

NORTH RED DEER RIVER WATER SERVICES COMMISSION
ANNUAL MEETING MINUTES
April 18, 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
Jordan Thompson, Engineering Manager, City of Lacombe
Chris Huston, Utilities Manager, City of Lacombe

Guest: Dan Luymes, BDO Canada LLP
Justin de Bresser, City of Lacombe Financial Manager

1. Call to Order:

Chair Christie called the meeting to order at 9:03 am.

2. Adoption of the Agenda:

MOVED by Mayor Bonnett that the agenda for April 18, 2016 be adopted as presented.

CARRIED

3. Adoption of the Minutes:

MOVED by Mayor Stol that the minutes for December 7, 2015, be adopted as presented.

CARRIED

4. Presentation

2015 Audit Financial Statement

Mr. Luymes of BDO *Canada* LLP reviewed the Auditor's Report on the 2015 Audited Financial Statements.

In summary:

- NRDRWSC has a "clean audit".
- New to the audit this year is Note 10 Rebates that comments on the "true-up" transactions for the previous year.
- Liability for Contaminated Site is also new to the audit process.

MOVED by Councillor Matejka to accept the 2015 Audit Financial Statement as presented.

2016 Appointment of Auditors

Mr. Minchin recommended that the Commission appoint BDO Canada LLP of Red Deer as the Commission's external financial auditors for the 2016 fiscal year.

MOVED by Mayor Bonnett to appoint BDO Canada LLP of Red Deer as the external financial auditors for the 2016 fiscal year.

CARRIED

Dan Luymes, BDO Canada LLP and Justin de Bresser, City of Lacombe left the meeting at 9:23am.

5. Reports

Operator's Report

Mr. Thompson discussed the recent activities.

In summary:

- Administration is processing a request in Blackfalds regarding the construction of a parking lot over the lines.
- A meeting with the City of Red Deer took place in March.
- Mr. Huston advised the Commission that locate requests have picked up. Mr Huston also reported that the Lucas reservoir valve has not been working properly. Operations have been working with the supplier of the actuator valve to correct the issue.

Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Working at finalizing the repair costs and billing to the property owner in Ponoka who damaged the line back in late 2015.
- Continuing work on identifying the lateral lines within the municipalities.
- Has been working with Stantec to update the forecast of water consumption for the next 10 year to provide the information to Alberta Environment.

Mr. Minchin presented the financial report.

In summary:

- Water sales are behind sales from this time last year. Last year was also a record year for sales. Should see a pick-up on sales due to the dry weather.
- Year to date expenses remain in line.

Chairman's Report

The Chair shared that he has not received any further comments regarding fluoride.

MOVED by Mayor Stol to accept the reports as information.

CARRIED

6. Correspondence/Information

CWWA Membership

Information on the CWWA Membership was shared with the Commission.

City of Red Deer – 2015 True-up per the Water Supply Agreement

The letter from the City of Red Deer advises the Commission that there is a "true-up" for 2015 in the amount of \$348,358.48.

MOVED by Councillor Matejka to accept the correspondence as information.

CARRIED

7. Old Business:

Nothing at this time

8. New Business:

2015 Allocation of Surplus

Mr. Minchin asked the Commission for approval of the allocation for the 2015 surplus based on the Commission's Reserve Policy. As part of the recommendation, Administration asked that the Commission consider transferring an amount equal to the 2013 and 2014 true-up payment to a Rate Stabilization Reserve. This specific fund would be used to offset increases in future years. Concerns regarding line replacement and the use of Capital Reserves for the project were also discussed. The main line has a life expectancy for 75 years, as the lateral lines will need to be replaced sooner. The Commission asked that Administration update the long term capital plan to address these issues.

MOVED by Mayor Bonnett to approve the recommendation as presented by Administration for the 2015 Surplus and that the 5 year Operating Projections is update accordingly.

CARRIED

10 Year Water Forecast – Water for Life – Diversion License

Mr. Minchin provided an update on the Commission's water diversion licence. Administration has prepared the 10 year projection as a requirement for Diversion License. This information will be submitted within the week to Alberta Environment.

MOVED by Mayor Stol to accept the reports as information.

CARRIED

9. IN Camera

MOVED by Councillor Matejka to move In Camera at 9:50 am to discuss the business case on a water line proposal.

CARRIED

MOVED by Councillor Wigmore to move out of Camera at 10.20 am.

CARRIED

MOVED by Mayor Bonnett that Administration provide an update to the City of Red Deer on the projected water line proposal.

CARRIED

10. Next Meeting:

Monday, September 19, 2016 at 9 am, City of Lacombe Council Chambers.

11. Adjournment:

MOVED by Councillor Wigmore to adjourn this Meeting at 10:25 am.

CARRIED

Original Signed

Chairperson

Original Signed

Administrator