

SMOKY LAKE COUNTY

Minutes of the **County Council Meeting** held on Thursday, **March 28, 2019** at 9:04 A.M. in the County Council Chambers.

The meeting was called to Order by the Reeve, Mr. Craig Lukinuk, in the presence of the following persons:

<u>Div. No.</u>	<u>Councillor(s)</u>	<u>ATTENDANCE</u> <u>Thursday, March 28, 2019</u>
1	Dan Gawalko	Present
2	Johnny Cherniwchan	Present
3	Craig Lukinuk	Present
4	Lorne Halisky	Present
5	Randy Orichowski	Present
CAO	Cory Ollikka	Present
Asst. CAO	Lydia Cielin	Present
Finance Manager	Brenda Adamson	Present
Public Works Mgr.	Doug Ponich	Present
Communication	Paul Miranda	Present
Plan/Dev Manager	Jordan Ruegg	Present
Plan/Dev Assistant	Kyle Schole	Present
Legislative Svcs/R.S.	Patti Priest	Present

2 Members of the Media were present: The Review and Smoky Lake Signal.

No Members of the Public were in attendance.

Barb McCarthy, CA, JMD Group LLP, was present for the purpose of delegation.

2. Agenda:

500-19: Orichowski That the Agenda for Thursday, March 28, 2019 County Council Meeting be adopted, as amended:

Addition to the Agenda:

1. Request to Construct a Free-Standing High-Speed Internet Communications Tower – Plan 8322040, Block 4, Lot 12MR (Municipal Reserve).

Carried Unanimously.

3. Minutes:

Minutes of February 8, 2019 – County Council Committee of the Whole - Personnel

501-19: Halisky That the minutes of the **Smoky Lake County Council Committee of the Whole for the Purpose of Personnel Meeting** held on Friday, February 8, 2019, be adopted as presented.

Carried.

Minutes of February 8, 2019 – County Council Special Meeting

502-19: Halisky That the minutes of the **Smoky Lake County Council Special Meeting** held on Friday, February 8, 2019, be adopted as presented.

Carried.

Minutes of February 21, 2019 – County Council Meeting

503-19: Gawalko That the minutes of the **Smoky Lake County Council Meeting** held on Thursday, February 21, 2019, be adopted as presented.

Carried.

Meeting Recessed

Meeting recessed for Public Hearing, time 9:15 a.m.

PUBLIC HEARING:

Proposed Bylaw No. 1341-19: to amend Land Use Bylaw No. 1272-14 to rezone the land legally described as SE-08-60-19-W4, from Agriculture (AG) District to Highway Commercial (C1) District.

1.0 Opening

The Public Hearing was **called to order at 9:15 a.m.** by the Reeve, Craig Lukinuk in the presence of Council members, Chief Administrative Officer, Assistant Chief Administrative Officer, GIS/Communication Director, Planning and Development Manager, Planning and Development Assistant, Recording Secretary and **no members of the public.**

There were no members of the Public present, and therefore, none signed in on the sign-in sheet.

Confirmation was provided that the Public Hearing was advertised and notice was provided in accordance with the applicable legislation.

The purpose of the hearing was summarized:

To obtain public input in regard to Bylaw No. 1341-19: to amend Land Use Bylaw No. 1272-14 to rezone the land legally described as SE-08-60-19-W4, from Agriculture (AG) District to Highway Commercial (C1) District.

2.0 Staff Presentation

Jordan Ruegg, Planning and Development Manager provided the following information:

Proposed **Bylaw No. 1341-19** background:

- January 31, 2019 - The Proponent submitted a letter to Council requesting deferment of the application fee for this rezoning application & the application fee for the Development Permit that will be required to operate the proposed development, should Council pass the proposed Bylaw 1341-19.
- January 31, 2019 - Smoky Lake County Council Motion 307-19: That Smoky Lake County approve to extend the payment due date by 150 days for necessary permits in regard to opening a cooperative market store on the lands legally described as SE 8-60-19-W4M, making the fees due and payable on June 30, 2019.
- February 18, 2019 - Smoky Lake County received an application to amend Smoky Lake County Land Use Bylaw No. 1272-14 from Mandy Melnyk, representative from The Gathering Place Producer Co-Op, a local producer cooperative.
- The proposed Amendment to Smoky Lake County Land Use Bylaw No. 1272-14 is being proposed to allow for the redistricting of all the portions of the lands legally described as SE 8-60-19-W4M, from Agriculture (AG) District to Highway Commercial (C1) District.
- The proposed rezoning is consistent with Smoky Lake County Municipal Development Plan 1249-12, which identifies the lands legally described as SE 8-60-17-W4M as “Commercial Area” under Section 7.2 Future Land Use Map.

- If successful in obtaining the requested Amendments, the Proponent plans to develop a “Convenience Retail Service” (cooperative market store with produce sales) and “Eating and Drinking Establishment (bistro-style restaurant with a commercial kitchen) on said lands.
- February 21, 2019, Smoky Lake County Motion 495-19: That Bylaw No. 1341-19 was given first reading.
- The Public Hearing Notices were advertised in the Smoky Lake Signal the weeks of March 11, 2019 and March 18, 2019. The proposed bylaws were advertised, and notice has been provided in accordance with the applicable legislation.
- A notice has also been posted on the County’s website since March 7, 2019.
- This Public Hearing has been scheduled to obtain public input on the proposed Bylaws in accordance with Section 230 of the Municipal Government Act.

3.0 Public Presentations Via Written Submissions

There were no written public presentations received.

4.0 Public Presentations at the Public Hearing

There were no members of the Public present, and therefore, none signed in on the sign-in sheet in opposition or in support of proposed **Bylaw No. 1341-19**.

5.0 Questions and Answers

There were no questions.

6.0 Closing Remarks

There being no further presentations.

The public hearing and discussion on Smoky Lake County’s proposed **Bylaw No. 1341-19**: to amend Land Use Bylaw No. 1272-14 to rezone the land legally described as SE-08-60-19-W4, from Agriculture (AG) District to Highway Commercial (C1) District, was declared closed, time **9:23 a.m.**

County Council Meeting

The Smoky Lake County Council Meeting reconvened, time **9:23 a.m.**

7. Delegation:

JMD Group LLP

Present before County Council at 9:23 a.m. to 9:39 a.m. was Barb McCarthy, CA, JMD Group LLP, to present the Smoky Lake County Consolidated Financial Statement and the Smoky Lake Gas Utility Financial Statement for the Year-End December 31, 2018 as follows:

SMOKY LAKE COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Council:

Opinion

We have audited the consolidated financial statements of Smoky Lake County (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets, and cash flows and schedules 1 to 6 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of the audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. Paul, Alberta
March 28, 2019

CHARTERED ACCOUNTANTS

**SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018**

	2018	2017
Financial assets		
Cash	\$ 14,400,681	\$ 14,015,567
Taxes and grants in place receivable (note 2)	794,678	632,396
Receivables from other governments	1,386,383	973,936
Trade and other receivables	852,797	730,450
Investment in Gas Alberta Inc. (note 3)	67,983	67,983
Investment in Corridor Communications Inc. (note 4)	<u>1,099,894</u>	<u>1,099,894</u>
	<u>18,602,416</u>	<u>17,520,226</u>
Liabilities		
Accounts payable and accrued liabilities	867,440	616,719
Employee obligations (note 5)	1,306,966	1,286,797
Deposit liabilities	269,395	268,345
Deferred revenue (note 7)	1,174,614	408,726
Tax sale surplus	4,227	7,244
Landfill closure and post-closure liability (note 8)	<u>248,000</u>	<u>220,110</u>
	<u>3,870,642</u>	<u>2,807,941</u>
Net financial assets	<u>14,731,774</u>	<u>14,712,285</u>
Non-financial assets		
Tangible capital assets (schedule 2)	40,184,654	39,659,781
Inventory (note 6)	2,588,300	2,367,377
Prepaid expenses	<u>217,304</u>	<u>241,084</u>
	<u>42,990,258</u>	<u>42,268,242</u>
Accumulated surplus (schedule 1, note 12)	<u>\$ 57,722,032</u>	<u>\$ 56,980,527</u>
Contingent liabilities (note 14)		

ON BEHALF OF THE SMOKY LAKE COUNTY

Reeve

CAO

**SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget (unaudited)	2018	2017
Revenues			
Net municipal taxes (schedule 3)	\$ 9,662,339	\$ 9,648,991	\$ 9,149,389
Sales of goods and services	833,754	823,059	960,356
Government transfers for operating (schedule 4)	1,257,260	1,133,189	1,353,343
Investment income	199,000	334,636	221,345
Penalties and costs of taxes	73,000	146,823	111,395
Licenses and permits	67,305	90,201	65,871
Special levies and taxes	208,800	262,447	233,734
Insurance recoveries	66,000	70,575	73,651
Rentals and leases	32,680	26,288	33,920
Natural gas	<u>2,969,966</u>	<u>2,506,933</u>	<u>2,790,822</u>
	<u>15,370,104</u>	<u>15,043,142</u>	<u>14,993,826</u>
Expenses			
Legislative	470,008	471,621	459,032
Administration	2,274,564	1,987,544	1,680,316
Protective services	867,212	818,651	783,316
Transportation	8,457,940	7,242,550	6,913,341
Water and wastewater	499,310	533,353	507,614
Landfill	487,116	599,042	661,038
Further Education	125,700	114,596	109,326
Agriculture services	833,296	768,323	807,209
Municipal planning, community and economic development	655,290	498,694	454,977
Recreation and culture	460,651	491,587	420,520
Natural gas	<u>2,921,967</u>	<u>2,417,810</u>	<u>2,765,484</u>
	<u>18,053,054</u>	<u>15,943,771</u>	<u>15,562,173</u>
Deficiency of revenues over expenses before other	(2,682,950)	(900,629)	(568,347)
Other			
Contributions to tangible capital assets	-	-	37,881
Gain (loss) on disposal of tangible capital assets	125,000	(45,659)	(133,005)
Government transfers for capital (schedule 4)	<u>1,308,063</u>	<u>1,687,793</u>	<u>1,757,986</u>
Excess (deficiency) of revenues over expenses	(1,249,887)	741,505	1,094,515
Accumulated surplus, beginning of year	<u>56,980,527</u>	<u>56,980,527</u>	<u>55,886,012</u>
Accumulated surplus, end of year	<u>\$ 55,730,640</u>	<u>\$ 57,722,032</u>	<u>\$ 56,980,527</u>

**SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget (unaudited)	2018	2017
Excess (deficiency) of revenues over expenses	\$ (1,249,887)	\$ 741,505	\$ 1,094,515
Acquisition of tangible capital assets	(2,072,300)	(2,986,296)	(3,460,525)
Proceeds on disposal of tangible capital assets	125,000	79,007	645,116
Amortization of tangible capital assets	2,237,152	2,336,757	2,296,432
(Gain) loss on disposal of tangible capital assets	<u>(125,000)</u>	<u>45,659</u>	<u>133,005</u>
	<u>164,852</u>	<u>(524,873)</u>	<u>(385,972)</u>
Acquisition of inventory	(2,588,300)	(2,391,061)	(2,559,922)
Use of inventory	2,367,377	2,170,138	2,656,480
Acquisition of prepaid assets	(217,304)	(217,304)	(241,084)
Use of prepaid assets	<u>241,083</u>	<u>241,084</u>	<u>202,980</u>
	<u>(197,144)</u>	<u>(197,143)</u>	<u>58,454</u>
Increase (decrease) in net financial assets	(1,282,179)	19,489	766,997
Net financial assets, beginning of year	<u>14,712,285</u>	<u>14,712,285</u>	<u>13,945,288</u>
Net financial assets, end of year	<u>\$ 13,430,106</u>	<u>\$ 14,731,774</u>	<u>\$ 14,712,285</u>

SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
Net inflow (outflow) of cash related to the following activities:		
Operating		
Excess of revenues over expenses	\$ 741,505	\$ 1,094,515
Non-cash items included		
Amortization of tangible capital assets	2,336,757	2,296,432
Loss on disposal of tangible capital assets	45,659	133,005
Non-cash charges to operations (net change):		
Decrease (increase) in		
Taxes and grants in place receivable	(162,282)	(41,419)
Receivables from other governments	(412,447)	(89,544)
Trade and other receivables	(122,347)	(18,067)
Inventory	(220,923)	96,558
Prepaid expenses	23,780	(38,104)
Increase (decrease) in		
Accounts payable and accrued liabilities	250,721	8,818
Employee obligations	20,169	(23,817)
Deposit liabilities	1,050	26,680
Deferred revenue	765,888	(1,012,737)
Tax sale surplus	(3,017)	(38,514)
Landfill closure and post-closure	27,890	220,110
	<u>3,292,403</u>	<u>2,613,916</u>
Capital		
Acquisition of tangible capital assets	(2,986,296)	(3,460,525)
Proceeds on disposal of tangible capital assets	79,007	645,116
	<u>(2,907,289)</u>	<u>(2,815,409)</u>
Financing and Investing		
Redemption (purchase of) Gas Alberta Inc. shares	--	(77)
Change in cash during the year	385,114	(201,570)
Cash, beginning of year	<u>14,015,567</u>	<u>14,217,137</u>
Cash, end of year	<u>\$ 14,400,681</u>	<u>\$ 14,015,567</u>

SMOKY LAKE COUNTY
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2018	2017
Balance, beginning of year	\$ 6,150,473	\$ 11,170,273	\$ 39,659,781	\$ 56,980,527	\$ 55,886,012
Excess of revenues over expenses	741,505	--	--	741,505	1,094,515
Unrestricted funds designated for future use	(1,872,176)	1,872,176	--	--	--
Restricted funds used for operations	1,798,566	(1,798,566)	--	--	--
Restricted funds used for tangible capital assets	--	--	--	--	--
Current year funds used for tangible capital assets	(2,986,296)	--	2,986,296	--	--
Disposal of tangible capital assets	124,666	--	(124,666)	--	--
Annual amortization expense	2,336,757	--	(2,336,757)	--	--
Change in accumulated surplus	<u>143,022</u>	<u>73,610</u>	<u>524,873</u>	<u>741,505</u>	<u>1,094,515</u>
Balance, end of year	<u>\$ 6,293,495</u>	<u>\$ 11,243,883</u>	<u>\$ 40,184,654</u>	<u>\$ 57,722,032</u>	<u>\$ 56,980,527</u>

SMOKY LAKE COUNTY
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2018	2017
Cost								
Balance, beginning of year	\$ 5,143,588	\$ 1,286,745	\$ 4,597,289	\$ 48,405,076	\$ 11,084,772	\$ 6,058,627	\$ 76,576,097	\$ 75,259,769
Acquisition of tangible capital assets	--	51,662	--	1,781,873	988,557	156,634	2,978,726	3,434,393
Construction-in-progress	--	--	--	7,570	--	--	7,570	26,131
Disposal of tangible capital assets	--	--	--	--	(43,350)	(355,044)	(398,394)	(2,144,196)
Balance, end of year	<u>5,143,588</u>	<u>1,338,407</u>	<u>4,597,289</u>	<u>50,194,519</u>	<u>12,029,979</u>	<u>5,860,217</u>	<u>79,163,999</u>	<u>76,576,097</u>
Accumulated amortization								
Balance, beginning of year	--	794,142	1,344,919	26,456,324	4,863,072	3,457,859	36,916,316	35,985,960
Annual amortization	--	64,216	78,912	1,243,378	632,958	317,293	2,336,757	2,296,432
Accumulated amortization on disposals	--	--	--	--	(26,427)	(247,301)	(273,728)	(1,266,076)
Balance, end of year	<u>--</u>	<u>858,358</u>	<u>1,423,831</u>	<u>27,699,702</u>	<u>5,469,603</u>	<u>3,527,851</u>	<u>38,979,345</u>	<u>36,916,316</u>
Net book value of tangible capital assets	<u>\$ 5,143,588</u>	<u>\$ 480,049</u>	<u>\$ 3,173,458</u>	<u>\$ 22,494,817</u>	<u>\$ 6,560,376</u>	<u>\$ 2,332,366</u>	<u>\$ 40,184,654</u>	<u>\$ 39,659,781</u>
2017 Net book value of tangible capital assets	<u>\$ 5,143,588</u>	<u>\$ 492,603</u>	<u>\$ 3,252,370</u>	<u>\$ 21,948,752</u>	<u>\$ 6,221,700</u>	<u>\$ 2,600,768</u>	<u>\$ 39,659,781</u>	

SMOKY LAKE COUNTY
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget (unaudited)	2018	2017
Levies			
Residential and farmland	\$ 3,439,124	\$ 3,450,038	\$ 3,157,782
Non-residential	914,244	897,454	879,863
Machinery and equipment	1,403,381	1,403,382	1,288,126
Linear property	6,281,505	6,281,353	6,281,666
Grants in place	60,662	60,662	55,142
	<u>12,098,916</u>	<u>12,092,889</u>	<u>11,662,579</u>
Requisitions			
Alberta School Foundation Fund	1,929,359	1,926,718	2,007,953
Smoky Lake Foundation	507,218	506,340	505,237
Designated Industrial Property	--	10,840	--
	<u>2,436,577</u>	<u>2,443,898</u>	<u>2,513,190</u>
Net municipal taxes	\$ 9,662,339	\$ 9,648,991	\$ 9,149,389

SCHEDULE 4 - GOVERNMENT TRANSFERS

Transfers for operations			
Federal	\$ 41,500	\$ 38,601	\$ 4,392
Provincial	1,121,462	1,033,811	989,016
Other local governments	94,298	60,777	359,935
	<u>1,257,260</u>	<u>1,133,189</u>	<u>1,353,343</u>
Transfers for capital			
Federal	--	--	7,830
Provincial	1,308,063	1,687,793	1,750,156
	<u>1,308,063</u>	<u>1,687,793</u>	<u>1,757,986</u>
Total government transfers	\$ 2,565,323	\$ 2,820,982	\$ 3,111,329

SCHEDULE 5 - CONSOLIDATED EXPENSES BY OBJECT

Expenses			
Salaries, wages and benefits	\$ 7,397,350	\$ 6,946,278	\$ 6,779,468
Contracted and general services	3,389,109	2,728,508	2,338,474
Purchases from other governments	99,121	105,878	86,065
Materials, goods, supplies and utilities	2,913,237	2,387,303	2,397,509
Provision for allowances and bad debts	200,000	116,615	81,881
Transfers to other governments	33,000	51,486	45,594
Transfers to individuals and organizations	371,825	244,859	193,454
Bank charges and short-term interest	6,660	3,088	2,737
Tax adjustments	3,000	13,487	8,036
Natural gas purchases	1,402,600	1,009,512	1,332,523
Amortization of tangible capital assets	2,237,152	2,336,757	2,296,432
Total expenses	\$ 18,053,054	\$ 15,943,771	\$ 15,562,173

