

North Red Deer River Water Services Commission



Regular Meeting Agenda

Date:	November 29, 2021	Time:	9:00 am
Location:	COUNCIL CHAMBERS LACOMBE AB		
Invitees:	<p>Members: Mayor Jamie Hoover, Town of Blackfalds – Director Mayor Grant Creasey, City of Lacombe – Director Councillor John Ireland, Lacombe County – Director Councillor Mark Matejka, Ponoka County – Director Councillor Clayton Nelson, Town of Ponoka– Director</p> <p>Others: Jordan Thompson, NRDRWSC Administrator Sandra Lund, CAO, Town of Ponoka Myron Thompson, CAO, Town of Blackfalds Matthew Goudy, CAO, City of Lacombe County Manager Tim Timmons, Lacombe County Director Preston Weran, Town of Blackfalds Senior Manager Tracey McKinnon, City of Lacombe Manager Amber Mitchell, City of Lacombe Manager Chris Huston, City of Lacombe</p> <p>Guests: Todd Simenson, Stantec Consulting Ltd Joel Sawatzky, Stantec Consulting Ltd.</p>		
Recorded by:	Denise Bellabono - Administrative Assistant NRDRWSC		
1. Call to Order by Administrator			
2. Adoption of Organizational Agenda			
3. Organizational Agenda			
3.1 Annual Elections			
3.1.a Call for nominations of Chair			
3.1.b Election of Chair			
New Chair of Commission assumes Chairing of Meeting			
3.1.c Call for nominations of Vice-Chair			
3.1.d Elections of Vice Chair			
3.2 2022 Scheduling of Meetings			

4. Adoption of Regular Meeting Agenda
5. Adoption of Minutes 5.1 Regular Meeting Minutes – September 13, 2021
6. Reports 6.1 Administrator 6.2 Chair
7. Old Business:
8. New Business / Emergent Items: 8.1 2022-2025 Financial and 2022-2031 Capital Plan 8.2 2022 Operating Budget 8.3 2021 Water Rate Bylaw 3.7 (Bylaw 3 Amendment) 8.4 2022-2025 NRDRWSC Work Plan 8.5 Board of Directors Training
9. In Camera
10. Next Meeting Date: December 6, 2021 in Council Chambers, City of Lacombe, at 9:00am (Tentative)
11. Adjournment

Request For Decision

2022 Regular Meetings

Date: November 29, 2021

Prepared by: Denise Bellabono, Administrator Assistant

Presented by: Jordan Thompson, CAO



PURPOSE:

To propose regular Commission meeting dates for 2022.

ACTION/RECOMMENDATION:

THAT the Commission approves the Regular Commission Meeting dates for 2022 as presented.

ISSUE ANALYSIS:

Per the Commission's Bylaw 1, section 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.

Administration recommends that the 2022 Commission meeting dates below be approved, and any additional meetings be scheduled as required.

- April 7, 2022 at 9 AM
- June 20, 2022 at 9 AM
- September 19, 2022 at 9 AM
- November 7, 2022 at 9 AM (Organizational meeting and 2023 Budget)

Additional Commission meetings and special meetings may be scheduled at the Chair's discretion or upon written request by at least three Directors, with date, time or place changes with no less than 48 hours notice to Board members.

ALTERNATIVES:

The Commission may choose to:

- A. Approve the Regular Commission Meeting dates for 2022 as presented.
- B. Direct Administration modify the schedule as recommended by the Commission

ATTACHMENTS: N/A

NORTH RED DEER RIVER WATER SERVICES COMMISSION
MEETING MINUTES
September 13, 2021

- In Attendance:** Mayor Grant Creasey, City of Lacombe
Councillor Ken Wigmore, Lacombe County Councillor
Councillor Mark Matejka, Ponoka County
Mayor Richard Poole, Town of Blackfalds
Councillor Clayton Nelson, Town of Ponoka
Denise Bellabono, Administrative Assistant
- Others Present:** Jordan Thompson, NRDRWSC Administrator
Sandra Lund, CAO, Town of Ponoka
Michael Minchin, Director of Corporate Services, Lacombe County
Matthew Goudy, CAO, City of Lacombe (Remote)
Preston Weran, Director of Infrastructure, Town of Blackfalds
Tracey McKinnon, Senior Manager, City of Lacombe (Remote)
- Guest:** Joel Sawatzky, Stantec Consulting Ltd.
Todd Simenson, Stantec Consulting Ltd.
Robert Jenkins, R. Jenkins Consulting Ltd.
- Regrets:** Myron Thompson, CAO, Town of Blackfalds
Charlie Cutforth, CAO, Ponoka County
Tim Timmons, County Manager, Lacombe County

1. Call to Order:

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

2. Adoption of the Agenda:

MOVED by Mayor Poole that the agenda for September 13, 2021, be adopted as presented.

CARRIED UNANIMOUSLY

3. Adoption of the Minutes:

MOVED by Councillor Wigmore that the minutes for June 21, 2021, be adopted as presented.

CARRIED UNANIMOUSLY

4. Presentation

5. Reports

5.1. Administrator

CAO Thompson presented the Administration's report to the Commission. Highlights of the report were the preparation of governance options, the revenues/expenses up to August 2021. Operational updates included the completion of the Blindman River valve replacement and Alberta One-Calls.

MOVED by Councillor Matejka that the Commission accept the September 13, 2021, administration reports as information.

CARRIED UNANIMOUSLY

6. Old Business

6.1. Bylaw 1.1

CAO Thompson presented for second and third reading, Bylaw 1.1 that addressed the requested changes from the Commission at the June 21, 2021, regular meeting. The proposed amendments were outlined in detail with supporting rationale in an attached report prepared by Mr. Jenkins.

MOVED by Councillor Wigmore that the Commission give second reading to Bylaw 1.1 as presented.

CARRIED UNANIMOUSLY

MOVED by Mayor Poole that the Commission give third reading to Bylaw 1.1 as presented.

CARRIED UNANIMOUSLY

6.2. True Up Agreement

CAO Thompson presented the application and implication of the true-up methodology within the existing supply agreement, including highlights on the financial implications on the current true up threshold, including the average rate charged to the Commission over the last ten years, true up alternatives, and the City of Red Deer utility rate model.

MOVED by Councillor Wigmore that the Commission endorses eliminating the 10% true-up threshold in the City of Red Deer water supply agreement.

CARRIED UNANIMOUSLY

MOVED by Councillor Wigmore that the Commission endorses a review and audit of the City of Red Deer utility model.

CARRIED UNANIMOUSLY

7. New Business / Emergent Items:

7.1. New Member Governance Review

CAO Thompson presented to the Commission governance options for the extension of the North Red Deer River Water Services Commission system, outlining the three scenarios of full membership, customer, and third-party ownership, including the financial impact of each option.

MOVED by Councillor Wigmore that the Board endorses the full membership of Ermineskin Cree Nation governance option for the system expansion upon completion of the waterline extension.

