



NORTH RED DEER RIVER WATER SERVICES COMMISSION

Regular Meeting

December 10, 2018 @ 9 AM

LACOMBE CITY HALL

AGENDA

1. Call to Order
2. Adoption of Agenda
3. Adoption of Minutes
 - a. November 5, 2018 - Regular Meeting (*attached*)
4. Reports
 - a. Operations (*attached*)
 - b. Administrator (*attached*)
 - i) Monthly Report
 - c. Chair
5. Correspondence
6. Old Business
 - a. 2019 Budget Update (*attached*) – for approval
 - b. Sale of Water line to the City of Red Deer
7. New Business
8. In Camera
9. Next Meeting Date
 - a. April 8, 2019 at 9 AM (tentative)
10. Adjournment

NORTH RED DEER RIVER WATER SERVICES COMMISSION
REGULAR MEETING MINUTES
November 5, 2018

In Attendance: Chair Ken Wigmore, Lacombe County Councillor
Mayor Grant Creasey, City of Lacombe
Mayor Rick Bonnett, Town of Ponoka
Councillor Mark Matejka, Ponoka County
Mayor Richard Poole, Town of Blackfalds
Justin de Bresser, NRDRWSC Administrator
Jennifer Peterson, Administrative Assistant

Others Present: Albert Frootman, CAO, Town of Ponoka
Charlie Cutforth, CAO, Ponoka County
Matthew Goudy, CAO, City of Lacombe
Myron Thompson, CAO, Town of Blackfalds
Michael Minchin, Manager of Corporate Services, Lacombe County
Preston Weran, Director of Infrastructure, Town of Blackfalds
Jordan Thompson, Operation & Planning Director, City of Lacombe
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:

MOVED by Mayor Creasey that the agenda for November 5, 2018, be adopted as presented.

CARRIED

3. IN Camera

Chair Wigmore ask that this item is address earlier in the meeting to accommodate a Board Member's schedule.

MOVED by Mayor Poole to go into camera at 9:02 am.

CARRIED

Waterline Extension

Charlie Cutforth, CAO, Ponoka County, left the meeting at 9:40 am.

MOVED by Mayor Creasey to resume regular meeting at 9:50 am.

CARRIED

4. Governance

a. Annual Election

i. Chair

Mr. de Bresser, Administrator, called for nominations from the floor.

Mayor Poole nominated Ken Wigmore for Chair. After three calls for attentional nomination, Mayor Bonnet moves ceased nominations.

Councillor Ken Wigmore is acclaimed as Chairman.

Mr. Wigmore resumed the Chair position.

ii. Vice Chair

Mr. de Bresser, Administrator, called for nominations from the floor.

Mayor Poole nominated Grant Creasey for Vice Chair.

Mayor Creasy nominated Richard Poole for Vice Chair.

After three calls for attentional nomination, Chair Wigmore moves to ceased nominations.

A Secret Vote was held for the Vice Chair position. Mr. Goudy, CAO City of Lacombe, disrupted, collect and counted the ballots.

Mayor Grant Creasey was named as the successor of Vice Chair.

MOVED by Mayor Bonnett that all ballots are destroyed.

CARRIED

5. Adoption of the Minutes:

MOVED by Councillor Matejka that the minutes for September 17, 2018, be adopted as presented.

CARRIED

6. Presentation:

Mr. Goudy presented to the Board a request to consider a reduction in the cubic meter cost of water provided to members. He outlined what the current costs are and what has been placed in reserves since the construction of the line to cover the replacement and upgrades to the line. The City of Lacombe Administration believes it is overly conservative to budget for full cost depreciation, and further, that to do so imposes an unfair burden on current ratepayers in municipalities. He recommended that a rate reduction of 16% is imposed on the members' rate or a lump sum payment is paid back to members based on past payment structure.

Mr. Minchin reminded the Board that when the line was constructed the Commission also acquired a number of feeder lines that feed reservoirs within the municipality. Those lines were not replaced with new pipe and some could need to be replaced at anytime. The replacement cost in the water sale rate was not just for the replacement and upkeep of the main line, it was also to address the ageing feeder lines.

A discussion occurred on what this could mean to the current members, as well as any future members. Concerns were expressed that there was a lot of information presented and the Board does not have enough information to make a recommendation on the request.

MOVED by Mayor Poole that Administration work with Mr. Minchin to investigate the request and provide the Board at the next meeting of a recommendation based on the findings.

CARRIED

7. Reports:

Operations Report

Mr. Huston discussed the recent operation activities.

