

North Red Deer River Water Services Commission



Regular Meeting Agenda

Date:	December 15, 2025	Time:	9:00am
Location:	COUNCIL CHAMBERS LACOMBE, AB		
Invitees:	<p>Members: John Ireland, Lacombe County – Chair Clayton Nelson, Town of Ponoka – Vice-Chair Jim Sands, Town of Blackfalds – Director Kim Proud, City of Lacombe – Director Mark Matejka, Ponoka County – Director</p> <p>Others: Jordan Thompson, NRDRWSC CAO Councillor Cheryl Littlechild, Ermineskin Cree Nation Councillor Craig Makinaw, Ermineskin Cree Nation Kim Isaak, CAO, Town of Blackfalds Matthew Goudy, CAO, City of Lacombe Tim Timmons, County Manager, Lacombe County Sandra Lund, CAO, Town of Ponoka Peter Hall, CAO, Ponoka County Preston Weran, Director of Infrastructure and Planning Services, Town of Blackfalds Michael Minchin, Director of Corporate Services, Lacombe County Doug Halldorson, Director of Operations, City of Lacombe Jeff Edgington, Manager of Operations, Town of Ponoka Acting Manager TJ Brown, City of Lacombe Manager Chris Huston, City of Lacombe Manager Angela Smith, City of Lacombe Financial Analyst Michael Levia, City of Lacombe</p> <p>Guests: Albert Frootman, MPA, RPP, MCIP, Prinicipal, Localis Michelle Tetreault, BA, Localis</p>		
Recorded by:	Iwa Post – NRDRWSC Executive Assistant		
1. Call to Order by Chair			
2. Adoption of Agenda			
3. Adoption of Minutes:			
3.1 Regular Meeting Minutes – November 17, 2025			
4. Presentations			
5. Reports:			

5.1 Administration
5.2 Chair
5.3 Waterline Extension Project Management Team
6. New Business / Emergent Items:
6.1 2026 Operating and Capital Budgets
6.2 2026 Utility Rate Bylaw 3.10 – Second & Third Reading
7. Correspondence
8. In Camera:
8.1 City of Red Deer Update (ATIA Sections 19, 22)
9. Next Meeting Date:
February 17, 2026, in Council Chambers, City of Lacombe, at 9:00am
10. Adjournment

NORTH RED DEER RIVER WATER SERVICES COMMISSION
MEETING MINUTES
November 17, 2025

In Attendance: John Ireland, NRDRWSC Chair, Lacombe County Reeve
Clayton Nelson, NRDRWSC Vice-Chair, Town of Ponoka Councillor
Jim Sands, NRDRWSC Director, Town of Blackfalds Councillor
Kim Proud, NRDRWSC Director, City of Lacombe Councillor
Mark Matejka, NRDRWSC Director, Ponoka County Councillor

Others Present: Jordan Thompson, NRDRWSC Manager
Kim Isaak, CAO, Town of Blackfalds
Matthew Goudy, CAO, City of Lacombe
Sandra Lund, CAO, Town of Ponoka
Preston Weran, Director of Infrastructure and Planning Services, Town of Blackfalds
Doug Halldorson, Director of Operations, City of Lacombe
TJ Brown, Acting Manager of Engineering, City of Lacombe
Chris Huston, Manager of Utilities, City of Lacombe
Iwalani Post, NRDRWSC Executive Assistant

Guests: Alberta Flootman, MPA, RPP, Principal, Localis
Michelle Tetreault, BA, Localis

Regrets: Cheryl Littlechild, Councillor, Ermineskin Cree Nation
Craig Mackinaw, Councillor, Ermineskin Cree Nation
Tim Timmons, County Manager, Lacombe County
Peter Hall, CAO, Ponoka County
Michael Minchin, Director of Corporate Services, Lacombe County
Michael Levia, Acting Manager of Finance, City of Lacombe
Angela Smith, Regional Utilities Foreman, City of Lacombe

1. Call to Order (Organizational Meeting):

Manager Thompson called the Organizational Meeting to order at 9:00 am.

2. Adoption of the Organizational Meeting Agenda:

MOVED by Director Matejka that the Organizational Meeting agenda for November 17, 2025, be adopted as presented.

CARRIED UNANIMOUSLY

3. Annual Elections:

3.1. Election of Board Chair

Director Nelson nominated John Ireland for Board Chair.

Manager Thompson declared John Ireland Board Chair of the North Red Deer River Water Services Commission by acclamation for the term expiring November 9th, 2026.

Following the Election of Board Chair, Chair John Ireland chaired the remainder of the meeting.

3.2. Election of Board Vice-Chair

Director Matejka nominated Clayton Nelson for Board Vice-Chair.

Chair Ireland declared Clayton Nelson Board Vice-Chair of the North Red Deer River Water Services Commission by acclamation for the term expiring November 9th, 2026.

4. New Business:

4.1. Board Orientation

MOVED by Vice-Chair Nelson to accept the Board Orientation package as information.

CARRIED UNANIMOUSLY

4.2. 2026 Schedule of Meetings

MOVED by Director Matejka that the Commission approve the Regular Meeting dates for 2026 as presented.

CARRIED UNANIMOUSLY

4.3. NRDRWSC Signing Authorities

MOVED by Vice-Chair Nelson that the Commission directs Administration to replace the list of approved officers for the North Red Deer River Water Services Commission authorized to execute cheques, promissory notes, bills of exchange, and other instruments, whether negotiable or not, on behalf of the Commission with the following:

*Chair, John Ireland
Vice-Chair, Clayton Nelson
Manager, Jordan Thompson
Alternate, Matthew Goudy
Alternate, Michael Levia*

CARRIED UNANIMOUSLY

4.4. Committee Appointments

MOVED by Director Matejka that the Commission appoints Chair John Ireland to the Waterline Extension Project Onboarding Committee.

