



**NORTH RED DEER RIVER WATER SERVICES COMMISSION**

**Regular Meeting**

**September 25, 2017 @ 9 AM**

**LACOMBE CITY HALL**

**AGENDA**

1. Call to Order
2. Adoption of Agenda
3. Adoption of Minutes
  - a. June 19, 2017 - Regular Meeting (*attached*)
4. Presentation
5. Reports
  - a. Operations (*attached*)
  - b. Administrator (*attached*)
    - i) Monthly Report
    - ii) Financial - As of August 31, 2017
  - c. Chair
6. Correspondence
7. Old Business
  - a. City of Red Deer – Waterline Sale – Update - Verbal
8. New Business
  - a. MOA – NRDRWSC and Lacombe County
  - b. Draft 2018 Operating Budget
  - c. Appointment of Acting Chair – Signing Authority
9. In Camera
10. Next Meeting Date: November 6, 2017 (proposed)
11. Adjournment

**NORTH RED DEER RIVER WATER SERVICES COMMISSION**  
**REGULAR MEETING MINUTES**  
**June 19, 2017**

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

**Others Present:** Dion, Pollard, CAO City of Lacombe  
Albert Flooman, CAO Town of Ponoka  
Tim Timmons, Manager of Corporate Services, Lacombe County  
Chris Huston, Utilities Manager, City of Lacombe  
Jordan Thompson, Engineering Manager, City of Lacombe

**1. Call to Order:**

*Chair Christie called the meeting to order at 8:34 am.*

**2. Adoption of the Agenda:**

*MOVED by Councillor Matejka that the agenda for June 19, 2017, be adopted as presented.*

*CARRIED*

**3. Adoption of the Minutes:**

*MOVED by Mayor Stol that the minutes for April 10, 2017, be adopted as presented.*

*CARRIED*

**4. Presentation**

**5. Reports**

Chair Christie introduced the City of Lacombe's new CAO, Dion Pollard. Mr. Pollard comes to the City from the Town of Vermilion. He has been with the City of Lacombe now for 6 week and comes with regional waterline knowledge and experience. The Town of Vermilion became active on a regional system in 2012.

Operations Report

Mr. Huston discussed the recent operation activities.

In summary:

- The Alberta One-Call locate requests have slowed from previous quarter, although they are in line with 2016's numbers
- Operations responded to call outs regarding communication lost at 39<sup>th</sup> Avenue due to dead batteries. Communication was lost at the main vault; Operation just had to reset the modem.
- Working with Red Deer to get the connection to Central Park. The City of Red Deer has had to flush the line due to sediment and leaks. The water meter is installed at the meter chamber and is operational.
- SCADA Assessment RFP is completed. Recommendation will be present to the Commission for consideration.

### Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Water Meter has been installed and water is being delivered to the City of Red Deer. So far 8,000 cubic meters has been delivered, budgeted for 20,000.
- The Commission has received approval from the Province to sell water to the Commission
- Trying to meet with Red Deer to determine the impact of a sale of a portion of the line will have on rates.
- The necessary crossing agreements are in place with the Regional Wastewater Commission. They will be working very close to the water line during construction.

Mr. Minchin presented the financial report.

In summary:

- Both revenue and expenses are in line with budget expectations.
- The SCADA Assessment costs are under Other Professional Services in the 2017 Operating Budget

### Chairman's Report

The Chair shared that he has received a call from a consultant regarding the announcement from the Government to provide funding to First Nations to access safe water. The same information is included in Correspondence to the Board.

*MOVED by Councillor Wigmore to accept reports as information.*

**CARRIED**

## 6. Correspondence/Information

### Alberta Indigenous Relation – First Nation Participation in Regional Water System

A copy of the letter was provided to the Commission as information.