In summary:

- Alberta One calls are down.
- Operation found that an actuator valve at PH'A leaking, new valve has been ordered.
- No power at Main vault on October 21st due to a scheduled outage by Fortis. Main vault was on back-up power until the main power was restored.

SCADA Upgrades

Eramosa has completed site visits and is working on the required upgrades to the SCADA system.

MOVED by Councillor Matejka to accept the Operation's report as information.

CARRIED

Administrator Report

Mr. de Bresser presented the Administrator's report.

In summary:

- Administration attended the annual planning meeting with the City of Red Deer. Topics included the sale of the waterline, and the 2019 Water Rate. The City of Red Deer has not finalized the rate.

- The draft Waterline Sale Agreement has been sent to Red Deer. Will present to the board at the December meeting. Administration will need a resolution from the board to move forward with the sale.
- The draft 2019 Operating budget will be presented to the Board for review.
- Currently working on the 5 year projection and will present at the December meeting for information.

MOVED by Councillor Matejka to accept the Administrator's Report as information.

CARRIED

Mr. de Bresser presented the financial report.

In summary:

- Water sales are above the historical average. Projection to the end of the year, water sales will be higher in Lacombe and Blackfalds and will be slightly lower in Ponoka, Ponoka County and the City of Red Deer.
- Administration and Chair Wigmore met with Ermineskin Cree Nation and the Province of Alberta to discuss a waterline extension. Details of the meeting were shared with the board members
- Administration is currently working on the 5 year projection and will present at the December 10th meeting.

MOVED by Councillor Matejka to accept the Financial Report as information.

CARRIED

Chairperson's Report

Nothing to report at this time.

8. Correspondence/Information

9. Old Business:

No old business to discuss.

10. New Business:

Mr. de Bresser presented the draft 2019 Operating budget for the boards review.

- The 2019 Operating Budget will have a 2% increase. The rate stabilization funds will be used to maintain the commission members' rate at \$2.07.
- The operation surplus will be down from \$100,000 to \$80,000.

Mr. de Bresser was asked what the rate stabilization fund was at the end of 2017. It was \$1.2 million and at the end of 2018 it will be at \$1 million.

MOVED by Mayor Poole to accept the 2019 Operating Budget as information.

CARRIED

11. Next Meeting:

Monday, December 10 at 9:00 am, City of Lacombe Council Chambers.

12. Adjournment:

MOVED by Councillor Matejka to adjourn this Meeting at 10:35 am.

CARRIED

Chairperson

Administrator

DRAFT

M E M O R A N D U M



North Red Deer River
Water Services
Commission

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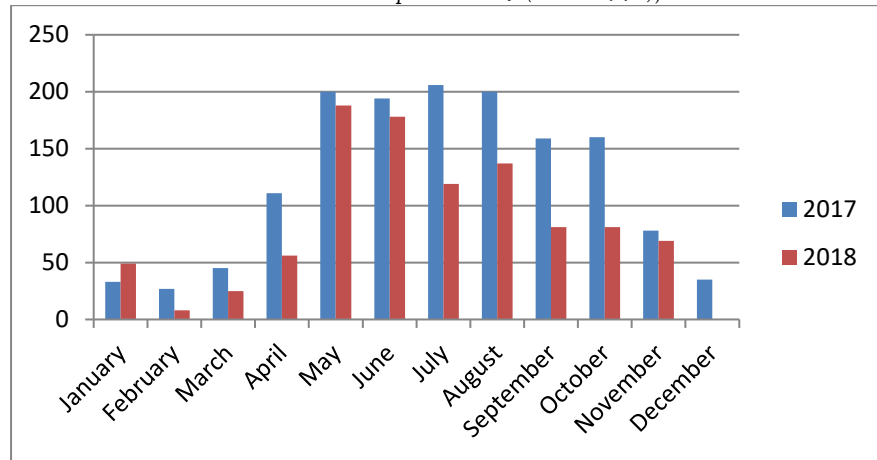
December 10th, 2018
Attn: NRDRWSC
Re: Operational Report since November 5th, 2018.

Since the last update provided to members of the Commission, the City of Lacombe has:

GENERAL INFORMATION

- Alberta One-Call Locate Requests:
 - November - 69 locates

Alberta One-Call Locate Requests 2017 (total 1448); 2018 to date 991



Repair response charges:

- None to report

Call-Out:

- None to report

General Information:

SCADA Upgrades - Eramosa has completed software analysis and has begun integration into the new Ignition software.

