

# North Red Deer River Water Services Commission



## Regular Meeting Agenda

Date:	June 22, 2020	Time:	9:00 am – 10:00 am
Location:	COUNCIL CHAMBERS LACOMBE AB		
Invitees:	<p><b>Members:</b> Councillor Ken Wigmore, Lacombe County – Chairperson Mayor Grant Creasey, City of Lacombe - Vice Chairperson Mayor Richard Poole, Town of Blackfalds – Director Councillor Mark Matejka, Ponoka County – Director Mayor Rick Bonnett, Town of Ponoka– Director</p> <p><b>Others:</b> Jordan Thompson, Acting NRDRWSC Administrator CAO Myron Thompson, Town of Blackfalds Matthew Goudy, CAO, City of Lacombe County Manager Tim Timmons, Lacombe County Director Preston Weran, Town of Blackfalds Senior Manager Mauricio Reyes, City of Lacombe Manager Amber Mitchell, City of Lacombe Manager Chris Huston, City of Lacombe</p> <p><b>Guests:</b> Joel Sawatzky, Stantec Consulting Ltd. Todd Simenson, Stantec Consulting Ltd</p>		
Recorded by:	Denise Bellabono - Administrative Assistant NRDRWSC		
1. Call to Order by Chair			
2. Adoption of Agenda			
3. Adoption of Minutes			
3.1. April 6, 2020 - Regular Meeting			
4. Presentations			
4.1. Stantec Asset Management Plan: Progress Report			
5. Reports			
5.1. Finance Quarterly Report			
5.2. NRDRWWSC Operations Report			
5.3. Administrator			
5.4. Chair			
6. Old Business:			

<p>7. New Business / Emergent Items:</p> <p>7.1. Commission Administrative Templates</p> <p>7.2. 2020 Utility Rate Bylaw Amendment</p> <p>7.3. Draft 2021-2025 Operating Projects</p> <p>7.4. Alternative Appointed Official</p>
8. Correspondence
9. Next Meeting Date: September 21, 2020 at 9 AM
10. Adjournment

**NORTH RED DEER RIVER WATER SERVICES COMMISSION**  
**MEETING MINUTES**  
**April 6, 2020**

**In Attendance:** Chair Ken Wigmore, Lacombe County Councillor  
Mayor Grant Creasey, City of Lacombe  
Jordan Thompson, Acting NRDRWSC Administrator  
Matthew Goudy, CAO, City of Lacombe  
Mauricio Reyes, Sr. Manager of Financial Services, City of Lacombe  
Jennifer Peterson, Administrative Assistant

**Remote Attendance by:**  
Mayor Rick Bonnett, Town of Ponoka  
Councillor Mark Matejka, Ponoka County  
Mayor Richard Poole, Town of Blackfalds  
Preston Weran, Director of Infrastructure, Town of Blackfalds  
Amber Mitchell, Manager of Engineering Services, City of Lacombe  
Albert Frootman, CAO, Town of Ponoka  
Myron Thompson, CAO, Town of Blackfalds  
Michael Minchin, Director of Corporate Services, Lacombe County  
Preston Weran, Director of Infrastructure, Town of Blackfalds

**Remote Guests:** Ryan Wachter, BDO Canada LLP  
Alan Litster, BDO Canada LLP  
Todd Simenson, VP Stantec  
Stephan Weninger, Sector Leader, Water, Stantec

**1. Call to Order:**

*Chair Wigmore called the meeting to order at 11:02 am.*

**2. Adoption of the Agenda:**

Mr. Thompson ask that "Allocation of 2019 Surplus" be added to the agenda as 5.1a.

*MOVED by Mayor Creasey that the agenda for April 6, 2020, be adopted as amended.*

*CARRIED*

**3. Adoption of the Minutes:**

*MOVED by Mayor Bonnett that the minutes for November 4, 2019, be adopted as presented.*

*CARRIED*

*MOVED by Mayor Poole that the minutes for December 9, 2019, be adopted as presented.*

*CARRIED*

*MOVED by Mayor Poole that the minutes for February 24, 2020, be adopted as presented.*

*CARRIED*

#### **4. Presentation**

#### **5. Reports**

Mr. Reyes presented the 2019 audited financial statement to the Board for approval. He advised the Board of a correction in the memo, it should read "This year the Commission has exceeded the debit limit..." The debit was limit was exceeded by \$702,000. This was mainly due to revenue being down as per the rate reduction but the Commission maintains a historical authorization to exceed its debt from the Province due to initial borrowing required to construct the line. The audited statements are slightly different from the annual operating budget due to the 2019 adjusted surplus.

##### **5.1. BDO Canada LLP - 2019 Audited Financial Statements**

Mr. Wachter and Mr. Litster of BDO Canada LLP, reviewed the Auditor's Report and the 2019 Audited Financial Statements.

##### **In summary:**

- Financial statements presented fair in all respect as a "clean audit"
- Increase in the Statement of Financial do to a fair trade in 2019 on the investment
- The net debt has come down from 2018
- Water sales were lower than budgeted due to Board approved price stabilization action
- Expenses were close to budget
- Decrease in accumulated surplus from 2018 due to the sale of a tangible assets to the City of Red Deer
- Debt limit has been exceed. There is a Ministerial Order in place to allow this occur.

*MOVED by Mayor Creasey to approve the 2019 Audit Financial Statement as presented.*

*CARRIED*

Mr. Wachter and Mr. Litster left the meeting

##### **5.1a. Allocation of 2019 Surplus**

Mr. Reye presented a proposal for the allocation of the 2019 surplus to reserves as \$259,565 to Operating and \$422,437 to Capital. Concerns were expressed that transferring a surplus to operating reserves does not reflect the economic uncertainty that is occurring. Under the water regulation the Commission is unable to return funds to the municipalities in a form of a cash rebate or dividend. A discussion occurred on different options.

*MOVED by Mayor Creasey that an equal amount of \$259,565 be transferred to the Operating Reserves.*

*Defeated Unanimously*

*MOVED by Mayor Bonnett that Administration present a rate reduction for the surplus \$259,565 in the form of a new proposed water rate for the remaining of the 2020 year.*

*CARRIED*

*MOVED by Councillor Matejka that an equal amount of the annual amortization for 2019 be allocated to the Capital Reserves.*

*CARRIED*

## 5.2. Finance Quarterly Report

Mr. Reyes presented the variance report as of February 28<sup>th</sup>. For this period water sales are lower than expected, expenses remain in line with expectations. Water sales should increase during the summer months.

*MOVED by Mayor Creasey to receive the Finance Quarterly Report as information.*

*CARRIED*

## 5.3. NRDRWSC Operation's Report

Mr. Thompson presented the Operation's Report. Continuing to work as expected. Operators are maintaining and following precautionary measure recommended by Alberta Health Services. The regional team has a strong culture of cross training.

*MOVED by Mayor Bonnett to receive the Operation's Report as information.*

*CARRIED*

## 5.4. Administrator's Report

Mr. Thompson presented the Administrator's report.

In summary:

- The City of Red Deer is continuing their work on the new vault design. The costs were higher than expected. Administration has not seen the designs.
- Received a letter from the City of Red Deer confirming that the deferral of utilities does not apply to the Commission.
- BDO reported a clean audit.
- Robert Jenkins will be engaged to develop a financial model for the water extension.
- Provided a summary of the March 12<sup>th</sup> meeting with the four First Nations and Minister Wilson.
- Have not received a response from the Province to the questions sent by letter in January, nor the questions sent in advance to the March 12<sup>th</sup> meeting.

*MOVED by Councillor Matejka to receive the Administrator's Report as information.*

#### 5.5. Chairperson's Report

Chair Wigmore had nothing to report at this time.

### 6. **Correspondence/Information**

- 6.1. City of Red Deer letter – 2019 True-up per the Water Sales Agreement  
Did not exceed the threshold, therefore no true-up received for 2019.

*MOVED by Mayor Bonnett to receive the City of Red Deer letter – 2019 True-up per the Water Sales Agreement as information.*

*CARRIED*

- 6.2. City of Red Deer letter – Water and Wasterwater Commission Utilities  
Confirming that the Commission will still be responsible for their total utility bill.

*MOVED by Mayor Poole to receive the City of Red Deer letter – Water and Wasterwater Commission Utilities as information.*

*CARRIED*

### 7. **Old Business:**

#### 7.1. Follow up on Four Nations Meeting

Mr. Thompson requested direction from the Commission on its preferred course of action coming out of the March 12<sup>th</sup> meeting. Mr. Thompson presented three possible directions that the Commission can take. A discussion occurred on what direction would be in the best interest of the Commission at this time. Financial modeling for the line will not be acting on at this time.

*MOVED by Mayor Creasey that the Commission cease pursuit of the north expansion and all activities related to the extension with the First Nations, until the Commission receives in writing from the Province answers to the questions forwarded to Minister Wilson office prior to the March 12, 2020 meeting.*

*CARRIED*

*MOVED by Councillor Matejka directing Administration to send a letter to the meeting attendees thanking them for participation in the March 12, 2020 meeting.*

*CARRIED*

**1. Next Meeting:**

Monday, June 22, 2020 at 9:00 am, City of Lacombe Council Chambers.

