

NORTH RED DEER RIVER WATER SERVICES COMMISSION
MEETING MINUTES
March 29, 2021

- In Attendance:** Mayor Grant Creasey, City of Lacombe
Councillor Ken Wigmore, Lacombe County Councillor
Councillor Mark Matejka, Ponoka County
Mayor Richard Poole, Town of Blackfalds
Councillor Clayton Nelson, Town of Ponoka (Remote)
Denise Bellabono, Administrative Assistant
- Others Present:** Jordan Thompson, NRDRWSC Administrator
Matthew Goudy, CAO, City of Lacombe
Tim Timmons, County Manager, Lacombe County
Preston Weran, Director of Infrastructure, Town of Blackfalds
- Guest:** Alan Lister, BDO Canada LLP
Ryan Wachter, BDO Canada LLP
Mauricio Reyes, Contracted Finance Manager, City of Lacombe
Joel Sawatzky, Stantec Consulting Ltd.
Todd Simenson, Stantec Consulting Ltd.
- Regrets:** Myron Thompson, CAO, Town of Blackfalds
Michael Minchin, Director of Corporate Services, Lacombe County
Sandra Lund, CAO, Town of Ponoka
Charlie Cutforth, CAO, Ponoka County

1. Call to Order:

Chair Creasey called the meeting to order at 9:06 am.

2. Adoption of the Agenda:

MOVED by Mayor Poole that the agenda for March 29, 2021, be adopted as amended.

CARRIED UNANIMOUSLY

3. Adoption of the Minutes:

MOVED by Mayor Poole that the minutes for November 9, 2020, be adopted as presented.

CARRIED UNANIMOUSLY

MOVED by Councillor Matejka that the minutes for February 1, 2021, be adopted as presented.

CARRIED UNANIMOUSLY

MOVED by Councillor Wigmore that the minutes for March 1, 2021, be adopted as amended to change the next meeting location to the Lacombe County Council Chambers.

CARRIED UNANIMOUSLY

4. Presentation

4.1. 2020 Audit Statement – BDO Canada LLP

Mr. Litster and Mr. Wachter of BDO Canada LLP, reviewed the Auditor’s Report and the 2020 Audited Financial Statements, comprising of the financial position as of December 31, 2020.

In summary:

- Financial statements presented fair in all respect as a “clean audit”
- Increase in investments of \$2.8 million, decrease in cash, trades and other receivables balancing out financial assets like the previous year.
- Long-term debt payments for 2021 will be \$805,389.
- The non-financial assets book value is \$27.5 million.
- Statement of Operations was close to budgeted amounts, with the main change of the amortization being less than budgeted.

5. Reports

5.1. Administrator

- CAO Thompson informed the Commission of an introduction meeting between the Chair and Ermineskin Cree Nation (ECN) representatives, with updates provided to ECN on the Commissions’ March 1, 2021 meeting decision regarding the waterline expansion project.
- Financials were provided with water volumes for January and February, with both revenue and expenses coming in 14 percent lower than budgeted.
- Mr. Reyes will be attending his last Commission meeting March 29, 2021 due to his departure from his position at the City of Lacombe.

MOVED by Councillor Matejka to accept the March 29, 2021 Administration Report as information.

5.2. Chair

Chair Creasey gave a verbal report of his communications with ECN representatives in respect to the waterline extension of the pipeline to the Four First Nations and the direction given to administration to move forward with the project plans.

6. **Old Business**

6.1. Red Deer River Municipal Users Group Membership

CAO Thompson presented Red Deer River Municipal Users Group Membership (RDRMUG) options to the Commission. The membership comprises of municipalities within the Red Deer River Basin and communities that receive water from the Red Deer River. Historical and current information of the group was provided along with two reports from RDRMUG that highlighted importance of the Red Deer River to municipalities. The meetings are held in Drumheller and there are currently 36 active members, including the Town of Blackfalds and Lacombe County. Each member municipality membership fee is approximately \$12,500, for the population served (approximately 50,000). The Town of Blackfalds intends to continue their municipal membership regardless of the Commissions' decision to join. The Commission has the legislative ability to engage in membership with advocacy or stewardship agencies like RDRMUG and the respective Councils of the NRDRWSC's municipal members do have the ability to join the RDRMUG independently.

MOVED by Mayor Poole

WHEREAS the Commission recognizes the commission's vital responsibility to the citizens it serves that depend on the Red Deer River do its part to ensure an enduring healthy Red Deer River system with sufficient flows through all seasons to sustain communities, the economy and healthy aquatic environments today and into the future and

WHEREAS the Commission recognizes the unique and important contribution provided by the RDRMUG on behalf of all municipalities in the Red Deer river sub basin to make this goal a reality:

BE IT RESOLVED THAT the Commission direct the CAO to send a strongly worded letter to all member municipalities strongly encouraging them to either become or continue to be active contributing members of the Red Deer River Municipal Users Group.

