

North Red Deer River Water Services Commission



Regular Meeting Agenda

Date:	November 9, 2020	Time:	9:00 am
Location:	COUNCIL CHAMBERS LACOMBE AB		
Invitees:	<p>Members: Councillor Ken Wigmore, Lacombe County – Chairperson Mayor Grant Creasey, City of Lacombe - Vice Chairperson Mayor Richard Poole, Town of Blackfalds – Director Councillor Mark Matejka, Ponoka County – Director Mayor Rick Bonnett, Town of Ponoka– Director</p> <p>Others: Jordan Thompson, Acting NRDRWSC Administrator Sandra Lund, Acting 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 Mauricio Reyes, City of Lacombe Manager Amber Mitchell, City of Lacombe Manager Chris Huston, City of Lacombe</p> <p>Guests: John Ireland, Red Deer River Municipal Users Group Todd Simenson, Stantec Consulting Ltd Joel Sawatzky, Stantec Consulting Ltd. Dorian Wandzura, Stantec Consulting Ltd.</p>		
Recorded by:	Denise Bellabono - Administrative Assistant NRDRWSC		
1. Call to Order by Administrator			
2. Adoption of Agenda			
3. Governance			
3.1 Annual Elections			
3.1.a Election of Chair			
3.1.b Elections of Vice Chair			
3.2 2021 Scheduling of Meetings			
New Chair of Commission assumes Chairing of Meeting			
4. Adoption of Minutes			
4.1 Regular Meeting Minutes – September 21, 2020			

5. Presentations 5.1 Red Deer River Municipal Users Group- John Ireland 5.2 Stantec Asset Management Update- Dorian Wandzura
6. Reports 6.1 Administrator 6.2 Chair
7. Old Business:
8. New Business / Emergent Items: 8.1 2021 Operating Budget 8.2 2021 Utility Rate Bylaw
9. In Camera 9.1 Update on Water Extension
10.Next Meeting Date: December 7, 2020 (Tentative)
11.Adjournment

Request For Decision

2021 Scheduling of Meetings

Date: November 2, 2020

Prepared by: Denise Bellabono, Administrator Assistant

Presented by: Jordan Thompson, Acting Administrator



PURPOSE:

To propose regular Commission meeting dates for 2021.

ACTION/RECOMMENDATION:

THAT the Commission approves the Regular Commission Meeting dates for 2021 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 2021 Commission meeting dates below be approved, and, in consideration of 2021 being a municipal election year, an additional meeting is included in the schedule.

- March 29, 2021 at 9 AM
- June 21, 2021 at 9 AM
- September 20, 2021 at 9 AM
- November 8, 2021 at 9 AM (organizational meeting, orientation for any new representatives and, proposed 2022 Budget)
- December 6, 2021 9 AM (2022 Budget approval)

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 2021 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 21, 2020

In Attendance: Chair Ken Wigmore, Lacombe County Councillor
Councillor Mark Matejka, Ponoka County
Mayor Richard Poole, Town of Blackfalds
Mayor Grant Creasey, City of Lacombe
Mayor Rick Bonnett, Town of Ponoka
Denise Bellabono, Administrative Assistant

Others Present: Sandra Lund, Acting CAO, Town of Ponoka
Tim Timmons, County Manager, Lacombe County
Matthew Goudy, CAO, City of Lacombe
Preston Weran, Director of Infrastructure, Town of Blackfalds
Michael Minchin, Director of Corporate Services, Lacombe County
Mauricio Reyes, Sr. Manager of Financial Services, City of Lacombe
Amber Mitchell, Engineering Services Manager, City of Lacombe

Guests: Todd Simenson, VP, Stantec
Joel Sawatzky, Managing Leader, Water, Stantec

Regrets: Jordan Thompson, Acting NRDRWSC Administrator
Myron Thompson, CAO, Town of Blackfalds
Chris Huston, Utilities Manager, City of Lacombe

1. Call to Order:

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

2. Adoption of the Agenda:

Councillor Matejka requested that "Correspondence email from Mayor Bonnett on the Waterline Extension" be added to the agenda as 8.2.

MOVED by Mayor Creasey that the agenda for September 21, 2020, be adopted as amended.

CARRIED UNANIMOUSLY

3. Adoption of the Minutes:

Mayor Poole requested an amendment to motions for 7.2 to correct the order of readings and the member name to *"MOVED by Mayor Poole that the Commission give first reading to Bylaw 3.5 Water Rate as per Option 1 (\$2.09/m³)", "MOVED by*

Mayor Creasey that the Commission give second reading to Bylaw 3.5 Water Rate as per Option 1 (\$2.09/m3)", "MOVED by Councillor Matejka that the Commission to move to third reading of Bylaw 3.5 Water Rate as per Option 1 (\$2.09/m3)"

MOVED by Mayor Poole that the minutes for June 22, 2020, be adopted as amended.

CARRIED UNANIMOUSLY

4. Presentation

5. Reports

5.1. Administration Report

CAO Goudy present the September 21, 2020 Administration Report underlining that there has been no response from the Province on the Commissions questions that were sent in February regarding the waterline extension to Ermineskin Cree Nation (ECN). There have been three meetings between ECN representatives, representatives from the Province, the Chair Wigmore and Acting CAO Thompson. Financials with 2020 water volumes comparison to 2019 levels are consistent and operationally locates requests have decreased from 2019. The City of Red Deer has commenced the relocation of the main vault with an estimated time of completion of October 1, 2020. The Commission operators continue to work on the asset management plan with Stantec.

MOVED by Mayor Bonnett that the Commission accept the September 21, 2020 Administration Report as information.

CARRIED UNANIMOUSLY

5.2. Chairperson's Report

Chair Wigmore's verbal report updated the Commission that the waterline extension is in a holding pattern until it receives a response from the Province.

6. Old Business

6.1. Commission Administrative Templates

Administrative Assistant Bellabono presented the Administrative Templates that were presented at the June 22, 2020 Commission meeting for final approval. A preview of the new NRDRWSC website was provided prior to the meeting to members and municipal representatives with an anticipated launch date of September 23, 2020.

MOVED by Mayor Creasey that the Commission approve the changes to the administrative templates.

CARRIED UNANIMOUSLY

7. New Business/ Emergent Items

7.1. MGA Changes: Regional Service Commissions

CAO Goudy presented a summary of the Municipal Government Act changes for municipal Commissions. Changes to the concept of a balanced budget has been changed to follow the same guidelines as municipalities, this change has no impact on this Commission. Changes to Regional Service Commissions came into effect September 1, 2020 and in general affect the administrative maintenance and tidying of documents.

MOVED by Mayor Poole that the Commission accept Administration's work plan as proposed.

CARRIED UNANIMOUSLY

7.2. City of Red Deer Regionalization

CAO Goudy presented information and a graph circulated by the City of Red Deer of the benefits on the return and cost savings of wastewater regionalization for the Red Deer River, highlighting that the beneficial impact from regionalization has been positive. The primary beneficiary of that infrastructure from regionalization has been the City of Red Deer, water quality and availability for all members has improved with the regionalization. The utility rate structure used for the Commissions municipalities is the same as Red Deer, but the rates are not the same and in the coming year through a partnership with other Commissions, it could be worth pursuing an independent audit of the utility rate.

MOVED by Councillor Matejka that the Commission accept the City of Red Deer's information on the Benefits of Wastewater Regionalization for the Red Deer River Regionalization as information.

CARRIED UNANIMOUSLY

MOVED by Mayor Bonnett that the Commission accept the City of Red Deer's graphs on the Benefits of Wastewater Regionalization for the Red Deer River as information.

CARRIED UNANIMOUSLY

8. Correspondence/Information

8.1. Extension of NRDRWSC Water Line to Ermineskin Cree Nation

MOVED by Mayor Poole to accept the July 22, 2020 Letter from Ermineskin Cree Nation as information.

CARRIED UNANIMOUSLY

8.2. Email from Mayor Bonnett on the Waterline Extension

Mayor Bonnett email for the record:

*Good day commission members,
I have been pondering thoughts on the waterline commissioned from us to Ermineskin First Nation.*

Going thru meeting notes again and seeing the Provincial Governments unwavering commitment to this project of 39 million for only one of the bands at Maskwacis.

I find it an awful large amount of Government taxpayer funding for only one of the potential recipients at this given time with all the other issues we are enduring thru these uncertain times (our new normal).

So after lots of time to digest this I am still having concerns about the potential extra-incurred costs to current member municipalities going forward. The whole water commission from the onset in 2004 has increased costs of delivery of water to member municipalities exponentially since its inception.

- 1) It was oversized at the time to accommodate the 4 First Nations communities which has not occurred for now 16 years which members are on the debenture hook for.*
- 2) The purpose of the oversize was to be able to accommodate all 4 nations.*
- 3) The lack of Federal Government commitment on their crown land of which the nations fall under jurisdiction to me is a huge concern.*

So with much contemplation and concern I have developed an alternative to the current membership excepting new members going forward and I would like members to consider as we prepare for the Province continuing on the path to building this extension line

My proposal would be to have the Province and Ermineskin First Nation at this time to build the line as they seem fit for what they require now and potentially in the future. We place a meter chamber at the site at which they hook up to at Ponoka and we only operate as a Transmission line with a formula (which will need to be configured based on amount of supply, over time ,similar to that of power transmission) to deliver water to the new line at that point.

That way the can pay City of Red Deer for water consumption and can design configuration of concerns of pumping stations for lack of water use and so on with other concerns that were in Stantec's feasibility report.

This way the First Nations can collaborate with Province, Feds and the other Nations to create their own First Nations based water commission.

It gives us a return on our oversizing and limits the amount of exposure we place our member municipalities' taxpayers in for any issues that may occur north of Ponoka. We have operated for 16 years without extra revenues. This way if we don't receive full compensation for use from the future all members know what their costs are on a forward going basis.

If all goes well and they start using and fulfilling large use of the water our transmission costs will help with our ROI. Member communities may have some costs returned on a go forward basis.

In my Councils opinion this is the most effective way to ensure that the first Nations Communities of Maskwacis can receive much needed water and be able to ensure that current NWRDWC members' communities are not exposed to possible overruns in costs that maybe incurred from the future development of line north of Ponoka.

Mayor Bonnett summarized his email correspondence as a proposal for consideration. In the 16 years of the waterline extension project preliminary discussions, the Commission has picked up some of the extra costs associated with these discussions and in proceeding with the extension, there could be some substantial costs to the Commission. The Province had not communicated with the Commission of additional funding prior to their press release in June 2020 and have not been able to provide answers to the questions that have been asked in the past and again in February 2020.

MOVED by Mayor Creasey that the Commission accept the email from Mayor Bonnett on the Waterline Extension on the record as information.

CARRIED UNANIMOUSLY

9. Next Meeting:

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

10. Adjournment:

MOVED by Mayor Bonnett to adjourn the meeting at 9:49 am.

CARRIED UNANIMOUSLY

Chairperson

Administrator

RDRMUG – WHY?