**2. Adjournment:**

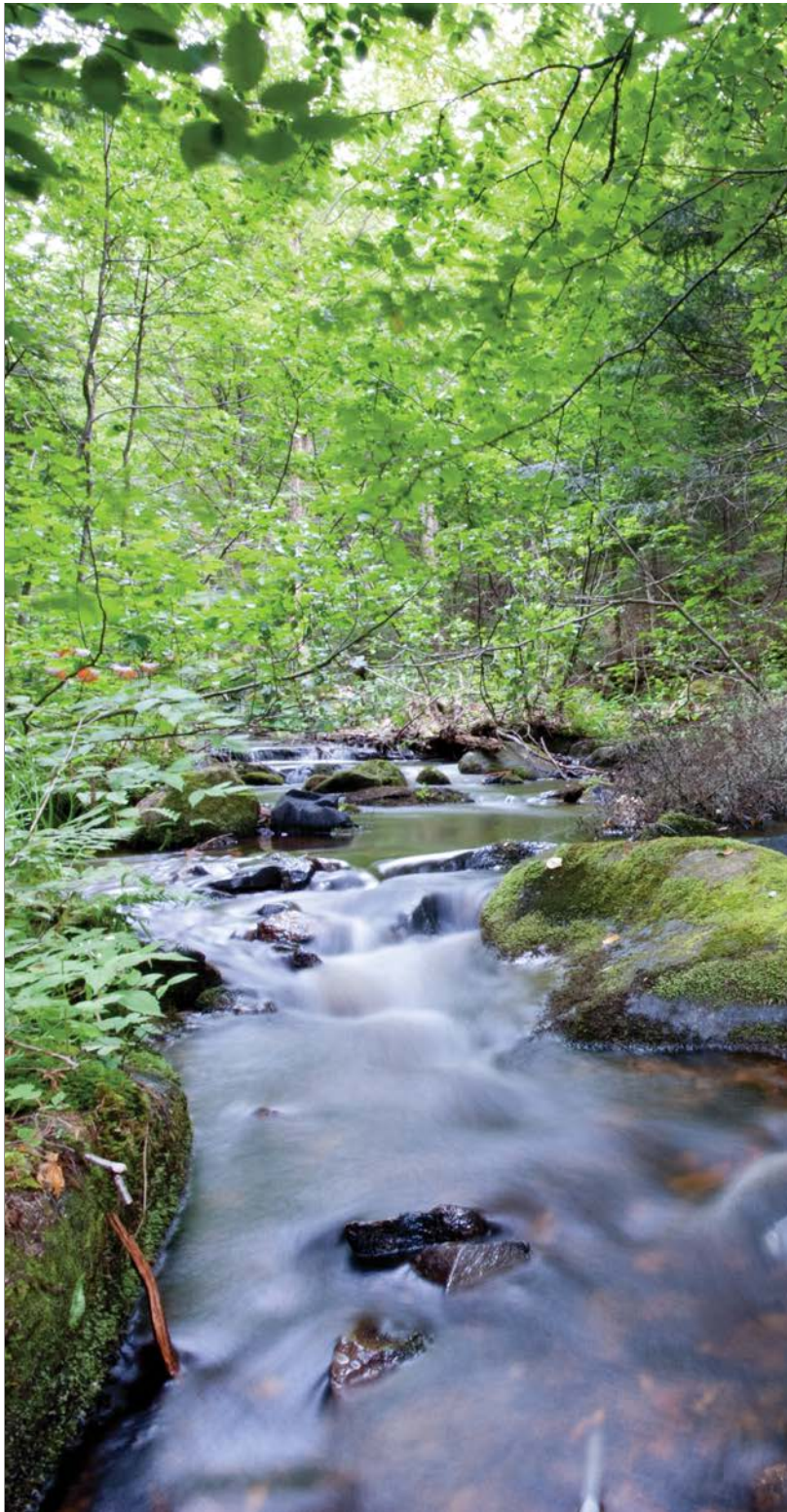
*MOVED by Mayor Bonnett to adjourn this Meeting at 12:46 pm.*

*CARRIED*

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Administrator





# North Red Deer River Water Services Commission

## Asset Management Plan

- Laterals
- Mainline
- Governance

*June 22, 2020*





# The Project

- Lateral Inventory & Condition
  - Legal / Historical Search
  - Physical Search
  - Condition Assessment
- Levels of Service / Risk
- Extrapolate to Mainline
- Financial Modelling
- Commission Decision Tools



# Inventory & Condition

- Legal / Historical Search
  - Land Titles, Easements, Agreements
  
- Physical Search
  - Confirming location
  
- Condition Assessment
  - Pending



# Level of Service & Risk

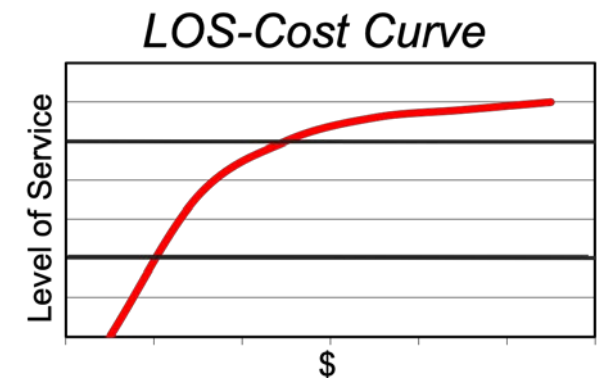
## ➤ Risk

- What could go wrong? What's the impact?
- Commission's Risk Tolerance?
- Key Governance responsibility!

Impact	Low	Moderate	High
High	Medium	High	Critical
Medium	Low	Medium	High
Low	Low	Low	Medium
	Low	Moderate	High

## ➤ Level of Service

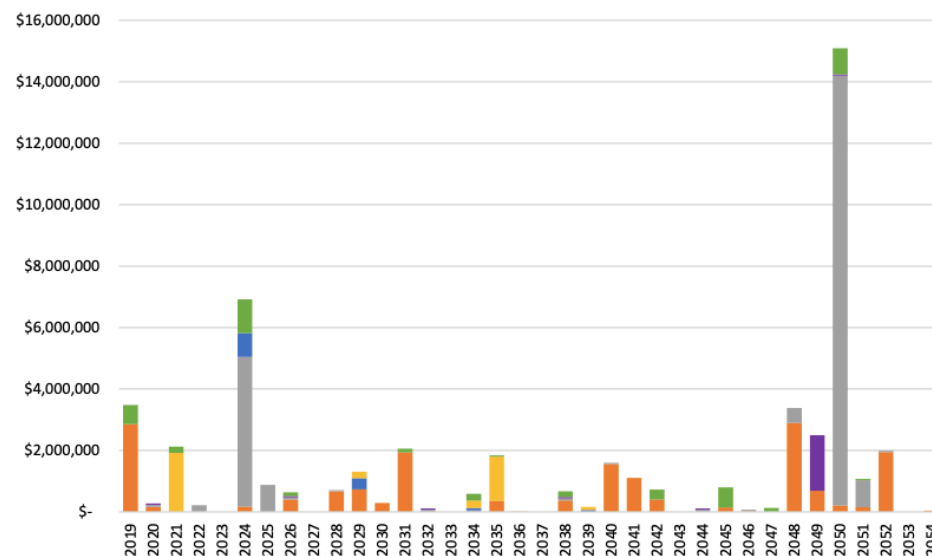
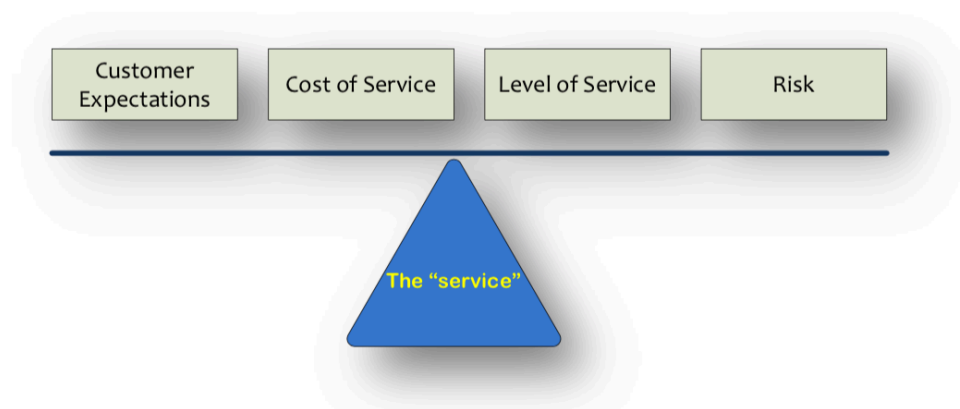
- Defines performance (at the Customer and Operational level and KPI level)
- Cost is exponential with Service
- Level of Service drives long term cost





# Financial Modelling

- Risk + Service = Cost
- Capital & Reserves
- Cost & Affordability
- Long vs. Short Term

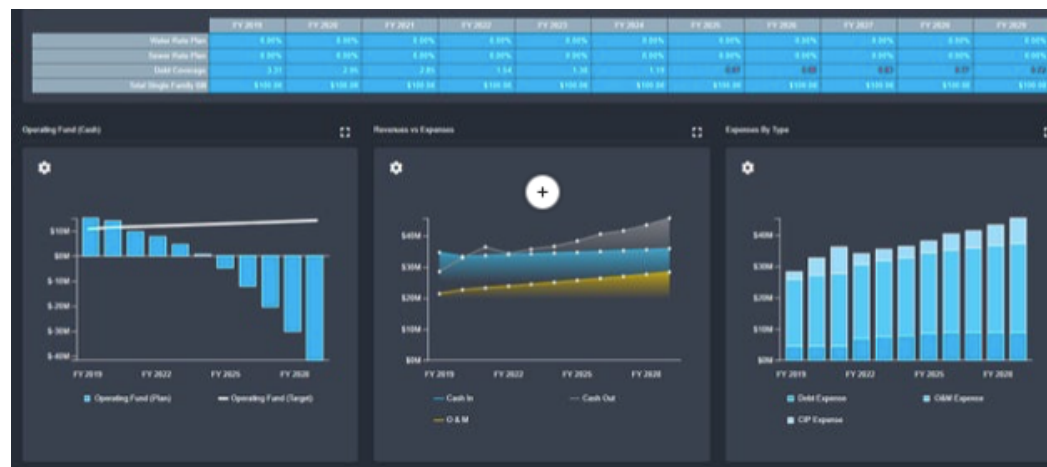




# Decision Support Tools

- Risk Register
- Level of Service Inventory
- Rate Model
- 5 Year Capital Plan
- 20 Year Rate Model
- 100 Year Forecast
- Administrative Rhythm

NO.	Campus	Risk	Consequences	Risk Timeline	Future Mitigation Strategy	Priority (1-LOW, 5-HIGH)
209	Cold Lake	Continue to have pallets of materials being carted in the already packed hallways.	Hazard for harming students, staff or visitors, particularly if fire or lock down scenario.	Year 1-5	Provide better location for loading in existing turn around south side of building.	4
229	Lac La Biche	In case of fire due to improper wall specifications for storage.	Spontaneous fire and enhanced spreading of damage.	Year 1-5	Identify and upgrade rooms.	5
239	St. Paul	In case of fire due to improper wall specifications for storage.	Spontaneous fire and enhanced spreading of damage.	Year 1-5	Identify and upgrade rooms.	5
304	Cold Lake	Staff fatigue and injury due to moving deliveries by hand	Loss of staff/compensation claim	Immediately	Accessible loading dock	4
305	Cold Lake	Risk of injury due to low level beam in the student space in the stairwell.	Reduced HVAC efficiency - decreased sustainability	Immediately	Engineering HVAC review and balance	4
309	Lac La Biche	Slamming doors due to strong air currents in main corridor.	Reduced HVAC efficiency - decreased sustainability	Immediately	Engineering HVAC review and balance	4.5
313	St. Paul	Use and occupancy changes	Structural system failure	Immediately	Reinforce structural system	4.5





# Questions?



# Request For Decision

## May 2020 Financial Report

Date: June 22, 2020

Prepared by: Mauricio Reyes, Sr Mgr. of Financial Services

Presented by: Mauricio Reyes, Sr Mgr. of Financial Services



### PURPOSE:

To present to the Commission the variance report for the period January to May 2020 for the Regional Water Commission.

