

# North Red Deer River Water Services Commission



## Organizational & Regular Meeting Agenda

Date:	November 7, 2022	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, CAO 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 2023 Scheduling of Meetings			

4. Adoption of Regular Meeting Agenda
5. Adoption of Minutes 5.1 Regular Meeting Minutes – October 3, 2022
6. Reports 6.1 Administrator 6.2 Chair
7. Old Business: 7.1 City of Lacombe Management and Operations Services Proposal
8. New Business / Emergent Items: 8.1 Administrative Oversight of System Expansion 2019-2022 8.2 2023 Operating and Capital Budget
9. In Camera 9.1 Legal (FOIP Section 24)
10. Next Meeting Date: April 3, 2023 at 9:00 am in Council Chambers, City of Lacombe <i>(Tentative)</i>
11. Adjournment

# Request For Decision

## 2023 Regular Meetings

Date: November 7, 2022

Prepared by: Denise Bellabono, Administrator Assistant

Presented by: Jordan Thompson, CAO



### **PURPOSE:**

To propose regular Commission meeting dates for 2023.

### **ACTION/RECOMMENDATION:**

THAT the Commission approves the Regular Commission Meeting dates for 2023 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.

The administration recommends that the Board approves the 2023 Commission meeting dates below and that any additional meetings be scheduled as required.

- April 3, 2023, at 9 AM
- June 19, 2023, at 9 AM
- September 18, 2023, at 9 AM
- November 6, 2023, at 9 AM (Organizational meeting and 2024 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.

Meetings are open to the public and will be posted on the [NRDRWSC website](#). All meetings will be held at 9:00 AM in Council Chambers at City Hall, 5432 56 Avenue, Lacombe, AB, unless otherwise notified.

### **ALTERNATIVES:**

The Commission may choose to:

- A. Approve the Regular Commission Meeting dates for 2023 as presented.
- B. Approve the Regular Commission Meeting dates for 2023 with the following amendments: *[mover to specify amendments]*.
- C. Direct Administration how it wishes to proceed.

**ATTACHMENTS:** N/A

**NORTH RED DEER RIVER WATER SERVICES COMMISSION**  
**MEETING MINUTES**  
**October 3, 2022**

**In Attendance:** Mayor Grant Creasey, NRDRWSC Chair, City of Lacombe,  
Councillor Clayton Nelson, NRDRWSC Vice-Chair, Town of Ponoka,  
Councillor John Ireland, Lacombe County  
Councillor Mark Matejka, Ponoka County

**Others Present:** Jordan Thompson, NRDRWSC CAO  
Denise Bellabono, NRDRWSC Administrative Assistant  
Matthew Goudy, CAO, City of Lacombe  
Sandra Lund, CAO, Town of Ponoka  
Preston Weran, Director of Infrastructure and Property Services,  
Town of Blackfalds  
Tim Timmons, County Manager, Lacombe County (*remote*)  
Tracey McKinnon, Senior Manager of Finance, City of Lacombe  
Chris Huston, Utilities Manager, City of Lacombe  
Amber Mitchell, Engineering Manager, City of Lacombe  
Iwalani Post, Administrative Assistant, City of Lacombe

**Guests:** Joel Sawatzky, Stantec Consulting Ltd.  
Todd Simenson, Stantec Consulting Ltd

**Regrets:** Mayor Jamie Hoover, Town of Blackfalds  
Myron Thompson, CAO, Town of Blackfalds  
Charlie Cutforth, CAO, Ponoka County  
Michael Minchin, Director of Corporate Services, Lacombe County  
Angela Smith, Regional Utilities Foreman, City of Lacombe

**1. Call to Order:**

*Chair Creasey called the meeting to order at 8:59 am.*

**2. Adoption of the Regular Meeting Agenda**

*MOVED by Vice-Chair Nelson that the regular meeting agenda for October 3, 2022, be adopted as presented.*

*CARRIED UNANIMOUSLY*

**3. Adoption of the Minutes:**

*MOVED by Councillor Ireland that the minutes for June 20, 2022, be adopted as presented.*

*CARRIED UNANIMOUSLY*

#### 4. Presentations

#### 5. Reports

##### 5.1. Administrator

CAO Thompson presented the Administration Report confirming the NRDRWSC & NRDRWWSC Orientation, Regional Services Commission Board of Directors Training with lunch and a tour of the NRDRWWSC facilities on October 21, 2022. The Waterline Extension Project remains in Phase of 2 of the project plans. The Ermineskin Cree Nation (ECN) is seeking clarification from the Province. The legal teams are discussing an interim agreement which will allow the project to proceed. The commission's legal counsel may attend the next meeting to provide an update and get Board feedback on the interim agreement. Revenue and expenses are slightly lower than budgeted by 3.83% and 6.42%, with a net surplus of approximately \$43,000 being projected. Operations has meter verification testing scheduled for October.