	Bow River	Oldman River	Red Deer River
Annual Flow	100 barrels	100 barrels	50 barrels
Maximum Allocation			
Allowable Use			
Allocation Status			
Licensed Status			
No. of dams			

	Bow River	Oldman River	Red Deer River
Annual Flow	100 barrels	100 barrels	50 barrels
Maximum Allocation	70%	70%	37% – 40%
Allowable Use			
Allocation Status			
Licensed Status			
No. of dams			

	Bow River	Oldman River	Red Deer River
Annual Flow	100 buckets	100 buckets	50 buckets
Maximum Allocation	70%	70%	37% – 40%
Allowable Use	70 buckets	70 buckets	20 buckets (max.)
Allocation Status	Fully allocated	Fully allocated	54% allocated
Licensed Status			
No. of dams			

	Bow River	Oldman River	Red Deer River
Annual Flow	100 buckets	100 buckets	50 buckets
Maximum Allocation	70%	70%	37% – 40%
Allowable Use	70 buckets	70 buckets	20 buckets (max.)
Allocation Status	Fully allocated	Fully allocated	54% allocated
Licensed Status	Closed	Closed	Open
No. of dams			

	Bow River	Oldman River	Red Deer River
Annual Flow	100 buckets	100 buckets	50 buckets
Maximum Allocation	70%	70%	37% – 40%
Allowable Use	70 buckets	70 buckets	20 buckets (max.)
Allocation Status	Fully allocated	Fully allocated	54% allocated
Licensed Status	Closed	Closed	Open
No. of dams	9	3	1

RED DEER RIVER WATERSHED – DISADVANTAGES

- GEOGRAPHY – LARGEST SUB-BASIN
- GEOGRAPHY – SMALLEST MOUNTAINOUS HEADWATERS AREA/LEAST AMOUNT OF WATER
- HISTORY – FIRST SOUTHERN ALBERTA MAJOR NEED FOR WATER – IRRIGATION
- HISTORY – IRRIGATION INDUSTRY HAS VERY SENIOR LICENCES – FITFIR
- ALLOCATION – BY FAR THE SMALLEST, YET THE LARGEST SUB-BASIN AND SECOND MOST POPULATED

RDRMUG – EARLY/ONGOING ACTION PRIORITIES

- **CROWN RESERVATION – SET ASIDE PORTION OF UNALLOCATED WATER FOR FUTURE MUNICIPAL USE**
- **SECURE ANNUAL WATER SUPPLY – E.G. STORAGE (ON OR OFF STREAM)**

THESE ARE HIGHLY DEPENDENT ON PROVINCIAL ACTION

WATERSHED MUNICIPALITIES DOING THEIR PART

- **USING WATER WISELY – EFFECTIVE AND EFFICIENT USE OF WATER**
- **PROTECTING SOURCE WATER THROUGH LAND USE PLANNING AND MANAGEMENT**

THREE KEY OBSERVATIONS

- **1. WATER IS A CRUCIAL MUNICIPAL ASSET WATER AVAILABILITY IS VITAL TO MUNICIPAL SUSTAINABILITY – ECONOMICAL, ENVIRONMENTAL, SOCIAL**

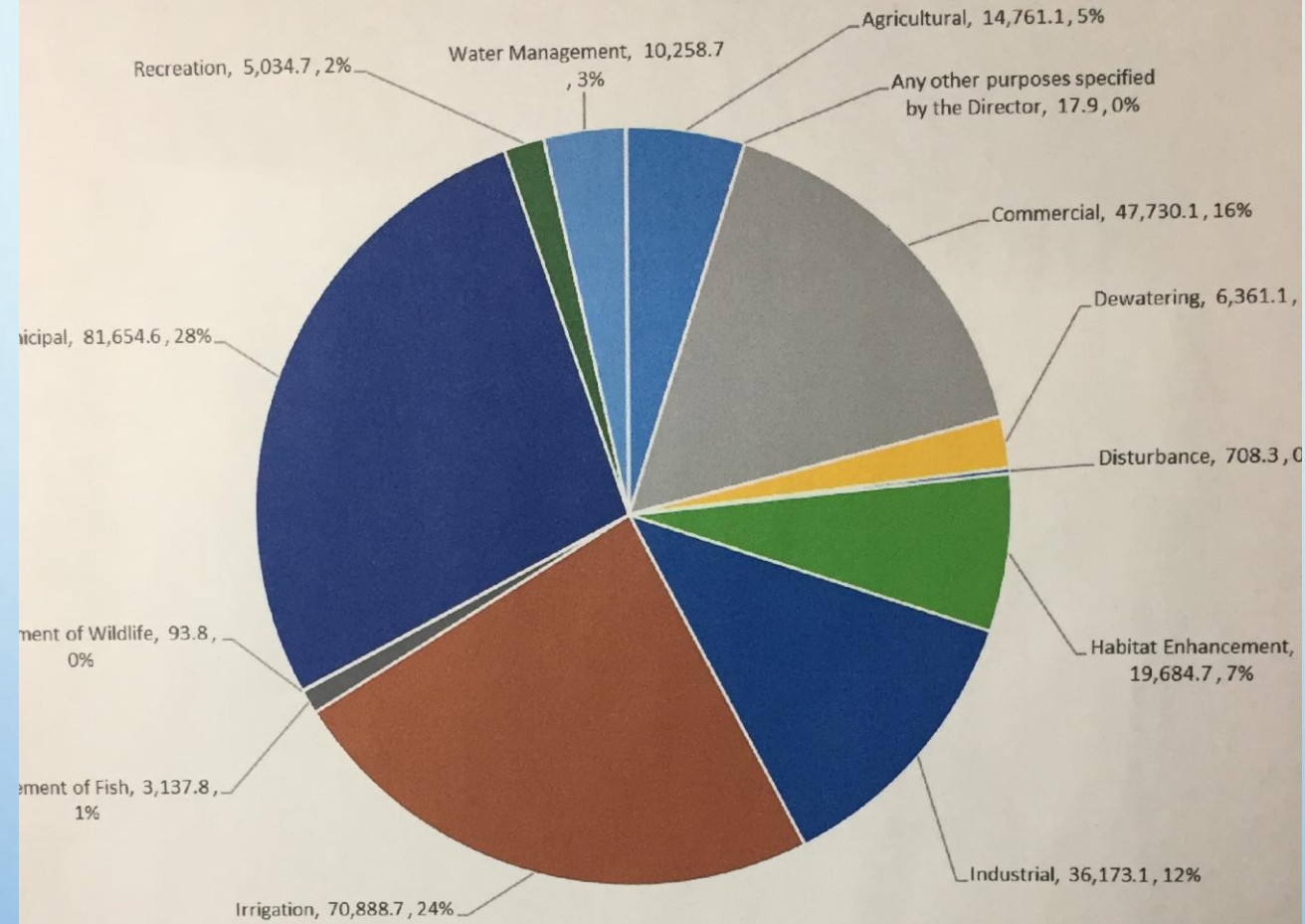
THREE KEY OBSERVATIONS

- 1. WATER IS A CRUCIAL MUNICIPAL ASSET WATER AVAILABILITY IS VITAL TO MUNICIPAL SUSTAINABILITY – ECONOMICAL, ENVIRONMENTAL, SOCIAL**
- 2. ALL LAND USES IMPACT WATER – QUALITY AND/OR QUANTITY**

THREE KEY OBSERVATIONS

1. WATER IS A CRUCIAL MUNICIPAL ASSET; WATER AVAILABILITY IS VITAL TO MUNICIPAL SUSTAINABILITY – ECONOMICAL, ENVIRONMENTAL, SOCIAL
 2. ALL LAND USES IMPACT WATER – QUALITY AND/OR QUANTITY
 3. MUNICIPALITIES NEED TO BE LEADERS IN SOURCE WATER PROTECTION AND WATERSHED CONSERVATION
- **THIS IS THE WHY THE RDRMUG**

Red Deer River Basin Licensed Surface Water Allocations including Preliminary Certificates - Total 296,504.7 cu.dam



- Agricultural
- Any other purposes specified by the Director
- Commercial
- Dewatering
- Disturbance
- Habitat Enhancement
- Industrial
- Irrigation
- Management of Fish
- Management of Wildlife
- Municipal
- Recreation
- Water Management

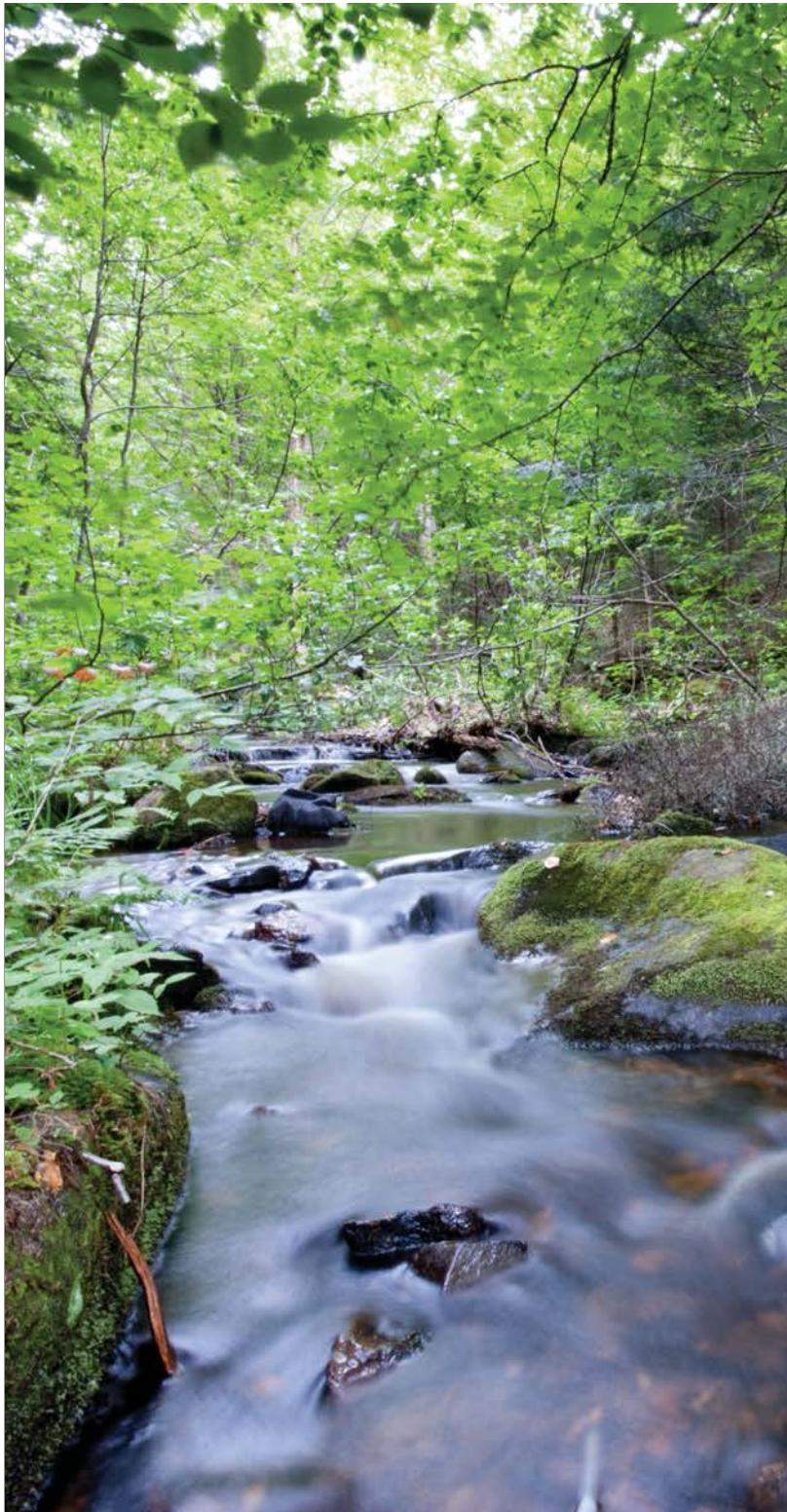
ALLOCATIONS			
1	Municipal		28%
2	Irrigation		24%
3	Commercial		16%
4	Industrial		12%
5	Habitat Enhancement		7%
6	Agriculture		5%
7	Water Management		3%
		Total	95%

