



NORTH RED DEER RIVER WATER SERVICES COMMISSION

Regular Board Meeting
November 6, 2017 @ 9 AM
LACOMBE CITY HALL
AGENDA

1. Call to Order – Acting Chair Mark Matejka
2. Adoption of Agenda
3. Governance
 - a. Annual Elections – *(attached)*
 - i) Election of Chairman
 - ii) Election of Vice Chairman

New Chairperson of Commission assumes Chairing of Meeting

4. Adoption of Minutes *(attached)*
 - a. September 25, 2017 Regular Meeting
5. Presentation
 - a. Orientation – Verbal presentation
6. Reports *(attached)*
 - a. Operations *(attached)*
 - b. Administrator *(attached)*
 - i) Monthly Report
 - ii) Financial - As of September 30, 2017
 - c. Chair
7. Correspondence
8. New Business
 - a. 2018 Budget Update *(attached)* – For information
 - b. 2018-2022 Financial Projections *(attached)* – For information
 - c. Appoint Acting Administrator *(attached)*
 - d. Signing Officers Signing Authority*(attached)*

9. In Camera

- a. Proposed Disposal of Portion of Waterline (*memo to be presented at meeting*)

10. Next Meeting Date

- a. December 11, 2017

11. Adjournment



**North Red Deer
River Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members
FROM: Michael Minchin, Administrator
DATE: November 1, 2017

RE: Annual Election of Chair and Vice Chair

REF: 47/112
2017

PURPOSE:

To outline the process for the election of the Chair and Vice Chair positions of the North Red Deer River Water Services Commission

BACKGROUND:

Section 4.4 of the Commission's Bylaw #1 requires the election of the position of Chair and Vice Chair. With the retirement of both the Chair and Vice Chair, both positions are currently vacant.

The Chair is responsible for the management of the quarterly Board meetings and to call special meetings if required. The Vice Chair's role is to fill in in the absence of the Chair. Both positions are signing officers for the Commission.

ISSUE ANALYSIS:

With the retirements of both the Chair and Vice Chair, Board member Mark Matejka was appointed acting Chair at the last Board meeting. Acting Chair Matejka will oversee the November 6, 2017 meeting until the elections are complete, at which time the newly elected Board Chair will assume chairing the meeting.

There are no specific election rules outlined in the bylaws of the Commission, therefore, Administration is recommending that the election process outlined in the Robert's Rules of Order be followed. The election would go as follows:

1. Acting Chair calls for nominations from the floor for the position of the Chair.
2. Once all the nominations have been received from the floor, the Acting Chair closes nominations. Board member should not nominate themselves.
3. If more than one name is put forth for the position of the Chair, then the Acting Chair will call for a vote by show of hands for each candidate.
4. The candidate with the most votes will be declared the elected Chair for the year.
5. If only one name is received that person will be acclaimed as Chair for the year.

The same process would be followed for the election of the Vice Chair position.

FINANCIAL IMPLICATIONS:

None

LEGISLATIVE AUTHORITY:

- Section 4.4 of Commission Bylaw #1

ALTERNATIVES:

1. The Board could propose changes to the election process

ATTACHMENTS:

- N/a

ACTION/RECOMMENDATION:

THAT the Board accept this report as information.

NORTH RED DEER RIVER WATER SERVICES COMMISSION
REGULAR MEETING MINUTES
September 25, 2017

In Attendance: Mayor Steve Christie, City of Lacombe, Chair
Mayor Rick Bonnett, Town of Ponoka
Councillor Richard Poole, Town of Blackfalds, alternate
Councillor Ken Wigmore, Lacombe County
Councillor Mark Matejka, Ponoka County
Michael Minchin, NRDRWSC Administrator
Jennifer Peterson, Administrator Assistant

Others Present: Albert Frootman, CAO Town of Ponoka
Tim Timmons, Manager of Corporate Services, Lacombe County
Preston Weran, Director of Infrastructure, Town of Blackfalds
Chris Huston, Utilities Manager, City of Lacombe
Jordan Thompson, Engineering Manager, City of Lacombe

Regrets: Mayor Melodie Stol, Town of Blackfalds

1. Call to Order:

Chair Christie called the meeting to order at 9:07 am.

2. Adoption of the Agenda:

MOVED by Councillor Matejka that the agenda for September 25, 2017, be adopted as presented.

CARRIED

3. Adoption of the Minutes:

MOVED by Councillor Wigmore that the minutes for June 19, 2017, be adopted as presented.

CARRIED

4. Presentation

5. Reports

Operations Report

Mr. Huston discussed the recent operation activities.

In summary:

- The Alberta One-Call locate requests are at average for this time of the year.
- Operations responded to a few repair issues, with one being a flow issue at the main vault. A reset of the system corrected the issue.
- Working with Blackfalds to move a feeder line to facilitate a road realignment. Coordinating with Ponoka and Telus who are installing a new fiber optic line in the Town of Ponoka and crossing the regional line.
- Operations Lead Operator retired earlier this year; the vacant position has been filled.
- The SCADA program had been delayed due to summer holidays and the vacant operator position. On September 12, 2017, the program kicked off with a full line tour scheduled for September 25, 2017.

Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Attended the annual planning meeting with Red Deer. Discussed Red Deer's upcoming capital projects.
- The Commission has not received the confirmed 2018 supply water rate from the City of Red Deer.
- The City of Lacombe and Lacombe County are in discussions regarding the sale of water. NRDRWSC Administrator has created a MOU to facilitate the service.
- Still working with Red Deer on the purchase of the part of the waterline.

Mr. Minchin presented the financial report.

In summary:

- Set records for water sales in July. Sales are slightly over target for year to date. Still lower than the past two years.
- Set conservative water sales goals for 2018.

Chairperson's Report

The Chair has been assisting Administration with the communication to Red Deer on the sale and purchase of the waterline.

MOVED by Councillor Matejka to accept reports as information.