*MOVED by Councillor Wigmore to accept as information.*

CARRIED

## 7. Old Business:

## 8. New Business:

### Bylaw 3.1 – Amend Water Rate Bylaw #3

Mr. Minchin presented Bylaw #3.1, a bylaw to amend the current Water Rate Bylaw #3 to include the rate of \$1.899 per cubic meter for the sale of water to Red Deer based on the sales of 20,000 cubic meters. The rate calculation has been based on the utility rate method in the Commission's Water Rate Model. The water rate to the Commission will remain the same at \$2.03 per cubic meter.

*MOVED by Mayor Stol for first reading of Bylaw #3.1 – Water Rate as presented.*

CARRIED

*MOVED by Mayor Stol for second reading of Bylaw #3.1 – Water Rate as presented.*

CARRIED

*MOVED by Mayor Bonnett for third and final reading of Bylaw #3.1 – Water Rate as presented.*

CARRIED

### SCADA Review RFP – Tender Award

Mr. Huston shared that the current communication system is obsolete, can still get parts but not sure for how long. A communication monitoring system lifecycle is usually 5 to 6 year. The Commission's system is 13 years old.

A request for proposal was issued to study the requirements of the System and provide recommendations to the Commission. Five companies showed interest and were present for a tour of the City of Red Deer site to see how the new system on the regional line will need to be incorporated with Red Deer's system.

Upon review and scoring of the RFP's received, there were two submissions that had the highest scoring proposals, Eramosa and Stantec. Administration recommends

that the Commission go with Stantec based on their existing knowledge of the Commission's current system, and their proposal will look at a variety of systems.

*MOVED by Councillor Matejka to go with the recommendation of Stantec for the SCADA review.*

*CARRIED*

**9. IN Camera**

**10. Next Meeting:**

Monday, September 25, 2017 at 9:00 am, City of Lacombe Council Chambers.

**11. Adjournment:**

*MOVED by Mayor Bonnett to adjourn this Meeting at 9:15 am.*

*CARRIED*

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Chairperson

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Administrator

# M E M O R A N D U M



## North Red Deer River Water Services Commission

5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

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

jthompson@lacombe.ca

September 25<sup>th</sup>, 2017

Attn: NRDRWSC

**Re: Operational Report since June 19<sup>th</sup>, 2017.**

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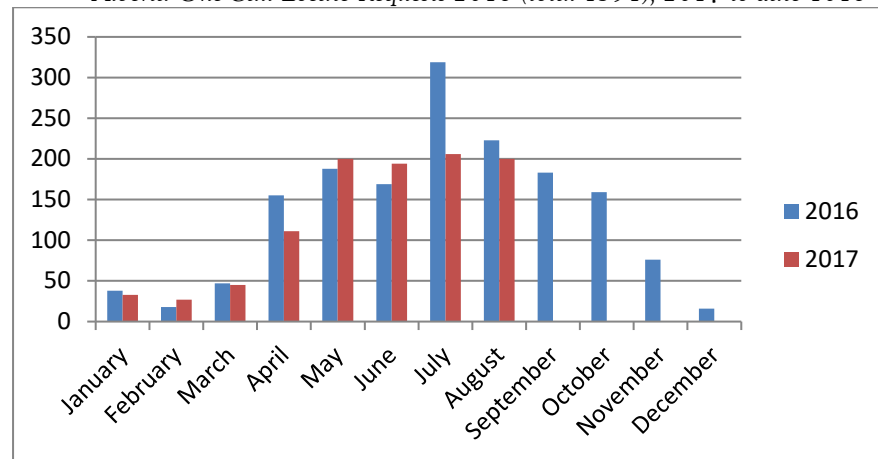
Since the last update provided to members of the Commission, the City of Lacombe has dealt with the following:

### GENERAL INFORMATION

➤ Alberta One-Call Locate Requests:

- June - 194 locates
- July - 206 locates
- August - 200 locates

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



### Repair response charges:

- June 23 - Red Deer noticed flow issues at the main vault again, operator scheduled Summit valve to perform maintenance on the Singer valve June 28.
- June 28 - Operator and Summit at the main vault performing maintenance on the Singer valve.
- July 6 - Operator changed PLC battery at the Red Deer Treatment Plant, and then met Red Deer operators at the main vault to troubleshoot pressure variances experienced since Summit Valve was there.
- July 7 - Operator, Summit Valve and 2 Red Deer operators at the main vault to verify and modify pressure/flow from the main vault.

