

NORTH RED DEER RIVER WATER SERVICES COMMISSION
ANNUAL MEETING MINUTES
April 9, 2018

In Attendance: Chair Ken Wigmore, Lacombe County Councillor
Mayor Grant Creasey, City of Lacombe
Mayor Rick Bonnett, Town of Ponoka
Councillor Mark Matejka, Ponoka County
Mayor Richard Poole, Town of Blackfalds
Justin de Bresser, NRDRWSC Administrator
Jennifer Peterson, Administrator Assistant

Others Present: Albert Frootman, CAO, Town of Ponoka
Michael Minchin, Manager of Corporate Services, Lacombe County
Myron Thompson, CAO, Town of Blackfalds
Preston Weran, Director of Infrastructure, Town of Blackfalds
Chris Huston, Utilities Manager, City of Lacombe
Jordan Thompson, Acting Operation & Planning Director, City of Lacombe

Guest: Ryan Wachter, BDO Canada LLP

1. Call to Order:

Chair Wigmore called the meeting to order at 9:00 am.

2. Adoption of the Agenda:

MOVED by Mayor Poole that the agenda for April 9, 2018, be adopted as presented.

CARRIED

3. Adoption of the Minutes:

MOVED by Mayor Creasey that the minutes for December 11, 2017, be adopted as presented.

CARRIED

4. Presentation

A. 2017 Audit Financial Statement

Mr. Wachter of BDO Canada LLP, reviewed the Auditor's Report of the 2017 Audited Financial Statements.

In summary:

- Reported a "clean audit"
- Water sales to Commission Members was greater than budgeted.
- Expenses were less than budgeted.
- The Statement of Cash Flow showed over 6 million in cash at year end. This includes \$71,000 in interest revenue. Discussion occurred on ways to maximize the growth, rather than leaving the funds in the current state.

MOVED by Mayor Creasey that the Board directs Administration to look at investment options and invest any unallocated funds less 12 months operating expenses, at Mr. de Bresser discretion.

CARRIED

MOVED by Councillor Matejka to accept the Audited Statements as presented.

CARRIED

2018 Appointment of Auditors

Mr. de Bresser recommended that the Commission appoint BDO Canada LLP as the Commission's external financial auditors for the fifth and final fiscal year in 2018. He also advised the Board that it is the Commission's practice that in the fifth year of the current contact the audit service contact goes out for tender.

MOVED by Mayor Poole to appoint BDO Canada LLP as the external financial auditors for the 2018 fiscal year.

CARRIED

At 9:25 am Ryan Wachter of BDO Canada, left the meeting.

5. Reports

Operations Report

Mr. Huston discussed the recent operation activities.

In summary:

- The Alberta One-Call locate are up from February.
- Operations replaced an elbow at Railway in Blackfalds due to a leak. As well, as a leaking air release valve in a field adjacent to Central Alberta Greenhouse's property.
- In January operations had to reset two modems due to communication loss.
- Continuing to work with various contractors that are working in the vicinity of the waterline.
- Operations will be completing and submitting a *Request for Proposal* for the upgrade of software and hardware based on Stantec's SCADA assessment review and recommendations.

MOVED by Mayor Poole that Operations bring the RFP submissions and a recommendation to the June meeting for the Commission Members to review and approve.

CARRIED

MOVED by Councillor Matejka to Operational Report as information.

CARRIED

Administrator Report

Mr. de Bresser presented the Administrator's report.

In summary:

- Administration continues to work with Red Deer regarding the sale of a portion of the waterline. The Province has given preliminary approval for the sale. The grant funds received for construction of that portion of the line will not have to be returned. The Commission has been ask to take that amount into consideration when negotiating the sale price of the line.
- The year end was completed mid March.
- Administration was reminded to request the 5-year projects from Red Deer and provided the information to the Board at the next meeting.

MOVED by Mayor Creasey to accept reports as information.

CARRIED

Mr. de Bresser presented the financial report.

In summary:

- There is no true-up for 2017. The variance did not exceed the 10% of budget.
- 2018 Water sales are on budget. The summer months are normally where the bulk of the water is sold.
- An expense adjustment was made to the telephone GL.

MOVED by Mayor Bonnett to Operational Report as information.

- CARRIED

Chairperson's Report

Chair Wigmore share with the Commission that he had a discussion with Minister Richard Feehan regarding the suppling of water to the First Nation boundaries. The Board was in agreement that they would be open to discussion with the Bands should they be interested in coming to the Commission for discussion on the sale of water.

MOVED by Councillor Matejka to accept reports as information.

CARRIED

6. Correspondence/Information

The letter from the City of Red Deer regarding the 2017 True-up per the Water Sale Agreement was provided to the Board as information.

MOVED by Mayor Creasey to accept the letter as information.

CARRIED

7. Old Business:

8. New Business:

Bylaw 3.2– Amend Water Rate Bylaw #3

Mr. de Bresser presented Bylaw #3.2, a bylaw to amend the current Water Rate Bylaw #3 to include the increase rate of \$2.09 per cubic meter to members of the Commission. As well as an adjustment to the rate for the sale of water to Red Deer at a rate of \$1.960 per cubic meter.

MOVED by Mayor Creasey for first reading of Bylaw #3.2 – Water Rate as presented.

CARRIED

MOVED by Mayor Poole for second reading of Bylaw #3.2 – Water Rate as presented.

CARRIED

MOVED by Councillor Matejka for third and final reading of Bylaw #3.2 – Water Rate as presented.

CARRIED

Recognition Presentation

Chair Wigmore presented Steve Christie and Melodie Stol with a plaque and gift card to thank them for the years of commitment and service to the North Red Deer Water Services Commission.

Allocation of 2017 Surplus

There was a surplus of in 2017. Mr. de Bresser recommended that the surplus is allocated as presented

MOVED by Mayor Poole that the Board approves the following transfers to reserve:

- 1. That an amount equal to the annual amortization for 2017 be allocated to the Capital Reserves; and*
- 2. That an amount equal to \$18,149 be transferred to the Operating Reserves.*

CARRIED

9. IN Camera

Nothing to report at this time.

10. Next Meeting:

Monday, June 25, 2018 at 9:00 am, City of Lacombe Council Chambers.

11. Adjournment:

MOVED by Mayor Bonnett to adjourn this Meeting at 10:05 am.

CARRIED

Ken Wigmore

Justin de Bresser

Chairperson

Administrator