

West Inter Lake District Regional Water Services Commission

System Business Plan

Draft 5.2 – April 23, 2012
To Members for Adoption

Commission Members

Lac Ste. Anne County
Parkland County
Town of Onoway
Village of Alberta Beach
Village of Wabamun
Summer Village of Castle Island
Summer Village of Lakeview
Summer Village of Nakamun Park

Summer Village of Ross Haven
Summer Village of Sandy Beach
Summer Village of Seba Beach
Summer Village of Sunrise Beach
Summer Village of Sunset Point
Summer Village of Val Quentin
Summer Village of West Cove
Summer Village of Yellowstone

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Executive Summary

Background

Municipalities in the Wabamun Lake and Lac Ste Anne regions including:

Town of Onoway	Summer Village of Nakamun Park
Village of Wabamun	Summer Village of Ross Haven
Village of Alberta Beach	Summer Village of Sandy Beach
Lac Ste. Anne County	Summer Village of Sunrise Beach
Parkland County	Summer Village of Sunset Point
Summer Village of Lakeview	Summer Village of Val Quentin
Summer Village of Seba Beach	Summer Village of West Cove
Summer Village of Castle Island;	Summer Village of Yellowstone

have joined together as Members to form the West Inter Lake District Regional Water Commission (WILD Commission), to develop a regional system (WILD System) that will meet the long term drinking water needs of the Members specifically and the region generally. None of the lakes in the region are available to be used for municipal water supply and the lack of any large rivers leaves the region dependent on groundwater as the only source of local supply. In some areas of the region, suitable groundwater is not readily available and for those areas where aquifer supplies do exist, these supplies will be generally unable to support the long term growth of the municipalities and its use in any event will require increasingly expensive treatment.

The Municipalities have concluded that a cooperative, regional approach would best address these supply issues and have developed a Business Plan, which will set out the nature of the WILD System to be developed, the timing on which it be constructed, the manner in which it would be operated, the expected capital costs and funding and the projected operating costs and rates needed to raise the required revenue.

West Inter Lake District Regional Water System

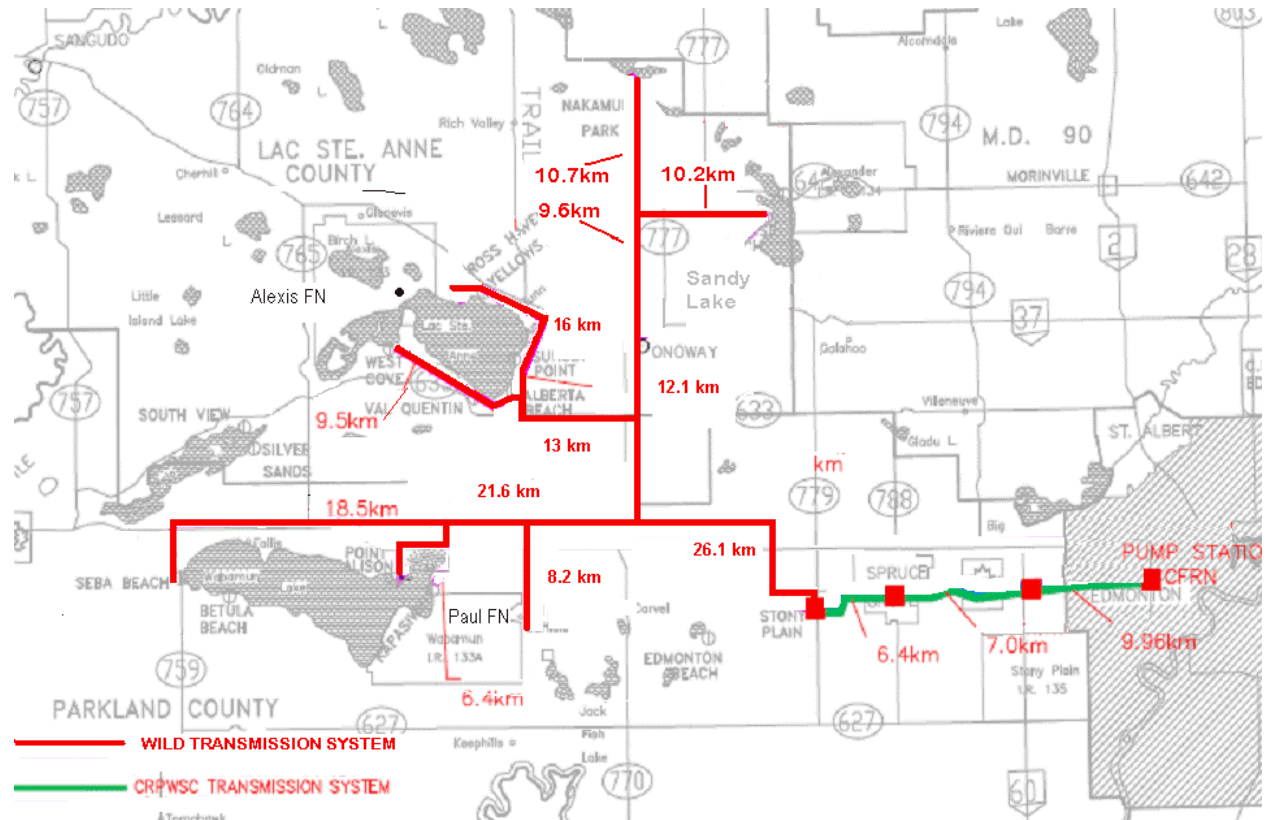
The WILD System, to be developed with major funding from the Government of Alberta through the Water for Life program, would supply treated water to the urban municipal Members, the hamlets and rural development in portions of the two Counties together with capacity to serve the Paul First Nation and Alexis Nakota Sioux Nation as well. The WILD System capacity would meet estimated 25 year peak day requirements of the Members based on an allowance of 300 litres per person per day (lcd) combined with an estimated 3% average annual growth in the Town, Villages, and a 1% average annual increase in the population of Summer Villages and County Hamlets. The System would provide an allowance of 180 lcd for the First Nations with an average annual growth rate of 2.0% and 120 lcd in the rural areas of the Counties with an average estimated growth rate of 1% annually.

Treated water would be purchased from the Capital Region Parkland Water Services Commission (Parkland Commission) at Stony Plain. The Parkland System will be

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expanded to enable the Parkland Commission to meet the needs of the WILD System. From the Water Transfer Station at Stony Plain, the WILD System will transmit by pipeline through a network of mains and branches to the Members. Bulk water truck fill stations would be developed at major points along the WILD System Main and at the ends of the Branches. The Members would continue to be responsible for the development of treated water supply and water distribution systems within their respective jurisdictions.

WILD System Service Area



Staged Development

The WILD System would be developed in stages with Stage 1 beginning construction in 2012 and becoming operational in September 2013. Components would include:

- The Water Transfer Station at Stony Plain,
- A Transmission Pipeline Line from Stony Plain to the Village of Wabamun,
- 2 Pipeline booster station,
- The Wabamun Bulk Water Station, and
- The Onoway Bulk Water Station with water initially supplied from the Town of Onoway.

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Stage 2, to be developed in year 2015, would include:

- Extension of the Transmission Pipeline to Onoway and the Tri-Village Area (Alberta Beach Sunset Point and Val Quentin),
- The Tri-Village Bulk Water Station, and
- Supply of previously constructed Onoway Bulk Water Station by the System.

To meet the volumes of treated water needed by the WILD System, the capacity of the Parkland System would also need to be increased within the 2012 to 2015 timeframe. These improvements would be undertaken by the Parkland Commission through separate arrangements between the Parkland Commission and the Government of Alberta.

With the core of the WILD System developed in Stages 1 and 2, the timing of remaining segments would be considered by the Commission based on need and funding availability. These branches, which include:

- a. Duffield Branch;
- b. Seba Beach Branch;
- c. North Shore Branch;
- d. South Shore Branch; and
- e. Nakamun Branch.

can be constructed on independent timings. The Nakamun Branch can be constructed fully to Nakamun Lake to serve Nakamun Park or partially to allow construction of the Sandy Lake Branch.

Capital Costs and Financing

The estimated cost and financing required for the development of Stages 1 and 2 and Future Stages of the WILD System is set out in the table following. The costs for Stage 1 are based on a recent preliminary engineering review and include a 10% contingency allowance plus 10% for engineering. The Costs for Stage 2 and the Future Stages are based on previous more general engineering study and include a 30% contingency allowance plus 10% for engineering.

Provincial Funding under the Water for Life Program for 90% of the capital costs has been approved for Stage 1 and will provide about \$23 Million. The Commission would fund the remaining 10% by way of 25 year fixed rate debenture borrowing. The financial model in this Plan is calculated using an interest rate of 4% though at present, the market rate is lower than that. Approval of the Minister of Municipal Affairs for the extension of debt limits for the Commission would be required.

Total cost of the entire System is estimated at \$61 Million in present day dollars. Stage 2 and the Future Stages are eligible projects under the present Water for Life Program and similar levels of funding at 90% are expected. Total grant funding for all stages would be \$55 Million with the Commission taking on debt of just over \$6 Million.

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	2012	2015	Future
<u>Capital Costs</u>			
Stage 1			
Stony Plain Transfer Booster Station	\$360,000		
Transmission Pipeline - Stony Plain to Wabamun	\$23,578,500		
Bulk Water Station in Wabamun	\$840,000		
Bulk Water Station in Onoway	\$840,000		
	<u>\$25,618,500</u>		
Stage 2			
Transmission Pipeline - to Tri-Village Area and Onoway		\$8,841,500	
Tri-Village Bulk Water Station		\$840,000	
		<u>\$9,681,500</u>	
Future Stages			
Duffield Branch			\$2,890,000
Seba Beach Branch			\$5,465,000
North Shore Branch			\$4,840,000
South Shore Branch			\$3,215,000
Main - Onoway to Sandy Lake			\$6,275,000
Nakamun Lake Branch			\$3,390,000
	<u>\$25,618,500</u>	<u>\$9,681,500</u>	<u>\$26,075,000</u>
<u>Capital Financing</u>			
Alberta Government Water For Life Grant Funding at 90%	\$23,056,650	\$8,713,350	\$23,467,500
Commission Debt Financing	\$2,561,850	\$968,150	\$2,607,500
	<u>\$25,618,500</u>	<u>\$9,681,500</u>	<u>\$26,075,000</u>

First Nations

The Commission is fully committed to providing regional water services to the Paul First Nation and the Alexis First Nation and expects that arrangements with the First Nations and the Government of Canada will be completed in the near future. The WILD System will provide capacity for the estimated 25 year needs of the Paul First Nation by way of the Duffield Branch and the Alexis First Nation by way of the North Shore Branch.

The First Nations are not identified as members of the Commission but rather as customers. Because of the significant future volumes, a directorship on the Commission Board has been created for each of them. Paul and Alexis will be invited to become involved now in the planning and development of the System.

On the same basis as Members, the First Nations would pay a portion of the annual governance and administration costs and debenture debt repayment costs based on

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their respective proportionate share of System capacity. When ultimately connected to the System, the First Nations would be charged for water services on the same unit rate as Members. While the Government of Alberta grant programs will fund capacity of the WILD System attributed to the First Nations, it will not fund First Nations capacity in the Parkland System. The First Nations will be responsible to pay a proportionate share of the capital costs of upgrading the Parkland System necessary to supply water to the WILD System.

The First Nations would be responsible to construct the necessary connecting lines from the reserve settlements to the end of the WILD System lines in Duffield and Ross Haven respectively. If the need of the First Nation requires the construction of a Branch line in advance of the availability of major grant funds, then it would be necessary for the First Nation to provide the funding that would have been received from grant sources. The WILD Commission would undertake to reimburse this investment, if possible, from future grant revenues.

System Operating Costs and Revenues

The Business Plan projects the operating costs and revenue requirements for a five year period, 2012 to 2017 with 2014 being the first full year of operation. The operating costs are made up of 5 primary components:

- Governance and Administration Costs: associated with the Board of Directors, the services of a Chief Administrative Officer and the general administration of the Commission. This cost, about \$30,000 in 2013, would be allocated proportionately among the Members and First Nations based on their respective share of the 25 year WILD System capacity.
- Debt Repayment Costs: the annual principal and interest payments for the capital borrowings for Stages 1 and 2. The annual payments would begin in 2013 at about \$163,000 per year for Stage 1 borrowing and rising by a further \$60,000 in 2016 to \$225,000 annually. These annual costs would also be attributed proportionally based on the respective 25 year WILD System capacity though, for those Summer Villages on branches that will not be constructed for some period of time, the share of debt payment costs for Stages 1 and 2 are reduced by 50% until such time as the particular pipeline serving the Summer Village is constructed.
- Treated Water Purchase Costs: from the Parkland System, estimated for the purposes of the Business Plan at \$0.97 per cubic meter (m³) of water purchased with an escalation of rate provided in subsequent years. However, the rate has not been finalized with the Parkland Commission. While dependent on actual volume purchased, the estimated cost of this would be \$125,000 in the initial full year rising to \$325,000 in year 2017 with the beginning of operation of Stage 2.
- Transmission Pipeline Costs: associated with the operation, maintenance and repair of the water transmission lines. Annual cost for Stage 1 is estimated at \$100,000 rising to about \$200,000 annually with the addition of Stage 2. These operating costs, rising annually with increasing volumes and inflation, would be recovered through water rates.

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- Transfer to Reserves: funds transferred to operating reserves for emergency response and rate stabilization and to capital reserves for future capital replacement and upgrading. Because many of the Members will not be initially served directly by the WILD System, the amount of funds transferred to these reserves from revenue associated with water rates will be minimal.

Rates

As a general principle, the cost to the WILD System to supply water services would be charged to the Members by way of a uniform rate per cubic meter (m³) on actual volume of water delivered to the Member. However, because the WILD System will not provide direct service to all of the Members during the initial stages, the costs of governance and administration and the annual debenture repayment costs will be charged directly to the Members and First Nations.

This leaves the costs components for operations, water purchase and reserve transfers to be recovered from rates. The rate beginning in 2013 is estimated at \$2.05 per m³ rising in 2016 to \$2.15 per m³.

These rates are calculated assuming a certain volume of water annually from the Members. Members, however, will be charged on the actual volume of water delivered to the Member by the System. To ensure that the Commission is able to meet fixed costs for operation of the System, Members will be required in advance of each year to estimate the anticipated volume of water for the ensuing year. A Member will be charged for either the actual volume of water or 90% of the estimated volume, whichever is higher

Beyond revenues from the direct sale of water services to Members, System revenue will also include sale revenue from the Bulk Water Stations. The rate for bulk water sales is proposed at \$2.10 to remain competitive with other bulk water facilities in the region.

1. Introduction

1.1 Definitions

In this Plan:

- i) “Alberta Beach IDP” means Alberta Beach Regional Inter-Municipal Development Plan dated August 1, 2008 adopted by the Village of Alberta Beach, Summer Village of Sunset Point, Summer Village of Val Quentin and Lac Ste. Anne County,
- ii) “Commission” or “WILD Commission” means the West Inter Lake District Regional Water Services Commission established by Alberta Regulation AR 156/2008,
- iii) “Director(s)” means the representative or representatives of the Members duly appointed to the Board,
- iv) “Member” means one of the Members in the context of membership of the Commission,
- v) “m³” means cubic meters, the quantity measure of water used in this Plan. One cubic meter is equal to 1,000 liters or for the purposes of conversion to imperial measure, 220 imperial gallons or 35.3 cubic feet,
- vi) “Members” means those municipalities identified as Members of the Commission under Alberta Regulation AR 156/2008,
- vii) “Parkland Commission” means the Capital Region Parkland Water Services Commission,
- viii) “Parkland System” means the water supply system operated by the Parkland Commission,
- ix) “Plan” means West Inter Lake District Regional Water System Business Plan,
- x) “Summer Villages” means the Summer Villages of Sunset Point, Val Quentin, West Cove, Ross Haven, Sandy Beach, Sunrise Beach, Seba Beach, Yellowstone, Nakamun Park, Lake View and Castle Island collectively,
- xi) “System” or “WILD System” means the West Inter Lake District Regional Water System developed by the Commission, and
- xii) “System Service Area” means the geographic area set out in Figure 2.1 within which the System would undertake to provide water services.

1.2 Project Background

1.2.1 Water Needs and Existing Water Supply Facilities

Municipalities in the Wabamun Lake and Lac Ste Anne regions began in 2005 to address the long term drinking water needs of their respective communities. Groundwater resources are limited in quantity in some areas and generally its treatment to meet present and future standards will become increasingly expensive.

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It was becoming evident that the use of groundwater sources to meet the water needs of the area would not be sustainable. The particular circumstances are set out briefly following:

Village of Wabamun

The water source for the Village of Wabamun had been Wabamun Lake until 2005 when the consequences of a CN Rail train derailment rendered the lake water unusable. The Village hauled water by truck for the next 18 months until wells could be completed to allow use of groundwater. The Village has been licensed to use the ultimately developed 3 wells for 10 years.

The wells are becoming insufficient to meet the short term future needs of the community, especially with the prospective lake oriented housing developments being considered for development in the near future on lands south of the former power plant site, north of the Summer Village of Point Allison. There is no prospect that the Village would be able to return to using lake water and, as a result, further wells would need to be developed. The quality of the groundwater is such that any long term use of groundwater sources would require expensive treatment.

Town of Onoway

The water needs of Onoway are currently met from groundwater sources. Water is drawn from two wells and treated through the Town's water treatment plant for distribution through the Town's distribution system to users. The Town is in need of renewing its operating licenses for its system and is currently drawing two times the licensed volume from ground water sources. If to continue on its own, Onoway faces the renewal of its groundwater licenses and the upgrading of its treatment system.

Lake Oriented Communities

There are two large lakes, Wabamun and Lac Ste. Anne and two smaller lakes, Sandy and Nakamun, in this region around which recreational and lake-oriented land uses have developed. These developments lie not only within particular Summer Villages, but also within the jurisdiction of Lac Ste. Anne and Parkland Counties. While these developments are primarily oriented toward seasonal summer use, a growing proportion is begin converted to more substantial, permanent year-round use. Because of the attractiveness of these lake areas, continued growth of lake oriented development is anticipated. As well, this type of land use will become more

intensely developed as more substantial residences are constructed and the population becomes less seasonal.

At this point, most lake-oriented development leaves the supply of water up to the owner of the property with the source of such supply being water wells drilled on the property where they can be developed or water hauled in by truck from bulk water stations, located in Onoway or Wabamun or more distantly Stony Plain.

Reliance on groundwater sources is generally problematic for these developments, as wells have often been completed in shallow aquifers. However, these aquifers are generally assumed to be hydraulically linked to the lakes and an increase in withdrawal from these zones would affect lake levels. As a result, increasing the draw through further wells is not a long term solution. Deeper aquifers can be a source of groundwater, but these do not exist in sufficient quantity and quality in all locations of the region.

As growth in lake-oriented development continues, both in terms of additional areas of development and more intensive use of property in the development areas, centrally supplied, piped distribution systems will need to be developed. The ability to develop additional wells will be more difficult and the trucking of water will be the remaining option, adding to the road congestion during the busy summer seasons.

The largest concentration of lake-oriented development around Lac Ste Anne is on the south shore, which is referred to as the Tri-Village Area and includes the Village of Alberta Beach and the Summer Villages of Val Quentin and Sunset Point. Development in this area is directed by the Alberta Beach IDP.

The Alberta Beach IDP envisions continued growth and urbanization in the area and identifies about 350 acres (140 ha.) for commercial/industrial land use and about 1,600 acres (650 ha.). Limitations in the supply of potable water from groundwater sources is recognized in the IDP and the IDP calls for the development of a regional water supply to serve the long term needs of the IDP area.

Counties

Beyond the lake areas, both Counties, particularly Parkland County, have multi- parcel residential developments, including designated hamlets. Many of the lots in these developments are supplied from private wells, though some have centrally supplied piped distribution systems supplied either by a

communal well or water trucked in. Given their location near the Edmonton metropolitan area, the Counties expect continued demand for multi-parcel developments to meet both residential and non-residential uses and the attendant water supply needs.

First Nations

Both the Paul First Nation on the south east shore of Wabamun Lake and the Alexis First Nation of the north and west shores of Lac Ste Anne draw water from wells within the respective reserve areas. Both First Nations anticipate continued growth in population into the future and adequate groundwater sources, already an issue for both, will become an increasing problem.

Entwhistle / Evansburg

Initial consideration had been given as to whether to include the hamlets of Entwhistle in Parkland County and Evansburg in Yellowhead County within the System. These two hamlets together comprise a population of about 1,500 and are located about 20 km west of the west shore of Wabamun Lake. There were no expressed concerns over long term water supply in these communities and no further consideration was given.

1.2.2 Regional Approach and Development of Water Supply System

Neither Alberta Environment nor Alberta Transportation support the upgrading of standalone water treatment facilities when there is the opportunity to develop a single regional supply hub. Advantages of a single regional supply facility include:

- a. Gaining of economies of scale in lowering per unit treatment costs generally and in consideration of higher levels of treatment,
- b. Better opportunity to attract, retain and develop expertise in operations staff, and
- c. Fewer treatment facilities to upgrade that meet both present standards and future changes, future changes in environmental standards and public health and safety requirements.

Based on the provincial government's requirements, the capital funding programs available and the evaluation of the existing facilities and alternative solutions provided by the Municipalities' engineering consultant, the Municipalities have concluded that a regional approach would be the most advantageous in meeting the

long term water supply needs of all of the Municipalities and the Paul and Alexis First Nations.

As such, the Municipalities have moved forward with the planning and development of a regional water supply and transmission system to be known as the West Inter Lake District Regional Water System (the System or the WILD System), which would obtain water from the existing Capital Region Parkland System (Parkland System) at Stony Plain and convey by way of transmission pipeline network treated water to the various communities and First Nations.

1.3 Business Plan Objectives and Scope

This Plan is intended to set out how the development of the System will be implemented, how the System will be managed and operated and the expected revenues, expenditures and rates.

