

NORTH RED DEER RIVER WATER SERVICES COMMISSION
REGULAR MEETING MINUTES
November 6, 2017

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

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

Regrets:

1. Call to Order:

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

2. Adoption of the Agenda:

MOVED by Mayor Bonnett that the agenda for November 6, 2017, be adopted as presented.

CARRIED

3. Governance

a. Annual Election

i. Chair

Acting Chair Matejka called for nominations from the floor.

Mayor Poole nominated Ken Wigmore for Chair. After three calls for attentional nomination, Mayor Bonnet moves ceased nominations.

Councillor Ken Wigmore is acclaimed as Chairman.

ii. Vice Chair

Acting Chair Matejka called for nominations from the floor.

Chair Wigmore nominated Richard Poole for Vice Chair. After three calls for attentional nomination, Mayor Bonnet moves to ceased nominations.

Richard Poole is acclaimed as Vice Chair.

Mr. Wigmore assumed the Chair position

4. Adoption of the Minutes:

MOVED by Mayor Poole that the minutes for September 25, 2017, be adopted as presented.

CARRIED

5. Presentation

a. Orientation

Each Commission member was presented with a binder containing material on the NRDRWSC. Mr. Minchin provided an overview to the content of each tab.

Copies of the following were included:

- Act
- Bylaw
- Policies
- Financial Statement for 2016
- Water Services Agreement
- Meeting Agendas
- Meeting Minutes

Mayor Poole and Mr. Timmons have asked for the information to be forwarded to them electronically.

Mayor Creasey disclosed that his wife is employed with BDO, the Commission's Auditors, and going forward she will not be working on the Commission's file. Mr. Minchin advised Mayor Creasey that there is a working agreement with BDO to ensure that there is no conflict with the file.

Mayor Creasey inquired about why there is only a three (3) years service contact between the City and the Commission. Mr. Minchin explained that with the Wastewater Commission starting they want to allow for some discretion between the two Commissions.

MOVED by Councillor Matejka to accept reports as information.

CARRIED

Reports

Operations Report

Mr. Huston discussed the recent operation activities.

In summary:

- The Alberta One-Call locate requests for October are on par with last year.
- The Operator and Endress & Hauser performed water meter verification testing on all meters with the expectation of 39th Ave and the Main Vault. All of the meters tested came back within AWWA requirements. The 39th Ave and the Main Vault will be tested in 2018.
- Stantec has been handling the SCADA review. They are to have a report to Operations within the month.

A question was raised regarding expiry dates to Crossing Agreements. Mr. Minchin advised the Commission that all crossing agreements put in place are perpetuity.

MOVED by Mayor Poole to accept reports as information.

CARRIED

Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- Administration is in the process of transitioning Administrators on a temporary base.
- Administration has not received the 2018 water rates from the City of Red Deer. The City of Red Deer is in agreement to have the water rates to the Commission by November 1st of the current year. The Administrator will remind Red Deer of their commitment to the Commission
- The 5-year projection has been updated based on the current information provided to the Commission. .

MOVED by Mayor Bonnett to accept reports as information.

CARRIED

Mr. Minchin presented the financial report.

In summary:

- Water sales remain to exceed 2017-budgeted amount. Water sales in the summer were high.
- Administration is projecting a surplus at the end of the year.
- Expenses remain in line with expectations.

Mr. Minchin recommended that once the 2017 Audit is complete and a surplus has been received, to ask for recommendation from the Commission on the allocation of the funds.

MOVED by Mayor Creasey to accept reports as information.

CARRIED

Chairperson's Report

Nothing to report at this time.

6. Correspondence/Information

7. Old Business:

8. New Business:

2018 Operating Budget Update

Mr. Minchin shared a copy of the provisional budget that was presented at the September 25, 2017 meeting based on an expected 5% increase from the City of Red Deer from \$1.38 to \$1.45. Based on this information Administration recommends that the water rate for the Commission be set at \$2.07 from \$2.03. The Commission has not had a rate increase since 2013. Should the 2018 water rate from Red Deer not increase by the expected 5%, Administration recommends leaving the Commission's rate at \$2.07.

Concerns of why there was a need for a SCADA review and the costs for the upgrade was expressed. Mr. Minchin advised the Commission that the systems is outdated and not supported anymore in areas, and the cost of the upgrade will be covered from capital reserves.

It was asked how often Administration reviews the rate model that Red Deer uses to set their rate. Mr. Minchin explained that the model is 190 pages and is reviewed every couple of years. Red Deer uses a cost recovery utility rate model.

MOVED by Councillor Matejka to accept reports as information.

CARRIED

2018 – 2022 Financial Projections

Mr. Minchin presented a working model of the 2018-2022 Project Operating Budget. He advise the Commission that this is a living document and changes once the Commission receives the projected water rates from the City of Red Deer.

This report will be posted on the North Red Deer River Water Services Commission website.

MOVED by Mayor Bonnett to accept reports as information.

CARRIED

Appointment of Acting Administrator

Mr. Minchin advised the Commission of his departure from the City of Lacombe and that under the agreement between the City and the Commission for Administration services, the City of Lacombe is required to provide staffing. Mr. Minchin recommends that the Commission appoint Justin de Bresser as acting Administrator.

MOVED by Mayor Creasey that the Board appoint Justin de Bresser as acting Administrator effective November 6, 2017.

CARRIED

9. Commission Signing Officers

Mr. Minchin asked that with the departing of all three existing signing officers, that the Commission approve the Administrators recommended members as the new signing authorities.

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

Chair: Ken Wigmore, Lacombe County

Vice Chair: Richard Poole, Mayor Blackfalds

Acting Administrator: Justin de Bresser, City of Lacombe

Alternative Administrator: Matthew Goudy, City of Lacombe

CARRIED

10. IN Camera

MOVED by Mayor Poole to go In Camera at 9:45 am

MOVED by Mayor Creasey out of In Camera at 10:05 am

MOVED by Mayor Creasey that the Board directs Administration to continue negotiations with the City of Red Deer concerning the potential sale of the portion of regional water line currently located within the City of Red Deer boundaries based on the Commission's previous approved terms.

11. Next Meeting:

Monday, December 11, 2017 at 9:00 am, City of Lacombe Council Chambers.

12. Adjournment:

MOVED by Mayor Bonnett to adjourn this Meeting at 10:07 am.

CARRIED

__ Original Signed _____
Chairperson

__ Original Signed _____
Administrator