FLOW AND ALLOCATIONS

- ANNUAL RED DEER RIVER VOLUME 1,666,000 DAM3
- ALLOCATION TOTAL (INITIAL) 550,000 DAM3
- SEPTEMBER 2018 ALLOCATIONS 296,505 DAM3 54%
- ADD SPECIAL AREAS AND ACADIA VALLEY ? +/- 65%

RDRMUG OUTSTANDING ACTIONS

- CROWN RESERVATION ASSURED MUNICIPAL ALLOCATIONS
- WATER AVAILABILITY STORAGE ????? – DROUGHT ISSUE
- WATER QUALITY MUNICIPAL ACTIONS – LAND USE,
INFRASTRUCTURE
- OTHERS ? ? ? ? ? ? ? ?



North Red Deer River Water Services Commission

Asset Management Plan

- Laterals
- Mainline
- Governance

November 9, 2020



The Project

- Lateral Inventory & Condition
 - Legal / Historical Search
 - Physical Search
 - Condition Assessment
- Levels of Service / Risk
- Financial Modelling
- Governance Tools



Inventory & Condition

- Legal / Historical Search
 - Land Titles, Easements, Agreements

- Physical Locating
 - Completed

- Condition Assessment
 - Desktop Condition Assessment



Inventory & Condition – 100 Year Expenditure Forecast Estimate

Methodology:

NRDRWSC - Regional Waterline from the City of Red Deer to the Town of Ponoka 100-Year Expenditure Forecast (to 2120)									
Components	Construction Year	General Life Expectancy (Years)	Estimated Remaining Life (Years)	Replacement Year	Replacement Frequency Until 2120	Units (m or each)	Unit Capital Cost (\$)	Replacement Cost (\$)	Total Cost (\$)

1. Components (Primarily Pipes and Major Appurtenances)
2. Construction Year
3. General Life Expectancy (e.g. 75 Years, 50 Years)
4. Estimated Remaining Life
5. Replacement Year
6. Replacement Frequency (based on consideration to 2120)
7. Units (meters or each)
8. Unit Rate
9. Replacement Cost
10. Total Cost (Replacement Cost x Frequency until 2120)



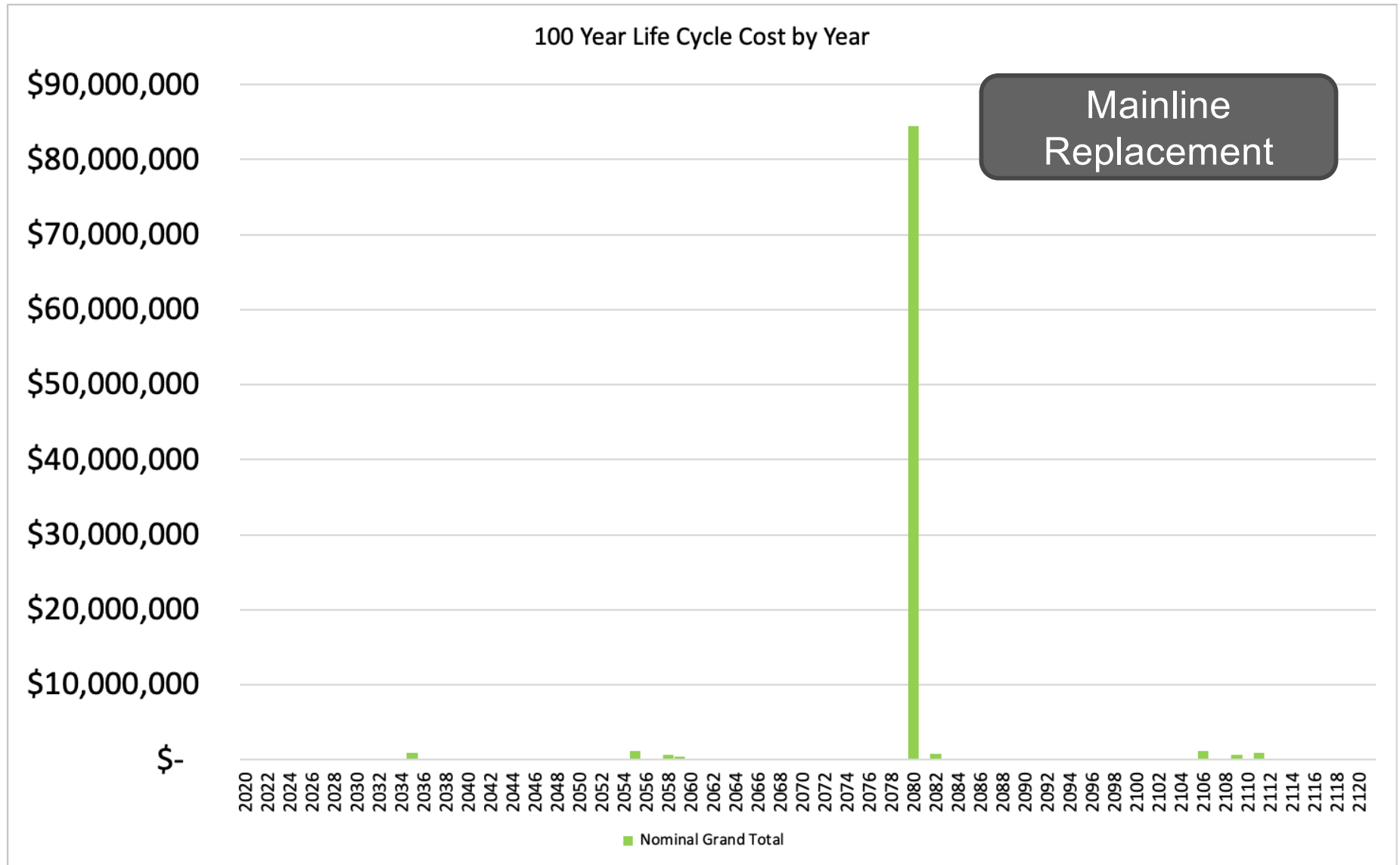
Inventory & Condition – 100 Year Expenditure Forecast Estimate

16 Segments of the System – 7 Mainline Sections and 9 Laterals

Asset No.	Asset Name	Components	Construction Year	General Life Expectancy (Years)	Estimated Remaining Life (Years)	Replacement Year	Replacement Cost (\$)
MAINLINE 1 : CRD to Blackfolds Old East Railway Reservoir							
		Mainline - 750 mm dia. PVC	2005	75	60	2080	\$9,659,375.00
		Combination Air Release Valve 1	2005	50	35	2055	\$2,500.00
		Combination Air Release Valve 2	2005	50	35	2055	\$2,500.00
		Combination Air Release Valve 3	2005	50	35	2055	\$2,500.00
		Blow-Off Assembly	2005	50	35	2055	\$1,250.00
LATERAL 1 : Blackfolds - Old East Railway Reservoir (WTP) Connection (Southern Lateral)							
		1050 m - 250 mm dia. PVC DR 25	2005	75	60	2080	\$341,250.00
		Combination Air Release Valve - L1	2005	50	35	2055	\$2,500.00
MAINLINE 2 : Blackfolds Old East Railway Reservoir to Blackfolds Broadway Avenue New Reservoir							
		Mainline - 750 mm dia. PVC	2005	75	60	2080	\$4,673,625.00
		Combination Air Release Valve 4	2005	50	35	2055	\$2,500.00
		Combination Air Release Valve 5	2005	50	35	2055	\$2,500.00
LATERAL 2 : Blackfolds - Broadway Avenue New Reservoir							
		1610 m - 250 mm dia. PVC DR 18	2007	75	62	2082	\$523,250.00
MAINLINE 3 : Blackfolds Broadway Avenue New Reservoir to Lacombe Pump House B							
		Mainline - 750 mm dia. PVC	2005	75	60	2080	\$12,475,375.00
		Combination Air Release Valve 6	2005	50	35	2055	\$2,500.00
		Blow-Off Assembly	2005	50	35	2055	\$1,250.00
LATERAL 3 : Lacombe - Pump House B Connection (Well #9)							
		208 m - 150 mm dia. PVC DR 25	2005	75	60	2080	\$52,000.00
		986 m - 150 mm dia. PVC	1984	75	39	2059	\$2,465,000.00
MAINLINE 4 : Lacombe Pump House B to Lacombe Pump House A							
		Mainline - 750 mm dia. PVC	2005	75	60	2080	\$3,383,875.00
LATERAL 4 : Lacombe - Pump House A Connection							
		1450 m - 250 mm dia. PVC DR 25	2005	75	60	2080	\$471,250.00
		345 m - 250 mm dia. HDPE DR 11	2005	75	60	2080	\$129,375.00
		110 m - 200 mm dia. PVC DR 25	2005	75	60	2080	\$31,625.00
		30 m - 250 mm dia. PVC DR 25	2018	75	73	2093	\$9,750.00
MAINLINE 5 : Lacombe Pump House A to Lacombe Pump House C							
		Mainline - 750 mm dia. PVC	2005	75	60	2080	\$4,888,125.00
		Combination Air Release Valve 7	2005	50	35	2055	\$2,500.00
		Combination Air Release Valve 8	2005	50	35	2055	\$2,500.00
		Blow-Off Assembly	2005	50	35	2055	\$1,250.00
LATERAL 5 : Lacombe - Pump House C Connection							
		340 m - 250 mm dia. PVC DR 25	2005	75	60	2080	\$110,500.00
		1450 m - 250 mm dia. PVC DR 18	2002	75	57	2077	\$471,250.00
MAINLINE 6 : Lacombe Pump House C to Wolf Creek Panoka County Connection Point							
		Mainline - 500 mm dia. PVC	2005	75	60	2080	\$14,894,000.00
		Combination Air Release Valve 9	2005	50	35	2055	\$2,500.00
		Combination Air Release Valve 10	2005	50	35	2055	\$2,500.00
		Combination Air Release Valve 11	2005	50	35	2055	\$2,500.00
		Blow-Off Assembly	2005	50	35	2055	\$1,250.00
		Blow-Off Assembly	2005	50	35	2055	\$1,250.00
		Blow-Off Assembly	2005	50	35	2055	\$1,250.00
LATERAL 6 : Panoka County - Morningside Subdivision to Wolf Creek Subdivision Reservoir							
		630 m - 250 mm dia. PVC	2008	75	63	2083	\$204,750.00
		General Valves	2008	50	38	2058	\$10,000.00
MAINLINE 7 : Wolf Creek Panoka County Connection Point to Panoka Connection Point							
		Mainline - 500 mm dia. PVC	2005	75	60	2080	\$3,488,375.00
		Blow-Off Assembly	2005	50	35	2055	\$1,250.00
LATERAL 7 : Panoka - Riverside Booster Station (East)							
		100 m - 500 mm dia. PVC	2005	75	60	2080	\$68,750.00
		560 m - 300 mm dia. PVC	2005	75	60	2080	\$245,000.00
		780 m - 400 mm dia. HDPE	2005	75	60	2080	\$487,500.00
		1810 m - 300 mm dia. PVC	2005	75	60	2080	\$791,875.00
		Combination Air Release Valve L	2005	50	35	2055	\$2,500.00
		Combination Air Release Valve L	2005	50	35	2055	\$2,500.00
LATERAL 8 : Panoka - 39th Avenue Reservoir West (old WTP)							
		2850 m - 300 mm dia. PVC DR 18	2005	75	60	2080	\$1,246,875.00
LATERAL 9 : Panoka - Lucas Heights Reservoir (North)							
		2410 m - 150 mm PVC / AC Pipe	1960	75	15	2035	\$602,500.00

