

NORTH RED DEER RIVER WATER SERVICES COMMISSION
MEETING MINUTES
June 22, 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
Jordan Thompson, Acting NRDRWSC Administrator
Denise Bellabono, Administrative Assistant

Others Present: Albert Flooman, CAO, Town of Ponoka
Tim Timmons, County Manager, Lacombe County
Matthew Goudy, CAO, City of Lacombe
Preston Weran, Director of Infrastructure, Town of Blackfalds
Mauricio Reyes, Sr. Manager of Financial Services, City of Lacombe
Amber Mitchell, Engineering Services Manager, City of Lacombe
Chris Huston, Utilities Manager, City of Lacombe
Angela Smith, Regional Utilities Foreman, City of Lacombe

Guests: Todd Simenson, VP, Stantec
Joel Sawatzky, Managing Leader, Water, Stantec
Dorian Wandzura, P.Eng. , Independent Contractor, Stantec

Regrets: Myron Thompson, CAO, Town of Blackfalds
Michael Minchin, Director of Corporate Services, Lacombe County

1. Call to Order:

Chair Wigmore called the meeting to order at 8:58 am.

2. Adoption of the Agenda:

Mayor Creasey requested that “Announcement of First Nations Water Tie-In Program Funding” be added to the agenda as 7.5.

MOVED by Mayor Bonnett that the agenda for June 22, 2020, be adopted as amended.

CARRIED UNANIMOUSLY

3. Adoption of the Minutes:

MOVED by Mayor Creasey that the minutes for April 6, 2020, be adopted as presented.

CARRIED UNANIMOUSLY

4. Presentation

4.1. Stantec Asset Management Plan: Progress Report

Mr. Wandzura presented to the Commission the progress on the Asset Management Plan, which included updates on laterals, the mainline and governance. Investigation of laterals took place, two in Blackfalds, three in Lacombe, three in Ponoka, and one in Ponoka County. Inventory and Conditions were assessed and four of the nine laterals require further investigation. The risk tolerance will change now due to the COVID-19 pandemic and worked through to provide a risk profile and engage the Commission into the risk management. Key governance responsibilities will be for the Commissions input and consideration of the tolerance level that is comfortable. Service and cost are linked as service levels increase, cost plateaus and are exponential. The risk assessment will show where the Commissions scale of risk and service levels fit on the financial model along with the service cost, capital and reserves, cost and affordability , and long versus short term. An example of a 20 year plan was illustrated showing if you have a significant capital expense, then more money needs to be put in the bank, which is all dependent on which end of the spectrum for debt the Commission would like to be, noting debt is not always a bad thing. Out of the investigations, Stantec will provide a cost estimate for any lines that may require replacement or investigate alternate routes if needed.

Matthew Goudy, CAO, City of Lacombe, entered the meeting at 9:12am

MOVED by Mayor Creasey that the Commission accept the Asset Management Plan presentation as information.

CARRIED UNANIMOUSLY

5. Reports

5.1. Finance Quarterly Report

Senior Manager Reyes presented the January to May 2020 variance report with the water sales per cubic meter within each municipality. Purchase of water is on budget, operations and telephone expenditures are currently trending under budget with the anticipated surplus to offset the overage for SCADA maintenance. Based on utilities trending over budget for 2020, the 2021 budget will have a request for an increase for utilities. Provided was an update of the commission's investments portfolio, a value of \$5,330,984 as of May 29, 2020.

MOVED by Mayor Poole that the Commission accept the May 2020 Financial Report as information.

CARRIED UNANIMOUSLY

5.2. NRDRWSC Operation's Report

Manager Huston presented the June 22, 2020 Operation's Report. Comparatives of Alberta One-Call Locates show a significant decrease from 2019 to 2020, a difference of 635 requests. Administration and operations are working with Stantec on the Asset Management Plan. Regional operators continue to maintain social distancing and COVID-19 protocols as recommended by Alberta Health

MOVED by Mayor Bonnett that the Commission receive the June 22, 2020 Operation's Report as information.