Specifically, the Plan will:

1. Identify the expected volumes of treated water to be required by the Members over the next 25 years,
2. Describe how the System is to be developed, the areas to be served and the stages in which it would be constructed,
3. Describe the governance and administration of the Commission and the responsibilities of the Members,
4. Set out the expected capital costs and financing of the System construction,
5. Set out the expected operating costs of the System for the years 2012 – 2016, and
6. Project the rates to be charged for water services and the contributions required of the Members.

As well, the Plan will become part of the “corporate memory” of the Commission and be a reference and resource for present and future Board Directors, Commission management and administration and the Members, as well as a source of information for funding and regulatory agencies and for the general public.

During the period of construction of the System, the Plan will continue be reviewed and updated on an ongoing basis. Financial data in the Plan is based on the most current actual, projected and estimated information available at the time of preparation of the Plan. This data will be updated as the Plan is reviewed and revised.

1.4 Previously Completed Studies, Plans and Reports

Studies, plans and reports considered in preparation of this Plan include:

1. Water Transmission – Stony Plain to Wabamun – Final Report (DCL Siemens Engineering Ltd. November 2011),
2. Water Transmission – Stony Plain to Wabamun – Supplement to Final Report (DCL Siemens Engineering Ltd. January 2012),
3. Updated CRPWSC and WILD Transmission System Assessment - Technical Memorandum – (Associated Engineering. November 2010),
4. Regional Water Feasibility Study - Town of Onoway/Village of Wabamun/Lac Ste. Anne County/ Village of Alberta Beach (Associated Engineering, February 2007), and
5. Alberta Beach Regional Inter-Municipal Development Plan – Village of Alberta Beach, Summer Village of Sunset Point, Summer Village of Val Quentin and Lac Ste. Anne County - August 1, 2008.

2. System Description

2.1 Communities Served and Overview of System

The area to be served by the System is set out on Figure 2.1 and includes the municipalities of:

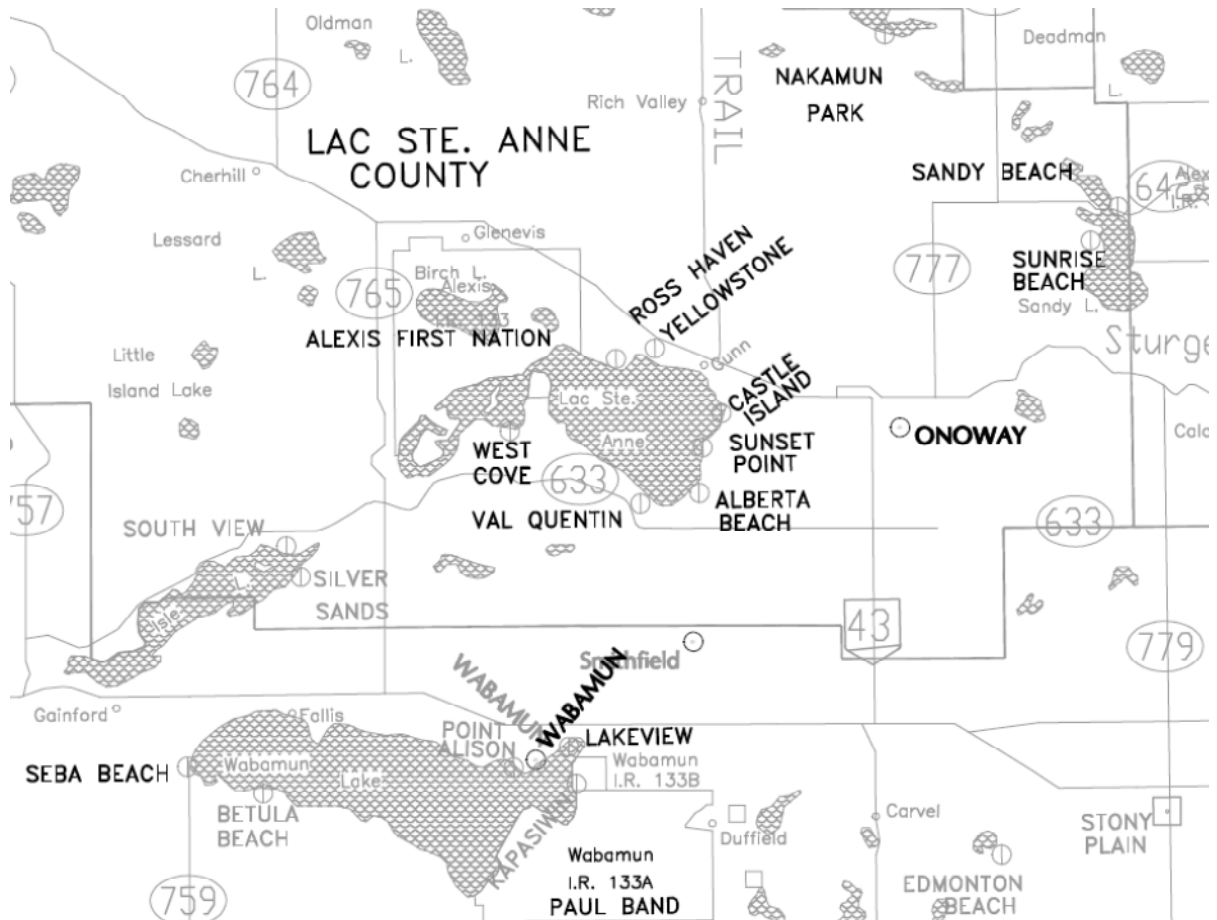
- (a) Town of Onoway;
- (b) Village of Alberta Beach;
- (c) Village of Wabamun;
- (d) Summer Village of Lakeview;
- (e) Summer Village of Seba Beach;
- (f) Summer Village of Castle Island;
- (g) Summer Village of Nakamun Park;
- (h) Summer Village of Ross Haven;
- (i) Summer Village of Sandy Beach;
- (j) Summer Village of Sunrise Beach;
- (k) Summer Village of Sunset Point;
- (l) Summer Village of Val Quentin;
- (m) Summer Village of West Cove;
- (n) Summer Village of Yellowstone;

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- (o) Portions of Lac Ste. Anne County; and
- (p) Portions of Parkland County.

The System would also serve the Paul First Nation and Alexis Nakota Sioux Nation (Alexis First Nation) as Customers.

Figure 2.1
System Service Area



2.2 Population Projections

The projected populations over the ensuing 25 year time frame for each of the Municipalities and for the two First Nations are set out in Table 2.1. Because of the implications for provincial grant funding, the population projections for the urban municipalities and the rural municipalities are addressed separately.

2.2.1 Urban Population Projections

The populations for the Town of Onoway and the Villages of Alberta Beach and Wabamun are projected at an average annual growth rate of 3%. Both Wabamun and Onoway indicate that new development projects now under consideration may increase that projection respectively. Both municipalities will need to provide justifications prior to the commencement of detailed engineering for changes to the long term population growth.

An average annual growth rate of 2% has been assumed for the First Nations with population projections based on Alberta Municipal Affairs Official 2011 Population List.

The Wabamun Provincial Park is assigned a population equivalent based 20 stalls per person or a population equivalent of 115 for the 2,300 stalls presently in place. No growth for the park is anticipated.

The populations for the Summer Villages are projected at an average annual increase of 1% except for Castle Island, which physically cannot add any further lots. The increased populations shown for the Summer Villages may in some cases require the development on lands beyond the current boundaries of these Summer Villages. Provincial legislation does not currently provide for the creation of new summer villages but the legislation does not prevent the expansion of existing summer villages. This Business Plan makes no distinction as to whether this expected community growth is ultimately within the jurisdictions of the Summer Villages or an adjacent municipality.

2.2.2 County Population Projections

The populations of Parkland County and Lac Ste Anne County are broken into three classifications:

- a. Registered Hamlets;
- b. Non-hamlet urban density development; and
- c. Rural low density development.

Under the funding criteria of the Water for Life Program, hamlets are treated like urban municipalities and systems serving them are eligible for funding. The growth rate for the hamlets has been set a 1% annually.

Counties under Water for Life are not fully fundable and are allowed a volume of 20% of that volume attributed the Towns, Villages, Summer Villages, First Nations and hamlets. For this System, this 20% allocation is divided equally between Lac Ste Anne and Parkland County. Each County's allocation is then divided between higher density non-hamlet urban development and low density rural uses.

To develop a System with a capacity that will be fully funded by the Water for Life program, the rural population of Lac Ste Anne County to be served by the System has been decreased from an original value of 5,042 to 1,568. For Parkland County, the initial rural population of 3,185 has been reduced to 1,477. The Counties will

need to examine whether these reduced rural populations will be sufficient to meet their projected long term needs and advise the Commission before detailed engineering is commenced.

2.3 Projected Treated Water Volumes

The projected daily and yearly volumes of treated water required by the population identified above are set out in Tables 2.2 and 2.3. With the exception of the First Nations, these volume projections are based on a demand factor of 300 litres per person per day (lcd) for urban density development. This factor has been identified as the per capita use that the Water for Life program will fund and is reflective of the objectives of the Alberta Government to bring long term water usage down. Because development on the First Nations' reserves is more dispersed and less dense, a consumption factor of 180 lcd is used for projecting First Nations consumption.

A rate of 120 lcd has been used to estimate volume for rural density development. By year 2037, the total average daily demands for the System are expected to rise to nearly 4,500 cubic meters (m³) per day or 1.6 Million m³ per year.

The maximum allotment of water from the Parkland System for the WILD System has been established by Alberta Transportation at 7,180 m³ per day. The maximum day demands for treated water by each of the Members are set out in Table 2.4 (**revised**) and are based on a peaking factor of 1.8 times the average daily flow for urban centers and 1.6 for rural development. With these factors, the maximum daily flow in year 2037 has been kept within the maximum allotment of 7,180 m³ per day. The capacity of the supply components of the Parkland System and the transmission components of the WILD System will be constructed to meet or exceed these peak capacities.

2.4 Water Conservation and Stewardship

Conservation and stewardship policies and initiatives of the System, which are reflective of the Alberta Environment Conservation Policy, will encourage users to individually reduce long term water usage. The 300 lcd rate is significantly lower than the current demand levels of the Town of Onoway and the Village of Wabamun, which have measured at about 410 lcd. Reduced water use can be achieved with the development of tighter distribution systems, more efficient fixtures and a general awareness and spirit of conservation and stewardship among the users. Onoway and Wabamun will implement such measures to ensure that the per capita use of water will be reduced to meet the 300 lcd factor used in the calculation of the 25 year volume.

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Table 2.1
WILD Regional Water System
Projected Population by Member
2012-2037

		Annual Growth %	Population					
			2012	2017	2022	2027	2032	2037
Urban Municipalities								
Onoway	3.0%		1,052	1,219	1,413	1,638	1,899	2,202
Alberta Beach	3.0%		1,056	1,224	1,419	1,645	1,906	2,210
Wabamun	3.0%		723	839	972	1,127	1,307	1,515
			2,831	3,281	3,804	4,410	5,112	5,927
First Nations								
Paul First Nations	2.0%		1,335	1,474	1,628	1,797	1,984	2,191
Alexis First Nations	2.0%		1,019	1,125	1,242	1,371	1,514	1,672
			2,354	2,599	2,870	3,168	3,498	3,862
Summer Villages								
Sunset Point	1.0%		257	270	284	298	313	329
Val Quentin	1.0%		192	202	212	223	234	246
West Cove	1.0%		179	189	198	208	219	230
Ross Haven	1.0%		210	221	232	244	256	270
Sandy Beach	1.0%		254	267	280	295	310	325
Seba Beach	1.0%		215	226	238	250	263	276
Wabamun Prov Park	* 0.0%		115	115	115	115	115	115
Yellow Stone	1.0%		180	190	199	210	220	231
Nakamun Park	1.0%		93	98	103	108	114	120
Lake View	1.0%		38	40	42	44	47	49
Sunrise Beach	1.0%		180	190	199	210	220	231
Castle Island	0.0%		20	20	20	20	20	20
Total SV			1,935	2,027	2,124	2,225	2,332	2,444
Hamlets								
<u>Lac Ste Anne County</u>								
Gunn	1.0%		99	104	109	115	120	127
<u>Parkland County</u>								
Carvel	1.0%		19	20	21	22	23	25
Duffield	1.0%		71	75	79	83	87	91
Fallis	1.0%		55	58	61	64	67	71
Total Hamlets			244	257	270	283	298	313
Total Urban			7,364	8,164	9,067	10,087	11,240	12,546
Rural Municipalities								
<u>Lac Ste Anne County</u>								
Non Hamlet Urban	1.0%		273	287	301	317	333	350
Rural	1.0%		1,664	1,749	1,839	1,932	2,031	2,135
Total LSA County			1,937	2,036	2,140	2,249	2,364	2,484
<u>Parkland County</u>								
Non Hamlet Urban	1.0%		369	388	408	429	451	474
Rural	1.0%		1,568	1,648	1,732	1,820	1,913	2,011
Total Pkld County			1,937	2,036	2,140	2,249	2,364	2,484
Total Population			11,239	12,237	13,347	14,585	15,968	17,515

* Equivalent Population based 2300 stalls @ 1/20 the imp

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Table 2.2
WILD Regional Water System
Projected Average Daily Treated Water Demands
2012 - 2037

ADWD Per Capita Litres/day		M3					
		2012	2017	2022	2027	2032	2037
Urban Municipalities							
Onoway	300	315	366	424	492	570	661
Alberta Beach	300	317	367	426	493	572	663
Wabamun	300	217	252	292	338	392	454
		849	984	1,141	1,323	1,534	1,778
First Nations							
Paul First Nations	180	240	265	293	323	357	394
Alexis First Nations	180	183	203	224	247	273	301
		424	468	517	570	630	695
Summer Villages							
Sunset Point	300	77	81	85	89	94	99
Val Quentin	300	58	61	64	67	70	74
West Cove	300	54	57	59	62	66	69
Ross Haven	300	63	66	70	73	77	81
Sandy Beach	300	76	80	84	88	93	98
Seba Beach	300	65	68	71	75	79	83
Wabamun Prov Park	300	35	35	35	35	35	35
Yellow Stone	300	54	57	60	63	66	69
Nakamun Park	300	28	29	31	33	34	36
Lake View	300	11	12	13	13	14	15
Sunrise Beach	300	54	57	60	63	66	69
Castle Island	300	6	6	6	6	6	6
Total SV		581	608	637	668	700	733
Hamlets							
<u>Lac Ste Anne County</u>							
Gunn	300	30	31	33	34	36	38
<u>Parkland County</u>							
Carvel	300	6	6	6	7	7	7
Duffield	300	21	22	24	25	26	27
Fallis	300	17	17	18	19	20	21
Total Hamlets		73	77	81	85	89	94
Total Urban		1,927	2,137	2,376	2,646	2,952	3,300
Rural Municipalities							
<u>Lac Ste Anne County</u>							
Non Hamlet Urban	300	82	86	90	95	100	105
Rural	120	200	210	221	232	244	256
Total LSA County		282	296	311	327	344	361
<u>Parkland County</u>							
Non Hamlet Urban	300	111	116	122	129	135	142
Rural	120	188	198	208	218	230	241
Total Pkld County		299	314	330	347	365	383
Total Daily Volume		2,507	2,748	3,017	3,320	3,661	4,045

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Table 2.3
WILD Regional Water System
Annual Treated Water Volume Based on Average Daily Consumption
2012 - 2037

M3 Per Year						
	2012	2017	2022	2027	2032	2037
Urban Municipalities						
Onoway	115,153	133,494	154,757	179,405	207,980	241,106
Alberta Beach	115,582	133,991	155,332	180,073	208,754	242,003
Wabamun	79,211	91,827	106,453	123,408	143,063	165,850
	309,946	359,312	416,542	482,886	559,797	648,958
First Nations						
Paul First Nations	87,721	96,851	106,932	118,061	130,349	143,916
Alexis First Nations	66,947	73,915	81,608	90,102	99,480	109,834
	154,668	170,766	188,540	208,163	229,829	253,750
Summer Villages						
Sunset Point	28,129	29,564	31,072	32,657	34,323	36,074
Val Quentin	21,039	22,112	23,240	24,425	25,671	26,981
West Cove	19,644	20,646	21,699	22,806	23,969	25,192
Ross Haven	23,015	24,189	25,423	26,719	28,082	29,515
Sandy Beach	27,781	29,198	30,687	32,252	33,898	35,627
Seba Beach	23,596	24,800	26,065	27,394	28,792	30,260
Wabamun Prov Park	12,593	12,593	12,593	12,593	12,593	12,593
Yellow Stone	19,760	20,768	21,828	22,941	24,111	25,341
Nakamun Park	10,229	10,751	11,299	11,875	12,481	13,118
Lake View	4,185	4,398	4,622	4,858	5,106	5,366
Sunrise Beach	19,760	20,768	21,828	22,941	24,111	25,341
Castle Island	2,190	2,190	2,190	2,190	2,190	2,190
Total SV	211,920	221,975	232,544	243,652	255,327	267,597
Hamlets						
Lac Ste Anne County						
Gunn	10,810	11,361	11,941	12,550	13,190	13,863
Parkland County						
Carvel	2,092	2,199	2,311	2,429	2,553	2,683
Duffield	7,788	8,185	8,603	9,041	9,503	9,987
Fallis	6,044	6,353	6,677	7,017	7,375	7,751
Total Hamlets	26,734	28,098	29,531	31,038	32,621	34,285
Total Urban	703,268	780,152	867,157	965,739	1,077,574	1,204,590
Rural Municipalities						
<u>Lac Ste Anne County</u>						
Non Hamlet Urban	29,873	31,397	32,998	34,681	36,450	38,310
Rural	72,904	76,622	80,531	84,639	88,956	93,494
Total LSA County	102,776	108,019	113,529	119,320	125,407	131,804
<u>Parkland County</u>						
Non Hamlet Urban	40,450	42,514	44,682	46,962	49,357	51,875
Rural	68,672	72,175	75,857	79,727	83,793	88,068
Total Pkld County	109,123	114,689	120,539	126,688	133,151	139,943
Total Daily Volume	915,167	1,002,860	1,101,226	1,211,748	1,336,131	1,476,336

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Table 2.4
WILD Regional Water System
Maximum Daily Volume
2012 - 2037

	Peak Day Demand Factor	2012	2017	2022	2027	2032	2037
Urban Municipalities							
Onoway	1.8	568	658	763	885	1,026	1,189
Alberta Beach	1.8	570	661	766	888	1,029	1,193
Wabamun	1.8	391	453	525	609	706	818
		1,529	1,772	2,054	2,381	2,761	3,200
First Nations							
Paul First Nations	1.8	433	478	527	582	643	710
Alexis First Nations	1.8	330	365	402	444	491	542
		763	842	930	1,027	1,133	1,251
Summer Villages							
Sunset Point	1.8	139	146	153	161	169	178
Val Quentin	1.8	104	109	115	120	127	133
West Cove	1.8	97	102	107	112	118	124
Ross Haven	1.8	113	119	125	132	138	146
Sandy Beach	1.8	137	144	151	159	167	176
Seba Beach	1.8	116	122	129	135	142	149
Wabamun Prov Park	1.8	62	62	62	62	62	62
Yellow Stone	1.8	97	102	108	113	119	125
Nakamun Park	1.8	50	53	56	59	62	65
Lake View	1.8	21	22	23	24	25	26
Sunrise Beach	1.8	97	102	108	113	119	125
Castle Island	1.8	11	11	11	11	11	11
		1,045	1,095	1,147	1,202	1,259	1,320
Hamlets							
<u>Lac Ste Anne County</u>							
Gunn	1.8	53	56	59	62	65	68
<u>Parkland County</u>							
Carvel	1.8	10	11	11	12	13	13
Duffield	1.8	38	40	42	45	47	49
Fallis	1.8	30	31	33	35	36	38
Total Hamlets		132	139	146	153	161	169
Total Urban		3,468	3,847	4,276	4,763	5,314	5,940
<u>Rural Municipalities</u>							
<u>Lac Ste Anne County</u>							
Non Hamlet Urban	1.8	147	155	163	171	180	189
Rural	1.6	320	336	353	371	390	410
Total LSA County		467	491	516	542	570	599
<u>Parkland County</u>							
Non Hamlet Urban	1.8	199	210	220	232	243	256
Rural	1.6	301	316	333	349	367	386
Total Pkld County		501	526	553	581	611	642
Maximum Daily Volume		4,436	4,864	5,345	5,886	6,494	7,181

2.5 Supply of Treated Water

2.5.1 Water Supply Options

Looking to the North Saskatchewan River as a source, the Commission initially investigated the potential to develop its own water treatment facilities to the supply Members, including the acquisition and upgrading of an existing private sector facility and the development of a new facility.

It remains the objective of the Province to encourage the development of major regional water treatment facilities citing advantages of:

- a. Gaining of economies of scale in lowering per unit treatment costs generally and in consideration of higher levels of treatment,
- b. Better opportunity to attract, retain and develop expertise in operations staff, and
- c. Fewer treatment facilities to upgrade that meet both present standards and future changes, future changes in environmental standards and public health and safety requirements.

As such, neither Alberta Environment nor Alberta Transportation would support the licensing and funding of a new separate water treatment facility when treated water supply is potentially available from EPCOR System to meet the needs of the WILD System.

With the EPCOR system as a source, the Commission has considered the option of either connecting the WILD System directly to the EPCOR System or connecting to the Parkland System, a water transmission system operated by the Capital Region Parkland Water Services Commission, to provide treated water to its members, the City of Spruce Grove, Town of Stony Plain and Parkland County.

2.5.2 Purchase of Water from Parkland System

The Parkland System does not have the capacity to meet the long term water needs of both the Parkland Commission and the WILD System. Engineering evaluation has indicated that the joint development of an upgraded Parkland System would “present benefits to both the (Parkland Commission) and (WILD Commission).” The upgrading of the Parkland System to provide for the long term supply of the WILD Commission would be undertaken through an agreement between Alberta Transportation and the Parkland Commission.