CARRIED

6. Correspondence/Information

7. Old Business:

City of Red Deer Waterline Sale

Mr. Minchin provided an update on the status of the discussions regarding the potential sale of a portion of the Commission's water line that lies within the corporate boundaries of the City of Red Deer. The City of Red Deer has identified a number of options for the Commission to consider. Administration will have to review those options and the impact on future water rates. The Commission will also have to abide with the rules established by the Province on the disposal of Commission assets. Further discussions will occur with the new Commission Board after the 2017 municipal elections.

MOVED by Councillor Wigmore to accept reports as information.

CARRIED

8. New Business:

MOA – NRDRWSC City of Lacombe and Lacombe County

Mr. Minchin presented a draft copy of the Memorandum of Agreement to the Commission for the City of Lacombe to supply water to Lacombe County west of Highway 2. The agreement is necessary to ensure that this water is applied against the County's water allocation with the Commission. A similar request was approved to facilitate supplying the County via Blackfalds.

MOVED by Councillor Poole to approve the Memorandum of Agreement between the City of Lacombe, Lacombe County and the North Red Deer River Water Services Commission for the supply of water to Lacombe County.

CARRIED

Draft 2018 Operating Budget

Mr. Minchin presented the draft 2018 Operating Budget to the Commission for consideration. The preliminary budget is based on a 5% increase in water rates from the City of Red Deer. This is estimate from Commission Administration. Administration should received the actual water rate by mid to end of October. A 2% increase in Commission rates has been proposed. The first increase in 5 years.

No major projects have been included. Should the SCADA project proceed, Administration will look to absorb initial operating costs within the proposed rate increase.

A copy of the draft budget will be sent to the respective councils for comments or concerns and asked to advise the Commission if any before the November 6th meeting.

MOVED by Councillor Wigmore to accept the draft 2018 Operating Budget as information.
CARRIED

Appointment of Acting Chair/Signing Authority

Mr. Minchin stated that with the retirement of both the Chair and Vice Chair in October that the Commission should consider appointing Mark Matejka as the Acting Chair. Mr. Matejka is the only existing board member to be acclaimed in their respective municipal council position. The acting Chair is for emergency purposes and cheque signing should there be any. This appointment will only be in place until a permanent appointment of a Chair and Vice Chari is made at the November 6, 2017 meeting.

MOVED by Mayor Rick Bonnett that the North Red Deer River Water Services Commission appoint Mark Matejka as Acting Chair for the period effective October 23, 2017 to November 6, 2017 as the Commission representative, giving him authority to act on the Commission's behalf for signing cheques, authorizing invoices, executing agreements, or other matters in which the Commission's interests are represented.

CARRIED

9. IN Camera

10. Next Meeting:

Monday, November 6, 2017 at 9:00 am, City of Lacombe Council Chambers.

11. Adjournment:

MOVED by Mayor Bonnett to adjourn this Meeting at 9:39 am.

CARRIED

Chairperson

Administrator

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

November 6th, 2017

Attn: NRDRWSC

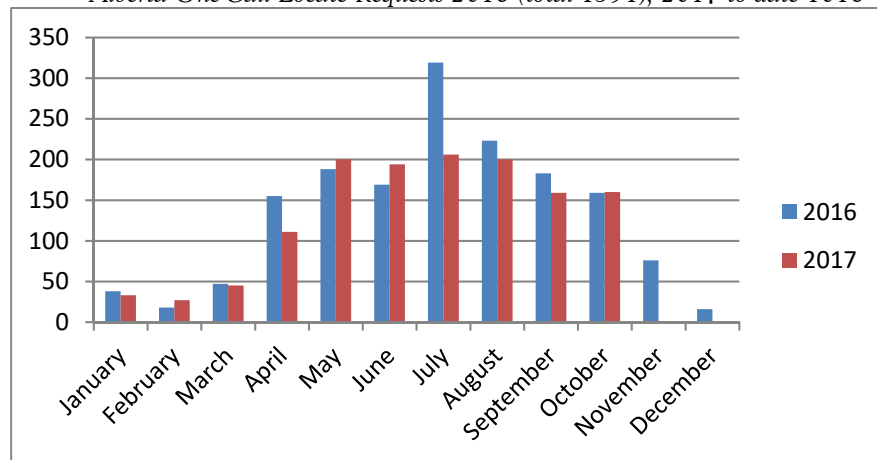
Re: Operational Report since September 25th, 2017.

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

GENERAL INFORMATION

- Alberta One-Call Locate Requests:
 - September - 159 locates
 - October - 160 locates

Alberta One-Call Locate Requests 2016 (total 1591); 2017 to date 1016



Repair response charges:

- October 6 - Operator inspected the air release chambers from Lacombe to Red Deer, noting condition, water infiltration and general access to the chambers for future maintenance.
- October 16 & 17 - Operator and Endress+Hauser performed water meter verification testing on all meters, except 39th Ave & Main Vault. Initial scheduling left out these two meters due to being a different brand. Endress+Hauser technician confirmed that they can also test third party water meters. These two meters will be added to the City of Lacombe's testing in 2018. All meters tested were verified to be compliant and accurate.

Call-Out:

- None

General Information:

- Operator worked with Northside Construction and Urban Dirt Works with the relocation of a branch (service) line to Railway reservoir.
- Operator continues to work with the various contractors on the regional wastewater line from Lacombe to Red Deer that are digging in vicinity or are crossing the regional water line.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Jordan Thompson', with a stylized, sweeping flourish extending to the right.

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: November 1, 2017

RE: Administrator's Report – October, 2017 REF: 47/117
(2017)

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

1. Administration is in the process of transitioning Administrators on a temporary basis. This item is under new business for the Board's decision.
2. Administration is still waiting on the 2018 water rate from the City of Red Deer. As a result the budget is being presented for information only. This item appears later on in the agenda.
3. Administration has updated the 5 year projection for the Board's information based on the current information provided to the Commission. This item appears later on in the agenda.



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: November 1, 2017

RE: 3rd Quarter 2017 Variance Report

REF: 13/860
2017

Attached is the 2017 variance report as of September 30th, 2017 for the regional water commission.