*MOVED by Councillor Matejka to accept the October 3, 2022, Administration Report as information.*

*CARRIED UNANIMOUSLY*

#### 6. Old Business

#### 7. New Business / Emergent Items:

##### 7.1. Management and Operations Service Contract

CAO Thompson presented for renewal, the Management and Operations Services Contract proposal from the City of Lacombe. Inflationary pressures, pending system expansion, and continuous improvements of its service will require an increase in the service's contract value. The increase will not impact rates, but the commission will phase into the cost-of-service rate structure one year earlier than estimated – in 2032. Four options were outlined, accepting the proposal, amendments to the proposal, requesting proposals from member municipalities, or issuing an open and competitive Request for Proposal.

*MOVED by Councillor Ireland to move In Camera at 9:21 am.*

*CARRIED UNANIMOUSLY*

*MOVED by Councillor Matejka that the Commission return to Open Meeting at 10:00 am.*

*CARRIED UNANIMOUSLY*

*MOVED by Vice-Chair Nelson that the Commission direct Administration to request revisions to the City of Lacombe proposal as discussed In Camera, for the Board's consideration at its next regular meeting.*

*CARRIED UNANIMOUSLY*

**8. Correspondence**

**9. In Camera**

**10. Next Meeting:**

Monday, November 7, 2022, at 9:00 am, City of Lacombe Council Chambers

**Adjournment:**

*MOVED by Vice-Chair Nelson to adjourn the meeting at 10:06 am.*

*CARRIED UNANIMOUSLY*

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Chairperson

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Administrator

# Administration Reports



## Administrative, Financial & Operational

Date: November 7, 2022

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

### ADMINISTRATIVE

- Invitations sent to Directors and their alternates for a second orientation session.

### Waterline Extension

- Nothing to report.
- Legal update from Brownlee is scheduled in-camera .

### FINANCIAL

As seen in Table 1, overall, 2022 water volumes are slightly higher by 0.76% than the actual 2021 levels.

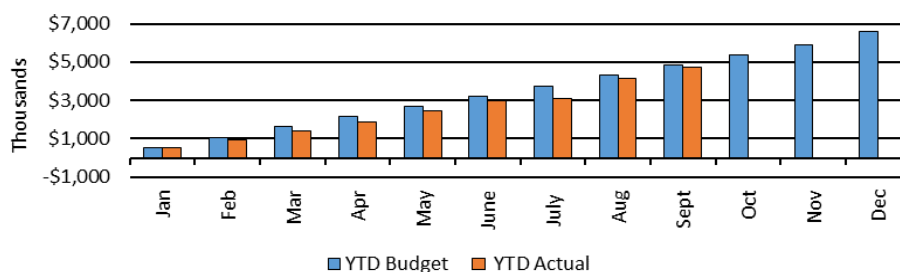
Table 1 - Water volumes (in cubic meters) - January to September

Member	2021	2022
City of Lacombe	975,687	960,270
Blackfalds	621,958	625,553
Lacombe County	28,233	44,148
Ponoka	519,432	531,956
Ponoka County	7,455	7,288
<b>Total</b>	<b>2,152,765</b>	<b>2,169,155</b>

### Revenue

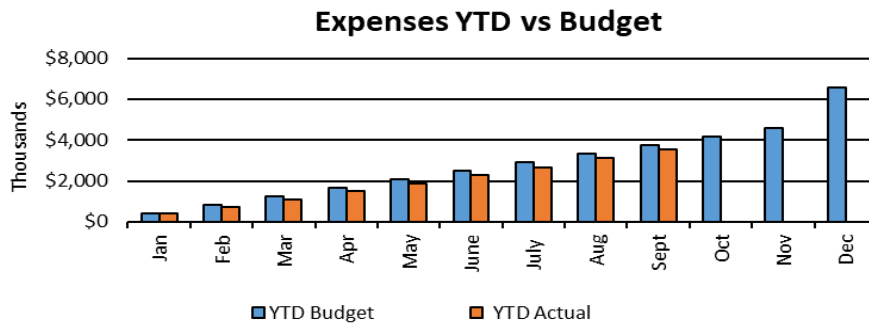
As of September, YTD (year to date) actual revenues are lower than YTD budgeted revenues by \$107,620 or 2.28%. The water usage has seen an increase over the summer months but still falling slightly short of predicted revenues.