If you have any questions or comments regarding the operations described above, please do not hesitate to call or email me.

Regards,

A handwritten signature in blue ink, appearing to read 'L-H'.

Chris Huston
Operations Supervisor



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta
T4L 1E9

Memorandum

TO: Commission Board Members
FROM: Justin de Bresser, Administrator
DATE: December 10, 2018

RE: Administrator's Report – Dec 10, 2018 REF: 47/117
(2018)

The following is a summary of items Administration has been working on since the Board's last meeting:

1. Administration received the draft sales agreement from the City of Red Deer for the sale of the water line within the City of Red Deer boundaries. This item is discussed later on the agenda.
2. Administration has requested the Province of Alberta to arrange meetings with the three remaining First Nations to discuss extending water services. The commission is meeting with Samson Cree Nation on December 12th. Further to the discussion with the Province, administration has requested the grant application for the feasibility study as per the Commissions request.
3. Administration has drafted the 2019 Operating budget for the boards review. This item is up for review later on the agenda. No changes have been made since it was last presented. The budget assumes a 2 percent increase from the City of Red Deer.
4. Administration has been working on the 5 year projection and will present this work at the April Meeting. The sale of the section of water line to the City of Red Deer will have an impact on the 5 year projects.
5. As per City of Lacombe's request, Administration has started to look at the request of not accounting for depreciation and returning capital, rate stabilization and operating reserves back to commission members. Administration will be working with the County of Lacombe in the new year. The findings of this request will be presented at the April meeting along with the updated rate bylaw.

North Red Deer River Water Services Commission



2019 Operating Budget
Draft

Prepared by Justin de Bresser
December 10 2018

2019 Operating Budget

The North Red Deer River Water Services Commission transports potable water from the City of Red Deer to its member municipalities. Currently, the Commission delivers water to all its members. The 2019 budget forecasts revenues based on the water demand estimates provided by the member municipalities. The largest costs to the Commission are the purchase of water from the City of Red Deer and debenture payments.

The following is a summary of changes included in the 2019 operating budget followed by the budget itself.

Water Costs

The 2019 operating budget is based on a 2% increase in water rates from the City of Red Deer. The rate from the City of Red Deer may increase from \$1.47 to \$1.50 per cubic metre effective March 1st, 2019. The Commission will receive a formal letter from the City at the end of November. The details of the rate and impact on the budget are outlined on page 3.

Water Sales Volumes

Water sales volumes for 2019 have been reviewed based on the estimates and actuals from the 2018 budget. Actual consumption for 2018 is estimated to be slightly higher than forecasted for both Blackfalds and Lacombe. Whereas, the Town of Ponoka and County of Ponoka are showing they may miss 2018 budget target. Administration is forecasting slower growth in the coming years and this is reflective in the 2019 estimates. Included in the estimate is a change to the water loss estimate. Water forecasts are outlined in page 4 of this document.

Other Operating Revenues and Expenditures

In addition to water purchases and sales volume estimate adjustments, Administration has also reviewed all expenses for the Commission and made a number of adjustments. The following is a summary of those adjustments. The operating budget starts on page 5.

Revenues

1. Increase in line crossing fees of \$500 to reflect growing income.
2. Increase County contributions based on agreement
3. Increase of \$25,000 in interest revenue to reflect bond portfolio.

Expenses

4. Decrease in Telephone – Office by \$180.
5. Increase of \$1,140 in Management Fees as per contract.
6. Increase in \$300 in Accounting and Auditor Fees (RFP Closes Nov 5th 2018)
7. Water purchases are based on projected water volumes and the new City of Red Deer rate.
8. Amortization remains unchanged. As this is a non-cash expense, the reserve policy will see this transferred to capital reserves at the end of the year in 2019.
9. Funding from rate stabilization reserve of \$215,000 to offset rate increase from City as per 5 year plan.