### Call-Out:

- June 20 - Red Deer Treatment Plant called operator at 8:00pm - Storm hit Red Deer knocking out power and affecting flows through the main vault to the regional line; 2 operators worked with Red Deer to restore flows.
- August 10 - Operator called at 7:30 pm by Red Deer - No communication with Railway - operator reset modem and restored communication.

### General Information:

- Work has begun in the Town of Blackfalds to relocate the Commission's branch line to facilitate the realignment of Broadway Avenue and new development.

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 56<sup>th</sup> Avenue  
Lacombe, Alberta  
T4L 1E9

**Memorandum**

**TO:** Commission Board Members  
**FROM:** Michael Minchin, Administrator  
**DATE:** September 21, 2017

**RE:** Administrator's Report – 3<sup>rd</sup> Qtr. 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 held its annual planning meeting with the City of Red Deer. Topics included the City's upcoming capital program.
2. Administration has worked out delivery charges and billing adjustments related to the delivery of water to Central Park in Red Deer.
3. Administration developed a Memorandum of Agreement between the City, County and Commission to facilitate the servicing of County lands via City of Lacombe. The Agreement is identified later on in the agenda.
4. Administration has updated the 5 year projection and developed a preliminary 2018 budget for the Board's review later on in the agenda.





5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

## Memorandum

**TO:** Commission Board Members  
**FROM:** Michael Minchin, Administrator  
**DATE:** September 20, 2017  
**RE:** August 2017 Variance Report

REF: 13/860  
2017

Attached is the 2017 variance report as of August 31<sup>th</sup> for the regional water commission.

The Commission set a record for water sales in July while August sales were more in line with historical averages. The summer consumption helped offset lower consumption earlier in the year. Water sales to the City of Red Deer have dropped as their customers adjust to new water rates. Projections to the end of the year anticipate water sales being slightly ahead of budget.

Expenses remain in line with expectations. No extraordinary expenses have been incurred.

The projected surplus to the end of the year is currently at \$61,300 compared to a budgeted surplus of \$70,579.

