



**NORTH RED DEER RIVER WATER SERVICES COMMISSION**

**Regular Meeting**

**September 8, 2014 @ 9:00 AM**

**LACOMBE CITY HALL**

**AGENDA**

1. Call to Order
2. Adoption of Agenda
3. Adoption of Minutes
  - a. April 14, 2014 Regular Meeting – *attached*
4. Reports
  - a. Operations– *attached*
  - b. Administrator – *attached*
    - i) Monthly Report
    - ii) Financial - July 2014
  - c. Chair
5. Old Business
6. New Business
  - a. Audit Service RFP – *attached*
  - b. 34<sup>th</sup> Street / 26-4 Road Construction– *attached*
7. Information
  - a. Alberta Community Resilience Program -*attached*
    - i) Letter from Stantec
    - ii) Information Package – Alberta Community Resilience Program
8. In Camera
  - a. City of Red Deer– *attached*
9. Next Meeting Date: November 3, 2014 @ 9am
10. Adjournment

**NORTH RED DEER RIVER WATER SERVICES COMMISSION**  
**REGULAR MEETING MINUTES**  
**April 14, 2014**

**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, Corporate Services Director, Lacombe, NRDRWSC Administrator  
Jennifer Peterson, Administrator Assistant, Lacombe

**Others Present:** Myron Thompson, CAO, Town of Blackfalds  
Norma MacQuarrie, CAO, City of Lacombe  
Terry Hagar, County Commissioner, Lacombe County  
Jordan Thompson, Engineering Manager  
Chris Huston, Utilities Manager, City of Lacombe

**Guest:** Dan Luymes, BDO Canada LLP

**Call to Order:**

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

**1. Adoption of the Agenda:**

*MOVED by Mayor Stol that the agenda for April 14, 2014 be adopted as presented.*

*CARRIED*

**2. Adoption of the Minutes:**

*MOVED by Mayor Bonnett that the minutes for December 16, 2013 be adopted as presented.*

**3. Presentation**

Mr. Luymes of BDO LLP reviewed the Auditor's Report on the 2013 Audited Financial Statements.

In summary:

- NRDRWSC has a "clean audit".
- Revenue and water sales are right on budget
- There are some differences between the financial statement reported surplus and the budget surplus due to the fact that some items are reported as expense (i.e. debt payments) on the budget while they are not on the financial statements.
- The NRDRWSC has moved to CaseWare auditing software. This will allow for trail balances and all working papers to be uploaded and all reports generated from the information.

*MOVED by Councillor Wigmore to accept the presentation by Mr. Luymes as information.*

*CARRIED*

#### 4. Reports

##### Operator's Report

Mr. Thompson discussed the recent activities.

In summary:

- Responded to 193 Alberta One-Call Locate requests; 97 -January; 37- February; 59 – March. Most of the call for locates are for new fiber optical lines in Blackfalds.
- Operations staff was called out to repair a water leak in the Ponoka area. The leak was in a rusted buried valve on one of the lines that the Commission inherited. It was replace and reburied.
- There were two call outs. One for lost of communication with Pump House "C" and the other for valve failing to open at Eastrail.
- The Commission has received thus far, four applications for crossing agreements.

Mr. Hager joined the meeting at 9:25 am.

Comments:

- The 2009 Commission Policy indicates that the Commission is responsible for the lateral connection line up to 1km from the point of connection with the regional line. Currently there are no agreements with the municipalities for repairs of these old lines and who is actually the owner. Administration will be working on getting a more formal agreement in place with the municipalities.
- About 2% water lose happens within a year. This could be from the older lines.
- There are approximately eight lateral old lines. The exact kilometers are unknown.

##### Administrator Report

Mr. Minchin presented the Administrators report.

In summary:

- Attended a flood prevention workshop in Drumheller in February.
- Working on the long term water forecast for the next three years.
- Water demand has increase significantly over the past two years and is no line with the original forecast for the line.
- Evraz has started the process to move forward with the connection on their own. The City of Red Deer has not given permission for the connection.
- Fluoride concerns may become an issue again.

Mr. Minchin presented the Financial 1<sup>st</sup> Quarter report.

In summary:

- Water sales are currently at 25% for the 1<sup>st</sup> Quarter this year.
- Repairs to an old line created an overage to the budget "Equipment Repair & Maintenance"

#### Chairman's Report

- Thanked the Commission for the great job of collaborations on the regional water line.
- Currently working at moving forward the Regional Wastewater project.
- The Regional Wastewater will be stating to request right of ways from the Water Commission.

*MOVED by Mayor Bonnett to accept the reports as information.*

*CARRIED*

#### **5. Old Business:**

##### MOU between Blackfalds and Lacombe County

Mr. Minchin received some questions regarding the authority of the Commission to grant the request to allow for the sale of water from Blackfalds to Lacombe County. Administration provided a summary of the various policies and bylaws governing the operations of the Commission to the Board and confirmed that the request was within the authority of the Commission to approve.

*MOVED by Mayor Stol to accept the reports as information.*

*CARRIED*

#### **6. New Business:**

##### 2013 Audit Financial Statement

*MOVED by Councillor Matejka to accept the 2013 Audit Financial Statement as presented.*

*CARRIED*

##### 2013 Operating Surplus

Discussions were held on the 2013 Operating Surplus.

In summary:

- Budget is based on cash flows and amortization while the financial statements' surplus excludes debt payments and backs out amortization.
- In accordance with policy an amount equivalent to the amortization expense (i.e. \$465,610) is to be transferred to capital reserves while the adjusted 2013 operating surplus (i.e. \$184,576) is to be transferred into the operating reserve.

- In accordance with Policy 7\_12 any annual operating surplus is to be placed in an operating reserve. The General Operating Reserve shall maintain a balance equal to 90 days of general expenses. There is roughly 1 year left to reach this balance, after which time the Commission will look at different options for any surplus.

*MOVED by Councillor Wigmore to approve these transfers to reserves as presented.*

*CARRIED*

**7. Next Meeting:**

Monday, September 8<sup>th</sup> at 9 am, City of Lacombe Council Chambers.

**8. Adjournment:**

*MOVED by Mayor Stol to adjourn this Meeting at 9:54 am.*

*CARRIED*

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Administrator



**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

M E M O R A N D U M

September 8, 2014

Attn: NRDRWSC Commission

**Re: Operational Report since April 7, 2014 to current**

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Since the last update provided to members of the Commission (April, 2014), the City of Lacombe has dealt with the following issues:

**GENERAL ISSUES**

- Responded to 193 Alberta One-Call Locate Requests:
  - April - 119 locates
  - May - 326 locates
  - June - 273 locates
  - July - 242 locates
  - August 18 - 101 locates

**Repair response charges:**

- June 12<sup>th</sup>, 2014 - Operators worked with Summit Valve to replace the Bray actuator valves with Rotork actuator valves at the Wolf Creek and Railway reservoirs.
- June 18<sup>th</sup>, 2014 - Operators worked with Summit Valve to replace the Bray actuator valves with Rotork actuator valves at the Riverside reservoir; operators checked the operation of the new actuators at the Lucas and Railway Reservoirs.
- July 7<sup>th</sup>, 2014, July 9, 2014 - Operator procured hydrovac services to expose the Commission's pipeline within the 34<sup>th</sup> Street road allowance in preparation for planned road construction.
- A blow-off valve and main valve structure may need to be relocated to allow for the widening of 34 St. Administration / operations are working with Lacombe County regarding this possible conflict.