AGAINST:

Councillor Nelson

FOR:

Mayor Creasey

Mayor Poole

Councillor Wigmore

Councillor Matejka

CARRIED

MOVED by Mayor Poole that the Board endorses the full membership of Ermineskin Cree Nation governance option for the system expansion upon completion of the waterline extension.

CARRIED UNANIMOUSLY

7.2. Signing Authority

CAO Thompson presented to the Commission the revision for the alternate appointed office signing authority for approval.

MOVED by Councillor Wigmore that the Commission appoints Tracey McKinnon as the alternative official with signing authority for Commission cheques, documents, or investments in the absence of the CAO.

CARRIED UNANIMOUSLY

8. Correspondence

8.1. Lacombe County Letter RE: Bylaw 1.1

A correspondence letter from Lacombe County was received endorsing the provisions of draft Bylaw 1 of the North Red Deer River Water Services Commission.

MOVED by Councillor Wigmore that the Commission accept the correspondence as information.

CARRIED UNANIMOUSLY

9. In Camera

MOVED by Mayor Poole to move In Camera at 9:48 am.

CARRIED UNANIMOUSLY

MOVED by Councillor Matejka that the Commission return to Open Meeting at 10:57 am.

CARRIED UNANIMOUSLY

10. Next Meeting:

MOVED by Councillor Wigmore that the Commission reschedule the Monday, November 8, 2021, Regular Commission meeting to Monday, November 29, 2021, for 9:00 am at City of Lacombe Council Chambers

CARRIED UNANIMOUSLY

4. Adjournment:

MOVED by Councillor Wigmore to adjourn the meeting at 11:05 am.

CARRIED UNANIMOUSLY

Chairperson

Administrator

Administration Reports

Administrative, Financial & Operational

Date: November 29, 2021

Presented by: CAO, Sr. Finance Manager, Operations Supervisor



ADMINISTRATIVE

- The 2022-2025 Financial Plan is presented for acceptance.
- The 2022 Budget is presented today for adoption.
- The 2022 Utility Rate Bylaw is presented for 1st and 2nd reading.
 - The December 6th meeting includes third reading.
 - The Board may consider 3rd reading today with unanimous consent.
- Administration seeks member's interest in Board of Directors training.

Waterline Extension

- Updated ECN representatives on the Board's membership decision.
- ECN is reviewing the membership agreement.

FINANCIAL

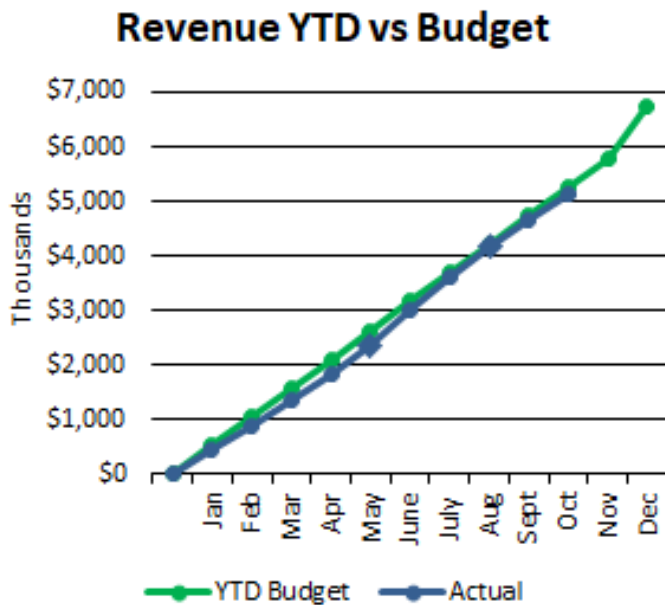
As seen in Table 1, overall, 2021 water volume levels are 0.45% lower than 2020 levels.

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

Member	2021	2020
City of Lacombe	1,081,732	1,076,372
Blackfalds	687,086	722,308
Lacombe County	31,295	30,198
Ponoka	574,901	556,854
Ponoka County	8,181	8,303
Total	2,383,195	2,394,035

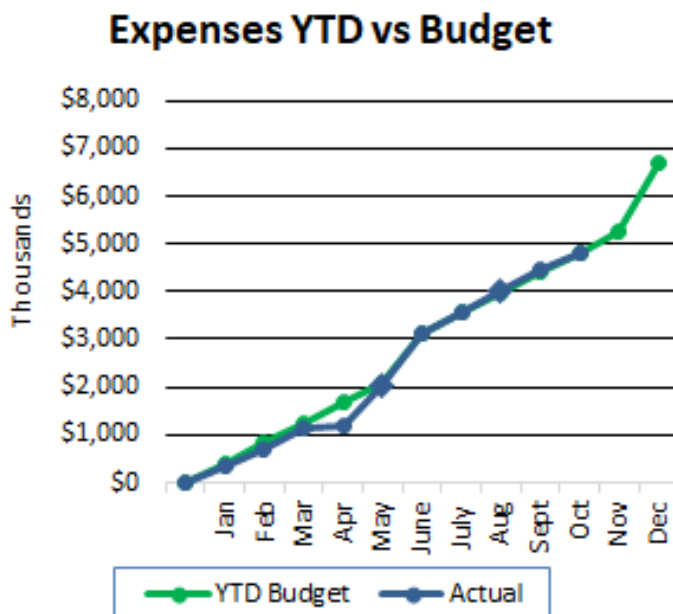
Revenue

As of October 2021, YTD (year to date) actual revenues are lower than YTD budgeted revenues by \$122,000 or 2.3%.



Expenses

As of October 2021, the YTD actual expenses are lower than YTD budgeted expenses by approximately \$21,000 or 0.5%.

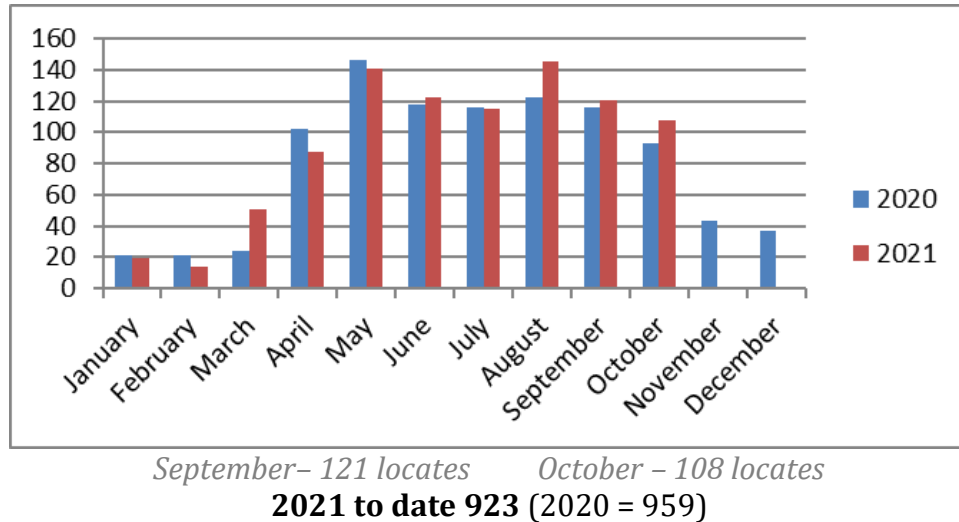


Projected Surplus/Deficit

As of October 2021, the Water Commission is at a net deficit of approximately \$101,000.