# CITY OF LACOMBE

## GL Department Report



GL5330

Page : 1

Date : Sep 21, 2017

Time : 3:30 pm

Year : 2017

Period : 8

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
<b>REGIONAL WATER REPORTING</b>						
<b>6 REGIONAL WATER COMMISSION</b>						
<b>1 REVENUES</b>						
<b>47 Regional Water Revenues</b>						
06-1-47-35110	Water Sales - City of Lacombe	-245,297	-1,771,078	-2,569,249	-798,172	69
06-1-47-35120	Water Sales - Town of Ponoka	-130,436	-956,922	-1,438,011	-481,090	67
06-1-47-35130	Water Sales - Town of Blackfalds	-168,455	-1,125,686	-1,553,427	-427,741	72
06-1-47-35140	Water Sales - Ponoka County	-2,012	-15,871	-18,981	-3,110	84
06-1-47-35150	Water Sales - City of Red Deer	-5,646	-5,646	-37,400	-31,754	15
06-1-47-42200	Line Crossing Fee	-250	-1,500	-1,000	500	150
06-1-47-55100	Interest Revenue	-6,515	-39,741	-43,511	-3,770	91
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	
<b>47 Regional Water Revenues</b>		<b>-558,610</b>	<b>-3,916,442</b>	<b>-5,959,999</b>	<b>-2,043,557</b>	<b>66</b>
<b>1 REVENUES</b>		<b>-558,610</b>	<b>-3,916,442</b>	<b>-5,959,999</b>	<b>-2,043,557</b>	<b>66</b>
<b>2 EXPENSES</b>						
<b>47 Regional Water Operating Expenditures</b>						
06-2-47-11110	Board Wages-City of Lacombe	0	700	1,400	700	50
06-2-47-11120	Board Wages-Town of Ponoka	0	300	600	300	50
06-2-47-11130	Board Wages-Town of Blackfalds	0	300	600	300	50
06-2-47-11140	Board Wages-Lacombe County	0	0	600	600	
06-2-47-11150	Board Wages-Ponoka County	0	300	600	300	50
06-2-47-21100	Board Travel Expenses	0	11	0	-11	
06-2-47-21120	Board Travel -Town of Ponoka	0	59	250	191	24
06-2-47-21130	Board Travel-Town of Blackfalds	0	30	250	220	12
06-2-47-21140	Board Travel-Lacombe County	0	0	250	250	
06-2-47-21150	Board Travel-Ponoka County	0	59	250	191	24
06-2-47-21400	Membership Fees	30	144	300	156	48
06-2-47-21500	Postage & Freight	0	0	50	50	
06-2-47-21700	Telephone - Office	25	202	400	198	51
06-2-47-21701	Telephone - Operations	669	5,352	8,072	2,720	66
06-2-47-23000	Management Fees	4,644	37,152	55,728	18,576	67
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	558	4,358	46,800	42,442	9
06-2-47-25300	Equipment Repair & Maintenance	743	6,850	7,500	650	91
06-2-47-25301	SCADA Maintenance	1,459	5,069	8,300	3,231	61
06-2-47-27400	Insurance & Bond Premiums	0	3,254	3,889	635	84
06-2-47-34200	Administration	866	6,928	10,392	3,464	67
06-2-47-35100	Purchase of Water	1,120,905	2,593,725	3,863,404	1,269,679	67
06-2-47-35200	Operations	9,480	73,614	121,300	47,686	61
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	0	8,093	500	-7,593	1619
06-2-47-54400	Utilities-Electricity	166	1,766	3,500	1,734	50
06-2-47-56400	Valves	0	0	5,000	5,000	
06-2-47-81400	Bank Charges & Interest	0	5	25	20	21

**CITY OF LACOMBE**  
**GL Department Report**



**GL5330**

**Page :** 2

**Date :** Sep 21, 2017

**Time :** 3:30 pm

**Year :** 2017

**Period :** 8

**Budget :** FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
<b>REGIONAL WATER REPORTING</b>						
06-2-47-83100	Debenture Interest	0	304,299	601,086	296,787	51
06-2-47-83200	Debenture Principal	0	333,152	673,815	340,663	49
06-2-47-99000	Amortization	0	0	465,610	465,610	
	<b>47 Regional Water Operating Ex</b>	<b>1,139,545</b>	<b>3,386,425</b>	<b>5,889,421</b>	<b>2,502,995</b>	<b>58</b>
	<b>2 EXPENSES</b>	<b>1,139,545</b>	<b>3,386,425</b>	<b>5,889,421</b>	<b>2,502,995</b>	<b>58</b>
	<b>Surplus/(Deficit)</b>	<b>580,935</b>	<b>-530,017</b>	<b>-70,579</b>	<b>459,438</b>	<b>751</b>
	<b>6 REGIONAL WATER COMMISSION</b>	<b>580,935</b>	<b>-530,017</b>	<b>-70,579</b>	<b>459,438</b>	<b>751</b>
	<b>REGIONAL WATER REPORTING Total</b>	<b>580,935</b>	<b>-530,017</b>	<b>-70,579</b>	<b>459,438</b>	<b>751</b>



**North Red Deer  
River Water  
Services  
Commission**

5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

## Memorandum

**TO:** Commission Board Members

**FROM:** Michael Minchin, Administrator

**DATE:** September 20, 2017

**RE:** City of Lacombe to Lacombe County  
Water Supply Request

REF: 47/351  
(2017)

### **PURPOSE:**

To consider a request from the City of Lacombe and Lacombe County to allow for the transit of Lacombe County water supply via the City of Lacombe connection to the regional water line and to ensure the delivered water is counted towards the County's water allocation with the Commission.