Water Rates

Based on the 2% increase from the City of Red Deer, Administration is proposing to keep the rate the same as 2018 at \$2.07 per cubic meter. The operating surplus is \$2,830

**North Red Deer River Water Services Commission
2019 Water Sales Forecast**

2018 City of Red Deer Rate	\$ 1.470
2019 City of Red Deer Projected Rate	\$ 1.500
 % Change	 2.00%

<u>Water Purchases</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
Lacombe	104,690	92,275	1,134,975	1,331,940
Ponoka	58,015	53,877	595,732	707,624
Blackfalds	69,236	58,602	709,337	837,175
Ponoka County	740	648	7,866	9,254
City of Red Deer (Not included)	-	-	-	-
Water Loss	4,733	4,141	50,285	59,159
 Subtotal	 237,414	 209,543	 2,498,194	 2,945,151

Price per m3 (excludes Red Deer)	1.4700	1.4700	1.5000
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<u>Cost of Water</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
City	153,894	135,644	1,702,462	1,992,000
Ponoka	85,282	79,199	893,598	1,058,080
Blackfalds	101,777	86,145	1,064,005	1,251,927
Ponoka County	1,088	952	11,798	13,839
City of Red Deer	-	-	-	-
Water Loss	6,957	6,087	75,427	88,472
 Subtotal	 348,999	 308,028	 3,747,291	 4,404,318

Other Expenses (Includes Amortization)	<u>2,007,111.31</u>
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Total Operating Costs	6,411,429.00
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Less non-water Revenue & Delivery Revenue from City of Red Deer	<u>440,254.00</u>
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Total Water Sale Revenue Required	5,971,175.00
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<u>Water Sales Required</u>	<u>January</u>	<u>February</u>	<u>March to December</u>	<u>Total</u>
City	216,708.30	191,009.25	2,349,397.26	2,757,114.81
Ponoka	120,091.05	111,525.39	1,233,165.61	1,464,782.05
Blackfalds	143,318.52	121,306.64	1,468,326.80	1,732,951.96
Ponoka County	1,532.40	1,340.85	16,281.80	19,155.05
 Subtotal	 481,650.27	 425,182.13	 5,067,171.47	 5,974,003.87
Operating Surplus				2,828.87
Price per m3	\$ 2.0700	\$ 2.0700	\$ 2.0700	

Rate Increase	0.00%
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**North Red Deer River Water Services Commission
2019 Water Sales Forecast**

	2018 Projected			2018 Budget	Variance
	Jan to Sep	Oct to Dec	Total		
City of Lacombe	1,013,352	305,400	1,318,752	1,288,926	2.26%
Town of Ponoka	539,008	161,610	700,618	712,000	-1.62%
Town of Blackfalds	646,609	182,277	828,886	775,261	6.47%
Lacombe County	-	-	-	20,200	0.00%
Ponoka County	7,301	1,512	8,813	12,076	-37.02%
City of Red Deer	3,010	939	3,949	14,059	0.00%
Water Loss	43,930	11,131	55,061	24,566	55.38%
	<u>2,253,210</u>	<u>662,869</u>	<u>2,916,079</u>	<u>2,847,088</u>	<u>2.37%</u>

2019 (Estimated)

	2019 (Estimated)			March to December Total
	January	February	March to December	
City of Lacombe	104,690	92,275	1,134,975	1,331,940
Town of Ponoka	58,015	53,877	595,732	707,624
Town of Blackfalds	69,236	58,602	709,337	837,175
Ponoka County	740	648	7,866	9,254
City of Red Deer	300	279	3,409	3,988
Water Loss	4,733	4,141	50,285	59,159
	<u>237,714</u>	<u>209,822</u>	<u>2,501,603</u>	<u>2,949,139</u>

Historical

	Actual	Actual	Actual	Projected	Esitimated
	2015	2016	2017	2018	2019
City of Lacombe	1,361,741	1,258,887	1,282,142	1,318,752	1,331,940
Town of Ponoka	715,080	696,163	688,423	700,618	707,624
Town of Blackfalds	752,324	737,533	800,516	828,886	837,175
Ponoka County	8,383	9,721	10,006	8,813	9,254
City of Red Deer		-	12,170	3,949	3,988
Water Loss	52,169	14,696	55,061	58,573	59,159
	<u>2,889,697</u>	<u>2,717,000</u>	<u>2,848,318</u>	<u>2,919,591</u>	<u>2,949,139</u>

City of Lacombe	2.50%	-7.55%	1.85%	2.86%	1.00%
Town of Ponoka	1.22%	-2.65%	-1.11%	1.77%	1.00%
Town of Blackfalds	10.93%	-1.97%	8.54%	3.54%	1.00%
Ponoka County	14.27%	15.96%	2.93%	-11.92%	5.00%
City of Red Deer			0.00%	0.00%	1.00%
Water Loss	39.08%	-71.83%	274.67%	6.38%	1.00%
Total	4.77%	-5.98%	4.83%	2.50%	1.01%

Budget Department by Category



From Category: 47 To Category: 47
 Account Code: 06-1-??-????? To : 06-2-??-?????