### ACTION/RECOMMENDATION:

THAT the Commission accept the report for the period January to May 2020 for the Regional Water Commission as information.

### ISSUE ANALYSIS:

#### Revenues:

##### Water Sales

Water sales are in line with budget projections so far this year with 1,174,900 cubes sold or approximately 40% of total budget. Water sold to the City of Red Deer for 2020 is over budget but has only a small impact on revenue. The usage is consistent with last year with only a slight decrease overall. Peak summer months typically see an increase in cubes sold.

Cubic Meters sold during the period January to May are as follows:

Member	2020	2019
City of Lacombe	534,283	537,809
Blackfalds	359,946	336,228
Lacombe County	13,707	12,799
Ponoka	262,903	287,090
Ponoka County	3,781	5,616
<b>Total</b>	<b>1,174,620</b>	<b>1,179,542</b>

##### Interest Revenue

Although this revenue is currently showing under budget, Administration is projecting this revenue line to exceed budget in 2020. At this time, this revenue is projected to be approximately \$50,000 over budget in 2020.

##### Member Contributions and Transfers from Reserves

Member Contributions will be calculated at the end of the year. Transfers from reserves are expected to be on budget in 2020.

## **Expenses:**

Expenses remain in line with expectations and are currently trending under budget.

### Purchase of Water

The largest expenditure is the purchase of water from the City of Red Deer. This expenditure is currently on budget and expected to remain on budget for the remainder of 2020.

### Operations

This expenditure is currently trending under budget. Based on history, Administration is projecting this expenditure to be under budget in 2020.

### Telephone

Telephone expenses are under budget for the year and projected to remain under budget to the end of the year. This amount is expected to offset by the budget overage for SCADA maintenance.

### SCADA Maintenance

Charges will be over budget at year end by approximately \$10,000 due to the addition of monthly data storage costs. This overage is offset by the surplus in the Telephone budget line.

### Licenses & Subscriptions

This represents the cost of the subscription for SCADA. Current annual cost is \$6,500. This budget will be included in the 2021 budget.

### Utility – Electricity

Electrical costs are trending over budget for 2020 and will require a budget increase for 2021.

## **Investments:**

The Commissions bond portfolio is showing a value of \$5,330,984 as of May 29, 2020.

## **ATTACHMENTS:**

May 2020 Variance Report

## GL Department Report

GL5330

Page : 1

Date : Jun 17, 2020

Time : 11:56 am

Year : 2020

Period : 5

Budget : FINAL BUDGET

Account No.	Description	CC1	CC2	CC3	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 Lac				-238,415	-1,132,680	-2,794,715	-1,662,035	41
06-1-47-35120	Water Sales - Town of P				-121,453	-557,354	-1,460,826	-903,472	38
06-1-47-35130	Water Sales - Town of B				-175,029	-792,144	-1,825,061	-1,032,917	43
06-1-47-35140	Water Sales - Ponoka C				-2,468	-8,016	-21,200	-13,184	38
06-1-47-35150	Water Sales - City of Re				-362	-3,411	-1,954	1,457	175
06-1-47-42200	Line Crossing Agreeemer				0	0	-1,500	-1,500	0
06-1-47-55100	Interest Revenue				0	-13,258	-75,000	-61,742	18
06-1-47-55500	Rebates & Dividends				0	0	-30	-30	0
06-1-47-85140	Lacombe County Contril				0	0	-74,062	-74,062	0
06-1-47-85150	Ponoka County Contribu				0	0	-74,062	-74,062	0
06-1-47-92100	Transfer from Reserves				0	0	-215,000	-215,000	0
<b>47 Regional Water Revenues</b>					<b>-537,727</b>	<b>-2,506,864</b>	<b>-6,543,411</b>	<b>-4,036,547</b>	<b>38</b>
<b>1 REVENUES</b>					<b>-537,727</b>	<b>-2,506,864</b>	<b>-6,543,411</b>	<b>-4,036,547</b>	<b>38</b>
<b>2 EXPENSES</b>									
<b>47 Regional Water Operating Expenditures</b>									
06-2-47-11110	Board Wages-City of Lac				0	0	600	600	0
06-2-47-11120	Board Wages-Town of P				0	0	600	600	0
06-2-47-11130	Board Wages-Town of B				0	300	600	300	50
06-2-47-11140	Board Wages-Lacombe				0	0	1,400	1,400	0
06-2-47-11150	Board Wages-Ponoka C				0	0	600	600	0
06-2-47-21110	Board Travel-City of Lac				0	90	250	160	36
06-2-47-21120	Board Travel -Town of P				0	0	250	250	0
06-2-47-21130	Board Travel-Town of Bl				0	15	250	235	6
06-2-47-21140	Board Travel-Lacombe C				0	0	250	250	0
06-2-47-21150	Board Travel-Ponoka Cc				0	0	250	250	0
06-2-47-21170	Travel-Administration				0	0	100	100	0
06-2-47-21400	Membership Fees				0	171	300	129	57
06-2-47-21500	Postage & Freight				0	0	50	50	0
06-2-47-21600	Staff & Volunteer Appre				0	0	300	300	0
06-2-47-21700	Telephone - Office				0	67	900	833	7
06-2-47-21701	Telephone - Operations				698	3,415	16,772	13,357	20
06-2-47-22300	Licenses & Subscription				0	5,416	0	-5,416	0
06-2-47-23000	Management Fees				1,289	25,365	60,876	35,511	42
06-2-47-23100	Accounting and Auditor				0	530	8,300	7,770	6
06-2-47-23200	Legal Fees				0	0	500	500	0
06-2-47-23900	Other Professional Serv				411	2,200	11,800	9,600	19
06-2-47-25300	Equipment Repair & Ma				0	0	9,500	9,500	0
06-2-47-25301	SCADA Maintenance				1,429	6,531	6,500	-31	100
06-2-47-27400	Insurance & Bond Prem				0	4,039	3,889	-150	104
06-2-47-34200	Administration				4,730	4,730	11,352	6,622	42
06-2-47-35100	Purchase of Water				413,915	1,844,177	4,501,414	2,657,237	41
06-2-47-35200	Operations				8,659	37,960	129,819	91,859	29
06-2-47-51000	Miscellaneous Expense:				104	104	250	146	42
06-2-47-51100	Meeting Supplies				0	12	50	38	25
06-2-47-51400	Office Supplies				0	0	150	150	0
06-2-47-52400	General Materials & Sup				0	124	750	626	17
06-2-47-54400	Utilities-Electricity				288	2,629	3,500	871	75
06-2-47-56400	Valves				0	0	5,000	5,000	0

## GL Department Report

GL5330

Page : 2

Date : Jun 17, 2020

Time : 11:56 am

Year : 2020

Budget : FINAL BUDGET

Period : 5

Account No.	Description	CC1	CC2	CC3	Current	Year To Date	Budget	Variance	% Used
<b>REGIONAL WATER REPORTING</b>									
06-2-47-81400	Bank Charges & Interes				0	0	25	25	0
06-2-47-83100	Debenture Interest				0	27,439	504,636	477,197	5
06-2-47-83200	Debenture Principal				0	39,323	770,263	730,940	5
06-2-47-99000	Amortization				0	0	465,610	465,610	0
<b>47 Regional Water Operating Ex</b>					<b>431,523</b>	<b>2,004,637</b>	<b>6,517,656</b>	<b>4,513,019</b>	<b>31</b>
<b>2 EXPENSES</b>					<b>431,523</b>	<b>2,004,637</b>	<b>6,517,656</b>	<b>4,513,019</b>	<b>31</b>
<b>Surplus/(Deficit)</b>					<b>-106,204</b>	<b>-502,227</b>	<b>-25,755</b>	<b>476,471</b>	<b>1950</b>
<b>6 REGIONAL WATER COMMISSION</b>					<b>-106,204</b>	<b>-502,227</b>	<b>-25,755</b>	<b>476,471</b>	<b>1950</b>
<b>REGIONAL WATER REPORTING Total</b>					<b>-106,204</b>	<b>-502,227</b>	<b>-25,755</b>	<b>476,471</b>	<b>1950</b>

# M E M O R A N D U M

June 22<sup>nd</sup>, 2020

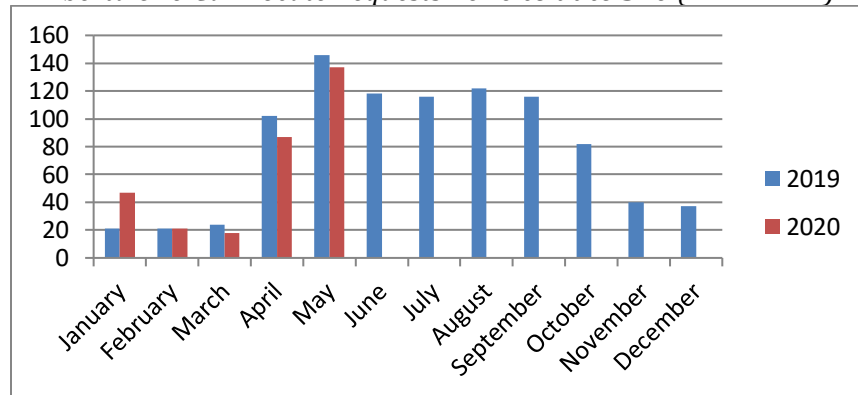
## Operational Report since April 6<sup>th</sup>, 2020.