**Call-Out:**

- April 27<sup>th</sup>, 2014 - 2:00 a.m. - emergency locate request for CP Rail - Train derailment by Morningside - clear of regional line.
- May 7<sup>th</sup>, 2014 - 8:02 p.m. - Commission operator called by the City of Lacombe's on-call operator - Pumphouse "B" - NRDRWSC cabinet 'black' - change-out UPS batteries to get the cabinet operational again.
- May 26<sup>th</sup>, 2014 - 9:50 p.m. - Operator called by the Red Deer Treatment Plant - valve not responding at Railway - went to site and found valve partially engaged in manual mode - put valve back into automatic.
- July 9<sup>th</sup>, 2014 - 7:30 p.m. - Operator called by Ponoka - Lucas not filling - Red Deer lost communication - site had not reached 'stand-alone' fill point yet - drove to site and reset modem to restore communication with Red Deer.

**Crossing/Proximity Agreements -**

- The Town of Blackfalds requested a crossing agreement for underground utility crossings in two developments, Aurora Heights and Cottonwood Meadows. A Crossing agreement was executed for both developments.

- An emergency proximity work request was submitted to the Commission from Atco Pipelines to address a gas leak (NE15-39-274). The proposed work was located outside the Commission right-of-way.
- Anderson Developments requested a crossing agreement for a roadway in a Ponoka County residential development. The request was reviewed and the applicant entered into a crossing agreement with the Commission.

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, flowing script.

Jordan Thompson, CET, PMP  
Engineering Services Manager



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

## Memorandum

**TO:** Commission Board Members

**FROM:** Michael Minchin, Administrator

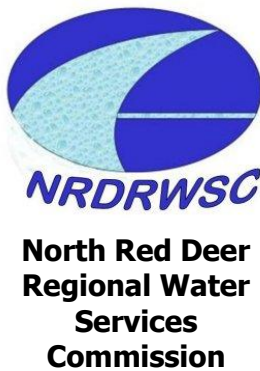
**DATE:** August 26, 2014

**RE:** Administrator's Report – 2<sup>nd</sup> Qtr 2014

REF: 47/117  
(2014)

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

1. Administration met with representatives of the City of Red Deer August 27, 2014 to discuss a number of items including:
  - a. Water quality issues
  - b. Water rates and future capital items
  - c. Water resourcing in the North Red Deer area. This item is discussed later in the agenda.
2. Administration has sent out letters to all member municipalities seeking input on water forecasts for 2015.
3. Administration has begun the 2015 budget process.
4. Administration is waiting for the final executed agreements between the Commission, Blackfalds and Lacombe County regarding sale of water to the industrial park west of Blackfalds.
5. Staff are currently working with Lacombe County regarding construction of the new 34<sup>th</sup> Street/Range Road 26-4 Bypass Road. The Commission's water line runs through this area. This item is discussed later in the agenda.
6. Staff have reviewed proposals as part of the City's RFP for auditing services. This item is discussed later in the agenda.



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

## Memorandum

**TO:** Commission Board Members  
**FROM:** Michael Minchin, Administrator  
**DATE:** August 26, 2014  
**RE:** July 2014 Variance Report

REF: 13/860  
2014

Attached is the 2014 variance report for the regional water commission to the end of July. Strong water sales mean that the Commission remains on target to meet its budgeted surplus. A few items of note:

1. Water sales for most of the communities are at or above target sales for the year. These targets are also well above historic sales figures for the Commission. A dry August will mean continued strong water sales.
2. The most significant expense to date is the water line repair in Ponoka earlier this year. This item shows as a \$22,642 expense under equipment repairs and maintenance. This was not a budgeted item.
3. Staff have also begun the process of replacing the actuator valves throughout the line. This project has cost \$29,625. This was a budgeted item (\$30,000).
4. The Commission has also incurred approximately \$8,000 in hydrovac charges as part of the process of locating the line along 34<sup>th</sup> Street. The City of Lacombe and Lacombe County are currently in the process of constructing a new bypass road. The expense was incurred because the line was not located as outlined in the as-built drawings. This expense was not a budgeted item.
5. Staff will adjust expenditures in other areas to ensure the Commission remains on budget. The additional water sales forecasted for the year will also ensure the Commission remains on budget.