Budget Detail: PROVISIONAL BUDGET

Year: 2019

Account Code	Account Description	2018 ACTUAL VALUES	2018 FINAL BUDGET	2019 PROVISIONA L BUDGET	Variance	Var %
REGIONAL WATER COMMISSION						
REVENUES						
Regional Water Revenues						
06-1-47-35110	Water Sales - City of Lacombe	-2,085,661	-2,660,343	-2,757,115	-96,772	3.51
06-1-47-35120	Water Sales - Town of Ponoka	-1,109,293	-1,469,568	-1,464,781	4,787	-0.33
06-1-47-35130	Water Sales - Town of Blackfalds	-1,331,414	-1,600,138	-1,732,953	-132,815	7.66
06-1-47-35140	Water Sales - Ponoka County	-15,055	-24,922	-19,156	5,766	-30.10
06-1-47-35150	Water Sales - City of Red Deer	-1,499	-7,550	-1,954	5,596	-286.39
06-1-47-42200	Line Crossing Agreement Fee	-500	-1,500	-1,500	0	0.00
06-1-47-55100	Interest Revenue	-48,018	-50,000	-75,000	-25,000	33.33
06-1-47-55500	Rebates & Dividends	0	-30	-30	0	0.00
06-1-47-85140	Lacombe County Contribution	0	-70,195	-73,385	-3,190	4.35
06-1-47-85150	Ponoka County Contribution	0	-70,195	-73,385	-3,190	4.35
06-1-47-92100	Transfer from Reserves	0	-215,000	-215,000	0	0.00
	Total REVENUES	-4,591,440	-6,169,441	-6,414,259	244,818	
06-2-47-11100	Wages	150	0	0	0	0.00
06-2-47-11110	Board Wages-City of Lacombe	450	1,400	600	-800	-133.33
06-2-47-11120	Board Wages-Town of Ponoka	450	600	600	0	0.00
06-2-47-11130	Board Wages-Town of Blackfalds	450	600	600	0	0.00
06-2-47-11140	Board Wages-Lacombe County	1,050	600	1,400	800	57.14
06-2-47-11150	Board Wages-Ponoka County	450	600	600	0	0.00
06-2-47-13000	Payroll Benefits	5	0	0	0	0.00
06-2-47-21110	Board Travel-City of Lacombe	0	250	250	0	0.00
06-2-47-21120	Board Travel -Town of Ponoka	89	250	250	0	0.00
06-2-47-21130	Board Travel-Town of Blackfalds	45	250	250	0	0.00
06-2-47-21140	Board Travel-Lacombe County	24	250	250	0	0.00
06-2-47-21150	Board Travel-Ponoka County	89	250	250	0	0.00
06-2-47-21170	Travel-Administration	0	100	100	0	0.00
06-2-47-21400	Membership Fees	114	300	300	0	0.00
06-2-47-21500	Postage & Freight	0	50	50	0	0.00
06-2-47-21600	Staff & Volunteer Appreciation	185	300	300	0	0.00
06-2-47-21700	Telephone - Office	151	1,080	900	-180	-20.00
06-2-47-21701	Telephone - Operations	6,094	8,072	8,072	0	0.00
06-2-47-23000	Management Fees	47,370	56,844	57,984	1,140	1.97
06-2-47-23100	Accounting and Auditor Fees	1,531	8,000	8,300	300	3.61
06-2-47-23200	Legal Fees	2,695	500	500	0	0.00
06-2-47-23900	Other Professional Services	7,655	16,800	16,800	0	0.00
06-2-47-25300	Equipment Repair & Maintenance	3,815	9,500	9,500	0	0.00
06-2-47-25301	SCADA Maintenance	27,388	9,025	9,025	0	0.00
06-2-47-27400	Insurance & Bond Premiums	3,396	3,889	3,889	0	0.00
06-2-47-34200	Administration	8,830	10,596	10,812	216	2.00
06-2-47-35100	Purchase of Water	3,262,611	4,096,061	4,404,318	308,257	7.00
06-2-47-35200	Operations	77,314	123,637	123,637	0	0.00
06-2-47-51000	Miscellaneous Expenses	738	250	250	0	0.00
06-2-47-51100	Meeting Supplies	0	50	50	0	0.00
06-2-47-51400	Office Supplies	0	150	150	0	0.00
06-2-47-52400	General Materials & Supplies	475	750	750	0	0.00
06-2-47-54400	Utilities-Electricity	2,577	3,500	3,500	0	0.00
06-2-47-56400	Valves	2,975	5,000	5,000	0	0.00
06-2-47-81400	Bank Charges & Interest	20	25	25	0	0.00
06-2-47-83100	Debenture Interest	289,106	570,359	539,889	-30,470	-5.64
06-2-47-83200	Debenture Principal	348,344	704,542	736,668	32,126	4.36
06-2-47-99000	Amortization	0	465,610	465,610	0	0.00
	Total EXPENSES	4,096,636	6,100,040	6,411,429	311,389	

Budget Department by Category



From Category: 47 To Category: 47
 Account Code: 06-1-??-????? To : 06-2-??-?????

