	-\$ 3,500	
RMO Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 7,350	-\$ 7,350	
Kehewin	-\$ 3,535	-\$ 3,535	-\$ 3,535	-\$ 3,535	-\$ 14,140	-\$ 2,344	-\$ 10,000	
Penalties	-\$ 4,625	-\$ 4,625	-\$ 4,625	-\$ 4,625	-\$ 18,500	-\$ 18,565	-\$ 25,000	
Interest	\$ -	\$ -	\$ -	-\$ 200,000	-\$ 200,000	-\$ 4,016	-\$ 150,000	
Other Services	-\$ 36,835	-\$ 36,835	-\$ 36,835	-\$ 36,835	-\$ 147,340	-\$ 26,838	-\$ 35,000	
Subtotal	-\$ 211,616	-\$ 118,821	-\$ 118,821	-\$ 436,691	-\$ 885,948	-\$ 329,150	-\$ 702,350	

Other services revenue is increased due to a cost of gas refund from Gas Alberta Inc. One of the many benefits to our customers of being a part of Gas Alberta is that additional revenue generated either through gas market transactions or over-recoveries due to lower than anticipated gas market rates, are returned to our customers. As the largest shareholder in Gas Alberta Inc., gas rate refund is projected at \$140,000 for 2023. The 2024 budget includes the full rebate as an operational revenue. As operational expense increases begin to level out and temperatures return to normal (resulting in increased revenue) we would suggest that additional revenues such as this rebate be added to the Infrastructure Projects Budget.

Included in the Gas Rate Bylaw for 2024 is removal of the reduced rate, Rural Under 200 feet Infill. This would set a flat rate of \$8,000 for all new Rural Residential Gas Services. The reasons for this change are to align our utility with other member-owned utilities under the Rural Gas Program, to ensure all new services are contributing to infrastructure required to service them, and that fixed costs of servicing new properties (riser, meter, regulator, labour) are now a majority of the cost on all new services and differences in length constitute a much smaller portion of the cost.

EXPENSES

OPERATIONS

Operational expenditures are increasing as a result of inflation and an increased operational workload to ensure we are regulatory compliant in both our residential and oil and gas sectors. This budget includes a 3% increase in operational expenses from 2023 projected actuals.

