

NORTH RED DEER RIVER WATER SERVICES COMMISSION
REGULAR MEETING MINUTES
April 14, 2014

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, Corporate Services Director, Lacombe, NRDRWSC Administrator
Jennifer Peterson, Administrator Assistant, Lacombe

Others Present: Myron Thompson, CAO, Town of Blackfalds
Norma MacQuarrie, CAO, City of Lacombe
Terry Hagar, County Commissioner, Lacombe County
Jordan Thompson, Engineering Manager
Chris Huston, Utilities Manager, City of Lacombe

Guest: Dan Luymes, BDO Canada LLP

Call to Order:

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

1. Adoption of the Agenda:

MOVED by Mayor Stol that the agenda for April 14, 2014 be adopted as presented.

CARRIED

2. Adoption of the Minutes:

MOVED by Mayor Bonnett that the minutes for December 16, 2013 be adopted as presented.

3. Presentation

Mr. Luymes of BDO LLP reviewed the Auditor's Report on the 2013 Audited Financial Statements.

In summary:

- NRDRWSC has a "clean audit".
- Revenue and water sales are right on budget
- There are some differences between the financial statement reported surplus and the budget surplus due to the fact that some items are reported as expense (i.e. debt payments) on the budget while they are not on the financial statements.
- The NRDRWSC has moved to CaseWare auditing software. This will allow for trail balances and all working papers to be uploaded and all reports generated from the information.

MOVED by Councillor Wigmore to accept the presentation by Mr. Luymes as information.

CARRIED

4. Reports

Operator's Report

Mr. Thompson discussed the recent activities.

In summary:

- Responded to 193 Alberta One-Call Locate requests; 97 -January; 37- February; 59 – March. Most of the call for locates are for new fiber optical lines in Blackfalds.
- Operations staff was called out to repair a water leak in the Ponoka area. The leak was in a rusted buried valve on one of the lines that the Commission inherited. It was replace and reburied.
- There were two call outs. One for lost of communication with Pump House "C" and the other for valve failing to open at Eastrail.
- The Commission has received thus far, four applications for crossing agreements.

Mr. Hager joined the meeting at 9:25 am.

Comments:

- The 2009 Commission Policy indicates that the Commission is responsible for the lateral connection line up to 1km from the point of connection with the regional line. Currently there are no agreements with the municipalities for repairs of these old lines and who is actually the owner. Administration will be working on getting a more formal agreement in place with the municipalities.
- About 2% water lose happens within a year. This could be from the older lines.
- There are approximately eight lateral old lines. The exact kilometers are unknown.

Administrator Report

Mr. Minchin presented the Administrators report.

In summary:

- Attended a flood prevention workshop in Drumheller in February.
- Working on the long term water forecast for the next three years.
- Water demand has increase significantly over the past two years and is no line with the original forecast for the line.
- Evraz has started the process to move forward with the connection on their own. The City of Red Deer has not given permission for the connection.
- Fluoride concerns may become an issue again.

Mr. Minchin presented the Financial 1st Quarter report.

In summary:

- Water sales are currently at 25% for the 1st Quarter this year.
- Repairs to an old line created an overage to the budget "Equipment Repair & Maintenance"

Chairman's Report

- Thanked the Commission for the great job of collaborations on the regional water line.
- Currently working at moving forward the Regional Wastewater project.
- The Regional Wastewater will be stating to request right of ways from the Water Commission.

MOVED by Mayor Bonnett to accept the reports as information.

CARRIED

5. Old Business:

MOU between Blackfalds and Lacombe County

Mr. Minchin received some questions regarding the authority of the Commission to grant the request to allow for the sale of water from Blackfalds to Lacombe County. Administration provided a summary of the various policies and bylaws governing the operations of the Commission to the Board and confirmed that the request was within the authority of the Commission to approve.

MOVED by Mayor Stol to accept the reports as information.

CARRIED

6. New Business:

2013 Audit Financial Statement

MOVED by Councillor Matejka to accept the 2013 Audit Financial Statement as presented.

CARRIED

2013 Operating Surplus

Discussions were held on the 2013 Operating Surplus.

In summary:

- Budget is based on cash flows and amortization while the financial statements' surplus excludes debt payments and backs out amortization.
- In accordance with policy an amount equivalent to the amortization expense (i.e. \$465,610) is to be transferred to capital reserves while the adjusted 2013 operating surplus (i.e. \$184,576) is to be transferred into the operating reserve.

- In accordance with Policy 7_12 any annual operating surplus is to be placed in an operating reserve. The General Operating Reserve shall maintain a balance equal to 90 days of general expenses. There is roughly 1 year left to reach this balance, after which time the Commission will look at different options for any surplus.

MOVED by Councillor Wigmore to approve these transfers to reserves as presented.

CARRIED

7. Next Meeting:

Monday, September 8th at 9 am, City of Lacombe Council Chambers.

8. Adjournment:

MOVED by Mayor Stol to adjourn this Meeting at 9:54 am.

CARRIED

Chairperson

Administrator