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

Alberta One-Call Locate Requests:

- April – 87 locates
- May – 137 locates

*Alberta One-Call Locate Requests 2020 to date 310 (2019 = 945)*



### Repair response charges:

- N/A

### Call-Out:

- N/A

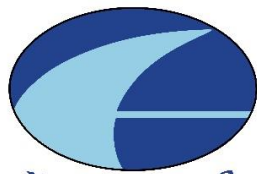
### General Information:

- Covid-19 – Regional operators are maintaining social distancing and following all precautionary measures recommended by Alberta Health.
- Working with Stantec on the Asset Management Plan.

If you have any questions or comments regarding the operations described above, please do not hesitate to call or email me.

Regards,

Chris Huston  
Operations Supervisor



NRDRWSC

**North Red Deer  
River Water  
Services  
Commission**

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chuston@lacombe.ca

# Report to Commission

## Administrator's Report

Date: June 22, 2020

Prepared by: Jordan Thompson, Acting Administrator

Presented by: Jordan Thompson, Acting Administrator

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

1. Administration requested an update from City of Red Deer on the status of the Blindman River vault tender and approximate timelines for construction start, shutdown, and construction completion. A 48hour shut down is anticipated to complete the vault tie in. When we receive the City's response, NRDRWSC operators will coordinate directly with local operators to minimize the risk of the shut down impacting community water distribution including topping off reservoirs prior to the shut down.
2. Letter response to First Nations communities was delayed due to COVID-19 but has now been sent.
3. January -May 2020 expenses and revenues are in line with expectations.
4. A 5-year (2021-2025) operating budget projection is included in the agenda package for information. Administration will be inviting member administrations to participate in an in-person or virtual workshop this fall to review, and receive feedback on, the Commission's growth rate and per capita water consumption assumptions.



# Request For Decision

## Administrative Templates and Website Update

Date: June 9<sup>th</sup>, 2020

Prepared by: Denise Bellabono, Administrative Assistant

Presented by: Jordan Thompson, Acting CAO



### **PURPOSE:**

To seek Board feedback on changes to the administrative templates used for letters, reports and meeting agendas.

And to request funding approval for a modest update to the Commission's website ([NRDRWSC.ca](http://NRDRWSC.ca)). The website update will make uploading agendas a much simpler process, give it a similar look and feel as the Wastewater Commission Site ([NRDRWWSC.ca](http://NRDRWWSC.ca)), and will save the Commission \$475/year in direct webhosting costs.

### **ACTION/RECOMMENDATION:**

THAT the Commission approve the allocation of \$3,100 + GST for the modernization of the NRDRWSC website.

### **ISSUE ANALYSIS:**

#### **Templates**

Since the NRDRWSC has started there have been several formats, fonts, and design layouts to the administrative documents used for letters, meeting agendas and memorandums. Administration has recently revised the document templates to improve the brand consistency of Commission correspondence. These templates include:

- NRDRWSC Letterhead for Chair for formal correspondence
- NRDRWSC Letterhead for administration day to day correspondence
- NRDRWSC Meeting Agenda with a list of invitees and numbered agenda items and sub-items,
- NRDRWSC Request for Decision (formerly referred to as a memorandum).
- 

Administration is seeking Board feedback on the attached templates. For example, members may wish to see the agenda organized in a different order for regular meetings. Administration will incorporate feedback and request formal adoption of the templates at the regular meeting in September.

#### **Website**

NRDRWSC.ca was created in 2016 through a Go Daddy program – Go Daddy WebBuilder, with an annual fee of \$539.76 USD (\$759.93 CAD). The back end of the website requires

technical expertise to navigate so the CAO and Administrative Assistant rely on the City of Lacombe's Information Technology (IT) staff to make any and all required changes to the site including uploading meeting agendas. This has, from time to time, resulted in delays in distributing links to the agenda to Members. Unlike NRDRWSC.ca the wastewater Commission website uses a much more user-friendly back end, platform that is competently managed by the Administrative Assistant. In addition the Wastewater Commission's annual website hosting fees are significantly less at (\$285.yr).

Moving NRDRWSC.ca to a new platform provides the opportunity to do a light refreshment of the site design similar to the look and feel of the Wastewater Commission site while maintaining a clear distinctiveness between the sites of the two North Red Deer Commissions.

#### **FINANCIAL IMPLICATIONS:**

The proposed update to the NRDRWSC website, is \$3,100 + GST, with an annual savings of \$474.93 CAD.

#### **ALTERNATIVES:**

The Commission may choose to:

- A. Approve the allocation of \$3,100 + GST for a modest modernization of the NRDRWSC website.
- B. Accept this report as information.
- C. Direct Administration not to proceed with the request at this time

#### **ATTACHMENTS:**

NRDRWSC Member Letterhead Template  
NRDRWSC Administration Letterhead Template  
NRDRWSC Meeting Agenda Template  
NRDRWSC Request for Decision Template



Chair Ken Wigmore  
Vice-Chair Grant  
Creasey

North Red Deer River  
Water Services  
Commission  
5432 56<sup>th</sup> Avenue  
Lacombe, Alberta  
T4L 1E9

Phone: (403) 782-6666  
Fax: (403) 782-5655  
[kwigmore@lacombecounty.com](mailto:kwigmore@lacombecounty.com)  
[gcreasey@lacombe.ca](mailto:gcreasey@lacombe.ca)

Date

Street or Mailing Address  
City, Province  
Postal Code

RE: Subject Matter

Recipient Full Name,

Body of letter here

If you have any questions, feel free contact me.  
If you have any questions or concerns, please contact Denise Bellabono at  
403.782.6666 or at [dbellabono@lacombe.ca](mailto:dbellabono@lacombe.ca).

Sincerely,

Chair Ken Wigmore  
NRDRWSC  
Vice-Chair Grant Creasey  
NRDRWSC

**North Red Deer River Water Services Commission**

5432 56<sup>th</sup> Avenue

Lacombe, Alberta T4L 1E9

Phone: (403) 782-6666 [www.nrdwsc.ca/](http://www.nrdwsc.ca/)

DATE

Street or Mailing Address

City, Province

Postal Code



Attention:

RE: Subject Matter

Recipient Full Name,

Body of letter here

If you have any questions, feel free contact me. **OR**

If you have any questions or concerns, please contact Denise Bellabono at 403.782.6666 or at [dbellabono@lacombe.ca](mailto:dbellabono@lacombe.ca).

Sincerely,

Jordan Thompson, CET, PMP

Acting CAO NRDRWSC

Ph: 403-782-1254

[jthompson@lacombe.ca](mailto:jthompson@lacombe.ca)

**OR**

Denise Bellabono

Administrative Assistant NRDRWSC

Ph: 403-782-6666 ext.211

[dbellabono@lacombe.ca](mailto:dbellabono@lacombe.ca)

Encl.

North Red Deer River Water Services Commission

5432 56<sup>th</sup> Avenue

Lacombe, Alberta T4L 1E9

Phone: (403) 782-6666 [www.nrdwsc.ca/](http://www.nrdwsc.ca/)

# North Red Deer River Water Services Commission



## Regular Meeting Agenda

Date:		Time:	10:00 am – 11:00 am
Location:	COUNCIL CHAMBERS LACOMBE AB		
Invitees:	<p>Members: Councillor Ken Wigmore, Lacombe County – Chairperson Mayor Grant Creasey, City of Lacombe - Vice Chairperson Mayor Richard Poole, Town of Blackfalds – Director Councillor Mark Matejka, Ponoka County – Director Mayor Rick Bonnett, Town of Ponoka– Director</p> <p>Others: Jordan Thompson, Acting NRDRWSC Administrator CAO Myron Thompson, Town of Blackfalds Matthew Goudy, CAO, City of Lacombe County Manager Tim Timmons, Lacombe County Director Preston Weran, Town of Blackfalds Senior Manager Mauricio Reyes, City of Lacombe Manager Amber Mitchell, City of Lacombe Manager Chris Huston, City of Lacombe</p> <p>Guests: Joel Sawatzky, Stantec Consulting Ltd. Todd Simenson, Stantec Consulting Ltd</p>		
Recorded by:	Denise Bellabono - Administrative Assistant NRDRWSC		
1. Call to Order by Chair			
2. Adoption of Agenda			
3. Adoption of Minutes			
3.1.			
4. Presentations			
4.1.			
5. Reports			
5.1. Finance Quarterly Report			
5.2. NRDRWWSC Operations Report			
5.3. Administrator			
5.4. Chair			



6. Old Business: 6.1.
7. New Business / Emergent Items: 7.1.
8. Correspondence 8.1.
9. Next Meeting Date:
10. Adjournment

# Request For Decision



**Title**

**Date:**

**Prepared by:**

**Presented by:**

---

## **PURPOSE:**

This section will state the reason the request for decision has come before the Commission.

## **ACTION/RECOMMENDATION:**

This section will present administrations recommended motion(s)

THAT the Commission.....

## **ISSUE ANALYSIS:**

This section will present the issue and pertinent facts. Subheadings will include:  
Background (chronology or history).

## **FINANCIAL IMPLICATIONS:**

(Delete if not applicable)

## **LEGISLATIVE AUTHORITY:**

(Delete if not applicable)

This section will present Legislation including acts, regulation, and bylaws, policies or procedures

**ALTERNATIVES:**

The Commission may choose to:

- A. Accept/endorse ..... OR
- B. Direct Administration modify .....OR
- C. Direct Administration not to proceed with the request at this time.

**ATTACHMENTS:**

This section will list the documents the Commission may wish to review as detail or background to the RFD.