SMOKY LAKE COUNTY
SCHEDULE 6 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Government	Protective Services	Transportation Services	Environmental Services	Agriculture	Planning, Community Services	Recreation and Culture	Gas	Total
Revenue									
Net municipal taxes	\$ 9,648,991	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,648,991
Government transfers	67,830	22,680	2,145,041	--	186,623	279,087	119,721	--	2,820,982
User fees and sales of goods	122,178	208,677	234,792	251,776	5,636	--	--	2,506,933	3,329,992
Investment income	314,636	--	--	--	--	--	--	20,000	334,636
Other revenues	229,262	350	253,720	8,829	285	81,673	22,215	--	596,334
	<u>10,382,897</u>	<u>231,707</u>	<u>2,633,553</u>	<u>260,605</u>	<u>192,544</u>	<u>360,760</u>	<u>141,936</u>	<u>2,526,933</u>	<u>16,730,935</u>
Expenses									
Salaries, wages and benefits	1,332,921	323,859	3,098,083	479,061	455,163	229,580	186,835	840,776	6,946,278
Contract and general services	800,633	271,438	776,454	331,242	139,990	284,470	43,829	186,330	2,834,386
Goods and supplies	100,555	102,274	1,703,593	104,805	121,248	4,819	81,424	1,178,097	3,396,815
Transfers to others	40,816	--	--	51,485	--	94,421	109,623	--	296,345
Loss (gain) on disposal of assets	--	--	(16,162)	53,604	5,402	--	2,815	--	45,659
Other expenses	118,300	--	15,000	1,403	--	--	--	(1,513)	133,190
	<u>2,393,225</u>	<u>697,571</u>	<u>5,576,968</u>	<u>1,021,600</u>	<u>721,803</u>	<u>613,290</u>	<u>424,526</u>	<u>2,203,690</u>	<u>13,652,673</u>
Net revenue before amortization	7,989,672	(465,864)	(2,943,415)	(760,995)	(529,259)	(252,530)	(282,590)	323,243	3,078,262
Amortization expense	(65,940)	(121,080)	(1,649,420)	(164,399)	(51,922)	--	(69,876)	(214,120)	(2,336,737)
Net revenue	\$ 7,923,732	\$ (586,944)	\$ (4,592,835)	\$ (925,394)	\$ (581,181)	\$ (252,530)	\$ (352,466)	\$ 109,123	\$ 741,505

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. Significant Accounting Policies

The consolidated financial statements of the Smoky Lake County are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the county are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the county and are, therefore, accountable to the county Council for the administration of their financial affairs and resources. Included with the county is the Smoky Lake Heritage Board.

The schedule of taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Cash

Cash is defined as petty cash and cash in chequing and savings accounts adjusted for outstanding cheques and deposits.

(d) Investments

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. Significant Accounting Policies - continued

(e) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(f) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(g) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

(h) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(i) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the county is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. Significant Accounting Policies – continued

(j) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Years</u>
Land improvements	10-25
Buildings	50
Engineered structures	
Roadway system	15
Water systems	18-40
Wastewater systems	18-40
Bridges	50-150
Gas distribution system	40-50
Machinery and equipment	20-30
Vehicles	10-20

One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(k) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

2. Taxes and Grants in Place Receivable	<u>2018</u>	<u>2017</u>
Current	\$ 473,390	\$ 557,167
Arrears	780,042	393,330
Less allowance for doubtful accounts	<u>(458,754)</u>	<u>(318,101)</u>
	\$ <u>794,678</u>	\$ <u>632,396</u>

3. Investment in Gas Alberta Inc.

Effective June 30, 1998, Gas Alberta, a branch of Alberta Transportation and Utilities, was privatized and operations assumed by Gas Alberta Inc. The shareholders of Gas Alberta Inc. are predominantly made up of members of the Federation of Alberta Gas Co-ops.

The county's investment in Gas Alberta Inc. consists of:

	<u>2018</u>	<u>2017</u>
Class A common shares	\$ 483	\$ 483
Loan receivable	<u>67,500</u>	<u>67,500</u>
	\$ <u>67,983</u>	\$ <u>67,983</u>

The loan is non-interest bearing and is secured by a debenture. The loan is due upon the expiration of the contract and may be repaid earlier at Gas Alberta Inc.'s option or in the event the county no longer holds any of the Class A common shares.

4. Investment in Corridor Communications Inc.	<u>2018</u>	<u>2017</u>
657,829 Class B common shares	\$ 424,286	\$ 424,286
675,608 Class G preferred shares	<u>675,608</u>	<u>675,608</u>
	\$ <u>1,099,894</u>	\$ <u>1,099,894</u>

5. Employee Obligations

	<u>2018</u>	<u>2017</u>
Accrued holiday pay	\$ 359,958	\$ 369,004
Accrued retirement benefits	104,763	102,476
Accrued wages	86,563	72,640
Accrued sick leave	<u>755,682</u>	<u>742,677</u>
	\$ <u>1,306,966</u>	\$ <u>1,286,797</u>

6. Inventory	<u>2018</u>	<u>2017</u>
Public works	\$ 602,260	\$ 560,785
Gravel (valued at crushing cost)	1,916,406	1,749,720
A.S.B.	<u>16,719</u>	<u>16,030</u>
	2,535,385	2,326,535
Gas utility	<u>52,915</u>	<u>40,842</u>
	\$ <u>2,588,300</u>	\$ <u>2,367,377</u>

**SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

7. Deferred Revenue	<u>2018</u>	<u>2017</u>
Federal Gas Tax Fund	\$ 263,104	\$ 127,370
Municipal Sustainability Initiative – Capital	876,486	204,036
CARES	--	21,338
Advanced Education	18,544	20,804
Fire Training	--	14,238
Natural gas sales	<u>16,480</u>	<u>20,940</u>
	\$ 1,174,614	\$ 408,726

Funding from various grant programs, organizations and individuals, in the amount of \$1,174,614 remained unspent at the end of the current year. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements or as indicated by the donors. Most of the projects are scheduled for completion in 2019.

8. Landfill Closure and Post-Closure Liability

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on an engineering assessment dated November 27, 2017.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total capacity of the site is estimated at 135,000 cubic metres. The estimated remaining capacity of the landfill site is 93,000 cubic metres. The existing landfill site is expected to reach capacity in approximately the year 2049.

The municipality has not designated assets for setting closure and post-closure liabilities.

	<u>2018</u>	<u>2017</u>
Estimated closure costs	\$ 392,000	\$ 383,000
Estimated post-closure costs	383,000	376,000
Estimated total liability	<u>\$ 775,000</u>	<u>\$ 759,000</u>
Estimated capacity remaining	68%	71%
Portion of total liability remaining to be recognized	<u>\$ 527,000</u>	<u>\$ 538,890</u>
Estimated capacity used	32%	29%
Accrued liability portion	<u>\$ 248,000</u>	<u>\$ 220,110</u>

**SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

9. Contaminated Sites Liability

In 2017 a phase 1 environmental assessment was conducted on SE-16-59-19 W4M. The assessment concluded that there was a high potential for contamination of soil, soil vapour, and/or groundwater at the subject site relative to CL, IL, or Aquatic Life and DW standards. A phase 2 environmental study was conducted in 2018 to establish what remediation is required. Currently, a provision of \$100,000 has been recorded.

10. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Smoky Lake County be disclosed as follows:

	<u>2018</u>	<u>2017</u>
Total debt limit	\$ 22,564,713	\$ 22,547,561
Total debt (including loan guarantee)	<u>--</u>	<u>(10,001)</u>
Debt limit remaining	<u>\$ 22,564,713</u>	<u>\$ 22,537,560</u>
Debt servicing limit	\$ 3,760,785	\$ 3,757,927
Debt servicing	<u>--</u>	<u>--</u>
Debt servicing limit remaining	<u>\$ 3,760,785</u>	<u>\$ 3,757,927</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

11. Operating Loan

The county has a prime less ¼% authorized operating line of \$5,000,000 with the Alberta Treasury Branch. No balance was outstanding as at December 31, 2018.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

12. Accumulated Surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2018	2017
Unrestricted surplus	\$ 6,293,495	\$ 6,150,473
Restricted surplus		
Capital		
Building	168,374	118,374
General	2,356,505	2,442,118
Regional landfill	470,901	433,936
Transportation	777,803	909,111
Gravel pit reclamation	438,440	424,483
Gravel pit development	64,673	42,262
Fire	1,076,430	828,847
Street sweeper	36,864	30,926
Connectivity	--	70,271
Regional waterline	259,988	258,818
Road development	855,195	601,577
Economic development	86,223	112,437
Municipal reserve	39,122	39,122
	6,630,518	6,312,282
Municipal general	3,012,895	3,438,463
Gas	1,600,470	1,419,528
Total restricted	11,243,883	11,170,273
Equity in tangible capital assets	40,184,654	39,659,781
	\$ 57,722,032	\$ 56,980,527

13. Segmented Disclosure

The Smoky Lake County provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

Refer to Schedule 6 – Segmented Disclosure.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

14. Contingent Liabilities

(a) Evergreen Regional Waste Management Services Commission

Smoky Lake County is a member of the Evergreen Regional Waste Management Services Commission. Each participating municipality funds a portion of the Commission's deficit based on their proportionate tippage for the year. The expense is accounted for as a current transaction in the year the county is invoiced.

(b) Highway 28/63 Regional Water Services Commission

Smoky Lake County is a member of Highway 28/63 Regional Water Services Commission. Each participating municipality would be responsible for their proportionate share of any unfunded deficit. The expense would be accounted for as a current transaction in the year the county is invoiced.

15. Financial Instruments

The county's financial instruments consist of cash, receivables, long-term investments, loans receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the county is not exposed to significant interest or currency risks arising from these financial instruments.