CARRIED UNANIMOUSLY

MOVED by Director Matejka that the Commission appoints Director Clayton Nelson to the Waterline Extension Project Technical Committee.

CARRIED UNANIMOUSLY

MOVED by Vice-Chair Nelson that the Commission appoints Chair John Ireland to the Joint Planning Committee with the City of Red Deer.

CARRIED UNANIMOUSLY

5. Organizational Meeting Adjournment:

MOVED by Director Sands that the Organizational Meeting be adjourned at 10:05 am.

CARRIED UNANIMOUSLY

1. Call to Order (Regular Meeting):

Chair Ireland called the Regular Meeting to order at 10:14 am.

2. Adoption of Regular Meeting Agenda:

MOVED by Director Matejka that the Regular Meeting agenda for November 17, 2025, be adopted as presented.

CARRIED UNANIMOUSLY

3. Adoption of Minutes:

MOVED by Vice-Chair Nelson that the minutes for September 15, 2025, be adopted as amended.

CARRIED UNANIMOUSLY

4. Presentations

5. Reports:

5.1. Administration

Manager Thompson presented the Administration Report noting that the Red Deer River Basin remains at Drought Stage 0 of 5.

It was noted in the report that Lacombe County has approved submitting a Water for Life application to fund a feasibility study regarding the potential for a regional water and wastewater servicing system.

Financials were provided for January to September 2025. Water volumes are 0.72% higher than this time in 2024, revenue is higher than the YTD budget by 4.29%, and expenses are 3.11% higher than budgeted amounts. The Commission is currently showing a net surplus of approximately \$105K. The annual budget is seasonally adjusted to reflect more accurate usage comparisons for a given period.

5.2. Waterline Extension Project Management Team Report

Albert Frootman and Michelle Tetreault of Localis presented the Waterline Extension Project report. The report highlighted that the project continues to advance in accordance with the approved Project Plan. Procurement activities are on schedule, governance remains stable, and construction is anticipated to begin Fall 2026.

MOVED by Director Sands to accept the November 17, 2025, Administrative Report and Waterline Extension Project Management Team Report as information.

CARRIED UNANIMOUSLY

6. **New Business:**

6.1. Waterline Extension Project – Procurement Status and Contract Negotiation Authorization

Manager Thompson presented an update to the Board on the status of contract procurements. The Procurement process was reviewed, including evaluation methodology of the seven Requests for Proposals that were issued to date, as well as a status summary. Administration is now seeking to proceed with contract negotiations for General Engineering Services and Grant Compliance Audit Services.

MOVED by Vice-Chair Nelson that the Commission authorizes Administration to proceed with final contract negotiations with the top-ranked proponents for General Engineering Services and Grant Compliance Audit Services, and that the final agreements be brought back to the Board for approval prior to execution.

CARRIED UNANIMOUSLY

6.2. 2026 Proposed Operating and Capital Budgets

Manager Thompson presented the 2026 Operating and Capital Budget based on the 2026-2040 Financial Plan that ensures the Commission's capital debt is paid off by 2031, maintains capital reserve to support the Commission's asset management plan without requiring new debt before 2040, and assumes a future grant or new debt is required to top off capital reserves to replace the mainline at the end of its life. Projections for 2026 were made for overall sales volumes, annual expenses with increases, debt payments and transfers to reserves noted. Water revenues were budgeted based on a recommended 2026 water sale rate of \$2.52/m³. Capital Budget includes a 38.9M expenditure for the waterline extension, that has already been approved, aligning it with the NRDRWSC/Alberta Grant Agreement.

MOVED by Director Proud that the authorizes Administration to distribute the proposed 2026 Operating Budget, Capital Budget, and Financial Plan to Members for comment and questions.

CARRIED UNANIMOUSLY

6.3. 2026 Utility Rate Bylaw 3.10 – 1st Reading

Manager Thompson presented for first reading of Bylaw 3.10, an amendment to the Commission’s Water Rate Bylaw 3, for the 2026 Water Rate to members be set to \$2.52/m³, consistent with the 2026 Operating Budget.

MOVED by Director Sands that the Commission give first reading to Bylaw 3.10, an amendment to the Commission’s Water Rate Bylaw 3.

CARRIED UNANIMOUSLY

7. In Camera

8. Next Meeting:

Monday, December 15th, 2025, at 9:00 am, City of Lacombe Council Chambers.

Adjournment:

MOVED by Vice-Chair Nelson to adjourn the regular meeting at 10:56 am.

CARRIED UNANIMOUSLY

Chairperson

Manager

Administration Reports



Administrative, Financial & Operational

Date: December 15, 2025

Presented by: CAO, Manager of Finance, Operations Supervisor

ADMINISTRATIVE

Water Conservation

- **NRDRWSC Water Conservation Level: 0**
- **Red Deer River Basin Current Drought Condition:**
 - Drought Stage: **0** of 5.
 - Water Supply Outlook – The forecasts for the August-to-September period are below average.
 - Glennifer Reservoir / Dickson Dam is 88% full (below normal).

Waterline Extension

Inaugural Onboarding and Technical Committee Meetings took place on December 10th.

Joint Steering Committee (City of Red Deer)

Meeting #3 rescheduled to January 21st, 2026.

FINANCIAL

As seen in Table 1, 2025 water volumes as of October are higher by 0.42% than the 2024 levels for the same period.