Revenue YTD vs Budget



## Expenses

As of September 2022, the YTD actual expenses are lower than YTD budgeted expenses by approximately \$194,273 or 5.46%.

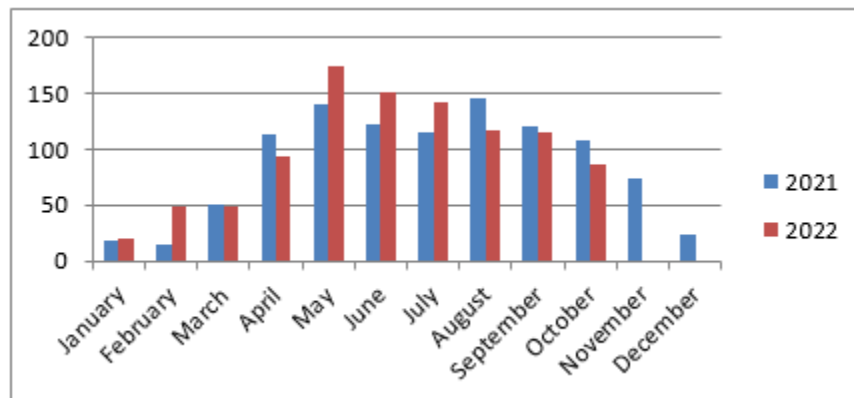


## Projected Surplus/Deficit

As of September 2022, the Water Commission is at a net surplus of approximately \$86,000. The Year End net projection estimation is approximately \$40,000 which will be transferred to the reserves.

## **OPERATIONAL**

Alberta One-Call Locate Requests:



*September – 115 locates    October – 87 locates*  
**2022 to date 997 (2021 = 1048)**

## **Notable activities since last report:**

- Operations scheduled Endress+Hauser to perform verification and validation testing on the Commission owned water meters in November.
- Fall furnace inspection completed by LRL for the water meter vaults.
- Continue to work with Eramosa to optimize the SCADA system; primarily site to site control latency. Early indications point to the cache and virtual server connections to the sites.



# Request For Decision

## Management and Operations Services

Proposal Date: November 7, 2022

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



### **PURPOSE:**

To seek the Board's direction respecting the City of Lacombe Management and Operations Services proposal for the NRDRWSC.

### **ACTION/RECOMMENDATION:**

THAT the Commission accepts the City of Lacombe **amended** proposal and directs Administration to finalize the management and operations services contract with the City of Lacombe

### **ISSUE ANALYSIS:**

The current contract term with the City of Lacombe ends on December 31, 2022. The services agreement indicates the parties will negotiate in good faith between September 1 – October 31, 2022, to complete a new contract for services effective January 1, 2023. To that end, the City submitted a renewed services proposal to the Board on October 3<sup>rd</sup>, 2022.

#### **At that meeting the Board resolved:**

*"That the Commission direct Administration to request revisions to the City of Lacombe proposal as discussed In Camera, for the Board's consideration at its next regular meeting."*

**At the Board's request, the City updated its proposed fee schedule which will be provided to Directors in-camera. If the City's proposal is approved, the City also confirmed it will seek to recover from the Province, the NRDRWSCs administrative expenses supporting the waterline extension project.**

Administration has prepared four options for the Commission's consideration. The high-level financial implications of the proposed new rate are included in this report. However, to preserve the spirit of fair and open competition, Administration has redacted the City's proposed rate in the event the Board decides to issue a request for proposal (RFP) for the management and operations services. However, the unredacted version of the City's proposal, including their rate, is available to be handed out to the Board members in camera.

### **Proposal Overview**

The City of Lacombe proposes to continue the full suite of services and teams it provides to the Commission today highlighting its experience managing the water Commission for the last 15 years and the wastewater Commission for five years. The City is also highlighting its ongoing involvement in the pending system expansion.

The City also highlights additional "value-added" services that it will offer to the Commission upon request. To deliver the full scope of the additional services, third-party

expertise is required. The City proposes to include its time and effort in coordinating the services in its base price, but third-party costs to deliver the value-added services are excluded. If the Board directs Administration to pursue these additional services in Administration will evaluate the cost options for the Board's consideration.

### Option 1:

**Motion: THAT the Commission accepts the City of Lacombe **amended** proposal and directs Administration to finalize the management and operations services contract with the City of Lacombe**

Selecting this option ensures that the management and operations of the Commission will continue with no interruption through 2025. The Commission should select this option if it is satisfied with the level of service provided by the City and if the proposed cost of services is acceptable.