Water sales remain on track to exceed 2018 budget amounts, although volumes will remain at or below the 5 year trending average.

Expenses remain in line with expectations. No extraordinary expenses have been incurred. Costs for SCADA review are yet to be billed as the project remains a work in progress. As the year end approaches, transfers from reserves and billing to county members will take place.

The projected surplus to the end of the year is currently at \$135,830 compared to a budgeted surplus of \$70,579. The difference is the result of higher than budgeted water sales.

CITY OF LACOMBE

GL Department Report



GL5330

Page : 1

Date : Nov 01, 2017

Time : 11:00 am

Year : 2017

Period : 9

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	-211,709	-1,982,786	-2,569,249	-586,463	77
06-1-47-35120	Water Sales - Town of Ponoka	-112,507	-1,069,428	-1,438,011	-368,583	74
06-1-47-35130	Water Sales - Town of Blackfalds	-129,339	-1,255,025	-1,553,427	-298,402	81
06-1-47-35140	Water Sales - Ponoka County	-1,372	-17,243	-18,981	-1,738	91
06-1-47-35150	Water Sales - City of Red Deer	-194	-5,840	-37,400	-31,560	16
06-1-47-42200	Line Crossing Agreement Fee	-250	-1,750	-1,000	750	175
06-1-47-55100	Interest Revenue	-7,883	-47,624	-43,511	4,113	109
06-1-47-55500	Rebates & Dividends	0	0	-30	-30	
06-1-47-85140	Lacombe County Contribution	0	0	-70,195	-70,195	
06-1-47-85150	Ponoka County Contribution	0	0	-70,195	-70,195	
06-1-47-92100	Transfer from Reserves	0	0	-158,000	-158,000	
47 Regional Water Revenues		-463,254	-4,379,696	-5,959,999	-1,580,303	73
1 REVENUES		-463,254	-4,379,696	-5,959,999	-1,580,303	73
2 EXPENSES						
47 Regional Water Operating Expenditures						
06-2-47-11110	Board Wages-City of Lacombe	350	1,050	1,400	350	75
06-2-47-11120	Board Wages-Town of Ponoka	150	450	600	150	75
06-2-47-11130	Board Wages-Town of Blackfalds	150	450	600	150	75
06-2-47-11140	Board Wages-Lacombe County	150	150	600	450	25
06-2-47-11150	Board Wages-Ponoka County	150	450	600	150	75
06-2-47-21100	Board Travel Expenses	0	11	0	-11	
06-2-47-21120	Board Travel -Town of Ponoka	30	89	250	161	36
06-2-47-21130	Board Travel-Town of Blackfalds	15	45	250	205	18
06-2-47-21140	Board Travel-Lacombe County	8	8	250	242	3
06-2-47-21150	Board Travel-Ponoka County	30	89	250	161	36
06-2-47-21400	Membership Fees	185	328	300	-28	109
06-2-47-21500	Postage & Freight	0	0	50	50	
06-2-47-21700	Telephone - Office	25	227	400	173	57
06-2-47-21701	Telephone - Operations	669	6,021	8,072	2,051	75
06-2-47-23000	Management Fees	4,644	41,796	55,728	13,932	75
06-2-47-23100	Accounting and Auditor Fees	0	471	8,000	7,529	6
06-2-47-23200	Legal Fees	0	0	500	500	
06-2-47-23900	Other Professional Services	486	4,844	46,800	41,956	10
06-2-47-25300	Equipment Repair & Maintenance	0	6,850	7,500	650	91
06-2-47-25301	SCADA Maintenance	753	5,822	8,300	2,478	70
06-2-47-27400	Insurance & Bond Premiums	0	3,254	3,889	635	84
06-2-47-34200	Administration	866	7,794	10,392	2,598	75
06-2-47-35100	Purchase of Water	330,723	2,924,448	3,863,404	938,956	76
06-2-47-35200	Operations	10,266	83,880	121,300	37,420	69
06-2-47-51000	Miscellaneous Expenses	0	200	250	50	80
06-2-47-51100	Meeting Supplies	0	0	50	50	
06-2-47-51400	Office Supplies	0	32	150	118	21
06-2-47-52400	General Materials & Supplies	24	8,117	500	-7,617	1623
06-2-47-54400	Utilities-Electricity	159	1,925	3,500	1,575	55
06-2-47-56400	Valves	0	0	5,000	5,000	
06-2-47-81400	Bank Charges & Interest	0	5	25	20	21
06-2-47-83100	Debenture Interest	31,545	335,843	601,086	265,243	56
06-2-47-83200	Debenture Principal	35,217	368,369	673,815	305,446	55

CITY OF LACOMBE
GL Department Report



GL5330

Page : 2

Date : Nov 01, 2017

Time : 11:00 am

Year : 2017

Period : 9

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
REGIONAL WATER REPORTING						
06-2-47-99000	Amortization	0	0	465,610	465,610	
	47 Regional Water Operating Ex	416,593	3,803,018	5,889,421	2,086,402	65
	2 EXPENSES	416,593	3,803,018	5,889,421	2,086,402	65
	Surplus/(Deficit)	-46,661	-576,678	-70,579	506,099	817
	6 REGIONAL WATER COMMISSION	-46,661	-576,678	-70,579	506,099	817
REGIONAL WATER REPORTING Total		-46,661	-576,678	-70,579	506,099	817

North Red Deer River Water Services Commission



2018 Operating Budget
Draft

Prepared by Michael Minchin
September 25, 2017

2018 Operating Budget

The North Red Deer River Water Services Commission transports potable water from the City of Red Deer to its member municipalities. Currently, the Commission delivers water to all its members. The 2018 budget forecasts revenues based on the water demand estimates provided by the member municipalities. The largest costs to the Commission are the purchase of water from the City of Red Deer and debenture payments.

The following is a summary of changes included in the 2018 operating budget followed by the budget itself.

