



NORTH RED DEER RIVER WATER SERVICES COMMISSION

Annual Meeting

April 16, 2016 @ 9:00 AM

LACOMBE CITY HALL

AGENDA

1. Call to Order
2. Adoption of Agenda
3. Adoption of Minutes
 - a. December 7, 2015 Regular Meeting (*attached*)
4. Presentation
 - a. BDO Canada LLP – Mark Stevens
 - i) Auditor's Report and 2015 Audited Financial Statements
 - ii) 2015 Audit Financial Statements for Approval
 - iii) 2016 Appointment of Auditors
5. Reports
 - a. Operations (*attached*)
 - b. Administrator (*attached*)
 - i) Monthly Report
 - ii) Financial - 1st Quarter 2016
 - c. Chair
6. Correspondence
 - a. CWWA Membership
 - b. City of Red Deer – 2015 True-up Per the Water Supply Agreement
7. Old Business
8. New Business
 - a. Allocation of 2015 Surplus
 - b. 10 Year Water Forecast – Water for Life – Diversion License

9. In Camera

a. Water Line Proposal – Business Case – be presented at meeting

10. Next Meeting Date: August 8, 2016 (proposed)

11. Adjournment

NORTH RED DEER RIVER WATER SERVICES COMMISSION
REGULAR MEETING MINUTES
December 7, 2015

In Attendance: Mayor Steve Christie, City of Lacombe
Mayor Rick Bonnett, Town of Ponoka
Mayor Melodie Stol, Town of Blackfalds
Councillor Barb Shepherd, Lacombe County (alternate)
Michael Minchin, NRDRWSC Administrator
Jennifer Peterson, Administrator Assistant

Others Present: Norma MacQuarrie, CAO City of Lacombe
Terry Hager, Lacombe County Commissioner
Doug Wright, CAO Town of Ponoka
Myron Thompson, CAO Town of Blackfalds
Preston Weran, Director of Infrastructure, Town of Blackfalds
Jordan Thompson, Engineering Manager, City of Lacombe
Chris Huston, Utilities Manager, City of Lacombe

Regrets: Councillor Mark Matejka, Ponoka County
Councillor Ken Wigmore, Lacombe County

1. Call to Order:

Chair Christie called the meeting to order at 9:06 am.

2. Adoption of the Agenda:

Mr. Minchin asked that "Waterline Proposal – Business Case" be removed from the agenda and tabled for the next meeting.

MOVED by Mayor Bonnett that the agenda for December 7, 2015 be adopted as amended.

CARRIED

3. Adoption of the Minutes:

MOVED by Mayor Stol that the minutes for October 19, 2015, be adopted as presented.

CARRIED

4. Presentation

Nothing at this time.

5. Reports

Operator's Report

Mr. Thompson discussed the recent activities.

In summary:

- The Alberta One-Call locates requests are down 2015 for October but higher in November.
- A hit waterline in Ponoka required an emergency repair. Pidherneys was contracted for repair the line. The line was down for approx. 48 hours. The line hit was a feeder line to the reservoir with no impact on the residents of Ponoka. The City of Red Deer was able to catch the break within hours of it occurring.

Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Majority of the invoices are in for the repair work in Ponoka. A bill will be sent to the company responsible for the damage with an administration surcharge added.
- Working with Stantec to complete the "Water for Life" requirements for licensing. As part of the license requirements, the Commission has to provide an update on water forecasts every 10 years. Currently the commission is under its water demand.
- A meeting has been scheduled in January to meet with Red Deer and discuss the current waterline purchase request.

Mr. Minchin presented the financial report.

In summary:

- The forecasted surplus is up. The projected surplus is \$639,000 of which \$350,000 is from the 2014 true-up payment. This amount will be put into the rate stabilization reserve.
- The 2014 plan from Red Deer was used to forecast the 5 year plan.

Chairman's Report

The Chair asked the commission to share their thoughts on the Regional Water and Wastewater Seminar that they attended on November 23, 2015. Concerns were expressed about the disconnect with the MLA's regarding the waterline. It was suggested to schedule a meeting with all the MLA's and provide an overview of the program. This is to happen in the New Year.

MOVED by Mayor Stol to accept the reports as information.

CARRIED

6. Correspondence/Information

City of Red Deer 2016 Water Supply Rate

A letter from Red Deer was presented that shows that the water rates will increase by 4% from \$1.25 to \$1.30 taking effect March 1, 2016.

MOVED by Councillor Shepherd to accept as information.

CARRIED

7. Old Business:

Operating & Capital Budget 2016

Mr. Minchin shared that he has not received any objections to the proposed 2016 Operating Budget from the partnering municipalities and asked that the Commission approve the 2016 Operating and 2016 Capital Budget as presented.

MOVED by Councillor Shepherd to approve the 2016 Operating and Capital Budget as presented.

CARRIED

8. New Business:

Bylaw #3 – 2016 Water Rates

Mr. Minchin presented to the Commission for consideration Bylaw #3. This annual bylaw will need to be presented each year to set the new water rates for the coming year. Amendments will be needed to be made should water be sold to Red Deer. If the bylaw passed it will take effect January 1, 2016.

MOVED by Mayor Stol to introduce and give first reading of Bylaw #3.

CARRIED

MOVED by Mayor Bonnett to give second reading of Bylaw #3.

CARRIED

MOVED by Councillor Shepherd to give third and final reading of Bylaw #3.

CARRIED

Regional Commission Website

Mr. Minchin shared with the Commission that a website has been created for the Regional Waterline. All information pertaining to the regional line and commission will be posted on the site. He asked the Commission to review the site and provide feedback to Ms. Peterson.

Credit Card Issuance Resolution

Mr. Minchin asked that the Commission approved a credit card loan resolution as required by the Commission's financial institution.

MOVED by Mayor Stol to accept Resolution as presented.

CARRIED

9. IN Camera

10. Next Meeting:

Monday, April 18, 2016 at 9 a.m., City of Lacombe Council Chambers.

11. Adjournment:

MOVED by Mayor Bonnett to adjourn this Meeting at 9:48 am.

CARRIED

Chairperson

Administrator

DRAFT

NORTH RED DEER RIVER WATER SERVICES COMMISSION

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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NORTH RED DEER RIVER WATER SERVICES COMMISSION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

	2015 \$	2014 \$
ASSETS		
Cash	4,975,103	4,013,761
Trade and Other Receivables	822,614	645,644
	5,797,717	4,659,405
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts Payable and Accrued Liabilities	344,045	336,849
Current Portion of Long-term Debt (Note 5)	644,428	616,323
	988,473	953,172
Long-term Debt, Net of Current Portion (Note 5)	13,497,107	14,141,535
	14,485,580	15,094,707
Net Debt	(8,687,863)	(10,435,302)
Non-financial assets		
Tangible Capital Assets (Schedule 1)	32,196,633	32,662,244
Inventory of Supplies (Note 3)	73,760	67,282
ACCUMULATED SURPLUS (Note 8)	23,582,530	22,294,224
Approved on Behalf of the Commission		
_____Chairman		
_____Administrator		

The accompanying notes are an integral part of these financial statements.