OPERATIONAL

Alberta One-Call Locate Requests:



Notable activities since last report:

- City of Lacombe aided the Town of Blackfalds in locating the waterline along South Street for Parkland Geo to complete bore holes.
- Endress+Hauser completed water meter verification testing in October
- Eramosa is working with Telus to relocate the current communication dataloggers at the water treatment plant to their respective facilities.

Request For Decision

2022-2025 Financial Plan and 2022-2031 Capital Plan

Date: November 29, 2021

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To present the 2022-2025 Financial Plan for endorsement.

ACTION/RECOMMENDATION:

THAT the Commission endorses option 1 of the 2022-2025 Financial Plan and 2022-2031 Capital Plan.

ISSUE ANALYSIS:

At the March 1st, 2021, Special Meeting, the Board directed Administration:

"...to prepare future NRDRWSC budgets based on a cost of service basis as per Bylaw 1 section 8.10." (now located in s8.2)

At the May 17th, 2021, meeting, the Board accepted the 2022-2024 Financial Plan and 2022-2031 Capital Plan as information.

The financial plan presented in May included two options to transition the Commission from current rates to a "cost of service" rate model summarized below.

Administration now seeks the Board's endorsement of its preferred option.

Both options:

- ensure the Commission's capital debt is paid off by 2031
- grow the capital reserve to support the Commission's asset management plan without requiring new debt before at least 2040.
- assume a future grant or new debt is required to top off capital reserves to replace the mainline at the end of its life (in 85 years).
- assume the Province funds 100% of the capital costs for the Maskwacis extension.

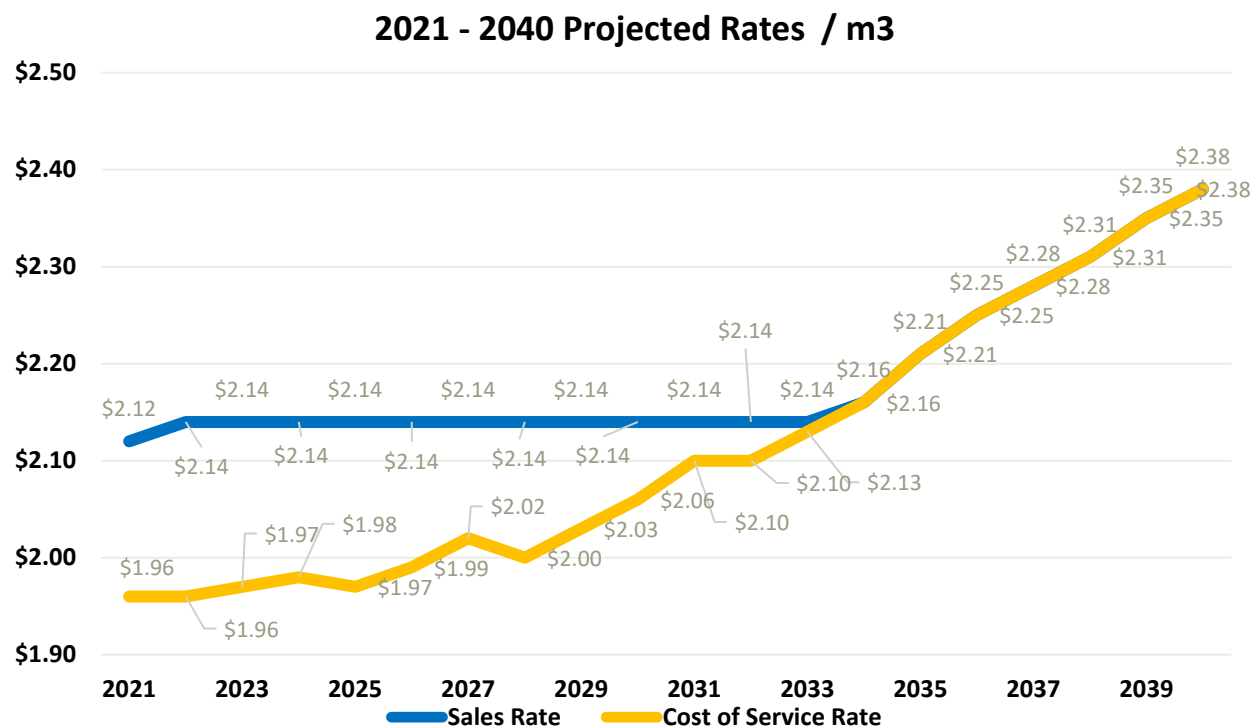
Option 1: Hold the water rate at \$2.14/m³ starting in 2022

- The recently revised Bylaw 1 includes a new provision that allows the Commission to transition to a cost of service rate over time (s8.6).
- If approved, the transition will be complete in 2033. After that, administration projects a rate increase of approximately \$0.02-\$0.04/m³ per year.
- By 2040, the Commission projects the capital reserve balance will grow to \$15.7M-approximately \$4.7M more than option 2.

Option 2: Fully convert to a cost of service model starting in 2022

- Approving this option results in a \$1.96/m³ starting rate rising by approximately \$0.01-\$0.04/m³ per year following the cost of service rate model.
- By 2040, the Commission's projected capital reserve balance will grow to \$11M.

FINANCIAL IMPLICATIONS:



The “sales rate” shown in dark blue is option 1, the “cost of service rate” shown in orange is option 2.

Other key points included in the financial plan (both options)

The financial plan is extended to 2025 to align with the current elected official term.

Long Term Capital

- \$220,000 in expenses from 2022 – 2030, \$100,000 for meter replacements in 2025 and 2027 and a SCADA upgrading in 2030 for \$120,000.
- \$1.75 Million in 2035 for the Lateral 9 - Lucas Heights Reservoir (North) renewal and \$730,000 for major SCADA renewal in 2040-2041.
- All these capital expenses can be financed from Capital Reserve funds.
- Capital expenses related to the Maskwacis Waterline extension are estimated to begin in 2023.