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



**GL5330**

**Page :** 1

**Date :** Aug 26, 2014

**Time :** 3:33 pm

**Year :** 2014

**Period :** 7

**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	-255,721	-1,563,731	-2,443,966	-880,234	64
06-1-47-35120	Water Sales - Town of Ponoka	-142,510	-848,968	-1,431,150	-582,182	59
06-1-47-35130	Water Sales - Town of Blackfalds	-154,753	-790,496	-1,248,769	-458,273	63
06-1-47-35140	Water Sales - Ponoka County	-2,899	-9,774	-11,021	-1,246	89
06-1-47-42200	Line Crossing Fee	0	-1,500	-1,000	500	150
06-1-47-55100	Interest Revenue	-3,225	-21,678	-33,000	-11,322	66
06-1-47-55500	Rebates & Dividends	0	0	-50	-50	
06-1-47-85140	Lacombe County Contribution	0	0	-67,000	-67,000	
06-1-47-85150	Ponoka County Contribution	0	0	-67,000	-67,000	
<b>47 Regional Water Revenues</b>		<b>-559,108</b>	<b>-3,236,149</b>	<b>-5,302,955</b>	<b>-2,066,807</b>	<b>61</b>
<b>1 REVENUES</b>		<b>-559,108</b>	<b>-3,236,149</b>	<b>-5,302,955</b>	<b>-2,066,807</b>	<b>61</b>
<b>2 EXPENSES</b>						
<b>47 Regional Water Operating Expenditures</b>						
06-2-47-11110	Board Wages-City of Lacombe	0	350	1,750	1,400	20
06-2-47-11120	Board Wages-Town of Ponoka	0	150	750	600	20
06-2-47-11130	Board Wages-Town of Blackfalds	0	150	750	600	20
06-2-47-11140	Board Wages-Lacombe County	0	0	750	750	
06-2-47-11150	Board Wages-Ponoka County	0	150	750	600	20
06-2-47-21110	Board Travel-City of Lacombe	0	0	500	500	
06-2-47-21120	Board Travel -Town of Ponoka	0	30	500	470	6
06-2-47-21130	Board Travel-Town of Blackfalds	0	15	500	485	3
06-2-47-21140	Board Travel-Lacombe County	0	0	500	500	
06-2-47-21150	Board Travel-Ponoka County	0	0	500	500	
06-2-47-21170	Travel-Administration	0	205	0	-205	
06-2-47-21400	Membership Fees	0	0	200	200	
06-2-47-21500	Postage & Freight	0	50	150	100	34
06-2-47-21700	Telephone - Office	25	176	305	130	58
06-2-47-21701	Telephone - Operations	669	4,683	9,084	4,401	52
06-2-47-23000	Management Fees	4,267	28,951	50,202	21,252	58
06-2-47-23100	Accounting and Auditor Fees	0	7,395	8,900	1,505	83
06-2-47-23200	Legal Fees	0	0	500	500	
06-2-47-23900	Other Professional Services	6,299	48,593	38,372	-10,221	127
06-2-47-25300	Equipment Repair & Maintenance	0	22,642	7,500	-15,142	302
06-2-47-25301	SCADA Maintenance	897	5,382	10,800	5,418	50
06-2-47-27400	Insurance & Bond Premiums	0	0	5,500	5,500	
06-2-47-34200	Administration	796	4,621	9,366	4,745	49
06-2-47-35100	Purchase of Water	315,770	1,937,626	3,114,356	1,176,730	62
06-2-47-35200	Operations	0	51,530	96,300	44,770	54
06-2-47-51000	Miscellaneous Expenses	0	42	500	458	8
06-2-47-51100	Meeting Supplies	0	0	250	250	
06-2-47-51400	Office Supplies	0	0	250	250	
06-2-47-52400	General Materials & Supplies	0	138	500	362	28
06-2-47-54400	Utilities-Electricity	71	2,321	5,000	2,679	46
06-2-47-56400	Valves	564	1,685	5,000	3,315	34
06-2-47-83100	Debenture Interest	0	346,014	685,458	339,444	50
06-2-47-83200	Debenture Principal	0	291,436	589,443	298,007	49
06-2-47-99000	Amortization	0	0	465,610	465,610	

CITY OF LACOMBE  
GL Department Report



GL5330

Page : 2

Date : Aug 26, 2014

Time : 3:33 pm

Year : 2014

Period : 7

Budget : FINAL BUDGET

Account No.	Description	Current	Year To Date	Budget	Variance	% Used
REGIONAL WATER REPORTING						
	47 Regional Water Operating Ex	329,358	2,754,336	5,110,796	2,356,460	54
	2 EXPENSES	329,358	2,754,336	5,110,796	2,356,460	54
	Surplus/(Deficit)	-229,749	-481,812	-192,159	289,653	251
	6 REGIONAL WATER COMMISSION	-229,749	-481,812	-192,159	289,653	251
	REGIONAL WATER REPORTING Total	-229,749	-481,812	-192,159	289,653	251



**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:** August 27, 2014

**RE:** Financial Auditor Appointment &  
Contract Award

REF:47/990(01)/14

## **Purpose**

To present for the Board's consideration a 5 year contract for financial auditing services for the Regional Water Commission beginning with the 2014 audit year.

## **Background**

The contract with the Commission's external financial auditors expired with the completion of the 2013 audit and financial statement presentation in May of this year. The Commission along with a number of agencies and the City used BDO Dunwoody LLP.

In July of this year, the City issued a request for proposal seeking proposals for audits and or engagement reviews for 5 organizations, one of which was the North Red Deer River Water Services Commission. This agreement would cover the 2014 to 2018 audit years.

The RFP rated proposals on the following four areas:

Experience and Expertise	25%
Experience Servicing Clients	25%
References (municipal)	10%
Fee Structure	40%

## **Issue Analysis**

The City received 5 proposals from audit firms. All were judged to be qualified bidders and the prices were submitted based on individual pricing, but with the assumption that the work would be done as whole. A copy of the summary of results for the prices for the regional water is attached.

Two of the proposals were from firms based in Edmonton (Hawkings EPP Dumont and KPMG) and may not include travel and accommodations expenses. The overall low bid (price for all agencies combined) was BDO Dunwoody LLP. However it was only the

third lowest bid for the regional water services contract second to the Edmonton firms mentioned above.

Based on the overall pricing and given the equal qualifications of the bidders, Administration has been recommending that all agencies appoint BDO Dunwoody LLP (BDO) as auditors.

This recommendation is also being made to this Board despite the fact that BDO is not the lowest bid for Regional Water. However, the two lower bid proposals include unknowns such as travel and accommodations (Hawkings EPP Dumont indicate that these costs are extra) and actual audit time as this would be a new audit for both companies and specific scope would be confirmed at time of audit. BDO Dunwoody is local and is familiar with our processes including our migration to the Caseware© yearend software. As a result, Administration has more confidence in the certainty of the price included in BDO's submission.

Finally, from a planning and organizing level, efficiencies are achieved by having one audit firm carry out the audit as this allows for one review of the City's internal financial controls and procedures instead of two if the Commission chooses a different firm than the other organizations.

### **Financial implications**

The price proposed by BDO would not increase during the life of the contact and is a reduction from current the 2014 budget when the Commission budgeted \$8,900.

The lower prices are reflection of two items:

1. Ability to rely on audit of the City's internal financial control which is done at the same time as the City's audit. These are the same controls applied to the Commission
2. The conversion of the Commission's year end documents to Caseware© by staff. This improves the efficiency of the audit and ensures consistency in the preparation of the financial statements (which is also done by City staff).

### **Alternatives**

Staff have identified two alternatives:

1. Award the contract to BDO Dunwoody LLP as outlined above.
2. Reject all proposals and issue a specific RFP for Regional Water Commission. The RFP that was originally issued was by the City and included work for the City and organizations. To be fair to the proponents, the Commission in this case should issue a separate proposal to ensure that proponents are aware of the scale of work. This may increase the number of proponents because of the smaller size. It may also increase the cost of work as the proponents would then have to do their own review of the City's controls.

**Attachment**

Summary of Results (see below)

**Recommendation**

That the Board award a 5 year contract with BDO Dunwoody LLP with a term covering the 2014-2018 audit years for the provision of external financial auditing services subject to the terms outlined in BDO's proposal dated August 5, 2014.

That in accordance with section 5.4 of the Commission's Bylaw 1, the Commission appoints BDO Dunwoody LLP as the auditors for the Commission for the 2014 fiscal year.