Water Costs

The 2018 operating budget is based on a 5% increase in water rates from the City of Red Deer. The projected rate from the City of Red Deer is expected to increase from \$1.38 to \$1.45 per cubic metre effective March 1st, 2018. The Commission is waiting a formal estimate from the City which is expected in October. The details of the rate and impact on the budget are outlined on page 3.

Water Sales Volumes

Water sales volumes for 2018 have been increased slightly from the estimates from the 2017 budget. Actual consumption for 2017 was slightly lower than forecasted and Administration is forecasting slower growth in the coming years. Included in the estimate is a change to the water loss estimate. Water forecasts are outlined in page 4 of this document.

Other Operating Revenues and Expenditures

In addition to water purchases and sales volume estimate adjustments, Administration has also reviewed all expenses for the Commission and made a number of adjustments. The following is a summary of those adjustments. The operating budget starts on page 5.

Revenues

1. Adjust revenue from City of Red Deer to reflect projected water volumes and delivery charges. Cost of water is not charged to the Commission and therefore a lower rate is passed on to the City for Central Park. This change results in a reduction in revenue estimate of \$29,850. An offsetting charge to water costs to the Commission has also been made.
2. Increase in line crossing fees of \$500 to reflect growing income.
3. Increase of \$6,489 in interest revenue to reflect growing cash balances.

Expenses

4. Increase in Board travel and mileage of \$250 to reflect change in Board membership.
5. Increase of \$100 in Administration travel to cover miscellaneous travel, if required.
6. Increase in \$300 in Volunteer recognition for retiring board members in 2018.
7. Increase in Telephone – Office of \$680 to replace phone.
8. Increase of Management Fees based on a January 1st increase. A \$1,116 increase.
9. Decrease in Other Professional Services of \$30,000 to recognize completion of SCADA review.
10. Increase in Equipment Maintenance costs of \$2,000 to reflect ongoing maintenance costs.

11. Increase in SCADA costs to reflect monthly rate increase. Annual increase of \$725.
12. Increase Administration (accounting services) based on a January 1st increase of \$204.
13. Water purchases are based on projected water volumes and the new City of Red Deer rate.
14. Increase in Operations costs to reflect increased rates effective January 1st from \$121,300 to \$123,637 (\$2,337 increase).
15. No Change in electricity costs to factor in additional carbon tax increases in 2018.
16. Amortization remains unchanged. As this is a non-cash expense, the reserve policy will see this transferred to capital reserves at the end of the year in 2018.
17. Funding from rate stabilization reserve of \$215,000 to offset rate increase from City as per 5 year plan.
18. The operating surplus has been reduced to make up the increase in water rates from the City. The projected operating surplus has been reduced from 125,000 to 117,213 a reduction of \$7,787. The Commission will still access \$215,000 from the stabilization reserve.
19. There are no operating costs yet associated with the SCADA project. Capital installation is expected in 2018 with additional costs possible in mid 2018. The Commission's final draft would include this costs within the proposed rate increase.

Water Rates

Based on the projected 5% increase from the City of Red Deer, Administration is proposing a rate of increase of 1.97% effective March 1, 2018. The rate would increase for the first time since 2013 from \$2.03 to \$2.07 per cubic metre. This rate increase could be adjusted lower based on final City of Red Deer water rate and possible SCADA operating costs.

2018 Capital Budget

The only proposed project for 2018 is the SCADA project. An initial estimate of \$200,000 is proposed funded from the Commission's Capital Reserves. The final estimate will be presented at the November Board meeting along with possible operating cost implications.

North Red Deer River Water Services Commission
2018 Water Sales Forecast

Page 3

2017 City of Red Deer Rate	\$	1.380
2018 City of Red Deer Projected Rate	\$	1.450
% Change		5.00%

<u>Water Purchases</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
Lacombe	103,114	90,225	1,095,587	1,288,926
Ponoka	56,960	49,840	605,200	712,000
Blackfalds	60,405	52,854	641,802	755,062
Lacombe County (thru Blackfalds)	1,616	1,414	17,170	20,200
Ponoka County	966	845	10,264	12,076
City of Red Deer (Not included)	-	-	-	-
Water Loss	1,920	1,680	20,400	24,000
Subtotal	224,981	196,858	2,390,424	2,812,263

Price per m3 (excludes Red Deer)	1.3800	1.3800	1.4500
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<u>Cost of Water</u>				
City	142,297.39	124,510.22	1,588,600.85	1,855,408.46
Ponoka	78,604.80	68,779.20	877,540.00	1,024,924.00
Blackfalds	83,358.79	72,938.95	930,613.35	1,086,911.09
Lacombe County (thru Blackfalds)	2,230.08	1,951.32	24,896.50	29,077.90
Ponoka County	1,333.17	1,166.52	14,883.42	17,383.11
City of Red Deer	-	-	-	-
Water Loss	2,649.60	2,318.40	29,580.00	34,548.00
Subtotal	310,473.83	271,664.61	3,466,114.12	4,048,252.56

Other Expenses (Includes Amortization)	<u>2,003,979.14</u>
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Total Operating Costs	6,052,231.70
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Less non-water Revenue & Delivery Revenue from City of Red Deer	<u>414,470.00</u>
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Total Water Sale Revenue Required	5,637,761.70
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<u>Water Sales Required</u>				
City	209,321.52	183,156.33	2,267,864.66	2,660,342.51
Ponoka	115,628.80	101,175.20	1,252,764.00	1,469,568.00
Blackfalds	122,621.99	107,294.25	1,328,530.79	1,558,447.03
Lacombe County	3,280.48	2,870.42	35,541.90	41,692.80
Ponoka County	1,961.11	1,715.97	21,247.37	24,924.45
City of Red Deer	-	-	-	-
Subtotal	452,813.90	396,212.17	4,905,948.72	5,754,974.79
Operating Surplus				117,213.09
Price per m3	\$ 2.0300	\$ 2.0300	\$ 2.0700	

Rate Increase	1.97%
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**North Red Deer River Water Services Commission
2018 Water Sales Forecast**