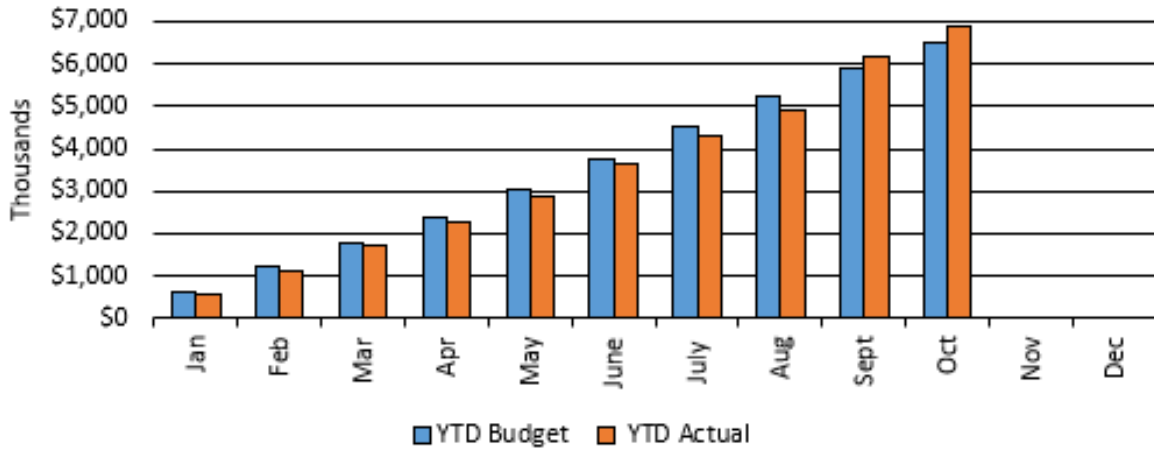
Table 1 - Water volumes (in cubic meters) - January to October

Member	2024	2025
City of Lacombe	1,073,753	1,113,546
Blackfalds	722,282	709,861
Lacombe County	50,281	73,174
Ponoka	643,425	602,139
Ponoka County	6,654	8,203
Total	2,496,395	2,506,923

Revenue

As of October, year-to-date (YTD) actual revenues are \$354K (5.15%) above the YTD budgeted revenues. The annual budget is seasonally adjusted to reflect more accurate usage comparisons for a given period.

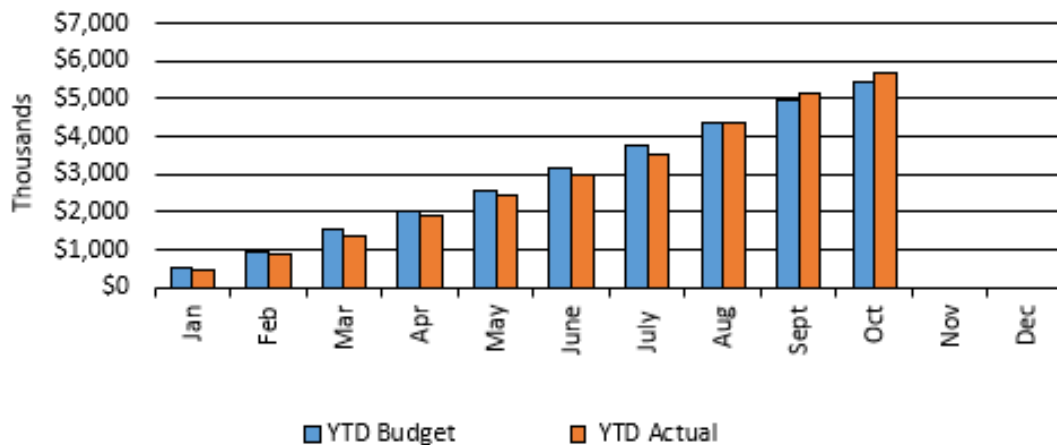
Revenue YTD vs Budget



Expenses

As of October, YTD actual expenses are \$262K (4.59%) above the YTD budgeted expenses. The annual budget is seasonally adjusted to reflect more accurate usage comparisons for a given period.

Expenses YTD vs Budget

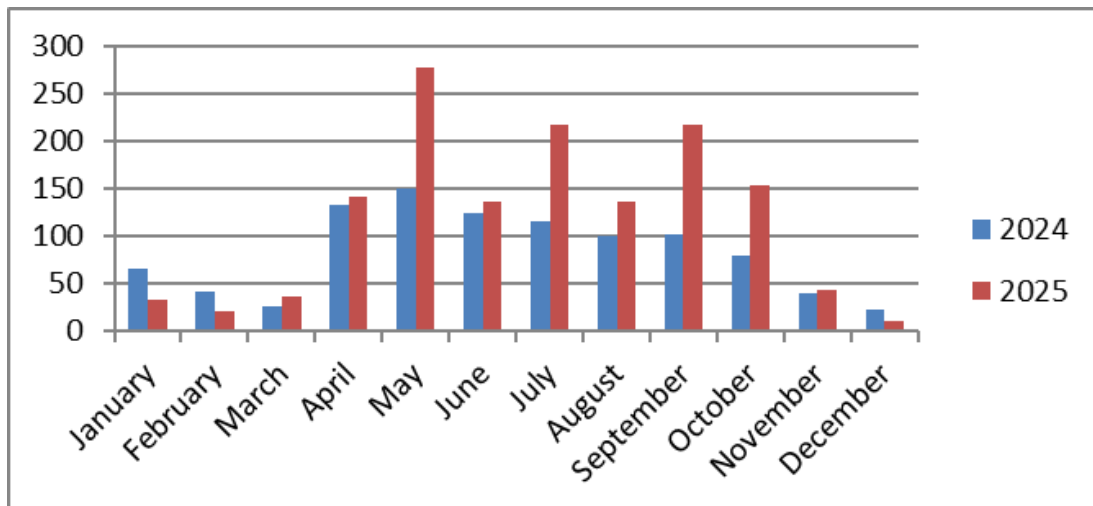


Surplus/Deficit

As of October 2025, the Water Commission has a YTD net surplus of approximately \$92K.

