



AGENDA ITEM

Sylvan Lake Regional Wastewater Commission 2022 Operating Budget and 3 Year Operating Plan

November 10, 2021

BACKGROUND

Lacombe County is a member of the Sylvan Lake Regional Wastewater Commission (SLRWC) and, as such, is given the opportunity to comment on the operating and capital budget of this Commission.

Attached is the proposed 2022 operating budget that was presented at the October 29, 2021, Commission Meeting. Also included is the Commission's 3 year operating plan for the year's 2023 to 2025.

The Commission Board will consider adopting this Budget at its December 13, 2021, board meeting.

ANALYSIS

The 2022 budget includes the following:

Revenues

- Member contributions include levies to members to cover administration and for those not receiving services, a share of the debenture cost. Lacombe County will pay both levies even though it will connect to the system in 2022.
- The bulk of the revenue will be collected from volume-based sales from its member municipalities and septage receiving system customers. Sales are anticipated to decrease slightly from \$3,493,925 to \$3,485,364. Volumes are expected to decrease from 1,719,309 M³ to 1,687,871 M³. Volumes have been adjusted to reflect the average of the past 2 years of operations.

Expenses

- The Commission will add a new leg to the North Shore line in 2022 and connect Lacombe County and Sunbreaker Cove. This construction will add new volumes but also add more operational and borrowing costs.
- The largest cost to the Commission will remain the cost of wastewater treatment by the City of Red Deer. This is expected to increase from \$1.16 to \$1.19 per



cubic metre.

- Insurance costs are project to rise by 8%
- Contract administration costs are up by 2% as per the agreement with Lacombe County.
- Utilities have been adjusted for inflation at 5%.
- Other categories have only been adjusted based on 2.5% inflation adjustment as well as preventative maintenance cost increases.
- Borrowing costs will increase from \$227,570 to \$293,787 to fund the expansion of the North Shore line.

Rates

- The Lakeshore line will see an increase of rates from \$ 2.99 per M³ to \$ 3.08 per M³.
- The Town of Sylvan Lake will see its rate increase \$ 1.81 per M³ to \$ 1.89 per M³.
- The Septage Receiving Station rate is set to increase from \$ 7.00 per M³ to \$7.18 per M³.

Alternatives:

1. Accept budget for information and adopt resolution stating Council had no comments or concerns regarding the proposed budget. (Administrative recommendation)
2. Take other action(s) as determined by Council.

BUDGET IMPLICATIONS

Administration has accounted for the County's commitments to the 2022 Commission budget as follows:

Administration – 12.5% of total budget or \$7,285 (a decrease of \$14%).

Debenture payment - \$16,534 (versus \$12,807 in 2021).

Rate: 3.08 per m³ (For Sylvan Lake Communal Service Customers (trucked or direct connection)

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.



2. Sylvan Lake Regional Wastewater Commission Bylaw 8: 11.4(c) Any Member may submit comments and questions to the Board in writing in relation to the Budget and the Financial Plan within thirty (30) days immediately following the date of distribution of the Budget and the Financial Plan.

RECOMMENDATION

That Council approve the following resolution:

That Council receive the Sylvan Lake Regional Wastewater Commission 2022 budget and 3-year operating plan 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, Corporate Services Director

A blue ink signature of Michael Minchin, consisting of the initials "M.M." followed by a horizontal line.

REVIEWED BY: Tim Timmons, County Manager

A blue ink signature of Tim Timmons, consisting of the initials "T.T." followed by a horizontal line.