The WILD Commission would construct a water transfer station at Stony Plain at which point water for the WILD System would be purchased from the Parkland System. The transfer station would include transmission line pumps and metering equipment.

2.5.3 Water License

At present, EPCOR System, which supplies all of the Capital Region treated water including the Parkland System, withdraws from the North Saskatchewan River under the licenses held by the City of Edmonton. As a customer of the Parkland System, the WILD System needs would also be provided under the City of Edmonton license.

An initiative is taking place which would address water licensing to more appropriately reflect the regional nature of the water supply system in the Capital Region. Should this initiative not provide the comfort that is needed by the Commission with regard to licensed diversion, the Commission will seek from Alberta Environment a water diversion license in its name from the North Saskatchewan River with a point of withdrawal at the EPCOR System raw water intake.

Upon receipt of the water license for the Commission, the existing groundwater licenses will be relinquished by those Members as they connect to the System.

2.6 Treated Water Transmission System

The regional water transmission system required to provide the 25 year volume of water to the communities and areas identified is set out conceptually in Figure 2.2 and described following. The alignment of the mains and branches of the transmission pipeline are conceptual only and the specific alignment would be determined as part of the detailed engineering and right of way negotiation. As well, the description of the engineering works is based on a preliminary engineering study with refinement of these concepts and the specification of materials determined during the detailed engineering design stage.

Booster stations will be required at points along the transmission system with the exact location to be determined as part of detailed engineering. For ease of reference, the System is described by way of 3 areas and are tabulated on Table 2.5.

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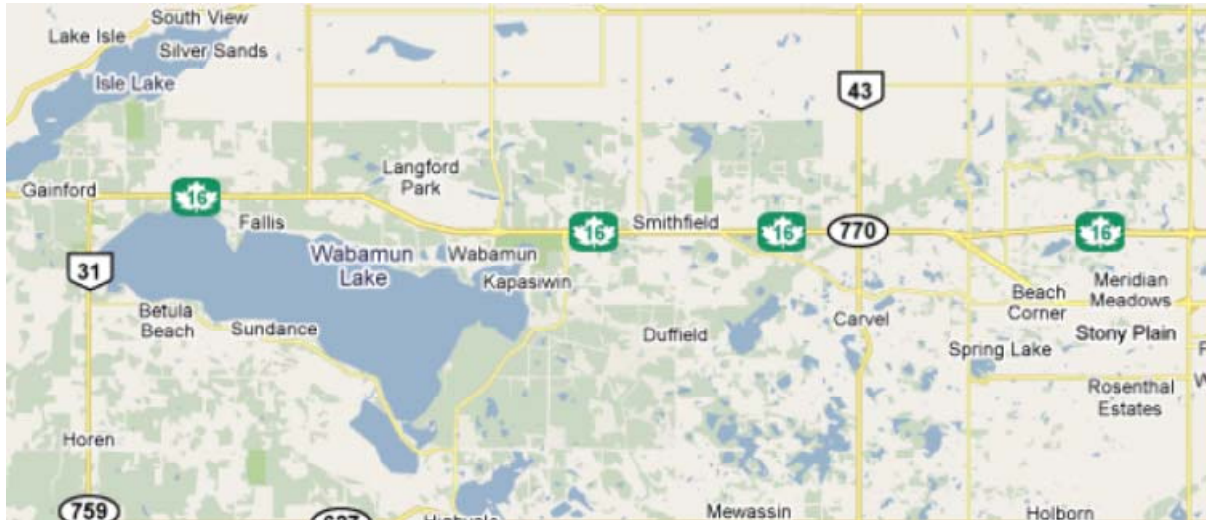
Table 2.5
WILD Regional Water System
Pipeline Capacity by Area and Segment

Line Segment	Communities Served	Population		Water Volume 2037 (m3)	
		2012	2037	Avg Day	Peak Day
<u>Wabamun Area</u>					
Main	Stony Plain to RR22 Junction				
	Carvel	19	25	7	13
	Parkland County Rural	1,568	2,011	241	386
		1,587	2,035	249	399
Wabamun Branch	Main (RR22) to Wabamun				
	Wabamun Prov Park	115	115	35	62
	Parkland Non-Hamlet Urban	100	128	38	69
	Lake View	38	49	15	26
	Wabamun	723	1,515	454	818
		977	1,807	542	976
Duffield Branch	Wabamun Branch (RR 32) to Duffield				
	Duffield	71	91	27	49
	Paul First Nations	1,335	2,191	394	710
		1,406	2,282	422	759
Seba Beach Branch	Wabamun Branch (RR 35) to Seba Beach				
	Fallis	55	71	21	38
	Parkland Non-Hamlet Urban	269	345	104	187
	Seba Beach	215	276	83	149
		540	693	208	374
	<u>Onoway Area</u>				
Onoway Branch	Main (RR22) to Onoway				
	Onoway	1,052	2,202	661	1,189
Nakamun Branch	Onoway to Nakamun Lake				
	Nakamun Park	93	120	36	65
Sandy Lake Branch	Jct on Nakamun Branch to Sandy Lake				
	Sunrise Beach	180	231	69	125
	Sandy Beach	254	325	98	176
		434	557	167	301
<u>Lac Ste. Anne Area</u>					
Lac Ste. Anne Branch	Onoway Branch (Hwy 633) to Tri-Village Area				
	Alberta Beach	1,056	2,210	663	1,193
	Val Quentin	192	246	74	133
	Sunset Point	257	329	99	178
	LSA Non Hamlet Urban (25%)	68	87	26	46
	Lac Ste. Anne County Rural	1,664	2,135	256	410
		3,237	5,008	1,118	1,961
North Shore Branch	Sunset Point to Ross Haven				
	Castle Island	20	20	6	11
	Gunn	99	127	38	68
	Yellow Stone	180	231	69	125
	Ross Haven	210	270	81	146
	LSA Non Hamlet Urban (25%)	68	87	26	46
	Alexis First Nations	1,019	1,672	301	542
		1,597	2,407	521	938
South Shore Branch	Val Quentin to West Cove				
	LSA Non Hamlet Urban (50%)	136	175	51	93
	West Cove	179	230	69	124
		316	405	120	217
		11,239	17,515	4,043	7,177

2.6.1 Wabamun Area

The main transmission line of the WILD System would be constructed from the water transfer station at Stony Plain north and west to a junction at Range Road 22 (RR 22 Junction) a distance of about 26 km. This line would provide service to existing and future development within Parkland County to a 25 year population of 2,000 and would be a source of water for the Hamlet of Carvel.

Figure 2.3
Wabamun Area



From this main, the following branches would be served:

2.6.1.(a) Wabamun Branch

Extending west from RR 22 Junction to the Village of Wabamun, this 22 km branch would serve the Village of Wabamun, the Summer Village of Lake View, Moonlight Bay development area within Parkland County and the Wabamun Provincial Park. The branch could also be a source of water for the Summer Villages or Kapasiwin Beach and Point Allison, neither of which is a member of the Commission.

2.6.1.(b) Duffield Branch

Connecting at a point on the Wabamun Branch at Range Road 32 and reaching southward about 8 km, this branch would provide water service to the Hamlet of Duffield and be a source of water for the Paul First Nations.

2.6.1.(c) Seba Beach Branch

Continuing west from the Wabamun Branch for 19 km, the Seba Beach Branch would serve the Hamlet of Fallis and urban development within

Parkland County along the shores of Wabamun Lake ending with service to the Summer Village of Seba Beach. As well, the Branch could be a source of water for the Summer Village of Betula Beach, which is not at present a member of the Commission. No provision of capacity would be made for future extension west to the Entwistle/Evansburg areas.

2.6.2 Onoway Area

From the main transmission line at RR 22 Junction, the Onoway Branch would extend north about 12 km to the Town of Onoway, providing capacity for the Town, which is expected to grow to nearly 2,000 over the 25 year design life of the System.

2.6.2.(a) Nakamun Branch

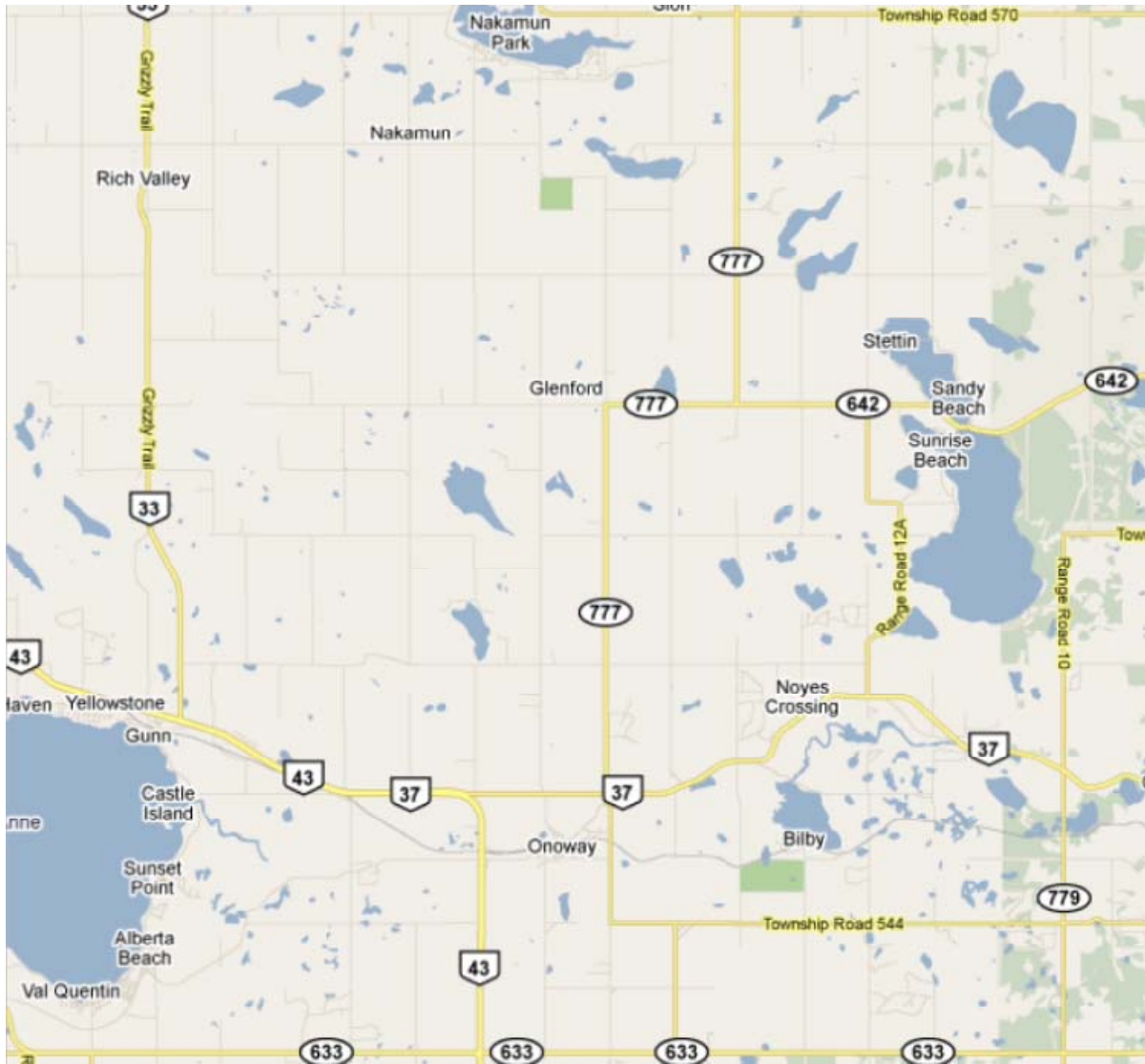
From Onoway the Nakamun Branch would extend 20 km north to Nakamun Lake, providing water service to the Summer Village of Nakamun Park. (Figure 2.5)

2.6.2.(b) Sandy Lake Branch

The Summer Villages of Sandy Beach and Sunrise Beach on Sandy Lake would be served by a 10 km. branch from the Nakamun Branch about midpoint between Onoway and Nakamun Park.

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Figure 2.5
Onoway Area



2.6.3 Lac Ste. Anne Area

The Lac Ste. Anne area would be served by a transmission line from the Onoway Branch extending west along Highway 633, a distance of about 13 km, to the Tri-Village Area comprising the Village of Alberta Beach and the Summer Villages of Val Quentin and Sunset Point. In addition to providing water to these three urban municipalities, projected to grow to nearly 3,000 in 25 years, the Lac Ste Anne Branch would also provide service for nearly 2,000 people in Lac Ste Anne County.

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Figure 2.4
Lac Ste Anne Area



From the Tri-Village Area the following branches would be served:

2.6.3.(a) North Shore Branch

Extending 13 km westward along the north shore of Lac Ste Anne from Sunset Point to Ross Haven, the North Shore Branch would serve the Summer Villages of Castle Island, Yellowstone, and Ross Haven, the Hamlet of Gunn and non-hamlet urban areas of Lac Ste Anne County. The line would be a source of water for the Alexis First Nation.

2.6.3.(b) South Shore Branch

This branch would extend along the south shore of Lac Ste Anne, 9.5 km from Val Quentin, providing service to the Summer Village of West Cove and non-hamlet urban areas in between.

2.7 Distribution Systems

At this point there are only two municipally provided piped water distribution systems within the System Service Area - the Village of Wabamun and the Town of Onoway. As well, some multi-lot developments within the Counties have communal water distribution systems. Both Counties have policies in place which encourage the development of piped distribution systems for multi-lot developments. It is envisioned that new development within the Alberta Beach IDP area will provide for piped distribution systems and it is expected that over time, piped systems will be developed to existing development in many of the Summer Villages.

The Commission's mandate is to supply treated water to the Members, and as such, would not undertake the development or operation of any water distribution system. The Members would be responsible to undertake or regulate the development of water distribution systems within the Member's respective boundaries.

A number of points will be provided along the main transmission lines and branches to facilitate connection for future water distribution systems that may be developed. These connections will require that the water supplied from the System will be discharged into a reservoir developed as part of the distribution system where additional pumps would subsequently move water through the distributions systems. Connection of individual service lines directly to the main transmission line or the branches will not be permitted.

Where the System Mains or Branches are planned but have not yet been constructed, the Members will require that multi-lot developments be designed so that these piped distribution systems can be connected to the future System line.

The existence or concurrent construction of piped distributions systems is not a precondition for the development of the System Mains or any of the System branches. It is envisioned that the System may initially provide water service to a community area by way of bulk water stations with the development of piped distribution systems coming at a later time.

2.8 Treated Water Storage

Initial engineering design had identified the development of treated water storage of 7,000 m³ at the Stony Plain water transfer station, which would be nearly the equivalent of one average days' volume in year 2035. Such storage is seen to be important to the Commission to insure against interruption of supply of Members from the System that

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may arise as a result of problems or interruption in the Parkland System and to buffer peak demands of the System. There have been preliminary indications that the cost of providing this storage would not be eligible for funding under the Water for Life grant funding program. The Commission will continue to seek inclusion of the cost of providing this storage as an eligible cost for grant funding.

All distribution systems connected to the System would be required to provide treated water storage equivalent to 1 days' peak demand. If the distribution system provides for fire flow, the amount of storage would need to be increased to provide a reserve for a major fire. Current and required treated water storage for those Members with the potential for a single water distribution system are identified on Table 2.6. Some summer villages are not identified in the table because of their small size.

In rural municipalities because of their dispersed nature and low density, capacity for fire flow in the distribution systems is not practical or necessary. However, some Members, including the rural municipalities, may wish to develop supplemental storage for firefighting purposes.

Members would be responsible to develop and arrange for the funding of treated water storage.

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Table 2.6
WILD Regional Water System
Treated Water Storage Requirements in m3

	Year 2017 Avg Day Demand in M3	Fire Flow Requirement	Initial Treated Water Storage	Existing Storage
Urban Municipalities				
Onoway	658	525	1,183	925
Alberta Beach	661	525	1,186	
Wabamun	453	525	978	1,588
First Nations				
Paul First Nations	478	525	1,003	
Alexis First Nations	365	525	890	
Summer Villages				
Sunset Point	146	525	671	
Val Quentin	109	525	634	
West Cove	102	525	627	
Ross Haven	119	525	644	
Sandy Beach	144	525	669	
Seba Beach	122	525	647	
Wabamun Prov Park	62	525	587	480
Yellow Stone	102	525	627	
Nakamun Park	53	525	578	
Sunrise Beach	102	525	627	

2.9 Bulk Water Stations

The Commission will develop and operate-bulk water truck fill stations along the System Main and at the end of the branches to provide for areas of the Members that do not have piped water distribution systems. The Commission would set rates and retain the revenues from these stations. Specifically bulk water stations would be developed at:

Station Location	Developed in conjunction with
Wabamun	Main Line, Wabamun Branch
Duffield	Duffield Branch
Seba Beach	Seba Beach Branch
Tri-Village area	Lac Ste. Anne Branch
Onoway	Main Line
Ross Haven	North Shore Line
West Cove	South Shore Line
Sandy Beach	Sandy Lake Branch
Nakamun Park	Nakamun Lake Branch

Should the Members consider it beneficial to develop and operate any further Bulk Water Stations within their areas beyond that provided by the Commission, the Members would be responsible to undertake and fund these additional stations. For these stations, the Member may set rates equal to or higher than the rates set for the Commission Bulk Water Stations and the revenues would accrue to the Member.

2.10 Staged Development of the System

The System will be constructed in stages to reflect availability of major grant funds from the Province and on a timing that may be dictated by the availability of suitable groundwater supply and the development of piped water distribution systems.

2.10.1 First Stage

In the first stage, the primary objective for the Commission is to provide water service to the Village of Wabamun, which has the most immediate need for an alternative water supply. Constructed during 2012 and becoming operational by September 2013, this stage would include construction of the:

- a. Stony Plain Water Transfer Station;
- b. Main Transmission Pipeline from the Transfer Station to the RR 22 Junction;
- c. Wabamun Branch including a Bulk Water Station at Wabamun; and
- d. Bulk Water Station at Onoway (to be supplied initially from the Town of Onoway until the System is extended to Onoway).

It is expected that the present Parkland System will have sufficient existing volume to supply the water needs of the Village of Wabamun. Ongoing improvements to the Parkland System would be needed to meet the growing capacities of both the users of the Parkland System and the WILD System.

2.10.2 Second Stage

The second stage of the WILD System development would be the extension of service to the Tri-Village area and the Town of Onoway. This project is identified for 2015 with operation in 2016 in reflection of funding availability. However, the timing may need to be advanced if the water supply situation in Onoway becomes more acute.

Included in the second stage would be the construction of the:

- a. Onoway Branch;
- b. Lac Ste. Anne Branch;
- c. Bulk Water Station in the Tri-Village area; and
- d. Connection to previously constructed Bulk Water Station in Onoway

To provide for the water volumes in this Stage, it is expected that the capacity of the Parkland System would be expanded.

2.10.3 Future Stages

With the core of the WILD System developed in Stages 1 and 2, the timing of remaining segments would be considered by the Commission based on need and funding availability. These branches, which include:

- a. Duffield Branch;
- b. Seba Beach Branch;
- c. North Shore Branch; and
- d. South Shore Branch.

can be constructed on independent timings. As well, the Nakamun Branch from Onoway can be constructed fully to Nakamun Lake to serve Nakamun Park or partially to allow construction of the Sandy Lake Branch.

Included in determining need would be consideration of water quality and quantity. For the Duffield Branch and the North Shore Branch, the timing would, as well, be influenced by the need and intents of the Paul First Nation and Alexis First Nation respectively.

3. Governance and Management

3.1 Operation and Business Entity

Of the various governance options examined, the Municipalities have chosen to form a regional services commission under the provisions of the *Municipal Government Act*. At the request of the Municipalities, the Government of Alberta by way of Alberta Regulation 156/2008 has created the West Inter Lake District Regional Water Commission (“Commission”) and is authorized “to provide and operate a water supply system.” (See Appendix A for Regulation)

As the System develops and evolves, the Board may consider the merits of merging the Commission with the Parkland Commission or another regional commission.

3.2 Organization of the Commission and Governing Board

The Governing Board and Commission constitution is established by Commission Bylaw No. 1, adopted by the Board and approved by the Minister of Municipal Affairs (Appendix B). The currently provided eight member Board under Bylaw No. 1 will be expanded to nine members consisting of:

- a) Five Directors appointed from among its respective members of municipal council by each of:
 - (i) Town of Onoway;
 - (ii) Village of Alberta Beach;
 - (iii) Village of Wabamun;
 - (iv) Lac Ste. Anne County; and
 - (v) Parkland County.
- b) One Director appointed by each of the Paul and Alexis First Nations from among the members of the Band Councils, in recognition of the volumes anticipated to be used by First Nations as Customers of the System, and
- c) Two Directors from among the municipal councils of the Summer Villages appointed by the Summer Villages at the Annual Meeting of the Commission each year.

The Board would be “*responsible for the management and conduct of the affairs of the Commission.*” A Chair and Vice Chair are selected annually by the Board from among its members.

By Bylaw, the Board would be required to hold, at minimum, two meetings per year. During construction and initial operational stages of the System, the Board would meet more often as may be required.