### **BACKGROUND:**

At their August 24th and August 28th meetings, Lacombe County Council and City of Lacombe Council agreed to enter into agreements whereby the City of Lacombe would supply lands in Lacombe County West of Highway 2 with water and wastewater services.

In the case of water, the water supplied to the County lands will flow through the City's water distribution system from a water supply provided by the Commission.

The Commission tracks water supplied to its members from meters located at each member municipality's water reservoir. The water supplied to the City is based on allocations allotted to each member under the Commission's Bylaw #1 and the supply agreement between the City and the Commission dated October 17, 2005. The County also has water allocation based on the same Commission Bylaw #1 and a water supply agreement between the Commission and the County dated September 13, 2005. The County currently does not have any direct connections to the regional water line.

To ensure that the County water supplied by the City is applied against the County's allocation with the Commission, an agreement between the three parties is necessary.

### **ISSUE ANALYSIS:**

The proposed memorandum of agreement between the City, County and Water Commission will ensure that the water supplied to the lands west of highway 2 and located in the County are applied to the County's water supply allocation. Without this agreement the allocation would be counted at the Commission's point of delivery, which

in this case is the City of Lacombe. The agreement is similar to agreement already entered into between the Town of Blackfalds, Lacombe County and the Water Commission for lands located west of highway 2 and supplied by the Town of Blackfalds.

Highlights of the agreement include:

1. The City will be responsible to the Commission for the purchase and payment of all water used.
2. The City will provide, on annual basis, actual consumption consumed for the area as well as future forecasts.
3. Should the area be annexed by the City, the water will then come from the City allocation.
4. This reallocation is not to be considered the County's connection to the regional line and the County will be required to maintain its annual administration and debt servicing cost funding to the Commission.
5. The Commission will provide no funding towards the construction of these services as there is no direct connection to the regional line itself.

**FINANCIAL IMPLICATIONS:**

No cost to the Commission. The City will be responsible for paying the cost of any water delivered by the Commission.

**LEGISLATIVE AUTHORITY:**

- North Red River Water Services Commission Bylaw #1.
- North Red River Water Services Commission and City of Lacombe Water Supply Agreement dated October 17, 2005.
- North Red River Water Services Commission and Lacombe County Water Supply Agreement dated September 13, 2005.

**SERVICE LEVEL IMPACT:**

- No impact on service levels as there is no new direct connection to the regional line.

**ALTERNATIVES:**

- The Board can approve the agreement.
- The Board can provide Administration further direction.

**ATTACHMENTS:**

- Draft – MOA Agreement between City, County and Regional Water Commission

**ACTION/RECOMMENDATION:**

That the Board approve the Memorandum of Agreement between the City of Lacombe, Lacombe County and the North Red Deer River Water Services Commission as presented.

**MEMORANDUM OF AGREEMENT** signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017 A.D.

**BETWEEN:**

**NORTH RED DEER RIVER WATER SERVICES COMMISSION**  
(herein referred to as the "Commission")

**OF THE FIRST PART**

-AND-

**CITY OF LACOMBE**  
(herein referred to as the "City")

**OF THE SECOND PART**

-AND-

**LACOMBE COUNTY**  
(herein referred to as the "County")

**OF THE THIRD PART**

The County intends to construct water lines (herein called the "water lines") connecting lands (herein referred to as the "Lands" and described in Schedule "A" attached hereto and forming part of this agreement) located in the County to the City's water distribution system; and

The Lands are the same lands identified by the City and County in its Joint Economic Servicing Agreement, dated June 5, 2017, and Ownership of the said water lines will be vested with the County, and