# Request For Decision

## Commission Bylaw 3.5 – Water Rate

Date: June 22, 2020

Prepared by: Mauricio Reyes, Sr Mgr. of Financial Services

Presented by: Mauricio Reyes, Sr Mgr. of Financial Services

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### **PURPOSE:**

To present for the Board's consideration Bylaw #3.5, a bylaw to amend the Commission's Water Rate Bylaw 3.

### **ACTION/RECOMMENDATION:**

THAT the Commission give all three readings to Bylaw 3.5 as per Option 1 (\$2.09/m3)

### **ISSUE ANALYSIS:**

On April 6<sup>th</sup>, 2020, the Board directed Administration present a rate reduction for the 2019 surplus of \$259,565 in the form of a new proposed water rate for the remainder of 2020.

Bylaw #3.5 represents an amendment to Bylaw 3 to accommodate a rate decrease to members starting on July 1, 2020.

Section of 602.07(1)(b) of the Act states that a Commission shall pass a bylaw governing the fees to be charged by the commission for services provided to its customers or any class of customers.

The Commission's Bylaw #1 establishes the administration of the Commission, including how the annual rate is to be established. Bylaw #1 does not actually establish the rate itself. Bylaw 3 established the rate for members beginning in 2016.

Unlike a municipal council, the Board may pass a bylaw in one meeting by simple majority vote but it has been the historical practice of the Commission to give 3 readings to bylaws.

#### Option 1

In 2019, the Board approved to transfer of \$1,280,811 from the Rate Stabilization Reserve in order to lower the fees that member paid on water purchases during the year. This transfer depleted the entire funds in the reserve in 2019.

The 2020 operating budget includes a transfer from the Rate Stabilization Reserve of \$215,000. This was part of the Commission's original plan to minimize rate increases to members over a 5-year plan.

As the balance in the Rate Stabilization Reserve was depleted in 2019, Administration recommends the following:

- THAT the Board to transfer \$215,000 from the 2019 Surplus to the Rate Stabilization Reserve to cover the budgeted rate reduction in 2020
- THAT the Board authorizes the remaining \$44,565 of the 2019 surplus to be used to reduce fees to members for the period July 2020 to December 2020. This will result a rate reduction \$2.12 to \$2.09 per cubic meter
- THAT the Board gives first, second and third reading to Bylaw 3.5 as presented in attachment 1

## Option 2

Alternatively, the Board may choose to authorize the transfer from reserves in 2020 to be funded from the operating reserve and offer members reduced fees by applying the 2019 operating surplus amounting \$259,565 for the period July 2020 to December 2020.

Under this option, Administration's recommendations would be as follows:

- THAT the Board authorizes the transfer \$215,000 from the Operating Reserve in lieu of the transfer from the Rate Stabilization Reserve in the 2020 budget
- THAT the Board authorizes the entire 2019 surplus of \$259,565 to be used to reduce fees to members for the period July 2020 to December 2020. This will result a rate reduction \$2.12 to \$1.94 per cubic meter
- THAT the Board gives first, second and third reading to Bylaw 3.5 as presented in attachment 2

## **FINANCIAL IMPLICATIONS:**

- Under option 1, total water sales and reserve balances will decrease by \$44,565.
- Under option 2, total water sales and reserve balances will decrease by \$259,565.

If this bylaw is not passed the rates charged to Commission members will remain as previously established.

## **ALTERNATIVES:**

The Commission may choose to:

- A. give all three readings to Bylaw 3.5 as per Option 1 (\$2.09/m<sup>3</sup>)
- B. give all three readings to Bylaw 3.5 as per Option 2 (\$1.94/m<sup>3</sup>)
- C. Direct Administration modify Bylaw 3.5 as recommended by the Commission
- D. Direct Administration not to proceed with the request at this time.

## **ATTACHMENTS:**

Option 1 - Bylaw 3.5 – A Bylaw to Amend Commission Bylaw 3

Option 2 – Bylaw 3.5 – A Bylaw to Amend Commission Bylaw 3

## NORTH RED DEER RIVER WATER SERVICES COMMISSION

### BYLAW 3.5

#### BEING A BY-LAW OF THE BOARD OF DIRECTORS OF THE NORTH RED DEER RIVER WATER SERVICES COMMISSION TO AMEND COMMISSION BYLAW 3, THE 2016 WATER RATE BYLAW

**WHEREAS** the North Red Deer Water Services Commission has been established by the Lieutenant Governor in Council under Alberta Regulation 105/2004 made pursuant to Part 15.1 of the Municipal Government Act, RSA 2000, c. M-26; and

**WHEREAS** the Board of Directors of the North Red Deer Water Services Commission has been duly appointed pursuant to section 602.04(3)(b) of the said Act and the Board of Directors now wishes to make a Bylaw pursuant to section 602.07(1)(b) of the said Act establishing the per unit rate to be charged for the sale of water to its member municipalities and customers;

**WHEREAS** the Board of Directors of the North Red Deer Water Services Commission approved Commission Bylaw 3 in 2016 to establish an annual utility rate and the Board wishes to amend this Bylaw to incorporate a separate annual utility rate for non-member customers:

**NOW THEREFORE** the Board enacts the following:

1. Commission Bylaw 3 is hereby amended in the following manner:

a. Section 3 is deleted in its entirety and replaced with the following:

***“3. The rate to be charged for the sale of potable water as of July 1<sup>st</sup>, 2020 to members by the Commission is hereby set at \$1.94 per cubic meter of measured water.”***

b. Section 3.1 is deleted in its entirety and replaced with the following

***“3.1. The rate to be charged for the sale of potable water as of July 1<sup>st</sup>, 2020 to customers by the Commission is hereby set at \$2.437 (\$1.94 for potable water and \$0.497 for delivery) per cubic meter of measured water.”***

2. This bylaw comes into force upon final adoption.

Read a first time **22 day June of 2020**

Read a second time this **22 day June of 2020**

Read a third time and adopted this **22 day June of 2020**

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CHAIR

---

MANAGER

## NORTH RED DEER RIVER WATER SERVICES COMMISSION

### BYLAW 3.5

#### BEING A BY-LAW OF THE BOARD OF DIRECTORS OF THE NORTH RED DEER RIVER WATER SERVICES COMMISSION TO AMEND COMMISSION BYLAW 3, THE 2016 WATER RATE BYLAW

**WHEREAS** the North Red Deer Water Services Commission has been established by the Lieutenant Governor in Council under Alberta Regulation 105/2004 made pursuant to Part 15.1 of the Municipal Government Act, RSA 2000, c. M-26; and

**WHEREAS** the Board of Directors of the North Red Deer Water Services Commission has been duly appointed pursuant to section 602.04(3)(b) of the said Act and the Board of Directors now wishes to make a Bylaw pursuant to section 602.07(1)(b) of the said Act establishing the per unit rate to be charged for the sale of water to its member municipalities and customers;

**WHEREAS** the Board of Directors of the North Red Deer Water Services Commission approved Commission Bylaw 3 in 2016 to establish an annual utility rate and the Board wishes to amend this Bylaw to incorporate a separate annual utility rate for non-member customers:

**NOW THEREFORE** the Board enacts the following:

1. Commission Bylaw 3 is hereby amended in the following manner:

a. Section 3 is deleted in its entirety and replaced with the following:

***“3. The rate to be charged for the sale of potable water as of July 1<sup>st</sup>, 2020 to members by the Commission is hereby set at \$2.09 per cubic meter of measured water.”***

b. Section 3.1 is deleted in its entirety and replaced with the following

***“3.1. The rate to be charged for the sale of potable water as of July 1<sup>st</sup>, 2020 to customers by the Commission is hereby set at \$2.587 (\$2.09 for potable water and \$0.497 for delivery) per cubic meter of measured water.”***

2. This bylaw comes into force upon final adoption.

Read a first time **22 day June of 2020**

Read a second time this **22 day June of 2020**

Read a third time and adopted this **22 day June of 2020**



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CHAIR

---

MANAGER

# Request For Decision

## 2021-2025 Budget Projections

Date: June 22, 2020

Prepared by: Mauricio Reyes, Sr Mgr. of Financial Services

Presented by: Mauricio Reyes, Sr Mgr. of Financial Services

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### **PURPOSE:**

To present to the Board for discussion the Commission's 2021-2025 Operational Budget projections.

### **ACTION/RECOMMENDATION:**

THAT the Commission accept the North Red Deer River Water Services Commission 2021-2025 Projected Operations Budget as information.

### **ISSUE ANALYSIS:**

Administration has prepared an updated 5 year operations budget for the Regional Water Services Commission. This document is intended to provide the Board with a projection of the expected operations of the Commission for the period 2021-2025. The document is a planning document and is the basis for the 2021 operating budget.

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

In 2019, Commission members indicated that accounting for depreciation should be included in rates; consequently, this is included in the 5-year projections.

The projections have been prepared based on the following assumptions:

1. Water forecasts based on slower water growth from previous years due to slower development growth
2. Water loss based on 2% of consumption
3. Water forecast done on year by year basis
4. Operations based on current customer base and current asset inventory.
5. No True Up amounts from the City of Red Deer are worked into this plan
6. No change to debt payments
7. Maintain minimal annual operating surplus'
8. Depreciation has been reduced to \$423,000 due to the sale of water line to the City of Red deer in 2019. This amount is being maintained throughout the 5-year plan

The plan calls for a rate increase in 2021 and slower increase in 2022 – 2025. This plan has taken out full accounting for depreciation in future years. Stable water demand and stable non water supply costs has rates ranging from \$2.17 to \$2.24 per cubic meter in the period

2021-2025. The plan maintains a projected surplus annually that could be applied against future rate increases and/or offset lower than expected water sales. The target is for an average 1.1% annual increase from years 2021 – 2025.

At the time of this report, Administration is awaiting an updated 5-year rate projection from the City of Red Deer.