OPERATIONAL

Utility Safety Partners Locate Requests:



2024 = 998 (2023 = 966)

2025 to date = 1424

Notable activities since the last report:

- Locate requests are returning to normal volumes.
- Coordinating with the Town of Blackfalds regarding their Broadway reservoir expansion.

Upcoming Activities:

- Water meter testing completed with all meters passing for accuracy.
- Ponoka Riverside vault heater died, new one ordered and expected installation the week of December 15th.



PROJECT MANAGEMENT TEAM MONTHLY REPORT TO CAO

Report Date:	December 01, 2025	Report Period:	November 2025
Report to:	North Red Deer River Water Services Commission	From:	Project Management Team
Contact:	Jordan Thompson, NRDRWSC CAO	Overall Project Status:	●
Project:	NRDRWSC Waterline Expansion Project	Project duration:	Nov 2024 – Dec 2030 (62 months including Warranty)
Project Status indicators:	On time: ● Needs attention and follow ups: ● Behind Schedule: ●		



Executive Summary

The Waterline Expansion Project continues to advance in alignment with the approved Project Plan. Procurement activities remain on schedule, with several contract negotiations underway. Construction is anticipated to begin in Q3 2026.

Financial reporting and cash flow planning have been provided to TEC in preparation for year-end and consultant onboarding.

The PMT met with EPA to inform and to confirm the process to be followed. Since the NRDRWSC does not operate a water treatment system, it operates under a registration, and it appears that an amendment to the registration will be sufficient for the extension. Crossings (e.g., Battle River) will also require notifications under the Water Act Code of Practice for Watercourse Crossings or Pipelines Crossing a Water Body.



Key Activities Completed in the reporting period:

Contracts Under Negotiation:

- General Engineering Services
- Historical Resource Assessment Services
- Vegetation & Wildlife Assessment
- Grant Compliance Audit Services
- Land Assembly & ROW Acquisition Services
- Geomatics and Legal Survey Services
- Professional Appraisal Services

Governance & Administration:

- Record-keeping system for RFP queries and responses updated
- Technical and Onboarding Committees agenda packages sent to participants

RFPs

- **General Contractor Services** (new RFP issued this month)



Responses to the RFPs on APC website

RFPs	Views	Queries	Proposals Received	Award Status
General Contracting Services	15	1		Submission due December 9



Project deliverables status indicator

Deliverable Category	Status	Comments
Procurement Activities (RFPs)	●	All RFPs issued; General Contracting Services RFP issued.
Engagement	●	Onboarding and Technical Committees agenda packages sent and meetings held this week
Construction Readiness	●	General Engineering award subject to negotiation and Board approval.
Financial Planning	●	Cash flow projections submitted to TEC.
Early Works	●	Behind schedule - delays linked to contract negotiation time.



PROJECT MANAGEMENT TEAM MONTHLY REPORT TO CAO

Issues and Risks

Risk / Issue	Impact	Mitigation	Status
Extra time needed to negotiate contracts	Medium	Focus on environmental work; allocate additional internal resources	Active
Metering Station	Low	Ongoing collaboration	Active

Overall Risk Outlook: *Stable – monitored monthly through Risk Register.*



PROJECT MANAGEMENT TEAM MONTHLY REPORT TO CAO

Schedule		
Detail	Date	Status
Onboarding Committee	Dec 10, 2025	Agenda packages sent
Technical Committee	Dec 10, 2025	Agenda packages sent
NRDRWSC Commission Board meeting	Dec 15, 2025	Confirmed



What's Next

Planned Activities for December

- Continue/complete contract negotiations and finalize awards
- Evaluate remaining proposals
- Prepare recommendations for award (RFDs)
- Host Technical and Onboarding Committee meetings
- Confirm metering station design
- Awaiting meeting date with Minister Sawhney
- Meeting with Ponoka County and Town of Ponoka to review alignment
- GIS mapping to support land assembly