NORTH RED DEER RIVER WATER SERVICES COMMISSION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget \$	2015 \$	2014 \$
REVENUE			
Water Sales to Commission Members (Note 9)	5,407,597	5,760,182	5,522,603
Service Fees Charged to Commission Members (Note 9)	134,000	138,286	138,088
Interest income	37,530	43,757	39,863
Rebates & Dividends (Note 10)	50	350,662	409,855
Other Revenue	1,750	1,000	2,000
	<u>5,580,927</u>	<u>6,293,887</u>	<u>6,112,409</u>
OPERATING EXPENSES			
Accounting and Audit Fees	8,000	8,031	8,052
Board Remuneration	3,800	2,900	3,200
Board Travel	2,500	298	435
Communication	9,389	8,748	8,697
General Materials and Supplies	1,100	711	648
Insurance	5,500	4,157	4,386
Interest on Long-term Debt	658,578	656,651	683,614
Legal	500	-	-
Management Fees	52,230	52,316	50,286
Office	250	-	-
Operator Costs	107,580	111,314	111,125
Other Expenses	500	284	522
Other Professional Fees	50,044	51,472	59,202
Purchase of Water	3,374,201	3,597,885	3,369,086
Repairs and Maintenance	7,500	17,497	38,809
SCADA Maintenance	10,800	11,481	10,764
Utilities	5,000	3,525	3,829
Valves	5,000	12,701	6,028
Amortization of Capital Assets	465,610	465,610	465,610
	<u>4,768,082</u>	<u>5,005,581</u>	<u>4,824,293</u>
EXCESS OF REVENUES OVER EXPENSES	812,845	1,288,306	1,288,116
ACCUMULATED SURPLUS, BEGINNING OF YEAR	22,294,224	22,294,224	21,006,108
ACCUMULATED SURPLUS, END OF YEAR	<u>23,107,069</u>	<u>23,582,530</u>	<u>22,294,224</u>

The accompanying notes are an integral part of these financial statements.

**NORTH RED DEER RIVER WATER SERVICES COMMISSION
STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	2015	2014
	\$	\$	\$
INCOME FROM OPERATIONS	812,845	1,288,306	1,288,116
Amortization of Capital Assets	465,610	465,610	465,610
Increase in Inventory Supplies	-	(6,479)	(3,870)
Net Change in Net Debt	1,278,455	1,747,437	1,749,856
Net Debt, Beginning of Year	(10,435,302)	(10,435,302)	(12,185,158)
NET DEBT, END OF YEAR	<u>(9,156,847)</u>	<u>(8,687,865)</u>	<u>(10,435,302)</u>

The accompanying notes are an integral part of these financial statements.

**NORTH RED DEER RIVER WATER SERVICES COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of Revenues over Expenses	1,288,306	1,288,116
Items which do not affect cash:		
Amortization of Capital Assets	465,610	465,610
Net change in non-cash working capital balances:		
Decrease (Increase) in Trade and other Receivables	(176,970)	9,925
(Increase) in Inventory of Supplies	(6,479)	(3,870)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	7,198	(9,585)
	1,577,665	1,750,196
CASH FLOWS FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Debenture Debt	(616,323)	(589,444)
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	961,342	1,160,752
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,013,761	2,853,009
CASH AND CASH EQUIVALENTS - END OF YEAR	4,975,103	4,013,761

The accompanying notes are an integral part of these financial statements.

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

1. Significant Accounting Policies

a. Management's Responsibility for the Financial Statements

The financial statements of the North Red Deer River Water Services Commission (the "Commission") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board. The Commission is constituted under the Municipal Government Act and was approved by the Minister of Municipal Affairs on June 8, 2004, for the purpose of constructing, maintaining, controlling, and managing a regional water system. The members of the Commission are the City of Lacombe, Lacombe County, Ponoka County, Town of Blackfalds, and the Town of Ponoka.

b. Budget Amounts

The budget amounts presented on the statement of financial activities are taken from the commission's annual budget.

c. Revenue Recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Government transfers are received from third parties pursuant to agreement and may only be used for the completion of specific work or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, or the tangible capital assets are acquired, and the amount is reasonably assured.

d. Use of Estimates

The preparation of financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

e. Inventories

Inventories of materials and supplies for consumption are valued at the lower of cost or net replacement cost.

f. Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution and are also recorded as revenue.

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

f. Tangible Capital Assets continued

The cost, less residual value, of the tangible capital asset are amortized on a straight line basis over the estimated useful life as follows:

<u>ASSET CLASS</u>	<u>2015</u>
Engineered structures	
Water systems	45-75

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

g. Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environment standard.

Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

The liability includes all costs directly attributed to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

2 FINANCIAL INSTRUMENTS

The Commission utilizes various financial instruments. It is management's opinion that the Commission is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of these financial instruments approximates their fair value.

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

3 INVENTORIES OF SUPPLIES

	2015	2014
	\$	\$
Valves	48,979	42,789
Material and Supplies	8,659	8,660
Pipe	8,513	8,513
Couplings	2,707	2,707
Miscellaneous	4,902	4,612
	73,760	67,282

4 BANK OVERDRAFT

The Commission has an unused overdraft protection agreement with a maximum overdraft of \$1 million and interest charged at lender prime less .25%, Collateral is comprised of a general security agreement specifically pledging all grant proceeds and debenture products. As at year end December 31, 2015 the prime rate was 2.70%

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

5 LONG-TERM DEBT

	2015	2014
	\$	\$
4.46% debenture, repayable \$66,762 semi-annually, due September 15, 2031	1,515,671	1,579,456
4.515% debenture, repayable \$570,688 semi-annually, due June 15, 2031	12,625,864	13,178,402
	14,141,535	14,757,858
Current Portion of Long-Term Debt	644,428	616,323
Long-Term Portion	13,497,107	14,141,535

Principal and interest repayments are as follows:

	Principal \$	Interest \$	Total \$
2016	644,428	630,473	1,274,901
2017	673,815	601,086	1,274,901
2018	704,542	570,359	1,274,901
2019	736,670	538,231	1,274,901
2020	770,263	504,638	1,274,901
Subsequent	10,611,817	2,841,392	13,453,209
	14,141,535	5,686,179	19,827,714

Debenture debt is issued on the credit of the Commission at large. The Commission has agreed to levy upon the member municipalities, a cubic meter water service fee based on actual use sufficient to provide for annual funds to pay principal and interest due each year on debentures and annual operating costs.