7. New Business / Emergent Items:

7.1. 2020 Financial Audit

Mr. Reyes presented the highlights of the operating surplus and capital surplus from the audit report, informing the Commission the surplus' have been left there to be used when the new rate model is adopted. The difference between the actual and budgeted surplus is primarily due to higher water sales to members and higher investment revenue during the year.

MOVED by Councillor Wigmore that the Commission approve the North Red Deer River Water Services Commission 2020 Audited Financial Statement as amended to update and add the following statements:

(Note 5)

Replace 'Total debt limit (exceeded)' with 'Total standing debt limit (exceeded)' and replace 'Total debt servicing limit' with 'Total standing debt servicing limit.'

(Note 10)

During the year, the Town of Blackfalds purchased 37,722 m³ (2019 - 36,109 m³) of water from the Commission and resold the water to Lacombe County to service the Aspelund Business Park. The cost of water attributed to the Town of Blackfalds, above, includes the water it resold to Lacombe County.

CARRIED UNANIMOUSLY

7.2. 2020 Surplus Allocation

Mr. Reyes presented the 2020 surplus allocation to reserves in accordance with clauses 2 and 4 of the Commissions' Policy 7. The 2020 audited financial statement reported an operating surplus of \$162,808 and annual amortization expense of \$442,103. A transfer to reserves would be reflected in the 2021 reserves leaving a balance of \$899,351 with no immediate impact to the 2020 operating budget.

MOVED by Mayor Poole that the Commission approve an amount equal to the 2020 amortization in the amount of \$442,103 be transferred to the Capital Reserve.

CARRIED UNANIMOUSLY

MOVED by Councillor Wigmore that the Commission approve the 2020 operating surplus in the amount of \$162,808 be transferred to the Operating Reserve.

CARRIED UNANIMOUSLY

7.3. Cellular Modem Upgrade Phase 2

CAO Thompson proposed to move into the cellular modem upgrade phase 2 by replacing the remaining seven LTE cellular communication modems at the Commission's sites in 2021, which were initially installed in 2006. The replacements would resolve the cause of regular outages and communication glitches in the new SCADA system. If policy allows, cellular modem replacements will be incorporated in future budget proposals.

MOVED by Councillor Wigmore that the Commission approves the replacement of the remaining seven modems in 2021 at a cost of \$17,347.99 funded from the capital reserve.

CARRIED UNANIMOUSLY

7.4. Interim Alternative Appointed Official to CAO

CAO Thompson informed the Commission of the recently vacated position of the alternative appointed official to CAO and requested that the Commission appoint an alternative appointed official in the event that the 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 Poole that the Commission appoint Matthew Goudy as the interim alternative appointed official with signing authority for Commission cheques and documents in the absence of the CAO.

CARRIED UNANIMOUSLY

7.5. Commission Meeting Addition/Changes

CAO Thompson proposed the scheduling of an addition meeting to be held May 17, 2021, to discuss the following items:

- Final Asset Management Plan Deliverables
- 2022-2024 Budget Options (Mr. Jenkins)
- Bylaw 1 and Financial Policy amendments (Mr. Jenkins)
- Waterline Extension Project Plan

Rescheduling of the Commissions' regular meeting on September 20, 2021 was requested due to conflicts with the Municipal Elections Nomination Day, explicitly the unavailability of facilities to hold the meeting.

MOVED by Councillor Matejka that the Commission approve the additional meeting on May 17, 2021 in the Lacombe County Office, Council Chambers at 9:00 a.m.

CARRIED UNANIMOUSLY

MOVED by Mayor Poole that the Commission approve the rescheduling of the September 20, 2021 Commission meeting to September 13, 2021 at 9:00 a.m.

CARRIED UNANIMOUSLY

8. Correspondence

8.1. ECN Waterline Extension Grant Agreement

The Commission discussed and recommended the Board authorize Administration to enter into the Waterline Extension Grant Agreement with Alberta Transportation subject to conditions being confirmed in writing, namely:

(a) that the NRDRWSC obtain explicit confirmation that if estimated eligible capital costs for the project exceed the amount listed in schedule 'A', the Province will act reasonably, and approve requests from NRDRWSC for additional funding.

(b) that signing off on the grant agreement does not obligate the Commission to make any decisions on the project.

MOVED by Councillor Wigmore that the Board direct administration send a letter to the agency of government outlining our concerns and clarification of the signing of the grant agreement and the Commissions' commitment.

CARRIED UNANIMOUSLY

9. Next Meeting:

Monday, May 17, 2021 at 9:00 am, Lacombe County Council Chambers

CARRIED UNANIMOUSLY

4. Adjournment:

MOVED by Councillor Matejka to adjourn the meeting at 10:30 am.

CARRIED UNANIMOUSLY

Original Signed
Chairperson

Original Signed
Administrator