

NORTH RED DEER RIVER WATER SERVICES COMMISSION
REGULAR MEETING MINUTES
January 31, 2011

In Attendance: Mayor Steve Christie, Chairperson, City of Lacombe
Mayor Larry Henkelman, Vice Chairperson, Town of Ponoka
Mayor Melodie Stol, Town of Blackfalds
Deputy Reeve, Doug Sproule, Lacombe County
Michael Minchin, Administrator
Kim Sharyk, Administrator Assistant, City of Lacombe

Others Present: Brad Watson, CAO, Town of Ponoka
Corrine Newman, CAO, Town of Blackfalds
Matthew Goudy, Engineering Services, Lacombe, NRDRWSC Engineering

Regrets: Reeve Gord Svenningsen, Ponoka County
Chris Huston, Infrastructure Services, Lacombe, NRDRWSC Operations

1. Call to Order:

Chairperson Christie called the meeting to order at 9:00 am.

2. Adoption of the Agenda:

MOVED by Mayor Stol that the agenda for January 31, 2011 be adopted as presented.

CARRIED

3. Adoption of the Minutes:

MOVED by Mayor Henkelman that the minutes for December 13, 2010 be adopted as presented.

CARRIED

4. Reports:

Chairman Report

Mayor Christie had nothing to report at this time.

Administrator's Report

Administrator Mr. Minchin deferred speaking to his Financial Report.

Operator's Report

Mr. Goudy discussed recent activities as per the attached report herein.

In summary:

- Responded to 37 locates in December and January combined.

- Cavitations on 90 degree elbow at the Eastrail Pumphouse cause leak – welded a plate to prevent future problems that will probably outlast the pumphouse.
- There were no Crossing/Proximity Agreements during this period.
- Replaced batteries in a couple of PLC modems.
- In spring 2011, operations will be looking into the replacement of some valves.

Financial Report

Mr. Minchin presented the Financial Statements as of December 31, 2010.

In summary:

- A number of transactions still need to be completed to finalize the financial statements:
 - December billing for water sales to municipalities
 - 2010 Billing for administration costs to Counties
 - Billing by the City for Operations Staff
 - Interest and Debenture Costs
 - Transfer to Capital and Operating Reserves
 - Additional operations cost yet to be invoiced
- The projected deficit based on above would be approximately \$440,000.00.
- It is recommended that the 2010 transfers of \$600,000.00 to reserves not take place to cover this deficit.

Discussions were held regarding options as to what was presented and a general consensus was to split up front, what surplus is left over after covering the deficit and transfer to the Capital and Operating Reserves.

5. New Business:

2011 Budget

Mr. Minchin gave the Commission an update of the 2011 Provisional Budget as attached herein.

In summary:

- Updated information on rates from the City of Red Deer was presented to the Commission. The City is significantly behind in providing this information to the Commission.
- A reevaluation of the City's existing infrastructure performed for the new CICA accounting recommendations for Tangible Capital Asset Amortization resulted in approximately a 12% increase for Red Deer users & 35.5% increase for the Commission users.
- Water consumption in 2010 was only 1,136,000 m³ & the forecast for 2011 is 1,244,000 m³. Water consumption continues to drop due to weather, higher efficiency appliances & general water conservation.
- Presented a Budget Reduction spreadsheet for 2011 Budget planning; looking at an overall 28% increase in water rates.
- Municipalities need to set their water rates and are still awaiting the final numbers from Red Deer to determine the per/m³ rate. The rate from the City would be \$1.39 compared to \$0.9518 the previous year. This would result in a rate charged to municipalities of \$2.1776 per m³ compared to the current rate of 1.70 per m³

Discussion continued on various other related issues to water rate increases and options to the 2011 Budget for minimal negative effects. The Commission decided to meet again prior to March 1, 2011 to finalize the Budget proceedings.

MOVED by Deputy Reeve Sproule to accept the Financial Report as information.

CARRIED

MOVED by Mayor Henkelman to accept the Operational Report as information.

CARRIED

6. Next Meeting: February 28, 2011 at 9:00 am.

7. Adjournment:

MOVED by Mayor Henkelman to adjourn this January 31, 2011 NRDRWSC Meeting at 10:00 am

CARRIED

Chairperson

Administrator