3.3 Management

Bylaw No. 1 provides for the position of a Manager appointed by the Board to act as the ongoing “*administrative head of the Commission.*” The Board may select as Manager an individual who is an employee of a member municipality or it may choose an individual,

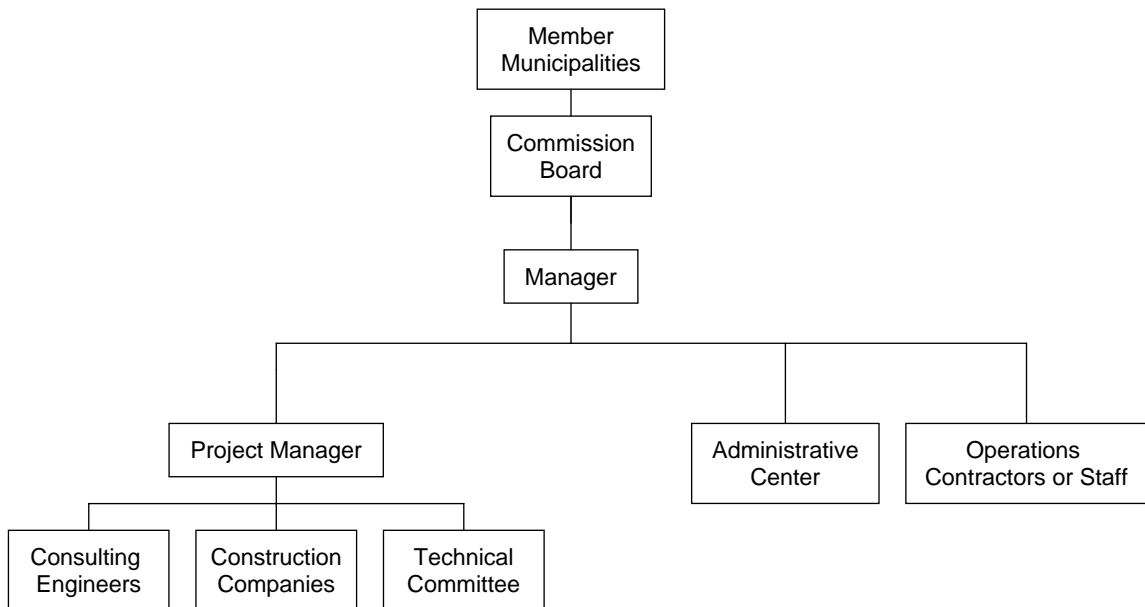
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firm or another regional services commission to act on a contracted basis. The Manager will direct operational employees or contractors and the administrative center for the System.

To oversee, coordinate and direct capital construction of the stages of the System, a Project Manager will be engaged. The Project Manager will direct the Consulting Engineers engaged by the Board and any Project / Construction Manager or Managers that may be required. The Project Manager will also chair a technical committee of representatives from each of the Members and representatives of the Parkland System. The committee will provide input and advice on the design and construction of the System, as well as provide liaison between the System and the water facilities and staff of each of the Members and Parkland System.

3.4 Organization Chart

Figure 3.1
WILD Commission
Organizational Chart



3.5 Allocation of System Capacity and Costs

Each Member agrees that:

1. The system capacity allocated to the Members is based on the 25 year treated water design capacity of the System and is set out in Table 3.1.
2. The net capital costs of the System will be allocated between the Members as set out in Table 3.1.

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Table 3.1
WILD Regional Water System
Allocation of System Capacity Based on
25 Year Design Treated Water Volume

	Volume 2037	%
<u>Urban Municipalities</u>		
Onoway	241,106	16.3%
Alberta Beach	242,003	16.4%
Wabamun	165,850	11.2%
	648,958	44.0%
<u>First Nations</u>		
Paul First Nations	143,916	9.7%
Alexis First Nations	109,834	7.4%
	253,750	17.2%
<u>Summer Villages</u>		
Sunset Point	36,074	2.4%
Val Quentin	26,981	1.8%
West Cove	25,192	1.7%
Ross Haven	29,515	2.0%
Sandy Beach	35,627	2.4%
Seba Beach	30,260	2.0%
Wabamun Prov Park	12,593	0.9%
Yellow Stone	25,341	1.7%
Nakamun Park	13,118	0.9%
Lake View	5,366	0.4%
Sunrise Beach	25,341	1.7%
Castle Island	2,190	0.1%
Total SV	267,597	18.1%
<u>Hamlets</u>		
<u>Lac Ste Anne County</u>		
Gunn	13,863	0.9%
<u>Parkland County</u>		
Carvel	2,683	0.2%
Duffield	9,987	0.7%
Fallis	7,751	0.5%
Total Hamlets	34,285	2.3%
Total Urban	1,204,590	81.6%
<u>Rural Municipalities</u>		
Lac Ste Anne County	131,804	8.9%
Parkland County	139,943	9.5%
Total Rural	271,746	18.4%
Total Capacity	1,476,336	100.0%

3. In the long term, all annual costs, including those for governance and administration, treated water purchase, System operation, capital development and debenture repayment costs will be recovered through uniform rates levied on actual volume of water delivered subject to such minimum annual payments as may be required to address:
 - a. Less than expected volumes of water sales, and/or
 - b. Members not yet drawing water from the System.

Initially, however, the Members agree that the costs of governance and administration and the costs of debenture debt retirement will be recovered directly from Members calculated on the basis of the percentage allocation set out in Table 3.1.

4. The Members agree that should this uniform rate, because of less than expected water volumes, fail to generate sufficient revenue to meet the total annual costs of a particular sub-system in a year, the shortfall of revenue, if it cannot otherwise be met from financial reserves or accumulated surplus, would be recovered in subsequent years by an increase in uniform rates.
5. The Member's volume allocation currently set out in Section 7.1 of Bylaw No.1 will be amended to reflect the revised volume allocation set out in Table 3.1.

3.6 Membership Agreements

Each Member will be required to enter into a Membership Agreement with the Commission, which will, among other things, set out the:

- a. Obligations of the Member for payment for:
 - i. Water services,
 - ii. Re-payment of annual debt payments, and
 - iii. Commission Board and Administration Costs.
- b. Particular arrangements, obligations or provisions that may be particular to the Member,
- c. Provisions for suspension and shutdown of the Members Connection, and
- d. Process for Dispute Resolution.

3.7 Member Water Supply Agreement

Each Member requiring water services from the System will be required to enter into a Member Water Supply Agreement with the Commission which will, among other things, set out the:

- a. Financial obligations of the Member for payment for:
 - i. Water services on a volume basis,
 - ii. Minimum annual charges required, if any,
 - iii. Subsequent recovery of revenue shortfall for previous years, and
 - iv. Special Services required by the Member, if any.
- b. Particular arrangements, obligations or provisions with respect to the supply of services that may be particular to the Member,
- c. Annual Quantities to be delivered to Member in each year,
- d. Obligations for Minimum Annual Volumes,
- e. Allowable Daily Volume and Maximum Rate of Delivery of water to the Member,
- f. Obligations of the Member with respect to connection with the System, environmental compliance and indemnification, and
- g. Process for Dispute Resolution.

A draft template of the Water Supply Agreement is set out in Appendix C.

3.8 Customer Water Supply Agreement

Each Customer of the System will enter into a Customer Water Supply Agreement, which will in addition to encompassing those elements set out in Section 3.7, will also set out:

- a. The process and basis for establishing rates for water services,
- b. The infrastructure required to meet the water service needs of the Customer,

- c. The amount of capital contribution and fiscal arrangement required for connection to the System and for the construction of any infrastructure needed to serve the Customer, and
- d. Provisions for suspension and shutdown of the Customer's Connection.

3.9 Parkland System

The Commission will enter into a 25 year term agreement with the Parkland Commission, on terms and conditions mutually beneficial to the Commission and to the Parkland Commission, for the supply of treated water to the Commission for the transmission through the System to Members and Customers. Among other things, the Agreement will include:

- a. The provision of treated water for normal domestic and municipal purposes,
- b. A process of setting quantities of water to be supplied each year to the Commission,
- c. A maximum daily quantity that shall be supplied to the Commission,
- d. A process to establish rates for treated water services,
- e. A process to adjust revenues and rates for variances between projected annual volumes and actual annual volumes and return excess revenues or recover insufficient revenues ("true up"),
- f. Provisions to address emergency suspension of water services or temporary reductions in volume of water available,
- g. A Joint Steering Committee of representatives of the Commission and the Parkland Commission to ensure strategic planning, consultation and communication, and
- h. Processes for Dispute Resolution.

3.10 Town of Onoway

The Commission will make arrangements with the Town of Onoway to supply water from the Town's distribution system to the System Bulk Water Station to be constructed at Onoway until such time as the Second Stage of the System is able to supply the Station with water from the System.

3.11 Service to the First Nations

It is the intent and expectation of the Commission, based on communication with representatives of both the Paul and Alexis First Nations and of Aboriginal Affairs and Northern Development Canada (AANDC), that the System will provide water to the two First Nation communities. Accordingly, the Commission will provide capacity within the System in order to provide service to the Paul First Nation by way of the Duffield Branch and the Alexis First Nation by way of the North Shore Branch. The First Nations will be encouraged to become actively involved in the planning and development of the System through appointment of their representatives to the Board.

The First Nations would be required to enter into a Customer Supply Agreement reflective of the terms of the Membership agreement and would be responsible for the proportionate share of the Commission costs for governance and administration costs and the debenture repayment costs based on the proportions set out in Table 3.1.

Alberta Transportation through its grant assistance programs will not fund the capacity increase required in the Parkland System to supply the First Nations requirements. The Paul First Nation and Alexis First Nation will be required to fund 9.7% and 7.4% respectively of the cost of upgrading the Parkland System to provide for the volumes of the System. As well, the Paul and Alexis First Nations will be required to construct at their own cost the necessary pipelines to convey water respectively from the Duffield and Ross Haven reservoir facilities.

While every effort will be made to conclude arrangements between the Commission, Alberta Transportation, the First Nations governments and AANDC, as quickly as possible, the Commission may need to proceed with construction of the initial stage of the System without the Customer Supply Agreements in place. In that event, the annual costs that would have been attributed to the First Nations on the basis of capacity proportions set out in Table 3.1 would be proportionately covered by the Members until such time as the Customer Service Agreements are executed. These attributed costs will be accumulated from the year 2012 forward and the First Nation would be responsible for the payment of this accumulation plus the ongoing future costs to the Commission.

3.12 Addition of New Customers

1. The Commission may at its discretion agree to extend water service to additional Customers provided the extension of such services does not jeopardize the present or future water supply needs of the Commission's Members and existing Customers and the application meets the requirements of the Commission.

2. In addition to the common cost of water services from the System, a new Customer will be responsible to pay to the Commission in a manner to be determined between the new Customer and the Commission:
 - a. A portion of the net capital costs of the System based on the proportion of expected water volume to total System volume, and
 - b. The additional net capital costs of any capital upgrades and connection costs required to supply service to the new customer.
3. The Commission will own and operate all components of the treatment, storage and transmission systems required to serve the needs of the new customer, including connection lines to the established point of sale.
4. If the water volume of the new customer is of sufficient magnitude to require additional license water diversion, the applicant and the Commission will jointly apply for an additional diversion license.
5. An applicant will be responsible to bear all costs associated with the application for consideration as a new customer, including any water licensing cost.
6. A new customer will enter into a Customer Water Supply Agreement.

3.13 Addition of New Members

The Commission may consider an application from a Municipality in the System Service Area for membership in the Commission on terms and conditions that the Commission may determine provided that the present and future water needs of the present Members and Customers are not adversely affected.

A new Member would be required to enter into a Member Agreement, as provided in Section 3.7, with the further provision that the new Member would pay to the Commission a Membership fee, which would include:

- a. A portion of the net capital costs of the System based on the proportion of expected water volume to total System volume, and
- b. Compensation reflecting the costs and efforts incurred by the Members in establishing the Commission and bringing to operation the System.

Once the Membership Agreement has been executed, the Commission will request the Minister of Municipal Affairs to amend *Alberta Regulation* AR 156/2008 to include the municipality as a Member.

3.14 Withdrawal of Members from the Commission

1. Subject to the approval of the Minister of Municipal Affairs, a Member may withdraw from the Commission upon five years written notice. The withdrawing Member may sell the equity contributed by the Member during the Member's term of membership of the Commission to any other Member of the Commission for such compensation and on such terms as the parties may agree, subject to the approval of the Board. However, the Commission or any Member shall not be obligated to purchase the withdrawing Member's proportionate share of the system. The Commission shall not utilize the capacity of the system related to the withdrawing Member's equity or utilize the withdrawing Member's water volume allocation without fair compensation.
2. The withdrawing Member shall still be responsible for any respective proportion of outstanding debt principle for which the Member is responsible and the Member shall either pay the outstanding principle and any accrued interest to the Commission or agree to continue to pay the respective share of the annual payments on the debt, as well as, proportionate share of any outstanding current liabilities that have been incurred by the Commission to the benefit of the Member. Any proceeds to the Member from the sale of capacity under clause 1) shall be firstly applied to outstanding debt principle of the Member.

3.15 Disposition of Assets

The Commission Board may dispose of assets of the Commission provided that:

- a. Grants from the Government of Alberta and outstanding debt associated with that portion of the land, buildings, equipment or inventory to be sold is repaid or retired,
- b. The sale would not have a significant adverse effect on the services the Commission provides,
- c. The sale will be properly reflected in the rates subsequently charged to the customers of the Commission, and
- d. Approval of the Minister is obtained for any disposition that has been funded by the Government of Alberta.

3.16 Compliance with ALSA Regional Plans

Under the provisions of Section 602.021 of the *Municipal Government Act* (*supra*), a regional commission "must act in accordance with any applicable ALSA [*Alberta Land Stewardship Act*, S.A. 2009, c. A-26.8] regional plan. The ALSA provides for the implementation of the

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The System Service Area is contained within both the North Saskatchewan Regional Plan (NSRP) and the Upper Athabasca Regional Plan (UARP) areas. At this time, neither the NSRP nor the UARP are under development. The Commission will monitor and participate in the development of these regional land use plans, particularly that of the NSRP, to the extent necessary to safeguard and advocate for the long term water supply interests of the Commission.

4. Project Capital Costs and Funding

4.1 Capital Costs

The projected capital costs for the System's development staging and timing are set on Table 4.1 in two parts. The costs for Stage 1 are based on the estimates provided by DCL Seimens Engineering Ltd. These costs include a 10% allowance for engineering and a 10% allowance for contingency.

The costs for Stage 2 and Future Stages are based on opinions of probable costs provided by Associated Engineering. A 30% contingency and 10% allowance for engineering are added to the estimates. Transmission line costs include allowances for the purchase of some rights of way from private owners, but it is contemplated that the alignment of the transmission lines would use public road and public rights of way wherever possible.

4.2 Capital Financing

The capital financing is set out in Table 4.1 with sources of capital financing including: government grant funding, direct contributions by Members, if any, and debt financing by the Commission.

4.2.1 Government Grant Funding

The major share of government funding identified for financing the System's development is through the Government of Alberta Water for Life program. (WFL) Funding for Stage 1 at 90% of eligible costs and for the expansion of the Parkland System to provide the long term needs of the WILD System have been approved.

Water for Life funding for Stage 2 and Future Stages has not been approved but, as the project fits well within the grant program guidelines, approval of grant funding at 90% is anticipated as well.

Should WFL funding not be available for a particular stage or component of the System, the Commission would look to other federal and provincial grant programs for alternative funding.

4.2.2 Direct Contributions by Members

As general principles:

- a. If a Member requires the capacity of portions of the System to be increased beyond what would be normally attributable to the Member under common factors of growth and water demands, then the Member

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would be responsible to pay directly to the Commission at the time of construction, the difference in actual cost between providing for the normally attributed capacity and the actual capacity required, or

- b. If all or part of the capacity of the System, which is to be attributed to a Member, be ineligible for grant funding, then the Member would be responsible to pay directly to the Commission at the time of construction, the difference in actual cost between providing for the capacity eligible for funding and the actual capacity required.

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Table 4.1
WILD Regional Water System
Projected Capital Expenditures and Financing
By Component

	2012 / 2013	2015	Future	Total
<u>Stage 1 - Service to Wabamun</u>				
Capital Costs (in Year 2012 \$ includes 10% Contingency and 10% Engineering)				
<u>Supply</u>				
Stony Plain Transfer Booster Station	\$360,000			\$360,000
Sub-total Supply	\$360,000			\$360,000
<u>Transmission</u>				
Main Line - Stony Plain to RR 22 Junction	\$16,020,000			\$16,020,000
Wabamun Branch	\$7,558,500			\$7,558,500
Bulk Water Station in Wabamun	\$840,000			\$840,000
Bulk Water Station in Onoway	\$840,000			\$840,000
Sub-total Transmission	\$25,258,500			\$25,258,500
	\$25,618,500			\$25,618,500
Funding				
Water for Life				
Supply Funding Rate	0%			
Transmission Funding Rate	90%			
Grant	\$23,056,650			\$23,056,650
Commission Funding	\$2,561,850			\$2,561,850
	\$25,618,500	\$0	\$0	\$25,618,500
<u>Stage 2 - Service to Lac Ste. Anne and Onoway</u>				
Capital Costs (in Year 2012 \$ includes 30% Contingency and 10% Engineering)				
<u>Transmission</u>				
Onoway Branch		\$5,071,500		\$5,071,500
Lac Ste. Anne Branch (To Tri-Village Area)		\$3,770,000		\$3,770,000
Truck Fill Station in Tri-Village Area		\$840,000		\$840,000
Sub-total Transmission		\$9,681,500		\$9,681,500
		\$9,681,500		\$9,681,500
Funding				
Water for Life				
Transmission Funding Rate		90%		
Grant		\$8,713,350	\$0	\$8,713,350
Commission Funding		\$968,150	\$0	\$968,150
	\$0	\$9,681,500	\$0	\$9,681,500

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Table 4.1
WILD Regional Water System
Projected Capital Expenditures and Financing
By Component

	2012 / 2013	2015	Future	Total
<u>Future Stages</u>				
Capital Costs (in Year 2012 \$)				
<u>For Remaining Transmission Mains and Branches</u>				
(Costs include Bulk Water Station, 30% Contingency, 10% Engineering)				
Duffield Branch - 150 mm, 8.2 km			\$2,890,000	\$2,890,000
Seba Beach Branch - 150 mm, 18.5 km			\$5,465,000	\$5,465,000
North Shore Branch - 150 mm, 13 km			\$4,840,000	\$4,840,000
South Shore Branch - 150 mm, 9.5 km			\$3,215,000	\$3,215,000
Nakamun Lake Branch - 150 mm 20.3 km			\$6,275,000	\$6,275,000
Sandy Lake Branch - 150 mm, 10.2 km			\$3,390,000	\$3,390,000
			\$26,075,000	\$26,075,000
Funding				
Water for Life				
Funding Rate			90%	
Grant			\$23,467,500	\$23,467,500
Commission Funding			\$2,607,500	\$2,607,500
	\$0	\$0	\$26,075,000	\$26,075,000

These cost estimates are defined in greater detail in Table 4.2.

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Table 4.2
WILD Regional Water System
Cost Estimates By Branch and Segment

Line Segment	Line Quantity			Cost Estimates				
	Capacity m3/day)	Pipe Size	Length in km	Transmission Line		Pump Station	Bulk Water	Total Cost
				/ m	\$			
<u>Wabamun Area</u>								
Main								
Stony Plain to RR 22	7,177	450mm	26.1	\$600	\$15,660,000	\$360,000		\$16,020,000
Wabamun Branch								
RR 22 to RR 32	2,109	250mm	8.9	\$395	\$3,515,500	\$360,000		\$3,875,500
RR 32 to Wabamun	1,350	200mm	12.7	\$290	\$3,683,000		\$840,000	\$4,523,000
			21.6		\$7,198,500	\$360,000	\$840,000	\$8,398,500
Duffield Branch	759	150mm	8.2	\$250	\$2,050,000		\$840,000	\$2,890,000
Seba Beach Branch	374	150mm	18.5	\$250	\$4,625,000		\$840,000	\$5,465,000
<u>Onoway Area</u>								
Onoway Branch								
Main (RR 22) to Hwy 633	4,669	300mm	6.5	\$475	\$3,087,500	\$360,000		\$3,447,500
Hwy 633 - Onoway	1,554	200mm	5.6	\$290	\$1,624,000		\$840,000	\$2,464,000
					\$4,711,500	\$360,000	\$840,000	\$5,911,500
Nakamun Branch								
Onoway to Jct with Sandy	365	150mm	9.6	\$250	\$2,400,000	\$360,000		\$2,760,000
SL Jct to Nakamun Park	65	150mm	10.7	\$250	\$2,675,000		\$840,000	\$3,515,000
					\$5,075,000	\$360,000	\$840,000	\$6,275,000
Sandy Lake Branch								
SK Jct to Sandy Lake	301	150mm	10.2	\$250	\$2,550,000		\$840,000	\$3,390,000
<u>Lac Ste. Anne Area</u>								
Lac Ste Anne Branch								
Hwy 633 - Tri-Village	3,115	200mm	13	\$290	\$3,770,000		\$840,000	\$4,610,000
North Shore Branch								
Sunset Point to Ross Haven	938	150mm	16	\$250	\$4,000,000		\$840,000	\$4,840,000
South Shore Branch								
Val Quentin to West Cove	217	150mm	9.5	\$250	\$2,375,000		\$840,000	\$3,215,000
								\$61,015,000

4.2.3 Funded Capacity of Rural Municipalities Under the Water for Life Program

The conditions of the WFL funding currently in place limits the proportion of the capacity of a regional water system that can be attributed to the rural municipalities to 20% of the urban allocation on a line. At this point the System is designed such that all costs are eligible for Water for Life Funding. Wabamun, Onoway, Parkland County and Lac Ste. Anne County individually may determine that additional

volume of supply is needed for long term development of their respective municipalities. Further engineering evaluation would be required to determine whether those additional capacity requirements can be accommodated within the capacity of the WILD System as it is planned to be built or whether components will have to be enlarged. As well, additional capacity requirements would have to be evaluated in terms of the Parkland System upgrading plans and again whether the additional capacity desired can be met by the Parkland System upgrades or whether Parkland components will have to be enlarged. For incremental increases in costs of either the WILD or Parkland Systems or both that may be attributable to higher capacity demand, the municipalities either singly or together proportionately, as the case may be, will contribute 100% of the costs incurred in providing this additional or oversize capacity.

4.2.4 Direct Contribution from Customers

The Paul and Alexis First Nations are identified as Customers of the System and would be responsible for the full cost of connecting the reserve town sites to the end of the System at the Hamlet of Duffield in the case of Paul First Nations and the Summer Village of Ross Haven for the Alexis First Nation.