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

6 DEBT LIMITS

Section 3 of Alberta Regulation No. 76/2000 and requires that debt and debt limits for the Commission to be disclosed. The Commission has received approval to borrow up to \$27 million under ministerial orders L:043/05 (\$22,000,000) and L:148/05 (\$5,000,000) to complete the project and as such, has not exceeded its debt limit at December 31, 2015. The debt limit and debt service limit otherwise determined are as follows:

	2015	2014
	\$	\$
Total Debt limit	12,587,774	12,224,818
Total Long-Term debt	(14,141,535)	(14,757,858)
	(1,553,761)	(2,533,040)
Debt servicing limit	2,202,860	2,139,343
Debt Servicing	(1,274,901)	(1,274,901)
	927,959	864,442

The debt limit is calculated at 2 times the revenue of the Commission (as defined in Alberta Regulation 76/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify Commissions that could be at financial risk if further debt is acquired. The calculation alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

7 EQUITY IN TANGIBLE CAPITAL ASSETS

Net assets invested in capital assets is calculated as follows:

	2015	2014
	\$	\$
Tangible Capital Assets	32,196,633	32,662,244
Total Long-Term debt	(14,141,535)	(14,757,858)
	18,055,098	17,904,386

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

8 ACCUMULATED SURPLUS

	2015	2014
	\$	\$
Unrestricted Operating Surplus	2,029,457	2,056,144
Unrestricted Capital Surplus	233,104	233,104
Operating Reserve	1,301,221	891,421
Capital Reserve	1,963,650	1,209,169
Equity in Tangible Capital Assets	18,055,098	17,904,386
	<u>23,582,530</u>	<u>22,294,224</u>

The Capital Reserve is used to provide funds for specific capital equipment purchases to enhance or improve service delivery. Operating Reserves are funds for emergency situations. Both are funded out of year-end surplus and allocated based on Board Policy.

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

9 RELATED PARTY TRANSACTIONS

City of Lacombe, Town of Blackfalds, Town of Ponoka, Lacombe County, and Ponoka County are members of the Commission and, as such, have been identified as related parties.

a. WATER SALES:

Water sales charged to Commission members are as follows:

	2015	2014
	\$	\$
City of Lacombe	2,764,335	2,696,869
Town of Ponoka	1,451,612	1,434,114
Town of Blackfalds	1,527,218	1,376,728
Ponoka County	17,017	14,892
	5,760,182	5,522,603

b. SERVICE FEES:

Service fees are based on the actual net operating costs of the Commission and are allocated among various Commission members based on earlier agreement. service fees charged to Commission members are as follows:

	2015	2014
	\$	\$
Lacombe County	69,143	69,044
Ponoka County	69,143	69,044
	138,286	138,088

c. OTHER FEES:

The commission is provided accounting, management and operations services by the City of Lacombe for a total cost of \$173,389 (2014 - \$169,554)

Included in accounts receivable are \$811,603 (2014- \$632,567) due from various member municipalities.

Included in accounts payable is \$7,590 (2014 - \$12,180) due to various member Municipalities

NORTH RED DEER RIVER WATER SERVICES COMMISSION
Notes to the Financial Statements
December 31, 2015

10 REBATES

Based on the terms of the water supply agreement with the City of Red Deer effective September 1, 2005, annual water rates are based on forecasted consumption volume and costs which are subject to annual reconciliation. A "true-up" transaction, where one party compensates the other for variance in consumption and/or cost, is only applicable when the difference between forecasted and actual consumption and costs results in an actual cost per cubic metre variance greater than 10%. The rebate received in 2015 is a result of the reconciliation of actual annual costs and volumes to annual budgeted costs and volumes completed by the City of Red Deer for the 2014 calendar year and resulted in a rebate of \$350,662 (2014- \$409,800). The reconciled amount and resulting rebate or payable is not calculated until subsequent to the year end and as a result is recognized in the financial statements when known or received.

11 SIGNIFICANT AGREEMENTS

a. CITY OF RED DEER

The Commission has entered into a 25 year agreement with the City of Red Deer, expiring August 31, 2030, to purchase water. The agreement may be terminated by either party by giving five year's written notice. Under the agreement, the Commission is obligated to purchase an annual quantity of water to be determined by negotiation between the parties at a rate calculated on a cost of service basis utilizing the principles set out in the American Water Works Association manuals of practice dealing with water rates and charges.

b. RELATED PARTIES

The Commission has entered into agreements with the City of Lacombe, Town of Ponoka, Town of Blackfalds, and Ponoka County to supply water. Under the agreement, the Commission is obligated to provide a maximum allocation of water to each municipality for a price determined annually by October 31st of the prior year.

12 SUPPLEMENTARY CASH FLOW INFORMATION

	2015	2014
	\$	\$
Interest income	43,757	39,863
Interest on Long-term Debt	656,651	683,614

13 APPROVAL OF FINANCIAL STATEMENTS

Commission Board and Administration have approved these financial statements.

Draft

NORTH RED DEER RIVER WATER SERVICES COMMISSION
SCHEDULE OF TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2015

Schedule 1

	Cost		Amortization				2015	2014
	Beginning of year	End of year	Beginning of year	Amortization	Disposals	End of year	\$	\$
Engineered Structures	34,776,820	34,776,820	3,936,269	465,610	-	4,401,879	30,374,941	30,840,551
Land	1,821,692	1,821,692	-	-	-	-	1,821,692	1,821,692
	36,598,512	36,598,512	-	3,936,269	465,610	-	4,401,879	32,196,633
								32,662,244

Draft



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: April 13, 2016

RE: 2015 Audited Financial Statements
Approval

REF:13/931
(2015)

PURPOSE:

To present the 2015 audited financial statements for the North Red Deer Regional Water Services for the Board's approval.

BACKGROUND:

The 2015 audited financial statements are now complete and ready for the Board's approval. A draft copy is enclosed for the Board's review. Representatives from BDO LLP will provide final copies at the Board meeting on the 18th of April.

Statements must be completed and approved by May 1st and submitted to Alberta Municipal Affairs

ISSUE ANALYSIS:

The 2015 audited statement presentation differs slightly from the annual operating budget in terms of how the operating surplus is presented. The following is a reconciliation of the surplus reported on the audited statements to that of the operating budget.

2015 Audited Statements Surplus	\$1,288,306
Less Debt Payments for 2015	<u>\$ 616,322</u>
2015 Adjusted Surplus	\$ 671,984

The 2015 budgeted surplus was \$196,522. The difference between actual and budgeted forecast was the result of a true up payment from the City of Red Deer of \$350,632 and higher than forecasted water sales.

FINANCIAL IMPLICATIONS:

Administration has provided a separate memo concerning the allocation of surplus under new business later on in the agenda.

LEGISLATIVE AUTHORITY:

- Section 5(3) of Commission Bylaw 1
- Section 602.33 of the Municipal Government Act, RSA 2000, c M-26

ALTERNATIVES:

1. The Board can approve the statements as presented.

ATTACHMENTS:

- Draft – 2015 Audited Financial Statements – North Red Deer River Water Services Commission.