2022-2040 Annual County Member Volume Increases

- Lacombe County: 0.5%
- Ponoka County: 0.5%

Annual Urban Member Population Growth Rates

- The NRDRWSC work plan includes reviewing the implications of the Town's most recent growth projections. For now, the financial plan uses growth rates for Blackfalds of 5% and 4% to be consistent with the Wastewater Commission business plan.
- Town of Ponoka: 1.0%
- City of Lacombe: 2.2%

Per Person Consumption

The per-person consumption factors (litres per capita per day or 'lpcd') for urban members based on historical data are:

- Town of Ponoka: 245 lpcd
- City of Lacombe: 250 lpcd
- Town of Blackfalds: 210 lpcd (rising to 233 lpcd by 2030)

General Expense Increases

- General – 2%
- Utilities – 5%
- Maintenance and Repairs – 3%
- Materials – 3%
- Contract – 2%

ALTERNATIVES:

The Commission may choose to:

- A. **[Recommended]** THAT the Commission endorses option 1 of the 2022-2025 Financial Plan and 2022-2031 Capital Plan.
- B. *[Alternative 1]* THAT the Commission endorses option 2 of the 2022-2025 Financial Plan and 2022-2031 Capital Plan.
- C. *[Alternative 2]* THAT the Commission directs Administration return the 2022-2025 Financial Plan and 2022-2031 Capital Plan with the following changes:
 - *[Mover to specify changes]*

ATTACHMENTS:

- NRDRWSC 2022-2025 Financial Plan
- NRDRWSC 2022-2030 Capital Plan

Table S1
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
2022 - 2025 Operating Budget

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	2021		2022	2023	2024	2025
	Budget	Projected	Budget	Proposed	Proposed	Proposed
Sales Volume (m3)						
Town of Ponoka	676,010	682,902	686,449	693,313	702,165	707,249
City of Lacombe	1,322,079	1,298,035	1,330,421	1,359,690	1,393,410	1,420,174
Town of Blackfalds	873,602	828,836	886,515	939,706	998,728	1,055,573
Lacombe County	37,722	38,004	63,194	63,510	63,827	64,147
Wolf Creek Village (Ponoka Cnty)	13,162	9,582	9,630	9,678	9,726	9,775
Ermineskin Cree Nation	-	-	-	63,120	128,743	131,653
Total Sales	2,922,575	2,857,359	2,976,208	3,065,897	3,167,857	3,256,918
Annual Expense						
Operating Purposes						
Board	\$6,000	\$7,450	\$6,120	\$7,167	\$7,311	\$7,457
Administration	\$106,946	\$133,866	\$109,259	\$118,584	\$120,956	\$123,375
System Operations	\$182,984	\$168,612	\$178,169	\$209,209	\$213,717	\$218,329
Purchase of Treated Water						
Volume (m3)	3,046,263	2,966,805	3,023,827	3,179,081	3,349,346	3,442,788
Average Rate (/m3)	\$1.55	\$1.55	\$1.56	\$1.58	\$1.61	\$1.64
Expense	\$4,716,964	\$4,593,927	\$4,712,461	\$5,038,367	\$5,406,795	\$5,658,972
Total Operating Expense	\$5,012,894	\$4,903,855	\$5,006,009	\$5,373,327	\$5,748,778	\$6,008,132
Capital Purposes						
Debt Payments	\$1,274,902	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
To Reserves (Restricted Surplus)	\$400,000	\$400,000	\$269,046	\$254,872	\$260,263	\$279,501
Total Capital Expense	\$1,674,902	\$1,674,901	\$1,543,947	\$1,529,773	\$1,535,164	\$1,554,403
Total Annual Expense	\$6,687,796	\$6,578,756	\$6,549,956	\$6,903,100	\$7,283,942	\$7,562,535
Rate to Members (/m3)						
Cost of Service Rate		\$1.98	\$1.97	\$1.98	\$1.98	\$1.98
Phase in to Cost of Service Rate		\$0.14	\$0.17	\$0.16	\$0.16	\$0.16
Sales Rate	\$2.12	\$2.12	\$2.14	\$2.14	\$2.14	\$2.14

Table S1
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
2022 - 2025 Operating Budget

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	2021		2022	2023	2024	2025
	Budget	Projected	Budget	Proposed	Proposed	Proposed
Annual Revenue						
Sales to Members						
Town of Ponoka	\$1,433,142	\$1,447,752	\$1,469,001	\$1,483,691	\$1,502,633	\$1,513,513
City of Lacombe	\$2,802,807	\$2,751,834	\$2,847,100	\$2,909,736	\$2,981,898	\$3,039,173
Town of Blackfalds	\$1,852,035	\$1,757,133	\$1,897,142	\$2,010,970	\$2,137,278	\$2,258,926
Lacombe County	\$79,971	\$80,568	\$135,235	\$135,911	\$136,591	\$137,274
Wolf Creek Village (Ponoka Cnty)	\$27,903	\$20,313	\$20,607	\$20,710	\$20,814	\$20,918
Ermineskin Cree Nation		\$0	\$0	\$135,077	\$275,510	\$281,736
Total Member Sales	\$6,195,858	\$6,057,601	\$6,369,085	\$6,696,096	\$7,054,724	\$7,251,541
Non-rate Revenue						
Other Revenue	\$1,530	\$500	\$1,500	\$1,500	\$1,500	\$1,500
Interest	\$125,000	\$113,000	\$70,000	\$99,500	\$127,500	\$208,000
Government Grants		\$47,000				
County Contributions	\$145,820	\$138,501	\$129,372	\$126,004	\$120,218	\$121,494
Transfer from Reserves	\$250,000	\$150,000	\$0	\$0	\$0	\$0
Total Non Rate Revenue	\$522,350	\$449,001	\$200,872	\$227,004	\$249,218	\$330,994
Total Revenue	\$6,718,208	\$6,506,602	\$6,569,956	\$6,923,100	\$7,303,942	\$7,582,535
Unrestricted Surplus	\$30,412	-\$72,154	\$20,000	\$20,000	\$20,000	\$20,000
Surplus Balance at Year End						
Restricted Surplus						
Operating Reserve	\$513,543	\$613,543	\$613,543	\$613,543	\$613,543	\$613,543
Capital Reserve	\$4,300,364	\$4,300,364	\$4,569,410	\$4,824,281	\$5,084,544	\$5,277,451
	\$4,813,907	\$4,913,907	\$5,182,953	\$5,437,824	\$5,698,087	\$5,890,994
Unrestricted Surplus						
Operating	\$3,330,603	\$3,228,037	\$3,248,037	\$3,268,037	\$3,288,037	\$3,308,037
Capital	\$233,104	\$233,104	\$233,104	\$233,104	\$233,104	\$233,104
	\$3,563,707	\$3,461,141	\$3,481,141	\$3,501,141	\$3,521,141	\$3,541,141
Total Surplus	\$8,377,614	\$8,375,048	\$8,664,093	\$8,938,965	\$9,219,228	\$9,432,135

Table S1
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
2022 - 2025 Operating Budget

