

NORTH RED DEER RIVER WATER SERVICES COMMISSION
ANNUAL MEETING MINUTES
April 10, 2017

In Attendance: Mayor Steve Christie, City of Lacombe
Mayor Rick Bonnett, Town of Ponoka
Mayor Melodie Stol, Town of Blackfalds
Councillor Ken Wigmore, Lacombe County
Councillor Mark Matejka, Ponoka County
Michael Minchin, NRDRWSC Administrator
Jennifer Peterson, Administrator Assistant

Others Present: Albert Frootman, CAO Town of Ponoka
Myron Thompson, CAO Town of Blackfalds
Tim Timmons, Manager of Corporate Services, Lacombe County
Chris Huston, Utilities Manager, City of Lacombe
Jordan Thompson, Engineering Manager, City of Lacombe

Guests: Dan Luymes, BDO Canada LLP
Ryan Wachter, BDO Canada LLP

1. Call to Order:

Chair Christie called the meeting to order at 9:01 am.

2. Adoption of the Agenda:

"Under Adoption of Minutes, correct the date to read - November 28, 2016"

MOVED by Mayor Bonnett that the agenda for April 10, 2017, be adopted as amended.

CARRIED

3. Adoption of the Minutes:

MOVED by Mayor Stol that the minutes for November 28, 2016, be adopted as presented.

CARRIED

4. Presentation

A. 2016 Audit Financial Statement

Mr. Wachter of BDO *Canada* LLP, reviewed the Auditor's Report of the 2016 Audited Financial Statements.

In summary:

- Reported a “clean audit”
- Noted the accumulated surplus has been allocated to Capital and Rate Stabilization reserves.
- Water sales were less than budgeted.
- Expenses were less than budgeted.

MOVED by Councillor Wigmore to accept the Audited Statements as presented.

CARRIED

At 9:09am Dan Luymes and Ryan Wachter of BDO Canada, left the meeting.

B. 2017 Appointment of Auditors

Mr. Minchin shared with the Commission that BDO prices have not changed for the past two years and that they were able to meet the demands of moving up the presentation date by two weeks. The Commission is entering into the fourth year of a 5 year contact. He recommended that the Commission continues with the service from BDO.

MOVED by Mayor Stol to appoint BDO Canada LLP as the 2017 Auditors for the North Red Deer River Water Services Commission.

CARRIED

5. Reports

Mr. Huston discussed the recent operation activities.

In summary:

- The Alberta One-Call locate requests are on target.
- Operations responded to call outs regarding communication lost at Wolf Creek, Red Deer Treatment Plant and the main vault.
- Computer and software have been ordered to replace the monitoring computer at the Red Deer Treatment Plant.

Mr. Thompson discussed the recent engineering activities.

In summary:

- Due to the wastewater line construction, a number of crossing agreements were needed to be entered into with the North Red Deer Regional Wastewater Services Commission.
- The Wastewater Commission has asked for temporary workspace within the water’s easement. It has been granted.
- The Town of Blackfalds is relocating an intersection and will be relocating a portion of a lateral waterline in that location. All costs will be covered by the Town of Blackfalds.

- A Request for Proposal (RFP) will be issued for a SCADA Assessment and Recommendations. Included in the RFP will be to ask for the best solution of communication between Operations', Red Deer Treatment Plants and the vaults.

Administrator Report

Mr. Minchin presented the Administrator's report.

In summary:

- The Commission has received approval from the Minister of Municipal Affairs for water sales to the City of Red Deer for five years. The Agreement has been fully executed. Waiting to commence water sales to Central Park of Red Deer.
- Lateral line within the Town of Blackfalds will be relocated. Blackfalds will be bearing the full cost.
- The Province has provided a checklist that the Commission will need to complete with regards to and request for sale of the line to Red Deer. A letter has been sent to Red Deer on what they will need to complete. The Commission will need to return a portion of the grant back to the Province on the part of line that is sold to Red Deer. The amount to be returned has not yet been finalized.

Mr. Minchin presented the financial report.

In summary:

- There is no true-up for 2016. The variance was only 3%. True-up is not paid until a 10% variance is met.
- Water is tracking slower than last year. The summer months are normally where the bulk of the water is sold.

Chairman's Report

The Chair has nothing to report at this time.

MOVED by Councillor Matejka to accept as information.

CARRIED

6. Correspondence/Information

City of Red Deer letter – 2016 True-up per the Water Supply Agreement

A copy of the letter was provided to the Commission as information.

Minister of Municipal Affairs – Ministerial Order MSL 003/17

A copy of the Order was shared with the Commission.

MOVED by Councillor Wigmore to accept as information.

CARRIED

7. Old Business:

8. New Business:

Allocation of 2016 Surplus

For the calendar year 2016, there was a surplus of \$557,969. The Commission received a True-up of \$348,357 for 2015 which is included in the surplus amount. Mr. Minchin recommended that the surplus and true-up be transferred to reserves as outlined.

MOVED by Councillor Wigmore that the Board approve the following transfers to reserve:

- 1. That an amount equal to the annual amortization for 2016 be allocated to the Capital Reserves; and*
- 2. That an amount equal to \$37,590 be transferred to the Operating Reserve; and*
- 3. That \$520,379 be transferred to the Rate Stabilization Reserve*

Further, that the Board direct Administration to update the 5 year Operating Projections to incorporate the additional true up revenue.

CARRIED

2017-2021 Budget Projections

Mr. Minchin presented the final draft of the 2017 – 2021 Budget Projections update.

MOVED by Councillor Matejka to accept as information.

CARRIED

9. IN Camera

10. Next Meeting:

Monday, June 19, 2017 at 8:30 am, City of Lacombe Council Chambers.

11. Adjournment:

MOVED by Mayor Bonnett to adjourn this Meeting at 9:35 am.

CARRIED

Chairperson

Administrator