### Option 2:

**Motion: THAT the Commission directs Administration to request revisions to the City of Lacombe proposal for the Board's consideration at **special meeting at 9 am on December 5th.****

Selecting this option allows the Board to request the CAO to seek additional information concerning the City proposal. The Board's direction may include requests for clarifications of, or revisions to, the City proposal.

The Board should select this option if it is generally satisfied with the level of service provided by the City but requires additional information before making a decision.

The Board is discouraged from directing its CAO to negotiate the City's proposed price due to his conflict of interest as a City employee. Should the Board wish to enter direct negotiations with the City on their proposed price, it should appoint, by resolution, a representative to do so on the Board's behalf.

### Option 3:

**Motion: THAT the Commission directs Administration to request proposals from member municipalities for NRDRWSC Management and Operations services.**

Selecting this option means Administration will develop and issue a Request for Proposal (RFP) to provide the other commission members with an opportunity to submit a proposal for operations and management services. Only commission members would be invited to submit proposals. Should the Commission select this option, Administration will develop

the RFP for Commission endorsement at its next regular meeting. It will take approximately 2 months from endorsement to select a preferred vendor including the issuance of the RFP (4 weeks) and ranking of the proposals against the RFP criteria including the proponent interviews (4 weeks).

Since the selection process is will continue past December 31, 2022, the Commission needs to enter into a 1-yr interim agreement with the City to maintain management and operations during the RFP and to support the transition to a new vendor if required.

The Board should select this option if any member expresses interest in submitting a proposal for services.

#### Option 4:

**Motion: THAT the Commission directs Administration to issue an open and competitive Request for Proposal for NRDRWSC Management and Operations services.**

Selecting this option means Administration will develop and issue a Request for Proposal (RFP) to provide any qualified vendor with an opportunity to submit a proposal for operations and management services, including members. Should the Commission select this option, Administration will develop the RFP for Commission endorsement at its next regular meeting. It will take approximately 3 months from endorsement to select a preferred vendor including the issuance of the RFP (4 weeks) and ranking of the proposals against the RFP criteria including the proponent interviews (8 weeks). Additional time is allowed in the selection process to account for the complexity of proposals that are anticipated to be submitted.

Since the selection process is will continue past December 31, 2022, the Commission needs to enter into a 1-yr interim agreement with the City to maintain management and operations during the RFP and to support the transition to a new vendor if required.

The Board should select this option if wishes to include private-sector proponents in the selection process.

