



AGENDA ITEM

North Red Deer Regional Wastewater Services Commission

2020 Operating Budget

November 28, 2019

BACKGROUND

Lacombe County is a member of the North Red Deer Regional Wastewater Services Commission. The Commission has submitted its budget for Board review and member feedback.

Attached is the proposed 2020 operating budget that was presented at the November 4, 2019 Commission Meeting. The Commission Board will consider the Budget at its December 9, 2019 board meeting.

The volumetric rate is proposed to remain unchanged from 2019 at \$1.87/m³.

ANALYSIS

The 2020 budget is based on the Commission's original business plan information as well as data collected from 2019 which was its first full year of operation.

The 2020 budget includes the following:

Revenues

- Wastewater volumes are based on 2019 volumes and no additional revenue from rates is expected.
- No interest revenue is expected in 2020 as the Commission is operating with limited working capital.
- Debt and Administration levies to the municipalities will also remain unchanged from 2019.

Expenses

- The Commission's operations are still in flux as it adjusts its daily operations.
- In addition, the Commission is still working on final capital components and has therefore not finalized its long-term borrowing.
- Increase in treatment costs reflects higher per unit rate from the City of Red Deer (2.7% increase).



- With the Odour Management Facility now operating, the budget for chemicals has been decreased.

The Commission has also reduced its budgeted surplus from \$113,332 in 2019 to \$55,661.

The 2020 rate is proposed to remain unchanged at \$1.87 per cubic metre.

ALTERNATIVES

1. Accept budget for information and adopt resolution stating Council had no comments or concerns regarding the proposed budget.
2. Council to direct Administration on a different course of action.

BUDGET IMPLICATIONS

Administration has accounted for the County's commitments to the 2020 Commission budget as follows:

- Administration and debt costs (18.5% of administration and debt servicing costs) - \$25,500 for administration and \$93,040 for debt servicing
- Purchase of wastewater services via Town of Blackfalds for Aspelund Industrial Park - \$39,890 (includes cost charged by the Town)

LEGISLATIVE RESPONSIBILITIES

1. Section 3 of the Municipal Government Act (MGA) states the purposes of a municipality are: 1) to provide good government, 2) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or part of the municipality, and 3) to develop and maintain safe and viable communities.

PUBLIC PARTICIPATION

The County's public engagement will be limited to informing the public of Council's decision on this matter as well as communicating Council's decision to the Commission.

STRATEGIC PLAN

The following elements of the County's Strategic Plan are relevant to this issue:

Our Vision: “An attractive, balanced and progressive community”.

Our Mission: “Building a safe and vibrant community through leadership, innovation and the development of healthy relationships”.

Key Principles: 1) “Fair and Objective in our decisions and in how we treat individuals”, and 2) “Accountability for our decisions and for our actions”.

Resource and Asset Management Strategy: “To manage the natural, financial and physical assets of the County in order to obtain maximum value from all of these resources”.

Key Success Measures – Sustainability: “Current services are maintainable and provide benefits for the future, while minimizing negative impacts on the community”, and “Shared sense of identity, regardless of municipal boundaries”.

RECOMMENDATION

That Council approve the following resolution:

That Council receive the North Red Deer River Water Services Commission 2020 budget for information; and

Further that a letter be forwarded to the Commission stating that Lacombe County has no comments or concerns regarding the proposed budget.

PREPARED BY: Michael Minchin, Director of Corporate Services



REVIEWED BY: Tim Timmons, County Manager