	2017 Projected			2017 Budget	Variance
	<u>Jan to Aug</u>	<u>Sep to Dec</u>	<u>Total</u>		
City of Lacombe	872,452	403,712	1,276,164	1,265,640	0.82%
Town of Ponoka	471,390	234,950	706,340	708,380	-0.29%
Town of Blackfalds	554,525	189,378	743,903	741,610	0.31%
Lacombe County	-	-	-	23,625	#DIV/0!
Ponoka County	7,818	3,160	10,978	9,350	14.83%
City of Red Deer	10,857	2,926	13,783	20,000	-45.11%
Water Loss	- 2,717	15,000	12,283	55,540	-352.17%
	1,914,325	849,126	2,763,451	2,824,145	-2.20%

2018 (Estimated)

	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
City of Lacombe	103,114	90,225	1,095,587	1,288,926
Town of Ponoka	56,960	49,840	605,200	712,000
Town of Blackfalds	60,405	52,854	641,802	755,062
Lacombe County	1,616	1,414	17,170	20,200
Ponoka County	966	845	10,264	12,076
City of Red Deer	1,125	984	11,950	14,059
Water Loss	1,920	1,680	20,400	24,000
	226,106	197,843	2,402,373	2,826,322

Historical

	<u>Actual 2010</u>	<u>Actual 2011</u>	<u>Actual 2012</u>	<u>Actual 2013</u>	<u>Actual 2014</u>	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Projected 2017</u>
City of Lacombe	1,135,454	1,150,948	1,192,004	1,240,649	1,328,507	1,361,741	1,258,887	1,276,164
Town of Ponoka	703,634	700,402	699,781	699,205	706,460	715,080	696,163	706,340
Town of Blackfalds	524,584	526,983	564,434	593,449	678,191	752,324	737,533	743,903
Lacombe County	-	-	0	-	-	-	-	20,000
Ponoka County	2,705	3,560	4,662	5,771	7,336	8,383	9,721	10,978
City of Red Deer							-	13,783
Water Loss	48,296	39,407	11,252	49,987	37,509	52,169	14,696	12,283
	2,414,673	2,421,300	2,472,133	2,589,061	2,758,003	2,889,697	2,717,000	2,783,451

City of Lacombe	-6.90%	1.36%	3.57%	4.08%	7.08%	2.50%	-7.55%	1.37%
Town of Ponoka	-8.36%	-0.46%	-0.09%	-0.08%	1.04%	1.22%	-2.65%	1.46%
Town of Blackfalds	1.69%	0.46%	7.11%	5.14%	14.28%	10.93%	-1.97%	0.86%
Lacombe County								#DIV/0!
Ponoka County	-44.16%	31.61%	30.96%	23.79%	27.12%	14.27%	15.96%	12.93%
City of Red Deer								0.00%
Water Loss	-20.98%	-18.41%	-71.45%	344.25%	-24.96%	39.08%	-71.83%	-16.42%
Total	-6.02%	0.27%	2.10%	4.73%	6.53%	4.77%	-5.98%	2.45%

North Red Deer River Water Services Commission
Provisional Budget Report



Account Code : 06-1-47-?????
To 06-2-47-?????
Fiscal Year : 2017

Account Code	Account Description	CC1	CC2	2016 ACTUAL VALUES	2017 ACTUAL VALUES	2017 FINAL BUDGET	2018 PROVISIONAL BUDGET
06 REGIONAL WATER COMMISSION							
REVENUES							
Regional Water Revenues							
06-1-47-35110	Water Sales - City of Lacon			-2,555,541	-1,771,078	-2,569,249	-2,660,343
06-1-47-35120	Water Sales - Town of Ponc			-1,413,211	-956,922	-1,438,011	-1,469,568
06-1-47-35130	Water Sales - Town of Blacl			-1,497,192	-1,125,686	-1,553,427	-1,600,139
06-1-47-35140	Water Sales - Ponoka Cour			-19,734	-15,871	-18,981	-24,923
06-1-47-35150	Water Sales - City of Red D			0	-5,646	-37,400	-7,550
06-1-47-42200	Line Crossing Fee			-250	-1,750	-1,000	-1,500
06-1-47-55100	Interest Revenue			-50,059	-39,741	-43,511	-50,000
06-1-47-55500	Rebates & Dividends			-348,371	0	-30	-30
06-1-47-85140	Lacombe County Contributi			-70,175	0	-70,195	-70,195
06-1-47-85150	Ponoka County Contributio			-70,175	0	-70,195	-70,195
06-1-47-92100	Transfer from Reserves			0	0	-158,000	-215,000
06-1-47-99000	Misc Revenue			-323	0	0	0
Total Regional Water Revenues				-6,025,031	-3,916,694	-5,959,999	-6,169,443
Total REVENUES				-6,025,031	-3,916,694	-5,959,999	-6,169,443
EXPENSES							
Regional Water Operating Expenditures							
06-2-47-11110	Board Wages-City of Lacon			1,750	700	1,400	1,400
06-2-47-11120	Board Wages-Town of Ponc			750	300	600	600
06-2-47-11130	Board Wages-Town of Blacl			750	300	600	600
06-2-47-11140	Board Wages-Lacombe Cou			0	0	600	600
06-2-47-11150	Board Wages-Ponoka Cour			750	300	600	600
06-2-47-21100	Board Travel Expenses			0	11	0	0
06-2-47-21110	Board Travel-City of Lacom			0	0	0	250
06-2-47-21120	Board Travel -Town of Ponc			143	59	250	250
06-2-47-21130	Board Travel-Town of Black			74	30	250	250
06-2-47-21140	Board Travel-Lacombe Cou			0	0	250	250
06-2-47-21150	Board Travel-Ponoka Coun			89	59	250	250
06-2-47-21170	Travel-Administration			0	0	0	100
06-2-47-21180	Travel - Operations			11	0	0	0
06-2-47-21400	Membership Fees			377	247	300	300
06-2-47-21500	Postage & Freight			50	0	50	50
06-2-47-21600	Staff & Volunteer Appreciati			0	0	0	300
06-2-47-21700	Telephone - Office			307	202	400	1,080
06-2-47-21701	Telephone - Operations			8,080	5,352	8,072	8,072
06-2-47-23000	Management Fees			54,595	41,796	55,728	56,844
06-2-47-23100	Accounting and Auditor Fee			8,243	471	8,000	8,000
06-2-47-23200	Legal Fees			300	0	500	500
06-2-47-23900	Other Professional Services			10,100	4,358	46,800	16,800
06-2-47-25300	Equipment Repair & Mainte			861	6,850	7,500	9,500
06-2-47-25301	SCADA Maintenance			9,014	4,332	8,300	9,025
06-2-47-27400	Insurance & Bond Premium			3,903	3,254	3,889	3,889
06-2-47-34200	Administration			10,183	7,794	10,392	10,596
06-2-47-35100	Purchase of Water			3,510,318	2,593,725	3,863,404	4,048,253