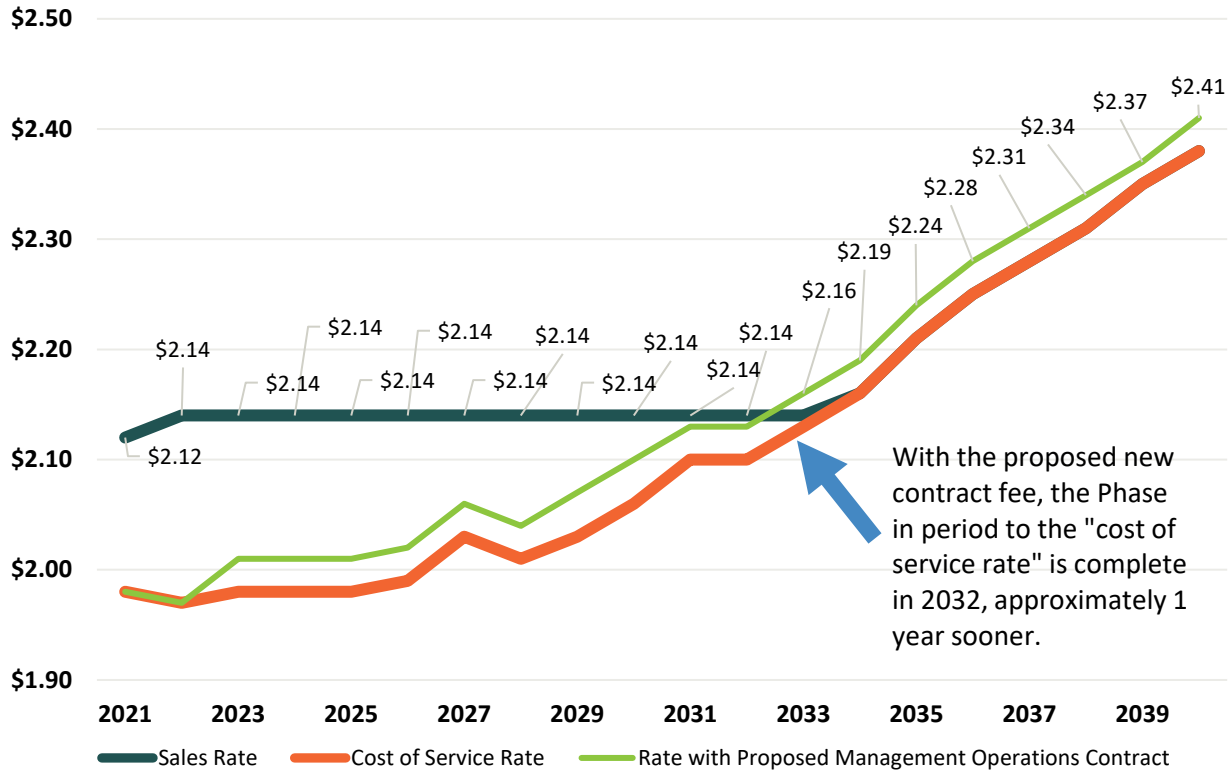
#### **FINANCIAL IMPLICATIONS:**

The 2015-2021 average value of the current services contract is \$172,000.

The City of Lacombe indicates that their proposed 2023-2025 rate considers the pending system expansion, inflationary pressures, and the continuous improvement of the City's services. The estimated long-term rate impact is \$0.03 as shown on the graph on the following page. However, the Board adopted a rate phasing strategy at its [November 29<sup>th</sup>, 2021](#) meeting that holds the sales rate at \$2.14/m<sup>3</sup> until 2033. Accepting the City of

Lacombe proposal means the Commission’s phase-in period will be complete in 2032, approximately 1 year sooner than previously estimated.

### 2023 - 2040 Projected Rates / m3



#### ALTERNATIVES:

The Commission may choose to:

- A. THAT the Commission accepts the City of Lacombe **amended** proposal and directs Administration to finalize the management and operations services contract with the City of Lacombe. **OR**
- B. THAT the Commission directs Administration to request revisions to the City of Lacombe proposal for the Board’s consideration at **special meeting at 9 am on December 5<sup>th</sup>**. **OR**
- C. THAT the Commission directs Administration to request proposals from member municipalities for NRDRWSC Management and Operations services. **OR**
- D. THAT the Commission directs Administration to issue an open and competitive Request for Proposal for NRDRWSC Management and Operations services.

**ATTACHMENTS:**

In Camera – Labour FOIP Section 16 –Proposal

In Camera – Labour FOIP Section 16 – *(Handout)*

# Request For Decision

## Administrative Oversight of System Expansion 2019-2022

Date: November 7, 2022

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



### **PURPOSE:**

To seek the Board's authorization for an unbudgeted expense for the administrative oversight of the system expansion from 2019-2022.

### **ACTION/RECOMMENDATION:**

THAT the Commission authorizes the payment of \$57,375 for the administrative oversight of the system expansion from 2019-2022 funded from the operating reserve.

### **ISSUE ANALYSIS:**

At its October 3<sup>rd</sup>, 2022 meeting, the Commission's Management and Operations contractor (City of Lacombe) advised the Board it has not invoiced the Commission for its time and effort related to the administrative oversight of the system expansion from 2019-2022. The Board indicated it wished to consider these costs at its next regular meeting.

Bylaw 1 s10.2a requires new members to pay a \$25,000 fee as a contribution toward the costs and efforts incurred by the members in establishing the commission and bringing the System into operation. This fee, when paid, will partially cover the costs to date. Administration will request reimbursement from the Province for the balance.

### **FINANCIAL IMPLICATIONS:**

The City estimated its time and effort to date as follows:

Year	2019	2020	2021	2022	TOTAL COST
Estimated Cost	\$5,250	\$16,875	\$26,250	\$9,000	<b>\$57,375</b>

### **ALTERNATIVES:**

The Commission may choose to:

- A. Authorize the payment of \$57,375 for the administrative oversight of the system expansion from 2019-2022 funded from the operating reserve. **OR**
- B. Accept this report as information. **OR**
- C. Direct Administration how it wishes to proceed.