Next Steps

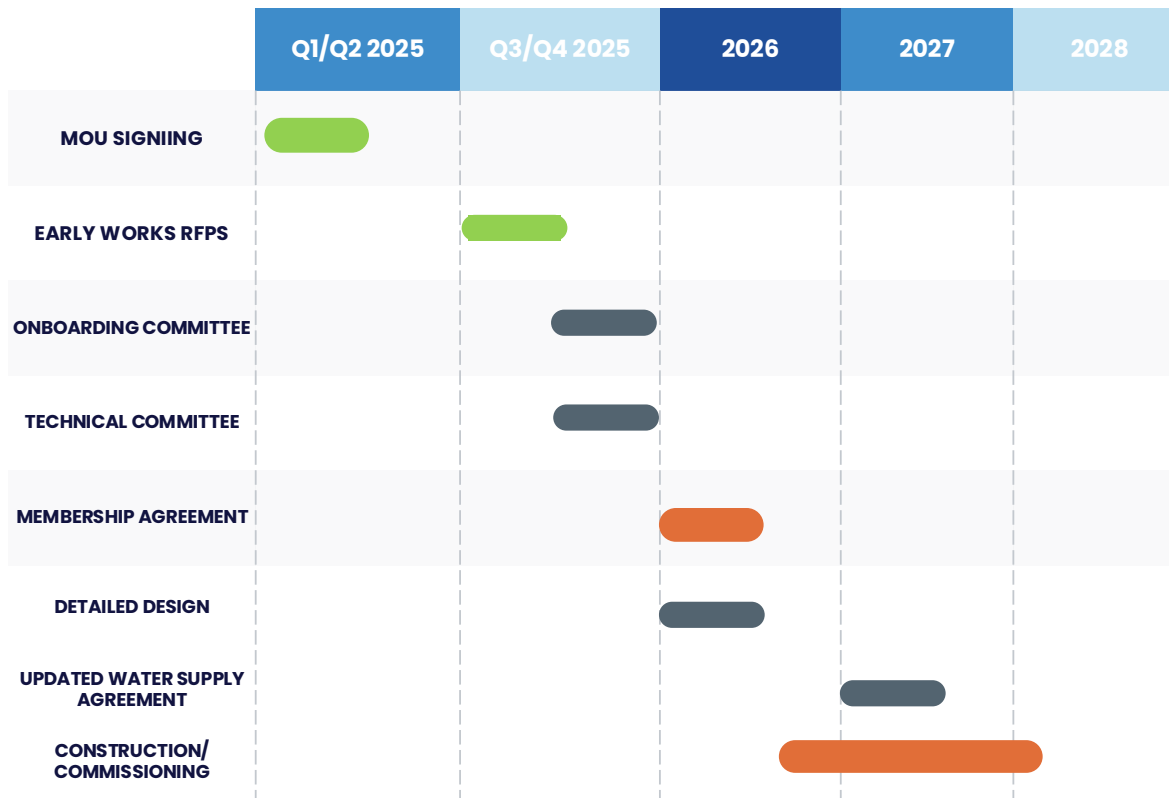
- Receive proposals for General Contractor Services
- Implement Board direction from September Board Meeting (additional scope of work)
- Finalize contract negotiations for Engineering and Grant Audit Services



Request for Client Action

No specific client actions requested this month

Project Plan Milestone Overview





Summary Statement

The Waterline Expansion Project remains on track, with procurement and governance activities progressing. Focus areas for the next month include contract finalization, committee meetings, and preparation of a new member agreement and bylaw to bring ECN on board. Continued risk monitoring and financial planning remain priorities.

Request For Decision

2026 Operating and Capital Budgets

Date: December 17, 2025

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To present the 2026 Operating and Capital Budgets for approval.

ACTION/RECOMMENDATION:

THAT the Commission approves the 2026 Operating Budget.

AND

THAT the Commission approves the 2026 Capital Budget.

ISSUE ANALYSIS:

Following the [November 17th, 2025](#) Regular Meeting, Administration distributed the proposed Operating and Capital Budgets to Member CAOs for comments and questions. The comments and NRDRWSC responses are enclosed.

Administration prepared the 2026 Operating Budget based on the 2026-2040 Financial Plan. The Financial Plan:

- ensures the Commission's capital debt is paid off by 2031.
- maintains the capital reserve to support the Commission's asset management plan without requiring new debt before at least 2040.
- assumes a future grant or new debt is required to top off capital reserves to replace the mainline at the end of its life.

FINANCIAL IMPLICATIONS:

Sales Volume

In 2026, overall water volumes are projected to increase 0.5% over 2025 year-end estimates. The region's historical population growth and member consumption rate assumptions in the 2026-2025 Financial Plan are also factors in the volume projections. Compared to the 2025 budgeted sales volume, the proposed 2026 budget estimates the following sales volume adjustments:

- Town of Ponoka: -0.5%
- City of Lacombe: +0.4%
- Town of Blackfalds: -0.3%
- Lacombe County¹: +0.5%
- Ponoka County: +8.0%
- **Overall Volumes: 0.0%**

¹ Lacombe County volumes are shown for information purposes only. The Commission bills the Town of Blackfalds and City of Lacombe for all volume that flows through their import meters to Lacombe County.

Annual Expenses

Board

This expense line includes Board remuneration and travel expenses.

The 2026 budget proposes a 4% increase over 2025, projecting additional waterline extension-related meetings in 2026.

Administration

This expense line includes the Commission's management and administration contract with the City of Lacombe, insurance, other professional services, and miscellaneous office expenses.

The 2025 budget proposes a 12% increase over the 2025 budget which includes a 35% increase (to \$27K) in auditor fees based on actuals contracted 3% rate increase with the City of Lacombe for management and administration services and a \$7.5K increase to legal professional services to support the CRD Rate Model Review shared with the NRDRWWSC.

System Operations

This expense line consists of the Commission's operations contract with the City of Lacombe, utilities, telephone, equipment repair/maintenance, valve maintenance, and SCADA.

The 2026 budget proposes a 2.9% increase over the 2025 budget due to general cost increases, including a contracted 3% rate increase with the City of Lacombe for operations services.

Purchase of Treated Water

The City of Red Deer's 2026 water supply rate to the Commission will be \$2.02/m³ starting February 1st, 2026 – ten cents higher than the 2025 rate (+5.0%).

Administration projects the 2026 total water purchases from the City of Red Deer to be \$6.0M, which is 5.4% higher than the budgeted 2025 purchase costs.

Debt Payments

This expense line includes principal and interest payments on two capital debentures for the system's original construction. The payments are fixed year over year until the debentures mature in 2031.

Transfers to Reserves

Amortization: The commission's financial strategy accounts for amortization as a non-cash expense. Some municipalities choose to make a transfer to capital reserves equivalent to amortization. The 2026 budget continues the Commission's practice of minimal transfers to the capital reserves. Capital reserve transfers are projected to increase significantly starting in 2031 when the Commission retires its original capital debt.

Revenues

Water Revenues

Administration recommends a 2026 water sale rate to members of **\$2.52/m³**.

For 2026, Administration is projecting total water sales of \$7.5M, 2.9% higher than predicted in the 2025 budget. This reflects an increase of approximately \$365,212K compared to the 2025 year-end projections.