The timing for construction of these branches - the Duffield and North Shore - has not been identified and is dependent on need and availability of major grant funding. Should either of the First Nations request that the Commission advance the construction timing of these branches to meet their communities' need, and if major government funding is not available at the time needed for construction, the First Nation would be required to fund the amount the grant would have otherwise contributed and the Commission would fund the balance. The Commission would endeavor to make any arrangements with the government to arrange for a reimbursement in whole or in part for the funds contributed by the First Nation.

The First Nations would be responsible for payment of the accumulation of the proportionate costs for the repayment of debenture debt payments attributed to the each respectively in Table 6.6. However, financial arrangements with the First Nations and AANDC may provide for the payment of the proportionate share of the net capital costs of the System up front. In that case, the First Nations would not be responsible for that portion of the annual direct debenture costs that have been identified in Table 6.6 that would relate to the upfront payment of capital cost shares.

4.2.5 Debenture

The Commission will fund the net project costs (after the deduction of WFL, other grant funding or direct contributions from Members or Customers) with debenture borrowing from the Alberta Capital Financing Authority or long term borrowing

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from other sources if financially more favorable. The amortization term of the borrowing will be 25 years

For the purposes of the Plan, the capital share attributed to the First Nations is included in the amount to be borrowed. The interest costs are calculated at 4%, though the rate paid would be that in effect at the time of borrowing. The 25 year debenture rate from Alberta Capital Finance Authority at mid March 2012 was 3.277%.

Borrowing to fund the First Stage is expected to be drawn in the latter part of 2012 with payments beginning in 2013. The borrowing for future stages would be drawn when required.

Recognizing that:

- It may be some time before piped distribution systems are developed within many of the Member municipalities, and
 - That some Members may be drawing water from the System minimally or not at all initially,
- debenture payments allocated to the Members would be paid directly by the Members rather than included in rates for at least the first five years of System operation.

As well, while water services will be available through the Bulk Water Stations provided by the System, for those Summer Villages on portions of the System that may not be built for some years, these sources will be some distance away. For these Summer Villages, the proportionate debenture share to be paid directly by the Summer Village will be reduced by 50% until such time as the main or branch serving the Summer Village is constructed.

The details of the debenture borrowing and Member allocations are set out in Table 4.3 following.

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Table 4.3
WILD Regional Water System
Debenture Borrowing Details

Debenture Borrowing

	Principal	Interest	Total to Repay
Stage Borrowing			
Stage 1 - Latter Half of 2012	\$2,561,850	\$1,514,464	\$4,076,314
Stage 2 - Latter Half of 2015	\$968,150	\$572,332	\$1,540,482
Future Stages		\$0	\$0
	\$3,530,000	\$2,086,796	\$5,616,796

Annual Borrowing Costs

25 year Amortization, Semi-Annual Payments

Current ACFA Rate	3.277%	
Rate for Calculations	4.0%	Interest
Annual Payment Factor	0.06364642	

Payments by Stage and Year

	2013	2014	2015	2016	2017
Stage 1	\$163,053	\$163,053	\$163,053	\$163,053	\$163,053
Stage 2				\$61,619	\$61,619
Stage 3					\$0
Total Annual Payment	\$163,053	\$163,053	\$163,053	\$224,672	\$224,672

Components of Annual Payment

Current Portion of Long Term Debt	\$61,184	\$63,656	\$66,228	\$92,026	\$95,744
Interest on Long Term Debt	\$101,868	\$99,396	\$96,825	\$132,646	\$128,928
	\$163,053	\$163,053	\$163,053	\$224,672	\$224,672

Allocation of Annual

Debenture Repayment Costs

	Proportionate Share	2012 Debenture			2015 Debenture		
		Annual Pymnt	Reduction	Reduced Total	Annual Pymnt	Reduction	Reduced Total
			50%			50%	
Urban Municipalities							
Onoway	16.3%	\$26,629		\$26,629	\$10,063		\$10,063
Alberta Beach	16.4%	\$26,728		\$26,728	\$10,101		\$10,101
Wabamun	11.2%	\$18,317		\$18,317	\$6,922		\$6,922
	44.0%	\$71,674	\$0	\$71,674	\$27,086	\$0	\$27,086
First Nations							
Paul First Nations	9.7%	\$15,895		\$15,895	\$6,007		\$6,007
Alexis First Nations	7.4%	\$12,130		\$12,130	\$4,584		\$4,584
	17.2%	\$28,025	\$0	\$28,025	\$10,591	\$0	\$10,591
Summer Villages							
Sunset Point	2.4%	\$3,984	\$1,992	\$1,992	\$1,506		\$1,506
Val Quentin	1.8%	\$2,980	\$1,490	\$1,490	\$1,126		\$1,126
West Cove	1.7%	\$2,782	\$1,391	\$1,391	\$1,051	\$526	\$526
Ross Haven	2.0%	\$3,260	\$1,630	\$1,630	\$1,232	\$616	\$616
Sandy Beach	2.4%	\$3,935	\$1,967	\$1,967	\$1,487	\$743	\$743
Seba Beach	2.0%	\$3,342	\$1,671	\$1,671	\$1,263	\$632	\$632
Wabamun Prov Park	0.9%	\$1,391		\$1,391	\$526		\$526
Yellow Stone	1.7%	\$2,799	\$1,399	\$1,399	\$1,058	\$529	\$529
Nakamun Park	0.9%	\$1,449	\$724	\$724	\$548	\$274	\$274
Lake View	0.4%	\$593	\$296	\$296	\$224	\$112	\$112
Sunrise Beach	1.7%	\$2,799	\$1,399	\$1,399	\$1,058	\$529	\$529
Castle Island	0.1%	\$242	\$121	\$121	\$91	\$46	\$46
	18.1%	\$29,555	\$14,082	\$15,473	\$11,169	\$4,006	\$7,163
Rural Municipalities							
Lac Ste Anne County	9.9%	\$16,088		\$16,088	\$6,080		\$6,080
Parkland County	10.9%	\$17,711		\$17,711	\$6,693		\$6,693
	20.7%	\$33,799	\$0	\$33,799	\$12,773	\$0	\$12,773
	100.0%	\$163,053	\$14,082	\$148,971	\$61,619	\$4,006	\$57,613

4.2.6 Debt Limit

Under the *Regional Services Commission Debt Limit Regulation* AR 76/2000, there are two limitations to the amount of debt, both operating and capital, that a commission can carry to develop the public utility:

- a. Total debt cannot exceed two times the annual revenue, and
- b. Total debt servicing cost (principal and interest payments) cannot exceed 35% of the annual revenue.

If the borrowing required exceeds the debt limit of the Regulation, the Minister of Municipal Affairs, upon presentation of an acceptable business plan, may authorize an extension of the debt limit.

As set out in Table 4.4 below, the total projected debenture borrowing needed to finance the Commission's share of the capital cost for Stage 1 is \$2.56 Million. A further \$500,000 authorization for an operating line of credit is planned (Section 5.3.4).

As well, the Commission will be required to borrow, in the short term, an amount necessary to cover a 5% of the Water for Life Funding, which is withheld by Alberta Transportation until the projects are fully completed and final payments are made to vendors. At the end of Stage 1 project construction in 2013, it is anticipated that WFL funds in the amount of \$1.1 Million will be withheld.

As such, the total maximum debt that would be incurred by the Commission would be \$4.21 Million. At this amount, the total debt would be 9.8 times the projected 2014 revenue. With the 25 year amortization period, the annual debt servicing costs are 38% of revenue, just above the 35% limit for debt servicing costs. The annual debenture payments will be funded by direct contribution from Members and Customers.

For Stage 1, the Commission will seek a debt limit extension to \$4.5 Million. For Stage 2, the Commission would not require a further increase in debt limit if construction of Stage 2 does not commence earlier than 2015.

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Table 4.4
WILD Regional Water System
Debt Limit Extension

Stage 1

Total Project Costs - Stage 1	\$25,618,500
Debt	
Proposed Borrowing - 2012	\$2,561,850
5% Holdback on Water for Life Grant	\$1,152,833
Operating Line of Credit	<u>\$500,000</u>
Total Borrowing	\$4,214,683
Debt Limit	
Annual Revenue in 2014	\$432,159
Debt Limit at 2 times annual revenue in 2014	\$864,318
Debt as a factor of Annual Revenue in 2014	9.8
Annual Debt Servicing Costs	
Annual Debt Payments in 2014	\$163,053
Debt Servicing Limit at 35% of annual revenue in 2014	\$151,256
Annual Payments as % of Annual Revenue in 2014	38%
Debt Limit Extension	<u>\$4,500,000</u>

Stage 2

Total Project Costs - Stage 2	\$9,681,500
Debt	
Stage 1 Borrowing Outstanding Principal	\$2,301,878
Proposed Stage 2 Borrowing - 2015	\$968,150
5% Holdback on Water for Life Grant	\$435,668
Operating Line of Credit	<u>\$500,000</u>
Total Borrowing	\$4,205,695
Authorized Debt Limit	\$4,500,000
Debt Limit	
Debt Limit at 2 times annual revenue in 2016	\$1,785,677
Debt as a factor of Annual Revenue in 2016	4.7
Annual Debt Servicing Costs	
Annual Debt Payments in 2016	\$224,672
Debt Servicing Limit at 35% of annual revenue in 2016	\$312,493
Annual Payments as % of Annual Revenue in 2016	25%

5. System Operation

The operation of the System will evolve as the various phases are completed. The Commission Board will continue to examine the best alternatives for management, administration and system operations.

5.1 Management and Administration

At present, the duties of Manager are handled by John van Doesburg, principal of C & J Van Co Services. Administrative support is provided by Wendy Wildman of Wildwillow Enterprises. As the development of the System proceeds and the scale of the System expands, the Commission will consider options for a management and administrative approach, including:

1. Establishing a separate management and administrative structure of the Commission with employees of the Commission and a separate administrative center,
2. Contracting management and administration to one of the Members, or
3. Contracting management and administration to the Parkland Commission, and
4. Contracting management and administration to an external agency or firm,

and make decisions with respect to an approach at such times as may be appropriate to ensure proper management and administration of the Commission and the System.

5.2 Operations

The Commission will be responsible to put in place arrangements for the operation of the System. Major aspects of such operational responsibility shall include, but not be limited to:

- a. Operation, maintenance and repair of the Water Transfer Station,
- b. Operation, maintenance and repair of transmission pipelines, metering facilities, control systems and related facilities and lands,
- c. Such monitoring and testing of the:
 - i. Quality of treated water that may be necessary to ensure compliance with Provincial health requirements, and
 - ii. Quantity of treated water delivered to the Members and Customers that may be necessary to ensure compliance with connection agreements.

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- d. Coordination of System operations with the water distribution systems of the Members,
- e. Inspection of rights of way associated with the System and supervision of any activities on these lands that are relevant to or have the potential to affect the System, and
- f. Management of any operations center that may be required.

As the initial startup of the System approaches and subsequently as the scale of the System expands, the Commission will consider options for operations, including:

- 1. Direct Commission operation with Commission employees and a separate operations center,
- 2. Contracting operations to one of the Members,
- 3. Contracting operations to the Parkland Commission, and/or
- 4. Contracting operations to an external agency or firm,

and make decisions with respect to an approach at such times as may be appropriate to ensure proper operations of the System.

5.3 Financial Management

The Commission will set in place policies and procedures, which ensure the proper management of the financial affairs of the Commission and System. The CAO will ensure that detailed records and books of account are kept and maintained in accordance with generally accepted accounting principles and meet the requirements of the provisions of Bylaw No. 1, *the Municipal Government Act* and any other relevant legislation.

The Commission has established in Part 8 of Bylaw No. 1, the principle of full annual cost recovery in setting rates and charges for services provided by the System and will make its financial decisions based on accomplishing this objective over a three year time frame. This is reflective of Section 602.21(1) of the *Municipal Government Act* which provides that “If the total revenues and transfers of a commission over a 3-year period are less than the total expenditures and transfers of the commission for the same period, the operating budget for the commission for the year following the 3-year period must include an expenditure to cover the deficiency.”

5.3.1 Financial Plans and Budgets

The Commission’s financial year is the calendar year. In accordance with requirements of Bylaw No. 1, a Financial Plan for the next three years will be prepared in the fall of each

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year. Included in this plan will be the operating and capital budgets for the next ensuing year. Initially, the timing of the preparation and adoption of this Financial Plan and budgets may be varied as necessary during the capital construction and initial startup phases of the System.

As provided under Section 602.2(1) of the *Municipal Government Act* and in Bylaw No.1, the Financial Plan and budgets will set out the:

- a. Estimated expenditures for:
 - i. Operation of the Commission Board and administration,
 - ii. Operation of the System,
 - iii. Purchase of Water,
 - iv. Capital development of the System,
 - v. Repayment of debt obligations,
 - vi. A return on equity or, if necessary, amounts for depreciation or depletion,
 - vii. Any other non cash expenditures, and
 - viii. Any amount needed to recover any deficiency.
- b. Estimated amount and sources of revenue required to meet or exceed the estimated expenditures,
- c. Rates and fees to be charged to Members and customers of the System,
- d. Expected magnitude and timing of the contributions required of the Members, and
- e. Rates of remuneration and expenses to be provided to the Directors of the Board.

5.3.2 Financial Reports

The CAO will prepare for the Commission Board quarterly financial reports for operations, which will set out details of budgeted revenue estimates and expenditure appropriations, actual revenues and expenditures to date and in the case of the third quarter report, estimated final revenues and expenditures.

The CAO will prepare for the Commission Board ongoing financial reports for capital project activities, which will set out details of authorized capital expenditure appropriations and expected capital financing, actual expenditures and financing to date and the estimated final expenditures and financing.

Bylaw No. 2 provides for the appointment of an auditor and the presentation of an audited financial statement at the Commission's Annual meeting to be held no later than April 30th of each year. The audited financial statements will be distributed to each Member within thirty (30) days of the Board's approval.

5.3.3 Cash Management and Authorization of Expenditures

The Manager will establish and maintain such accounts with a financial institution or institutions authorized by the Board that may be necessary to handle the financial transactions of the Commission related to capital construction and operation.

The Board will authorize such:

- a. Interim and long term borrowing as may be required to meet the capital construction expenditures of the System, and
- b. Interim borrowing as may be required to meet the operating expenditures of the System.

The Manager will manage the flow of cash to ensure that sufficient funds are in place in a timely fashion to meet the financial obligations of the Commission and that surplus cash is invested appropriately.

The Commission will require two signatures to make, sign, draw, accept, negotiate, endorse, execute and deliver any cheques, promissory notes, drafts, acceptances, bills of exchange, orders for the payment of money or other instruments, whether negotiable or not, on behalf of the Commission. One signature must be that of the Chair, or in the Chair's absence, the Vice-Chair and the second signature shall be the Manager or, in Manager's absence, any other person authorized by the Manager.

5.3.4 Interim Borrowing

The Commission will initially seek to arrange with the Commission's financial agency, an ongoing operating line of credit in the amount of up to \$500,000 to ensure adequate cash flow for operating purposes. As the scale of the System increases, the Commission may need to adjust this line of credit accordingly.

During the construction time frame 2012 to 2015, the Commission will seek to arrange with the Commission's financial agency, an ongoing capital line of credit in the amount of up to \$5 Million to ensure adequate cash flow for capital construction purposes.

5.4 Insurance and Risk Management

The Commission will put in place sufficient types and levels of insurance coverage to ensure that the Commission corporately, as well as its Directors, Officers and staff are adequately protected, including, but not limited to:

- a. General Umbrella Liability Insurance,
- b. Liability Insurance for Directors, Officers and staff,
- c. Environmental Impairment Insurance,
- d. Property and Fire Insurance,
- e. Stationary Machinery, Equipment and Boiler Insurance,
- f. Vehicle and mobile Machinery and Equipment Insurance, and
- g. Business Continuation Insurance.

The insurance coverage shall be sufficient in terms and quantity to hold harmless and otherwise indemnify the Members for any liability that might be incurred in relation to any activities on Commission property or actions by the Commission for which the Commission or other third party is solely responsible.

The Commission has already put in place the Liability Insurance for Directors and Officers of the Commission through Jubilee Insurance, a service provided through the Alberta Association of Municipal Districts and Counties of which the Commission is an associate member. The Commission will add insurance coverage progressively as the System components are constructed and activated.

The Commission will require of any contractor, agent or third party undertaking activities on Commission facilities or acting on behalf of the Commission to have sufficient liability and builders' insurance coverage to protect the interests of the Commission. The Commission will also require that such contractors, agents or third parties have in place, where it is appropriate to do so, such financial security and guarantees to ensure that any works or activities undertaken may be completed at no additional cost to the Commission.

5.5 Business Plan Review

The Commission will review the provisions of this Plan each year as part of the cycle for preparing the financial plans and annual budget for the Commission. The Commission will undertake a more extensive, full review of the Plan:

- a. In the year following the year in which local elections are held, beginning in 2014, or
- b. More frequently if the Commission determines a need to do so.

5.6 Alberta Environment Operating Approvals

The Commission will be required to obtain from Alberta Environment, registration and approval for the “activity of construction, operation or reclamation of a waterworks system.” Under the provisions of the *Environmental Protection and Enhancement Act*, R.S.A 2000, c.E-12, the Commission is required to operate the System in accordance with the Code of Practice for a Waterworks System Consisting Solely of a Water Distribution System. The Code of Practice sets out the requirements for:

- a. Quality parameters,
- b. Analysis and monitoring,
- c. System operations,
- d. Operator qualification, and
- e. Record keeping and reporting.

Under the Code of Practice an Emergency Response Plan is required, which would set out steps to be taken in a variety of events arising from system failures and natural disasters.

Registration would typically identify only the presently constructed components of the System and the supply of water to currently served communities. Amendment to the registration will be required from time to time to add new branches and to serve additional communities from the System.

5.7 Policy Development

The Board will undertake, on an ongoing basis, the development and adoption of policies that may be necessary or appropriate to guide and govern the decision making of the Board, and the actions of the CAO in the administration, operation and capital development of the System.

In addition to those policy areas already addressed in this Plan, the Board will consider prior to commencing operations, policies for:

- a. The crossing of the System right of way and Commission lands by other infrastructure,
- b. Freedom of Information and Protection of Privacy,
- c. The connection of customers to the System,
- d. The acceptance of new Members,
- e. Conservation and Stewardship of Water, and
- f. Emergency Response Plan.

6. Operating Costs and Revenue

Operating costs and revenue are set out for the five year period 2013 to 2017. A general cost escalation factor of 2% in each year is included in the calculations.

6.1 Governance and Administrative Operations

The projected expenditures for the annual operation of the Board and Commission Administration for 2012 to 2017 are set in Table 6.1. Directors will be paid remuneration by their respective municipalities for attending meetings and time incurred in the service of the Commission. The expenditures for general administrative services contemplate the engagement of a contractor provide the management and administrative support to the Commission.

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Table 6.1
WILD Regional Water System
Governance and Administrative Operations
Projected Expenditures and Member Allocations
2012 - 2017

	2012	2013	2014	2015	2016	2017
Cost Escalation Factor		2.0%	2.0%	2.0%	2.0%	2.0%
Board						
Board Honorariums	\$0	\$0	\$0	\$0	\$0	\$0
Board Expenses	\$0	\$0	\$0	\$0	\$0	\$0
	-	-	-	-	-	-
Administration						
Administration Contract	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484	\$19,873
Membership Fees	\$250	\$255	\$260	\$265	\$271	\$276
Postage & Courier	\$500	\$510	\$520	\$531	\$541	\$552
Telephone / Communications	\$2,400	\$2,448	\$2,497	\$2,547	\$2,598	\$2,650
Professional Services	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247	\$3,312
Other Services	\$4,400	\$4,488	\$4,578	\$4,669	\$4,763	\$4,858
Goods & Supplies	\$500	\$510	\$520	\$531	\$541	\$552
	29,050	29,631	30,224	30,828	31,445	32,074
Total Expense	29,050	29,631	30,224	30,828	31,445	32,074

2012 Costs Allocated Equally to Members (1/16)

2013 - 2017 Costs Allocated Directly to Members based on Table 3.1

The First Nations would be responsible for payment of the accumulation of the proportionate costs for the repayment of governance and administration costs attributed to each respectively in Table 6.6.

6.2 System Operations

The projected expenditures for the annual operation of the System for the period 2013 to 2017 are set out in Table 6.2.

6.2.1 System Operational Timing

The operational budget is based on first stage becoming operational on September 1, 2013. Stage 2, service to Lac Ste. Anne and Onoway areas, is planned to become operational beginning 2016.

6.2.2 Projected Operating Expenditures and Required Revenues

The O & M expenditures for the System are based on the following assumptions and estimations:

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- a. Water is purchased from the Parkland System at an initial rate of \$.97 with an annual escalation. This rate has not been confirmed by the Parkland Commission. (The 2011 Parkland rate to Stony Plain is \$.83/m³),
- b. Operations costs are projected to double when Stage 2 begins operation in 2016,
- c. Personnel required for day to day operations would be provided under an Operations Services Contract,
- d. An allowance for Professional Services is included for engineering, technical and other such services, and
- e. For the first years, specific diversion of operating funds into Rate Stabilization, Emergency Response and O & M cash reserves is not provided though it is possible that where excess operating funds remain, these could be added to these reserves. After Stage 2 becomes operational, budgeted transfers to these funds will begin to be possible.