CARRIED UNANIMOUSLY

5.3. Administrator's Report

Acting-CAO Thompson presented the Administrator's report with updates on the Blindman River vault tender, the drawings reviewed and waiting on milestone construction schedule including a completion date. Coordination directly with local operators will be required for shut down during the installation with risk and impact to the community as a priority and reservoirs topped up. A letter was sent June 18, 2020 to the Ermineskin Cree Nation with copies sent to Samson Cree Nation, Louis Bull Tribe, Montana First Nation and Minister Wilson regarding the Commissions decision to cease pursuit for the north expansion and all activities related to the extension with the First Nations. Administration will be facilitating an in-person or virtual workshop this fall to review, and receive feedback on the Commission's growth rate and per capita water consumption assumptions.

MOVED by Councillor Matejka that the Commission receive the June 22, 2020 Administrator's Report as information

CARRIED UNANIMOUSLY

5.4. Chairperson's Report

Chair Wigmore verbal report deferred to agenda 7.5- "Announcement of First Nations Water Tie-In Program Funding".

6. Old Business

7. New Business/ Emergent Items

7.1. Commission Administrative Templates

Acting-CAO Thompson presented administration templates for the Commission's input and feedback. A request for funds to update the Commissions website to a

new platform with a light refresh and a savings of \$475 per year in direct webhosting fees.

MOVED by Mayor Poole that the Commission approve the allocation of \$3,100 +GST for a modest modernization of the NRDRWSC website.

CARRIED UNANIMOUSLY

7.2. 2020 Utility Rate Bylaw Amendment

Senior Manager Reyes presented Bylaw 3.5 Water Rate with two options to consider. Option one results in a rate reduction from \$2.12 to \$2.09 per cubic meter with total water sales and reserves balances decreased by \$44,565. Option two results in reducing the rate to \$1.94 per cubic meter with a total water sales and reserve balances decreased by \$259,565.

MOVED by Mayor Poole that the Commission give first reading to Bylaw 3.5 Water Rate as per Option 1 (\$2.09/m3)

IN FAVOR

Mayor Grant Creasy
Chair Ken Wigmore
Mayor Richard Poole
Councillor Mark Matejka

OPPOSED

Mayor Rick Bonnett

CARRIED

MOVED by Mayor Creasey that the Commission give second reading to Bylaw 3.5 Water Rate as per Option 1 (\$2.09/m3)

CARRIED UNANIMOUSLY

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)

CARRIED UNANIMOUSLY

MOVED by Mayor Bonnett that the Commission give third reading to Bylaw 3.5 Water Rate as per Option 1 (\$2.09/m3)

CARRIED UNANIMOUSLY

7.3. 2021-2025 Budget Projections

Senior Manager Reyes presented the 2021-2025 Operational Budget projections and is the basis for the 2021 operating budget. Forecasting for an estimate of future increase on the purchase of water of 1.7 cents per year. Provided were the cost escalators and projected City of Red Deer water rates, the forecasted water volumes for the Commission, and the projected budget for the next 5 years. Administration seeks input from the Board on any possible changes.

MOVED by Councillor Matejka that the Commission accept the North Red Deer River Water Services Commission 2021-2025 Projected Operations Budget as information.

CARRIED UNANIMOUSLY

7.4. Alternative Appointed Official

Acting-CAO Thompson requested that the Commission appoint an alternative appointed official in the event that the Acting CAO is unavailable in order to allow for efficiency on administrations processing of cheques, documents and to act in his absence for the Commission.

MOVED by Mayor Bonnett that the Commission appoint Mauricio Reyes as the alternative appointed official with signing authority for Commission cheques and documents in the absence of the CAO.

CARRIED UNANIMOUSLY

7.5. Announcement of First Nations Water Tie-In Program Funding

The Province announced on June 19, 2020 the additional \$13 million from stimulus funding to support the water tie-in program to Ermineskin Cree Nation, bringing the provinces commitment to an estimated \$39 Million. To date the only questions answered have been the financial side on the capital and no correspondence from the First Nations. With letters sent off to the Four First Nation and the Minister of Indigenous Relations, until the Commission receives answers to the questions sent to the Ministry in February 2020, the Commission has no actions to take on the extension project and continues to cease pursuit of the project.

8. Correspondence/Information

9. Next Meeting:

Monday, September 21, 2020 at 9:00 am, City of Lacombe Council Chambers.

10. Adjournment:

MOVED by Councillor Matejka to adjourn the meeting at 10:08 am.

CARRIED UNANIMOUSLY

___ Original Signed _____
Chairperson

__ Original Signed _____
Administrator