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	2021		2022	2023	2024	2025
	Budget	Projected	Budget	Proposed	Proposed	Proposed
Debenture Debt						
Annual Payments						
Interest	\$469,512	\$469,512	\$432,785	\$394,383	\$354,230	\$312,246
Principal	\$805,389	\$805,389	\$842,116	\$880,518	\$920,671	\$962,655
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%	4.509%	4.509%
Debt Principal Owing at Year End	\$9,806,425	\$9,806,425	\$8,964,309	\$8,083,791	\$7,163,120	\$6,200,465
Debt Limit						
Statutory Debt Limit (2 x Revenue)	\$12,936,416	\$12,619,204	\$13,139,913	\$13,846,200	\$14,607,884	\$15,165,070
Actual Debt	\$9,806,425	\$9,806,425	\$8,964,309	\$8,083,791	\$7,163,120	\$6,200,465
% of Debt Limit Used	76%	78%	68%	58%	49%	41%
Annual Debt Servicing Limit						
Statutory Limit (35% of Rev)	\$2,263,873	\$2,208,361	\$2,299,485	\$2,423,085	\$2,556,380	\$2,653,887
Annual Payments	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
% of Servicing Limit Used	56%	58%	55%	53%	50%	48%
Liquidity						
<u>Annual Revenue</u>	\$6,718,208	\$6,506,602	\$6,569,956	\$6,923,100	\$7,303,942	\$7,582,535
<u>Unrestricted Surplus Target</u>						
Proportion of Revenue	25%	25%	25%	25%	25%	25%
Amount	\$1,679,552	\$1,626,651	\$1,642,489	\$1,730,775	\$1,825,986	\$1,895,634
<u>Unrestricted Surplus</u>						
At Year End	\$3,330,603	\$3,228,037	\$3,248,037	\$3,268,037	\$3,288,037	\$3,308,037
Proportion of Revenue	50%	50%	49%	47%	45%	44%

Table S2
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
Capital Budget 2022 - 2031

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Capital Projects

	2021 Projected	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed	2031 Proposed
Asset Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Main Transmission System	\$158,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laterals											
Meter Replacement - Laterals 1, 3-9)					\$86,595						
Meter Replacement - Lateral 2							\$11,262				
SCADA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$119,509	\$0
Maskwacis Extension	\$0	\$0	\$39,452,444	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Expense	\$158,000	\$0	\$39,452,444	\$0	\$86,595	\$0	\$11,262	\$0	\$0	\$119,509	\$0

Capital Funding

Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$39,452,444	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
From Reserves	\$158,000	\$0	\$0	\$0	\$86,595	\$0	\$11,262	\$0	\$0	\$119,509	\$0
Total Capital Funding	\$158,000	\$0	\$39,452,444	\$0	\$86,595	\$0	\$11,262	\$0	\$0	\$119,509	\$0

Capital Reserve Funds

Additions	\$400,000	\$269,046	\$3,663,968	\$260,263	\$279,501	\$248,788	\$126,276	\$206,913	\$107,375	(\$4,671)	\$416,544
Withdrawals	(\$158,000)	\$0	\$0	\$0	(\$86,595)	\$0	(\$11,262)	\$0	\$0	(\$119,509)	\$0
Closing Balance	\$4,533,468	\$4,802,514	\$8,466,481	\$8,726,744	\$8,919,650	\$9,168,438	\$9,283,453	\$9,490,365	\$9,597,740	\$9,473,560	\$9,890,104

Total

Asset Management

Capital Cost Estimate - Asset Management Plan

Total 25 Year Expenditures - 2022 - 2046	\$5,088,757
Yearly Average	\$203,550

Funding From Operating Revenue

Transfers to Capital Reserves - 2022 - 2046	\$18,608,549
Yearly Average	\$744,342

Capital Reserve

Lowest Balance	\$8,211,609
Highest Balance	\$18,861,307

Amortization of Tangible Capital Assets

Total 2021 - 2040	\$18,139,536
Yearly average	\$906,977

Request For Decision

2022 Operating Budget

Date: November 29, 2021

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To present the 2022 Operating Budget for adoption.

ACTION/RECOMMENDATION:

THAT the Commission adopts the Option 1 2022 Operating Budget as presented.

ISSUE ANALYSIS:

Administration prepared the 2022 Operating Budget based on option 1 of the 2022-2025 Financial Plan.

If the Board selected the option 2 financial plan (or provided alternate direction), Administration will need to return with the alternate budget on December 6th (see alternative motion 1 at the end of this RFD).

FINANCIAL IMPLICATIONS:

Sales Volume

In 2022, overall water volumes are projected to rise 1.8% compared to the 2021 budget estimates, considering the historical population growth, and the consumption rate assumptions in the 2022-2025 Financial Plan:

- Town of Ponoka: +1.5%
- City of Lacombe: +0.6%
- Town of Blackfalds: +1.5%
- Lacombe County: +67.5% (includes an estimated 25,000m³ new volume from the City of Lacombe/Lacombe County Joint Economic Area)
- Ponoka County: -26.8% (2021 volumes were overestimated)
- **Overall Volumes: +1.8%**

Annual Expenses

Board

This expense line includes Board remuneration and travel expenses. The 2022 budget proposes a 2% increase over the 2021 budget.

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 2022 budget proposes a 2.2% increase over the 2021 budget.

System Operations

This expenses line consists of the Commission's operations contract with the City of Lacombe, utilities, telephone, equipment repair/maintenance, valve maintenance, and SCADA. The 2022 budget proposes a 2.6% decrease over the 2021 budget.

Purchase of Treated Water

The City of Red Deer confirmed their water supply rate to the Commission will be \$1.56/m³ starting March 1st, 2022, subject to Council approval - one cent higher than the 2021 rate.

Administration projects the 2022 total water purchases to be \$4.7 million similar to 2021 levels.

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

The 2022 budget proposes to transfer \$269,049 to capital reserves primarily due to phasing in the cost of service rate (consistent with the 'Option 1' recommendation for the 2022-2025 Financial Plan). The remaining \$20,000 estimated surplus is unrestricted and will be allocated at the end of 2022.

Revenues

Water Revenues

Administration recommends a 2022 water rate of \$2.14/m³, consistent with its 'Option 1' recommendation for the 2022-2025 Financial Plan. If the Board selected 'Option 2,' the recommended 2022 rate is 2021 at \$1.97.

For 2022, Administration is projecting total water sales to total approximately \$6.4million (2021 - \$6.2 million) reflecting an increase of approximately \$173,227 from year to year.

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 principal guaranteed investments permitted under the Municipal Government Act. The 2022 budget proposes a 44% reduction in interest revenue due to assuming a more conservative 1% rate of return.

County Contributions

As in prior years, the 2022 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 now accounts for each Counties portions of

North Red Deer River Water Services Commission

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these costs paid for in the rate. This results in a lower direct payment in 2022 than in 2021. The direct payment diminishes with more volume.

County Direct Contribution	2021	2022
Lacombe County	\$75,369	\$58,014
Ponoka County	\$75,369	\$71,357

Surplus Balance at Year-End

The 2022 budget projects the year-end total surplus balance to be \$8.7M, 3.4% higher than budgeted in 2021.