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Table 6.2
WILD Regional Water System
Projected System Operations Expenditures
2013 - 2017

	2013	2014	2015	2016	2017
Cost Increase Factor (Volume/Inflation)	2.0%	2.0%	2.0%	2.0%	2.0%
Scope Increase - Stage 2 Operations				200%	
Start Up (Months Equivalent)	4				
Purchase of Water					
Volume	39,689	122,760	126,588	295,940	305,212
Projected Rate	\$0.97	\$1.00	\$1.03	\$1.06	\$1.06
Cost	\$38,499	\$122,760	\$130,385	\$313,696	\$323,525
Operations and Maintenance					
Operations Contract	\$17,000	\$52,020	\$53,060	\$108,243	\$110,408
Administration	\$6,800	\$20,808	\$21,224	\$43,297	\$44,163
Annual Fees	\$510	\$520	\$531	\$1,082	\$1,104
Freight	\$306	\$936	\$955	\$1,948	\$1,987
Telephone / Communications	\$884	\$2,705	\$2,759	\$5,629	\$5,741
Engineering	\$1,700	\$5,202	\$5,306	\$10,824	\$11,041
Testing and Analysis	\$884	\$2,705	\$2,759	\$5,629	\$5,741
Maintenance and Repair	\$1,700	\$5,202	\$5,306	\$10,824	\$11,041
SCADA	\$1,020	\$3,121	\$3,184	\$6,495	\$6,624
Chemicals	\$1,700	\$5,202	\$5,306	\$10,824	\$11,041
Other	\$0	\$0	\$0	\$0	\$0
	\$32,504	\$98,422	\$100,390	\$204,796	\$208,892
Transfer to Operating Reserves					
Rate Stabilization Reserve	\$0	\$0	\$0	\$25,000	\$25,000
Emergency Response, O & M Reserve	\$0	\$0	\$0	\$35,000	\$50,000
	\$0	\$0	\$0	\$60,000	\$75,000
Capital Development					
Debt Payment					
To Capital Reserves	\$0	\$0	\$0	\$25,000	\$25,000
	\$0	\$0	\$0	\$25,000	\$25,000
Surplus Target	\$10,000	\$30,000	\$25,000	\$20,000	\$20,000
Total Expenditures	\$81,003	\$251,182	\$255,776	\$623,493	\$652,417

6.2.3 Bulk Water Station Revenue

The System will provide Bulk Water Stations at various points along the System Main and at the ends of the branches. Water from these Stations would be purchased on a volume basis and would be available to any purchaser. Currently the bulk water station at Stony Plain is generally the source for bulk water in the

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Wabamun and Lac Ste Anne regions. The station at Riviere Qui Barre provides water for the Sandy and Nakamun Lake areas.

The expected revenue from the Bulk Water Stations at Wabamun and Onoway initially and, with Stage 2, at Tri-Village are set out in Table 6.2.1, though without any past measures of demand, the water volumes from the Bulk Stations and the resultant revenue are difficult to predict. Customers will take delivery of water from bulk stations either by commercial trucking service or by their own personal means. By way of reference, a commercial water truck would typically carry about 3,000 gallons. A 5% increase in volume each year is based on the likelihood that new development would be more dependent on trucked water than past developments and also in reflection of increasing awareness of the availability of bulk water stations in the System Service Area.

The rate is established initially at \$2.00 per m³ to be competitive to the rate at the existing Riviere Qui Barre station. The Stony Plain bulk water rate is \$1.20 per m³. The Bulk Water rate would increase to \$2.10 per m³ in 2014.

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Table 6.2.1
WILD Regional Water System
Estimated Volume and Revenue from Bulk Water Stations
Years 2013 - 2017

	2013	2014	2015	2016	2017
Wabamun					
Daily Volume in Gallons					
% Annual Increase		5%	5%	5%	5%
Winter	3,000	3,150	3,308	3,473	3,647
Summer (150 days)	10,000	10,500	11,025	11,576	12,155
Yearly Volume in m3	9,760	10,248	10,760	11,298	11,863
Onoway					
Daily Volume in Gallons					
% Annual Increase		5%	5%	5%	5%
Winter	5,000	5,250	5,513	5,788	6,078
Summer	15,000	15,750	16,538	17,364	18,233
Yearly Volume in m3	15,129	15,885	16,679	17,513	18,389
Tri-Village Area					
Daily Volume in Gallons					
% Annual Increase					5%
Winter				3,000	3,150
Summer				10,000	10,500
Yearly Volume in m3	-	-	-	9,760	10,248
Total Annual Volume	24,889	26,133	27,440	38,571	40,500
Revenue					
Rate	\$2.00	\$2.10	\$2.10	\$2.10	\$2.10
Revenue	\$49,777	\$54,879	\$57,623	\$81,000	\$85,050

6.2.4 Capital Development

On an ongoing basis, the Commission would divert annually funds to Capital Reserves, which would be used to fund future enhancements to the System and ultimately be available for major upgrading. Because of the limited customer base in the initial years and with newly constructed infrastructure, only a small amount of funds will be diverted to capital reserves in the first 5 years.

6.3 Rates and Charges

6.3.1 Principles Governing the Establishment of Long Term Rates

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Part 8 of Bylaw No. 1 provides that the Commission will establish such rates and charges for the System on a full cost recovery basis. The adoption of these rates and fees are required by a bylaw of the Commission Board.

The Commission will use a “postage stamp” approach in determining the rate for water services for each sub system with all Members being charged uniform rates per cubic meter for operation, maintenance, transmission, and treatment. This approach achieves:

- a. Equity – Uniform rates provide the same operation, maintenance, transmission, and treatment rates per volume for each municipality regardless of their distance from the water treatment plant,
- b. Simplicity – Easy to understand and to apply for the Committee, the simplicity of a postage stamp rate is one of its chief advantages,
- c. Revenue Stability – The stability of revenues provide a stable financial base for the Committee, which allows for a constant approach to long term planning, and
- d. Conservation – A postage stamp rate structure will provide incentives for communities to reduce the amount of wastewater produced and to conserve valuable water resources.

6.3.2 Calculation of Rates

The calculation of the uniform rate is set in Table 6.3 following. With only three of the Members having water distribution systems at the outset of the Plan, most of the Members will not be connected to the System. For that reason, the Governance and Administration Costs and the cost of debenture payments will be recovered from Members by direct contribution.

The costs associated with System operation and the purchase of water would be the only costs that would be recovered through rates and these are projected initially at \$2.05 per cubic meter rising to \$2.15 /m³ in 2016 with the beginning of Stage 2 operations. The volumes used in these initial years are based on 300 lcd. While 410 lcd, would be reflective of present day consumption, experience in other regional systems suggests that with a significant increase in rates from present levels with local systems, consumption will drop.

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Table 6.3
WILD Regional Water System
Rate Calculation for Water Services
2013 - 2017

	2013	2014	2015	2016	2017
Rate Calculation					
Projected Annual Volume (Table 2.3)					
<u>Stage 1</u>					
Wabamun	27,196	84,035	86,556	89,152	91,827
Wabamun Prov Park	4,198	12,593	12,593	12,593	12,593
<u>Stage 2</u>					
Oneway				129,606	133,494
Alberta Beach					
% of Full Demand				20%	20%
m3				26,018	26,798
	31,393	96,627	99,148	257,369	264,712
Volume of Bulk Water Stations (Table 6.2.1)	8,296	26,133	27,440	38,571	40,500
Total Volume	39,689	122,760	126,588	295,940	305,212
Total Expenditure (Table 6.2)	\$81,003	\$251,182	\$255,776	\$623,493	\$652,417
Less: Revenue from Bulk Water Stations					
Rate per m3	\$2.00	\$2.10	\$2.10	\$2.10	\$2.10
Revenue	\$16,592	\$54,879	\$57,623	\$81,000	\$85,050
Net Expenditures and Surplus to be Raised	\$64,410	\$196,303	\$198,153	\$542,493	\$567,367
Rate Per M3 Required	\$2.05	\$2.03	\$2.00	\$2.11	\$2.14
Projected Rate Per M3	\$ 2.05	\$ 2.05	\$ 2.05	\$ 2.15	\$ 2.15
Revenue raised from Rates	\$ 64,356	\$ 198,086	\$ 203,254	\$ 553,343	\$ 569,131

In time, many of the Members will construct water distribution systems and at that point the costs of Governance and Administration costs and debenture debt payment can be shifted to the rate base. There may still be some Members that will not be connected and a direct contribution would still be paid by the Member, equal to the sum of the following:

- a. $1/x$ of the annual cost attributed to the Board of Directors where “x” is the number of Members of the Commission, and
- b. “y” times the cost components set out in Section 5.31 a., sub - clauses iv, v and vi where “y” is the ratio of the member’s volume allocation to the total volume allocation set out in Table 3.1.

6.3.3 Minimum Volume Charges

The rate set out in sub-section 6.3.2 is calculated assuming a certain volume of water annually from the Members. Members, however, will be charged on the actual volume of water delivered to the Member by the System. To ensure that the Commission is able to meet fixed costs for operation of the System, Members will be required in advance of each year to estimate the anticipated volume of water for the ensuring year. A Member will be charged for either the actual volume of water or 90% of the estimated volume, whichever is higher.

6.3.4 Rate Comparisons

The comparison of rates among municipal and regional wastewater services is to be approached with caution, given that the circumstances and context of each system can be quite different from one another. The conclusion that the cost of the service is reasonable and sustainable will often be based on the availability of alternatives. Each of the Municipalities must secure a long term source of quality water to ensure their respective viability and in some cases their very existence. The collective cost of each Municipality addressing this need on its own is prohibitively expensive. Financially the municipalities have no other option but to develop a common water supply and transmission system, and as such, are to be prepared to accept the costs accordingly.

As well, in comparing rates a common basis of comparison is required. Some systems recover all costs of the system including, governance, administration, operations, debt payments and transfers to reserves in per unit rates. In others, some of these components are paid for directly by the Members, such is the case with the WILD System where governance and administration and debt payments are paid directly. Rates per m³ for other regional water supply systems in Alberta include:

- a. Mountain View - \$1.23,
- b. Westlock - \$1.80,
- c. St. Paul - \$1.80
- d. Shirley McLellan - \$ 1.85,
- e. North Red Deer - \$1.92, and
- f. Highway 12/21 - \$2.60.

6.4 Financial Summary

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A summary of the Income Statement is shown in Table 6.4. An initial operating loss of about \$4,000 is shown for 2013 with operating surpluses thereafter. For information purposes, non-cash transactions for depreciation of capital assets and amortization of deferred capital contributions (government grants) are included. Depreciation on capital assets and amortization of government grants are calculated on a 25 year straight-line basis.

Table 6.5 sets out selected Balance Sheet items. The initial valuations for the assets constructed by the Commission are the estimated capital costs. The balance of the operating fund (accumulated surplus) is estimated to stand at about \$46,000 by 2017.

Table 6.6 identifies the contributions of each Member and the First Nation customers. The Plan contemplates that the First Nations will participate with the Commission from the outset. However, should either of the First Nations delay its participation, the attributed share costs would be accumulated and the revenue anticipated for the year would be covered by interim borrowing.

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Table 6.4
WILD Regional Water System
Summary of Income Statement Items
2013 - 2017

	2013	2014	2015	2016	2017
Revenue					
Rates (Table 6.3)	\$64,356	\$198,086	\$203,254	\$553,343	\$569,131
Bulk Water Sales	\$16,592	\$54,879	\$57,623	\$81,000	\$85,050
Direct Contributions					
Governance and Administration	\$29,631	\$30,224	\$30,828	\$31,445	\$32,074
Debenture Costs	\$148,971	\$148,971	\$148,971	\$206,584	\$206,584
Start Up Costs	\$0				
Total Revenue	\$259,550	\$432,159	\$440,676	\$872,371	\$892,838
Expenditure					
Governance and Administration	\$29,631	\$30,224	\$30,828	\$31,445	\$32,074
Purchase of Water	\$38,499	\$122,760	\$130,385	\$313,696	\$323,525
Operations and Maintenance	\$32,504	\$98,422	\$100,390	\$204,796	\$208,892
Transfer to Operating Reserves	\$0	\$0	\$0	\$60,000	\$75,000
To Capital Reserves	\$0	\$0	\$0	\$25,000	\$25,000
Interest on Long Term Debt	\$101,868	\$99,396	\$96,825	\$132,646	\$128,928
Total Operating Fund Expense	\$202,502	\$350,802	\$358,428	\$767,583	\$793,419
Current Portion of Long Term Debt	\$61,184	\$63,656	\$66,228	\$92,026	\$95,744
Increase(decrease) In Operating Fund Balance	(\$4,136)	\$17,701	\$16,019	\$12,762	\$3,676
Non Cash Transactions					
Depreciation of Capital Assets		\$1,024,740	\$1,024,740	\$1,412,000	\$1,412,000
Amortization of Deferred Capital					
Contributions (Government Grants)		(\$922,266)	(\$922,266)	(\$1,270,800)	(\$1,270,800)
Financial Model Check - S/B Same				\$2,851,572	\$2,851,572

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Table 6.5
WILD Regional Water System
Selected Balance Sheet Items
Years 2013 - 2017

	2013	2014	2015	2016	2017
Capital Assets					
Transmission Lines	\$22,858,500	\$21,944,160	\$29,511,320	\$28,257,720	\$27,004,120
Pump Stations	\$1,080,000	\$1,036,800	\$1,353,600	\$1,296,000	\$1,238,400
Bulk Water Stations	\$1,680,000	\$1,612,800	\$2,385,600	\$2,284,800	\$2,184,000
Total Capital Assets	\$25,618,500	\$24,593,760	\$33,250,520	\$31,838,520	\$30,426,520
Debtenture Debt	\$2,500,666	\$2,437,009	\$3,338,931	\$3,246,906	\$3,151,162
Operating Reserves					
<u>Rate Stabilization Reserve</u>					
Opening Balance	\$0	\$0	\$0	\$0	\$25,000
Additions	\$0	\$0	\$0	\$25,000	\$25,000
(Withdrawals)					
Closing Balance	\$0	\$0	\$0	\$25,000	\$50,000
<u>Emergency Response, O & M Reserve</u>					
Opening Balance	\$0	\$0	\$0	\$0	\$35,000
Additions	\$0	\$0	\$0	\$35,000	\$50,000
(Withdrawals)					
Closing Balance	\$0	\$0	\$0	\$35,000	\$85,000
Capital Reserve					
<u>Future Capital</u>					
Opening Balance	\$0	\$0	\$0	\$0	\$25,000
Additions	\$0	\$0	\$0	\$25,000	\$25,000
(Withdrawals)					
Closing Balance	\$0	\$0	\$0	\$25,000	\$50,000
Operating Fund (Accumulated Surplus)					
Opening Balance	\$0	-\$4,136	\$13,565	\$29,584	\$42,346
Annual Surplus/(Deficit)	-\$4,136	\$17,701	\$16,019	\$12,762	\$3,676
Closing Balance	-\$4,136	\$13,565	\$29,584	\$42,346	\$46,023
Deferred Capital Asset Contributions (Government Grants)					
	\$23,056,650	\$22,134,384	\$29,925,468	\$28,654,668	\$27,383,868

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Table 6.6
WILD Regional Water System
Summary of Contributions and Charges by Member
Years 2012 - 2017

		2012	2013	2014	2015	2016	2017
Urban Municipalities							
Onoway	16.3%						
Rates			\$0	\$0	\$0	\$278,653	\$287,013
Govern/Admin		\$1,816	\$4,839	\$4,936	\$5,035	\$5,135	\$5,238
Debenture			\$26,629	\$26,629	\$26,629	\$36,692	\$36,692
Total		\$1,816	\$31,468	\$31,565	\$31,663	\$320,481	\$328,943
Alberta Beach	16.4%						
Rates			\$0	\$0	\$0	\$55,938	\$57,616
Govern/Admin		\$1,816	\$4,857	\$4,954	\$5,053	\$5,154	\$5,258
Debenture			\$26,728	\$26,728	\$26,728	\$36,828	\$36,828
Total		\$1,816	\$31,585	\$31,682	\$31,781	\$97,921	\$99,702
Wabamun	11.2%						
Rates			\$55,751	\$172,271	\$177,439	\$191,678	\$197,428
Govern/Admin		\$1,816	\$3,329	\$3,395	\$3,463	\$3,532	\$3,603
Debenture			\$18,317	\$18,317	\$18,317	\$25,239	\$25,239
Total		\$1,816	\$77,397	\$193,983	\$199,219	\$220,449	\$226,270
First Nations							
Paul First Nations	9.7%						
Rates							
Govern/Admin			\$2,888	\$2,946	\$3,005	\$3,065	\$3,127
Debenture			\$15,895	\$15,895	\$15,895	\$21,901	\$21,901
Total		\$0	\$18,783	\$18,841	\$18,900	\$24,967	\$25,028
Accumulation			\$18,783	\$37,624	\$56,524	\$81,491	\$106,519
Alexis First Nations	7.4%						
Rates							
Govern/Admin			\$2,204	\$2,249	\$2,293	\$2,339	\$2,386
Debenture			\$12,130	\$12,130	\$12,130	\$16,715	\$16,715
Total		\$0	\$14,335	\$14,379	\$14,424	\$19,054	\$19,101
			\$14,335	\$28,714	\$43,138	\$62,192	\$81,293
Summer Villages							
Sunset Point	2.4%						
Rates							
Govern/Admin		\$1,816	\$724	\$739	\$753	\$768	\$784
Debenture			\$1,992	\$1,992	\$1,992	\$5,490	\$5,490
Total		\$1,816	\$2,716	\$2,731	\$2,745	\$6,258	\$6,273

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Table 6.6
WILD Regional Water System
Summary of Contributions and Charges by Member
Years 2012 - 2017

		2012	2013	2014	2015	2016	2017
Val Quentin	1.8%						
Rates							
Govern/Admin		\$1,816	\$542	\$552	\$563	\$575	\$586
Debenture			\$1,490	\$1,490	\$1,490	\$4,106	\$4,106
Total		\$1,816	\$2,031	\$2,042	\$2,053	\$4,681	\$4,692
West Cove	1.7%						
Rates							
Govern/Admin		\$1,816	\$506	\$516	\$526	\$537	\$547
Debenture			\$1,391	\$1,391	\$1,391	\$1,917	\$1,917
Total		\$1,816	\$1,897	\$1,907	\$1,917	\$2,453	\$2,464
Ross Haven	2.0%						
Rates							
Govern/Admin		\$1,816	\$592	\$604	\$616	\$629	\$641
Debenture			\$1,630	\$1,630	\$1,630	\$2,246	\$2,246
Total		\$1,816	\$2,222	\$2,234	\$2,246	\$2,874	\$2,887
Sandy Beach	2.4%						
Rates							
Govern/Admin		\$1,816	\$715	\$729	\$744	\$759	\$774
Debenture			\$1,967	\$1,967	\$1,967	\$2,711	\$2,711
Total		\$1,816	\$2,682	\$2,697	\$2,711	\$3,470	\$3,485
Seba Beach	2.0%						
Rates							
Govern/Admin		\$1,816	\$607	\$619	\$632	\$645	\$657
Debenture			\$1,671	\$1,671	\$1,671	\$2,303	\$2,303
Total		\$1,816	\$2,278	\$2,291	\$2,303	\$2,947	\$2,960
Wabamun Prov Park	0.9%						
Rates			\$8,605	\$25,815	\$25,815	\$27,074	\$27,074
Govern/Admin			\$253	\$258	\$263	\$268	\$274
Debenture			\$1,391	\$1,391	\$1,391	\$1,916	\$1,916
Total		\$0	\$10,248	\$27,463	\$27,468	\$29,258	\$29,264
Yellow Stone	1.7%						
Rates							
Govern/Admin		\$1,816	\$509	\$519	\$529	\$540	\$551
Debenture			\$1,399	\$1,399	\$1,399	\$1,928	\$1,928
Total		\$1,816	\$1,908	\$1,918	\$1,929	\$2,468	\$2,479

Table 6.6
WILD Regional Water System
Summary of Contributions and Charges by Member
Years 2012 - 2017

		2012	2013	2014	2015	2016	2017
Nakamun Park	0.9%						
Rates							
Govern/Admin		\$1,816	\$263	\$269	\$274	\$279	\$285
Debenture			\$724	\$724	\$724	\$998	\$998
Total		\$1,816	\$988	\$993	\$998	\$1,278	\$1,283
Lake View	0.4%						
Rates							
Govern/Admin		\$1,816	\$108	\$110	\$112	\$114	\$117
Debenture			\$296	\$296	\$296	\$408	\$408
Total		\$1,816	\$404	\$406	\$408	\$523	\$525
Sunrise Beach	1.7%						
Rates							
Govern/Admin		\$1,816	\$509	\$519	\$529	\$540	\$551
Debenture			\$1,399	\$1,399	\$1,399	\$1,928	\$1,928
Total		\$1,816	\$1,908	\$1,918	\$1,929	\$2,468	\$2,479
Castle Island	0.1%						
Rates							
Govern/Admin		\$1,816	\$44	\$45	\$46	\$47	\$48
Debenture			\$121	\$121	\$121	\$167	\$167
Total		\$1,816	\$165	\$166	\$167	\$213	\$214
<u>al Municipalities</u>							
Lac Ste Anne County	9.9%						
Rates							
Govern/Admin		\$1,816	\$2,924	\$2,982	\$3,042	\$3,103	\$3,165
Debenture			\$16,088	\$16,088	\$16,088	\$22,168	\$22,168
Total		\$1,816	\$19,012	\$19,070	\$19,130	\$25,270	\$25,332
Parkland County	10.9%						
Rates							
Govern/Admin		\$1,816	\$3,219	\$3,283	\$3,349	\$3,416	\$3,484
Debenture			\$17,711	\$17,711	\$17,711	\$24,405	\$24,405
Total		\$1,816	\$20,930	\$20,994	\$21,060	\$27,820	\$27,889
	100.0%	\$29,050	\$242,958	\$377,280	\$383,053	\$794,854	\$811,271

7. Risks and Barriers

Funding:

To meet the need of the urban and rural communities for a long term assured supply of safe water, the Municipalities contemplate the staged development through the auspices of a regional services commission of the complete System, as expressed through this Plan. The project would be eligible to be considered anticipated under the Alberta Water for Life program and significant funding is anticipated under this program.