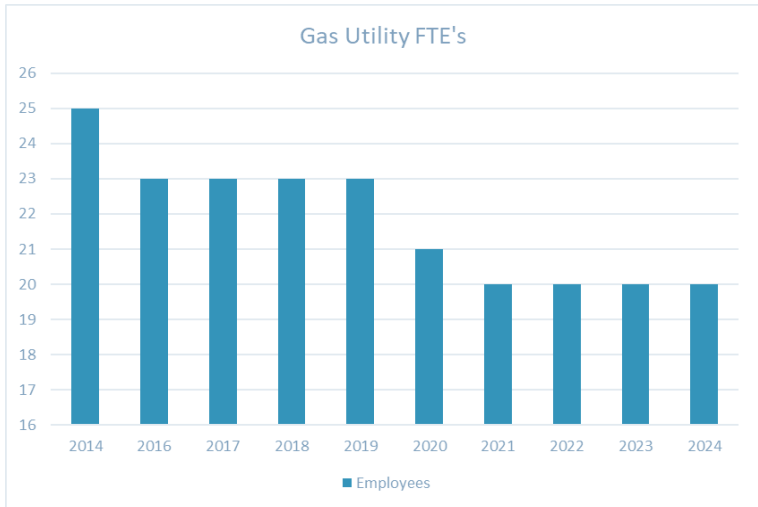
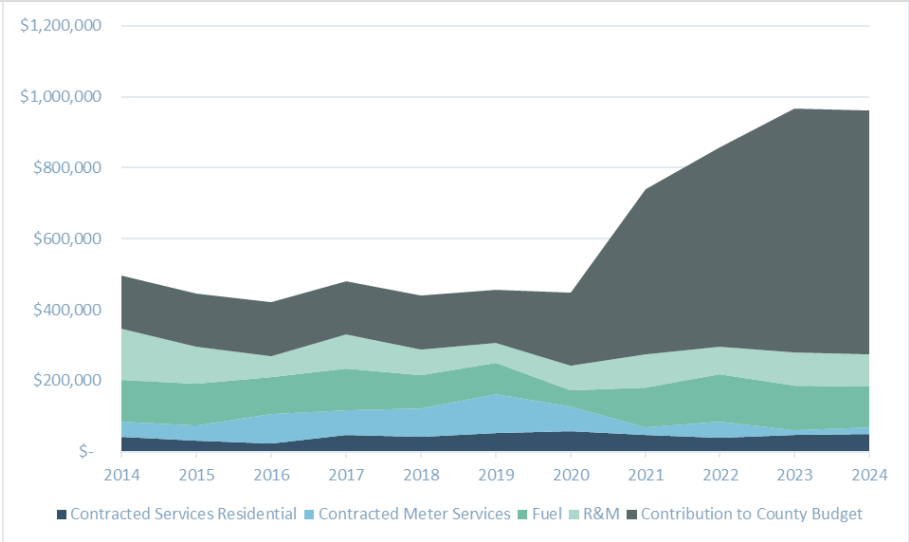
Operational Expenditures	2024 Budget					2023 Actuals	
	Q1	Q2	Q3	Q4	Total	Total to 10/31	Projected Total
General Operations & Maintenance	\$ 975,377	\$ 696,698	\$ 557,358	\$ 557,358	\$ 2,786,790	\$ 1,980,782	\$ 2,775,000
Leak Detection/Yard Inspection	\$ 2,250	\$ 20,250	\$ 20,250	\$ 2,250	\$ 45,000	\$ 27,000	\$ 45,000
Meter Program	\$ 7,012	\$ 17,529	\$ 31,552	\$ 14,023	\$ 70,115	\$ 68,799	\$ 75,000
Cathodic Protection	\$ -	\$ 21,000	\$ 4,200	\$ 2,800	\$ 28,000	\$ 19,277	\$ 30,000
Line Locating	\$ 19,284	\$ 38,568	\$ 44,996	\$ 25,712	\$ 128,560	\$ 60,285	\$ 80,000
SCADA	\$ 12,350	\$ 7,024	\$ 10,500	\$ 19,526	\$ 49,400	\$ 28,095	\$ 42,000
Shops	\$ 8,500	\$ 7,294	\$ 8,750	\$ 9,456	\$ 34,000	\$ 29,174	\$ 35,000
Safety	\$ 19,206	\$ 13,719	\$ 13,719	\$ 8,231	\$ 54,875	\$ 7,661	\$ 25,000
Total	\$ 1,043,978	\$ 822,080	\$ 691,325	\$ 639,357	\$ 3,196,740	\$ 2,221,074	\$ 3,107,000

Notable operational items and changes to the operational Budget for 2024 include:

- Implementation of Safety and Loss Management System will require a significant amount of staff time and resources particularly for the new Business Services Specialist
- Increased equipment repair and maintenance budget to reflect actuals
- Increased budget for aerial collection of meter reads to reflect increased contractor fees and returning to full number of meters. We are working with our neighbour utilities on cost-benefit of internalizing AMR collection and expect to report back to Council on this early in 2024.
- Reduced cathodic protection expenses due to well-maintained cathodic infrastructure and a strong testing and reporting system

While we have seen cost increases due to inflation over the past 3 years, it is important to recognize the progress we have made, and continuing work in maintaining/reducing operational costs. An experienced and dedicated staff, and technological advancements such as AMR and SCADA, have allowed us to both reduce staff and internalize contracted services (PSV/ESD recertification, meter changes, cathodics, AER applications and others). Additionally, CNG vehicles are reducing

vehicle costs. This has all resulted in savings to County gas customers and increased return to the County, with the major increase to Gas Utility Operational Expenditures being the increased contribution back to the Municipal Budget.



CAPITAL INFRASTRUCTURE

Tap 10-20 High Pressure Connection – This project would complete Phase 1 of 2 of a major system upgrade. Phase 1 alone would create a high-pressure link between the two taps and enable us to double our current excess gas purchases. Phase 2 would be required for capacity if we saw a significant demand increase on Tap 10 or 20. We are pursuing a cost-share and grant funding on this project and working to ensure the project is “shovel-ready”. If cost-sharing or grant cannot be obtained, this project will be re-evaluated and brought to Council for approval prior to proceeding.

Chris Lake Pipeline Acquisition – All abandonment and related work is complete, and the pipeline is now being transferred to and activated as a County of Vermilion River Pipeline. Tie-in and RMO Station work will proceed largely in 2024. Total budget has been increased from \$425,000 to \$450,000 to accommodate a design change that allows us to operate the acquired pipeline at full pressure. The reason for this change is to provide the opportunity to supply high pressure gas for to CNG supply companies. We missed out on a significant revenue generation opportunity in 2023 due to the inability to provide a site with adequate pressure, volume, and accessibility. The intent is to construct this pipeline and associated RMO stations such that we can take advantage of future opportunities. We are hoping to obtain partial funding from Gas Alberta for this project but have not budgeted for the amount.