### **ATTACHMENTS:**

- City of Lacombe Invoice

# INVOICE

CITY OF LACOMBE

5432 - 56 Avenue

Lacombe, AB - T4L 1E9

Phone: (403) 782-6666

Fax: (403) 782-5655



Customer Number : NORTH000

Invoice Number : 31943

Invoice Date : 27-Oct-2022

Customer P.O. No. :

Due Date : 30-Nov-2022

NORTH RED DEER RIVER WATER SERVICE COMMISSION  
5432 56 AVENUE  
LACOMBE AB T4L 1E9

Product	Description	Quantity	Unit Price	Amount
MISC	MISCELLANEOUS Administrative Oversight Costs for the NRDRWSC System Expansion for 2019 to 2022 2019 - [REDACTED] 2020 - [REDACTED] 2021 - [REDACTED] 2022 - [REDACTED]	[REDACTED]	[REDACTED]	\$57,375.00
GST Registration Number : 108127606RT0001			Total Gross	\$57,375.00
			GST	\$2,868.75
			<b>Total Invoice</b>	<b>\$60,243.75</b>

Please return this portion with your payment

Customer Number : NORTH000  
Customer Name : NORTH RED DEER RIVER WATER SERVICE COMMISSION  
5432 56 AVENUE  
LACOMBE AB T4L 1E9

Invoice Number : 31943  
Invoice Date : 27-Oct-2022  
Invoice Amount : \$60,243.75  
Amount Paid :

CITY OF LACOMBE  
5432 - 56 Avenue  
Lacombe, AB - T4L 1E9

# Request For Decision

## 2023 Operating & Capital Budget

Date: November 7, 2022

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



### **PURPOSE:**

To present the 2023 Operating and Capital Budgets for adoption.

### **ACTION/RECOMMENDATION:**

1. THAT the Commission adopts the 2023 Operating Budget as presented.
- AND**
2. THAT the Commission adopts the 2023 Capital Budget as presented

### **ISSUE ANALYSIS:**

Administration prepared the 2023 Operating Budget based on the 2022-2040 Financial Plan. The capital budget assumes the waterline extension project will advance to Phases 4 or 5 of the [Project Plan](#) in 2023.

### **FINANCIAL IMPLICATIONS:**

#### Sales Volume

In 2023, overall water volumes are projected to rise 2.9% compared to the 2022 projected year-end estimates, considering the historical population growth, and the consumption rate assumptions in the 2022-2025 Financial Plan.

- Town of Ponoka: +1.9%
- City of Lacombe: +2.0%
- Town of Blackfalds: +5.3%
- Lacombe County<sup>1</sup>: +0.5%
- Ponoka County: +0.5
- **Overall Volumes: +2.9%**

#### Annual Expenses

##### **Board**

This expense line includes Board remuneration and travel expenses. The 2022 budget proposes a 6% increase over the 2022 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 2023 budget proposes a 60% increase over the 2022 budget.

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<sup>1</sup> 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.



**\*This line assumes the Commission either accepts the City of Lacombe's operations and management proposal or enters into a 1yr interim agreement.**

### **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 2023 budget proposes a 34% increase over the 2022 budget.

**\*This line assumes the Commission either accepts the City of Lacombe's operations and management proposal or enters into a 1yr interim agreement.**

### **Purchase of Treated Water**

The City of Red Deer has not yet confirmed their water supply rate to the Commission. The 2023 budget assumed this will be \$1.58/m<sup>3</sup> starting February 1<sup>st</sup>, 2023, subject to Council approval - two cents higher than the 2022 rate.

Administration projects the 2023 total water purchases to be \$4.8 million 1.8% higher than 2022 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 2023 budget proposes to transfer \$115,014 to capital reserves primarily due to a phasing in the cost-of-service rate. The remaining \$20,000 estimated surplus is unrestricted and will be allocated at the end of 2023.

## **Revenues**

### **Water Revenues**

Administration recommends a 2023 water rate of \$2.14/m<sup>3</sup>, consistent with its cost-of-service phase-in plan.

For 2023, Administration is projecting total water sales of \$6.4million -the same sales projection included in the 2022 budget. This reflects an increase of approximately \$180,000 compared to the 2022 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. The 2023 budget proposes a 40% increase in interest revenue due to higher-than-expected returns in 2022.

**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)

## County Contributions

As in prior years, the 2023 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. The direct payment diminishes with more volume.

County Direct Contribution	2022 (Budget)	2022 (Projected)	2023 (Budget)
Lacombe County	\$58,014	\$64,156	\$62,241
Ponoka County	\$71,357	\$84,871	\$82,425

## Surplus Balance at Year-End

The 2023 budget projects the year-end total surplus balance to be \$8.8M, 1.2% higher than budgeted in 2022.