North Red Deer River Water Services Commission

Provisional Budget Report



Date : Sep 22, 2017

Page : 6

Account Code : 06-1-47-?????
 To 06-2-47-?????
 Fiscal Year : 2017

Account Code	Account Description	CC1	CC2	2016 ACTUAL VALUES	2017 ACTUAL VALUES	2017 FINAL BUDGET	2018 PROVISIONAL BUDGET
06-2-47-35200	Operations			101,860	73,614	121,300	123,637
06-2-47-51000	Miscellaneous Expenses			0	200	250	250
06-2-47-51100	Meeting Supplies			15	0	50	50
06-2-47-51400	Office Supplies			120	32	150	150
06-2-47-52400	General Materials & Supplies			295	8,093	500	750
06-2-47-54400	Utilities-Electricity			2,732	1,766	3,500	3,500
06-2-47-56400	Valves			2,877	0	5,000	5,000
06-2-47-81400	Bank Charges & Interest			20	5	25	25
06-2-47-83100	Debenture Interest			628,458	304,299	601,086	570,359
06-2-47-83200	Debenture Principal			644,428	333,152	673,815	704,542
06-2-47-99000	Amortization			465,610	0	465,610	465,610
Total Regional Water Operating				5,467,063	3,391,301	5,889,421	6,052,232
Total EXPENSES				5,467,063	3,391,301	5,889,421	6,052,232
Total REGIONAL WATER COMMISSION				-557,968	-525,393	-70,578	-117,211



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members

FROM: Michael Minchin, Administrator

DATE: November 1, 2017

RE: 2018-2022 Budget Projections – Update REF: 47/934
(2018)

Purpose

To present to the Board for discussion the first draft of the Commission's 2018-2022 Operational Budget.

Background

Administration has prepared an updated 5 year operations budget for the Regional Water Services Commission. This document is intended to provide the Board with a projection of the expected operations of the Commission for the period 2018-2022. The document is a planning document and is the basis for the 2018 operating budget.

This document is the first draft and incorporates the most recent estimate from the City of Red Deer for the previous 2017-2021 period.

The document is 3 pages. The first page outlines the cost escalators and projected City of Red Deer water rates. Page 2 outlines the forecasted water volumes for the Commission. Page 3 outlines the projected budget for the next 5 years.

Issue Analysis

The projections have been prepared based on the following assumptions:

1. Water forecasts based on slower water growth from previous years due to slower development growth. Impact of operations of new regional waste water line on demand for water has not yet been factored in, although sales growth for Lacombe and Blackfalds has been reduced by 1% per year.
2. Water loss based on 1% annual growth
3. Water forecast done on year by year basis.
4. City rate applied based on an average monthly consumption for first two months (non-seasonally adjusted).
5. City of Red Deer rates based on projections provided by the City.
6. Operations based on current customer base and current asset inventory.

7. Application of known true up reserves including true up revenue received in 2016.
8. No change to debt payments.
9. Maintain annual operating surplus of \$100,000 to \$125,000 per year.
10. Include projected City of Red Deer water revenue for 2018 to 2022.
11. Impact of potential sale of a portion of line to the City is not yet factored in.

Administration is awaiting an updated 5 year rate projection from the City and is using most recent information from the City.

The plan itself calls for very stable rates over the next five years. This is due to increasing water demand and stable non water supply costs. The plan maintains a projected surplus of \$117,000 annually that could be applied against future rate increases and/or offset lower than expected water sales. The target is for a 2% annual increase over the next 5 years.

Given the projected water rate increases from the City, the Commission's rate is expected to increase starting in 2018 even with the application of true up reserves.

Alternatives

1. The report is prepared for information. Administration is seeking input from the Board on any possible changes. No other alternatives are proposed at this time.

Attachment

- 2018-2022 Projected Operations Budget – North Red Deer Water Services Commission – November 1, 2017 version

Action/Recommendation

- Administration is recommending that this report be received for information.



North Red Deer River Water Services Commission

2017-2021 Project Operating Budget

Draft 1
November 1, 2017

*City of Red Deer Rates based 2017-2021 forecast of December 7, 2016

**North Red Deer River Water Services Commission
2018 -2022 Assumptions**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>City of Red Deer Rate</u>	1.45	1.50	1.55	1.60
% Increase	5.1%	3.4%	3.3%	3.2%

<u>Cost Escalators</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Rates				
General	1%	1%	1%	1%
Utilities	5%	5%	5%	5%
Materials	3%	3%	3%	3%
Contract	2%	2%	2%	2%

<u>Cost of Water</u>				
Lacombe	1,855,409	1,943,055	2,017,868	2,093,376
Ponoka	1,024,924	1,072,275	1,112,451	1,152,928
Blackfalds	1,086,911	1,155,240	1,217,618	1,282,032
Lacombe County (thru Blackfalds)	29,078	39,071	42,391	44,640
Ponoka County	17,383	18,840	20,243	21,728
City of Red Deer	-	-	-	-
Water Loss	<u>34,548</u>	<u>36,360</u>	<u>37,944</u>	<u>39,552</u>
Subtotal	4,048,253	4,264,841	4,448,515	4,634,256