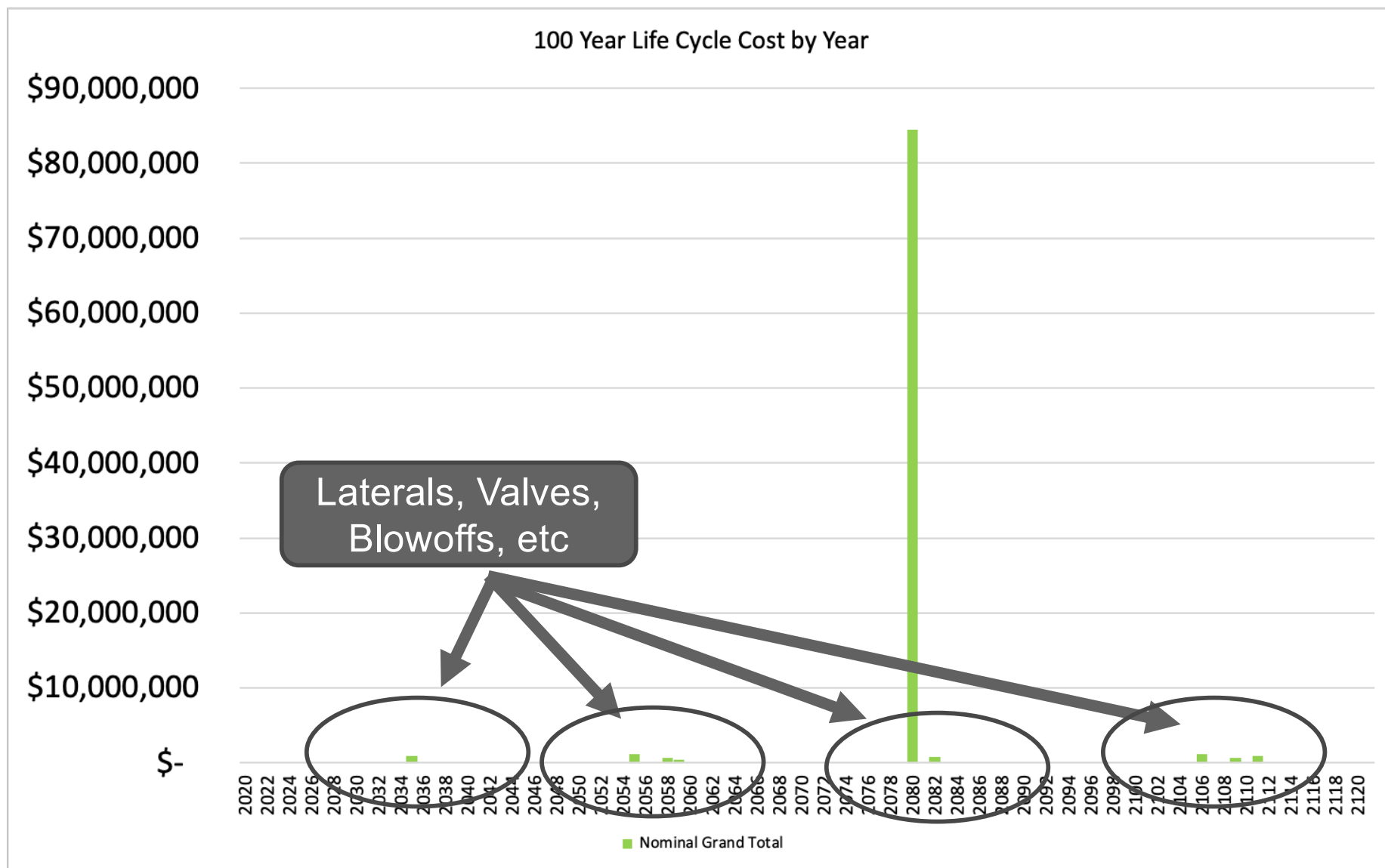


Inventory & Condition – 100 Year Expenditure Forecast Estimate



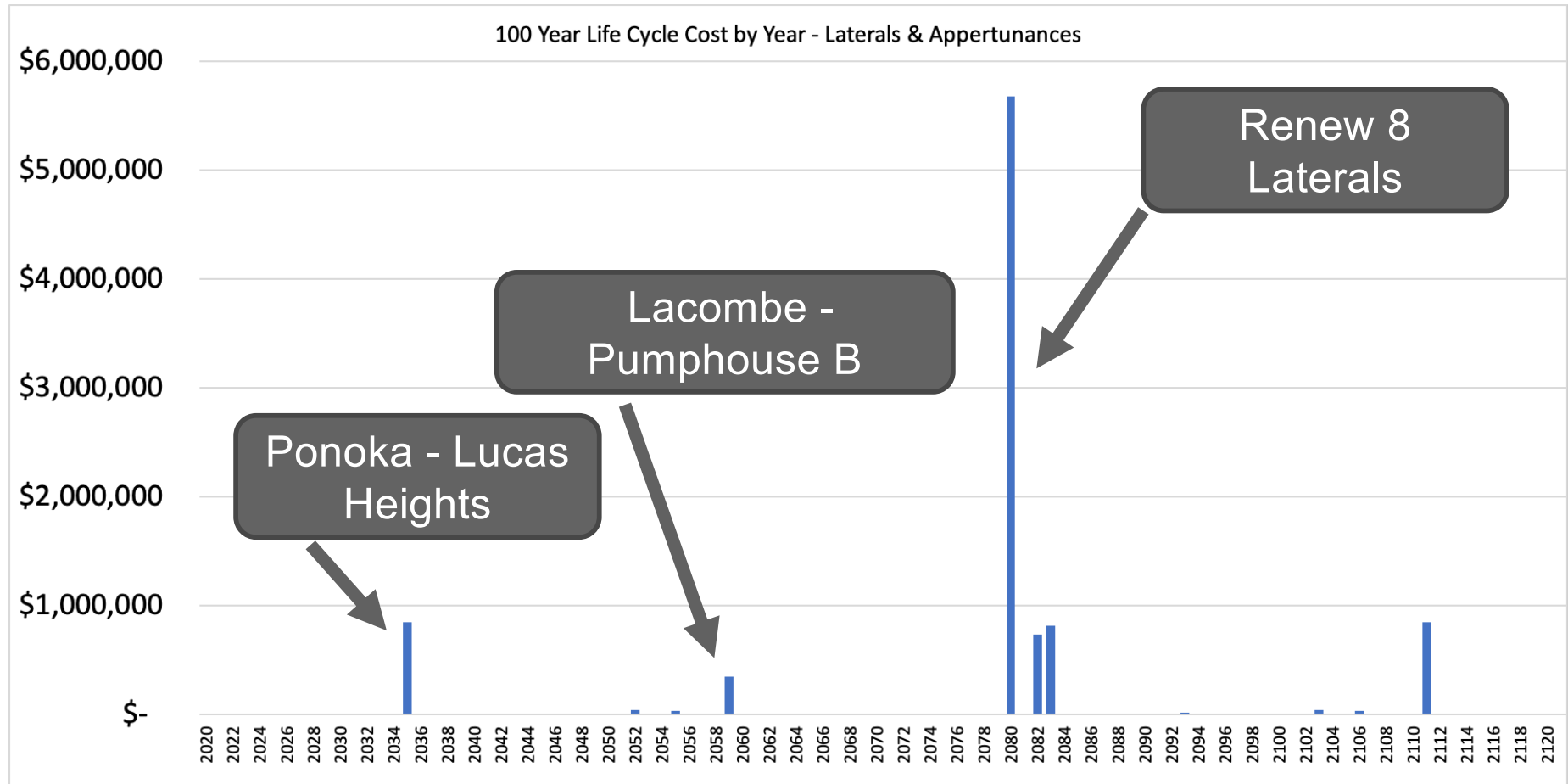


Inventory & Condition – 100 Year Expenditure Forecast Estimate



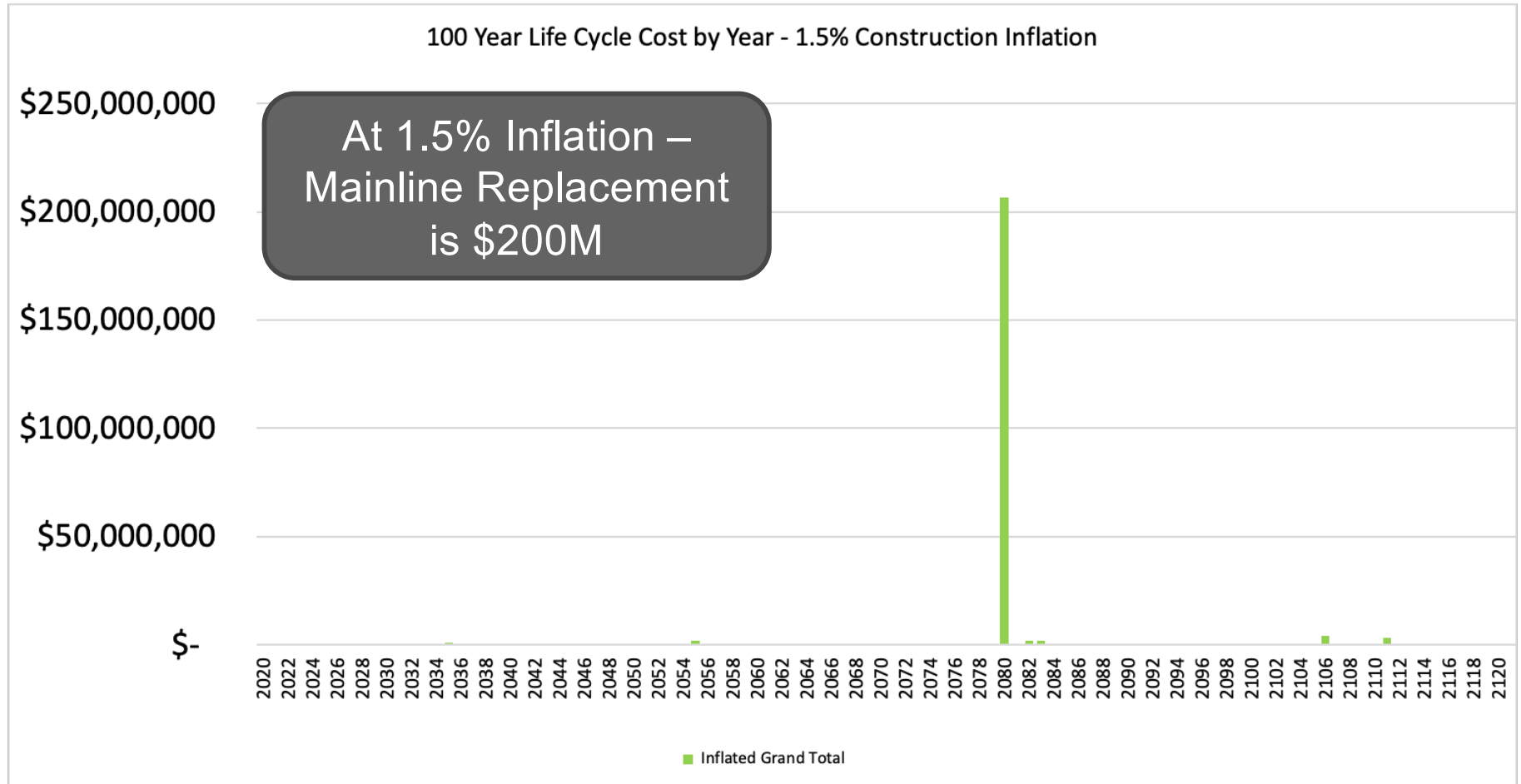


Inventory & Condition – 100 Year Expenditure Forecast Estimate





Inventory & Condition – 100 Year Expenditure Forecast Estimate





Inventory & Condition – Recommendations

Short term recommendations

- No Immediate Performance Concerns

Mid Term Actions

- Continue monitoring Laterals for Performance
- Ponoka Asbestos Cement Pipe has 15 years of estimated life
- Consider investigating renewal in 2035

Long Term Renewal Plan & Financial Model

- No large capital investments required until 2035 & 2058
- Next Mainline Renewal potentially in 2080
- Develop Long Term Asset Replacement Policy
- Continued monitoring of appropriate reserve levels
- Continued monitoring of future construction costs



Risk & Levels of Service

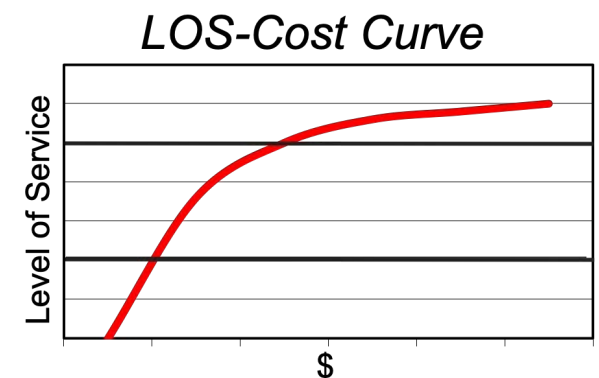
➤ Risk

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



➤ Level of Service

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





Risk

1	2	3	6	16
2	4	6	16	32
3	6	16	32	64
6	16	32	64	128
16	32	64	128	256

- Using the Drinking Water Safety Plan Risk Assessment
- 5 Severities
 - *Insignificant, Minor, Moderate, Severe, Catastrophic*
- 5 Frequencies
 - *Most Unlikely, Unlikely, Medium, Probably, Almost Certain*
- 5 Dimensions
 - *People & Staff, Reputation, Business Processes & Systems, Water Utility Function, Financial*



Risk



Risk Management Philosophy H –High risk - Reported to Commission. Detailed action plan approved by Commission H –High risk –specify responsibility to Commission Manager L -Low risk –manage by routine procedures High Risks must be reported to Senior Management and the Commission at the earliest opportunity. High Risks will require detailed treatment plans to reduce the risk to Low or Medium approved by the Commission.	Commission-Wide Consequences					
	People & Staff	Injuries or ailments not requiring medical treatment.	Minor injury or First Aid Treatment Case.	Serious injury causing hospitalisation or multiple medical treatment cases.	Life threatening injury or multiple serious injuries causing hospitalisation.	Death or multiple life threatening injuries.
	Reputation	Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny required by clients or third parties etc.	Intense public, political and media scrutiny. E.g. front page headlines, TV, etc.	Legal action or Commission of inquiry or adverse national media.
	Business Processes & Systems	Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule.	Policy procedural rule occasionally not met or services do not fully meet needs.	One or more key accountability requirements not met. Inconvenient but not client welfare threatening.	Strategies not consistent with business objectives. Trends show service is degraded.	Critical system failure, bad policy advice or ongoing non-compliance. Business severely affected.
	Water Utility Function	Wholesome water or interruption < 8 hrs	Short term or localised non-compliance, non health related e.g. aesthetic or interruption 8-12 hrs	Widespread aesthetic issues or long term non compliance, not health related or interruption 12-24 hrs	Potential Illness or interruption >24 - 48 hrs	Actual illness or potential long term health effects or interruption >48 hrs