ACTION/RECOMMENDATION:

THAT the Board approve the 2015 Audited Financial Statements as presented.



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: April 13, 2016

RE: Appointment of External Auditors for
2016

REF: 13/931
(2016)

PURPOSE:

To recommend appointment of auditors for the Commission for 2016 fiscal year.

BACKGROUND:

The Commission's Auditors recently completed the 2nd year of a 5 year contract for the delivery of auditing services for the Commission. In accordance with the Commission's Bylaws a resolution is required to appoint the auditors for 2016.

ISSUE ANALYSIS:

BDO LLP was awarded a 5 year auditing contract covering the 2014-2018 fiscal years.

FINANCIAL IMPLICATIONS:

The annual cost of the audit is \$7,850 per year.

LEGISLATIVE AUTHORITY:

- Section 5.4 of the Commission's Bylaw 1 requires the annual appointment of the auditors.

ALTERNATIVES:

1. The Board can appoint BDO LLP as auditors
2. Give notice to BDO LLP and issue a new RFP for the upcoming years.

ATTACHMENTS:

- n/a

ACTION/RECOMMENDATION:

That the Board appoint BDO Dunwoody LLP of Red Deer, Alberta as the Commission's external financial auditors for the 2016 fiscal year.

M E M O R A N D U M



North Red Deer River Water Services Commission

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Phone: (403) 782-6666
Direct Line: (403) 782-1268
Fax: (403) 782-5655

jthompson@lacombe.ca

April 18, 2016

Attn: NRDRWSC

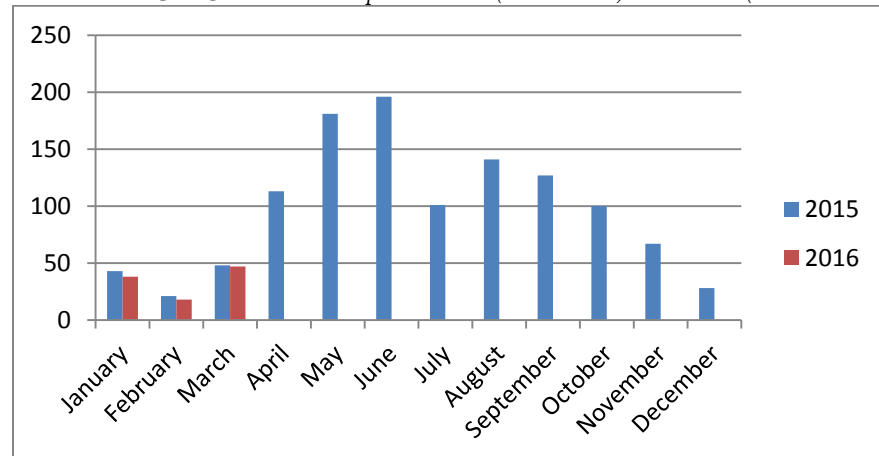
Re: Operational Report since December 19, 2015 to current

Since the last update provided to members of the Commission (December, 2015), the City of Lacombe has dealt with the following:

GENERAL ISSUES

- Alberta One-Call Locate Requests:
 - 2015 - 1,202 locates
 - January - 38 locates
 - February - 18 locates
 - March - 47 locates

Alberta One-Call Locate Requests 2015 (total 1202) and 2016 (to date 112)



Repair response charges:

- Jan. 22 - A technician from Rotork was called out to the Lucas Height reservoir to reset the actuator valve. The valve was registering closed, but was actually allowing water to pass through. The Rotork technician was able to reset the parameters and get the valve to close fully.
- Feb. 8 & 9 - Chris H was called out to the Lucas reservoir at 1:30pm, to manually close the valve because it was not seating properly.
- Feb. 10 - Operators at the Red Deer treatment plant reported the main vault meter was not registering properly. Chris H discovered Red Deer's water meter department was recently in the vault to attach a radio transmitter to the meter. Red Deer's water treatment plant operators will be talking with their water meter department to correct the issue.
- Feb. 11 - A technician from Rotork was called out to the Lucas Height reservoir to reset the valve parameters again. The technician suspected the issues with the actuator may be caused by the power supply and arranged with the Commission's operator the installation of a surge protector on February 18th to address the suspected power issue.
- Feb. 12 - Red Deer water treatment plant operators corrected the radio transmitter issue at the main vault with their water meter department.
- Mar. 10 - The commission operator reports the Rotork actuator issues were not resolved following the installation of the surge protector.

- Mar.17 - The Rotork Technician reprogrammed the valve and was able to get it to operate normally.. The Rotork technical advised that if the issues persist, they will replace the actuator.
- Mar.22 & 23 - Chris H was called out by Red Deer treatment plant operators regarding an issue with the 39th Avenue valve not responding. Chris verified that the actuator was not responding and opened butterfly valve in the pump house and set it to 85 cubes per hour. The Commission operator investigated the issues the next day and discovered Red Deer operators had switched their programming for 39th Avenue valve to 'manual' at the plant. Once the programming was switched back to auto, the actuator valve operated normally.

Call-Out:

- Feb. 7 - Chris H was called out at 3:18pm by the Red Deer treatment plant to Lucas Heights reservoir. The actuator valve was not closing fully and allowing 40 cubes of water to pass through. Chris manually closed the valve and contacted Rotork to visit the site.

Crossing/Proximity Agreements - Administration is processing a request from the Town of Blackfalds via Group2 Architecture to construct a parking over the regional line.

General Information:

- Locates requests are increasing for the year.
- Recently focus of requests has been on the new school being built in Blackfalds.
- Administration met with representatives from the City of Red Deer on March 23rd

If you have any questions or comments regarding the operations described above please don't hesitate to call or email me.

Sincerely,



Jordan Thompson, CET, PMP
Engineering Services Manager



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta
T4L 1E9

Memorandum

TO: Commission Board Members
FROM: Michael Minchin, Administrator
DATE: April 9, 2015

RE: Administrator's Report – 1st Qtr 2016

REF: 47/117
(2065)

The following is a summary of items Administration has been working on since the Board's last meeting:

1. Administration has completed the annual audit and preparation of the 2015 audited financial statements. The financial information return is also complete and will be filed with the Province at the conclusion of the Board Meeting.
2. Administration has been working with Stantec to provide Alberta Environment and Parks with an updated forecast of water consumption for the next 10 years. This forecast is a condition of the Commission's water diversion license. This item will be discussed later on in the agenda.
3. Administration met with the City of Red Deer on March 23, 2016 to receive an update on the water supply request by the City.
4. Administration have almost completed the updated mapping of the regional line as well as verification of existing easements and utility right of ways. The next step is to acquire or secure easement/or utility right of ways for the number feeder lines that are the Commission's responsibility.
5. Administration has yet to finalize billing with the property owner in Ponoka who hit the feeder line in Ponoka before Christmas.



5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: April 13, 2016

RE: 1st Quarter 2016 Variance Report

REF: 13/860
2016

Attached is the 1st quarter 2016 variance report for the regional water commission. The report includes transactions to the end of March.