ALTERNATIVES:

The Commission may choose to:

- A. ***[Recommended]*** THAT the Commission adopts the Option 1 2022 Operating Budget as presented.
- B. *[Alternative 1]* THAT the Commission directs Administration to revise 2022 Operating Budget to reflect option 2 of the Financial plan and return it to Board on December 6th for consideration.
- C. *[Alternative 2]* THAT the Commission directs Administration return the 2022 Operating Budget with the following changes:
 - *[Mover to specify changes]*

ATTACHMENTS:

- NRDRWSC 2022 Operating Budget – Option 1

Table S1
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
2022 - 2025 Operating Budget

[Index](#)

	2021		2022	2023	2024	2025
	Budget	Projected	Budget	Proposed	Proposed	Proposed
Sales Volume (m3)						
Town of Ponoka	676,010	682,902	686,449	693,313	702,165	707,249
City of Lacombe	1,322,079	1,298,035	1,330,421	1,359,690	1,393,410	1,420,174
Town of Blackfalds	873,602	828,836	886,515	939,706	998,728	1,055,573
Lacombe County	37,722	38,004	63,194	63,510	63,827	64,147
Wolf Creek Village (Ponoka Cnty)	13,162	9,582	9,630	9,678	9,726	9,775
Ermineskin Cree Nation	-	-	-	63,120	128,743	131,653
Total Sales	2,922,575	2,857,359	2,976,208	3,065,897	3,167,857	3,256,918
Annual Expense						
Operating Purposes						
Board	\$6,000	\$7,450	\$6,120	\$7,167	\$7,311	\$7,457
Administration	\$106,946	\$133,866	\$109,259	\$118,584	\$120,956	\$123,375
System Operations	\$182,984	\$168,612	\$178,169	\$209,209	\$213,717	\$218,329
Purchase of Treated Water						
Volume (m3)	3,046,263	2,966,805	3,023,827	3,179,081	3,349,346	3,442,788
Average Rate (/m3)	\$1.55	\$1.55	\$1.56	\$1.58	\$1.61	\$1.64
Expense	\$4,716,964	\$4,593,927	\$4,712,461	\$5,038,367	\$5,406,795	\$5,658,972
Total Operating Expense	\$5,012,894	\$4,903,855	\$5,006,009	\$5,373,327	\$5,748,778	\$6,008,132
Capital Purposes						
Debt Payments	\$1,274,902	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
To Reserves (Restricted Surplus)	\$400,000	\$400,000	\$269,046	\$254,872	\$260,263	\$279,501
Total Capital Expense	\$1,674,902	\$1,674,901	\$1,543,947	\$1,529,773	\$1,535,164	\$1,554,403
Total Annual Expense	\$6,687,796	\$6,578,756	\$6,549,956	\$6,903,100	\$7,283,942	\$7,562,535
Rate to Members (/m3)						
Cost of Service Rate		\$1.98	\$1.97	\$1.98	\$1.98	\$1.98
Phase in to Cost of Service Rate		\$0.14	\$0.17	\$0.16	\$0.16	\$0.16
Sales Rate	\$2.12	\$2.12	\$2.14	\$2.14	\$2.14	\$2.14

Table S1
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
2022 - 2025 Operating Budget

[Index](#)

	2021		2022	2023	2024	2025
	Budget	Projected	Budget	Proposed	Proposed	Proposed
Annual Revenue						
Sales to Members						
Town of Ponoka	\$1,433,142	\$1,447,752	\$1,469,001	\$1,483,691	\$1,502,633	\$1,513,513
City of Lacombe	\$2,802,807	\$2,751,834	\$2,847,100	\$2,909,736	\$2,981,898	\$3,039,173
Town of Blackfalds	\$1,852,035	\$1,757,133	\$1,897,142	\$2,010,970	\$2,137,278	\$2,258,926
Lacombe County	\$79,971	\$80,568	\$135,235	\$135,911	\$136,591	\$137,274
Wolf Creek Village (Ponoka Cnty)	\$27,903	\$20,313	\$20,607	\$20,710	\$20,814	\$20,918
Ermineskin Cree Nation		\$0	\$0	\$135,077	\$275,510	\$281,736
Total Member Sales	\$6,195,858	\$6,057,601	\$6,369,085	\$6,696,096	\$7,054,724	\$7,251,541
Non-rate Revenue						
Other Revenue	\$1,530	\$500	\$1,500	\$1,500	\$1,500	\$1,500
Interest	\$125,000	\$113,000	\$70,000	\$99,500	\$127,500	\$208,000
Government Grants		\$47,000				
County Contributions	\$145,820	\$138,501	\$129,372	\$126,004	\$120,218	\$121,494
Transfer from Reserves	\$250,000	\$150,000	\$0	\$0	\$0	\$0
Total Non Rate Revenue	\$522,350	\$449,001	\$200,872	\$227,004	\$249,218	\$330,994
Total Revenue	\$6,718,208	\$6,506,602	\$6,569,956	\$6,923,100	\$7,303,942	\$7,582,535
Unrestricted Surplus	\$30,412	-\$72,154	\$20,000	\$20,000	\$20,000	\$20,000
Surplus Balance at Year End						
Restricted Surplus						
Operating Reserve	\$513,543	\$613,543	\$613,543	\$613,543	\$613,543	\$613,543
Capital Reserve	\$4,300,364	\$4,300,364	\$4,569,410	\$4,824,281	\$5,084,544	\$5,277,451
	\$4,813,907	\$4,913,907	\$5,182,953	\$5,437,824	\$5,698,087	\$5,890,994
Unrestricted Surplus						
Operating	\$3,330,603	\$3,228,037	\$3,248,037	\$3,268,037	\$3,288,037	\$3,308,037
Capital	\$233,104	\$233,104	\$233,104	\$233,104	\$233,104	\$233,104
	\$3,563,707	\$3,461,141	\$3,481,141	\$3,501,141	\$3,521,141	\$3,541,141
Total Surplus	\$8,377,614	\$8,375,048	\$8,664,093	\$8,938,965	\$9,219,228	\$9,432,135

Table S1
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
2022 - 2025 Operating Budget

[Index](#)

	2021		2022	2023	2024	2025
	Budget	Projected	Budget	Proposed	Proposed	Proposed
Debenture Debt						
Annual Payments						
Interest	\$469,512	\$469,512	\$432,785	\$394,383	\$354,230	\$312,246
Principal	\$805,389	\$805,389	\$842,116	\$880,518	\$920,671	\$962,655
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%	4.509%	4.509%
Debt Principal Owing at Year End	\$9,806,425	\$9,806,425	\$8,964,309	\$8,083,791	\$7,163,120	\$6,200,465
Debt Limit						
Statutory Debt Limit (2 x Revenue)	\$12,936,416	\$12,619,204	\$13,139,913	\$13,846,200	\$14,607,884	\$15,165,070
Actual Debt	\$9,806,425	\$9,806,425	\$8,964,309	\$8,083,791	\$7,163,120	\$6,200,465
% of Debt Limit Used	76%	78%	68%	58%	49%	41%
Annual Debt Servicing Limit						
Statutory Limit (35% of Rev)	\$2,263,873	\$2,208,361	\$2,299,485	\$2,423,085	\$2,556,380	\$2,653,887
Annual Payments	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
% of Servicing Limit Used	56%	58%	55%	53%	50%	48%
Liquidity						
<u>Annual Revenue</u>	\$6,718,208	\$6,506,602	\$6,569,956	\$6,923,100	\$7,303,942	\$7,582,535
<u>Unrestricted Surplus Target</u>						
Proportion of Revenue	25%	25%	25%	25%	25%	25%
Amount	\$1,679,552	\$1,626,651	\$1,642,489	\$1,730,775	\$1,825,986	\$1,895,634
<u>Unrestricted Surplus</u>						
At Year End	\$3,330,603	\$3,228,037	\$3,248,037	\$3,268,037	\$3,288,037	\$3,308,037
Proportion of Revenue	50%	50%	49%	47%	45%	44%

