

For Information Only

2017 Water Wastewater Operating Budget Variance Report - March

Presented To: Finance and
Administration
Committee

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Report Date Wednesday, May 31,
2017

Type: Correspondence for
Information Only

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

Report Summary

This report provides a preliminary review of Water Wastewater Services for 2017 based upon the first three months of the year.

Financial Implications

There is no financial impact.

Signed By

Report Prepared By

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Co-ordinator of Finance, Water
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Digitally Signed May 31, 17

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets
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Digitally Signed May 31, 17

Recommended by the Department

Kevin Fowke
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Financial Implications

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Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
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Background

Actual water and wastewater revenues and expenditures are being tracked against budgets. At this early point in the year, potential budget variances that may occur are described below.

User Fees

Actual user fees are tracking below budgeted amounts at the end of March. It is too early in the year to project consumption levels with accuracy. Staff will have a better indication of consumption levels with the June projection report.

Purchased Contract Services

The City has adopted a new policy of using external contractors to affect temporary patches on excavations performed by city crews. The intent is to free up staff enabling them to perform regular operations and maintenance work which they are licensed to do. The tender for this contract was significantly higher than the regular budget for restoration services, but staff has earmarked funds previously dedicated to external water and wastewater emergency repairs that are now being performed by city crews, to supplement the budget. The extent of the restoration costs will not be known until the June or September variance report.

It is very difficult to budget for the amount of watermain break related repair work required during the year as breaks fluctuate based on a number of factors. Due primarily to favourable weather conditions there have been a below average number of breaks in 2016 and 2017. There were only 34 watermain breaks through the end of March. That compares to 29 in 2016 (85 annual) and 101 in 2015 (184 annual).

Summary

Staff continues to manage and closely monitor Water and Wastewater Services budgets. This has been a preliminary review of the revenues and expenditures for the first three months of 2017.