Water Sales are slightly behind forecasts, but only slightly. The Commission remains on target to meet its budgeted surplus. A few items of note:

1. Water sales are at or slightly below forecasts for all communities which is remarkable considering the historical consumption for the member communities. Water consumption should in general pick up as we move to what appears to be an early spring.
2. Expenses remain in line with expectations. No extraordinary expenses have been incurred. As expected the largest purchase to date is the purchase of water from the City of Red Deer.

CITY OF LACOMBE
GL Department Report



GL5330

Page : 1

Date : Apr 13, 2016

Time : 5:25 pm

Year : 2016
Period : 3

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
REGIONAL WATER REPORTING						
6 REGIONAL WATER COMMISSION						
1 REVENUES						
47 Regional Water Revenues						
06-1-47-35110	Water Sales - City of Lacombe	-206,573	-621,103	-2,665,494	-2,044,391	23
06-1-47-35120	Water Sales - Town of Ponoka	-111,995	-330,740	-1,451,308	-1,120,568	23
06-1-47-35130	Water Sales - Town of Blackfalds	-112,730	-331,590	-1,431,375	-1,099,785	23
06-1-47-35140	Water Sales - Ponoka County	-1,068	-3,124	-19,592	-16,467	16
06-1-47-42200	Line Crossing Fee	0	0	-1,750	-1,750	
06-1-47-55100	Interest Revenue	-3,945	-11,159	-42,000	-30,841	27
06-1-47-55500	Rebates & Dividends	0	0	-50	-50	
06-1-47-85140	Lacombe County Contribution	0	0	-70,000	-70,000	
06-1-47-85150	Ponoka County Contribution	0	0	-70,000	-70,000	
47 Regional Water Revenues		-436,311	-1,297,717	-5,751,568	-4,453,852	23
1 REVENUES		-436,311	-1,297,717	-5,751,568	-4,453,852	23
2 EXPENSES						
47 Regional Water Operating Expenditures						
06-2-47-11110	Board Wages-City of Lacombe	0	0	1,400	1,400	
06-2-47-11120	Board Wages-Town of Ponoka	0	0	600	600	
06-2-47-11130	Board Wages-Town of Blackfalds	0	0	600	600	
06-2-47-11140	Board Wages-Lacombe County	0	0	600	600	
06-2-47-11150	Board Wages-Ponoka County	0	0	600	600	
06-2-47-21100	Board Travel Expenses	11	11	0	-11	
06-2-47-21110	Board Travel-City of Lacombe	0	0	500	500	
06-2-47-21120	Board Travel -Town of Ponoka	0	0	500	500	
06-2-47-21130	Board Travel-Town of Blackfalds	0	0	500	500	
06-2-47-21140	Board Travel-Lacombe County	0	0	500	500	
06-2-47-21150	Board Travel-Ponoka County	0	0	500	500	
06-2-47-21400	Membership Fees	0	0	200	200	
06-2-47-21500	Postage & Freight	0	0	50	50	
06-2-47-21700	Telephone - Office	26	76	305	229	25
06-2-47-21701	Telephone - Operations	681	2,021	9,084	7,063	22
06-2-47-23000	Management Fees	4,438	13,314	54,321	41,007	25
06-2-47-23100	Accounting and Auditor Fees	5,775	5,775	8,000	2,225	72
06-2-47-23200	Legal Fees	40	40	1,250	1,210	3
06-2-47-23900	Other Professional Services	246	3,293	36,800	33,507	9
06-2-47-25300	Equipment Repair & Maintenance	0	185	7,500	7,315	2
06-2-47-25301	SCADA Maintenance	0	1,794	11,280	9,486	16
06-2-47-27400	Insurance & Bond Premiums	0	155	5,500	5,346	3
06-2-47-34200	Administration	828	2,484	10,135	7,651	25
06-2-47-35100	Purchase of Water	270,971	815,529	3,600,362	2,784,833	23
06-2-47-35200	Operations	7,093	20,992	111,883	90,891	19
06-2-47-51000	Miscellaneous Expenses	0	0	500	500	
06-2-47-51100	Meeting Supplies	0	0	250	250	
06-2-47-51400	Office Supplies	0	120	250	130	48
06-2-47-52400	General Materials & Supplies	35	35	500	465	7
06-2-47-54400	Utilities-Electricity	279	804	4,500	3,696	18
06-2-47-56400	Valves	0	1,510	5,000	3,490	30
06-2-47-81400	Bank Charges & Interest	20	20	0	-20	
06-2-47-83100	Debenture Interest	33,799	33,799	630,473	596,674	5
06-2-47-83200	Debenture Principal	32,963	32,963	644,428	611,465	5
06-2-47-99000	Amortization	0	0	465,610	465,610	

CITY OF LACOMBE
GL Department Report



GL5330

Page : 2

Date : Apr 13, 2016

Time : 5:25 pm

Year : 2016

Period : 3

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
REGIONAL WATER REPORTING						
	47 Regional Water Operating Ex	357,205	934,920	5,614,481	4,679,561	17
	2 EXPENSES	357,205	934,920	5,614,481	4,679,561	17
	Surplus/(Deficit)	-79,106	-362,796	-137,087	225,709	265
	6 REGIONAL WATER COMMISSION	-79,106	-362,796	-137,087	225,709	265
	REGIONAL WATER REPORTING Total	-79,106	-362,796	-137,087	225,709	265

Join Our National Team!

I am writing to invite you to join the Canadian Water and Wastewater Association.

As the only national association for water and wastewater in Canada, we are called upon to be the voice of our industry – to the federal government and to the national media. The larger our membership, the stronger our voice. The more participation we get from our professional members, the better our input on national issues.

As **your** professional association at the national level, we run premier events to keep you informed of developing federal policy and programs and facilitate a cross-Canada dialogue on national and inter-provincial issues. We address all fields of our industry with a real focus on utility leadership.

The **Alberta Capital Region Wastewater Commission** has been a CWWA member for many years. I appreciate the ability to connect with utility leaders and water professionals from across Canada and I like to know we have direct input to the federal government. I have gained from attending the national conferences and participating in technical committee discussions. I also appreciate how CWWA keeps on top of new and changing federal legislation and lets us know so we can determine how changes may affect us.

I have included a new brochure that will tell you more about our association, the benefits to your organization and some of the issues we have been working on like: infrastructure renewal, federal regulations and guidelines, security policy and non-flushable wipes

Please take a look through some of the attached materials and consider a membership with the CWWA for your municipality. Do not hesitate to call me at (780) 416-9962 if you have any questions or want to chat about how the CWWA can best serve you.