Other Revenue and Interest

This revenue line includes fees charged to third parties for crossing agreements per the 'Fee for Line Crossing Policy.' It also includes interest revenue from investing the Commission's cash reserves in principle guaranteed investments permitted under the Municipal Government Act.

County Contributions

As in prior years, the 2026 operating budget includes direct contribution payments from Lacombe County and Ponoka County, covering their portions of the annual administration costs (20% based on membership) and debt servicing costs (4.1% each based on the volume allocation in [Bylaw 1](#)). The rate model accounts for each County's portions of these costs paid for in the rate.

County Direct Contribution	2025 (Budget)	2026 (Budget)
Lacombe County	\$30,476	\$56,003
Ponoka County	\$75,252	\$76,312

The County direct contributions diminish with more volume purchased from the Commission. Lacombe County's notable increase in 2026 is due to an adjustment in estimated industrial demand from the DIW milk concentration development.

Surplus Balance at Year-End

The 2024 year-end reserve balances were adjusted to match the actual balances reported in the Audited Financial Statements.

The 2026 budget projects the year-end total surplus balance to be \$9.0M (+1.8%).

Capital

The 2026 Capital Budget proposes no new capital expenditures. \$38.9M has already been approved for the waterline extension, aligning it with the NRDRWSC/Alberta Grant Agreement which provides 100% funding for the project.

ALTERNATIVES:

The Commission may choose to:

1.
 - a. ***[Recommended]*** THAT the Commission approves the 2026 Operating Budget.

AND

- b. ***[Recommended]*** THAT the Commission approves the 2026 Capital Budget.

OR

2. ***[Alternative]*** THAT the Commission directs Administration to return the 2026 Operating Budget *[and/or Capital Budget]* with the following changes:
 - *[Mover to specify changes]*

ATTACHMENTS:

- Summary of Feedback from Members
- Lacombe County Budget Approval Letter
- NRDRWSC 2026 Operating Budget, Forecast 2027-2029 – Table S1
- NRDRWSC 2026 Capital Budget, Forecast 2027–2040 – Table S2

Summary of 2026 Budget Feedback from Members

Member Comments	NRDRWSC Response
<p>The City has reviewed the proposed member rate and offers the following general comments. We recognize that most of the rate composition is driven by the increase from the City of Red Deer, which rose by 5.0%. While we appreciate the Commission’s efforts to buffer that impact by limiting the member rate increase to 2.9%, it still exceeds the budget constraints we are working within.</p>	<p>I recognize the pressures the City is navigating with the CPI cap and the decision to hold the residential utility bill flat for 2026. That is an important signal to utility customers in Lacombe, and I value the alignment you are working to maintain on the regional side.</p>
<p>In the City of Lacombe, we hold to the 12-month average Alberta CPI for tax increases—2.3% this year—and have frozen the overall residential utility bill going into 2026. As a result, there is a growing gap between the increases we are applying locally and those reflected in the Commission’s 2026 budget. This is not to say we oppose the budget, but we want to flag that this differential is not sustainable over the long term if it continues or widens.</p>	<p>In the broader context, the previous Board kept member rates below CPI during a period of significant cost pressure. Approximately three-quarters of the Commission’s expenses are directly tied to our water purchases from the City of Red Deer. Over the past five years, those rates have increased by an average of 5.4 percent per year. Over the same period, from July 1, 2021, to July 1, 2025, the average CPI increase was 3.9 percent, and the Commission’s rate to members increased by an average of 3.6 percent.</p>
<p>In reviewing the NRDRWSC budget we noticed an adjustment to the projected volumes for the County. We also been reviewing volumes, and particularly the volumes related to the new DIW facility in Aspelund Park.</p>	<p>Affordability is a priority for the Commission, and we share the City’s interest in keeping rates as stable and predictable as possible. A key part of this work is continuing to apply disciplined financial stewardship on behalf of the region and continuing to advocate for fair and transparent rate-making from the City of Red Deer.</p>
<p>To that end, we have developed the following water and wastewater volumes for the Commissions information:</p>	<p>The 2026 operating budget and 2027-2029 forecast has been updated to reflect the volumes provided.</p>
<p>Wastewater</p> <ul style="list-style-type: none">• Aspelund 94,790 m3• Wildrose <u>12,700 m3</u>• Total 107,490 m3	
<p>Water</p> <ul style="list-style-type: none">• Aspelund 103,284 m3• Wildrose <u>12,700 m3</u>• Total 115,984 m3	
<p>We are hopeful that the DIW facility will exceed these volumes in 2025 but it is dependent on the facility ramping up to planned capacity.</p>	



December 11, 2025

Jordan Thompson, Commission Manager
North Red Deer River Water Services Commission
5432 56 Avenue
Lacombe, AB T4L 1E9

Dear Mr. Thompson:

**RE: North Red Deer River Water Services Commission
2026 Operating and Capital Budgets**

I am writing on behalf of Lacombe County to confirm that we have reviewed the 2026 Operating Budget for the North Red Deer River Water Services Commission. We have no comments or concerns regarding the 2026 operating and capital budgets.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Minchin", written over a horizontal line.