The county is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the county provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

16. Salary and Benefits Disclosure

Disclosure of salaries and benefits for municipal officials and designated officers as required by Alberta Regulation 313/2000 is as follows:

		2018		
		Salary	Benefits & Allow.	Expenses
		(1)	(2)	(3)
Reeve	Lukimuk	\$ 67,555	\$ 13,883	\$ 29,495
Councillors	Orichowski	61,814	13,116	25,676
	Gawalko	58,944	9,428	27,088
	Cherniwchan	58,944	13,736	26,150
	Halisky	58,944	12,736	21,899
Total 2018 legislative costs		\$ 306,201	\$ 62,899	\$ 130,308
Chief Administrative Officer	Ollikka	\$ 154,098	\$ 31,868	\$ 9,078
Designated Officer (contract)		\$ 135,852	\$ --	\$ --

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

16. Salary and Benefits Disclosure (continued)

		2017		
		Salary	Benefits & Allow.	Expenses
		(1)	(2)	(3)
Reeve	Lukinuk	\$ 67,621	\$ 14,690	\$ 31,309
Councillors	Orichowski	61,966	13,035	21,585
	Gawalko	9,856	1,560	6,893
	Cherniwchan	9,856	2,109	7,609
	Halisky	9,856	2,109	6,961
	Smigerowsky	49,281	10,547	8,202
	Cholak	49,281	10,547	8,148
	Bobocel	<u>53,310</u>	<u>4,199</u>	<u>13,585</u>
	Total 2018 legislative costs		<u>\$ 311,027</u>	<u>\$ 58,796</u>
Chief Administrative Officer	Ollikka	<u>\$ 151,821</u>	<u>\$ 33,059</u>	<u>\$ 13,638</u>

(1) Salary includes regular base pay, gross honoraria, Reeve remuneration and any other direct cash remuneration. These amounts are included in Legislative, Development, ASB, and Natural Gas functional expenses.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including Canada Pension Plan, Employment Insurance, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, and professional memberships.

(3) Expenses include travel, mileage, meals, accommodation, registration fees and other expenses.

17. Local Authorities Pension Plan

Employees of the county participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 260,000 people and 420 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The county is required to make current service contributions to the LAPP of 10.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.84% on pensionable earnings above this amount. Employees of the county are required to make current service contributions of 9.39% of pensionable salary up to the year's maximum pensionable salary and 13.84% on pensionable salary above this amount.

Total current service contributions by the county to the LAPP in 2018 were \$305,347 (2017 - \$331,262). Total current service contributions by the employees of the county to the LAPP in 2018 were \$279,812 (2017 - \$305,690).

At December 31, 2017, the LAPP disclosed an actuarial surplus of \$4.84 billion.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

18. Approval of Financial Statements

Council and Management have approved these financial statements.

19. Budget Amounts

Budget amounts are included for information purposes only and are not audited.

20. Recent Accounting Pronouncements Published But Not Yet Adopted

- (a) PSAS Section 1201, Financial Statement Presentation
Revised standard is effective beginning on or after April 1, 2021, when sections PS2601 and PS3450 are adopted.
- (b) PSAS Section 2601, Foreign Currency Transaction
PS2601 establishes standards on how to account for and report transactions that are denominated in foreign currency in government financial statements. It applies to years beginning on or after April 1, 2021.
- (c) PSAS Section 3041, Portfolio Investments
This standard addresses the distinction between temporary and portfolio investments. The standard is effective beginning on or after April 1, 2021, when sections PS1201, PS2601 and PS3450 are adopted.
- (d) PSAS Section 3280, Asset Retirement Obligations
This standard is intended to provide guidance on accounting for asset retirement obligations and will apply in years beginning on or after April 1, 2021.
- (e) PSAS Section 3400, Revenue
This standard will provide greater clarity on the difference between exchange and non-exchange transactions. It applies in years beginning on or after April 1, 2022.
- (f) PSAS Section 3450, Financial Instruments
This standard establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. It applies to years beginning on or after April 1, 2021.

SMOKY LAKE COUNTY GAS UTILITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Council:

Opinion

We have audited the financial statements of the Smoky Lake County Gas Utility, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net financial assets, and cash flows and schedules of changes in accumulated surplus, gross margin and operating expenses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Gas Utility as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Gas Utility in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Gas Utility's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Gas Utility or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Gas Utility's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of the audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gas Utility's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gas Utility's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Gas Utility to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. Paul, Alberta
March 28, 2019

CHARTERED ACCOUNTANTS

SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
Financial assets		
Due from general operating fund	\$ 1,531,885	\$ 1,297,595
Receivables (net of allowance)	340,038	310,806
Investment in Gas Alberta Inc. (note 3)	<u>67,983</u>	<u>67,983</u>
	<u>1,939,906</u>	<u>1,676,384</u>
Liabilities		
Accounts payable	157,527	189,354
Meter deposits payable	9,975	8,725
Deferred revenue	<u>16,480</u>	<u>20,940</u>
	<u>183,982</u>	<u>219,019</u>
Net financial assets	<u>1,755,924</u>	<u>1,457,365</u>
Non-financial assets		
Inventory	52,915	40,842
Prepaid expenses	40,259	27,648
Tangible capital assets (note 4)	<u>2,554,930</u>	<u>2,769,050</u>
	<u>2,648,104</u>	<u>2,837,540</u>
Accumulated surplus (note 5)	<u>\$ 4,404,028</u>	<u>\$ 4,294,905</u>

ON BEHALF OF THE SMOKY LAKE COUNTY

_____ Reeve

_____ CAO

SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget (unaudited)	2018	2017
Revenues			
Gas sales and distribution charges	\$ 2,130,300	\$ 1,707,265	\$ 2,037,888
Penalties and service charges	490,133	504,151	497,024
Appliance sales and service	100	--	--
Sale of goods, secondaries, conversions	124,433	88,590	45,413
RMO operating grant	25,000	25,137	25,137
Interest income	10,000	20,000	10,000
Bulk odorant delivery	86,000	106,370	94,530
Compressed natural gas revenue	46,000	2,500	31,725
Carbon Levy admin fee	--	--	2,281
Gas Alberta rebate	--	30,920	34,010
Infill rebate	--	--	5,314
Infill recovery	<u>68,000</u>	<u>42,000</u>	<u>17,500</u>
	<u>2,979,966</u>	<u>2,526,933</u>	<u>2,800,822</u>
Expenses			
Wages and benefits	920,622	840,776	897,694
Materials	181,137	168,585	126,067
Gas purchases	1,402,600	1,009,512	1,332,523
Contracted and general services	230,608	186,330	194,772
Amortization	187,000	214,120	213,831
Bad debt expense (recovery)	--	(1,513)	597
	<u>2,921,967</u>	<u>2,417,810</u>	<u>2,765,484</u>
Excess of revenues over expenses before other	57,999	109,123	35,338
Other			
Provincial government transfers	--	--	17,156
Excess of revenues over expenses	57,999	109,123	52,494
Accumulated surplus, beginning of year	4,294,905	4,294,905	4,242,411
Accumulated surplus, end of year	\$ 4,352,904	\$ 4,404,028	\$ 4,294,905

SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget (unaudited)	2018	2017
Excess of revenues over expenses	\$ 57,999	\$ 109,123	\$ 52,494
Acquisition of tangible capital assets	(315,000)	--	(53,391)
Amortization of tangible capital assets	<u>187,000</u>	<u>214,120</u>	<u>213,831</u>
	<u>(128,000)</u>	<u>214,120</u>	<u>160,440</u>
Acquisition of inventory	--	(68,288)	(40,255)
Use of inventory	--	56,215	27,895
Acquisition of prepaid assets	--	(40,259)	(27,648)
Use of prepaid assets	--	27,648	27,531
	--	(24,684)	(12,477)
Increase (decrease) in net financial assets	(70,001)	298,559	200,457
Net financial assets, beginning of year	1,457,365	1,457,365	1,256,908
Net financial assets, end of year	\$ 1,387,364	\$ 1,755,924	\$ 1,457,365

SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
Net inflow (outflow) of cash related to the following activities:		
Operating		
Excess of revenues over expenses	\$ 109,123	\$ 52,494
Non-cash items included		
Amortization of tangible capital assets	214,120	213,831
Non-cash charges to operations (net change):		
Decrease (increase)		
Receivables	(29,232)	(16,602)
Inventory	(12,073)	(12,360)
Prepaid expenses	(12,611)	(117)
Increase (decrease)		
Accounts payable	(31,827)	(37,251)
Meter deposits	1,250	--
Deferred revenue	(4,460)	(14,613)
	234,290	185,382
Capital		
Acquisition of tangible capital assets	--	(53,391)
Investing		
Redemption (purchase) of Gas Alberta Inc. shares	--	(77)
Change in cash and cash equivalents during the year	234,290	131,914
Cash and cash equivalents, beginning of the year	1,297,595	1,165,681
Cash and cash equivalents, end of the year	\$ 1,531,885	\$ 1,297,595

Cash and cash equivalents are defined as Due from General Operating Fund.

SMOKY LAKE COUNTY GAS UTILITY
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2018	2017
Balance, beginning of year	\$ 106,327	\$ 1,419,528	\$ 2,769,050	\$ 4,294,905	\$ 4,242,411
Excess (deficiency) of revenues over expenses	109,123	--	--	109,123	52,494
Funds designated for future use	(180,942)	180,942	--	--	--
Funds used for operations	--	--	--	--	--
Funds used for tangible capital assets	--	--	--	--	--
Annual amortization expense	214,120	--	(214,120)	--	--
Change in accumulated surplus	142,301	180,942	(214,120)	109,123	52,494
Balance, end of year	\$ 248,628	\$ 1,600,470	\$ 2,554,930	\$ 4,404,028	\$ 4,294,905

SMOKY LAKE COUNTY GAS UTILITY
SCHEDULE OF GROSS MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget (unaudited)	2018	2017
Gas sales and distribution charges	\$ 2,130,300	\$ 1,707,265	\$ 2,037,888
Gas purchases	(1,402,600)	(1,009,512)	(1,332,523)
Capital surcharge	(110,000)	(142,615)	(143,776)
Gross margin	\$ 617,700	\$ 555,138	\$ 561,589

SCHEDULE OF OPERATING EXPENSES

	Budget (unaudited)	2018	2017
General and administrative expenditures			
Council expenses	\$ 9,000	\$ 8,505	\$ 6,008
Audit, legal, and consulting	38,400	50,615	37,418
Advertising, membership, printing	32,715	22,687	37,348
Telephone, postage, freight, travel	29,158	23,228	22,754
Computer lease	5,000	4,576	4,992
Office supplies, utilities, insurance	65,814	66,894	67,932
Wages and benefits	425,744	418,009	399,848
	605,831	594,514	576,300
Distribution			
Wages and benefits	494,878	422,768	497,846
Vehicle and equipment costs	76,162	67,089	49,971
Repair and maintenance – system	155,496	111,320	94,266
	726,536	601,177	642,083
Gas purchases	1,402,600	1,009,512	1,332,523
Amortization	187,000	214,120	213,831
Bad debt expense (recovery)	--	(1,513)	597
Appliance purchases and repairs	--	--	150
Total operating expenditures	\$ 2,921,967	\$ 2,417,810	\$ 2,765,484

SMOKY LAKE COUNTY GAS UTILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. Significant Accounting Policies

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and change in net financial assets of the reporting entity which comprises the entire gas utility. These statements exclude all other municipal operations.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Such estimates include the amortization of capital assets and provision for doubtful accounts. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.