2014 Audit Submission Scoring and Fee Comparison

<b>Respondents</b>	<b>Entities</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
BDO	Water Commission & FIR	7,850	7,850	7,850	7,850	7,850
Hawkings EPP Dumont	Water Commission & FIR	7,500	7,700	7,900	8,100	8,300
MNP	Water Commission & FIR	10,000	No budget lines submitted. Proposed increase of 3-5% increase for inflation			
Collins Barrow	Water Commission & FIR	9,000	9,000	9,000	9,000	9,000
KPMG	Water Commission & FIR	6,000	6,000	6,000	6,000	6,000



**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:** August 28, 2014

**RE:** 34<sup>th</sup> Street/Range Road 26-4 Road  
Construction

REF:47/611  
(2014)

The City of Lacombe and Lacombe County are constructing an upgrade to 34<sup>th</sup> Street and Range Road 26-4. When completed, the project will enhance the City's industrial truck route. The Commission's water line runs parallel along 34<sup>th</sup> Street and range road 26-4. As part of the construction, the road right of way is being widened in certain areas. As a result, parts of the line will now exist within the road right of way.

This change poses problems in two specific areas.

1. An above ground flush point and manhole located along 34<sup>th</sup> Street and on land described as the North half of SW33-40-26-W4M will now be located within the ditch of the newly upgraded road. (Location 1 on Map). This will require the above ground equipment to be relocated.
2. An above ground air release valve located west of range road 26-4 and south of Range Road 41-0 and located on the NE32-40-26-W4M. This valve will also be located within the ditch of the newly upgraded road (Location 2 on Map). This will require the above ground equipment to be relocated.

In discussions with the City it has been identified that the equipment was located on private land within the utility right of way for the Commission. As this land is now road right of way, the obligation is with the City to be responsible for the cost of relocating this equipment.

The equipment will be moved out of the ditch and closer to the edge of the road right of way. The equipment will remain within the utility right of way and towards the edge of the road right of way. This change will be of benefit to the Commission in terms of item #2 as it will mean the release valve will no longer be on private land. Appendix 1 shows a picture of the equipment in question and Appendix 2 outlines the new road profile.

The estimated cost of these relocations is \$56,500.

The utility rights of way will transition over to the new road plans once registered at land titles.

This report is provided as information.

Map



## Appendix 1

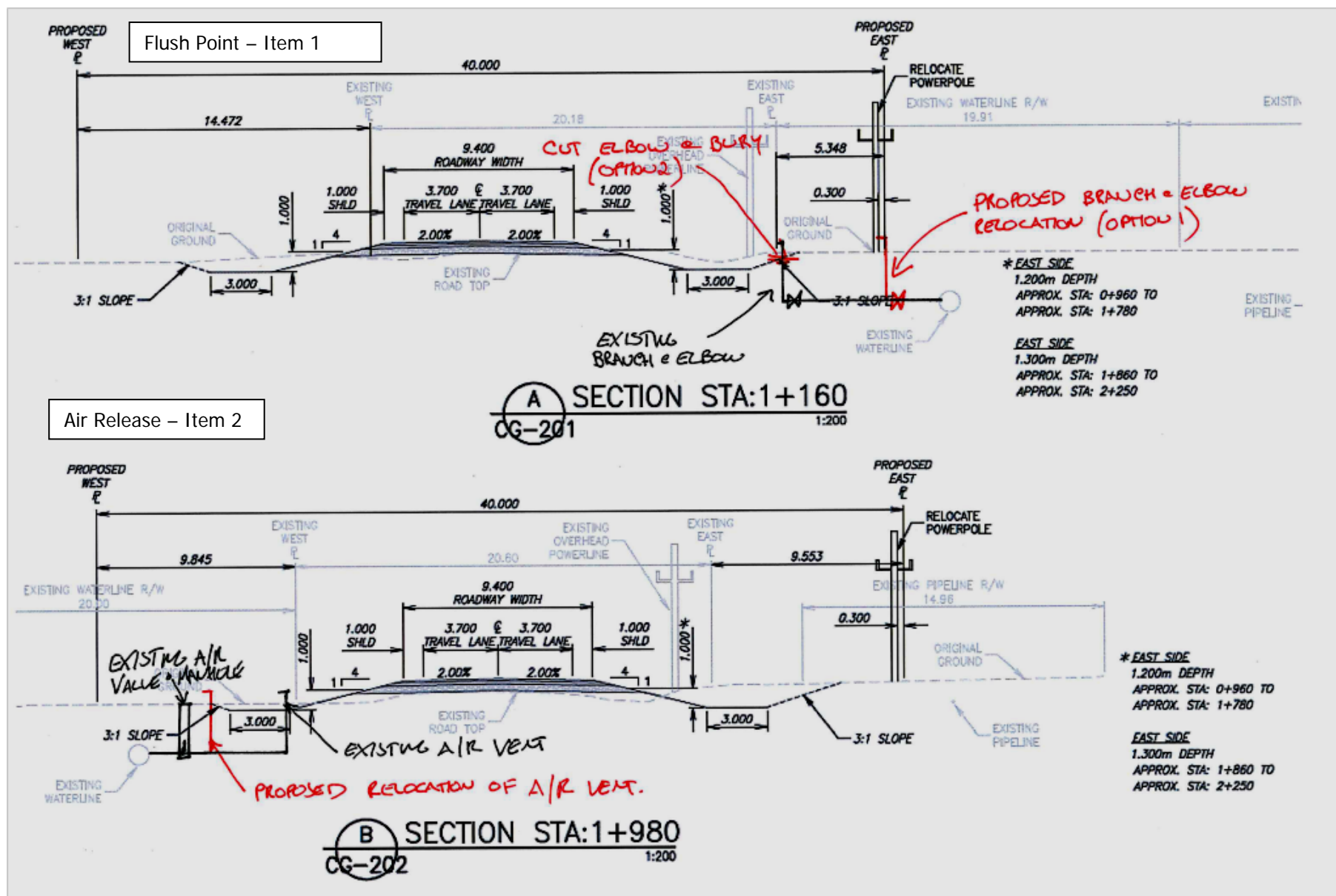
Item 1 – Release Valve



Item 2 – Flush Point



## Appendix 2





June 27, 2014

**Attention: North Red Deer River Regional Water Services Commission**

Dear Mr. Michael Minchin, Administrator

**Reference: Alberta Community Resilience Program**

The Government of Alberta recently announced a new grant program that will help municipalities better protect their residents, property, and infrastructure from effects of floods or droughts. Municipalities province-wide may apply for funds from the Alberta Community Resilience Program for projects that protect critical municipal infrastructure.

The cost-share program will direct \$325 million to municipalities over the next three years for projects such as berms, dykes, and riverbank stabilization. Eligible projects may either protect municipal infrastructure such as public buildings, roads, or wastewater systems, enhance public safety, or improve evacuation times.

The grants will cover 90 per cent of project costs up to \$3 million and 70 per cent of costs in excess of \$3 million. Municipalities have until **September 30, 2014** to apply for the first round of funding.