<u>Water Sales Required</u>				
Cost of Water	4,048,253	4,264,841	4,448,515	4,634,256
Other Expenses	2,003,979	2,008,829	2,013,933	2,019,154
Less Non Water Revenue	- 414,470	- 436,676	- 433,913	- 416,182
Plus Surplus	<u>117,211</u>	<u>117,211</u>	<u>117,211</u>	<u>117,211</u>
Subtotal	5,754,973	5,954,205	6,145,746	6,354,440

Water Sales Volume (excl loss)	2,788,264	2,818,987	2,845,529	2,871,690
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<u>Regional Water Rate</u>	2.070	2.112	2.160	2.213
	1.97%	2.03%	2.27%	2.45%

North Red Deer River Water Services Commission
2018 -2022 Water Sales Forecast

Histocial Consumption

	Actual <u>2009</u>	Actual <u>2010</u>	Actual <u>2011</u>	Actual <u>2012</u>	Actual <u>2013</u>	Actual <u>2014</u>	Actual <u>2015</u>	Actual <u>2016</u>
City of Lacombe	1,219,621	1,135,454	1,150,948	1,192,004	1,240,649	1,328,507	1,361,741	1,258,887
Town of Ponoka	767,791	703,634	700,402	699,781	699,205	706,460	715,080	696,163
Town of Blackfalds	515,855	524,584	526,983	564,434	593,449	678,191	752,324	737,533
Lacombe County	-	-	-	-	-	-	-	-
Ponoka County	4,844	2,705	3,560	4,662	5,771	7,336	8,383	9,721
Water Loss	<u>61,116</u>	<u>48,296</u>	<u>39,407</u>	<u>11,252</u>	<u>49,987</u>	<u>37,509</u>	<u>52,169</u>	<u>14,696</u>
	2,569,227	2,414,673	2,421,300	2,472,133	2,589,061	2,758,003	2,889,697	2,717,000
Change								
City of Lacombe	1.60%	-6.90%	1.36%	3.57%	4.08%	7.08%	2.50%	-7.55%
Town of Ponoka	-11.37%	-8.36%	-0.46%	-0.09%	-0.08%	1.04%	1.22%	-2.65%
Town of Blackfalds	7.82%	1.69%	0.46%	7.11%	5.14%	14.28%	10.93%	-1.97%
Lacombe County								
Ponoka County		-44.16%	31.61%	30.96%	23.79%	27.12%	14.27%	15.96%
Water Loss	-64.41%	-20.98%	-18.41%	-71.45%	344.25%	-24.96%	39.08%	-71.83%
Water Loss (% of Total	2.38%	2.00%	1.63%	0.46%	1.93%	1.36%	1.81%	0.54%

Sales Volume Forecast

% Changes	Budget <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>
City of Lacombe	1.4%	1.00%	0.5%	0.5%	0.5%	0.5%
Town of Ponoka	1.5%	0.80%	0.4%	0.4%	0.4%	0.4%
Town of Blackfalds (ex	86.0%	1.50%	2.0%	2.0%	2.0%	2.0%
Lacombe County (Cour	n/a	1.00%	2.0%	2.0%	2.0%	2.0%
Ponoka County (Count	12.9%	10.00%	4.0%	4.0%	4.0%	4.0%
City of Red Deer	0.0%	-100.00%	n/a	n/a	n/a	n/a
Water Loss	-16.4%	95.39%	1.0%	1.0%	1.0%	1.0%
	Budget <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>
City of Lacombe	1,276,164	1,288,926	1,295,370	1,301,850	1,308,360	1,314,900
Town of Ponoka	706,340	712,000	714,850	717,710	720,580	723,460
Town of Blackfalds	743,903	755,062	770,160	785,560	801,270	817,300
Lacombe County	20,000	20,200	26,047	27,349	27,900	28,460
Ponoka County	10,978	12,076	12,560	13,060	13,580	14,120
City of Red Deer	13,783	-	-	-	-	-
Water Loss	<u>12,283</u>	<u>24,000</u>	<u>24,240</u>	<u>24,480</u>	<u>24,720</u>	<u>24,970</u>
	2,783,451	2,812,264	2,843,227	2,870,009	2,896,410	2,923,210