	Financial	\$5K	\$50K	\$100K	\$250K	\$500K
		Insignificant	Minor	Moderate	Severe	Catastrophic



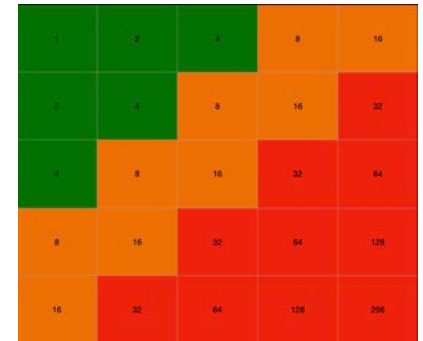
Risk



	Risk Description	Likelihood	Consequence	L'Hood Score	Cons. Score	Risk Score	Key Risk	Required Interventions to Prevent Failure	Responsible Party
General Risks	Loss of supply from regional supply line (unplanned)	Most Unlikely	Catastrophic	1	16	16	No	Updated SOP's and EOP's in the event of loss of water	Red Deer Treatment, NRDRWSC
General Risks	Loss of supply from regional supply line (planned)	Almost Certain	Insignificant	16	1	16	No		
General Risks	Build up of deposits in network as a result of inadequate flushing frequency and/or velocity	Most Unlikely	Moderate	1	4	4	No	Research and identify the need and resources to flush the regional line	City of Lacombe & the NRDRWSC
General Risks	Broken main as a result of PRV failure (there is one at every reservoir) - Reservoir damage	Unlikely	Severe	2	8	16	No	Create a PRV inspection and monitoring system to prevent occurrence	City of Lacombe & the NRDRWSC
General Risks	Loss of supply and/or deterioration of water quality as a result of broken main	Most Unlikely	Minor	1	2	2	No	Continue monitoring system and replacement when required. Repair any breaks immediately.	City of Lacombe & the NRDRWSC
General Risks	Contamination of water as a result of cross-connection	Most Unlikely	Severe	1	8	8	No		City of Lacombe & the NRDRWSC
General Risks	Contamination of water due to leaking air valves	Most Unlikely	Severe	1	8	8	No	Inspect air valves regularly to ensure they are operating properly	City of Lacombe & the NRDRWSC
General Risks	Contamination of water in supply as a result of the use of non-approved or inappropriate materials in the network	Most Unlikely	Insignificant	1	1	1	No	Current regulations are adequate	City of Lacombe & the NRDRWSC
General Risks	Contamination of water due to failure to follow proper hygiene practice when carrying out repairs (consequence is minor due to the existence of a post repair testing regime)	Most Unlikely	Minor	1	2	2	No	Continue to train and retrain operators on proper hygiene.	City of Lacombe & the NRDRWSC
General Risks	Contamination of water in supply as a result of connection to mothballed or abandoned assets.	Most Unlikely	Insignificant	1	1	1	No	Make sure that any connection to the line in the future is completed after thoroughly flushing the dead end.	City of Lacombe & the NRDRWSC



Risk



- Risk Ratings conducted with Commission Staff
- Total of 49 Risks Evaluated
- Ratings from 1 – 256

Risk Rating	Number
Low	34
Medium	14
High	1



Risk

1	2	4	8	16
2	4	8	16	32
4	8	16	32	64
8	16	32	64	128
16	32	64	128	256

- One **High Risk** identified as:
 - *“Failure to meet demand as a result of insufficient valves to isolate area affected by break (break has happened)”*
- **NEXT STEPS**
 - Commission Staff will be evaluating and assessing this Risk to present a recommendation to the Board
 - Staff will be creating an annual Risk Review process for the Board’s consideration

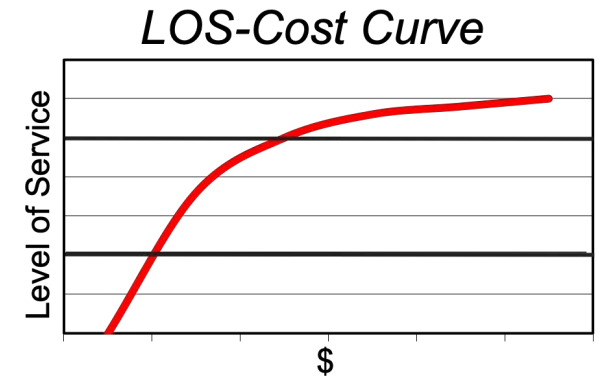


Levels of Service

- 4 Dimensions
 - Regulatory
 - Capacity / Availability
 - Affordability
 - Function

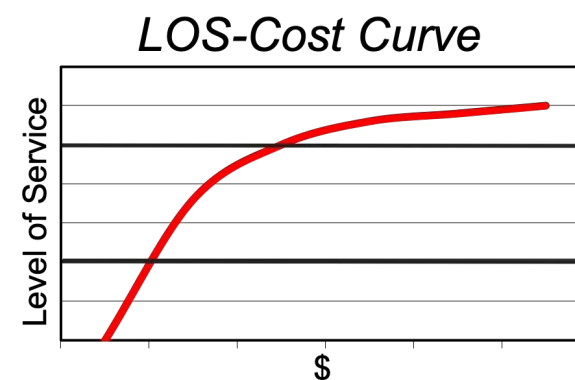
- 3 Types of Level of Service Indicators
 - Strategic
 - Technical
 - Operational