Stantec resources are available to assist you in any way in the project submittal, design and approval process. Please contact us to discuss how you may benefit from this program to better protect your critical infrastructure. The program details are imminent and we would like to help you enter your projects as soon as possible in the submittal list.

Regards,

A handwritten signature in dark ink, appearing to read "Darwin".

Darwin Durnie, Principal



1100, 4900-50 Street  
Red Deer, AB  
T4N 1X7  
Phone: 403-341-3320  
Fax: 403-342-0969

## Michael Minchin

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**From:** Cindy Hughes [Cindy.Hughes@gov.ab.ca] on behalf of ESRD Alberta Community Resilience Program [ESRD.ACRP@gov.ab.ca]  
**Sent:** July-03-14 2:49 PM  
**To:** ESRD Alberta Community Resilience Program  
**Cc:** Andy Lamb  
**Subject:** ESRD Alberta Community Resilience Program (ACRP) Information Package  
**Attachments:** AB Community Resilience Prg 2014.pdf; ACRP-GrantApplication2014.doc; ACRP-StatementOfMunicipalPriorities2014.doc

Mayor/Chief and Council,

On June 9, 2014, the Honourable Robin Campbell, Minister of Environment and Sustainable Resource Development announced the Alberta Community Resilience Program - a three-year \$325 million grant program to support municipalities in the development of long-term resilience to flood and drought events, while encouraging integrated planning and healthy, functioning watersheds.

The Alberta Community Resilience Program (ACRP) will provide grants to municipalities for the design and construction of projects that protect critical municipal infrastructure from flooding and drought and help to ensure public safety is protected.

Attached for your information is a copy of the Alberta Community Resilience Program guide, as administered by Environment and Sustainable Resource Development and a number of supplementary materials, including the Application Form, template for the Statement of Municipal Priorities, and Frequently Asked Questions.

We invite you to submit grant applications under the program on or before our first application deadline of September 30, 2014. Subsequent application deadlines that all applicants must adhere to are as follows:

- March 31, 2015
- September 30, 2015
- March 31, 2016
- September 30, 2016

Program Coordinators have been assigned to specific watershed areas and the municipalities therein. These Coordinators will be your primary contact and will be available to guide you through the application and grant process and provide further information and clarification:

Northern Alberta (Hay, Peace/Slave, Athabasca, Beaver River basins)  
Ms. Lisa Brodziak, Program Coordinator  
780-641-9094

Central Alberta (Red Deer River sub-basin and North Saskatchewan River basin)  
Mr. Andy Lamb, Program Director  
403-396-2343

Southern Alberta (Bow, Oldman, and South Saskatchewan River sub-basins)  
Ms. Micaela Gerling, Program Coordinator  
403-297-3304

Please visit our program website [esrd.alberta.ca](http://esrd.alberta.ca) or email us at [ESRD.ACRP@gov.ab.ca](mailto:ESRD.ACRP@gov.ab.ca) for more information.

Andy Lamb

Director, Alberta Community Resiliency Program

Resilience and Mitigation Branch

Environment and Sustainable Resource Development

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# Alberta Community Resilience Program

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*Alberta*   
Government



# Overview: Alberta Community Resilience Program

Alberta's communities have been built on a foundation of ever-changing landscapes and dynamic natural systems. The Government of Alberta acknowledges that extreme weather events, like flood and drought, are and will continue to be part of the community landscape. The Government of Alberta is continually striving to improve Albertans' ability to thrive within this reality.

Responding to these challenges today is critical to maintaining resilient and vibrant communities in Alberta, while supporting our critical watershed systems. As Alberta moves forward with projects to improve community resilience to flood and drought throughout the province, it is critical that we recognize and respect the nexus of sustainable community development and our watershed systems.



Understanding the importance of this relationship, the Alberta Community Resilience Program (ACRP) has been created to support municipalities in the development of long-term resilience to flood and drought events, while supporting integrated planning and healthy, functioning watersheds.

ACRP is a 3-year \$325 million provincial grant program administered by the Resilience and Mitigation Branch of Alberta Environment and Sustainable Resource Development.

## Objectives

The Alberta Community Resilience Program will focus on the following objectives:

- ACRP will foster a culture of long-term resilience planning. It will challenge municipalities to develop proactive resilience planning goals for the future, while providing the means to manage the issues that are most chronic and affecting today.
- ACRP will provide financial support to municipalities across the province for the design and implementation of projects that protect critical municipal infrastructure from flooding and drought and help to ensure public safety is protected.
- ACRP will invest in Alberta's communities to minimize future flood damages, both financial and to property and infrastructure, and minimize risk to public safety and the potential for loss of essential services.

## Scope

Municipalities are defined as rural and urban municipalities, First Nations, Metis Settlements, Improvement Districts, and Special Areas.

Projects under ACRP are defined as works (structural or non-structural mitigation) that enhance or enable the protection of critical municipal infrastructure (e.g. bank stabilization, berms, riparian buffers). Public Safety projects are defined as projects that mitigate public safety hazards, prevent loss of life and/or enhance evacuation time.

This program is not intended to provide emergency funds; it is intended to focus on long-term community resilience. Building resilience means Alberta's communities, infrastructure, and watershed systems are sustainable in the long-term.

## Program Eligibility

This program is directed at municipalities only; private entities (individuals, associations or businesses) are not eligible to apply under the ACRP Program. By submitting an application under ACRP, the municipality is agreeing to take on all project liability (non-transferrable). Any works funded under this Program must be owned and operated/maintained by the municipality. The municipality must also own or obtain legal consent to access the lands upon which the project is constructed.