#### **ALTERNATIVES:**

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

#### **ATTACHMENTS:**

2021-2025 Projected Operations Budget – North Red Deer River Water Services Commission



# **North Red Deer River Water Services Commission**

## **2021-2025 Financial Plan**

**June 22 , 2020**

**North Red Deer River Water Services Commission  
2021 -2025 Assumptions**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b><u>City of Red Deer Rate</u></b>	1.54	1.56	1.59	1.62	1.65	1.68
% Increase	2.7%	1.3%	1.9%	1.9%	1.9%	1.8%
<b><u>Cost Escalators</u></b>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	2024	2025
Rates						
General	1%	2%	2%	2%	2%	2%
Utilities	5%	5%	5%	5%	5%	5%
Materials	3%	3%	3%	3%	3%	3%
Contract	2%	2%	2%	2%	2%	2%
<b><u>Cost of Water</u></b>						
Lacombe	2,021,924	2,145,860	2,235,244	2,327,520	2,422,778	2,521,097
Ponoka	1,056,807	1,080,047	1,111,275	1,142,999	1,175,226	1,207,960
Blackfalds	1,320,751	1,476,844	1,605,409	1,744,124	1,893,733	2,055,031
Lacombe County (thru Blackfalds)	-	-	-	-	-	-
Ponoka County	15,352	19,995	20,379	20,764	21,148	21,533
City of Red Deer	-	-	-	-	-	-
Water Loss	86,580	94,455	99,446	104,708	110,258	116,112
Subtotal	4,501,414	4,817,201	5,071,753	5,340,115	5,623,143	5,921,733
<b><u>Water Sales Required</u></b>						
Cost of Water	4,501,414	4,817,201	5,071,753	5,340,115	5,623,143	5,921,733
Other Expenses	2,016,244	1,997,212	2,003,675	2,010,306	2,017,108	2,024,089
Less Non Water Revenue	- 439,654	- 276,136	- 279,128	- 282,180	- 285,294	- 288,470
Plus Surplus						
Subtotal	6,078,004	6,538,277	6,796,300	7,068,241	7,354,957	7,657,352
Water Sales Volume (excl loss)	2,878,209	3,027,401	3,127,237	3,231,733	3,341,142	3,455,727
<b><u>Regional Water Rate</u></b>	2.12	2.17	2.19	2.21	2.22	2.24
		2.36%	0.92%	0.91%	0.45%	0.90%

# North Red Deer River Water Services Commission 2021 -2025 Water Sales Forecast

## Historical Consumption

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Actual <u>2019</u>
City of Lacombe	1,361,741	1,258,887	1,282,142	1,343,888	1,317,834
Town of Ponoka	715,080	696,163	688,423	710,837	676,582
Town of Blackfalds	752,324	715,517	771,407	814,539	832,929
Lacombe County		22,016	29,109	34,310	36,109
Ponoka County	8,383	9,721	10,006	9,171	16,028
Water Loss	<u>52,169</u>	<u>14,696</u>	<u>55,906</u>	<u>58,573</u>	<u>54,345</u>
	2,889,697	2,717,000	2,836,993	2,971,318	2,933,827
Water Loss (% of Total)	1.81%	0.54%	1.97%	1.97%	1.85%

## Sales Volume Forecast

% Changes	<b>Projected <u>2020</u></b>	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>
City of Lacombe	0.0%	4.3%	2.2%	2.2%	2.2%	2.2%
Town of Ponoka	1.8%	0.5%	0.9%	1.0%	1.0%	0.9%
Town of Blackfalds (including County)	3.4%	10.0%	6.7%	6.6%	6.6%	6.6%
Lacombe County	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ponoka County	-37.6%	28.2%	0.0%	0.0%	0.0%	0.0%
City of Red Deer	n/a	n/a	n/a	n/a	n/a	n/a
Water Loss	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2023</u>	Projected <u>2023</u>
City of Lacombe	1,318,262	1,375,551	1,405,814	1,436,741	1,468,350	1,500,653
Town of Ponoka	689,069	692,338	698,915	705,555	712,258	719,024
Town of Blackfalds	860,878	946,695	1,009,691	1,076,620	1,147,717	1,223,233
Lacombe County	-	-	-	-	-	-
Ponoka County	10,000	12,817	12,817	12,817	12,817	12,817
City of Red Deer	-	-	-	-	-	-
Total Volume Sold to members	<u>2,878,209</u>	<u>3,027,401</u>	<u>3,127,237</u>	<u>3,231,733</u>	<u>3,341,142</u>	<u>3,455,727</u>
Water Loss	56,465	60,548	62,545	64,635	66,823	69,115
	<b>2,934,674</b>	<b>3,087,949</b>	<b>3,189,782</b>	<b>3,296,368</b>	<b>3,407,965</b>	<b>3,524,842</b>

# North Red Deer River Water Services Commission

## 2021 -2025 Financial Plan

	<b>2020 Budget</b>	<b>2021 Projected</b>	<b>2022 Projected</b>	<b>2023 Projected</b>	<b>2024 Projected</b>	<b>2025 Projected</b>
<b><u>Revenues</u></b>						
Water Sales - City of Lacombe	\$ 2,794,715	\$ 2,984,947	\$ 3,078,733	\$ 3,175,198	\$ 3,259,737	\$ 3,361,463
Water Sales - Town of Ponoka	1,460,826	\$ 1,502,373	\$ 1,530,624	\$ 1,559,277	\$ 1,581,213	\$ 1,610,614
Water Sales - Town of Blackfalds	1,825,061	2,054,328	2,211,223	2,379,330	2,547,932	2,740,042
Water Sales - Lacombe County	-	-	-	-	-	-
Water Sales - Ponoka County	21,200	27,813	28,069	28,326	28,454	28,710
Water Sales - City of Red Deer	1,954	-	-	-	-	-
Line Crossing Fee	1,500	1,500	1,500	1,500	1,500	1,500
Interest Revenue	75,000	125,000	125,000	125,000	125,000	125,000
Rebates & Dividends	30	30	30	30	30	30
Lacombe County Contribution	74,062	74,803	76,299	77,825	79,382	80,970
Ponoka County Contribution	74,062	74,803	76,299	77,825	79,382	80,970
Transfers from Reserves	215,000	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Rate Subsidization	-	-	-	-	-	-
Subtotal - Revenue	<b>\$ 6,543,410</b>	<b>\$ 6,845,597</b>	<b>\$ 7,127,777</b>	<b>\$ 7,424,311</b>	<b>\$ 7,702,630</b>	<b>\$ 8,029,299</b>

<b><u>Expenses</u></b>						
Board Wages-City of Lacombe	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Board Wages-Town of Ponoka	600	600	600	600	600	600
Board Wages-Town of Blackfalds	600	600	600	600	600	600
Board Wages-Lacombe County	1,400	1,400	1,400	1,400	1,400	1,400
Board Wages-Ponoka County	600	600	600	600	600	600
Board Travel-City of Lacombe	250	250	250	250	250	250
Board Travel -Town of Ponoka	250	250	250	250	250	250
Board Travel-Town of Blackfalds	250	250	250	250	250	250
Board Travel-Lacombe County	250	250	250	250	250	250
Board Travel-Ponoka County	250	250	250	250	250	250
Travel- Administration	100	100	100	100	100	100
Membership Fees	300	303	309	315	321	327
Postage & Freight	50	51	52	53	54	55
Staff & Board Appreciation	300	300	300	300	300	300
Telephone - Office	900	900	900	900	900	900
Telephone - Operations	16,772	17,611	18,492	19,417	20,388	21,407
Management Fees	60,876	62,094	63,336	64,603	65,895	67,213
Accounting and Auditor Fees	8,300	8,300	8,300	8,300	8,300	8,300
Legal Fees	500	505	515	525	536	547
Licenses & Subscriptions	-	6,565	6,631	6,697	6,764	6,832
Other Professional Services	11,800	11,918	12,156	12,399	12,647	12,900
Equipment Repair & Maintenance	9,500	9,595	9,787	9,983	10,183	10,387
SCADA Maintenance	6,500	16,160	16,483	16,813	17,149	17,492
Insurance & Bond Premiums	3,889	4,202	4,370	4,545	4,727	4,916
Administration	11,352	11,579	11,811	12,047	12,288	12,534
Purchase of Water	4,501,414	4,817,201	5,071,753	5,340,115	5,623,143	5,921,733
Operations	129,819	132,415	135,063	137,764	140,519	143,329
Miscellaneous Expenses	250	258	266	274	282	290
Meeting Supplies	50	52	54	56	58	60
Office Supplies	150	155	160	165	170	175
General Materials & Supplies	750	773	796	820	845	870
Utilities-Electricity	3,500	5,250	5,513	5,789	6,078	6,382
Valves	5,000	5,150	5,305	5,464	5,628	5,797
Bank Charges & Interest	25	25	25	25	25	25
Debenture Interest	504,637	469,512	432,785	394,383	354,230	312,246
Debenture Principal	770,264	805,389	842,116	880,519	920,671	962,655
Amortization	465,610	423,000	423,000	423,000	423,000	423,000
Subtotal - Expenses	<b>\$ 6,517,658</b>	<b>\$ 6,814,413</b>	<b>\$ 7,075,428</b>	<b>\$ 7,350,421</b>	<b>\$ 7,640,251</b>	<b>\$ 7,945,822</b>

<b>Surplus/Deficit (+/-)</b>	<b>\$ 25,752</b>	<b>\$ 31,184</b>	<b>\$ 52,349</b>	<b>\$ 73,890</b>	<b>\$ 62,379</b>	<b>\$ 83,477</b>
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### **Rate Stabilization Reserve**

Opening Balance	-	-	-	-	-	-
Annual True Up	-	-	-	-	-	-
Withdrawal	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-

# Request For Decision

## Alternative Appointed Official to CAO

Date: June 8<sup>th</sup>, 2020

Prepared by: Denise Bellabono, Administrative Assistant

Presented by: Jordan Thompson, Acting CAO



### PURPOSE:

To advise the Board of an upcoming Request for Decision to appoint Mauricio Reyes as the Chief Administrative Officer of the North Red Deer River Water Services Commission starting January 1<sup>st</sup>, 2021.

AND

In the interim, request approval to authorize Mauricio Reyes, be alternative officials in the absence of the CAO.

### ACTION/RECOMMENDATION:

THAT the Commission appoint Mauricio Reyes as the alternative appointed official with signing authority for Commission cheques and documents in the absence of the CAO.