The City and County have proposed to supply the Lands through a connection to the City's water distribution system, and

The City and County are members of the North Red Deer River Water Services Commission and both have entered into separate Water Supply Agreements with the Commission, and

The County currently receives water from the Town of Blackfalds through a similar memorandum of dated December 8, 2014, and

The Commission sells Water to the City through connections (herein called to the "Points of Delivery") between the Commission's regional line and the City's distribution system and therefore,

In consideration of the terms and conditions specified in this document the parties agree as follows:

1. The Commission agrees that:
  - a. It will sell potable water to the City in order to supply the Lands.
  - b. It will ensure that water is supplied to the City's points of delivery in accordance with the terms of the Water Supply Agreement between the Commission and the City, dated October 17, 2005.
  - c. It will apply the same rate established by the Commission for the supply of water to its Member to the supply of water to the Lands.
  - d. The supply of water to the Lands will not constitute as one of the connections as identified in Schedule "D" of the Water Supply Agreement between the Commission and County and dated September 13, 2005.
  - e. The supply of water to the Lands shall be applied against the water allocation for the County as defined in the Water Supply Agreement with the County.
2. The City agrees that:
  - a. It will purchase all water to be supplied to the Lands from the Commission.
  - b. It will be responsible for payment to the Commission for the sale of all Commission supplied water to the Lands that is supplied through the City's distribution system.
  - c. It will provide, on annual basis, the actual consumption consumed by the Lands as well as a five year forecast no later than September 30<sup>th</sup>.
  - d. The City shall notify the Commission when the City begins to supply water to the Lands.
3. The County agrees that:
  - a. It will not resell water delivered to the Lands for the purpose of the supply of water to a confined feeding operation or for injection into any geological subsurface structure or formation.
  - b. It will continue to pay the minimum payment to the Commission as outlined in section 2 of Schedule "E" of Water Supply Agreement between the Commission and the County and dated September 13, 2005, unless otherwise negotiated between the County and the Commission.
  - c. The water supplied to the Lands will be applied against the water allocation identified in the Water Supply Agreement between the Commission and the County.
4. The parties agree that:
  - a. Costs incurred for the construction of the water lines, including but not limited to, the construction of a water meter chamber shall be the sole responsibility of the County and/or the City.
  - b. Responsibility for the operation and maintenance of the water line and any meter chamber at the point of service to the Lands shall be the responsibility of the County and/or City.
  - c. This Memorandum of Agreement will be revisited by the parties in the event that the County receives a request to service properties outside of the area identified as the Lands.
  - d. Should the Lands be annexed by the City, this agreement will terminate at time the annexation takes effect and the supply of water will be applied against the

City's water allocation from the Commission as identified in the Water Supply Agreement between the City and Commission.

5. The terms of the Water Supply Agreements and the Commission's Bylaw 1 shall apply to any matters not addressed in this MOA. Where provisions of this Agreement conflicts with the terms of the Commission's Bylaw 1 and or the Water Supply Agreements, the Commission's Bylaw 1 and the Water Supply Agreements shall take precedent.
6. The City shall indemnify and hold harmless the Commission, its employees and agents from any and all claims, demands, actions and costs or whatever may arise, directly or indirectly, or indirectly, out of any act or omission of the City, their employees or agents, in the performance by the City of this Agreement. Such indemnification shall survive termination of this agreement.
7. The County shall indemnify and hold harmless the Commission, its employees and agents from any and all claims, demands, actions and costs or whatever may arise, directly or indirectly, or indirectly, out of any act or omission of the County, their employees or agents, in the performance by the County of this Agreement. Such indemnification shall survive termination of this agreement.
8. The parties agree to give this Agreement a fair and liberal interpretation and to negotiate with fairness and candor, any modification or alteration that may be rendered necessary by changing conditions.
9. This Agreement will expire on September 9, 2030, unless extended by mutual agreement of all parties.