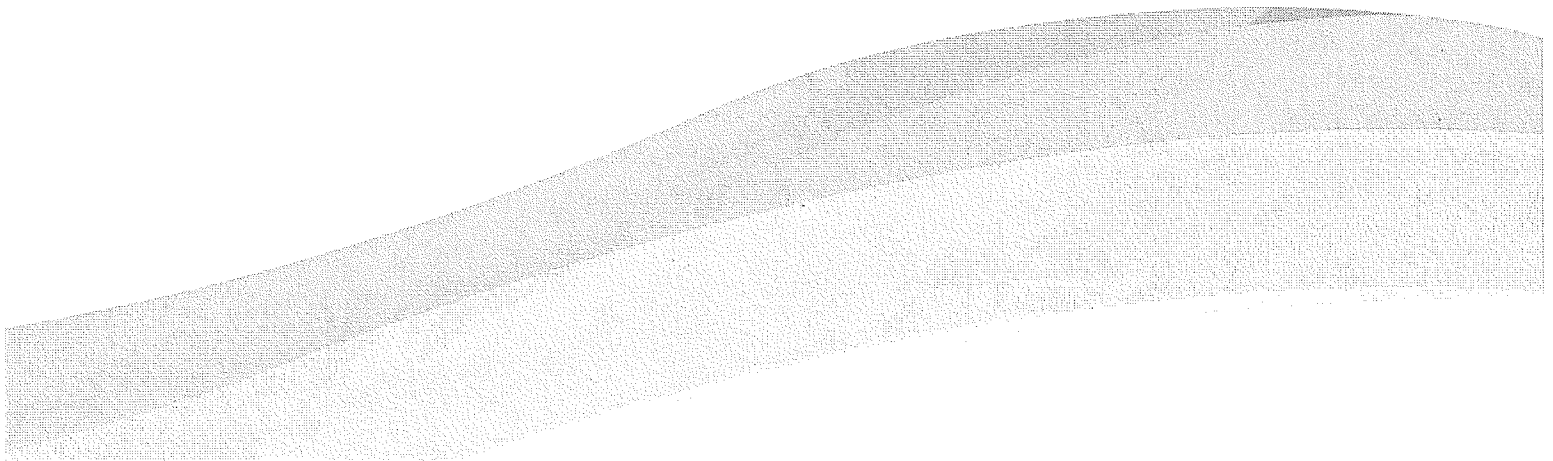
Critical municipal infrastructure may include water, wastewater, electricity, and stormwater works, as well as infrastructure used to access those services, e.g. access roads and transportation corridors; construction of new municipal infrastructure, temporary structures, or reconstruction of existing works are not eligible under ACRP.

When evaluating options, please be reminded that buy-out/land purchase options may be considered for high risk areas where economic and feasibility studies support this direction.

Projects will be evaluated internally to ensure they are consistent with provincial policy and direction. Special circumstances may be considered on a case-by-case basis.

## Funding

The ACRP Program has been allocated \$325 million over the next three years – specified funds have been allocated for each budget cycle, as follows: \$110 million has been allocated to each of the first two years and \$105 in the third year. These amounts will be distributed to successful municipalities through grants semi-annually as determined by the Grant Review Committee.



Applications must be submitted before pre-determined deadlines (see Application Deadlines) and projects will be prioritized and approved in the month following the most recent deadline. Applications received after a stated deadline will be evaluated internally, but will not be forwarded for decision until the following application submission deadline and decision period.

Final commitment to fund any eligible grant applications submitted under ACRP will not be made until the Minister of Environment and Sustainable Resource Development has provided written approval.

## Cost Share Requirements



**For approved projects, Environment and Sustainable Resource Development will provide 90 per cent of the engineering and construction costs up to \$3 million and 70 per cent for costs in excess of \$3 million.**

Costs associated with the operation and maintenance of a project are the responsibility of the municipality and are **not eligible** as part of the total cost of the project.

Applicants may also be asked to implement their project in phases, depending on the scope of the project, so it may be funded over a number of years.

## Project Selection Criteria

Project priority and approval is based on eligibility criteria, economic and technical feasibility, and benefit to the community and the environment. Each fiscal year, projects will be selected by the department based on an assessment of the project's longevity, mitigated risk, historical damage, urgency and environmental impacts.

Distribution of funding between municipalities local priority will be considered as part of this assessment.

Municipalities will be asked to prioritize their submissions if more than one project is being submitted for consideration (see section on Statement of Municipal Priorities).

Priority will be given to projects that use materials and techniques that may provide additional benefits to the aquatic environment, like bioengineering or non-structural options. Bioengineering is a 'soft' engineering technique that primarily utilizes natural materials (vegetation cuttings, soil layering, seed treatments, etc.).

The advice of an engineer or Qualified Aquatic Environmental Specialist (QAES) will be helpful to plan and design your work. In some cases, this advice is required to support regulatory applications for work that could significantly impact neighbours, the water body or the aquatic environment.

# Grant Approval Process

Each municipality will have received a letter from the Program Director outlining the program and providing information on next steps.

## Consultation

Program Coordinators will be assigned to specific watershed areas and the municipalities therein. These Coordinators will be the municipality's primary contact and will be available to municipalities to guide them through the application and grant process. Coordinators will also make recommendations on projects to the Grant Review Committee.

## Application Requirements

In support of an application for funding, the applicant must submit a Statement of Municipal Priorities, and preliminary engineering report, including a risk assessment, if applicable to the project.

### Statement of Municipal Priorities

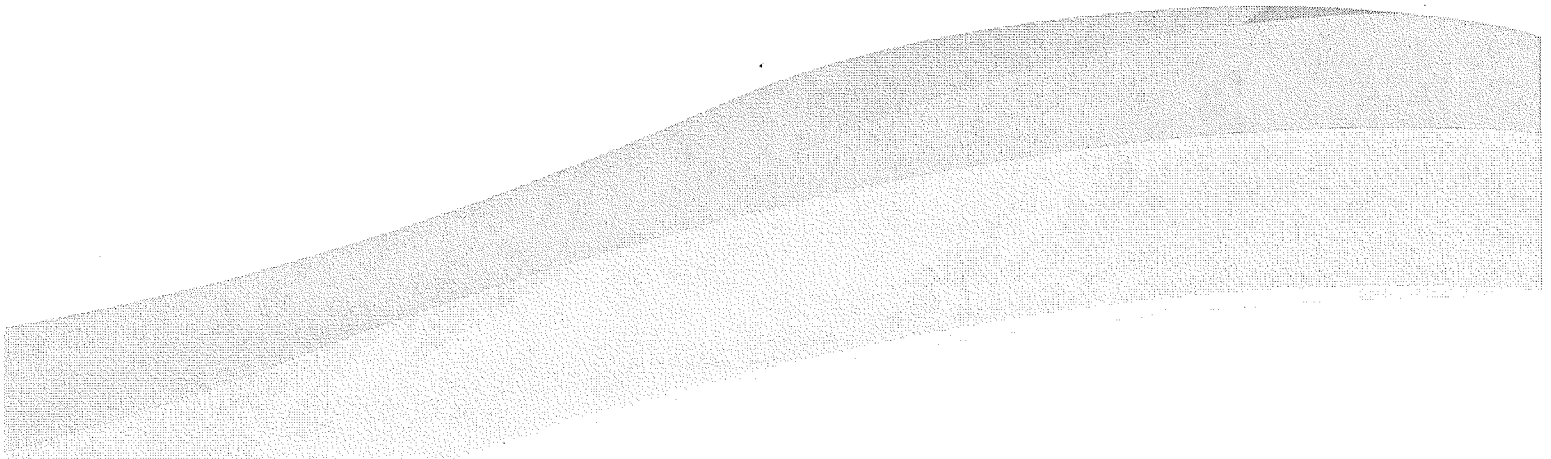
A Statement of Municipal Priorities should describe how the community will plan for and prioritize community resiliency projects now and in the future. This plan is required from each applicant before any application will be considered.

