

**West Inter Lake District Regional Water System – 2017 Business Plan
Adopted March 10, 2017**

**WEST INTER LAKE DISTRICT REGIONAL WATER SERVICES COMMISSION
Bylaw No. 6 - 2017**

Being a By-Law of the West Inter Lake District Regional Water Services Commission in the Province of Alberta (the Commission) respecting the Operation of the Commission and Provision of Services.

WHEREAS appointment of the Board of Directors (the Board) and the selection of Chair and Vice Chair of the Board has been established under Bylaw No. 1-2008, and subsequently Bylaw 5-2016 of the Commission, and

WHEREAS pursuant to the provisions of the *Municipal Government Act*, the Board of the Commission may pass Bylaws:

1. respecting the provision of the Commission's services; and
2. governing the administration of the Commission.

NOW THEREFORE the Board of the Commission, duly assembled, enacts the following:

1. DEFINITIONS

- 1.1 "Act" means the *Municipal Government Act*, R. S.A. 2000, c. M-26;
- 1.2 "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;
- 1.3 "Auditor" means the auditor of the Commission appointed by the Board pursuant to Section 9 hereof;
- 1.4 "Board" means the Board of Directors of the Commission;
- 1.5 "Budget" means the capital budget and the operating budget required by the Act;
- 1.6 "Chair" means the chairperson of the Board, selected in accordance with Bylaw No. 1-2008, and subsequently Bylaw 5-2016;
- 1.7 "Commission" means West Inter Lake District Regional Water Services Commission established under the Regulation;
- 1.8 "Director" means the representative of a Member, or Member Group, on the Board appointed in accordance with Bylaw No. 1-2008, and subsequently Bylaw 5-2016;
- 1.9 "Financial Plan" means the financial plan for the Commission for the forthcoming three (3) financial years, as it exists from year to year;
- 1.10 "Manager" means the person appointed by the Board as Manager in accordance with this Bylaw;

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- 1.11 "Member(s) means the member(s) set out in the Regulation;
- 1.12 "Quorum" means a majority of the Directors
- 1.13 "Regulation" means Alberta Regulation 463/2008 as amended;
- 1.14 "Regular Meeting means the meetings of the Board to be held in each year on dates and at locations to be determined by resolution of the Board pursuant to Section 6.1 hereof;
- 1.15 "System" means the 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.
- 1.16 "Special Meeting" means a meeting of the Board called in accordance with Section 6.2 of this Bylaw;
- 1.17 "Water Services" means all treated water services provided by the Commission: and
- 1.18 All other words in this Bylaw are as defined or used in the Act or the Regulation.

2. OBJECTS

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

3. MANAGEMENT

- 3.1 The management of the Commission shall be vested in the Board.

4. BOARD OF DIRECTORS

- 4.1 The proceedings of the Board shall be conducted in accordance with the Act and this Bylaw.
- 4.2 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:
 - (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

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- (c) to cause the minute books and financial records of the Commission to be maintained and to make the same available to the Members.
- 4.3 The Directors may 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. OFFICERS

- 5.1 The Chair shall preside over each Regular Meeting, Special Meeting and the Annual Meeting and of any meetings of any committee of the Commission.
- 5.2 The Chair shall appoint all officials and committees as directed by the Board.
- 5.3 The Chair shall be an ex-officio member of all committees.
- 5.4 The Chair shall vote on all matters before the Board.
- 5.5 The Chair shall perform all other and such other duties as are usually performed by the Chair.
- 5.6 The Vice-Chair shall act and perform the duties of the Chair in the Chair's absence.
- 5.7 In the absence of the Chair at any meeting, the Vice-Chair shall preside over the meeting for that meeting only.
- 5.8 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.
- 5.9 The Board in its discretion may appoint other Officers from time to time.
- 5.10 In addition to the duties set forth herein, the Officers shall have such duties as the Board may from time to time determine.

5 MEETINGS OF THE BOARD OF DIRECTORS

- 5.1 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.
- 5.2 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.
- 5.3 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

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and place without such notice if:

- (a) all the Directors are present thereat and signify their waiver of such notice at such meeting; or
 - (b) 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.
- 5.4 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.
- 5.5 The Chair/Manager 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.
- 5.6 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.
- 5.7 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.
- 5.8 A quorum of the Board shall be a majority of the Directors.

6 ANNUAL MEETINGS

- 6.1 The Board shall call an Annual Meeting which shall be held no later than April 30th of each year.
- 6.2 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, or by email.
- 6.3 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.

7 MANAGER

- 7.1 The Manager shall act as the administrative head of the Commission and without limiting the foregoing, the Manager shall:
- (a) ensure that the policies and programs of the Commission are implemented;

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- (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 of all meetings of the Commission;
- (j) cause all notices to be given to Members and to Directors required by this Bylaw;
- (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.

7.2 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;

on such terms and conditions as may be acceptable to the Board.

7.3 Any one of the Chair or Vice-Chair, together with the Manager or designate, 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.

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- 7.4 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.
- 7.5 Members shall have the right to inspect and may obtain extracts or copies of all books and records of the Commission.