(d) Investments

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

SMOKY LAKE COUNTY GAS UTILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. Significant Accounting Policies (continued)

(e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets (debt) for the year.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	Years
Buildings	50
Distribution system	40-50
Machinery and equipment	20-30
Vehicles	10-20

One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

2. Prepaid Infills

The county has an obligation to provide infills to 127 lake lots. These infills will have to be installed once the owners request the infill. The costs of these infills will be expensed in the year of installation. The amounts are likely to be spread over many years and the cost in any one year is not likely to be significant. The future cost of these infills is not determinable at this time.

SMOKY LAKE COUNTY GAS UTILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3. Investment in Gas Alberta Inc.

Effective June 30, 1998, Gas Alberta, a branch of Alberta Transportation and Utilities, was privatized and operations assumed by Gas Alberta Inc. The shareholders of Gas Alberta Inc. are predominantly made up of members of the Federation of Alberta Gas Co-ops.

The county has entered into a gas supply contract, which renews automatically each year, to purchase natural gas exclusively from Gas Alberta Inc.

The county's investment in Gas Alberta Inc. consists of:

	2018	2017
Class A common shares	\$ 483	\$ 483
Loan receivable	67,500	67,500
	\$ 67,983	\$ 67,983

The loan is non-interest bearing and is secured by a debenture. The loan is due upon the expiration of the contract and may be repaid earlier at Gas Alberta Inc.'s option or in the event the county no longer holds any of the Class A common shares.

4. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2018	2017
Distribution system	\$ 6,913,504	\$ 4,856,196	\$ 2,057,308	\$ 2,213,040
Buildings	128,707	34,751	93,956	96,530
Machinery and equipment	332,930	123,492	209,438	226,599
Vehicles	465,300	271,072	194,228	232,881
	\$ 7,840,441	\$ 5,285,511	\$ 2,554,930	\$ 2,769,050

5. Accumulated Surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2018	2017
Unrestricted surplus	\$ 248,628	\$ 106,327
Restricted capital surplus	1,600,470	1,419,528
Equity in tangible capital assets	2,554,930	2,769,050
	\$ 4,404,028	\$ 4,294,905

2018 Consolidated Financial Statements and Gas Utility Financial Statements

504-19: Gawalko That Smoky Lake County Council adopt the audited Smoky Lake County Consolidated Financial Statements and the Smoky Lake County Gas Utility Financial Statements for the year ended: December 31, 2018, as prepared by JMD Group LLP.

Carried.

4. Request for Decision:

Overdue Bulk Water Account No. 3749

505-19: Orichowski That Smoky Lake County **write off** and inactivate the overdue **Bulk Water Account No. 3749** in the amount of \$2,700.00 plus penalties in the amount of \$2,905.94 for a total in the amount of **\$5,605.94**; and provide a notation of the amount being wrote off on the said account for future reference; and refuse to provide any further services to the account holder(s) unless the noted amount is paid in full.

Carried.

Policy Statement No. 03-39-13: Dust Control

506-19: Cherniwchan That Smoky Lake County amend Policy Statement No: **03-39-13: Dust Control be amended:**

Title: Dust Control	Policy No.: 39-13
Section: 03	Code: P-R Page No.: 1 of 6 <i>E</i>

Legislation Reference:	Municipal Government Act
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Purpose:	To specify guidelines for the provision of dust control suppression applications to areas of municipal roadways adjacent to residences.
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Policy Statement and Guidelines:	
1. STATEMENT:	
1.1	County recognizes that dust from gravel roads may create health, safety or general nuisance concerns for residents and therefore, provides a dust suppression program to mitigate the impact of dust in front of residences.
1.2	The County will implement the use of products for dust suppression which are environmentally safe and cost effective.
1.3	The County reserves the right to maintain or rework the application as required for safety and rideability.
1.4	The dust control suppression program usually commences in late spring and can continue through the summer months.
1.5	The County does not guarantee, in any way, the effectiveness of the dust control treatment agent or application for the purpose intended. Once the suppressant has been applied no refunds will be made.
2. DEFINITIONS:	
2.1	Blade Mix Oil: Mineral substance agent mixed with gravel to be on road surface for dust suppression.
2.2	MG-30 (Magnesium Chloride): A treatment agent for road surface that can be applied for dust suppression.
2.3	Dust Control: Measures to suppress dust on roads in front of residence.
2.4	Exceptional Roads: Active and high usage arterial and feeder gravel roads.
2.5	Haul Roads: Designated roads used regularly for hauling purposes.

Title: Dust Control		Policy No.: 39-13	
Section: 03	Code: P-R	Page No.: 2 of 6	E

Policy Statement and Guidelines:

3. RURAL RESIDENCES:

3.1 The County will arrange for dust control on roads in front of a residence with a fee for **Blade Mix Oil** - 2 ½ inch thickness for \$3,000.00; and a fee for **MG-30** of \$850.00 with two applications of treatment and application.

		BLADE MIX OIL		MG-30 (MAGNESIUM CHLORIDE)	
		2 ½"	County Cost	1 st Application	2 nd Application
Gravel 1	128 Tonne of ¾" at \$21.00	\$2,688.00	30 Tonne of 1" at \$21.00	\$ 630.00	\$ 0.00
Total	Material	\$2,688.00	Material	\$ 630.00	\$ 0.00
Equipment 2	Tandem Oil Truck: 2.5 hours at \$110.00	\$ 275.00	Water Truck: 2.0 hours at \$110.00 1.0 hour at \$110.00	\$ 220.00	\$ 110.00
	Graders: Grader 1: 3.0 hours at \$191.00 Grader 2: 2.0 hours at \$191.00	\$ 573.00 \$ 382.00	Grader: 2.5 hours at \$191.00 1.0 hour at \$191.00	\$ 477.50	\$ 191.00
	Double Drum Packer: 1.5 hours at \$160.00	\$ 240.00	Smooth Drum Packer: 1.5 hours at \$110.00	\$ 165.00	
Total	Equipment	\$ 1,470.00	Equipment	\$ 862.50	\$ 301.00
Labour 3	Oil Truck Operator 2.5 hours at \$34.01	\$ 85.02	Water Truck Operator 2.0 hours at \$34.01 1.0 hour at \$34.01	\$ 68.02	\$ 34.01
	Grader Operator 1: 3.0 hours at \$34.01	\$ 102.03	Grader Operator 1: 2.5 hours at \$34.01 1.0 hour at \$34.01	\$ 85.02	\$ 34.01
	Grader Operator 2: 2 hours at \$34.01	\$ 68.02	Smooth Drum Packer Operator: 1.5 hours at \$27.04	\$ 40.56	
Total	Labour	\$ 295.63	Labour	\$ 193.60	\$ 68.02
	Sub-Total	\$ 4,453.63	Sub-Total	\$ 1,686.10	\$ 369.02
Oil 4	7040 Litres at \$0.48	\$ 3,801.60	2135 Litres at \$0.23 1600 Litres at \$0.23	\$ 533.75	\$ 400.00
Project	Oil Dust Control Project: 500 ft application	3 hours	MG-30 Dust Control Project: 500 ft application	2.5 hours	1 hour
Total	PROJECT COST	\$ 8,255.23	PROJECT COST	\$ 2,219.85	\$ 769.02
Total	Residence: Fee	\$3,000.00	Residence: Fee	\$ 850.00	\$ 0.00

1 Gravel: Cost includes the cost of crushing & dewatering plus the average of the cost of trucking and labour to each division.
2 Equipment: Cost includes the estimated cost of amortization, insurance, maintenance, and fuel.
3 Labour: Includes the employee hourly salary plus 23% for payroll costs and benefits.
4 OIL/MG30: Costs are the estimated purchase cost.
Overhead: Has not been allocated. Overhead is the cost that the county would incur even if the project did not take place.
Direct Costs: Are the costs that can be cost effectively allocated to the project (gravel, equipment, labour, and oil/MG-30).
Indirect Costs: Cannot be cost effectively allocated to the project, but are impacted by the project (small supplies, supervisor costs, etc.)

3.2 Request for dust control along with payment should be received by the County on or before May 1st of each year. Minimum of two advertisements: one in the Month of March and one in the Month of April of the current year.