Sincerely,

Mike Darbyshire

General Manager, Alberta Capital Region Wastewater Commission
& CWWA Director for Alberta

Membership Benefits Include

National communications including:

- E-Bulletin – our monthly newsletter with national industry news and clippings from across the country.
- Communiqués – detailed email blasts on specific legislation and hot topics
- Canadian Municipal Water – our biannual national magazine highlighting the work of our members.
- Water Canada magazine – a free subscription from our media partners
- Sharing comments with your colleagues from across Canada
- Providing meaningful input to developing legislation and policy
- Developing our official positions as well as international standards

Opportunities to participate in our technical committees:

- Providing meaningful input to developing legislation and policy
- Developing our official positions for the association
- Contributing to national and international standards
- Sharing information with your colleagues from across Canada

Discounted rates:

- To attend CWWA conferences and workshops
- To be a sponsor and/or exhibitor at CWWA events
- To advertise in our newsletter, magazine and website

What Our Members Have To Say

"It is important to us knowing that the interests of our city are being represented at the federal level and we are able to provide valuable input in the earliest stages of developing legislation."

Lou Di Gironimo, General Manager
TORONTO WATER, TORONTO, ON

"As a smaller community, I appreciate CWWA's work on national infrastructure funding and I take advantage of the access to colleagues and resources from across the country."

Jeremy Crosby, Director of Infrastructure
TOWN OF STRATFORD, PEI

"CWWA has been a tremendous resource for our city staff providing the earliest insight into what is happening at the federal level and leading national discussions for our profession ."

Edith Phillips, Leader, Regulatory Affairs & Compliance
CITY OF CALGARY, AB

"I think we played a critical role in shaping the Wastewater System Effluent Regulations and now on an international effort on the issue of non-flushable wipes."

Tony Van Rossum, Environmental Services Engineer
CITY OF LONDON, ON

So, what have we done for you lately?

CWWA has been THE national association for the Canadian water and wastewater sector for over 25 years, representing utilities to the federal government on just about every aspect of our industry. Most recently we've been working on:

infrastructure



CWWA made presentations to the National Infrastructure Roundtables and continue to call for federal funding of water/wastewater projects. We are supporting the Infrastructure Report Card and developing resources to support utility leaders in their efforts to secure infrastructure funding.



public attitudes

CWWA recognizes the importance of the public in supporting critical infrastructure decisions. So we published Public Attitudes 2015 – a guide to help members when developing a local communications plan.

effluent



CWWA provided the expert technical advice throughout the federal process to develop the Wastewater Systems Effluent Regulations and we continue to provide comments through the Implementation.



drinking water

CWWA hosts the National Drinking Water Conference and provides comments in support of the National Guidelines and all proposed federal legislation.

flushable wipes



CWWA is leading the efforts to develop international standards and industry guidelines to regulate wipes and other products that are causing expensive damage to our systems.

Why We Need You

We are stronger with you than without you!
If we are to speak on behalf of the utility sector in Canada, the more members we have, the more powerful our voice. And you need to have input into what we are saying on your behalf.

How Can You Contribute?

- ✦ Review and provide comments on proposed legislation
- ✦ Help to develop our official position statements
- ✦ Help develop resource libraries for members
- ✦ Engage in specialized discussion groups
- ✦ Help setting the program for conferences and workshops
- ✦ Present your work to our members

What's in it for you?

- ✦ Access to all our collected resources
- ✦ Early insight into developing legislation
- ✦ An opportunity to influence our positions
- ✦ Participation in peer dialogue
- ✦ Learning and networking opportunities
- ✦ Discounted rates for all we do
- ✦ Chances to share your achievements
- ✦ CWWA's Canadian Municipal Water magazine
- ✦ Water Canada magazine



1010 Polytek Street Unit 11, Ottawa, ON, K1J 9H9
www.cwwa.ca info@cwwa.ca 613-747-0524

Utility Member Application Form

- Owner or Operators of Infrastructure or Services -

These benefits are for the utility member corporation and its employees, but do not apply to constituent and client municipalities.

Utility Membership is a category reserved for organizations who own or who operate water and/or wastewater infrastructure or services. Membership in CWWA is corporate: this means your entire municipality or company receives the Utility Member privileges and benefits. These benefits also apply to constituent and client municipalities of our Utility Members.

Organization:			
Prime Contact Name & Title:			
Secondary Contact Name & Title:			
Address:			
Phone		Fax	
E-mail		Website Address	

Population Served	Per Capita Rate \$/capita	Maximum Fee
5,000 or under	flat fee	\$ 268
5,001-10,000	flat fee	\$ 534
10,001-100,000	0.0537	\$ 4,114
100,001-200,000	0.0401	\$ 5,757
200,001-350,000	0.0278	\$ 8,639
350,001-1 million	0.0241	\$ 16,130
over 1 million	0.0201	\$ 20,138

APPLICABLE FEE:

a. Calculated fee: \$ _____
b. Maximum fee: \$ _____
c. Flat fee: \$ _____
+Prov. Tax Rate:(13%, 12%, 15% HST or 5% GST) \$ _____
Total Payment = \$ _____

We want to join now!

Cheque enclosed [] Please invoice []

(GST Reg.#106868607)

Signature: _____

Date: _____

Please note: If your utility is responsible only for water or only wastewater services, the per capita rate should be divided by 2.

Fee Calculation:

Population Served x \$/capita rate = Calc. Fee

_____ x 0.0 _____ = _____

www.cwwa.ca/membership

CWWA | ACEPU

1010 Polytek Street, Unit 11.

Ottawa, ON, K1J 9H9, Canada.

Office. 613.747.0524 email: info@cwwa.ca



ENVIRONMENTAL SERVICES

March 16, 2016

Michael Minchin, Commission Administrator
North Red Deer River Water Services Commission
c/o City of Lacombe
5432 – 56 AVE
Lacombe AB T4L 1E9

Dear Mr. Minchin,

Re: 2015 True-up Per the Water Supply Agreement

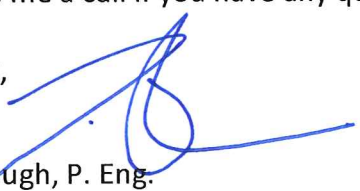
Each year, we review actual costs and actual usage for the regions and assess whether or not there should be a reconciliation of costs (i.e. a "true-up"). Based on Schedule E of the Water Supply Agreement, if actual usage and costs results in a variance compared to the amounts charged of more than 10%, a "true-up" amount will be charged or paid to reconcile the difference.

The 2015 budgeted revenue requirement for the water utility was \$24.85 million, and the actual revenue requirement was \$24.52 million; a net reduction of \$0.33 million. The primary reason for this reduction is related to depreciation, interest and cost of capital, which reduced by \$0.97 million, \$0.14 million and \$0.42 million respectfully as some anticipated capital expenses were deferred from 2015 to 2016. Operating costs were also reduced by \$0.05 million. The overall water consumption projection of 14,696 ML was reasonably close to the actual of 14,841 ML.