- 25 Distinct Level of Service Statements
 - Connected to Risk where applicable





Levels of Service

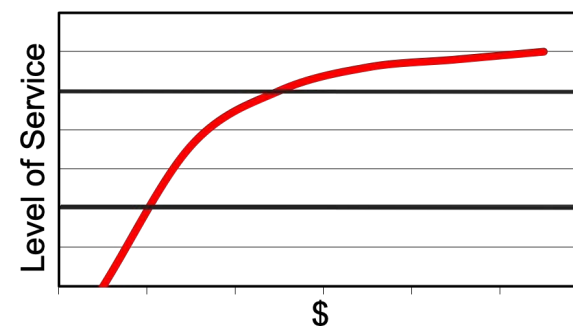


Service Characteristic	Service Description	1	2	3	4	LOS Level
Regulatory	Operate in a way that ensures water quality meets and exceeds requirements and industry standards.	Not Compliant	Water Quality Testing is Completed, but records are not kept	Water Quality Testing is completed, but Records are not up to date	All water quality testing, reports and records are kept up-to-date and pass AEP inspection	4
Regulatory	Revisit and periodically assess Bac-T/Chlorine/THM re-test frequency as a proactive action to meet regulatory compliance. Sample point is reservoir entry.	No Testing Plan	Testing Regime is BELOW the Regulatory Requirements for frequency	Testing Regime MEETS the Regulatory Requirements for frequency	Testing Regime EXCEEDS the Regulatory Requirements	4
Regulatory	Develop a comprehensive plan for potential flushing in case of mandated pipe clean out due to failed test. This would be a reactive plan to meet compliance. This plan would include every step, e.g. where the flushing water gets dumped, etc.	No Flushing Plan	Flushing plan is in place	Flushing plan is in place and reviewed every 5 years for adequacy and training purposes	Flushing plan is in place and reviewed every 2 years for adequacy and training purposes	1
Regulatory	Line Flushing Program using Uni-Directional approach wherever possible.	Line Flushing Occurs does not occur	Line Flushing Occurs once every 5 years	Line Flushing Occurs every two years	Line Flushing Occurs Annually	1
Regulatory	A Cross Connection Program is in place and active	No Cross Connection Program	A Cross Connection Program is in place and is below typical industry and commission standards.	A Cross Connection Program is in place and is comparable to industry and other commission standards	Cross Connection Program is considered Class Leading, is auditable, and provides guidance to other Commissions	2
Regulatory	No contraventions reported to Regulator (AEP)	Not reporting to AEP	Reporting some contraventions, but not all	Reporting all contraventions	Reporting all contraventions and passing with >90% on AEP audit	4
Regulatory	Maintain operator certification requirements for the regional water distribution system	No certified operators	One operator	Level 2 WD and Level 1 WD operators	More than two certified operators, with at least one operator with Level 2 WD certification	4
Regulatory	A Staff Training Program is in place	NRD does not have a Staff Training program in place.	NRD Relies on the [Member Municipalities] Contract Operator (City of Lacombe) who are supplying trained operators to comply with Staff Training.	NRD Manages it's own Operator and Staff Training Program that meets the requirements of the Regulations	NRD manages its own Operator and Staff training Program that exceeds the requirements of the Regulations	2



Levels of Service

LOS-Cost Curve

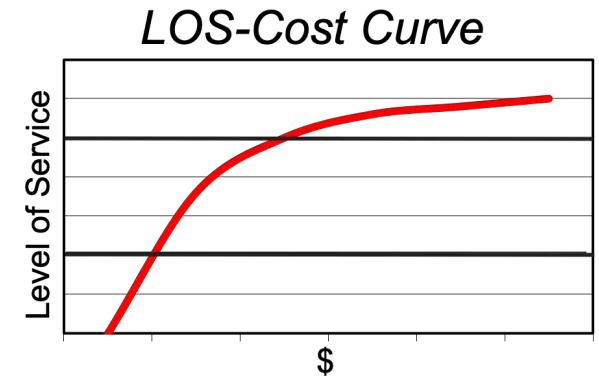


Service Characteristic	Service Description	LOS Level	LOS Description	LOS Type	Risk Number	Risk Number	Risk Number	Risk Rating	Target LOS	Target LOS Description
Regulatory	Operate in a way that ensures water quality meets and exceeds requirements and industry standards.	4	All water quality testing, reports and records are kept up-to-date and pass AEP inspection	S					4	All water quality testing, reports and records are kept up-to-date and pass AEP inspection
Regulatory	Revisit and periodically assess Bac-T/Chlorine/THM re-test frequency as a proactive action to meet regulatory compliance. Sample point is reservoir entry.	4	Testing Regime EXCEEDS the Regulatory Requirements	T	25	26			4	Testing Regime EXCEEDS the Regulatory Requirements
Regulatory	Develop a comprehensive plan for potential flushing in case of mandated pipe clean out due to failed test. This would be a reactive plan to meet compliance. This plan would include every step, e.g. where the flushing water gets dumped, etc.	1	No Flushing Plan	T	3	25			1	No Flushing Plan
Regulatory	Line Flushing Program using Uni-Directional approach wherever possible.	1	Line Flushing Occurs does not occur	T	13				1	Line Flushing Occurs does not occur
Regulatory	A Cross Connection Program is in place and active	2	A Cross Connection Program is in place and is below typical industry and commission standards.	T	6				2	A Cross Connection Program is in place and is below typical industry and commission standards.
Regulatory	No contraventions reported to Regulator (AEP)	4	Reporting all contraventions and passing with >90% on AEP audit	O					4	Reporting all contraventions and passing with >90% on AEP audit
Regulatory	Maintain operator certification requirements for the regional water distribution system	4	More than two certified operators, with at least one operator with Level 2 WD certification	T					4	More than two certified operators, with at least one operator with Level 2 WD certification
Regulatory	A Staff Training Program is in place	2	NRD Relies on the [Member Municipalities] Contract Operator (City of Lacombe) who are supplying trained operators to comply with Staff Training.	T					2	NRD Relies on the [Member Municipalities] Contract Operator (City of Lacombe) who are supplying trained operators to comply with Staff Training.



Levels of Service

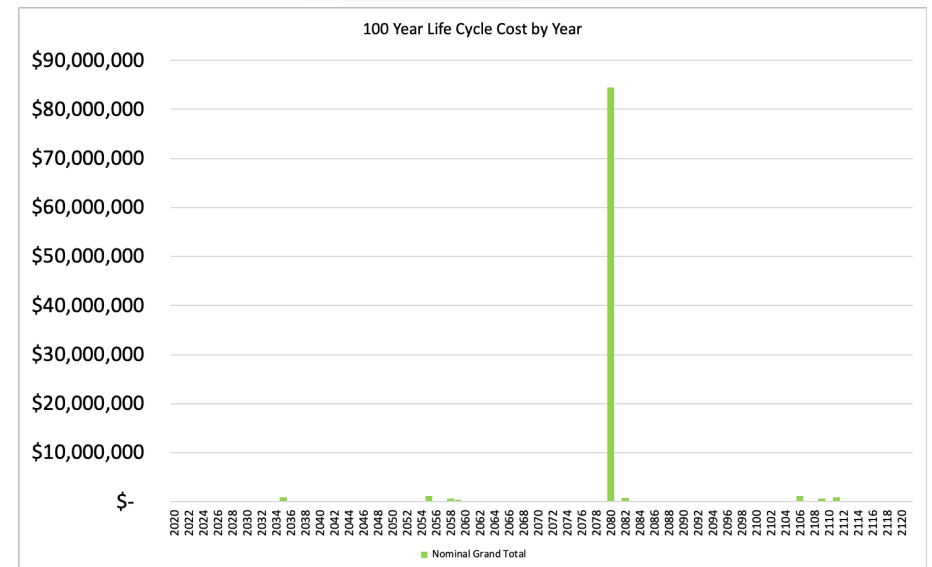
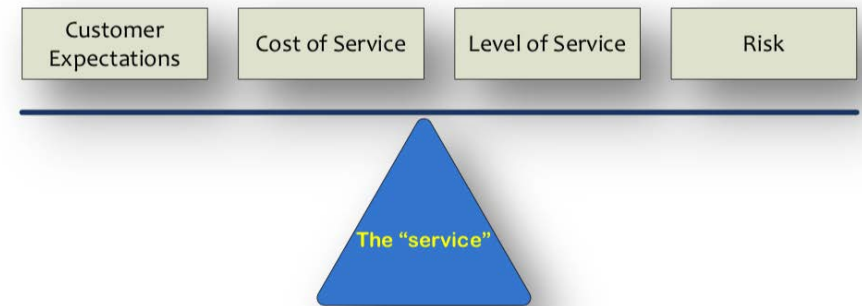
- Level of Service Register
 - One documented Register
- Linkage between Level of Service (current state) and Risk
- *NEXT STEPS*
 - Commission Staff will be evaluating the Current Levels of Service and assessing against outstanding Medium Risks
 - Staff will be creating an annual Level of Service Review process for the Board's consideration (to link Risk, LOS & Budget)





Financial Modelling

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





Financial Modelling

	2020	2021	2022	2023	2024	2025
Water Rates	2.12	2.12	2.12	2.12	2.12	2.12
Rate Change %		0.00%	0.00%	0.00%	0.00%	0.00%
REVENUES	6,618,008	6,772,258	6,986,932	7,211,545	7,446,636	7,692,763
EXPENSES	6,123,958	6,431,223	6,692,963	6,968,670	7,259,201	7,565,465
Year End Surplus/Deficit	494,050	341,035	293,969	242,875	187,435	127,298
Capital Budget	-	-	Plot Area	-	-	-
NET Y/E Op Reserve	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Net Y/E Capital Reserve	8,023,042	8,364,076	8,658,045	8,900,920	9,088,356	9,215,654