**North Red Deer River Water Services Commission
2018 -2022 Operations Budget**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	Budget	Projected	Projected	Projected	Projected
<u>Revenues</u>					
Water Sales - City of Lacombe	\$ 2,590,613	\$ 2,660,343	\$ 2,735,821	\$ 2,811,996	\$ 2,895,401
Water Sales - Town of Ponoka	1,433,870	1,469,568	1,509,763	1,550,254	1,594,644
Water Sales - Town of Blackfalds	1,510,123	1,558,446	1,626,578	1,696,810	1,773,211
Water Sales - Lacombe County	40,600	41,693	55,011	59,074	61,743
Water Sales - Ponoka County	22,285	24,923	26,527	28,210	30,053
Water Sales - City of Red Deer	25,774	7,550	7,852	8,166	8,493
Line Crossing Fee	1,000	1,500	1,500	1,500	1,500
Interest Revenue	43,511	50,000	50,500	51,005	51,515
Rebates & Dividends	30	30	30	30	30
Lacombe County Contribution	70,195	70,195	70,897	71,606	72,322
Ponoka County Contribution	70,195	70,195	70,897	71,606	72,322
Miscellaneous Revenue					
Rate Subsidization	<u>158,000</u>	<u>215,000</u>	<u>235,000</u>	<u>230,000</u>	<u>210,000</u>
Subtotal - Revenue	\$ 5,966,196	\$ 6,169,443	\$ 6,390,376	\$ 6,580,257	\$ 6,771,234
<u>Expenses</u>					
Board Wages-City of Lacombe	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
Board Wages-Town of Ponoka	600	600	600	600	600
Board Wages-Town of Blackfalds	600	600	600	600	600
Board Wages-Lacombe County	600	600	600	600	600
Board Wages-Ponoka County	600	600	600	600	600
Board Travel-City of Lacombe	-	250	250	250	250
Board Travel -Town of Ponoka	250	250	250	250	250
Board Travel-Town of Blackfalds	250	250	250	250	250
Board Travel-Lacombe County	250	250	250	250	250
Board Travel-Ponoka County	250	250	250	250	250
Travel- Administration	-	100	100	100	100
Membership Fees	300	300	303	306	309
Postage & Freight	50	50	51	52	53
Staff & Board Appreciation	-	300	-	-	-
Telephone - Office	400	1,080	1,080	1,080	1,080
Telephone - Operations	8,072	8,072	8,476	8,900	9,345
Management Fees	55,728	56,844	57,981	59,141	60,324
Accounting and Auditor Fees	8,000	8,000	8,160	8,160	8,160
Legal Fees	500	500	505	510	515
Other Professional Services	46,800	16,800	16,968	17,138	17,309
Equipment Repair & Maintenance	7,500	9,500	9,595	9,691	9,788
SCADA Maintenance	8,300	9,025	9,115	9,206	9,298
Insurance & Bond Premiums	3,889	3,889	3,928	3,967	4,007
Administration	10,392	10,596	10,808	11,024	11,244
Purchase of Water	3,863,404	4,048,253	4,264,841	4,448,515	4,634,256
Operations	121,300	123,637	126,110	128,632	131,205
Miscellaneous Expenses	250	250	258	266	274
Meeting Supplies	50	50	52	54	56
Office Supplies	150	150	155	160	165
General Materials & Supplies	500	750	773	796	820
Utilities-Electricity	3,500	3,500	3,675	3,859	4,052
Valves	5,000	5,000	5,150	5,305	5,464
Bank Charges & Interest	25	25	25	25	25
Debenture Interest	601,086	570,359	538,231	504,637	469,512
Debenture Principal	673,815	704,542	736,670	770,264	805,389
Amortization	<u>465,610</u>	<u>465,610</u>	<u>465,610</u>	<u>465,610</u>	<u>465,610</u>
Subtotal - Expenses	\$ 5,889,421	\$ 6,052,232	\$ 6,273,670	\$ 6,462,448	\$ 6,653,410
Surplus/Deficit (+/-)	<u>\$ 76,775</u>	<u>\$ 117,211</u>	<u>\$ 116,706</u>	<u>\$ 117,809</u>	<u>\$ 117,823</u>
<u>Rate Stabilization Reserve</u>					
Opening Balance	1,280,811	1,122,811	907,811	672,811	442,811
Annual True Up	-	-	-	-	-
Withdrawal	<u>158,000</u>	<u>215,000</u>	<u>235,000</u>	<u>230,000</u>	<u>210,000</u>
Closing Balance	1,122,811	907,811	672,811	442,811	232,811



**North Red Deer
River Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members
FROM: Michael Minchin, Administrator
DATE: November 1, 2017
RE: Acting Administrator

REF: 47/112
2017

PURPOSE:

To recommend the appointment of an acting administrator.

BACKGROUND:

The operations of the Commission is managed via a contract with the City of Lacombe. The contract with the City is in accordance with section 6.13 of the Commission Bylaw #1.

As part of the contract, the City provides a person to act as an administrator to carry out the duties of the manager outlined in section 6.12 of the Commission Bylaw #1.

With the departure of the current administrator on November 10, 2017 who is assuming a new position with Lacombe County, the City has put forth Justin de Bresser to act as the acting administrator of the Commission until the position can be filled on a permanent basis.

ISSUE ANALYSIS:

The City is currently recruiting to fill the Director of Corporate Services position. This position is responsible for providing management services to the Commission. The duties of the Director position are being performed by a number of City staff. Justin de Bresser, the City's Manager of Financial Services, has been identified as the person responsible for delivering management services to the Commission. Mr. de Bresser currently manages the accounting services for the regional water commission.

The Commission Board has authority under section 6.16 of Bylaw #1 to appoint an acting administrator.

FINANCIAL IMPLICATIONS:

None. Position is part of the overall contract with the City of Lacombe.

LEGISLATIVE AUTHORITY:

- Section 6.12, section 6.13 and 6.16 of Commission Bylaw #1

SERVICE LEVEL IMPACT:

- No impact on day to day delivery of services provided to member municipalities.

ALTERNATIVES:

1. None provided.

ATTACHMENTS:

- none

ACTION/RECOMMENDATION:

THAT the Board appoint Justin de Bresser as acting Administrator effective November 6, 2017.



**North Red Deer
River Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members
FROM: Michael Minchin, Administrator
DATE: November 1, 2017
RE: Commission Signing Officers

REF: 47/810
2017

PURPOSE:

To seek Board approval for new signing officers for the Commission.

BACKGROUND:

Section 6.15 of the Commission's Bylaw #1 outlines who is responsible for signing documents, including bank related information, on behalf of the Commission. Either the Chair or in his/her absence, the vice chair, together with the administrator are authorized to execute cheques, promissory notes and other legal documents.

ISSUE ANALYSIS:

With the departure of all three existing signing officers, a new resolution is required identifying the signing officers by name. That resolution will be used by the Commission's bank to process the change to the Bank's records. Signing officers will have to appear in person at Servus Credit Union to add their signatures to the signature cards for the Commission.

To comply with federal legislation, signing officers will have to bring their driver's license to confirm identity.

FINANCIAL IMPLICATIONS:

No impact.

LEGISLATIVE AUTHORITY:

- Section 6.15 of the Commission's Bylaw #1

SERVICE LEVEL IMPACT:

- Payments can not be processed after November 6th until the signing officers are switched over.

ALTERNATIVES:

1. No other alternatives.

ATTACHMENTS:

- None

ACTION/RECOMMENDATION:

THAT the Board of Directors for the North Red Deer River Water Services Commission hereby appoint the following signing officers for the purpose of executing cheques, promissory notes, bills of exchange and other instruments, whether negotiable or not, on behalf of the Commission:

Chair _____

Vice Chair _____

Acting Administrator Justin de Bresser

Alternative Administrator Matthew Goudy