Tap 20 Rebuild – This project is again pushed from 2023 to 2024 due mainly to delay in power generation customers that was expected in 2023 and lack of time/resources. Refurbishment of this major Tap Station is required in any case, but we are awaiting information on proposed power generation gas loads as that affects station design.

Tap 27 Rebuild – This project is required to accommodate additional local compressor volume from CNRL. We are awaiting decision from CNRL to proceed. Project is to be funded by CNRL and Gas Alberta.

Reg Station Overpressure Protection Replacements – Replacement of existing relief valves at regulating stations on Tap 20 to accommodate higher system pressure and volumes as well as renew valves that are beyond projected end of life. This will improve safety and reliability as well as reduce gas loss.

10 Year Infrastructure Capital Budget

Internal Infrastructure Projects 10 Year Plan	2023 Budget	2023 Projected	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<u>Pipelines</u>												
Tap 10 - 20 High Pressure Connection			\$ 750,000						\$ 1,250,000			
Tap 27 Rebuild	\$ 100,000	\$ 5,000	\$ 130,000									
Christopher Lake Pipeline Acquisition	\$ 355,250	\$ 350,000	\$ 100,000									
Tap 20 Tulliby Lake Aluminum Upgrade												
Village of Dewberry Loop Line	\$ 1,500	\$ -										
Silver Willow - Big Gully Rebores			\$ 50,000									
Tap 20-40-50 Connection												
Tap 30-20 Connection												
Customer Infrastructure Investments	\$ 95,000	\$ 25,000	\$ 97,850	\$ 100,786	\$ 103,809	\$ 106,923	\$ 110,131	\$ 113,435	\$ 116,838	\$ 120,343	\$ 123,953	\$ 127,672
<u>Above Ground Gas Infrastructure</u>												
Household Meter Replacements	\$ 290,000	\$ 240,000	\$ 50,000									
Tap 118 Rebuild						\$ 65,000						
Reg Station Overpressure Protection Rplcmnts			\$ 25,000	\$ 25,000								
Tap 52 Moisture Monitor			\$ 30,000									
Reg Station Rebuilds	\$ 26,010	\$ 10,000	\$ 26,530	\$ 27,061	\$ 27,602	\$ 28,154	\$ 28,717	\$ 29,291	\$ 29,877	\$ 30,475	\$ 31,084	\$ 31,706
AL2300 Replacements	\$ 7,500	\$ 1,600	\$ 26,250									
Correction Device Replacements	\$ 25,000	\$ -	-\$ 25,500	\$ 26,010	-\$ 26,530	\$ 27,061	-\$ 27,602					
Tap 20 Rebuild	\$ 50,000	\$ -	\$ 50,000									
Tap 30 Rebuild				\$ 100,000								
<u>Other</u>												
SCADA Upgrades	\$ 20,000	\$ 10,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 23,881	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878
Tap 50 SCADA			\$ 14,000									
Quality Management Manual Development	\$ 7,500	\$ -	\$ 7,500									
System Hydraulic Model	\$ 60,000	\$ 30,000	\$ 30,000									
CNG Vehicle Training and Shop Upgrades	\$ 25,000	\$ -										
Projects to be determined	\$ 55,000	\$ 35,000	\$ 60,000	\$ 75,000	\$ 75,000	\$ 150,000	\$ 300,000	\$ 350,000	\$ 100,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,001
Total	\$ 1,117,760	\$ 706,600	\$ 1,442,230	\$ 375,074	\$ 201,735	\$ 399,648	\$ 434,432	\$ 516,607	\$ 1,521,313	\$ 1,676,153	\$ 1,681,133	\$ 1,686,257
<u>Gas Infrastructure & Projects Reserves</u>												
Beginning Balance	\$ 8,743,668	\$ 8,757,842	\$ 9,061,242	\$ 9,089,636	\$ 9,791,328	\$ 10,698,527	\$ 11,441,049	\$ 12,183,131	\$ 12,878,527	\$ 13,105,899	\$ 12,716,348	\$ 12,361,017
Project Costs	\$ 1,117,760	\$ 706,600	\$ 1,442,230	\$ 375,074	\$ 201,735	\$ 399,648	\$ 434,432	\$ 516,607	\$ 1,521,313	\$ 1,676,153	\$ 1,681,133	\$ 1,686,257
Grant and External Revenue	-\$ 245,000	-\$ 85,000	-\$ 425,000		\$ -				-\$ 500,000			
Reserve Withdrawal	-\$ 872,760	-\$ 621,600	-\$ 1,017,230	-\$ 375,074	-\$ 201,735	-\$ 399,648	-\$ 434,432	-\$ 516,607	-\$ 1,021,313	-\$ 1,676,153	-\$ 1,681,133	-\$ 1,686,257
Reserve Addition - General	\$ 825,000	\$ 825,000	\$ 845,625	\$ 866,766	\$ 888,435	\$ 910,646	\$ 933,412	\$ 956,747	\$ 980,666	\$ 1,005,182	\$ 1,030,312	\$ 1,056,070
Reserve Addition - Interest	\$ 100,000	\$ 100,000	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 255,256	\$ 268,019	\$ 281,420	\$ 295,491	\$ 310,266
Ending Balance	\$ 8,795,908	\$ 9,061,242	\$ 9,089,636	\$ 9,791,328	\$ 10,698,527	\$ 11,441,049	\$ 12,183,131	\$ 12,878,527	\$ 13,105,899	\$ 12,716,348	\$ 12,361,017	\$ 12,041,095
Target Reserve Balance per Asset Mgmt Plan	\$ 11,008,226	\$ 11,008,226	\$ 11,676,510	\$ 12,361,109	\$ 13,062,344	\$ 13,780,546	\$ 14,516,049	\$ 15,269,195	\$ 16,040,330	\$ 14,829,809	\$ 12,612,990	\$ 12,612,991