## Capital

The 2023 Capital Budget includes a \$250,000 expenditure assuming the waterline extension project will advance to Phases 4 or 5 of the [Project Plan](#) in 2023. The proposed expenditure is offset fully by project grant funding. The budget also assumes the Commission will receive the capital buy-in and new membership fee in 2023 – which is added to the Capital Reserve.

## ALTERNATIVES:

The Commission may choose to:

- A. **[Recommended]** THAT the Commission adopts the 2023 Operating Budget as presented.
- AND**
- B. **[Recommended]** THAT the Commission adopts the 2023 Capital Budget as presented
- C. **[Alternative 1]** THAT the Commission directs Administration to return the 2023 Operating Budget *[and/or Capital Budget]* with the following changes:
  - *[Mover to specify changes]*

## ATTACHMENTS:

- NRDRWSC 2023 Operating Budget, Forecast 2024-2026 – Table S1
- NRDRWSC 2023 Capital Budget, Forecast 2024 – 2031 – Table S2



**Table S1**  
**North Red Deer River Water Services Commission**  
**2022 - 2040 Financial Model**  
**2023 Operating Budget, Forecast 2024-2026**

[Index](#)

	2022	2022	2023	2024	2025	2026
	Budget	Projected	Budget	Forecast	Forecast	Forecast
<b>Annual Revenue</b>						
<b>Sales to Members</b>						
Town of Ponoka	\$1,469,001	\$1,503,453	\$1,532,138	\$1,551,699	\$1,562,934	\$1,578,563
City of Lacombe	\$2,847,100	\$2,750,673	\$2,805,652	\$2,862,572	\$2,904,709	\$2,955,541
Town of Blackfalds	\$1,897,142	\$1,792,920	\$1,888,108	\$2,025,991	\$2,141,399	\$2,269,384
Lacombe County	\$135,235	\$130,210	\$130,861	\$131,516	\$132,173	\$132,834
Wolf Creek Village (Ponoka Cnty)	\$20,607	\$20,143	\$20,244	\$20,345	\$20,447	\$20,549
Ermineskin Cree Nation		\$0	\$0	\$0	\$0	\$288,893
<b>Total Member Sales</b>	<b>\$6,369,085</b>	<b>\$6,197,399</b>	<b>\$6,377,002</b>	<b>\$6,592,123</b>	<b>\$6,761,661</b>	<b>\$7,245,765</b>
<b>Non-rate Revenue</b>						
Other Revenue	\$1,500	\$2,548	\$1,000	\$1,000	\$1,000	\$1,000
Interest	\$70,000	\$104,372	\$98,232	\$148,730	\$173,180	\$173,916
Government Grants						
County Contributions	\$129,372	\$149,027	\$147,396	\$140,530	\$137,650	\$140,636
Transfer from Reserves	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Non Rate Revenue</b>	<b>\$200,872</b>	<b>\$255,947</b>	<b>\$246,628</b>	<b>\$290,260</b>	<b>\$311,830</b>	<b>\$315,552</b>
<b>Total Revenue</b>	<b>\$6,569,956</b>	<b>\$6,453,346</b>	<b>\$6,623,630</b>	<b>\$6,882,383</b>	<b>\$7,073,491</b>	<b>\$7,561,316</b>
<b>Unrestricted Surplus</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>Surplus Balance at Year End</b>						
<b>Restricted Surplus</b>						
Operating Reserve	\$613,543	\$613,543	\$613,543	\$613,543	\$613,543	\$613,543
Capital Reserve	\$4,569,410	\$4,585,225	\$4,688,648	\$4,771,493	\$4,714,711	\$4,733,482
	<b>\$5,182,953</b>	<b>\$5,198,768</b>	<b>\$5,302,191</b>	<b>\$5,385,036</b>	<b>\$5,328,254</b>	<b>\$5,347,025</b>
<b>Unrestricted Surplus</b>						
Operating	\$3,248,037	\$3,212,899	\$3,232,899	\$3,252,899	\$3,272,899	\$3,292,899
Capital	\$233,104	\$233,104	\$233,104	\$233,104	\$233,104	\$233,104
	<b>\$3,481,141</b>	<b>\$3,446,003</b>	<b>\$3,466,003</b>	<b>\$3,486,003</b>	<b>\$3,506,003</b>	<b>\$3,526,003</b>
<b>Total Surplus</b>	<b>\$8,664,094</b>	<b>\$8,644,771</b>	<b>\$8,768,194</b>	<b>\$8,871,038</b>	<b>\$8,834,257</b>	<b>\$8,873,028</b>