Budget Detail: PROVISIONAL BUDGET
 Year: 2019

Account Code	Account Description	2018 ACTUAL VALUES	2018 FINAL BUDGET	2019 PROVISIONA L BUDGET	Variance	Var %
	Regional Water Revenues (Surplus)/Deficit	-494,804	-69,401	-2,830	-66,571	
	Report Total -->	-494,804	-69,401	-2,830	-66,571	



2019 PROVISIONAL BUDGET

Account Code ID	Account Name Description	Status	Quantity	Rate	Burden %	Amount
06-1-47-35110 Water Sales - City of Lacombe						
1173	January Purchases	A	104690.00	-2.07	0.0000	-216,708
1173	February Purchases	A	92275.00	-2.07	0.0000	-191,009
1173	March to December Purchases	A	1134975.00	-2.07	0.0000	-2,349,398
Total		Water Sales - City of Lacombe				-2,757,116
06-1-47-35120 Water Sales - Town of Ponoka						
1174	January Purchases	A	58015.00	-2.07	0.0000	-120,091
1174	February Purchases	A	53877.00	-2.07	0.0000	-111,525
1174	March to December Purchases	A	595732.00	-2.07	0.0000	-1,233,165
Total		Water Sales - Town of Ponoka				-1,464,782
06-1-47-35130 Water Sales - Town of Blackfalds						
1175	January Purchases	A	69236.00	-2.07	0.0000	-143,319
1175	February Purchases	A	58602.00	-2.07	0.0000	-121,306
1175	March to December Purchases	A	709337.00	-2.07	0.0000	-1,468,328
Total		Water Sales - Town of Blackfalds				-1,732,952
06-1-47-35140 Water Sales - Ponoka County						
2413	January Purchases	A	740.00	-2.07	0.0000	-1,532
2413	February Purchases	A	648.00	-2.07	0.0000	-1,341
2413	March to December Purchases	A	7866.00	-2.07	0.0000	-16,283
Total		Water Sales - Ponoka County				-19,156
06-1-47-35150 Water Sales - City of Red Deer						
4121	2019 Delivery Charges - Jan - Feb	A	579.00	-0.49	0.0000	-284
4121	2019 Delivery Charges - Mar - Dec	A	3409.00	-0.49	0.0000	-1,670
Total		Water Sales - City of Red Deer				-1,954
06-1-47-42200 Line Crossing Agreement Fee						
3753	Based on \$250 per applicant	A	1.00	-1500.00	0.0000	-1,500
Total		Line Crossing Agreement Fee				-1,500
06-1-47-55100 Interest Revenue						
2566	Interest @2% on Bank Account	A	1.00	-75000.00	0.0000	-75,000
Total		Interest Revenue				-75,000
06-1-47-55500 Rebates & Dividends						
2567	AADM&C	A	1.00	-30.00	0.0000	-30
Total		Rebates & Dividends				-30
06-1-47-85140 Lacombe County Contribution						
1176	2019 Contribution	A	1.00	-73385.00	0.0000	-73,385
Total		Lacombe County Contribution				-73,385
06-1-47-85150 Ponoka County Contribution						
1177	2019 Contribution	A	1.00	-73385.00	0.0000	-73,385
Total		Ponoka County Contribution				-73,385
06-1-47-92100 Transfer from Reserves						