CAPITAL EQUIPMENT

Capital Vehicles

UNIT #	FUNCTION	YEAR	EQUIPMENT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Trucks													
2	SCADA/Operations	2018	Ford F150 (CNG)		\$ 85,000								
3	Field Inspection - Service	2017	Ford F250 (CNG)					\$ 92,000					
4	Operations	2017	Ford F150 (CNG in 2024)		\$ 85,000							\$ 91,000	
6	Operations Mgr	2018	Ford F250 (CNG)						\$ 88,000				
7	Construction Landman	2021	Ford F150 (CNG)							\$ 90,000			
8	Construction Supervisor	2021	Ford F150 (CNG)				\$ 86,500						\$ 92,000
31	Construction - Dump	2011	Dodge 5500			\$ 120,000							
32	Operations - Gasfitter	2018	Ford F250 (CNG)					\$ 87,000					
20	Director	2019	Ford F150 (CNG)				\$ 86,500						
36	Construction - Fusion	2021	Ford F550					\$ 175,000					
35	Line Locator	2017	Ford F150 (CNG)			\$ -				\$ -			
37	Picker Truck & Picker	2018	Ford F-550	\$ 200,000									
	Construction - Pull Truck	2007	Ford F-550 (SOLD IN 2016)										
39	Construction - Fusion	2018	Ford F-550							\$ 185,000			
41	Construction - Foreman	2020	Ford F-250 (CNG)					\$ 92,000					
42	Construction - General	2014	Ford F150										
43	Construction - Picker	2008	3 Ton Sterling Truck & Picker										
44	Line Locator	2017	Ford F150 (CNG)				\$ 86,500					\$ 91,000	
46	Construction / Landman	2015	Chev 1500 (CNG in 2022)										
170	Operations Supervisor	2016	Ford F150 (CNG in 2023)						\$ 88,000				
172	Construction - Gasfitter	2016	Dodge 1500 (CNG in 2023)	\$ 83,000									
173	Operations - Cathodic	2016	Ford F250 (CNG in 2022)								\$ 95,000		
33	Operations	2010	Dodge 1500 (CNG)										
171	Operations	2016	Dodge 1500										
	Less Recycled CNG Tanks				-\$ 7,000		-\$ 24,000	-\$ 25,000	-\$ 17,000	-\$ 9,000	-\$ 9,500	-\$ 20,000	-\$ 10,500
SUBTOTAL				\$ 283,000	\$ 163,000	\$ 120,000	\$ 235,500	\$ 421,000	\$ 159,000	\$ 81,000	\$ 270,500	\$ 162,000	\$ 81,500