Michael Minchin
Director of Corporate Services
Lacombe County

Table S1
North Red Deer River Water Services Commission
2026 - 2040 Financial Model
2026 Operating Budget, Forecast 2027-2029

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	2025	2025	2026	2027	2028	2029
	Budget	Projection	Budget	Forecast	Forecast	Forecast
Sales Volume (m3)						
Town of Ponoka	737,204	727,557	733,543	737,211	742,926	744,601
City of Lacombe	1,281,211	1,287,379	1,286,455	1,305,752	1,328,969	1,345,218
Town of Blackfalds	844,630	833,451	842,269	854,903	870,104	880,743
Lacombe County	115,436	66,176	115,984	116,564	117,147	117,732
Wolf Creek Village (Ponoka Cnty)	7,860	8,444	8,486	8,529	8,571	8,614
Ermineskin Cree Nation	-	-	-	69,213	94,887	97,031
Total Sales	2,986,340	2,923,006	2,986,737	3,022,958	3,067,717	3,096,908
Annual Expense						
Operating Purposes						
Board	\$7,110	\$7,110	\$7,394	\$8,615	\$8,960	\$9,318
Administration (Mgt, Gen Srv, Prof Srv, Legal)	\$152,845	\$152,845	\$171,245	\$191,530	\$197,983	\$204,422
System Operations	\$333,288	\$333,288	\$342,991	\$406,866	\$419,803	\$433,159
Purchase of Treated Water						
Volume (m3)	3,034,122	2,969,774	3,016,604	3,123,092	3,194,230	3,225,879
Average Rate (/m3)	\$1.90	\$1.90	\$2.00	\$2.10	\$2.21	\$2.32
Expense	\$5,759,361	\$5,637,217	\$6,036,374	\$6,561,935	\$7,046,974	\$7,472,635
Total Operating Expense	\$6,252,604	\$6,130,459	\$6,558,005	\$7,168,947	\$7,673,720	\$8,119,534
Capital Purposes						
Debt Payments	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
To Reserves (Restricted Surplus)	\$32,389	\$32,029	\$12,664	\$9,689	\$65,559	\$28,591
Total Capital Expense	\$1,307,291	\$1,306,931	\$1,287,565	\$1,284,590	\$1,340,460	\$1,303,492
Total Annual Expense	\$7,559,894	\$7,437,390	\$7,845,570	\$8,453,537	\$9,014,180	\$9,423,027
Rate to Members (/m3)						
Cost of Service Rate	\$2.36	\$2.36	\$2.43	\$2.54	\$2.65	\$2.76
Phase in to Cost of Service Rate	\$0.09	\$0.09	\$0.09	\$0.09	\$0.10	\$0.09
Sales Rate	\$2.45	\$2.45	\$2.52	\$2.63	\$2.75	\$2.85
	12.4%		2.9%	4.4%	4.6%	3.6%

Table S1
North Red Deer River Water Services Commission
2026 - 2040 Financial Model
2026 Operating Budget, Forecast 2027-2029

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	2025	2025	2026	2027	2028	2029
	Budget	Projection	Budget	Forecast	Forecast	Forecast
Annual Revenue						
Sales to Members						
Town of Ponoka	\$1,806,150	\$1,782,515	\$1,848,528	\$1,938,864	\$2,043,048	\$2,122,113
City of Lacombe	\$3,138,966	\$3,154,077	\$3,241,866	\$3,434,127	\$3,654,665	\$3,833,871
Town of Blackfalds	\$2,069,344	\$2,041,955	\$2,122,518	\$2,248,395	\$2,392,786	\$2,510,116
Lacombe County	\$282,817	\$162,130	\$292,280	\$306,563	\$322,154	\$335,538
Wolf Creek Village (Ponoka Cnty)	\$19,257	\$20,688	\$21,385	\$22,430	\$23,571	\$24,550
Ermieskin Cree Nation	\$0	\$0	\$0	\$182,029	\$260,939	\$276,539
Total Member Sales	\$7,316,534	\$7,161,365	\$7,526,577	\$8,132,409	\$8,697,162	\$9,102,727
Non-rate Revenue						
Other Revenue	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Interest	\$133,000	\$142,710	\$204,000	\$204,000	\$203,000	\$204,000
Government Grants	\$0	\$0	\$0	\$0	\$0	\$0
County Contributions	\$109,361	\$132,315	\$113,993	\$116,129	\$113,018	\$115,300
Transfer from Reserves	\$0	\$0	\$0	\$0	\$0	\$0
Total Non Rate Revenue	\$243,361	\$276,025	\$318,993	\$321,129	\$317,018	\$320,300
Total Revenue	\$7,559,894	\$7,437,390	\$7,845,570	\$8,453,537	\$9,014,180	\$9,423,027
Unrestricted Surplus	\$0	\$0	\$0	\$0	\$0	\$0
Surplus Balance at Year End						
Restricted Surplus						
Operating Reserve	\$1,132,242	\$1,132,242	\$1,132,242	\$1,132,242	\$1,132,242	\$1,132,242
Capital Reserve	\$4,842,067	\$4,983,465	\$4,996,129	\$5,005,818	\$4,950,744	\$4,979,335
	\$5,974,309	\$6,115,707	\$6,128,371	\$6,138,060	\$6,082,986	\$6,111,577
Unrestricted Surplus						
Operating	\$2,944,885	\$2,945,926	\$2,945,926	\$2,945,926	\$2,945,926	\$2,945,926
Capital	\$0	\$0	\$0	\$0	\$0	\$0
	\$2,944,885	\$2,945,926	\$2,945,926	\$2,945,926	\$2,945,926	\$2,945,926
Total Surplus	\$8,919,194	\$9,061,633	\$9,074,297	\$9,083,986	\$9,028,912	\$9,057,503

Table S1
North Red Deer River Water Services Commission
2026 - 2040 Financial Model
2026 Operating Budget, Forecast 2027-2029