2019 PROVISIONAL BUDGET

Account Code ID	Account Name Description	Status	Quantity	Rate	Burden %	Amount
4122	Return excess surplus as per 5 yr plan	A	1.00	-215000.00	0.0000	-215,000
Total		Transfer from Reserves				-215,000
06-2-47-11110	Board Wages-City of Lacombe					
1080	4 Meetings per Year	A	1.00	600.00	0.0000	600
Total		Board Wages-City of Lacombe				600
06-2-47-11120	Board Wages-Town of Ponoka					
1081	4 Meetings	A	1.00	600.00	0.0000	600
Total		Board Wages-Town of Ponoka				600
06-2-47-11130	Board Wages-Town of Blackfalds					
1082	4 Meetings Per Year	A	1.00	600.00	0.0000	600
Total		Board Wages-Town of Blackfalds				600
06-2-47-11140	Board Wages-Lacombe County					
1083	4 Meetings	A	1.00	1400.00	0.0000	1,400
Total		Board Wages-Lacombe County				1,400
06-2-47-11150	Board Wages-Ponoka County					
1084	4 Meetings	A	1.00	600.00	0.0000	600
Total		Board Wages-Ponoka County				600
06-2-47-21110	Board Travel-City of Lacombe					
1085	2018 Budget	A	1.00	250.00	0.0000	250
Total		Board Travel-City of Lacombe				250
06-2-47-21120	Board Travel -Town of Ponoka					
1086	2018 Budget	A	1.00	250.00	0.0000	250
Total		Board Travel -Town of Ponoka				250
06-2-47-21130	Board Travel-Town of Blackfalds					
1087	2018 Budget	A	1.00	250.00	0.0000	250
Total		Board Travel-Town of Blackfalds				250
06-2-47-21140	Board Travel-Lacombe County					
1088	2018 Budget	A	1.00	250.00	0.0000	250
Total		Board Travel-Lacombe County				250
06-2-47-21150	Board Travel-Ponoka County					
1089	2018 Budget	A	1.00	250.00	0.0000	250
Total		Board Travel-Ponoka County				250
06-2-47-21170	Travel-Administration					
1090	Travel & Expenses	A	1.00	100.00	0.0000	100
Total		Travel-Administration				100
06-2-47-21400	Membership Fees					
6	AADM&C	A	1.00	300.00	0.0000	300
Total		Membership Fees				300



2019 PROVISIONAL BUDGET

Account Code ID	Account Name Description	Status	Quantity	Rate	Burden %	Amount
06-2-47-21500	Postage & Freight					
7	Postage & Handling	A	1.00	50.00	0.0000	50
	Total Postage & Freight					50
06-2-47-21600	Staff & Volunteer Appreciation					
4120	Former Board Recognition	A	1.00	300.00	0.0000	300
	Total Staff & Volunteer Appreciation					300
06-2-47-21700	Telephone - Office					
8	Administrative Cell - New contract	A	1.00	900.00	0.0000	900
	Total Telephone - Office					900
06-2-47-21701	Telephone - Operations					
1167	Monitoring Cell Phones (\$672 per month)	A	1.00	8072.00	0.0000	8,072
	Total Telephone - Operations					8,072
06-2-47-23000	Management Fees					
9	Mgt - Jan to Dec	A	1.00	57984.00	0.0000	57,984
	Total Management Fees					57,984
06-2-47-23100	Accounting and Auditor Fees					
1104	Auditor - Based on Contract - Last Year	A	1.00	8300.00	0.0000	8,300
	Total Accounting and Auditor Fees					8,300
06-2-47-23200	Legal Fees					
1091	Legal Fees	A	1.00	500.00	0.0000	500
	Total Legal Fees					500
06-2-47-23900	Other Professional Services					
1092	Alberta First Call	A	1.00	6500.00	0.0000	6,500
1092	Other	A	1.00	1000.00	0.0000	1,000
1092	Water Testing	A	1.00	2800.00	0.0000	2,800
1092	General Engineering	A	1.00	1500.00	0.0000	1,500
1092	Right of Way Survey	A	1.00	5000.00	0.0000	5,000
	Total Other Professional Services					16,800
06-2-47-25300	Equipment Repair & Maintenance					
1170	Repair & Maintenance	A	1.00	9500.00	0.0000	9,500
	Total Equipment Repair & Maintenance					9,500
06-2-47-25301	SCADA Maintenance					
1169	SCADA Maintenance (\$752/month)	A	1.00	9025.00	0.0000	9,025
	Total SCADA Maintenance					9,025
06-2-47-26200	Building Rent					
14	Rent	A	1.00	0.00	0.0000	0
	Total Building Rent					0
06-2-47-27400	Insurance & Bond Premiums					
10	Insurance	A	1.00	3889.00	0.0000	3,889