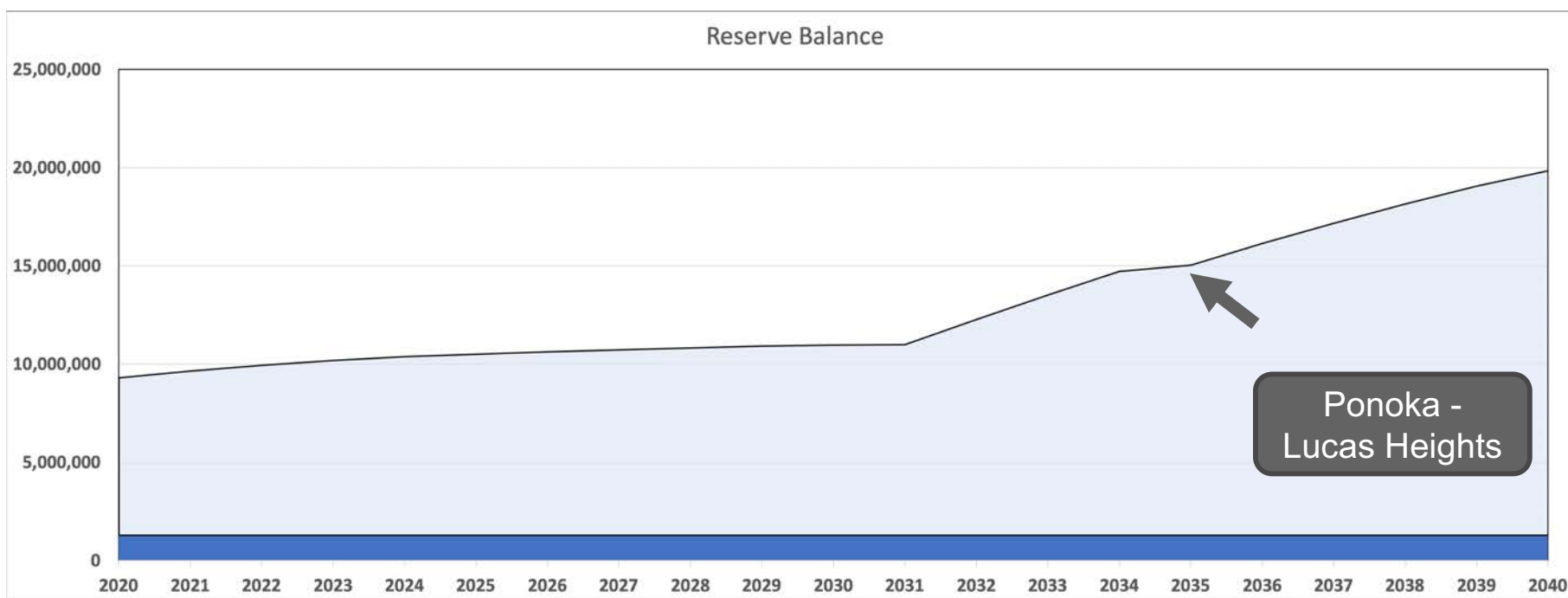
Financial Modelling

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Water Rates	2.12	2.12	2.12	2.12	2.12	2.12	2.14	2.16	2.18	2.21	2.23	2.25	2.27	2.30	2.32	2.34	2.37	2.39	2.41	2.44	2.46
Rate Change %		0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
REVENUES	6,618,008	6,772,258	6,986,932	7,211,545	7,446,636	7,692,763	7,988,097	8,296,908	8,619,889	8,957,773	9,311,331	9,681,380	10,068,782	10,474,445	10,899,330	11,344,450	11,810,878	12,299,743	12,812,242	13,349,637	13,913,262
EXPENSES	6,123,958	6,431,223	6,692,963	6,968,670	7,259,201	7,565,465	7,868,043	8,187,082	8,523,567	8,878,543	9,253,125	9,648,497	10,068,782	10,474,445	10,899,330	11,344,450	11,810,878	12,299,743	12,812,242	13,349,637	13,913,262
Year End Surplus/Deficit	494,050	341,035	293,969	242,875	187,435	127,298	120,055	109,826	96,322	79,229	58,206	32,884	1,277,764	1,242,612	1,201,861	1,155,003	1,101,490	1,040,729	972,076	894,837	808,262
Capital Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET Y/E Op Reserve	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Net Y/E Capital Reserve	8,023,042	8,364,076	8,658,045	8,900,920	9,108,350	9,275,654	9,335,709	9,445,535	9,541,857	9,621,086	9,679,292	9,712,176	10,989,940	12,232,552	13,434,414	14,589,417	15,690,908	16,731,636	17,703,712	18,598,549	19,406,811



Financial Modelling

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Water Rates	2.12	2.12	2.12	2.12	2.12	2.12	2.14	2.16	2.18	2.21	2.23	2.25	2.27	2.30	2.32	2.34	2.37	2.39	2.41	2.44	2.46
Rate Change %		0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
REVENUES	6,618,008	6,772,258	6,986,932	7,211,545	7,446,636	7,692,763	7,988,097	8,296,908	8,619,889	8,957,773	9,311,331	9,681,380	10,068,782	10,474,445	10,899,330	11,344,450	11,810,878	12,299,743	12,812,242	13,349,637	13,913,262
EXPENSES	6,123,958	6,431,223	6,692,963	6,968,670	7,259,201	7,565,465	7,868,043	8,187,082	8,523,567	8,878,543	9,253,125	9,648,497	10,061,018	10,491,833	10,949,469	11,434,447	11,947,387	12,489,014	13,060,166	13,660,799	14,292,262
Year End Surplus/Deficit	494,050	341,035	293,969	242,875	187,435	127,298	120,055	109,826	96,322	79,229	58,206	32,884	1,277,764	1,242,612	1,201,861	1,155,003	1,101,490	1,040,729	972,076	894,837	808,262
Capital Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET Y/E Op Reserve	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Net Y/E Capital Reserve	8,023,042	8,364,076	8,658,045	8,900,920	9,088,350	9,215,654	9,335,709	9,445,535	9,541,857	9,621,086	9,679,292	9,712,176	10,989,940	12,232,552	13,434,414	14,589,417	15,690,908	16,731,636	17,703,712	18,598,549	19,406,811





Governance Tools

- Mainline & Laterals – Condition & Life Expectancy
 - 100 Year Reinvestment Forecast
- Risk Register
- Level of Service Inventory
- Rate Model
 - 5 Year Capital Plan
 - 20 Year Rate Model



Governance Tools

- Tools to explore policy options
- Information to support sound recommendations
- Tools to support effective Decisions

Introduction and Historical Perspective	2
<i>Regional Service Commissions</i>	<i>2</i>
<i>North Red Deer River Water Services Commission</i>	<i>2</i>
Infrastructure Status	2
<i>Mainlines</i>	<i>2</i>
<i>Laterals</i>	<i>3</i>
<i>Current Performance</i>	<i>3</i>
<i>Observed Trends and Future Considerations</i>	<i>3</i>
Risk Profile	3
<i>Current Risk Register</i>	<i>3</i>
<i>Considerations for Future Risk Changes</i>	<i>3</i>
Level of Service Profile	3
<i>Current LOS Register</i>	<i>3</i>
<i>Considerations for Future LOS Changes</i>	<i>3</i>
Financial Model & Long Term Financial Plans	3
<i>Key Drivers of Cost</i>	<i>3</i>
<i>100 Year Replacement Forecast</i>	<i>4</i>
<i>20 Year Utility Model</i>	<i>4</i>
<i>Current Debt Position</i>	<i>4</i>
<i>Key Policy Considerations</i>	<i>4</i>
Governance Best Practices	4
<i>Risk Review</i>	<i>4</i>
<i>Level of Service Setting</i>	<i>4</i>
<i>Financial Oversight</i>	<i>4</i>
<i>Operational Oversight</i>	<i>5</i>



Discussion

Administration Reports

Administrative, Financial & Operational

Date: November 9, 2020

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



ADMINISTRATIVE

- The new website was launched.
- 2021 Operating Budget and 2021 Utility Rate Bylaw are ready for the Commission deliberation and endorsement.
- Working with Stantec, through the Asset Management project, to develop:
 - A risk register – risks that fall into the “high” category will require the Board to accept as-is or direct the Administration to lower the risk.
 - A level of service register – all Commission services are now categorized into strategic, tactical or operational services. Administration proposes the Board review the “strategic” services and either accept, raise or lower the level of service targets.
 - A 20-year utility rate model and long term replacement forecast
- Jordan Thompson will remain the ACAO of the Commission for the time being.

Waterline Extension

- Alberta Transportation provided the funding agreement for the First Nations Water Tie In Program and Stimulus Funding.
 - Total funding provided is \$38,900,000
 - The agreement states the work to be completed by Dec.31st, 2022

FINANCIAL

As seen in Table 1, overall, 2020 water volume levels are consistent with 2019 levels.

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

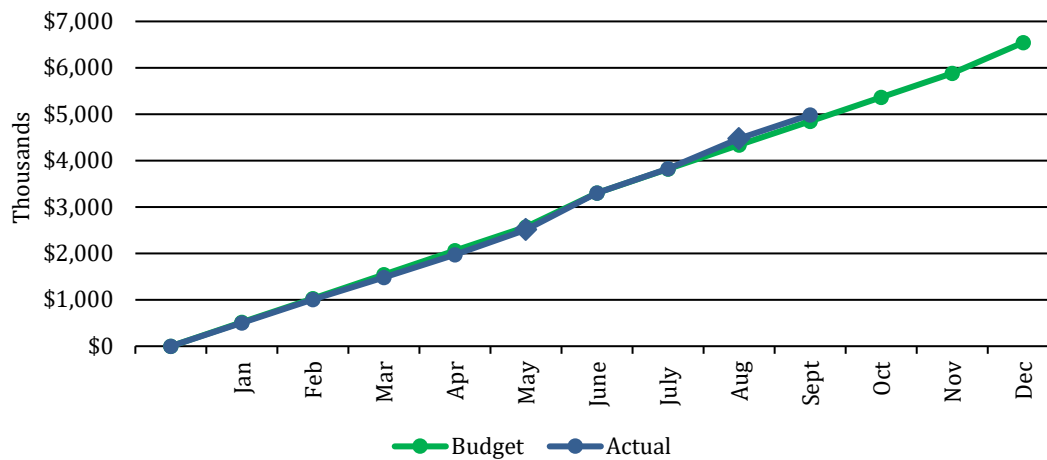
Member	2020	2019
City of Lacombe	973,166	875,210
Blackfalds	658,698	553,968
Lacombe County	23,168	24,164
Ponoka	501,534	462,247
Ponoka County	7,722	13,150
Total	2,173,374	1,928,739

Revenue

As of the end of September 2020, YTD actual revenues exceed YTD budgeted revenues by approximately \$136,000. This favourable variance is mainly due to increased investment and additional transfer from operating reserves to offset the rate reduction to members

from July to December 2020. The additional transfer from reserves will offset lower revenues in the second half of the year due to rate reduction.