**IN WITNESS WHERE:** this Agreement has been duly signed by the parties here as of the date first written above.

**SIGNED AND SEALED ON BEHALF OF  
THE COMMISSION** by:

\_\_\_\_\_  
Commission Chair

\_\_\_\_\_  
Commission Administrator



**SIGNED AND SEALED ON BEHALF OF  
CITY OF LACOMBE** by:

\_\_\_\_\_  
Mayor, City of Lacombe

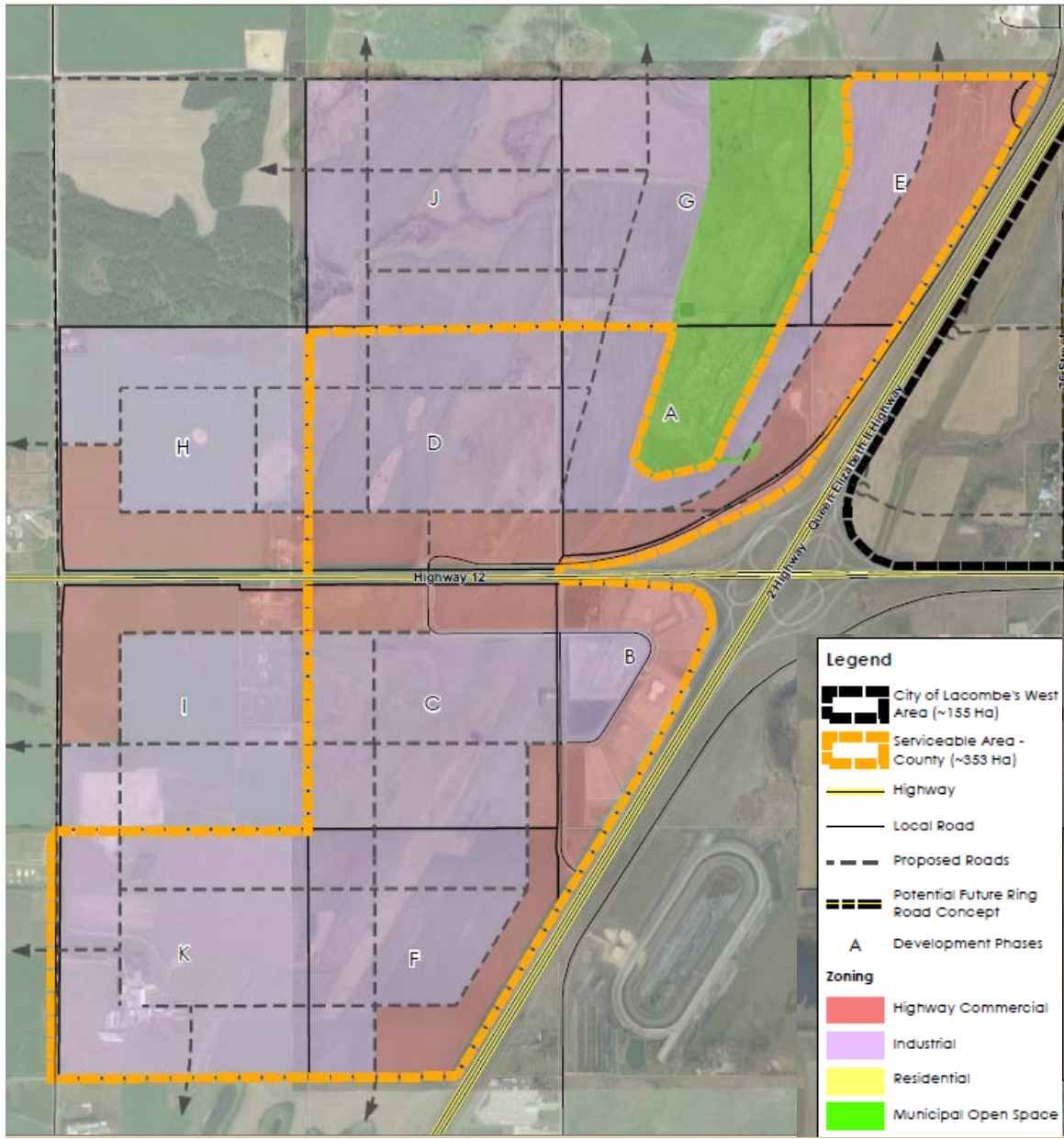
\_\_\_\_\_  
Chief Administrative Officer, City of Lacombe