Funding for Stage 1, which would bring water services to Wabamun, has been approved. If a delay is experienced in receiving grant funding (or a similar magnitude of alternative funding from provincial or federal government sources) for the development of the remaining stages of the System, the Municipalities and the residences within would need to continue to use the existing sources of supply systems, be they public systems or private sources. However, for Onoway to continue to use its facilities for any length of time, the Town would need to invest in additional well supply and treatment upgrades. Any investment in existing facilities needed to bridge the time gap in funding would most be lost investment and would need to be borne fully by Onoway. As well, a delay in the project would delay the availability of water for existing and future development in the Counties, both in the hamlets and the rural areas.

If major grant funding is not received, then the System, as envisioned, would be financially impossible for the Municipalities to consider. While Wabamun would be served by regional water supply, Onoway would need to move ahead with upgrading their own facilities for long term supply, which would be counter to the aims of Alberta Environment and Alberta Transportation and would severely impact Onoway financially. Without the System, groundwater sources would be subject to an increasing and unsustainable demand. As wells begin to fail, the only alternative will be to haul water by truck at significant cost.

Staged Development and Future Service to Some Municipalities

Because of the configuration and staged development of the System with its main transmission line and a number of branches, some municipalities, which are anticipated to Members of the Commission, may not be directly served by the System for some length of time. However, capacity for future serviced areas must be built into the initial stages of the System and net capital costs attributed to these municipalities where service may be extended in the future. These municipalities may not be ultimately prepared to participate in the Commission on this basis and withdraw leaving the remaining municipalities either:

- Having to fund the excess capacity on the chance that these departed municipalities may at a future time seek water from the Commission, or
- Reducing capacity of the System and precluding any future connection of these municipalities.

First Nations Participation

Nearly 20% of the capacity of the System is allocated to the Paul and Alexis First Nations, and in common with the Member municipalities, a share of both the ongoing governance and administration costs and the yearly capital debenture payments are anticipated to be contributed to the Commission annually. The Commission fully expects that both of the First Nations will be served by the System but should for some reason either or both of the First Nations ultimately do not participate in the project, then the share of the annual costs that had been attributed to the First Nations would need to be borne by the remaining members.

8. Due Diligence

The Member municipalities have demonstrated due diligence in regards to their approach to this project and the decisions that have been made. The Members have:

- a. Commissioned the preparation of detailed engineering studies and carefully considered the information presented,
- b. Considered a number of options of water supply,
- c. Worked closely with:
 - i. Alberta Environment to plan a system that would meet the environmental objectives of the Members and the Province of Alberta, and
 - ii. Alberta Transportation to plan a system that would meet the objectives of the Water for Life Program and secure funding under that program.
- d. Engaged a team of consultants well experienced in the design and construction of wastewater systems and the development and operation of regional services commissions:
 - ii. DCL Seimens Engineering Ltd. and Associated Engineering, and
 - iii. C & J Vanco with principal John Van Doesburg.

This due diligence is further reflected in the scope and detail of this Plan, which:

- a. Sets out clearly the need and viability of this project, and
- b. Will form a sound basis upon which this important regional service will proceed.

Appendix A - West Inter Lake District Regional Water Services Commission Regulation

ALBERTA REGULATION 156/2008

Establishment

- 1 A regional services commission known as the West Inter Lake District Regional Water Services Commission is established.

Members

- 2 The following municipalities are members of the Commission:
- (a) Lac Ste. Anne County;
 - (b) Parkland County;
 - (c) Town of Onoway;
 - (d) Village of Alberta Beach;
 - (e) The Summer Village of Lakeview;
 - (f) The Village of Seba Beach;
 - (g) Village of Wabamun;
 - (h) The Summer Village of Castle Island;
 - (i) Summer Village of Nakamun Park;
 - (j) Summer Village of Ross Haven;
 - (k) The Summer Village of Sandy Beach;
 - (l) Summer Village of Sunrise Beach;
 - (m) Summer Village of Sunset Point;
 - (n) Summer Village of Val Quentin;
 - (o) Summer Village of West Cove; and
 - (p) Summer Village of Yellowstone.

Water supply system

- 3 The Commission is authorized to provide and operate a water supply system.

Operating deficits

- 4 The Commission may not assume operating deficits that are shown on the books of any of the member municipalities.

Sale of property

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- 5(1) The Commission may not, without the approval of the Minister, sell any of its land, buildings, equipment or inventory whose purchase has been funded wholly or partly by grants from the Government of Alberta.
- (2) The Minister may not approve a sale under subsection (1) unless the Minister is satisfied:
- (a) as to the repayment of the grants from the Government of Alberta and outstanding debt associated with that portion of the land, buildings, equipment or inventory to be sold,
 - (b) that the sale would not have a significant adverse effect on the services the Commission provides, and
 - (c) that the sale will be properly reflected in the rates subsequently charged to the customers of the Commission.

Profit and surpluses

- 6 Unless otherwise approved by the Minister, the Commission may not:
- (a) operate for the purposes of making a profit, or
 - (b) distribute any of its surpluses to its member municipalities.

Approval

- 7 The Minister may make an approval under section 5 or 6 subject to any terms or conditions the Minister considers appropriate.

Appendix B

Commission Bylaw No.1 - 2008

WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION

Being a By-Law respecting the appointment of a Board of Directors and Chairperson, Governing the Fees to be Charged by the Commission and the Governance of Administration of the Commission

WHEREAS pursuant to the provisions of the *Municipal Government Act*, the Board of the Commission must pass Bylaws respecting the appointment of its Directors and the designation of its Chair, and

WHEREAS such Bylaw requires does not come into effect until the approved by the Minister of Municipal Affairs.

NOW THEREFORE the Board enacts the following:

1. DEFINITIONS

1. "Act" means the *Municipal Government Act*, R.S.A. 2004, c. M-26;
2. "Annual Meeting" means the Meeting of the Board and the Members to be held on a date and at a location to be determined by the Board in accordance with this Bylaw;
3. "Auditor" means the auditor of the Commission appointed by the Board pursuant to Section 5.4 hereof;
4. "Board" means the Board of Directors of the Commission;
5. "Budget" means the capital budget and the operating budget required by the Act;
6. "Chair" means the Chairperson of the Board,
7. "Commission" means the West Inter Lake District Regional Water Services Commission;
8. "Director" means the representative of a Member on the Board appointed in accordance with this Bylaw;
9. "Financial Plan" means the financial plan for the Commission for the forthcoming three (3) financial years, as it exists from year to year;
10. "Manager" means the person appointed by the Board as Manager in accordance with this Bylaw;

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11. "Member(s)" means the members set out in the Order;
12. "Quorum" means a majority of the Directors;
13. "Order" means Alberta Order in Council 463/2008;
14. "Regular Meeting" means the meetings of the Board to be held each year on dates and at locations to be determined by resolution of the Board pursuant to Section 4.5 hereof;
15. "System" means the Water Plant, pipelines, reservoirs, pump stations and control systems operated by the Commission for the purpose of providing water to the members and customers of the Commission.
16. "Special Meeting" means a meeting of the Board called in accordance with Section 4.6 of this Bylaw;
17. "Water Services" means all treated water services provided by the Commission; and
18. All other words in this Bylaw are as defined or used in the Act or the Regulation.

2. OBJECTS

1. The objects of the Commission are:
 - a. To provide wholesale treated water services to its Members;
 - b. To provide water services to other customers on such terms and conditions as the Commission may determine.

3. MANAGEMENT

1. The management of this Commission shall be vested in the Board.

4. BOARD OF DIRECTORS

1. The proceedings of the Board shall be conducted in accordance with the Act and this Bylaw.
2. The Board shall consist of eight (8) Directors that shall be appointed as follows:
 - a. Town of Onoway 1 Director
 - b. Village of Alberta Beach 1 Director
 - c. Village of Wabamun 1 Director
 - d. Lac Ste Anne County 1 Director
 - e. Parkland County 1 Director
 - f. Paul First Nation 1 Director
 - g. Summer Villages of Sunset Point, Val Quentin, West Cove, Ross Haven, Sandy Beach, Sunrise Beach, Seba Beach, Yellowstone, Nakamun Park,

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Lake View, Castle Island

2 Directors

Each Director must be an elected official of the Member or Members appointing such Director

3. A Member may revoke its appointment of a Director and may appoint a replacement Director.
4. The Directors shall elect, from amongst their number, the Chair and the Vice-Chair at the first Regular Meeting of the Board in November of each year.
5. The Board, by resolution, may establish the date and number of Regular Meetings held during a year, however, there shall be not less than two (2) Regular Meetings per year.
6. The Chair:
 - a. May call a Special Meeting at the discretion of the Chair; and
 - b. Shall call a Special Meeting upon receipt of written request by at least Three (3) Directors.
7. Notice of the time and place of every Board meeting shall be given to each Director personally, by telephone or by facsimile transmission or any electronic medium not less than forty-eight (48) hours before the time fixed for the holding of such Board meeting, provided that any Board meeting may be held at any time and place without such notice if:
 - c. All the Directors are present thereat and signify their waiver of such notice at such meeting; or
 - d. All the Directors present thereat signify their waiver of such notice and all the Directors that are absent have signified their consent to the meeting being held in their absence.
8. A Director may participate in a Board meeting or at a meeting of a committee of the Board by means of telephone conference or other electronic communications medium that permits each of the Directors to hear each of the other Directors and to be heard by each of the other Directors.
9. Any matter properly placed before a meeting of the Board shall be decided by a majority of the votes cast by the Directors present at the relevant Board Meeting.
10. A quorum of the Board shall be a majority of the Directors with a minimum of one Director present from each member of the Commission.
11. The Board shall be responsible for the management and conduct of the affairs of the Commission, which responsibility shall include, but not be limited to, the following:

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- a. To approve the Financial Plan for the forthcoming three (3) years and the Budget for the forthcoming year;
 - b. To maintain the operations of the Commission in a manner which benefits the Members; and
 - c. To cause the minute books and financial records of the Commission to be maintained and to make the same available to the Members.
12. The Directors shall receive for attending any Board meeting or for carrying out any Director's responsibilities, meeting fees and expenses including travel expenses as permitted by the rates and fees set out the Financial Plan and Budget.

5. MEETINGS

1. The Board shall call an Annual Meeting, which shall be held no later than April 30th of each year.
2. Written notice of the Annual Meeting shall be provided to each Member by mail postmarked not less than thirty (30) days prior to the date of the Annual Meeting.
3. At the Annual Meeting, the Auditor shall present the audited financial statements of the Commission and the Chair shall report on the activities of the past year of the Board and the future plans of the Commission.
4. At the first meeting of the Board following the Annual Meeting, the Board shall appoint an Auditor who shall report to the Board on the annual financial statement of the Commission and on the financial procedures and activities of the Commission.
5. The Chair shall establish the agenda for any meeting of the Board. Directors shall be entitled to add items to the proposed agenda by submitting a written request to the Manager at least twenty-four (24) hours before the meeting.
6. The Board shall adopt the agenda at the beginning of the meeting and may, upon agreement of a majority of those Directors present at the meeting add or delete items from the agenda.

6. ADMINISTRATION

1. There shall be a Chair, a Vice-Chair and Manager and such other Officers as determined by the Board in its discretion from time to time.
2. The term of office of the Chair is one year.
3. The Chair shall preside over each Regular Meeting, Special Meeting and the Annual Meeting and of any meetings of any committee of the Commission.
4. The Chair shall appoint all officials and committees as directed by the Board.
5. The Chair shall be an ex-officio member of all committees.

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6. The Chair shall vote on all matters before the Board.
7. The Chair shall perform all other and such other duties as are usually performed by the Chair.
8. The Vice-Chair shall act and perform the duties of the Chair in his absence in the conduct of his office.
9. The term of office for the Vice-Chair is one year.
10. In the absence of the Chair at any meeting, the Vice-Chair shall preside over the meeting for that meeting only.
11. During the absence or inability of the Chair and Vice-Chair, a Director appointed by the Board for that purpose shall exercise the duties and powers of the Chair.
12. The Manager shall act as the administrative head of the Commission and the without limiting the foregoing, the Manager shall:
 - a. Ensure that the policies and programs of the Commission are implemented;
 - b. Advise and inform the Board on the operations and affairs of the Commission;
 - c. Maintain custody of the seal of the Commission and when required on any instrument requiring the seal of the Commission, affix the same together with one of the Chair or the Vice-Chair;
 - d. Perform the duties and exercise the powers assigned to the Manager in this Bylaw;
 - e. Perform the duties and exercise the powers required of the Manager in the Act or any other applicable legislation;
 - f. Cause the funds of the Commission to be received and disbursed in accordance with the directions of the Board, subject to this Bylaw;
 - g. Cause to be kept detailed accounts of all income and expenditures including proper vouchers for all disbursements of the Commission;
 - h. Cause to be rendered to the Board at Regular Meetings or whenever required by the Board an account of all transactions of the Commission and the financial position of the Commission;
 - i. Cause all facts and minutes of all proceedings to be kept on all meetings of the Commission;
 - j. Cause all notices to be given to Members and to Directors required by this Bylaw;

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- k. Cause to be kept all books, papers, records, correspondence, contracts and other documents belonging to the Commission and shall cause the same to be delivered up when required by the *Act* or when authorized by the Board to such person as may be named by the Board; and
- l. Shall carry out any lawful direction of the Board from time to time.

13. The Board may select as Manager:

- a. An individual that is an employee of the Commission;
- b. An individual, municipality, or firm engaged on a contractual basis; and/or
- c. On such terms and conditions as may be acceptable to the Board.

14. In addition to the duties set forth herein, the Officers shall have such duties as the Board may from time to time determine.

15. Any one of the Chair or Vice-Chair, together with the Manager are authorized to execute and deliver any cheques, promissory notes, bills of exchange and other instruments, whether negotiable or not, on behalf of the Commission.

16. The Board may, from time to time, appoint an acting manager who shall be authorized, in the absence the Manager, to perform such duties of the Manager as the Board may prescribe.

17. Members shall have the right to inspect and may obtain extracts or copies of all books and records of the Commission.

7. VOLUME OF WATER SUPPLIED

1. Each Member of the Commission shall be entitled to the following minimum annual allocations in cubic meters:

Onoway	219,212	18.2%	Seba Beach	30,260	2.5%
Alberta Beach	242,003	20.1%	Wabamun Prov Park	12,593	1.0%
Wabamun	165,850	13.7%	Yellow Stone	25,341	2.1%
Paul First Nations	243,450	20.2%	Nakamun Park	13,118	1.1%
Alexis First Nations	182,445	15.1%	Lake View	5,366	0.4%
Sunset Point	36,074	3.0%	Sunrise Beach	25,341	2.1%
Val Quentin	26,981	2.2%	Castle Island	2,190	0.2%
West Cove	25,192	2.1%	Lac Ste Anne County	145,667	12.1%
Ross Haven	29,515	2.4%	Parkland County	160,365	13.3%
Sandy Beach	35,627	3.0%		<u>1,206,347</u>	<u>100.0%</u>

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- and the Commission shall undertake to provide capacity within the system to supply the volume of water annually requested by each member up to the allocation identified. The Commission may at its discretion, provide to Members volumes of water exceeding these allocations.
2. Members shall provide the Commission in the fall of each year, a request for water for the next ensuing year, based on a reasonable estimate of the volume of water expected to be required to meet the needs of the Member's customers in that next year, together with a forecast of volumes anticipated to be required by the member for the second through fifth ensuing years.
 3. Where the capacity of the system is insufficient to deliver the water requested by the Members, the Members shall be allocated the available capacity proportionately based on the previous year's volumes, until such time as the Commission is able to fully supply the volume required.
8. FINANCIAL
1. The financial year of the Commission shall be the calendar year.
 2. Without limiting the requirements for the Budget pursuant to the Act, the Board in the fall of each year will prepare the Financial Plan for the forthcoming three (3) financial years and Budget for the next financial year, which will set out the:
 - a. Expected consumption requirements of the Members;
 - b. Estimate expenditures for the:
 - i. Operations of the Board and Manager;
 - ii. Operations of the system;
 - iii. Purchase of water;
 - iv. Repayment of debt obligations;
 - v. Non cash expenditures; and
 - vi. Return on equity and investments.
 - c. Estimated revenue requirements to meet the expenditures of the Commission and the rates and fees to be charged to Members and customers of the Commission;
 - d. Second and third year projections of operating expenditure, revenue requirements and rate trends;
 - e. Capital projects planned and expected to be completed in the forthcoming financial year and the second and third financial years of the Financial Plan;
 - f. Estimated costs and sources of revenue for each year of the Financial Plan; and
 - g. Rates of remuneration and expenses to be provided to the Directors.

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3. Subject to and in accordance with the Act and the Budget, the Commission may:
 - a. Accumulate operating surplus funds to an amount up to, but not exceeding, 50% of the annual operating expenditures in any year; and
 - b. Accumulate capital reserve funds to an amount up to, but not exceeding, the total expected capital expenditures in the three years of the Financial Plan and Budget.
4. Each Director shall be entitled to vote on the Budget and on the Financial Plan.
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.
6. 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.
7. After the thirtieth (30th) day immediately following the date of distribution of the Budget and the Financial Plan, the Directors shall finalize and approve the Budget and the Financial Plan for the relevant financial year. For the purposes of this paragraph, approval of the Budget and the Financial Plan shall require a majority of those votes cast to be in favour.

If the Budget and Financial Plan are not both approved by majority vote as aforesaid, the Manager shall, as soon as reasonably practicable thereafter, deliver to each Member a revised Budget and Financial Plan for approval in accordance with this paragraph and such process shall continue until the Budget and the Financial Plan for the relevant financial year have both been approved.

8. Subject to the Act, the Manager may, during any financial year, present to the Members amendments to the Budget and the Financial Plan for the then current financial year. Any amendments to the Budget and the Financial Plan shall be made in accordance with the procedure for approval of the Budget and the Financial Plan set forth in paragraphs 8.5, 8.6 and 8.7, herein.
9. The Commission shall set out in the annual Budget and Financial Plan, the rate to be charged by the Commission for providing Water Services to the Members and customers. The rate to Members shall be a common rate, calculated by dividing the estimated costs of the system determined under clause 8.10 by the total volume requested by the Members under Clause 7.2 and anticipated to be sold to customers.
10. The estimated costs of the system shall be determined on a cost of service basis utilizing the principles set out in the American Water Works Association (AWWA) manuals of practice dealing with water rates and charges, as revised and updated from time to time, and in accordance with the findings and directives of the Alberta Energy and Utilities Board, such approach being commonly referred to as the “utility

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rate model” and shall include full recovery of the annual costs of the Commission for those cost components set out in clauses 8.2 and 8.3.

11. For those Members purchasing water from the Commission, the Members shall pay to the Commission the product of the actual volume of water purchased by the Member in a year times the rate set out in clause 8.9. Notwithstanding the actual volume of water purchased, the Member shall be responsible for a minimum payment to the Commission of 90% of the volume requested by the Member under Clause 7.2 times the rate set out in clause 8.9.
12. For those Members not purchasing water from the Commission, the Members shall be responsible for a minimum annual payment to the Commission equal to sum of the following:
 - a. $1/x$ of the annual cost attributed to the Board of Directors where “x” is the number of Members of the Commission, and
 - b. “y” time the cost components set out in sub-clauses 8.2 (b)(iv)(v)(vi) for the system where “y” is the ratio of the member's volume allocation to the total volume allocation set out in Clause 7.1.

9. CUSTOMERS AND RESTRICTIONS IN USE OF WATER

1. The Commission shall not sell Water Services to a Member and a Member shall not resell Water Services to any customer for the purpose of the supply of Water Services for water flood injection into any geological subsurface structure or formation for oil and gas recovery.
2. The Commission may terminate the supply of water services to any Member for failure to pay for water services received from the Commission.
3. Water Services from the Regional System will be sold at the cost of water and operating water services. Each member will conform to the prescribed sale of water. The Commission shall be entitled to terminate water supply of water services to any member if the Commission, at its sole discretion, determines that the member is selling water sold under the cost of water, which includes the purchase price, transmission costs, administration and other costs associated with the delivery of water.

10. CHANGE IN MEMBERSHIP

1. The Board may agree to the addition of a municipality as a Member of the Commission if sufficient capacity for the supply of water can be made available.
2. A new Member shall be required to pay an amount to be calculated at the time of application.
3. Any contribution received by the Commission under Clause 10.2 shall inure to the benefit of the existing Members in the proportion to the contribution of the existing

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members to the Commission from the date of inception of the Commission to the date of entry of any new member.

4. A Member may withdraw from membership of the Commission upon two (2) years notice. The withdrawing Member may sell the equity contributed by the Member during the Member's term of membership of the Commission to any other Member of the Commission for such compensation and on such terms as the parties may agree subject to the approval of the Board. However, the Commission or any Member shall not be obligated to purchase the withdrawing Member's proportionate share of the system. The Commission shall not utilize the capacity of the system related to the withdrawing Member's equity or utilize the withdrawing Member's water volume allocation without fair compensation.

11. AMENDMENTS

1. An amendment to this Bylaw may be passed by the Board upon a three quarters majority of the Directors of the Board.
2. Written notice of a proposed amendment to the Bylaw shall be provided to each Director and each Member not less than thirty (30) days in advance of the meeting at which the amendment is to be considered.

READ A FIRST TIME this _____ day of _____, 20__

READ A SECOND TIME this _____ day of _____, 20__

READ A THIRD TIME this _____ day of _____, 20__

Chair

Manager

Approved by the Minister of Municipal Affairs as to section 6021.07(1)(a) of the *Municipal Government Act* only this _____ day of _____ 2012.

Minister of Municipal Affairs

Appendix C – Member Water Supply Agreement Template (Draft)

THIS AGREEMENT made effective as of the _____ day of _____, 20____.