2019 PROVISIONAL BUDGET

Account Code ID	Account Name Description	Status	Quantity	Rate	Burden %	Amount
Total Insurance & Bond Premiums						3,889
06-2-47-34200	Administration					
19	Acct - Jan to Dec	A	1.00	10812.00	0.0000	10,812
Total Administration						10,812
06-2-47-35100	Purchase of Water					
1171	January to February Purchases	A	446957.00	1.47	0.0000	657,027
1171	March to December Purchases	A	2498194.00	1.50	0.0000	3,747,291
1171	City of Red Deer -Jan to Feb	A	1.00	0.00	0.0000	0
1171	City of Red Deer - Mar to Dec	A	1.00	0.00	0.0000	0
Total Purchase of Water						4,404,318
06-2-47-35200	Operations					
1168	Operation Expenses	A	1.00	123637.00	0.0000	123,637
Total Operations						123,637
06-2-47-51000	Miscellaneous Expenses					
11	Miscellaneous	A	1.00	250.00	0.0000	250
Total Miscellaneous Expenses						250
06-2-47-51100	Meeting Supplies					
3089	Commission Meetings	A	1.00	50.00	0.0000	50
Total Meeting Supplies						50
06-2-47-51400	Office Supplies					
12	Paper/Forms etc.	A	1.00	150.00	0.0000	150
Total Office Supplies						150
06-2-47-52400	General Materials & Supplies					
1761		A	1.00	750.00	0.0000	750
Total General Materials & Supplies						750
06-2-47-54400	Utilities-Electricity					
1166	Meter Stations	A	1.00	3500.00	0.0000	3,500
Total Utilities-Electricity						3,500
06-2-47-56400	Valves					
2568	Repairs	A	1.00	5000.00	0.0000	5,000
Total Valves						5,000
06-2-47-81400	Bank Charges & Interest					
15		A	1.00	25.00	0.0000	25
Total Bank Charges & Interest						25
06-2-47-83100	Debenture Interest					
1763	Laon No. 4000001 (\$2,000,000 loan)	A	1.00	59092.00	0.0000	59,092
1763	Loan No. 4000002 (\$17,000,000)	A	1.00	480797.00	0.0000	480,797
Total Debenture Interest						539,889
06-2-47-83200	Debenture Principal					



2019 PROVISIONAL BUDGET

Account Code ID	Account Name Description	Status	Quantity	Rate	Burden %	Amount
1172	Loan No. 4000001 (\$2,000,000)	A	1.00	76091.00	0.0000	76,091
1172	Loan No. 4000002 (17,000,000)	A	1.00	660577.00	0.0000	660,577
Total		Debenture Principal				736,668
06-2-47-99000	Amortization					
3090		A	1.00	465610.00	0.0000	465,610
Total		Amortization				465,610



**North Red Deer
Regional Water
Services
Commission**

5432 56th Avenue
Lacombe, Alberta T4L 1E9

Memorandum

TO: Commission Board Members
FROM: Justin de Bresser, Administrator
DATE: December 10, 2018
RE: Commission Water Line within City of Red Deer Boundaries REF: 47/352 (2018)

The Commission has been presented with a sales agreement from the City of Red Deer to sell the portion of waterline and meter vault within the City of Red Deer's newly annexed boundaries. Administration has sent this sales agreement to the Commission lawyers for a legal review.

If the Commission wishes to proceed with the sale of the water line/vault a resolution will be required. After this resolution is made, Administration will have all necessary documents to apply for the ministerial order to facilitate this transaction (pending legal review of the sales/purchase agreement).

Administration feels that the Commission would benefit from the sale in the following ways:

1. Reduces the Commission exposure from potential damage to the current meter vault with upgrades that are happening along the twinning of Highway 11A as part of the City of Red Deer's 2019 Capital Budget.
2. Future line crossing applications reduced when development starts in the area.
3. A new vault will be built and maintained by the City of Red Deer at the northern boundary. The meter vault will be located on the south side of the Blindman river and the Commissions asset will start at this point.
4. The Commission will receive a cash payment for the Net Book Value of the Water line/ Vault. Alberta transportation has approved this amount
5. Majority of the purchase price paid by the City of Red Deer will be recouped by developers via offsite levies, whereas the remaining amount may flow back into rates.

Next Steps:

1. Independent legal review of the sales agreement documents and present findings / changes at the next Commission meeting.
2. Apply for the Ministerial approval to proceed with this sale
3. Determine the best use of funds from sale of line:
 - a. Rate Reduction
 - b. Debt Retirement
 - c. Transfer to Capital Reserve
 - d. As the Commission Members directs

If the Commission members are in agreeance, administration will continue to pursue the sale of the water line and meter vault by working through the sale agreement.