Title: Dust Control		Policy No.: 39-13	
Section: 03	Code: P-R	Page No.: 3 of 6	E

Policy Statement and Guidelines:

- 3.3 The resident will have their choice of MG-30 or blade mix oil as dust control suppressant.
- 3.4 MG-30 Dust Control suppressant shall consist of two (2) applications. The initial application shall take place in late Spring. Upon inspection during the Month of September, a decision will be made on whether to proceed with the second application at the time or wait until the following Spring season. Conditions of the Dust Control shall dictate the decision made.
- 3.5 Payment must be made in advance when the request for dust treatment is submitted. Requests are to be submitted to the Public Works Department by completing **Schedule "A": Application for Dust Control Suppression.**
- 3.6 The length for the dust control provided under this policy will be minimum of 150 meters (500 feet), and any additional length of dust treatment will be a full cost to the applicant.
- 3.7 The County will be responsible for erecting proper signage, when necessary.
- 3.8 Residents of neighboring municipalities who reside adjacent to a road under the jurisdiction of Smoky Lake County may apply for dust control suppression under this policy, but will require prior approval of Council before installation proceeds.
- 3.9 The County reserves the right to rework or remove dust control applications at its own discretion. Normally, dust control applications are good for one dust control season.

4. HAMLETS AND MULTI-LOT COUNTRY RESIDENTIAL:

4.1 The County hamlets and multi-lot Country residential subdivisions dust control will only be applied to whole street lengths or cul-de-sac streets, on provision that application is made on behalf of all adjacent residences, and the amount paid shall be the standard fee for each resident.

5. WARRANTY:

5.1 The County does not guarantee or warrant any life expectancy of the dust control **MG-30 or Blade Mix Oil** suppressant applications.

Title: Dust Control	Policy No.: 39-13
Section: 03	Code: P-R
Page No.: 4 of 6	E

Policy Statement and Guidelines:

5.1.1 The treated roadway can be reverted back to gravel when it is deemed necessary by the County, which would allow for grading of the road to eliminate pot holes, and that will not obligate the County to re-apply Blade Mix Oil or MG-30 to the road.

6. PRIVATE RESIDENTIAL DRIVEWAYS:

- 6.1 The County shall apply dust control at their own cost provided there is funding in the budget to the following areas:
 - 6.1.1 County designated gravel haul routes.
 - 6.1.2 County exceptional roads that have a permanent, active, high volume of traffic, as per *Policy Reference – Policy 03-15: Road Policy*.
 - 6.1.3 Any other location deemed necessary by County Council by Council resolution.
- 6.2 In areas where occasional or intermittent gravel hauls may cause dust problems, the Public Works Manager shall arrange for a water truck to provide temporary dust suppression as deemed appropriate.
- 6.3 This policy is not applicable where oiling or other dust suppressant is required as a condition of a subdivision development agreement.
- 6.4 In the case where municipal roadways are being used to haul commodities such as logs, sand and gravel, etc., the trucking firm or contractor shall be responsible for providing dust control for the duration of the haul as per *Policy Reference – Policy 03-14: Haul Road Agreement*.

Section 03

Policy 39-13



Schedule "A"

APPLICATION FOR DUST CONTROL SUPPRESSION

THIS AGREEMENT made this _____ day of _____, A.D., 20__.

BETWEEN:

SMOKY LAKE COUNTY
(hereinafter called "the Municipality")

OF THE FIRST PART

Name

Mailing Address Phone Numbers: Residence Work Cellular
(hereinafter called "the Landowner")

OF THE SECOND PART

Legal Land Description:	_____ Quarter	_____ Section	_____ Township	_____ Range	W4
Legal Address:	_____ Sub-division Name:				

WHEREAS the Landowner hereby make application for a Dust Control Agent of the following:

- Blade Mix Oil Dust Control Suppressant: \$ 3,000.00
- MG-30 Dust Control Suppressant \$ 850.00
- Length: 150 meters (500 feet) Additional Length: _____

to be applied by the Smoky Lake County Public Works Department to the municipal roadway adjacent to the landowner residence as indicated above and as described on the plan herein.

The Applicant hereby agrees to the following terms and conditions:

1. Dust Control Suppressant to be applied to the identified road upon completion of the application for by the applicant and pre-payment of the calculated fee. Scheduling of the work shall be subject to regular dust control treatment program priorities and in combination with other requests due to cost effectiveness.
2. The applicant shall pay full cost of additional length over the 150 meters (500 feet) in its entirety.
3. **Smoky Lake County** does not warrant the effectiveness of the dust control agent. Once the agent has been applied, no refunds of the application fee will be made.
 - 3.1 The County does not guarantee or warrant any life expectancy of the dust control **Blade Mix Oil or MG-30** treatment application.
 - 3.1.1 The treated roadway can be reverted back to gravel when it is deemed necessary by the County, which would allow for grading of the road to eliminate pot holes, and that will not obligate the County to re-apply blade mix oil or MG-30 to the road.

Section 3

Policy 39-13

4. The dust control treatment program usually commences in late spring and can continue through the summer months.
5. The "Landowner", covenant and agree with the said municipality, for myself, my heir, executors, administrators and assigns that I shall not have any claim for loss or damage caused by reason of the performance work of the said application of dust control suppression program adjacent to my property, whether such loss or damage is the result of the negligence of any servant, agent, or employee of the said municipality, or otherwise.
6. Please show exact location of dust control placement:

7. **Calculation of Total Fee:**

BLADE MIX OIL			MG-30		
County Cost		2 1/2"	County Cost		
Total	PROJECT COST	\$ 8,255.23	PROJECT COST	1 st Application	2 nd Application
Total	Residence: Fee	\$3,000.00	Residence: Fee	\$ 850.00	\$ 0.00

Cost of first 150 meters (500 feet) = _____
 Add: Additional length = _____
Total Fee Required = \$ _____

8. Applicants who wish to be considered for the dust control suppression program must apply **each** year no later than May 1.

IN WITNESS WHEREOF has hereunto acknowledge and accept the terms and conditions on the day and year first above written.

SIGNED _____ } SMOKY LAKE COUNTY 
 Applicant _____ } Per: _____

DUST CONTROL

Carried.

Bylaw 1341-19: to amend Land Use Bylaw No. 1272-14 to rezone the land legally described as SE-08-60-19-W4, from Agriculture (AG) District to Highway Commercial (C1) District
 507-19: Orichowski

That Smoky Lake County **Bylaw 1341-19**: a bylaw to amend Land Use Bylaw No. 1272-14 to rezone the land legally described as SE-08-60-19-W4, from Agriculture (AG) District to Highway Commercial (C1) District, be given **SECOND READING**.

Carried.

Moved by Councillor Cherniwchan that **Bylaw 1341-19**: to amend Land Use Bylaw No. 1272-14 to rezone the land legally described as SE-08-60-19-W4, from Agriculture (AG) District to Highway Commercial (C1) District, be given the **THIRD and FINAL READING** and that the Reeve and the Chief Administrative Officer are hereby authorized to affix their signatures to all necessary documents and that the corporate seal also be fastened where it is deemed to be necessary.

Carried.

Addition to the Agenda:

High-Speed Internet Communications Tower - Plan 8322040, Block 4, Lot 12MR

508-19: Orichowski

That Smoky Lake County, as the owners of the Municipal Reserve lands legally described as Plan 8322040, Block 4, Lot 12MR, deny consent for MCSNet, St. Paul, Alberta, to apply for a Development Permit for the purpose of constructing a Telecommunications Tower Facility on the said lands due to safety concerns with the proposed developments' proximity to residences, tennis court and playground; and notify MCSNet of same.

Carried Unanimously.

5. Issues for Information:

Chief Administrative Officer's Report

The Chief Administrative Officer gave an updated report to Council for the period of February 20, 2019 to March 27, 2019:

Legislative/Governance:

- We require an Intermunicipal Collaboration Framework (ICF) meeting to be scheduled in June, as well as a Committee of the Whole meeting to deal with the Environmental Reserve Bylaw and survey, and a Joint Council meeting with the Town to discuss the issue of the old Nursing Home Building.
- Council needs to appoint Councillor Cherniwchan to attend the Corridor Communications Inc. (CCI) Annual General Meeting and vote on our behalf.

Administrative:

- Approved a \$500.00 donation as per policy for the Smoky Lake Midget North Stars hockey team to attend provincials.

Financial:

- The Reeve and CAO signed the Amending Memorandum of Agreement for the 2019-2022 Municipal Sustainability Initiative (MSI) Grant. It basically says we agree to continue to participate in the MSI Grant program and to spend the money on allowable projects.

Human Resources:

- No Report.

Community:

- The RCMP are hosting an event for Emergency Preparedness Week during the week of May 5-11, 2019 and are requesting assistance with draw prizes etc.
- The Village of Waskatenau is requesting assistance with clearing one of their drainage ditches.
- Métis Crossing is asking for a letter of support for their efforts to get some of their land designated as an Indigenous Protected and Conserved Area (IPCA).
- National Volunteer week is April 7-13, 2019.

Training:

- No Report.

Council Member Inquiry:

- No report.

Schedule a Committee of the Whole Meeting for the purpose of Planning and Joint Town of Smoky Lake and Smoky Lake County Council Meeting

509-19: Orichowski

That a **Smoky Lake County Committee of the Whole Meeting** for the purpose of Planning be scheduled for **Tuesday, April 9, 2019 at 9:00 a.m.** and a **Joint Town of Smoky Lake and Smoky Lake County Council Meeting** be scheduled for **Tuesday, April 9, 2019 at 1:00 p.m.**, both to be held in County Council Chambers.

Carried.

Schedule a Committee of the Whole Meeting for the purpose of Planning - ICF

510-19: Halisky

That a **Smoky Lake County Committee of the Whole Meeting for the purpose of Planning – Intermunicipal Collaboration Framework (ICF)** be scheduled for **Wednesday, May 15, 2019 at 10:00 a.m.** to be held in County Council Chambers.

Carried.

Corridor Communication Inc.

511-19: Orichowski That Smoky Lake County Councillor Johnny Cherniwchan attend the Corridor Communication Inc. Annual General Meeting scheduled for April 25, 2019 in Calgary, Alberta, and vote on Smoky Lake County's behalf as the Alternate appointed to the Corridor Communication Inc. Board.