Table S2
North Red Deer River Water Services Commission
2022 - 2040 Financial Model
Capital Budget 2022 - 2031

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Capital Projects

	2021 Projected	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed	2031 Proposed
Asset Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Main Transmission System	\$158,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laterals											
Meter Replacement - Laterals 1, 3-9)					\$86,595						
Meter Replacement - Lateral 2							\$11,262				
SCADA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$119,509	\$0
Maskwacis Extension	\$0	\$0	\$39,452,444	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Expense	\$158,000	\$0	\$39,452,444	\$0	\$86,595	\$0	\$11,262	\$0	\$0	\$119,509	\$0

Capital Funding

Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$39,452,444	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
From Reserves	\$158,000	\$0	\$0	\$0	\$86,595	\$0	\$11,262	\$0	\$0	\$119,509	\$0
Total Capital Funding	\$158,000	\$0	\$39,452,444	\$0	\$86,595	\$0	\$11,262	\$0	\$0	\$119,509	\$0

Capital Reserve Funds

Additions	\$400,000	\$269,046	\$3,663,968	\$260,263	\$279,501	\$248,788	\$126,276	\$206,913	\$107,375	(\$4,671)	\$416,544
Withdrawals	(\$158,000)	\$0	\$0	\$0	(\$86,595)	\$0	(\$11,262)	\$0	\$0	(\$119,509)	\$0
Closing Balance	\$4,533,468	\$4,802,514	\$8,466,481	\$8,726,744	\$8,919,650	\$9,168,438	\$9,283,453	\$9,490,365	\$9,597,740	\$9,473,560	\$9,890,104

Total

Asset Management

Capital Cost Estimate - Asset Management Plan

Total 25 Year Expenditures - 2022 - 2046	\$5,088,757
Yearly Average	\$203,550

Funding From Operating Revenue

Transfers to Capital Reserves - 2022 - 2046	\$18,608,549
Yearly Average	\$744,342

Capital Reserve

Lowest Balance	\$8,211,609
Highest Balance	\$18,861,307

Amortization of Tangible Capital Assets

Total 2021 - 2040	\$18,139,536
Yearly average	\$906,977

Request For Decision

2022 Water Rate Bylaw 3.7

Date: November 29, 2021

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To present the Water Rate Bylaw 3.7 for first and second reading, an amendment to the Commissions' Water Rate [Bylaw 3](#).

ACTION/RECOMMENDATION:

1. THAT the Commission gives first reading to Bylaw 3.7
2. THAT the Commission gives second reading to Bylaw 3.7.

ISSUE ANALYSIS:

Bylaw 3.7 proposes to amend the Commission's water rate to \$2.14/m³, consistent with the phase-in rate (Option 1) of the 2022-2025 Financial Plan and 2022 Operating budget.

Should the Commission elect move to a full cost of service rate in 2022 (Option 2), a member will need to move an amendment to the bylaw after first reading (see alternative motions below). Otherwise, the third reading is scheduled for the December 6th meeting.

Bylaw 3.7 also proposes to remove the "customer" rate because the Commission does not have any direct customers. Should the need arise to set a customer rate in the future, it will be calculated and brought forward to the Board for consideration.

FINANCIAL IMPLICATIONS:

The proposed and alternative rates align with their corresponding option in the 2022-2025 Financial Plan.

ALTERNATIVES:

The Commission may choose to:

Adopt the bylaw as proposed:

1. THAT the Commission gives first reading to Bylaw 3.7.
2. THAT the Commission gives second reading to Bylaw 3.7.

The Board may proceed to the third reading today with unanimous consent.

3. THAT the Commission consents to proceed to third reading.
4. THAT the Commission gives third reading to Bylaw 3.7.

Amend the rate to \$1.97/m³:

1. THAT the Commission gives first reading to Bylaw 3.7.
2. THAT the Commission amends the rate in Bylaw 3.7 to \$1.97/m³
3. THAT the Commission gives second reading to Bylaw 3.7 as amended.

The Board may proceed to the third reading today with unanimous consent.

4. THAT the Commission consents to proceed to third reading.
5. THAT the Commission gives third reading to Bylaw 3.7 as amended.

ATTACHMENTS:

2022 Water Rate Bylaw 3.7

NORTH RED DEER RIVER WATER SERVICES COMMISSION

BYLAW 3.7

**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 the utility rate.

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, 2022 to members by the Commission is hereby set at \$2.14 per cubic meter of measured water.”

b. Section 3.1 is deleted in its entirety.

2. This bylaw comes into force upon final adoption.

Read a first time this ____ day _____ of ____

Read a second time this ____ day _____ of ____

Read a third time and adopted this ____ day _____ of ____

CHAIR

MANAGER

Request For Decision

Proposed 2022-2025 Work Plan

Date: November 29, 2021

Prepared by: Administrative Assistant

Presented by: Jordan Thompson, CAO



PURPOSE:

To present the 2022-2025 workplan for approval.

ACTION/RECOMMENDATION:

THAT the Commission approves the 2022-2025 Work Plan.

ISSUE ANALYSIS:

Administration invites members to review the attached work plan, which outlines its intended work for the 2022-2025 Term. The work plan also lists future work activities outside of the current term.

The Board is asked to consider whether the proposed initiatives align with their priorities and leaves enough flexibility to address emerging issues.

ALTERNATIVES:

The Commission may choose to:

- A. Approve the 2022-2025 Work Plan as presented.
- B. Direct Administration modify the work plan as specified by the Board.

ATTACHMENTS:

2022-2025 Work Plan

2022-2025 Work Plan

Priority Initiatives			
Year	Priority	Description	Anticipated Outcomes
2022	Municipal Agreements per the Asset Management Plan	Stantec conducted a historical and land titles document search to confirm the lateral connections' easement status. Also, Administration reviewed the Commission's historical records. Unfortunately, the Commission does not appear to have road allowance agreements between the Commission and the following members: Town of Blackfalds, City of Lacombe, Town of Ponoka, and Ponoka County. NRDRWSC Administration will coordinate with the member Administrations to secure the missing road allowance agreements.	Road allowance agreements are in place with member municipalities.
2022	Review major service levels and risks	The Asset Management Plan, for the first time, documented and ranked, the Commission's service levels and the risk profile. Administration recommends revisiting the service levels and risks this once per Board term.	The Commission accepts a report on its service levels and risks. OR The Commission directs Administration to adjust the Commission's service level and risk targets.
2022-2026	Waterline Extension Project	The Commission accepted a high-level project plan to extend the waterline to Ermineskin Cree Nation. The plan organizes the project into eight major milestones or phases. As (if) the project advances through each phase, plan revisions will be required to adapt to new	The system extension proceeds per the adopted Project Plan.