MEMBER WATER SUPPLY AGREEMENT

WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION
(the "Commission")

- and -

(the "Member")

Introduction:

WHEREAS the Member desires to enter into an agreement with the Commission for the supply of water from the West Inter Lake District Regional Water System (System) to the Member to provide water services to its customers;

AND WHEREAS the Member wishes to purchase Water from the Commission and the Commission wishes to sell and deliver Water to the Member;

AND WHEREAS the Member and the Commission recognize that conservation of water resources is an important goal;

IN CONSIDERATION of the mutual and other promises described in this Agreement, the Commission and the Member covenant and agree as follows:

1. Definitions

In this Agreement, each of the following words shall have the meaning for that word described below unless expressly stated otherwise:

- (a) **Agreed Variance** means the standard for accuracy for the Meter being tested as specified in the latest edition of the American Water Works Association 700 Series Standards;
- (b) **Agreement** means this Water Supply Agreement including the Introduction clauses, all attached Schedules and all documents produced or delivered according to the terms of this Agreement;
- (c) **Annual Quantity** means for each calendar year the quantity of Water for that year determined according to the provisions of attached Schedule "C";
- (d) **Best Efforts** means, in relation to the performance of an obligation, efforts that are sensible and practical, and involve the exercise of reasoned and sound judgment having regard to all of the relevant circumstances;

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- (e) **Bylaws** mean the Bylaws of the Commission that together set out the establishment and operation of the Commission.
- (f) **Commission** means the West Inter Lake District Regional Water Services Commission as established by Alberta Regulation AR 156/2008
- (g) **Cross Connection** means any physical connection to the System or to the Member's Distribution System by which Water may become contaminated;
- (h) **Delivery Pressures** means for each calendar year the Minimum Pressure and the Normal Pressure Range for that year;
- (i) **Effective Date** means the date of this Agreement;
- (j) **Equipment** means all necessary valves, pressure and flow controls, associated equipment and pipes required within a Meter Chamber, except the Meter;
- (k) **Maximum Daily Quantity** means for each day during a calendar year, the maximum quantity of Water for that day determined according to the provisions of the attached Schedule "C";
- (l) **Members** mean those Members of the Commission.
- (m) **Member's Boundaries** means [either]
 - (i) the legal municipal boundary of the Member [in the case of urban municipalities]
[or]
 - (ii) the boundary of a specified area of the Parkland and Lac Ste. Anne Counties as shown in the attached Schedule "B";
- (n) **Meter** means the consumption measuring device owned by the Commission which is located in a Meter Chamber;
- (o) **Meter Chamber** means the physical structure which houses the Equipment and the Meter at which the Commission measures the quantity of Water delivered to the Member,
- (p) **Minimum Pressure** means for each calendar year, the minimum pressure for delivery of Water at the Point of Delivery for that year determined according to the provisions of the attached Schedule "D";
- (q) **M³** means cubic meters;
- (r) **Normal Pressure Range** means for each calendar year, the normal pressure range for delivery of Water at the Point of Delivery for that year determined according to the provisions of the attached Schedule "D";
- (s) **Points of Delivery** means the places described in the attached Schedule "B" where Water is sold and delivered to the Member by the Commission;
- (t) **Rate** means the price for Water established from time to time by the Commission according to the provisions of the attached Schedule "E";

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- (u) **Schedules** means those Schedules attached hereto which form part of this Agreement including:
 - (i) Schedule "A" - The Member's Boundaries
 - (ii) Schedule "B" - Points of Delivery and Meter Chambers
 - (iii) Schedule "C" - Annual Quantity and Maximum Daily Quantity
 - (iv) Schedule "D" - Delivery Pressures
 - (v) Schedule "E" - Calculation of Rate and Minimum Payment
 - (vi) Schedule "F" - Dispute Resolution Process
- (v) **System** means the West Inter Lake District Regional Water System operated by the Commission for the supply of Water
- (w) **Water** means treated water which is safe for human consumption
- (x) **Watermain** means a water pipe line under pressure used to supply or deliver Water.

2. Supply and Use of Water

- (a) The Commission agrees to sell and deliver Water to the Member according to the terms of this Agreement.
- (b) The Member agrees to buy and accept delivery of Water from the Commission according to the terms of this Agreement.
- (c) The Member, during the term of this Agreement, shall obtain all of its water requirements from the Commission.
- (d) Subject to Sub-Clause (e) following, the Member may use or resell any or all of the Water delivered by the Commission to the Member for users and customers located:
 - (i) within the Member Boundaries; and
 - (ii) outside of the Member's Boundaries that have been authorized by the Commission to receive Water from the Member.
- (e) The Commission shall not sell Water Services to the Member and a Member shall not resell Water Services to any customer for injection into any geological subsurface structure or formation.
- (f) The Member and the Commission shall not allow or permit any Cross Connections.

3. Points of Delivery and Metering of Water

- (a) The Commission shall determine the Point or Points of Delivery that the Commission requires to deliver Water from the System to the Member. The location of each Point of

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Delivery shall be described in Schedule “D”.

- (b) The Member may require additional Points of Delivery beyond those required and provided by the Commission and, where authorized by the Commission at the request of the Member, Schedule D of this Agreement shall be amended to identify the additional Point of Delivery.
- (c) Each Point of Delivery will require a Meter Chamber through which the delivery of Water to the Member is controlled and measured.
- (d) For each Point of Delivery required by the Commission, the Commission at its sole expense shall be responsible for the construction, operation and upgrading of the Meter Chamber. The Commission shall retain ownership of the Meter Chamber and shall keep safe, maintain, repair and replace such Meter Chamber.
- (e) For each additional Point of Delivery required by the Member, the Member at its sole expense shall be responsible for the construction, operation and upgrading of the Meter Chamber except the Meter. With the exception of the Meter, the Member shall retain ownership of the Meter Chamber and shall keep safe, maintain, repair and replace such Meter Chamber.
- (f) The Commission shall provide, care for, maintain, repair and replace the Meters.
- (g) Once a year, the Commission may test a Meter for accuracy. The Commission shall pay for such tests and shall provide the results of the test to the Member.
- (h) Upon written request of the Member, the Commission shall test for accuracy any meter at the Points of Delivery to the Member. If the test indicates that the accuracy of a Meter exceeds the Agreed Variance, the Commission shall pay for the test. If the test does not indicate that the accuracy of a Meter exceeds the Agreed Variance, the Member shall pay for the test.
- (i) If at any time a Meter Chamber or a Meter is out of service or is being repaired so that the measurement of the volume of Water being delivered is not being recorded accurately within the Agreed Variance, or if a test determines that a Meter is not registering accurately within the Agreed Variance, the Meter Chamber or Meter shall be repaired or adjusted as soon as practical. The measurement shall be corrected for a period definitely known or agreed upon, or if not known or agreed upon, for one-half of the period since the last Meter test, and the measurements shall be determined or adjusted, as the case may be, to correct for the degree of inaccuracy using the best available data in the following priority:
 - (i) by using any check measuring equipment if installed and if accurately registering within the Agreed Variance;
 - (ii) by correcting the error, if the percentage of the error is ascertainable by calibration, test or mathematical calculation; or
 - (iii) by estimating the volume based upon deliveries under similar conditions during a period of time when the Meter Chamber and Meter were working accurately.
- (j) The Member shall allow the Commission reasonable access to all Meter Chambers at reasonable times for the purposes of performing its obligations to care for, maintain, repair, replace and test the Meters.

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4. Volume and Pressure

- (a) The Commission and Member shall determine an Annual Quantity of Water estimated to be required by the Member in accordance with Schedule C.
- (b) The Member shall be entitled to the Annual Quantity determined and the Commission shall undertake to provide the Water within the System to supply the Annual Quantity. In fulfilling this obligation, the Commission shall use Best Efforts to:
 - (i) make Water available to the Member each year as required by the Member to a maximum amount equal to the Annual Quantity for that year;
 - (ii) subject to clause (c) following, make Water available to the Member each day as required by the Member up to a maximum amount equal to the Maximum Daily Quantity for that day;
 - (iii) deliver Water to the Points of Delivery at all times during each year at a pressure equal to at least the Minimum Pressure for that year, and for the majority of the time during such year at a pressure falling within the Normal Pressure Range for that year; and
 - (iv) avoid situations where it is unable to supply to the Member the quantity of Water required by the Member.
- (c) The Member and the Commission shall work cooperatively and each of them shall use Best Efforts to manage and control the peak hour rates of draw so as to optimize the operation of the System while providing Water to the Member under this Agreement.
- (d) Provided there is sufficient quantity of Water available from the System and provided the Commission's ability to meet its obligations to other Members and customers is not jeopardized, the Commission shall use Best Efforts to provide additional quantities of Water above the Annual Quantity if required by the Member.
- (e) Where the availability of raw water or the capacity of the System is insufficient to deliver the Annual Quantity, the Members shall be allocated a proportion of the total available System volume based on a ratio of the Member's previous year's actual volume to the total previous year volume of all Members and customers, until such time as the Commission is able to fully supply the volume required.

5. Purchase of Water and Determination of Rates

- (a) The Member shall purchase and pay for all Water measured by the Commission at the Points of Delivery.
- (b) The Member shall purchase and pay for all Water at the Rate established by the Commission and in effect from time to time in accordance with the attached Schedule "E".
- (c) The Member shall pay for Water by way of monthly payments based upon billings prepared by the Commission. The Commission shall provide to the Member monthly billings setting out the actual volume of Water purchased from the Commission, the applicable Rate and amount payable to the Commission 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.

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- (d) Notwithstanding paragraph 5(a), should the actual volume of water delivered to the Member by the Commission for a calendar year be less than 90% of the Annual Quantity for that year, the amount that the Member payable to the Commission under paragraph 5(b) shall be 90% of the Annual Quantity times the Rate, with such adjustment to be made on the final monthly billing issued under paragraph 5(d).
- (e) Annually, by October 31st, the Commission shall forward to the Member, the rate to be charged for water supplied by the Commission under this Agreement to become effective on January 1st of the following year.
- (f) The rate to be charged shall be calculated in accordance with the provisions of Schedule "E" of this Agreement.
- (g) The Member shall provide the Commission with such information as the Commission may reasonably request from time to time in respect of the Member's actual consumption of water.

6. Repairs, Maintenance and Replacements

- (a) The Commission may interrupt or curtail Water service for period of time as it may reasonably require for the purpose of effecting any repairs, maintenance, replacement, upgrading or other work related to the System providing service under this Agreement provided that:
 - (i) the Commission has given the Member at least forty-eight (48) hours prior notice or, in the event of unforeseen circumstances, the Commission gives notice of such interruption or curtailment as soon as is reasonably possibly possible; and
 - (ii) the Commission acts reasonably in using Best Efforts to restore services as soon as reasonably possible.
- (b) The Commission shall use Best Efforts to coordinate the repairs, maintenance, replacement, upgrading and other work referred to in sub clause (a), above, with the Member so as to minimize to the extent reasonable the inconvenience to the Member of interruptions and curtailments.
- (c) During periods of interruption or curtailment provided for in sub clause (a), above, the Commission may reduce the level, quality or quantity of service provided to the Member under this Agreement, provided that the Commission shall treat all of its customers affected by the interruption or curtailment, including the Member, fairly, equitably, and without preference, consistent with any operating constraints then in effect. The Commission and the Member shall use Best Efforts to keep each other apprised of and up-to-date in respect of the relevant circumstances during each interruption or curtailment.

7. General Terms

- (a) This Agreement may not be assigned without the prior written consent of the other party, which consent shall not be unreasonably withheld.
- (b) This Agreement is for the benefit of and binds the Commission and the Member and their respective successors and permitted assigns.
- (c) Any term of this Agreement which is determined to be void, unenforceable or illegal shall

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be severed from this Agreement. The remaining terms shall be effective and enforceable.

- (d) The headings are for reference only and shall not be used to interpret or construe this Agreement.
- (e) Time is of the essence for every part of this Agreement.
- (f) The Member and the Commission are individually responsible for obtaining, at their sole expense, all necessary consents, approvals or orders from any level of government, board, tribunal, or other regulatory authority which is or are required in order for each of them to enter into this Agreement or to perform and satisfy their respective obligations described herein. The Member and the Commission shall cooperate with each other and shall provide reasonable assistance to each other, when requested.
- (g) Any notice, consent or communication required by this Agreement must be in writing and shall be delivered by hand or by courier to the following addresses or shall be telecopied (faxed) to the following telecopier (fax) numbers, as the case may be:
 - (i) To the Commission:

Attention: Commission Manager at:
Office Address:
Telecopier (Fax) No.:
 - (i) To the Member:

Attention: CAO
Office Address:
Telecopier (Fax) No:
- (h) This Agreement shall be governed by and construed according to the laws in force in the Province of Alberta and Bylaws of the Commission.
- (i) All changes of gender and number shall be made where required.
- (j) The term of this Agreement is Thirty (30) years commencing from the Effective Date. This Agreement may only be renewed by further written agreement between the parties.
- (k) This Agreement is the only agreement between the parties in relation to the subject matter hereof, and supercedes and replaces all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. This Agreement may only be amended or modified by a further written agreement of the parties.

8. Force Majeure

- (a) The Commission shall not be liable for any failure of or delay in performance of its obligations hereunder or be deemed to be in breach of this Agreement if such failure or delay arise from “force majeure”.
- (b) For the purposes of this Agreement, “force majeure” shall mean any cause not

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reasonably within the Commission's control and shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, storms, floods, high waters, washouts, inclement weather, orders or acts of evil or military authorities, civil disturbances, or any other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of the Commission and which, by the exercise of due diligence, the Commission is unable to overcome, provided that lack of funds shall not be a cause beyond control.

- (c) The Commission shall give the Member prompt notice of such circumstances and shall take all reasonable steps to remove such disability. The Commission shall not be entitled to the benefit of this force majeure clause to the extent the failure to provide Water was caused by the Commission having failed to remedy the force majeure condition where it was reasonably able to do so and to resume the supply of water with reasonable dispatch.
- (d) The Commission may impose reasonable restrictions on the delivery of Water, provided that the Commission shall treat all of its customers affected by the force majeure, including the Member, fairly, equitably and without preference, consistent with any operating constraints then in effect.
- (e) The parties agree that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the particular party involved therein and such party may make settlement thereof in such time and on such terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such party of the benefits of this section.
- (f) A force majeure event shall merely suspend contractual obligations, and not bring this Agreement or any portion thereof to an end.

9. Liability, Damages and Mutual Indemnity

- (a) Unless the cause is proven to be due directly to the negligence of the Commission, its employee's or agents, the Commission shall have no liability to the Member whatsoever for any damage, loss, cost or expense resulting from, arising out of or associated with:
 - (i) a break of any Watermain, service pipe or collapse of any ditch or trench.
 - (ii) the interference or suspension of the supply of Water due to maintenance work to, repair work to or replacement work for the Commission's water system or an emergency situation regarding any part of the Commission's water system, and
 - (iii) any accident to or failure of any part of the Commission's water system;
- (b) Notwithstanding any other provision of this Agreement, neither the Member nor the Commission shall be liable to the other for:
 - (i) any losses or costs arising from third party claims or causes of action, including claims or causes of action of the other's customers; or
 - (ii) any indirect, consequential or punitive damages, including loss of profits or revenues or other similar damages.
- (c) Each party (the "indemnifying party") agrees to indemnify and save harmless the other

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party (the “indemnified party”), its agents and employees from and against any and all damage, injury, loss, costs, causes of action, including legal costs on solicitor and own client basis, and claims suffered or incurred by the indemnified party, its agents or employees which are in any way connected with the performance or nonperformance of this Agreement and which are caused either directly or indirectly or contributed to in whole or in part by any act or failure to act of the indemnifying party, its agents and employees, in respect of which indemnifying party, its agents or employees is liable or otherwise responsible in law, provided that such indemnity shall be limited to an amount in proportion to which the indemnifying party, its agents and employees are at fault or otherwise held responsible in law.

10. Arbitration and Remedies

- (a) If a dispute arises between the Member and the Commission regarding the interpretation, application, operation or breach of this Agreement or any part of it the dispute must be submitted to the dispute resolution process described in the attached Schedule “F” before either party may take any other action or step or pursue any available remedy in relation to the dispute regardless of whether such action, steps or remedy involves the courts, the Alberta Utilities Commission or any successor tribunal or entity, provided however that either party may file a complaint or other document required to be filed with the courts, Board or any successor tribunal or entity and take any other action or step prior to submitting any dispute to the dispute resolution process if such filing, action or step is necessary to preserve its right to pursue the dispute in the event that the dispute resolution process is unsuccessful in resolving the dispute.

Notwithstanding that the dispute resolution process is involved, the parties shall continue to perform their obligations described in this Agreement until such time as the dispute resolution process is complete.

- (b) Subject to Sub-clause (a), above, if a party breaches this Agreement, then the other party shall have all available legal, equitable and other remedies.

In witness whereof the parties have signed this Agreement to be effective from and after the Effective Date notwithstanding the actual date(s) of execution.

**WEST INTER LAKE DISTRICT REGIONAL WATER
SERVICES COMMISSION**

Per: _____

Per: _____

<MEMBER>

Per: _____

Per: _____

SCHEDULE “A”

The Member’s Boundaries

To be set. In the case of an urban municipality the Member’s Boundaries for the purposes of this Agreement shall be the established corporate boundaries of the Member as may be adjusted from time to time. In the case of a rural municipality a description or map of the service area will be included.

SCHEDULE “B”

Points of Delivery and Meter Chambers

Map and Diagrams of Points of Delivery and Meter Chamber Locations to be included

SCHEDULE “C”

PART I - Annual Quantity

1. The Annual Quantity of Water for a calendar year shall be determined or re-determined, as the case may be, as follows:
 - (a) Prior to October 31st in each year of this Agreement, the Member shall provide to the Commission:
 - (i) a request for water for the next calendar year which the Member proposes as the Annual Quantity of Water, together with a forecast of volumes anticipated to be required for the second through fifth ensuing calendar years (the “forecast”); and
 - (ii) engineering and other information supporting the forecast, including without restriction information regarding the Member’s forecast population, business and industrial growth.
 - (b) If the Commission does not agree that the quantity requested by the Member as the Annual Quantity of Water or any other forecasted volumes are reasonable, the Member and the Commission shall work together in good faith to reach agreement on the Annual Quantity of Water or other forecasted volumes.
2. For greater certainty, each of the Commission and the Member shall act reasonably in preparing and reviewing each forecast, and in all discussions and negotiations in relation to each forecast and the establishment of an Annual Quantity of Water. The Member shall use best efforts in the preparation of each forecast to ensure to the extent reasonably possible that it is not over-estimating or otherwise inflating its Water needs. The Commission shall exercise sound engineering judgment and, where appropriate, consult with the Member when reviewing the technical aspects of the Member’s forecast.

PART 2 - Maximum Daily Quantity

The Maximum Daily Quantity for each day shall be equal to the quantity (expressed in M³) determined as follows:

$$\text{Maximum Daily Quantity} = \text{_____AQ} / 365$$

Where AQ equals the Annual Quantity for the calendar year in which that day falls.

SCHEDULE “D”

Delivery Pressures

To be determined when technical aspects of pipeline operation is determined.

SCHEDULE “E”

Calculation of Rate and Minimum Payment

1. Determination of Rate

The rate to the Member shall be a rate common to all Members and shall be calculated by dividing the estimated annual costs of the System by the total volume of water requested by the Members.

The estimated annual costs of the System shall be calculated on a cost of service basis utilizing the principles set out in the American Water Works Association (AWWA) manuals of practice dealing with water rates and charges, as revised and updated from time to time, and in accordance with the findings and directives of the Alberta Utilities and may include:

- (i) operations of the Board and Manager;
- (ii) operations of the System including those costs related to the operation of the raw water supply facilities, treatment plant, transmission pipeline system and meter chambers;
- (iii) purchase of water from an outside source, if any;
- (iv) repayment of debt obligations;
- (v) non cash expenditures; and
- (vi) return on equity and investments;
- (vii) allocations for present or future capital expenditures
- (viii) prior year's or years' operating deficit

Principles and practices to be applied to determine Rates may be changed from time to time by way of negotiated agreement between the Members or as a result of a decision or order of the Alberta Utilities Commission, or a successor tribunal or authority.

2. Minimum Payment to the Commission

Under this agreement the Member shall pay to the Commission the product of the actual volume of water purchased by the Member in a year times the rate set out by the Commission. Notwithstanding this, where the actual volume of water purchased is less than 90% of the Annual Quantity, the Member shall be responsible for a minimum payment to the Commission of 90% of the Annual Quantity times the rate set by the Commission.

SCHEDULE “F”

Dispute Resolution Process

The Member and the Commission acknowledge that in any business relationship a difference of opinion or interpretation or a divergence of interest may arise. The Member and the Commission are committed to resolving any disputes in a non-adversarial, informal, and cost efficient manner. Therefore the Member and the Commission agree as follows:

1. The Member and the Commission shall attempt to resolve any dispute through direct negotiation.
2. Failing successful negotiation they shall resort to mediation as follows:
 - (a) Either party may by written notice to the other, request that the parties select a mediator. The parties shall endeavor to select a mediator agreeable to both form a list of suitable mediators maintained by the Alberta Arbitration and Mediation Society.
 - (b) Within 7 days of the Mediator's selection, the Mediator shall designate a time for a meeting among the Mediator and a representative of each of the Member and the Commission. Each representative must have authority to agree to a resolution of the dispute.
 - (c) Subject to paragraph 10(b) of the Agreement, for a 45 day period of time from the written notice requesting the selection of a mediator, neither the Member nor the Commission shall take any action or step or pursue any available remedy other than to use its Best Efforts to participate in the mediation process.
 - (d) The cost and expense of the Mediator and the mediation process shall be paid for equally by the Member and the Commission.
 - (e) The mediation process, including all discussions, proposals and written materials made or prepared, shall be strictly confidential and cannot be used or referred to in any subsequent action, step or proceedings.
 - (f) The Mediator cannot be called by either party as a witness in any subsequent action, step or proceeding.
3. Notwithstanding Clause 2 (c), either party may take such legal or regulatory action as may be necessary to preserve the right to any legal or regulatory remedy should a resolution of the dispute under the process in Section 2 of this Schedule be unsuccessful.