Carried.

Smoky Lake Midget North Stars

512-19: Halisky That Smoky Lake County Council approve action taken in providing a donation in the amount of \$500.00 to the Smoky Lake Midget North Stars hockey team, as financial assistance to participate in the 2019 Provincial Hockey Playoff Games, in accordance with Policy Statement No. 01-14-04: Contributions to Non-Profit Organizations and Individuals.

Carried.

2019-2022 Municipal Sustainability Initiative (MSI) Grant

513-19: Cherniwchan That Smoky Lake County Council approve action taken in executing the Amending Memorandum of Agreement for the 2019-2022 Municipal Sustainability Initiative (MSI) Grant to continue to participate in the MSI grant program and to spend MSI funds on allowable projects funding for the until the conclusion of the MSI program on March 31, 2022.

Carried.

Smoky Lake RCMP Detachment

514-19: Halisky That Smoky Lake County support the Smoky Lake RCMP Detachment by providing a door prize or door prizes relating to firearm safety, at a total value in the maximum amount of \$300.00 towards their event to be held in conjunction with Emergency Preparedness Week, on a date to be determined, during the week of May 5-11, 2019; and for those Council who can attend – attend.

Carried.

Village of Waskatenau

515-19: Gawalko That Smoky Lake County defer the correspondence received from Bernice Macyk, Chief Administrative Officer, Village of Waskatenau, dated March 7, 2019, in regard to a request for assistance in clearing the drainage ditch between the County and Village land boundary along the West side of the Village, to the next scheduled County Council meeting.

Carried.

Métis Crossing

516-19: Orichowski That Smoky Lake County provide a letter of support to Métis Crossing for their proposal to designate their land legally described as SE-16-58-17-W4, as an Indigenous Protected and Conserved Area (IPCA) which would help fulfill the Government of Canada's "Pathway to Target 1" goal of protecting 17% of Canada's lands and 10% of oceans before Year-2030.

Carried.

National Volunteer Week

517-19: Cherniwchan That Smoky Lake County proclaim National Volunteer Week as April 7 to April 13, 2019 with the theme “The Volunteer Factor – Lifting Communities” in acknowledgment with the Volunteer Bénévoles Canada campaign:



Carried.

Financial Update

As annexed to the minutes:

↳ Financial Statement for the Months: **January 2019.**

Action List(s)

↳ Action List(s):

- i. County Council Meeting – February 21, 2019.

7. Delegation:

Community Futures St. Paul – Smoky Lake Region

Present before County Council at 11:02 a.m. to 11:19 a.m. was Penny Fox, General Manager, Community Futures St. Paul – Smoky Lake Region, to provide information including the following points:

Performance Results for 2017 – 2018, as of March 31, 2018:

- Strong Rural Community Strategic Planning and Implementation:
- Total number of community-based projects (new & on-going): 6
- Total number of local and regionally-based community strategic plans developed and or updated: 7
- Rural access to business development services:
Total number of business training session participants: 420
Total number of business advisory services: 284
- Rural access to capital and leveraged capital:
Dollar value in loans: \$643,500
Number of loans: 10
- Number of jobs created/maintained/expanded through lending: 20.5
- Our office continues to work with small businesses across our region to offer a variety of assistance; from simple conversations to coach you through your business idea, to the formal completion of a business plan.
- This year the majority of the loans were to maintain and sustain small business so they were able to operate their businesses during this economic downturn.

Chief Administrative Officer's Report

518-19: Gawalko That the updated report for the period of February 20, 2019 to March 26, 2019 by the Chief Administrative Officer, be accepted and filed for information.

Carried.

9. Public Question and Answer Period:

11:31 - 11:31 a.m.

No Public Questions.

Finance Manager's Report:

Actual to Budget Report

Brenda Adamson, Finance Manager provided an updated Financial report for the period February 13, 2019 to March 20, 2019.

2019 Family and Community Support Services (FCSS) Grant

519-19: Cherniwchan That Smoky Lake County **defer** discussion on allocate funding from the 2019 Family and Community Support Services (FCSS) Grant budget in accordance with Policy No. 08-17-01: Family and Community Support Services (FCSS) grant, as follows:

Community Group	Eligibility	Funding
Vilna Seniors Recreation Society	Transportation	\$2,000.00

to the next scheduled County Council Meeting.

Carried.

Interest Rates for Overdue Accounts

520-19: Halisky That Smoky Lake County forward discussion on the rate of interest charged on overdue accounts to the next Policy Committee Meeting for the purpose of review.

Carried.

Finance Manager's Report

521-19: Orichowski That the Smoky Lake County Financial Report prepared by Brenda Adamson, Finance Manager for the period February 13, 2019 to March 20, 2019, be accepted for information.

Carried.

5. Issues for Information:

Reeve's Report:

Reeve Craig Lukinuk presented the following written report:



Reeve's Report

For February 16, 2019 to March 21, 2019

February 19, 2019 – County Natural Gas Meeting held in County Council Chambers:
(All Council)

- Gave third and final reading to Bylaw No. 1333-19: Natural Gas Bulk Supply Contract, a bylaw to enter into a NATURAL GAS BULK SUPPLY Contract agreement for the provision of Bulk Natural Gas to the Town of Smoky Lake.
- Amended Smoky Lake County Policy Statement No. 09-08-03: Secondary Installation.

February 19, 2019 – County Agricultural Service Board Meeting held in County Council Chambers:
(All Council)

- Approved to host a lunch event of hamburgers and hotdogs to sponsor the Year-2019 17th Annual Farmers and Ranchers Appreciation Day in conjunction with the Bellis 4-H Beef Show, scheduled for Friday, June 7, 2019, from 11:00 a.m. to 2:00 p.m., in the Village of Vilna.
- Approved to sponsor the 2019 Bellis 4-H Belt Buckle prizes to be presented at the Bellis 4-H Beef Club Achievement Day - Cattle Show and Sale on June 7, 2019.
- Amended Smoky Lake County Policy Statement No. 62-12-03: Clubroot.
- Approved to contribute funding in the amount of \$759.50 to Alberta Farm Safety Centre towards the 2019 "Safety Smarts" school-based farm safety program for safety initiatives in an effort to reduce farm injuries and fatalities involving children.
- Gave third and final reading to Bylaw No. 1340-19: Agricultural Service Board Weed Control, a bylaw for the purpose of controlling noxious weeds and eradicating prohibited noxious weeds listed in the weed control act.
- Approved to purchase a 2019 Degelman REV 1500 Mower, Sidearm & One-pass Herbicide System to commence work in the first week of June 2019.
- Agreed to sponsor the registration of local Smoky Lake County women wishing to attend the 2019 Grazing School for Women event being held in Lamont County.
- Approved to purchase a \$1,000.00 bronze sponsorship of the Alberta Invasive Species Council for Year-2019.

February 19, 2019 – County Fire Protective Meeting held in County Council Chambers:
(All Council)

- Acknowledged receipt of the final costs of the Alberta First Responders Radio Communication System (AFRRCS) project for Smoky Lake County of \$207,044.34.
- Approved action taken by the Town of Smoky Lake, as managing partner of the project: Town and County Public Works Very High Frequency (VHF) Radio Communication, in entering into an Asset Purchase Agreement with Hybrid Wireless Inc., to purchase the communications tower on NW-16-59-17-W4 for \$25,000.00; and the counties contribution be 60%.

February 19, 2019 – County Environmental Operations Meeting held in County Council Chambers:
(All Council)

- Approved to request quotes for the cost to complete the remaining upgrades to the Warspite water facility and sewage lift station.

February 21, 2019 – County Council Meeting held in County Council Chambers:
(All Council)

- Gave third and final reading to Bylaw No. 1336-19: Recreational Lease Disposition for Brodyk Lake Day Use Area/Cabin from the Province of Alberta.
- Gave third and final reading to Bylaw No. 1337-19: a bylaw to track and secure the Provisional Roadway from the Province of Alberta.
- Gave third and final reading to Bylaw No. 1338-19: Recreational Lease Disposition Hanmore Lake Campground from the Province of Alberta.
- Gave third and final reading to Bylaw No. 1334-19: Smoky Lake County and the County of St. Paul Intermunicipal Development Plan.
- Amended Policy Statement No: 01-11-03: Municipal Office, to include the office address.
- Adopted the Phase II Environmental Site Assessment Report for the Waskatenau Nuisance Grounds located on Plan S225;OT.
- Gave first reading to Bylaw 1341-19: A Bylaw to Amend Smoky Lake County Land Use Bylaw 1272-14 to rezone all the portions of the lands legally described as SE 8-60-19-W4M, from "Agriculture (AG) District" to "Highway Commercial (C1) District".
- Approved to lobby against Bill C-69: known as the "Impact Assessment Act", which is the federal government's attempt to impose new "environmental assessment" measures on Canada's resource sector.
- Gave third and final reading to Bylaw No. 1335-19: Smoky Lake County and the County of Two Hills Intermunicipal Development Plan.
- Approved a letter of support to be submitted with the Doctor Recruitment and Retention Committee's nomination of Raubenheimer Medical Clinic - Doctor Anton Raubenheimer and Doctor Stephan Raubenheimer for the 2019 Rural Health Professions Action Plan (RhPAP) - Rhapsody Award celebrating rural Alberta health excellence.
- Approved to close the County Main Office and Public Works Office for the Annual Safety Meeting scheduled for Friday, April 26, 2019.
- Approved to donate \$2,500.00 to the Smoky Lake Pumpkin Patch Daycare to assist in renovations within their host facility: H. A. Kostash School.
- Approved to donate \$500.00 to sponsor the 4th Annual Randy Russ Memorial Barrel Race scheduled for August 4-5, 2019 at Bellis.