		<p>information. The eight phases that make up the project plan are:</p> <ul style="list-style-type: none"> • Phase 1: Governance options review (complete) • Phase 2: ECN agreement (current) • Phase 3: Funding agreement • Phase 4: Assembling a team • Phase 5: Design, construction documents, and updated cost estimates • Phase 6: Contract tender and award • Phase 7: Construction, system commissioning and water-on • Phase 8: Project closeout, normal operations <p>The preliminary estimate to water-on from the start of Phase 1 is 41-60 months.</p>	
2022	Administration and Operations Contract	The Commission's administration and operations agreement with the City of Lacombe expires on December 31, 2022.	The Commission enters into an administration and operations agreement with its preferred contractor.
2023	Auditor RFP	The Commission's auditor agreement with BDO expires following their completion of the 2023 audit.	The Commission enters into an auditor agreement with its preferred contractor.
2023	Water allocations	The Town of Blackfalds May 2019 population study shows a higher growth rate range than used in the Commission's Financial Plan. If the Town realizes this growth, the Commission will reach its licensed capacity for all current members between 2033-2045, much earlier than anticipated. The Commission will need to review its future needs, allocations, system capacity	<p>The Commission's long-term future water needs estimates are accepted.</p> <p>Options to address water allocation, license, and capacity issues, if any, are</p>

North Red Deer River Water Services Commission

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		increases, treatment capacity increases in advance of renewing its supply agreement with the City of Red Deer in 2030, and water license in 2031. A water license report is also due to the Province in 2026. These matters have not been reviewed since the onset of the Commission. See the September 13 th Bylaw 1 RFD for more information.	presented to the Commission.
2024-2030	Renew the Commission's supply agreement with the City of Red Deer.	<p>The existing agreement expires on August 31st, 2030. The current supply agreement does not provide a minimum annual allocation for water to the Commission.</p> <p>When the issue of renewing the supply agreement with the City is taken up, the whole issue of the future water availability in the Red Deer River, the willingness of the City to supply the Commission at all, the future volumes of water that can be available to the Commission and commitments the Commission can make to its Members will need to be addressed.</p> <p>On September 13th, the Commission resolved:</p> <ul style="list-style-type: none"> • THAT the Commission endorses eliminating the 10% true-up threshold in the City of Red Deer water supply agreement. • THAT the Commission endorses a review and audit of the City of Red Deer utility model 	The Commission and City of Red Deer enter into a new supply agreement.

Future Work Plan

Other Initiatives		
Priority	Description	Anticipated Outcomes
A water license report is due to the Province in January 2026.	The Commission's water license requires a capacity allocation report be submitted to the Province.	The Province accepts the Commission's capacity and allocation report.
Renew the current water license allowing up to 13.3 Million m3 annually.	The Commission's current water license expires in 2031.	The Province renews the Commission's water license.

Request For Decision

Board of Directors Training Opportunity

Date: November 29, 2021

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To seek direction from the Board regarding a Board of Directors training opportunity from Brownlee LLP or another vendor.

ACTION/RECOMMENDATION:

THAT the Commission directs Administration to schedule Board of Directors training with Brownlee LLP in 2022.

ISSUE ANALYSIS:

Brownlee is an Edmonton and Calgary-based law firm that specializes in the municipal sector. They also host an annual event titled "Emerging Trends in Municipal Law" and provide administrative and elected officials training on various topics.

Brownlee is offering virtual and in-person training opportunities for Boards of Directors on Regional Services Commissions.

- The training involves providing the boards of directors of commissions an orientation for legal expectations of boards of directors of commissions.
- It generally discusses their statutory obligations, fiduciary obligations, and a general discussion of conflicts of their duties between commissions and municipalities.

While it is mandatory all elected officials must have council orientation sections under the Municipal Government Act; there is nothing similarly imposed upon boards of directors of commissions. However, not all things learned in the council orientation apply to Regional Services Commissions.

Administration is seeking the Board's direction on booking the training with either Brownlee or direct Administration to solicit quotes from another vendor.

FINANCIAL IMPLICATIONS:

The cost of the training is approximately \$5,000, split between the NRDRWSC and NRDRWWSC.

ALTERNATIVES:

The Commission may choose to:

- A. **[Recommended]** THAT the Commission directs Administration to schedule Board of Directors training with Brownlee LLP in 2022.

- B. ***[Alternative 1 – interested in another vendor providing the training]*** THAT the Commission directs Administration to research and report back to the Board other Board of Directors training options in 2022.
- C. ***[Alternative 2 – not interested in the training at this time]*** THAT the Commission accepts this report as information.

ATTACHMENTS:

Brownlee Letter RE Board of Director training.



BROWNLEE LLP
Barristers & Solicitors EST. 1935

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Refer to: J. C. McDonnell
Direct Line: 780-497-4801
E-mail: jmcdonnell@brownleelaw.com
Your File No.:
Our File No.:

November 2, 2021

North Red Deer River Water Services Commission
5432 - 56 Avenue
Lacombe, Alberta
T4L 1E9

Attention: Jordan Thompson, Director of Operations and Planning Services

Dear Sir:

Re: Commission/Board of Directors Orientation Training Sessions

We would like to let you know that Brownlee LLP is offering personalized and interactive Board of Director orientation/training sessions for the Board of North Red Deer River Water Services Commission (plus any other Commission that may be interested).

As all Regional Services Commissions are separate legal entities, separate and apart from their Municipal Members, any Councillor orientation training as required by Section 201.1 of the *Municipal Government Act* might not have been applicable to your Commission and your Board of Directors. There is an entirely different set of corporate legal principles and associated statutory obligations that may not have been covered by the Councillor orientation training. In short, the laws and the rules for Councillors are not always the same as the rules for Directors of your Commission. You should know the difference between the rules and confirm that both your Commission and your Directors comply with the law.

We have a team of three lawyers who we will utilize for those presentations.

We have many options available to you:

- We can present via Zoom, Microsoft Teams, Webex or other platforms. We are more than comfortable to present this, in this manner, if desired;
- We can travel to you, regardless where you are located in Alberta. We have lawyers in both our Calgary office and our Edmonton office who are available to you;
- You can travel to us and receive the training at the Brownlee offices in either Edmonton or Calgary; or
- We can provide you with the written materials only.

We can make the session as long or as short as you would like, but they typically last about 2 hours.

These sessions also work as refresher training sessions as well.

Feel free to pass this onto any of your colleagues who might be interested in this. If you are interested, please contact John McDonnell at 780-497-4801 or at jmcdonnell@brownleelaw.com (no pressure!) and further details, options and costs can be discussed to determine if this is suitable for you.

Yours truly,

BROWNLEE LLP

Per:


JOHN C. McDONNELL