**SIGNED AND SEALED ON BEHALF OF  
LACOMBE COUNTY** by:

\_\_\_\_\_  
Reeve, Lacombe County

\_\_\_\_\_  
County Manager, Lacombe County

Schedule "A"  
Lands



# 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 1<sup>st</sup>, 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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
<b>06</b>	<b>REGIONAL WATER COMMISSION</b>						
	<b>REVENUES</b>						
	<b>Regional Water Revenues</b>						
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
	<b>Total Regional Water Revenues</b>			<b>-6,025,031</b>	<b>-3,916,694</b>	<b>-5,959,999</b>	<b>-6,169,443</b>
	<b>Total REVENUES</b>			<b>-6,025,031</b>	<b>-3,916,694</b>	<b>-5,959,999</b>	<b>-6,169,443</b>
	<b>EXPENSES</b>						
	<b>Regional Water Operating Expenditures</b>						
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
<b>Total Regional Water Operating</b>				<b>5,467,063</b>	<b>3,391,301</b>	<b>5,889,421</b>	<b>6,052,232</b>
<b>Total EXPENSES</b>				<b>5,467,063</b>	<b>3,391,301</b>	<b>5,889,421</b>	<b>6,052,232</b>
<b>Total REGIONAL WATER COMMISSION</b>				<b>-557,968</b>	<b>-525,393</b>	<b>-70,578</b>	<b>-117,211</b>



**North Red Deer  
River Water  
Services  
Commission**

5432 56<sup>th</sup> Avenue  
Lacombe, Alberta T4L 1E9

## Memorandum

**TO:** Commission Board Members  
**FROM:** Michael Minchin, Administrator  
**DATE:** September 21, 2017  
**RE:** Appointment of Acting Chair

REF:13/810  
2017

### **PURPOSE:**

To appoint an acting chair to deal with emergencies and act as a signing authority until the permanent appointments of Chair and Vice Chair are made at the November 6, 2017 Board meeting.

### **BACKGROUND:**

With the retirement of both the Board Chair and Vice Chair in October, the Commission will be without an authorized signing member until the November 6, 2017 meeting.

In addition, two additional Board members will be seeking reelection via an election. Only one Board member, Mark Matejka has been acclaimed. To ensure continuity, Administration is recommending that Mark Matejka be appointed Acting Chair effective October 23, 2017 until Board elections which be held on November 6, 2017.

### **ISSUE ANALYSIS:**

Administration has put forth this recommendation for two reasons:

1. To ensure that there is a recognized elected head of the Commission during the transition.
2. To ensure that there is an elected representative with signing authority available should the need arise to issue cheque payments during this transition period.

Administration is taking steps to ensure that as many payments are made prior to Election Day. The appointment of an acting chair is a preventative measure only and member Matejka would only be called upon in an emergency situation.

**FINANCIAL IMPLICATIONS:**

No financial impact

**LEGISLATIVE AUTHORITY:**

- Clause 6.11, Bylaw 1, North Red Deer River Water Services Commission.

**ALTERNATIVES:**

1. Board can accept recommendation and appoint Mark Matejka as acting Chair for proposed period.
2. Board can chose another Board member as acting Chair.
3. Board can chose to not appoint an Acting Chair.

**ACTION/RECOMMENDATION:**

THAT the Board appoint Mark Matejka as acting Chair for the period effective October 23, 2017 to November 6, 2017.