The Statement of Municipal Priorities will provide the Provincial Review Committee with context on each community's most critical (chronic) issues, as they relate to flood/erosion/drought, and establish each community's priorities and planned projects to achieve those priorities. The statement should consider past events and indicate the community's highest priority projects for the next two to three years. With this information, the Review Committee can make recommendations for funding that represent the overall priorities of the community.

Preparation of these statements need not be complex or lengthy; the statement must simply provide a clear indication of community priorities, which are not likely to change. A form has been developed for your reference and use.

### Preliminary Engineering Report

A preliminary engineering report must identify the issue that is being addressed and describe the proposed project, including how it supports the community's Statement of Municipal Priorities. The report must also speak to the project's economic and technical feasibility, and identify its benefits and impacts.



## Risk Assessment

Where provincial flood hazard mapping is unavailable and the project appears to be located in a high risk area, the applicant may be required to submit a flood or risk hazard assessment in support of their application.

## Application Deadlines

The following application deadlines will be adhered to:

- September 30, 2014
- March 31, 2015
- September 30, 2015
- March 31, 2016
- September 30, 2016



The Grant Committee will evaluate and prioritize all applications that are submitted before the most recent deadline. Applications that are received after the most recent application submission deadline will be evaluated internally; however, they will not be prioritized for funding until the following application submission deadline and decision period.

Once all assigned funding is allocated for a fiscal year, applications that are eligible, but unapproved may still be considered for funding at a later date. Note that the unapproved applications will be ranked with all other applications received by the subsequent submission deadline.

## Decision Making Process

All grant application submissions received by the most recent deadline will be evaluated by the Grant Review Committee on the basis of a project's eligibility under the program. Each prioritization exercise will be conducted on all applications received by the deadline (first deadline is September 30, 2014). The Grant Review Committee will recommend projects to the Minister for approval at the end of each application submission cycle.

Applicants whose grant applications are not eligible under the Alberta Community Resilience Program will receive a letter from the Program Director, informing them that their project is not eligible for funding and the rationale for the decision.

## Minister Approval

The Grant Review Committee will make its recommendations to the Minister for project approvals. If Minister approval is obtained, the department and municipality enter into a cost sharing agreement for each approved project.

# Project Construction

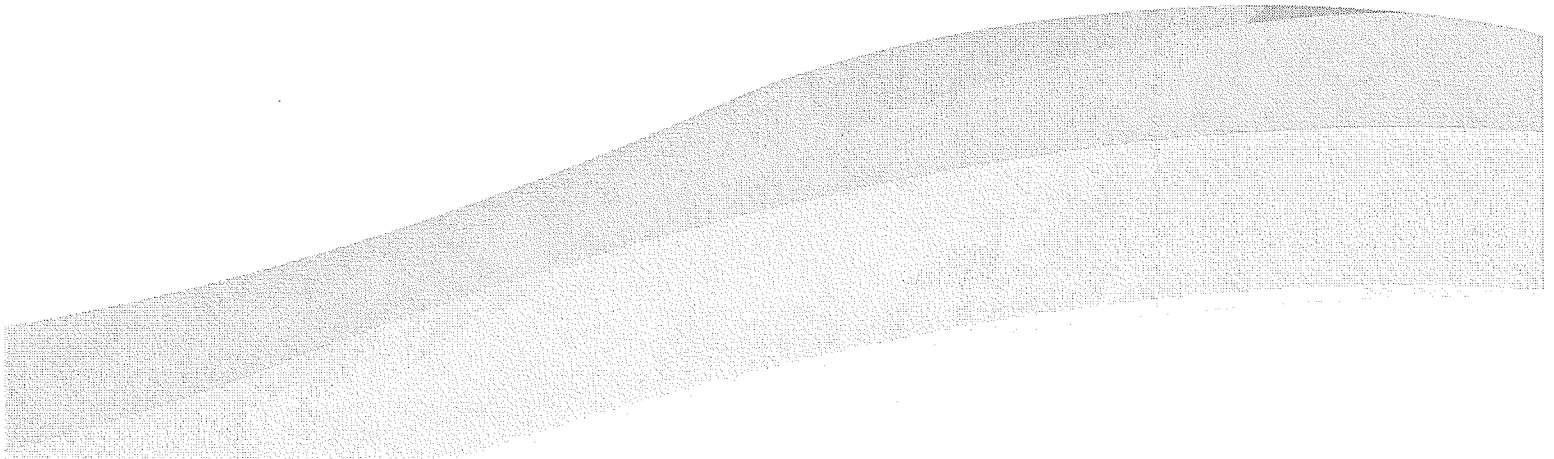
## Regulatory Approval

Regulatory authorizations must be obtained from Environment and Sustainable Resource Development prior to initiating construction of the project. Regulatory approvals and agreements include (but are not limited to) those required by provincial and federal governments, utility and resource companies, and other landowners.

## Construction

The municipality is responsible for the construction of an approved project within the framework of the grant agreement and regulatory authorizations.

The municipality shall inform Department staff of the progress of construction of the project, as per the terms and conditions of the grant agreement (see Interim and Final Reporting).



# Grant Administration, Reporting, and Audits

Once a grant agreement is in place, there are established processes for grant amendments, required reporting throughout the project lifecycle, and project audits.

## Grant Amendments

Grant Amendment requests may be considered for minor scope changes and extensions. These requests are subject to program eligibility and are evaluated on a case-by-case basis.

## Interim Reporting

As per the requirements of the Grant Agreement initiated under the Alberta Community Resilience Program, municipalities must submit an Interim Report to the Grant Manager by the due date identified in the Grant Agreement.

An Interim Report must include: a summary of expenditures and disbursements on eligible costs; a summary describing the status of the project; regulatory authorization numbers for *Water Act* and *Public Lands Act* (or status if outstanding); and an updated work plan, identifying any issues that may affect the continued application of the grant agreement.

## Final Reporting

As per the requirements of any Grant Agreement initiated under the Alberta Community Resilience Program, the municipality must submit a final report to the Grant Manager no later than three months after the grant expiry date identified in the Grant Agreement.

The municipality must provide a project summary report to the Department detailing:

- investments made and results achieved with respect to the Project in a manner specified by the Department;
- expenditures and disbursements from the Grant Payment Amount including a brief summary of how these expenditures and disbursements were utilized; and
- any revenue accrued, including interest, from the Grant Payment Amount.

## Financial and Regulatory Audits

All projects will be subject to a Financial Audit. The project may also be subject to a Regulatory Audit or site inspection for the purposes of providing assurance that the project is constructed in a manner that complies with the *Water Act* and *Public Lands Act*. A Regulatory Audit will also assess any unintended adverse impacts.