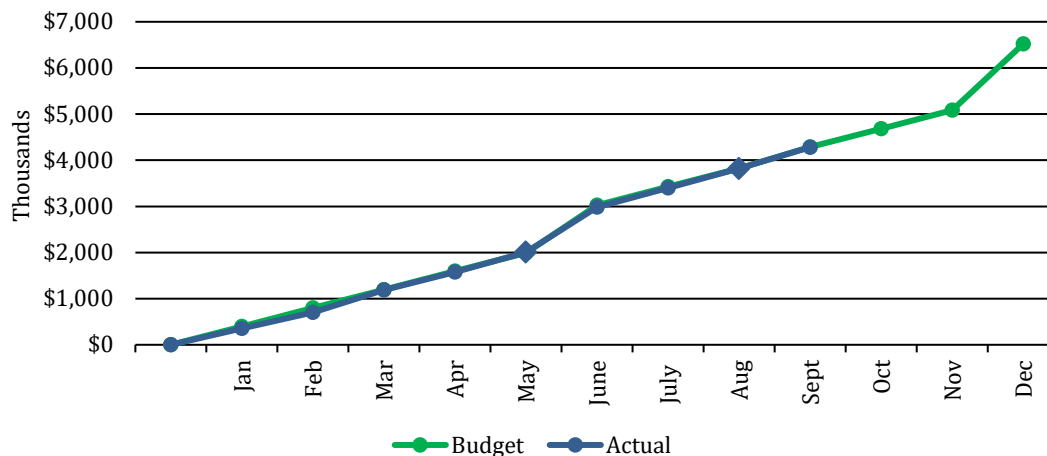
Revenue YTD vs Budget



Expenses

As of the end of September 2020, the YTD actual expenses are on budget and expected to remain for the remainder of the year.

Expenses YTD vs Budget



Projected Surplus/Deficit

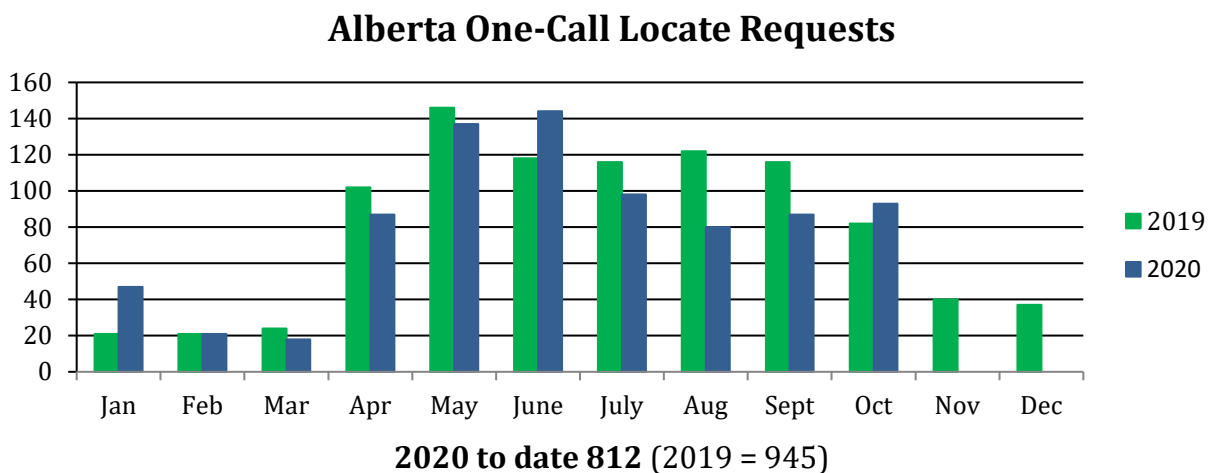
Overall, Administration is projecting an operating surplus in 2020 that will fall between \$125,000 and \$175,000 due to higher investment revenue.

OPERATIONAL

- Red Deer has completed their tie in for the new meter vault.
- From this 30-hour shutdown, the Commission found out that the previous 48-hour (2 days) allowable shutdown of the line is not accurate concerning the current water demands.
- Operations recommend member communities develop contingency plans for shutdowns longer than 36-hours.

Alberta One-Call Locate Requests:

- September – 87 locates
- October – 93 locates



Notable activities since last report:

- See above comments

Upcoming planned activities:

- There will be one more water line shutdown (not yet scheduled) for Red Deer's contractor to finish up the project by installing the water meter and piping at the new location. This shutdown should be a shorter duration, and will be communicated to all Commission members prior and during the shutdown.

ATTACHMENTS: N/A

Request For Decision



2021 Operating Budget

Date: November 9, 2020

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

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

PURPOSE:

To present the 2021 Operating Budget for the Board's consideration and approval.

ACTION/RECOMMENDATION:

THAT the Commission adopt the 2021 operating budget as presented.

ISSUE ANALYSIS:

WATER VOLUMES

For 2020, water volumes were projected to remain flat when compared to 2019 (2.9 million cubic meters). In 2020, actual volumes from all member municipalities are trending slightly lower than in 2019 with the exception of the Town of Blackfalds. Administration is using average volumes in 2019 and 2020 to project 2021 volumes.

Due to current economic conditions, Administration is expecting slower population growth in member municipalities than previously projected. Consequently, the population growth factors being used in 2021 vary from 0.5 to 2.5 percent.

REVENUES

Water Revenues

For 2021, Administration is projecting total water sales to total approximately \$6.20 million (2019 - \$6.10 million) reflecting an increase of approximately \$94,000 from year to year. The increase in budgeted revenue increase is primarily due to higher volume sales to the Town of Blackfalds.

Administration recommends maintaining the water rate in 2021 at \$2.12, which was the original water rate set in 2020.

Member Contributions

As in prior years, the 2021 operating budget includes contributions from the Lacombe County and Ponoka County which are meant to cover a portion of the administration costs as well as debt servicing costs.

In 2021, member communities will see a decrease in their budgeted contribution amounts of \$1,152. Lacombe County and Ponoka County are projected to contribute \$72,910 each in 2021.

EXPENSES

Water Purchases

As of the writing of this report, the City of Red Deer has not yet provided water rates for 2021. Based on historical analysis, treatment charges are projected to increase from \$1.54 to \$1.57 per cubic meter.

Total water purchases are projected to be \$4.7 million (2020 - \$4.5 million) for an increase of \$215,550 from 2020 levels mostly due to higher volumes and partially due to higher water purchase fees.

Operations/Management Contract

This group of expenses consists of operations and management contract between the Commission and the City of Lacombe. Total expenditures for this group are projected to be \$206,083 (2020 - \$202,047) for an increase of \$4,036 from 2020 levels.

Operations & Maintenance Expenses

This group of expenses consists Scada maintenance fees, valves, general supplies and other expenditures required for the maintenance and operations of Commission owned physical assets. Total expenditures for this group are projected to be \$54,700 (2020 - \$36,300) for an increase of approximately \$18,400 from 2020 levels mainly due to increased in Scada maintenance fees.

Admin Expenses

This group of expenses consist of board wages, board travel, office, legal fees, audit fees, telephone, insurance, etc. Total expenditures for this group are projected to be \$35,147 (2020 - \$37,386) for a decrease of approximately \$2,239 from 2020 levels.

Debt Servicing Costs

This group consist of principal and interest payments on long-term debt. Total debt servicing costs are projected to be \$1.27 million (2020 - \$1,.27 million). From year to year, no change is expected as the Commission has no plans to borrow in 2020 or 2021.

Transfers to Reserves/Amortization

This group consist of transfers to capital reserves. Currently, the Commission does not budget for transfers to operating reserve; however, annual surpluses are typically transferred to the operating reserve. Total transfers to reserve are projected to be \$400,000 (2020 - \$465,000) for a decrease of \$65,000 due to lower estimated amortization costs in 2021.

ALTERNATIVES:

The Commission may choose to:

- A. Adopt the 2021 operating budget as presented. OR
- B. Direct Administration modify the wastewater fee charged to member municipalities
OR
- C. Direct Administration not to proceed with the request at this time.

ATTACHMENTS:

Appendix 1 – Proposed 2021 Operating Budget

North Red Deer Water Services Commission
2021 Provisional Budget vs. 2020 Budget

	2021 Prov Budget	2020 Budget	Change
<u>Revenues</u>			
Water Sales - City of Lacombe	2,802,807	2,794,715	8,092
Water Sales - Town of Ponoka	1,433,142	1,460,826	-27,684
Water Sales - Town of Blackfalds	1,932,006	1,825,061	106,945
Water Sales - Ponoka County	27,903	21,200	6,703
Water Sales - City of Red Deer	0	1,954	-1,954
Line Crossing Agreement Fee	1,500	1,500	0
Interest Revenue	125,000	75,000	50,000
Rebates & Dividends	30	30	0
Lacombe County Contribution	72,910	74,062	-1,152
Ponoka County Contribution	72,910	74,062	-1,152
Transfer from Reserves	250,000	215,000	35,000
	6,718,209	6,543,410	174,799
<u>Expenses</u>			
Board Wages	4,750	3,800	950
Board Travel	1,250	1,250	0
Office expenses	1,975	1,975	0
Telephone	7,672	17,672	-10,000
Management Fees	206,083	202,047	4,036
Audit Fees	9,000	8,300	700
Legal Fees	5,000	500	4,500
Other Professional Services	11,800	11,800	0
Equipment Repair & Maintenance	6,500	9,500	-3,000
SCADA Maintenance	26,400	6,500	19,900
Insurance & Bond Premiums	5,500	3,889	1,611
Purchase of Water	4,716,964	4,501,414	215,550
Utilities-Electricity	5,000	3,500	1,500
Valves	5,000	5,000	0
Debt Servicing Costs	1,274,902	1,274,899	3
Amortization (Transfer to capital reserve)	400,000	465,610	-65,610
	6,687,796	6,517,656	170,140
Surplus/(Deficit)	30,413	25,754	4,659

Request For Decision



Commission Bylaw 3.6 – Water Rate

Date: November 9, 2020

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

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

PURPOSE:

To present for the Board's consideration Bylaw 3.6, a bylaw to amend the Commission's Water Rate Bylaw 3.

ACTION/RECOMMENDATION:

THAT the Commission gives all three readings to Bylaw 3.6 as presented.

ISSUE ANALYSIS:

Section of 602.09(1)(e) of the Municipal Government Act states that a Commission "must pass bylaws respecting the fees to be charged by the commission for services provided to its customers or any class of customers"

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

Bylaw 3.6 represents an amendment to Bylaw 3 to accommodate a water rate adjustment to members starting on January 1, 2021 at a set rate of \$2.12 per cubic meter.

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

ALTERNATIVES:

The Commission may choose to:

- A. Give all three readings to Bylaw 3.6 as presented OR
- B. Direct Administration modify Bylaw 3.6 and return to the Board at the next Board meeting OR
- C. Direct Administration not to proceed with the request at this time.

ATTACHMENTS:

Appendix 1 – Bylaw 3.6 – A Bylaw to Amend Commission Bylaw 3

NORTH RED DEER RIVER WATER SERVICES COMMISSION

BYLAW 3.6

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

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

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

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

NOW THEREFORE the Board enacts the following:

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

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

“3. The rate to be charged for the sale of potable water as of January 1, 2021 to members by the Commission is hereby set at \$2.12 per cubic meter of measured water.”

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

“3.1. The rate to be charged for the sale of potable water as of January 1, 2021 to customers by the Commission is hereby set at \$2.04 (\$1.54 for potable water and \$0.497 for delivery) per cubic meter of measured water.”

2. This bylaw comes into force upon final adoption.

Read a first time ____ day _____ of **2020**

Read a second time this ____ day _____ of **2020**

Read a third time and adopted this ____ day _____ of **2020**

CHAIR

MANAGER