### ISSUE ANALYSIS:

The City of Lacombe is continuing its commitment to serve the North Red Deer River Water Services Commission. City staff, at all levels, have a strong culture of cross training to ensure continuity of services in the event of unplanned events, and normal staff turnover. It also provides an opportunity for professional growth, mentorship, and innovation. The current Acting CAO, Jordan Thompson, assumed the Acting CAO duties in 2019 while the City sought a new Sr. Manager of Finance. Mauricio Reyes has been with the City for 8 months, is a chartered professional accountant and currently leads the City's finance team. Acting CAO Thompson will continue in the Acting CAO position until the end of the year and thereafter will continue still attend Board meetings and be closely involved in Commission operations, engineering, and asset management. Mauricio is committed to supporting the Commission as its CAO starting January 1, 2020.

To ensure the administrative efficiency of the Commission there are normally two people (*elected* official and *appointed* official) that have signing authority on behalf of the Commission for cheques and documents.

The *elected* official with signing authorization is the Chairperson and the Vice Chairperson in the event the Chairperson is not available. The *appointed* official would be the CAO and another appointed official in the event the CAO is not available. Both elected officials cannot be part of the preparation of cheques **and** both appointed officials cannot be part of the preparation of cheques. Currently there is only one appointed official, Jordan Thompson, Acting CAO, as the other appointed



official was Justin de Bresser, the previous CAO for the Commission, and upon his resignation from the City of Lacombe was removed from his appointment and signing authority.

In the absence of the CAO, this leaves no appointed official to sign cheques and/or documents with the elected official. Appointing an alternative appointed official will allow for efficiency in administrations processing of cheques and documents for the Commission.

#### **LEGISLATIVE AUTHORITY:**

North Red Deer River Water Services Commission Bylaw 1, Administration 6.16

#### **ALTERNATIVES:**

The Commission may choose to;

- A. appoint Mauricio Reyes as the alternative appointed official with signing authority for Commission cheques and documents in the absence of the CAO.
- B. nominate and appoint an official and alternative appointed official.
- C. not proceed with the request at this time.

#### **ATTACHMENTS:**

NRDRWSC Bylaw 1

## **NORTH RED DEER RIVER WATER SERVICES COMMISSION**

### **BYLAW 1**

#### **BEING A BY-LAW RESPECTING THE APPOINTMENT OF A BOARD OF DIRECTORS AND CHAIRPERSON, GOVERNING THE FEES TO BE CHARGED BY THE COMMISSION AND THE GOVERNANCE OF ADMINISTRATION OF THE COMMISSION**

**WHEREAS** pursuant to the provisions of the Municipal Government Act, the Board of the Commission must pass Bylaws respecting the appointment of its directors and the designation of its Chair, governing the fees to be charged by the Commission for services and may pass Bylaws respecting the provision of the Commission's services and the governance of the administration of the Commission; and

**NOW THEREFORE** the Board enacts the following:

#### **1. DEFINITIONS**

- 1.1 "Act" means the *Municipal Government Act*, R.S.A. 2000, c. M-26;
- 1.2 "Annual Meeting" means the Meeting of the Board and the Members to be held on a date and at a location to be determined by the Board in accordance with this Bylaw;
- 1.3 "Auditor" means the auditor of the Commission appointed by the Board pursuant to Section 5.5 hereof;
- 1.4 "Board" means the Board of Directors of the Commission;
- 1.5 "Budget" means the capital budget and the operating budget required by the Act;
- 1.6 "Chair" means the chairperson of the Board;
- 1.7 "Commission" means the North Red Deer River Water Services Commission;
- 1.8 "Director" means the representative of a Member on the Board appointed in accordance with this Bylaw;
- 1.9 "Financial Plan" means the financial plan for the Commission for the forthcoming three (3) financial years, as it exists from year to year;
- 1.10 "Manager" means the person appointed by the Board as Manager in accordance with this Bylaw;

- 1.11 "Member(s)" means those members set out in the Regulation;
- 1.12 "Regulation" means Alberta Regulation No. 221/2004;
- 1.13 "Regular Meeting" means the meetings of the Board to be held each year on dates and at locations to be determined by resolution of the Board pursuant to Section 4.5 hereof;
- 1.14 "System" means the pipelines, pump stations and control systems operated by the Commission for the purpose of providing water to the members and customers of the Commission.
- 1.15 "Special Meeting" means a meeting of the Board called in accordance with Section 4.6 of this Bylaw;
- 1.16 "Water Services" means all water services provided by the Commission; and
- 1.17 All other words in this Bylaw are as defined or used in the Act or the Regulation.

## **2. OBJECTS**

- 2.1 The objects of the Commission are:
  - (a) to provide wholesale water services to its Members;
  - (b) to provide water services to other customers on such terms and conditions as the Commission may determine.

## **3. MANAGEMENT**

- 3.1 The management of this Commission shall be vested in the Board.

## **4. BOARD OF DIRECTORS**

- 4.1 The proceedings of the Board shall be conducted in accordance with the Act and this Bylaw.
- 4.2 The Board shall consist of five (5) Directors that shall be appointed as follows:
  - (a) one (1) Director from the Town of Blackfalds;
  - (b) one (1) Director from the Town of Lacombe;

- (c) one (1) Director from the Town of Ponoka;
- (d) one (1) Director from Lacombe County;
- (e) one (1) Director from Ponoka County;

Each Director must be an elected official of the Member appointing such Director.

- 4.3 A Member may revoke the appointment of its appointed Director and may appoint a replacement Director.
- 4.4 The Directors shall elect, from amongst their number, the Chair and the Vice-Chair at the first Regular Meeting of the Board in November of each year.
- 4.5 The Board, by resolution, may establish the date and number of Regular Meetings held during a year, however, there shall be not less than two (2) Regular Meetings per year.
- 4.6 The Chair:
  - (a) may call a Special Meeting at the discretion of the Chair; and
  - (b) shall call a Special Meeting upon receipt of written request by at least three (3) Directors.
- 4.7 Notice of the time and place of every Board meeting shall be given to each Director personally, by telephone or by facsimile transmission not less than forty-eight (48) hours before the time fixed for the holding of such Board meeting, provided that any Board meeting may be held at any time and place without such notice if:
  - (a) all the Directors are present thereat and signify their waiver of such notice at such meeting; or
  - (b) all the Directors present thereat signify their waiver of such notice and all the Directors that are absent have signified their consent to the meeting being held in their absence.
- 4.8 A Director may participate in a Board meeting or at a meeting of a committee of the Board by means of telephone conference or other electronic communications media that permits each of the Directors to hear each of the other Directors and to be heard by each of the other Directors.

- 4.9 Any matter properly placed before a meeting of the Board shall be decided by a majority of the votes cast by the Directors at the relevant Board Meeting.
- 4.10 A quorum of the Board shall be a majority of the Directors.
- 4.11 The Board shall be responsible for the management and conduct of the affairs of the Commission, which responsibility shall include, but not be limited to, the following:
  - (a) to approve the Financial Plan for the forthcoming three (3) years and the Budget for the forthcoming year;
  - (b) to maintain the operations of the Commission in a manner which benefits its Members; and
  - (c) to cause the minute books and financial records of the Commission to be maintained and to make the same available to the Members.
- 4.12 The Directors shall receive for attending any Board meeting or for carrying out any Director's responsibilities, meeting fees and expenses including travel expenses as permitted by the rates and fees set out in the Financial Plan and Budget.

## **5. MEETINGS**

- 5.1 The Board shall call an Annual Meeting which shall be held no later than April 30<sup>th</sup> of each year.
- 5.2 Written notice of the Annual Meeting shall be provided to each Member by mail postmarked not less than thirty (30) days prior to the date of the Annual Meeting.
- 5.3 At the Annual Meeting, the Auditor shall present the audited financial statements of the Commission and the Chair shall report on the activities of the past year of the Board and the future plans of the Commission.
- 5.4 At the first meeting of the Board following the Annual Meeting, the Board shall appoint the Auditor for the ensuing year whom shall report to the Board on the annual financial statement of the Commission and on the financial procedures and activities of the Commission.
- 5.5 The Chair shall establish the agenda for any meeting of the Board. Directors shall be entitled to add items to the proposed agenda by

submitting a written request to the Manager at least twenty-four (24) hours before the meeting.

- 5.6 The Board shall adopt the agenda at the beginning of the meeting and may, upon agreement of two thirds of those Directors present at the meeting add or delete items from the agenda.

## **6. ADMINISTRATION**

- 6.1 There shall be a Chair, a Vice-Chair and a Manager and such other Officers as determined by the Board in its discretion from time to time.
- 6.2 The term of office of the Chair is one year.
- 6.3 The Chair shall preside over each Regular Meeting, Special Meeting and the Annual Meeting and of any meetings of any committee of the Commission.
- 6.4 The Chair shall appoint all officials and committees as directed by the Board.
- 6.5 The Chair shall be an ex-officio member of all committees.
- 6.6 The Chair shall vote on all matters before the Board.
- 6.7 The Chair shall perform all other and such other duties as are usually performed by the Chair.
- 6.8 The Vice-Chair shall act and perform the duties of the Chair in his absence in the conduct of his office.
- 6.9 The term of office for the Vice-Chair is one year.
- 6.10 In the absence of the Chair at any meeting, the Vice-Chair shall preside over the meeting for that meeting only.
- 6.11 During the absence or inability of the Chair and Vice-Chair, a Director appointed by the Board for that purpose shall exercise the duties and powers of the Chair.
- 6.12 The Manager shall act as the administrative head of the Commission and without limiting the foregoing, the Manager shall:
- (a) ensure that the policies and programs of the Commission are implemented;

- (b) advise and inform the Board on the operations and affairs of the Commission;
- (c) maintain custody of the seal of the Commission and when required on any instrument requiring the seal of the Commission, affix the same together with one of the Chair or the Vice-Chair;
- (d) perform the duties and exercise the powers assigned to the Manager in this Bylaw
- (e) perform the duties and exercise the powers required of the Manager in the Act or any other applicable legislation;
- (f) cause the funds of the Commission to be received and disbursed in accordance with the directions of the Board, subject to this Bylaw;
- (g) cause to be kept detailed accounts of all income and expenditures including proper vouchers for all disbursements of the Commission;
- (h) cause to be rendered to the Board at Regular Meetings or whenever required by the Board an account of all transactions of the Commission and the financial position of the Commission;
- (i) cause all facts and minutes of all proceedings to be kept on all meetings of the Commission;
- (j) cause all notices to be given to Members and to Directors required by this Bylaw;
- (k) cause to be kept all books, papers, records, correspondence, contracts and other documents belonging to the Commission and shall cause the same to be delivered up when required by the *Act* or when authorized by the Board to such person as may be named by the Board; and
- (l) shall carry out any lawful direction of the Board from time to time.