# Alberta Community Resilience Program Grant Application

Alberta Community Resilience Program

The Alberta Community Resilience Program (ACRP) will provide grants to municipalities for the design and construction of projects that protect critical municipal infrastructure from flooding and drought and help to ensure public safety is protected.

## Applicant Information

Application is hereby made to the Minister of the Environment and Sustainable Resource Development (hereinafter called the "Minister") for Grant pursuant of the Environment Grant Regulation, A.R. 182/2000 [refer also to the Designation and Transfer of Responsibility Regulation, Section 21(6)].

Name of Applicant (Municipality):		
Contact Name:		
Address: (Indicate Street No./P.O. Box, City/Town or Others and Postal Code)		
Phone #:	Fax #:	E-mail:

Project Name:

GPS Marker:	Latitude:	Longitude:
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## Project Description:

How well does the project address "Community Resilience," which is defined as the capacity of a system to cope with, adapt to, or recover from a recurrent disturbance, such as flood or drought?

- ☐ Project will allow Municipality to cope short-term with the identified issue
- ☐ Project allows Municipality to adapt to the identified issue long-term
- ☐ Project eliminates need for future mitigation

Please describe:

**How has the project location been previously affected by flood or drought? Please describe:**

**Is project located in or does it impact a flood plain area?** ☐ Yes ☐ No ☐ Unknown

**Please check one:** ☐ Floodway ☐ Flood Fringe ☐ Unmapped

**Has Water Act Approval been applied for, or is application in preparation?** ☐ Yes ☐ No

**Project Duration:**

Estimated Start Date: \_\_\_\_\_

Estimated Completion Date: \_\_\_\_\_

**Schedule for implementation, considering regulatory requirements (please identify key milestones):**

**Estimated Total Cost of Project:** \_\_\_\_\_

**Is Project eligible for funding from another program?** ☐ Yes ☐ No ☐ Unknown

**Has funding been applied for and/or received for the proposed project?** ☐ Yes ☐ No

If yes, please list:

**Have you included your supporting documentation?** See Program Guide for more information

- ☐ Statement of Municipal Priorities
- ☐ Preliminary Engineering Report
- ☐ Risk Assessment, if required
- ☐ Other information that will benefit the decision-making process

**What are the immediate consequences, if proposed project does not proceed:**

<b>Applicant Name:</b>	
<b>Contact Name:</b>	<b>Date:</b>
<b>Signature:</b>	

### **Freedom of Information**

The Applicant acknowledges that the *Freedom of Information and Protection of Privacy Act* applies to all information and records provided by the Applicant to the Minister and to any information and records which are in the custody or under the control of the Minister.

# Statement of Municipal Priorities

Alberta Community Resilience Program

## Introduction

As part of the Alberta Community Resilience Program (ACRP), municipalities are being asked to submit a Community Statement of Priorities prior to (or with) their first application to the program.

The purpose of this statement is to provide the Grant Review Committee with context on the overall mitigation issues facing a community, specific issues of chronic flood/erosion/drought, overall community mitigation goals and priorities, and the projects being planned to achieve those goals and priorities. The statement should be historical in nature and identify a community's highest priority projects in the next 2 to 3 years. With this information, the Grant Review Committee can make recommendations for funding that hopefully represent the cumulative priorities of Alberta's communities.

Preparation of these statements need not be complex or lengthy, as long as they provide a clear indication of community priorities which are not likely to change.

## Section 1: Community Overview

Name of Municipality: \_\_\_\_\_

Population: \_\_\_\_\_

Community location:

Rivers, streams, or creeks that intersect in your community:

Major industries near identified water bodies (please name industrial facilities, if possible):

Major public infrastructure near identified water bodies (hospitals, roads, etc.):

## Section 2 Description of Water Issues

Please identify which are chronic issues (historical) and which occur occasionally.

Flooding: ☐ Chronic ☐ Occasional ☐ Unknown

Has Flood Hazard Mapping been undertaken in your community? ☐ Yes ☐ No ☐ Unknown  
*If yes, please provide a copy with your Statement*

Erosion: ☐ Chronic ☐ Occasional ☐ Unknown

Debris flows: ☐ Chronic ☐ Occasional ☐ Unknown

Drought: ☐ Chronic ☐ Occasional ☐ Unknown

### **Section 3: Description of Priorities**

Please describe specific areas of the community that are most vital to protect (hospital, access, roads, bridge, low lying residential areas, etc.)

### **Section 4 Project Priority**

Please provide a list of specific projects that could assist with addressing community priorities projects. Projects **must** be placed in priority order. Note that we do not require a detailed project description at this point; the intent is to simply give an idea of what may be submitted and its overall priority to the community.

### **Section 5 Watershed Assessment**

Please provide an assessment of how the works proposed by the municipality maintain and potentially enhance the health of the watershed and sub-watersheds the community is located in and how they enhance the overall resiliency of the community to future flood and drought events. The components of this assessment should include:

Provide an overview of any other mitigation options considered, including non-structural options such as wetland assessment and riparian protection.

Identify any relationship to other projects being proposed by other communities in the watershed.

Please engage your local Watershed Planning and Advisory Council (WPAC) and identify how the projects proposed by the municipality fit within the WPAC's Integrated Watershed Management Plan.

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Contact Name:	Date:
Signature:	

# **CONFIDENTIAL – IN CAMERA**



**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:** August 28, 2014  
**RE:** Commission Water Line within City of Red Deer Boundaries  
**REF:** 47/352 (2014)

During our annual planning session with the City of Red Deer, the City raised the issue of servicing of the newly annexed areas north of the City as well the request from Evraz North America for connection to the Commission's water line. As part of these discussions, the City of Red Deer has inquired about the Commission's interest in selling part of the regional line that is within the City's boundaries.

This issue has been raised before and very little has come from it. Two issues are bringing this to the forefront:

1. The request from Evraz for water servicing is now being explored by the City of Red Deer engineering department as well as an identified need to service annexed properties in the north area.
2. Upgrades to the road network near and around the Commission's meter chamber will result in the relocation of the meter chamber.

Administration has asked that the City formalize this request in writing for the Board's consideration. Administration has not yet examined all the issues and considerations for such a request however, some obvious items of note do exist:

1. Purchase price to be paid by the City.
2. Ministerial approval requirements for the sale due to the fact that provincial funding was received for the construction of the line.
3. How much of the line to be sold and where to relocate the meter chamber.
4. Application of funds received from sale (e.g. debt retirement, transfer to capital reserves, etc).
5. Ensuring future of right of way for access by Regional Waste Water
6. Stakeholder consultation (e.g. member municipality input)
7. Timing and scheduling of transaction.
8. Impact on future water rates charged by the City to the Commission.

With the Board's approval, Administration will begin work on a business case for the sale of the line. Administration will forward the request from the City as soon as it is received.

Given the nature of these conversations, Administration recommends that the Board keep these discussions in confidence until a formal request from the City arrives.