For NRDRWSC, the actual cost allocated in 2015 was \$3,249,527.09 and the actual consumption was 2,889,697 m³; or \$1.125/m³. This compares to actual revenue collected of \$3,597,884.57; resulting in a variance of \$348,357.48. The variance does exceed 10% of budget; therefore an amount is owing to the region. A cheque in the amount of \$348,357.48 will be sent under separate cover.

Please give me a call if you have any questions or would like to discuss this matter further.

Yours truly,



Tim Ainscough, P. Eng.
Environmental Services Manager
SM/lms

c. Director of Development Services
Environmental Services Administrative & Accounting Supervisor
Water Superintendent



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members
FROM: Michael Minchin, Administrator
DATE: April 13, 2016
RE: Allocation of 2015 Surplus

REF:
47/860/2016

PURPOSE:

To propose allocations of the 2015 operating surplus to reserves in accordance with Commission policy.

BACKGROUND:

In accordance with the Commission's capital and operating reserve policy (see attached), annual surpluses are to fund contributions to the capital and operating reserves in the following amounts:

Capital – equal to the annual amortization expense (for 2015 that is 465,610).

Operating – equals 100% operating surplus until such time as the reserve reaches the equivalent of 90 days of the cash operating expenses. The 2015 operating surplus (after amortization and less debt payments) was \$671,984. This amount included a true up rebate of \$350,632.

The 2015 operating reserve target is \$1,289,073.

ISSUE ANALYSIS:

Based on policy Administration is proposing the following recommendations:

Operating Reserve

Operating Reserve Opening Balance	\$ 891,421
2015 Surplus (less true up)	<u>\$ 321,352</u>
2016 Opening Balance	\$1,212,773
 2015 operating reserve target is	 \$1,289,073

Stabilization Reserve

Part of Operating Reserve	\$ 409,800
2014 True Up	<u>\$ 350,632</u>
2016 Opening Balance	\$ 760,432

Capital Reserves

Capital Reserve Opening Balance	\$1,963,650
2015 Amortization	<u>\$ 465,610</u>
2015 Opening Balance	\$2,429,260

The 2015 operating surplus of \$671,984 includes \$350,632 which is the result of a true up payment from the City of Red Deer for 2014 sales and an unallocated surplus of \$321,352.

The current operating reserve includes \$409,800 in rate stabilization funding. In light of another true up payment in 2014 and notification of another true up payment for 2015, Administration is proposing the establishment of a separate rate stabilization reserve funded from the true up payments. Administration is also proposing to update the 5 year rate projection to incorporate these true payments.

Administration is also recommending that an amount equivalent to the 2015 amortization be transferred to the capital reserve as per policy.

FINANCIAL IMPLICATIONS:

The transfer to reserves has no direct impact on the 2016 operating budget. Funding from stabilization reserves could affect budgets and rates starting in 2017.

LEGISLATIVE AUTHORITY:

- Commission Policy #7

ALTERNATIVES:

1. Apply transfers to reserves as proposed.
2. Vary transfers as per Board direction.
3. Return surplus through rebates to Member municipalities.
4. Do nothing and retain surplus in unrestricted operating surplus.

ATTACHMENTS:

- Commission Policy #7 - CAPITAL & OPERATING RESERVES

ACTION/RECOMMENDATION:

THAT the Board approve the following transfer to reserve:

1. That an amount equal to the annual amortization for 2015 be allocated to the Capital Reserves; and
2. That an amount equal to \$321,352 be transferred to the Operating Reserve; and
3. That an amount equal to the 2013 and 2014 true up payments of \$760,432 be transferred to a Rate Stabilization Reserve

Further that the Board direct Administration to update the 5 year Operating Projections to incorporate the additional true up revenue.



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: April 14, 2016

RE: Long term Regional Water Volume
Forecast

REF: 47/921
(16)

PURPOSE:

To provide the Board with an update on Administration's efforts toward completing the 10 year water forecast update as required in the Commission water diversion licence.

BACKGROUND:

Based on the preliminary design report completed by Associated Engineering in 2003, the member municipalities had estimated a 48 year water forecast of 13.37 million cubic metres of water per year. This estimate included growth for its member municipalities as well the long term supply for four first nations located north of the Commission.

In 2003, under the authority of the North Red Deer Water Authorization Act and supported through a Licence to Diver Water Licence, #0018957, the Board received approval to divert up to 13,391,000 cubic metres of water annually from the Red Deer River. This licence has an expiry date of August 2031.

As part of the license conditions, the Commission must provide a 10 year projection of water requirements as of 2016 and 2026. The 2016 report is now due.

ISSUE ANALYSIS:

As a condition of the Commission's water diversion license, the Commission must submit an assessment of its 10 year projected water requirements in 2016 and again in 2026.

Administration has prepared a number of projections for the period 2016 to 2051 to demonstrate the long term need for water supply by the Commission.

The report is being provided for information.

Administration and Stantec has reviewed both the historic water consumption of the Commission as well as the original projections. Below are the 2016 projections versus the original 2003 projections.

Annual Water Forecast (cubic metres)

Year		2016 Projection	2003 Projection	Difference
2011	Actual	2,468,723	6,375,455	-3,954,155
2016	Projected	2,996,060	7,112,983	-4,116,923
2026	Projected	5,799,295	8,656,782	-2,857,487
2031	Projected	6,261,655	9,443,232	-3,181,576
2051	Projected	9,665,472	13,371,410	-3,705,938

These growth projections are based on the following assumptions:

1. Inclusion of water from first nations starting in 2021.
2. Growth rates are based on the following:
 - a. First nations 3% per annum starting in 2021 as per 2003 water study
 - b. Member demand of 3.68% for 2016-2021 based on actual 5 year average
 - c. Member demand of 1.75% for 2022- 20251 based on 2003 study.

Administration did examine projections using a growth rate of 3.68% for 2022-2051 member demand, but that was more than double historic trends.

The Commission has water commitments to its member municipalities of 9,662,000 cubic metres for the life of the commission.

Administration is proposing to submit these estimates are part of water projection report.

FINANCIAL IMPLICATIONS:

There is no immediate cost to the Commission.

LEGISLATIVE AUTHORITY:

- Division 2, Part 4, Water Act RSA 2000, c. W-3
- South Saskatchewan Basin Water Allocation Regulation

ALTERNATIVES:

1. Board accept the information as presented.
2. Provide input on the underlying assumptions.

ATTACHMENTS:

- Licence to Diver Water - 00189571

ACTION/RECOMMENDATION:

That the Board accept this report as information.

