



AGENDA ITEM

Highway 12/21 Regional Water Services Commission

2020 Operating Budget

November 28, 2019

BACKGROUND

Lacombe County is a member of the Highway 12/21 Regional Water Services Commission and, as such, is given the opportunity to comment on the operating and capital budget of this Commission. The Commission at the November 1, 2019 meeting reviewed the attached budget and the request is that the members provide comments before December 6, 2019.

ANALYSIS

This budget reflects revenues made up of the sale of water and contributions from the now six Commission members. The expenditure side covers the costs of the administration and operation of the Commission and the operations of the transmission lines.

The budget contains the following significant highlights and changes from 2019:

Revenues

- An overall decrease in water sales is due to a drop in anticipated consumption by several members; this is offset by a corresponding decrease in the purchase of water in the expenditure side of the budget.
- Local Government contributions increase due to one less member at the table with the dissolution of the Village of Ferintosh.
- Administrative and Board costs of \$116,450 will be collected on an equal basis from all members. The proportionate amount owed by members receiving water is included in their rate.
- The budget proposes a rate of \$3.085 per cubic meter; this represents a 4.0% increase in rates.

Expenditures

- Contract administration, accounting and contract services provided by Lacombe County increased based on the rates set out in the agreements.
- Administration costs are up by \$ 7,000 to accommodate a business plan review.



- The cost to purchase water from the Town of Stettler is to remain at \$1.42 per cubic meter. This rate is based on the best information that we have from the Town of Stettler at this time.
- Water sales are projected to decrease by 2.75%. This decrease is reflective of the estimates that were received by all members.
- Amortization is recorded to comply with generally accepted accounting principles but is removed from the bottom line and not charged to the members.
- A \$60,000 reserve contribution will be charged to members.

This budget was reviewed by the Commission then sent out to members for a 30-day comment period. Any concerns or changes must be ratified at the December 6, 2019 Commission meeting where the Commission will adopt a budget.

BUDGET IMPLICATIONS

Administration has accounted for our commitments within our operational budget for 2020 as follows:

Board Costs	\$ 13,738
Water Purchase	\$123,400
Debenture	\$ 36,214
Reserve Contribution	\$ 9,396

LEGISLATIVE RESPONSIBILITIES

Section 3 of the *Municipal Government Act (MGA)* states the purposes of a municipality are:

to provide good government,

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 to develop and maintain safe and viable communities.

Highway 12/21 Regional Water Services Commission Bylaw 2

8.5 Upon receipt of authorization from the Board to distribute the proposed Budget and Financial Plan, the Manager shall distribute to each Member a complete copy of the proposed Budget and Financial Plan for the relevant financial year.

8.6 Any Member may submit comments and questions to the Board in writing concerning the Budget and the Financial Plan within thirty (30) days immediately following the date of distribution of the Budget and the Financial Plan.

Highway 12/21 Regional Water Services Commission, Water Services Agreement

3. Purpose

- (i) The Member shall pay for all water by monthly payments based upon billings prepared by the Commission. The Commission shall provide monthly billings to the Member at least thirty (30) days in advance of the due date for payment. If the Member fails to pay by the due date, then the Member must pay the late payment charge specified in the monthly billing.

STRATEGIC PLAN

Our Mission Statement reads:

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

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.

RECOMMENDATION

That Council receives the 2020 Highway 12/21 Regional Water Services Commission budget for information; and further, forward a letter to the Commission stating that Lacombe County has no comments or questions regarding the proposed budget.

PREPARED BY: Keith Boras, Manager of Environmental and Protective Services



REVIEWED BY: Tim Timmons, County Manager