**Table S1**  
**North Red Deer River Water Services Commission**  
**2022 - 2040 Financial Model**  
**2023 Operating Budget, Forecast 2024-2026**

[Index](#)

	2022	2022	2023	2024	2025	2026
	Budget	Projected	Budget	Forecast	Forecast	Forecast
<b>Debenture Debt</b>						
<b>Annual Payments</b>						
Interest	\$432,785	\$432,785	\$394,383	\$354,230	\$312,246	\$268,347
Principal	\$842,116	\$842,116	\$880,518	\$920,671	\$962,655	\$1,006,554
<b>Total Payments</b>	<b>\$1,274,901</b>	<b>\$1,274,901</b>	<b>\$1,274,901</b>	<b>\$1,274,901</b>	<b>\$1,274,901</b>	<b>\$1,274,901</b>
<b>Average Interest Rate</b>	4.509%	4.509%	4.509%	4.509%	4.509%	4.509%
<b>Debt Principal Owing at Year End</b>	<b>\$8,964,309</b>	<b>\$8,964,309</b>	<b>\$8,083,791</b>	<b>\$7,163,120</b>	<b>\$6,200,465</b>	<b>\$5,193,911</b>
<b>Debt Limit</b>						
Statutory Debt Limit ( 2 x Revenue)	\$13,139,913	\$12,906,692	\$13,247,260	\$13,764,766	\$14,146,982	\$15,122,633
Actual Debt	\$8,964,309	\$8,964,309	\$8,083,791	\$7,163,120	\$6,200,465	\$5,193,911
% of Debt Limit Used	68%	69%	61%	52%	44%	34%
<b>Annual Debt Servicing Limit</b>						
Statutory Limit (35% of Rev)	\$2,299,485	\$2,258,671	\$2,318,271	\$2,408,834	\$2,475,722	\$2,646,461
Annual Payments	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901	\$1,274,901
% of Servicing Limit Used	55%	56%	55%	53%	51%	48%
<b>Liquidity</b>						
<u>Annual Revenue</u>	\$6,569,956	\$6,453,346	\$6,623,630	\$6,882,383	\$7,073,491	\$7,561,316
<u>Unrestricted Surplus Target</u>						
Proportion of Revenue	25%	25%	25%	25%	25%	25%
Amount	\$1,642,489	\$1,613,337	\$1,655,908	\$1,720,596	\$1,768,373	\$1,890,329
<u>Unrestricted Surplus</u>						
At Year End	\$3,248,037	\$3,212,899	\$3,232,899	\$3,252,899	\$3,272,899	\$3,292,899
Proportion of Revenue	49%	50%	49%	47%	46%	44%

**Table S2**  
**North Red Deer River Water Services Commission**  
**2022 - 2040 Financial Model**  
**2023 Capital Budget, Forecast 2024 - 2031**

[Index](#)

	2022 Projected	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
<b>Capital Projects</b>										
Asset Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Main Transmission System	\$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	\$119,509	\$0
System Extension	\$0	\$250,000	\$39,202,444	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Capital Expense</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$39,202,444</b>	<b>\$86,595</b>	<b>\$0</b>	<b>\$11,262</b>	<b>\$0</b>	<b>\$0</b>	<b>\$119,509</b>	<b>\$0</b>
<b>Capital Funding</b>										
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$250,000	\$39,202,444	\$0	\$0	\$0	\$0	\$0	\$0	\$0
From Reserves	\$0	\$0	\$0	\$86,595	\$0	\$11,262	\$0	\$0	\$119,509	\$0
<b>Total Capital Funding</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$39,202,444</b>	<b>\$86,595</b>	<b>\$0</b>	<b>\$11,262</b>	<b>\$0</b>	<b>\$0</b>	<b>\$119,509</b>	<b>\$0</b>
<b>Capital Reserve Funds</b>										
Additions	\$326,936	\$3,607,948	\$87,654	\$34,943	\$23,995	(\$27,436)	(\$171,440)	(\$150,634)	(\$212,321)	\$236,781
Withdrawals	\$0	\$0	\$0	(\$86,595)	\$0	(\$11,262)	\$0	\$0	(\$119,509)	\$0
<b>Closing Balance</b>	<b>\$4,875,092</b>	<b>\$8,483,040</b>	<b>\$8,570,694</b>	<b>\$8,519,042</b>	<b>\$8,543,037</b>	<b>\$8,504,340</b>	<b>\$8,332,899</b>	<b>\$8,182,265</b>	<b>\$7,850,435</b>	<b>\$8,087,216</b>