LICENCE TO DIVERT WATER
PROVINCE OF ALBERTA
WATER ACT, R.S.A. 2000, c.W-3, as amended

LICENCE NO.: 00189571-00-00

FILE NO.: 00189571

PRIORITY NO.: 2001-10-01-001

EFFECTIVE DATE: 2006 08 03

EXPIRY DATE: 2031 08 02

SOURCE OF WATER: Red Deer River

POINT OF DIVERSION: NE 17-038-27-W4 through the works of City of Red Deer (File: 298)

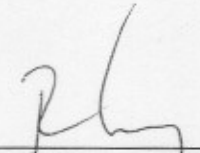
LICENSEE: North Red Deer River Water Services Commission

Pursuant to Division 2, of Part 4, of the *Water Act*, R.S.A. 2000, c.W-3, as amended and the South Saskatchewan Basin Water Allocation Regulation, a licence is issued to the Licensee to:

operate a works and to divert up to 13,391,000 cubic metres of water annually at a maximum rate of diversion of 0.54 cubic metres per second from the *Source of Water* for the purpose(s) of Municipal (urban water supply)

subject to the attached terms and conditions.

Designated Director under the Act: _____


David Helmer, M.Sc., P.Eng.
District Approvals Manager

Date Signed: 2006 08 03

DEFINITIONS

- 1.0 All definitions from the Act and the Regulations apply except where expressly defined in this licence.
- 1.1 In all parts of this licence:
- (a) "Act" means the Water Act, RSA 2000, c. W-3, as amended;
 - (b) "Application" means the written submissions to the Director in respect of application number 001-00189571 .
 - (c) "Director" means an employee of the Government of Alberta designated as a Director under the Act;
 - (d) "Point(s) of diversion" means the location(s) where water is diverted from the source of water;
 - (e) "Point of use" means the location(s) in which the diverted water is used by the Licensee for the licenced purpose;
 - (f) "Regulations" means the regulations, as amended, enacted under the authority of the Act.
 - (g) "Commission" means the North Red Deer River Water Services Commission.

GENERAL

- 2.0 The Licensee shall immediately report to the Director by telephone any contravention of the terms and conditions of this licence at 1-780-422-4505.
- 2.1 The terms and conditions of this licence are severable. If any term or condition of this licence is held invalid, the application of such term or condition to other circumstances and the remainder of this licence shall not be affected thereby.

DIVERSION OF WATER

- 3.0 This licence is appurtenant to the following:
- (a) NE 17-038-27-W4
- 3.1 The Licensee shall divert water only for the purpose(s) specified in this licence.
- 3.2 The Licensee shall divert water only from the source of water specified in this licence.
- 3.3 The Licensee shall divert water only from the following point(s) of diversion:
- (a) NE 17-038-27-W4 (through the works of City of Red Deer) re-diverted at SW 3-039-27-W4
- 3.4 This licence is subject to the Water Supply Agreement between the Commission and City of Red Deer dated October 25, 2004.

- 3.5 The works used to divert the water authorized by this licence shall include, at a minimum, all of the following:

<u>Plan/Report No.</u>	<u>Title</u>
00189571-P001	Water Transmission Pipeline Overall Location Plan City of Red Deer – Town of Lacombe
00189571-P002	Water Transmission Pipeline Overall Location Plan Town of Lacombe – Town of Ponoka
00189571-R001	North Water Group Water Supply Study report, September 2001 – Hydroconsult EN3 Services Ltd.

- 3.6 The Licensee shall not divert more than 13,391,000 cubic metres of water per year.
- 3.7 The Licensee shall not divert water at a rate of diversion greater than 0.54 metres per second.
- 3.7 Prior to diverting any water from the source of water, the Licensee shall equip the point of re-diversion at SW 3-039-27-W4 with a meter, which measures:
- (a) cumulatively, the quantity of all water diverted
- 3.8 The Licensee shall maintain each measuring device referred to in 3.7 at all times.
- 3.9 The Licensee shall calibrate each measuring device referred to in 3.7 in accordance with manufacturer's specifications.
- 3.10 The licensee shall only divert water from Red Deer River when the flow passing the point of the water diversion is equal to or exceeds 8.49 cubic metres per second (300 cubic feet per second) from May to September, and 4.24 cubic metres per second (150 cubic feet per second) from October to April.
- 3.11 The Director may amend this license to change the In-stream Objectives as set out in 3.10 and to establish or change the Water Conservation Objective resulting from the South Saskatchewan River Basin Water Management Plan - Phase Two, upon a minimum of 12 months written notice to the licensee.
- 3.12 The licensee shall divert the water authorized by this licence only when there is sufficient water flow in the source of water to meet or exceed the Water Conservation Objective set out in 3.11.
- 3.13 Unless otherwise authorized in writing by the Director, the Water Conservation Objective in 3.11 is to be met at Water Survey of Canada Station No. 05CC002.

MONITORING AND REPORTING

- 4.0 Unless otherwise authorized in writing by the Director, the Licensee shall:
- (a) measure the total volume of water diverted each month using the meter specified in 3.6;
 - (b) total monthly volume of water diverted to each member of the Commission;
 - (c) total monthly volume of water returned (Town of Blackfalds to Red Deer River)
 - (d) total annual volume of water returned (Town of Lacombe to Wolf Creek)
 - (e) total annual volume of water returned (Town of Ponoka to Battle River)
- 4.1 The Licensee shall report online using the *Water Use Reporting Website* (<http://www3.gov.ab.ca/env/water/wur/submission.html>) a Monthly Water Use Report to the Director:
- (a) on or before the 20th day of each month following the month in which the information on which the report is based was collected; or
 - (b) within a time period specified in writing by the Director.
- 4.2 The Monthly Water Use Report shall include, at a minimum, the following information collected during the previous month:
- (a) the total monthly number of cubic metres of water diverted from the source of water;
 - (b) the results obtained pursuant to 4.0; and
 - (c) any other information required in writing by the Director.
- 4.3 The licensee shall conduct a 10-year projected water requirement reassessment once every ten years and shall submit a report to the Director on January 31, 2016 and January 31, 2026 respectively or any other time, as advised by the Director.
- 4.4 The Director reserves the right to transfer, reduce or cancel the portion of water allocation assigned to the four first nations should any or all of the first nations decide not to obtain water through the Commission.
- 4.5 As part of the *Water For Life, Alberta's Water Strategy*, the Director reserves the right, if it is deemed appropriate, to reduce the water allocation for the promotion of wise use and conservation of water.

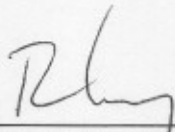
COMPLAINT INVESTIGATION

5.0 The Licensee shall:

- (a) provide to all water users, within a distance specified in writing by the Director from the point of diversion, the contact name(s) and telephone numbers of the licensee or representative(s);
- (b) investigate all written complaints accepted by the Director relating to allegations of surface water and groundwater interference as a result of the diversion of the water or operation of the works; and
- (c) provide a written report to the Director, within a time specified in writing by the Director, detailing the results of the investigation relating to the complaint accepted by the Director in 5.0(b).

5.1 The Licensee shall satisfy the Director that the report submitted pursuant to 5.0(c) has identified remedial and/or mitigative measures relating to the alleged interference.

Designated Director under the Act: _____


David Helmer, M.Sc., P.Eng.
District Approvals Manager

Date Signed: _____ 2006 08 03 _____