8 AUDITOR

- 8.1 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.
- 8.2 The Board shall appoint the Auditor at the Board’s Annual Meeting for the ensuing year.

9 VOLUME OF WATER SUPPLIED

10.1 Each member of the Commission shall be entitled to the following maximum annual allocations in cubic meters:

Members	Annual Volume (m3)	% Share	Members	Annual Volume (m3)	% Share
Onoway	241,106	16.3%	Seba Beach	30,260	2.0%
Alberta Beach	242,003	16.4%	Kapasiwin	1,986	0.1%
Wabamun	165,850	11.2%	Wabamun Prov. Park	12,593	0.9%
Paul First Nations	143,916	9.7%	Yellowstone	25,341	1.7%
Alexis Nakota Sioux Nation	109,834	7.4%	Nakamun Park	13,118	0.9%
Sunset Point	36,074	2.4%	Lake View	5,366	0.4%
Val Quentin	26,981	1.8%	Sunrise Beach	25,341	1.7%
West Cove	25,192	1.7%	Castle Island	2,190	0.1%
Ross Haven	29,515	2.0%	Lac Ste. Anne County	145,667	9.9%
Sandy Beach	35,627	2.4%	Parkland County	160,365	10.8%
			Total	1,478,322	100.0%

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.

10.2 The Commission may at its discretion, provide to Members volumes of water exceeding these allocations.

10.3 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.

10.4 Where the capacity of the system is insufficient to deliver the water requested by

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the Members, the Members shall be allocated the available capacity proportionately based on the previous year's volumes, or projected consumptions if in the first year of hook-up, until such time as the Commission is able to fully supply the volume required.

10 FINANCIAL

11.1 The financial year of the Commission shall be the calendar year.

11.2 Without limiting the requirements for the Budget pursuant to the Act, the Board in 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;
- (g) rates of remuneration and expenses to be provided to the Directors.

11.3 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.

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11.4 Each Director shall be entitled to vote on the Budget and on the Financial Plan

11.5 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.

11.6 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 and such rates and fees shall be adopted by the Commission by Bylaw.

11.7 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 Utilities Commission, such approach being commonly referred to as the "utility rate model" and shall include full recovery of the annual costs of the Commission for those cost components set out in clauses 11.2 and 11.3.

11.8 The rate for water services to Members shall be a common rate, calculated by dividing the estimated costs of the system determined under clause 11.2, by the total volume of water requested under Clause 10.3 by the Members and anticipated to be sold to customers.

11.9 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 12.3. 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 10.3 times the rate set out in clause 12.3.

11.10 For those Members not purchasing water from the Commission, the Member shall be responsible for a minimum annual payment to the Commission 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/or

(b) "y" times the cost components set out in sub-clauses 11.2 (b)(iv)(v)(vi) for the system where "y" is the ratio of the members volume allocation to the total volume allocation set out in Clause 10.1.

11 CUSTOMERS AND RESTRICTIONS IN USE OF WATER

12.1 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.

12.2 The Commission may terminate the supply of water services to any Member for failure

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to pay for water services received from the Commission.

12.3 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 purchased under the cost of water, which includes the purchase price, transmission costs, administration and other costs associated with the delivery of water

12 CHANGE IN MEMBERSHIP

13.1 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.

13.2 A new Member shall be required to pay an amount to be calculated at the time of application.

13.3 Any contribution received by the Commission under Clause 13.2 shall inure to the benefit of the existing Members in the proportion to the contribution of the existing members to the Commission from the date of inception of the Commission to the date of entry of any new member.

13.4 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.

13.5 The withdrawing Member shall remain responsible for any respective proportion of net current financial obligations of the Commission for which the Member is responsible and shall pay to the Commission such share and any accrued interest.

13.6 The withdrawing Member shall still be responsible for any respective proportion of long term debt that has been incurred by the Commission in the construction of the System and for any future long term debt that will be required to complete the System as planned, being the date of the Ministerial Order of the withdrawing Member as part of the Commission, at the time the withdrawing Member was part of the Commission and shall either:

- (a) pay the outstanding principle and any accrued interest of current long term debt and the respective share of future long term debt to the Commission or
- (b) agree to continue to pay the respective share of the annual payments for the current and future debt.

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13.7 Any proceeds to the Member from the sale of capacity under clause 13.3 shall be firstly applied to outstanding financial obligations under clauses 13.5 and 13.6.

13.8 The addition of any new Member or the withdrawal of any Member shall be subject to the approval of the Government of Alberta.

14. AMENDMENTS

14.1 An amendment to this Bylaw may be passed by the Board by a three quarters majority of the Directors of the Board.

15. SEVERABILITY

15.1 If any provision of this Bylaw is found to be invalid or unenforceable for any reason, such determination shall not affect the validity or application of the remaining provisions of this Bylaw

16. COMING INTO FORCE

16.1 This Bylaw shall come into force on the date of third and final reading.

READ A FIRST TIME this 23rd day of January 2017

READ A SECOND TIME this 23rd day of January 2017

READ A THIRD TIME this 23rd day of January 2017

CHAIR

MANAGER