6.13 The Board may select as Manager:

- (a) an individual that is an employee of the Commission;
- (b) an individual or firm engaged on a contractual basis; or
- (c) one of the Members of the Commission

on such terms and conditions as may be acceptable to the Board.

- 6.14 In addition to the duties set forth herein, the Officers shall have such duties as the Board may from time to time determine.
- 6.15 Any one of the Chair or Vice-Chair, together with the Manager are authorized to execute and deliver any cheques, promissory notes, bills of exchange and other instruments, whether negotiable or not, on behalf of the Commission.
- 6.16 The Board may, from time to time, appoint an acting manager who shall be authorized, in the absence the Manager, to perform such duties of the Manager as the Board may prescribe.
- 6.17 Members shall have the right to inspect and may obtain extracts or copies of all books and records of the Commission.

## **7. VOLUME OF WATER SUPPLIED**

- 7.1 Each member of the Commission shall be entitled to the following minimum annual allocations

Town of Blackfalds	1,903,000 m3
Town of Lacombe	4,862,000 m3
Town of Ponoka	2,097,000 m3
Lacombe County	400,000 m3
Ponoka County	400,000 m3
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Total	9,662,000 m3

and the Commission shall undertake to provide capacity within the system to supply the volume of water annually requested by each member up to the allocation identified. The Commission may at its discretion, provide to Members volumes of water exceeding these allocations.

- 7.2 Members shall provide the Commission in the fall of each year, a request for water for the next ensuing year, based on a reasonable estimate of the volume of water expected to be required to meet the needs of the Member's customers in that next year, together with a forecast of volumes anticipated to be required by the member for the second through fifth ensuing years.
- 7.3 Where the capacity of the system is insufficient to deliver the water requested by the Members, the Members shall be allocated the available capacity proportionately based on the previous year's volumes, until such time as the Commission is able to fully supply the volume required.



## **8. FINANCIAL**

- 8.1 The financial year of the Commission shall be the calendar year.
- 8.2 Without limiting the requirements for the Budget pursuant to the Act, the Board in the fall of each year will prepare the Financial Plan for the forthcoming three (3) financial years and Budget for the next financial year which will set out the:
- (a) expected consumption requirements of the Members;
  - (b) estimated expenditures for the:
    - (i) operations of the Board and Manager;
    - (ii) operations of the system;
    - (iii) purchase of water;
    - (iv) repayment of debt obligations;
    - (v) non cash expenditures; and
    - (vi) return on equity and investments;
  - (c) estimated revenue requirements to meet the expenditures of the Commission and the rates and fees to be charged to Members and customers of the Commission;
  - (d) second and third year projections of operating expenditure, revenue requirements and rate trends;
  - (e) capital projects planned and expected to be completed in the forthcoming financial year and the second and third financial years of the Financial Plan;
  - (f) estimated costs and sources of revenue for each year of the Financial Plan;
  - (g) rates of remuneration and expenses to be provided to the Directors.
- 8.3 Subject to and in accordance with the Act and the Budget, the Commission may:

- (a) accumulate operating surplus funds to an amount up to but not exceeding 50% of the annual operating expenditures in any year; and
- (b) accumulate capital reserve funds to an amount up to but not exceeding the total expected capital expenditures in the five years of the Financial Plan and Budget.

- 8.4 Members shall be entitled to vote on the Budget and on the Financial Plan in the proportion that their respective total actual volume water purchase bears to the total actual volume water purchase of the Commission for the immediately preceding calendar year.

For the first year of the Commission, voting for each Member shall be based upon the proportion that their respective total estimated volume water purchase bears to the total estimated volume water purchase of the Commission.

- 8.5 Upon receipt of authorization from the Board to distribute the proposed Budget and Financial Plan, the Manager shall distribute to each Member a complete copy of the proposed Budget and Financial Plan for the relevant financial year.
- 8.6 Any Member may submit comments and questions to the Board in writing in relation to the Budget and the Financial Plan within thirty (30) days immediately following the date of distribution of the Budget and the Financial Plan.
- 8.7 After the thirtieth (30<sup>th</sup>) day immediately following the date of distribution of the Budget and the Financial Plan, the Directors shall finalize and approve the Budget and the Financial Plan for the relevant financial year. For the purposes of this paragraph, approval of the Budget and the Financial Plan shall require a majority of those votes cast to be in favour

If the Budget and Financial Plan are not both approved by majority vote as aforesaid, the Manager shall, as soon as reasonably practicable thereafter, deliver to each Member a revised Budget and Financial Plan for approval in accordance with this paragraph and such process shall continue until the Budget and the Financial Plan for the relevant financial year have both been approved.

- 8.8 Subject to the Act, the Manager may, during any financial year, present to the Members amendments to the Budget and the Financial Plan for the then current financial year. Any amendments to the Budget and the Financial Plan shall be made in accordance with the procedure for

approval of the Budget and the Financial Plan set forth in paragraphs 8.5, 8.6 and 8.7, herein.

- 8.9 The Commission shall set out in the annual Budget and Financial Plan, the rate to be charged by the Commission for providing Water Services to the Members and customers. The rate to Members shall be a common rate, calculated by dividing the estimated costs of the system determined under clause 8.10, by the total volume of water requested by the Members under Clause 7.2 and anticipated to be sold to customers.
- 8.10 The estimated costs of the system shall be determined on a cost of service basis utilizing the principles set out in the American Water Works Association (AWWA) manuals of practice dealing with water rates and charges, as revised and updated from time to time, and in accordance with the findings and directives of the Alberta Energy and Utilities Board, such approach being commonly referred to as the "utility rate model" and shall include full recovery of the annual costs of the Commission for those cost components set out in clauses 8.2 and 8.3.
- 8.11 For those Members purchasing water from the Commission, the Members shall pay to the Commission the product of the actual volume of water purchased by the Member in a year times the rate set out in clause 8.9. Notwithstanding the actual volume of water purchased, the Member shall be responsible for a minimum payment to the Commission of 90% of the volume requested by the Member under clause 7.2 times the rate set out in clause 8.9.
- 8.12 For those Members not purchasing water from the Commission, the Member shall be responsible for a minimum annual payment to the Commission equal to the sum of the following:
- (a)  $1/x$  of the annual cost attributed to the Board of Directors where "x" is the number of members of the Commission
  - (b) "y" times the cost components set out in sub-clauses 8.2 (b)(iv)(v)(vi) for the system where "y" is the ratio of the members volume allocation to the total volume allocation set out in Clause 7.1.
- 8.13 The vote on Capital Items shall be a weighted vote based upon the allocated water volume assigned to each Member upon which the Capital Cost is prepared.

## **9. CUSTOMERS AND RESTRICTIONS IN USE OF WATER**

- 9.1 The Commission shall not sell Water Services to a Member and a Member shall not resell Water Services to any customer for the purpose of the

supply of Water Services to a confined feeding operation or for injection into any geological subsurface structure or formation.

- 9.2 The Commission may terminate the supply of water services to any Member for failure to pay for water services received from the Commission.

## **10. CHANGE IN MEMBERSHIP**

- 10.1 The Board may agree to the addition of a municipality as a Member of the Commission if sufficient capacity for the supply of water can be made available.
- 10.2 A new Member shall be required to pay:
- (a) a one-time membership fee to the Commission reflecting a proportionate share of the formation costs of the Commission plus applicable interest; and
  - (b) an amount equal to the product of the depreciated replacement cost of the system and "z", where "z" is ratio of forecasted volume of water required by the new member for five years from the date of entry of the new member, to the total forecasted volume of water required of the new and existing members for five years from the date of entry of the new member.
- 10.3 Any contribution received by the Commission under Clause 9.2 shall inure to the benefit of the existing members in the proportion to the contribution of the existing members to the Commission from the date of inception of the Commission to the date of entry of any new member.
- 10.4 A Member may withdraw from membership of the Commission upon two (2) years notice. The withdrawing Member may sell the equity contributed by the Member during the Member's term of membership of the Commission to any other Member of the Commission for such compensation and on such terms as the parties may agree subject to the approval of the Board. However, the Commission or any Member shall not be obligated to purchase the withdrawing Member's proportionate share of the system. The Commission shall not utilize the capacity of the system related to the withdrawing Member's equity or utilize the withdrawing Member's water volume allocation without fair compensation.

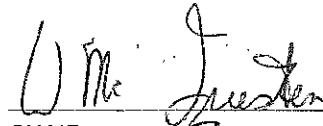
## 11. AMENDMENTS


- 11.1 An amendment to this Bylaw may be passed by the Board upon a three quarters majority of the Directors of the Board.
- 11.2 Written notice of a proposed amendment to the Bylaw shall be provided to each Director and each Member not less than thirty (30) days in advance of the meeting at which the amendment is to be considered.

Read a first time this 24<sup>th</sup> day of June, 2004

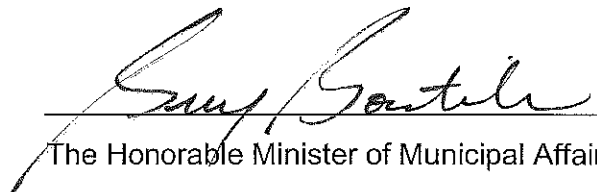
Read a second time this 24<sup>th</sup> day of June, 2004

Read a third time this 24<sup>th</sup> day of June, 2004

  
CHAIR

  
MANAGER

APPROVED by the Honourable Minister of Minister Affairs as to section 602.07(1)(a) of the *Municipal Government Act* only this 2nd day of November, 2004.

  
The Honourable Minister of Municipal Affairs