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	2025	2025	2026	2027	2028	2029
	Budget	Projection	Budget	Forecast	Forecast	Forecast
Debenture Debt						
Annual Payments						
Interest	\$312,246	\$312,246	\$268,347	\$222,447	\$174,453	\$124,271
Principal	\$962,655	\$962,655	\$1,006,554	\$1,052,455	\$1,100,448	\$1,150,631
Total Payments	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
Average Interest Rate	4.509%	4.509%	4.509%	4.509%	4.508%	4.508%
Debt Principal Owing at Year End	\$6,200,465	\$6,200,465	\$5,193,911	\$4,141,457	\$3,041,008	\$1,890,378
Debt Limit						
Statutory Debt Limit (2 x Revenue)	\$15,119,789	\$14,874,780	\$15,691,141	\$16,907,074	\$18,028,360	\$18,846,054
Actual Debt	\$6,200,465	\$6,200,465	\$5,193,911	\$4,141,457	\$3,041,008	\$1,890,378
% of Debt Limit Used	41%	42%	33%	24%	17%	10%
Annual Debt Servicing Limit						
Statutory Limit (35% of Rev)	\$2,645,963	\$2,603,086	\$2,745,950	\$2,958,738	\$3,154,963	\$3,298,059
Annual Payments	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
% of Servicing Limit Used	48%	49%	46%	43%	40%	39%
Liquidity						
<u>Annual Revenue</u>	\$7,559,894	\$7,437,390	\$7,845,570	\$8,453,537	\$9,014,180	\$9,423,027
<u>Unrestricted Surplus Target</u>						
Proportion of Revenue	25%	25%	25%	25%	25%	25%
Amount	\$1,889,974	\$1,859,347	\$1,961,393	\$2,113,384	\$2,253,545	\$2,355,757
<u>Unrestricted Surplus</u>						
At Year End	\$2,944,885	\$2,945,926	\$2,945,926	\$2,945,926	\$2,945,926	\$2,945,926
Proportion of Revenue	39%	40%	38%	35%	33%	31%

Table S2
North Red Deer River Water Services Commission
2026 - 2040 Financial Model
2026 Capital Budget, Forecast 2027 - 2040

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	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Capital Projects																
Asset Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Main Transmission System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laterals																
Meter Replacement - Laterals 1, 3-	\$0			\$107,229												
Meter Replacement - Lateral 2			\$0	\$13,404												
SCADA	\$0	\$0	\$0	\$0	\$0	\$147,776	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$962,843
System Extension	\$38,625,000	\$0	\$16,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Expense	\$38,625,000	\$0	\$16,100,000	\$120,633	\$0	\$147,776	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$962,843
Capital Funding																
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$38,625,000	\$0	\$16,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
From Reserves (To Reserves)	\$0	\$0	\$0	\$120,633	\$0	\$147,776	\$0	\$0	\$0	\$0	\$2,499,936	\$0	\$0	\$0	\$0	\$962,843
Total Capital Funding	\$38,625,000	\$0	\$16,100,000	\$120,633	\$0	\$147,776	\$0	\$0	\$0	\$0	\$2,499,936	\$0	\$0	\$0	\$0	\$962,843
Capital Reserve Funds																
Additions	\$32,029	\$3,716,227	\$9,689	\$65,559	\$28,591	\$37,381	\$301,236	\$897,853	\$814,726	\$753,444	\$761,043	\$827,562	\$772,205	\$762,043	\$770,123	\$769,116
Withdrawals	\$0	\$0	\$0	(\$120,633)	\$0	(\$147,776)	\$0	\$0	\$0	\$0	(\$2,499,936)	\$0	\$0	\$0	\$0	(\$962,843)
Closing Balance	\$4,983,465	\$8,699,692	\$8,709,381	\$8,654,307	\$8,682,898	\$8,572,503	\$8,873,739	\$9,771,592	\$10,586,318	\$11,339,762	\$9,600,870	\$10,428,432	\$11,200,637	\$11,962,680	\$12,732,803	\$12,539,076

Request For Decision

2026 Water Rate Bylaw First Reading

Date: December 15, 2025

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To present for second and third reading, the Water Rate Bylaw 3.10, an amendment to the Commission's Water Rate [Bylaw 3](#).

ACTION/RECOMMENDATION:

THAT the Commission gives second reading to Bylaw 3.10.

AND

THAT the Commission gives second reading to Bylaw 3.10.

ISSUE ANALYSIS:

Bylaw 3.10 proposes to amend the Commission's water rate to \$2.52/m³, consistent with the proposed 2026 Operating Budget.

FINANCIAL IMPLICATIONS:

The rate amendment is required to balance the proposed 2026 Operating Budget.

ALTERNATIVES:

1.
 - a. **[Recommended]** THAT the Commission gives second reading to Bylaw 3.10, an amendment to the Commission's Water Rate [Bylaw 3](#).

AND

- b. **[Recommended]** THAT the Commission gives third reading to Bylaw 3.10, an amendment to the Commission's Water Rate [Bylaw 3](#).

OR

2. **[Alternative]** THAT the Commission directs Administration to return the Bylaw to a future meeting with the following amendments:
 - **[mover to specify amendments].**

ATTACHMENTS:

- 2026 Water Rate Bylaw 3.10

NORTH RED DEER RIVER WATER SERVICES COMMISSION

BYLAW 3.10

**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 River Water Services Commission has been established by its members 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 River Water Services Commission now wishes to make a Bylaw 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 River Water Services Commission approved Commission Bylaw 3 in 2016, as amended from time to time, to establish an annual utility rate, and the Board wishes to amend this Bylaw.

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 January 1, 2026 to members by the Commission is hereby set at \$2.52 per cubic meter of measured water.”

2. This bylaw comes into force upon final adoption.

Read a first time this 17th day of **November, 2025**

Read a second time this ___ day of _____, **2025**

Read a third time and adopted this ___ day of _____, **2025**

CHAIR

CHIEF ADMINISTRATIVE OFFICER