Capital Equipment and Summary

UNIT #	FUNCTION	YEAR	EQUIPMENT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Backhoes													
10	Construction/Operations	2018	Cat 430 Backhoe			\$ 200,000							
48	Construction/Operations	2020	Cat 450							\$ 310,000			
Trenching/Plowing													
27	Construction	2018	Ditch Witch RT120 Combo										
29	Construction/Operations	2012	Ditch witch XT 855 Skid Steer	\$ 50,000									
23	Construction	1979	Caterpillar D8K Cat & Plow										
40	Construction	2013	Bron 550 Utility Plow			\$ 100,000							
1	Construction	2014	Bron 150 Utility Plow				\$ 550,000						
	Construction		Directional Drill										
Misc Equipment													
17	Construction	2009	Kubota Tractor	\$ 175,000									
26	Construction	2017	Hydrospade Hydrovac								\$ 150,000		
22	Construction	2019	Compressor										
16	Operations	2008	Man Lift										
	Construction	2014	Disc										
47	Construction	2020	Canam SideXSide										
19			Bobcat - SkidSteer									\$ 140,000	
			Technology and Tools	\$ 40,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,785	\$ 34,461	\$ 35,150	\$ 35,853
Trailers													
15	Construction/Operations	2014	Carhauler to Reel Carrier	\$ 30,000									
28	Construction/Operations	2017	30' Pintle Hitch Tri Axle Deckove	\$ 35,000									
25	Construction/Operations	2020	30' Gooseneck Trailer				\$ 40,000						
13	Construction/Operations	2019	Tilt Deck						\$ 30,000				
38	Construction/Operations	2018	30' Pintle Hitch Tri Axle Deckover			\$ 26,000					\$ 35,000		
24	Construction/Operations	2010	TrailTech Pintle Hitch 25' Tri Axle		\$ 40,000								
30	Construction/Operations	2004	15' Enclosed Trailer										
14	Construction/Operations	2001	Flat Deck trailer - ball hitch				\$ 10,000						
			SUBTOTAL	\$ 330,000	\$ 70,600	\$ 357,212	\$ 631,836	\$ 32,473	\$ 63,122	\$ 343,785	\$ 219,461	\$ 175,150	\$ 35,853
TOTALS													
			Purchases	\$ 613,000	\$ 233,600	\$ 477,212	\$ 867,336	\$ 453,473	\$ 222,122	\$ 424,785	\$ 489,961	\$ 337,150	\$ 117,353
			Sales	-\$ 65,000	-\$ 80,000	-\$ 100,000	-\$ 165,000	-\$ 80,000	-\$ 60,000	-\$ 170,000	-\$ 55,000	-\$ 100,000	-\$ 99,999
FLEET AND EQUIPMENT RESERVES													
			Beginning Balance	\$ 778,290	\$ 550,290	\$ 726,290	\$ 688,566	\$ 335,902	\$ 322,592	\$ 531,437	\$ 658,749	\$ 617,348	\$ 785,565
			Addition to Reserve	\$ -	\$ 176,000	\$ -	\$ -	\$ -	\$ 208,845	\$ 127,312	\$ -	\$ 168,217	\$ 400,174
			Withdrawal from Reserve	-\$ 228,000	\$ -	-\$ 37,724	-\$ 352,664	-\$ 13,310	\$ -	\$ -	-\$ 41,401	\$ -	\$ -
			Ending Balance	\$ 550,290	\$ 726,290	\$ 688,566	\$ 335,902	\$ 322,592	\$ 531,437	\$ 658,749	\$ 617,348	\$ 785,565	\$ 1,185,738

Vehicles and Equipment Highlights

- In 2023 our small picker truck was transferred to Agriculture department for replacement of the Spray Truck. We are proposing to purchase a mid-sized CNG powered truck with picker and deck in 2024. We are currently investigating options and pricing. Prior to proceeding with purchase of this unit, a report or request for decision including cost-benefit analysis will be brought before Council.
- Our small DitchWitch (XT855) is an invaluable piece of equipment to our operation. Unfortunately, these units are no longer in production. From time-to-time, used XT855's come available, we are proposing only to purchase this item if a used unit with lower hours and in newer condition comes available. If this does not occur, we will propose a replacement model in a future budget.
- The New Holland T6 Natural Gas tractor is now available for order. We expect a demo unit to be available to us in early 2024 and we are awaiting proposed pricing. We are proposing a potential shared unit between Gas and Agriculture departments. Prior to proceeding with purchase of this unit, a report or request for decision will be brought before Council.
- If any or all of the above Capital equipment purchases are not made in 2023, Capital Reserve Additions will be adjusted accordingly (\$50,000 - \$425,000).
- Technology and tools are increased from \$30,000 to \$40,000 to allow for purchase of new poly fusion equipment and a new office printer as both items are over 10 years old and failing.