



AGENDA ITEM

Highway 12/21 Regional Water Services Commission

2022-2024 Operating Budget

November 30, 2021

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 12, 2021 meeting reviewed the attached budget and the request is that the members provide comments before December 10, 2021.

ANALYSIS

This budget reflects revenues made up of the sale of water and contributions from the 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 2021:

Revenues

- An overall increase in the estimated consumption of 30% as we will be adding the communities of Edberg and Clive
- A \$60,000 contribution will be collected from members based on their line allocation and be used to fund the Repair and Replacement Reserve. The proportionate amount owed by members receiving water is included in the water rate
- Administrative and Board costs of \$113,020 will be collected on an equal basis from six members. The majority will be collected in rates with a small portion collected from Clive and Edberg until they are connected. Lacombe and Camrose Counties will continue to pay for their respective unused allocations through a direct invoice
- Budget proposes a rate at \$3.049 per cubic meter.

Expenditures

Changes to the expenditure side of the budget include:

- Contract administration increases at 2%
- Accounting and contract services provided by Lacombe County also increases at 1.51%



- *Purchased Line Repairs and Maintenance* increases by 20% to reflect an ageing line and equipment
- *Contract Pipeline Operation* increases by 22.83% to reflect the additional line added to inspect and maintain
- *Insurance* increases of 12.87% are included
- *Cost to Purchase Water from the Town of Stettler* is to be set at \$1.40 per cubic meter. This is based on the best information that we have from the Town of Stettler at this time
- *Water purchases* are projected to increase by nearly 30%. This reflects the additional consumption from Clive and Edberg.
- *Utilities* have been increased by 19.16% to reflect increases in both gas and electricity rates
- *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 10, 2021 Commission meeting where the Commission will adopt a budget.

BUDGET IMPLICATIONS

Administration has accounted for our commitments within our operational budget for 2022 as follows:

Board Costs	\$ 13,333
Water Purchase	\$121,960
Debenture	\$ 45,215
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.

RECOMMENDATION

That Council receive the 2022-2024 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, Director of Community Services

REVIEWED BY: Tim Timmons, County Manager

Two handwritten signatures in blue ink, one above the other, each enclosed in a small square box.