February 22, 2019 – Regional Fire & Rescue Committee held in County Council Chambers:
(Craig & Lorne)

- Approved to support the concept of Smoky Lake County hosting a Youth Fire Smart Summer Camp, with a total budget in the amount of \$15,000.00 to provide youth team work opportunities and encourage volunteering at our fire departments in preparation of adulthood to assist with future volunteer firefighter recruitment.
- Adopted the Regional Fire and Rescue Strategic Priorities Chart, for Year 2019.

February 25, 2019 – Northern Lights Library System (NLLS) Executive Meeting held in Elk Point:

- Agreed to fix the flooding, windows and garage doors to accommodate the new van run.
- The board chair and the executive director are currently visiting municipalities to give council updates and to answer any questions.

Feb. 27 to Mar. 1, 2019 – AB Coordinated Action for Recycling Enterprises Conference held in High River:
(Craig, Randy, Johnny)

- Toured recycling sites.
- Attended presentations titled:
 - How can we improve in Alberta?
 - Global perspective & new Innovations for plastic recycling.
 - Alberta recycling used oil and paint.
 - Southern Alberta Energy from Waste Association (SAEWA).
 - Noise Issues – consideration of the design & operation of waste facilities.
 - Cannabis waste management.

March 2, 2019-Northern Lights Library Board Meeting:

- Metrix Group Chartered Professional Accountants presented Northern Lights Library System Financial Statement; no issues came from the report.
- New trustee handbook to be completed by this summer.
- Notice of election for the zone 1 & 3 executive committee will be on Saturday, May 25, 2019.

March 4 to 5, 2019 – Alberta Rural Education Symposium held in Edmonton:
(Craig & Lorne)

- Participated as a partner in action to bring together rural parents, teachers, school administrators, trustees, municipal leaders, health care professionals, county councillors, business leaders and individuals to work towards rural education sustainability for rural communities.
- Keynote speakers were Dr. Jody Carrington, MLA parliamentary Secretary - Annie McKittrick, Dr. Lars Hallstrom and David Irvine held a workshop on Sustaining Rural Education and Communities.

March 6, 2019 – County Policy Committee Meeting held in County Council Chambers:
(All Council)

- Reviewed and discussed the following:
 - Policy Statement No. 15-04-01: Drug and Alcohol Policy.
 - Bylaw No. 1163-08: Regulating and Confinement of Dogs.
 - Noise and Events Bylaw.
 - Policy Statement No. 01-03-25: Organizational Chart.
 - Policy Statement No. 03-39-12: Dust Control.
 - Policy Statement No. 03-35-10: Snow Clearing.

March 8, 2019 – Northern Lights Library System (NLLS) Building Committee Meeting held in Elk Point:

- Preliminary Budget Report for Northern Lights Library Renovation was presented.

March 11, 2019 – Muni-Corr Ltd. Meeting held in St. Paul:
(Craig & Johnny)

- AltaGas Crossing Agreement.
- Right of Way Agreements and License of Occupation Renewals.
- Hire Hector Dalpe for the Highway 28/63 Regional Water Services.
- Letter from Mark Watson on the Smoky Lake CN Station Centennial.
- Terms of Employment was discussed.

March 13, 2019 – County Council Committee of the Whole for Purpose of Industry Liaison Meeting held in County Council Chambers:
(All Council)

- Reviewed and Road Bans: on gravel roads as per Bylaw 1225-11, Aggregate Extraction Business License: as per Bylaw 1306-17, Haul Road Agreement: as per Policy Statement 03-14-11, Road Conditions: communication of road safety concerns, Repairs to Roads: protocol to avoid damage, Pipeline Crossing: agreement protocol, Property Access onto Road Allowance: adequate gravelling, and Dust Control: cooperation to alleviate; with local industry stakeholders to encourage communication and positive relationships.

March 13, 2019 – County Council Departmental Meeting held in County Council Chambers:
(All Council)

- Amended the following Management Policies:
 - Policy 03M-06: Public Works Department: Public Works Manager Work Plan 2019.
 - Policy 03M-07: Public Works Department: Shop Foreman Work Plan 2019.
 - Policy 09M-01: Natural Gas Department: Work Plan 2019.
 - Policy 04M-01: Environmental Operations: Work Plan 2019.
 - Policy 62M-01: Agricultural Service Board: Work Plan 2019.
 - Policy 61M-01: Planning and Development: Work Plan 2019.
 - Policy 02M-02: Public Works Department - Safety Officer: Work Plan 2019.
 - Policy 02M-03: Emergency Services – Fire Chief: Work Plan 2019.
 - Policy 08M-01: Finance Manager Work Plan 2019.
 - Policy 01M-33: GIS/Communication Services Work Plan 2019.
 - Policy 07M-01: Parks and Recreation Work Plan 2019.

March 15, 2019 – County Council Committee of the Whole for Purpose of Planning held in County Council Chambers:

(All Council)

- Recommended administration research additional potential grants applicable to the remediation of the Waskatenau Nuisance Ground legally described as: SE-16-59-19-W4, 5225CL; OT and prepare to pursue an application to Alberta Environment to reduce the development setback.
- Recommended administration prepares a bylaw amendment to rezone suitable lands near the Canadian National Railway spur line located on the west side of the Village of Waskatenau to Industrial Land as a proactive effort to encourage industrial development.
- Recommended a survey be prepared for public participation of all lake-resort-area-landowners of property adjacent to an Environmental Reserve to obtain public input on Environmental Reserve and riparian setback usage.
- Recommended administration prioritizes addressing unauthorized “makeshift” campgrounds first prior to proceeding with a Noise Bylaw concept.
- Recommended communicating the immanent road bans information to the public in the most expedient way; and encourage those hauling to notify the county to ensure the roads are given extra maintenance if necessary.

March 18, 2019 – Alberta Transportation Deputy Minister Meeting held in Edmonton:

(All Council)

- Agenda items presented:
 - The Waskatenau Nuisance Grounds/ Former Alberta Transportation Yard Remediation Funding.
 - Highway 831 Northbound Climbing Lane from the North Saskatchewan River.
 - Highway 28 Corridor Review: Twinning Timeline; and Status of Junction 831 and 28 Intersection Amendment.

March 18 to 20, 2019 – RMA (Rural Municipalities of Alberta) Spring Convention held in Edmonton:

(All Council)

- Attended the Northern Alberta Mayors’/Reeves’ Meeting.
- Alberta election panel discussion
- Alberta Party Platform Leader Stephen Mandel.
- Freedom Conservative Party Platform Candidate Steve Goodman.
- Liberal Party Platform Leader David Khan.
- Alberta Urban Municipalities Association Update.
- Rural Municipalities of Alberta Update.
- Genesis Reciprocal Annual General Meeting.
- Mayors/Reeves Meeting.
- Topics Discussed was Development Planning & Liability: Today’s Decisions Affecting Your Municipality’s Future.
- RMA Charitable Gaming Committee Presentation.
- Ministerial Forum.
- Breakout Sessions, building Healthy Rural Communities: Recruiting and Retaining Health Professionals, From Trash to Treasure: A Recycling update in Alberta, Collaboration and Technology: Taking an Active Role in Reducing Crime.
- Keynote Speaker Vivian Krause

Sincerely,
Craig Lukinuk
Smoky Lake County Reeve

522-19: Gawalko

That the Reeve’s Report received for February 16, 2019 to March 21, 2019, be accepted and filed for information.

Carried.

Meeting Recessed

Meeting recessed for Lunch, time 11:59 a.m.

Meeting Reconvened

The meeting reconvened on a call to order by Reeve Craig Lukinuk at 1:02 p.m. in the presence of Council members, the Chief Administrative Officer, Assistant Chief Administrative Officer, Finance Manager, Communications Manager, Planning and Development Manager, Planning and Development Assistant, Public Works Manager and Recording Secretary.

7. Delegation:

Land Owner: Larry Cherniwchan

Present before County Council at 1:02 p.m. to 1:23 p.m. was Land Owner: Larry Cherniwchan to discuss the surveying costs associated with adjusting the boundaries on the lands legally described as Plan 1039CL, Block (R) Reserve in Bellis, Alberta, further to the Public Hearing for the said reserve boundary adjustment, held on June 15, 2017.

Reserve Boundary Adjustment, Plan 1039 CL - Hamlet of Bellis

523-19: Halisky That Smoky Lake County approve to accommodate and pay the surveying costs to adjust the reserve boundary for the land legally described as Plan 1039 CL within the Hamlet of Bellis, in the amount of \$7,245.00 as per Invoice No. 1721-18-01 issued by Explore Surveys Inc. of Edmonton, Alberta, in contrary to Council's June 15, 2017 Motion #799-17: approving to resurvey and adjust the boundaries at no cost to the County; due to the discovery of the County road encroaching onto the said lands owned by Mr. Cherniwchan.

Carried.

7. Delegation:

Smoky Lake Public Library: Melody Kaban, Library Manager

Present before County Council at 1:25 p.m. to 1:55 p.m. was Melody Kaban, Library Manager, Smoky Lake Public Library, to pursue funding towards the Smoky Lake Public Library's 75th Anniversary and Summer Programming.

Smoky Lake Public Library

524-19: Lukinuk That Smoky Lake County donate, in the total amount of \$1,300.00, to the Smoky Lake Public Library towards their 75th Anniversary Celebration scheduled on June 12, 2019, for the purpose of providing funds in the amount of \$300.00 towards promotional materials and food for the celebration, as well as funds in the amount of \$1,000.00 to assist the Library in offering free memberships in their 75th year of operation.

Carried.

2019 Family and Community Support Services (FCSS) Grant

525-19: Lukinuk That Smoky Lake County approve allocate funding from the 2019 Family and Community Support Services (FCSS) Grant budget in accordance with Policy No. 08-17-01: Family and Community Support Services (FCSS) grant, as follows:

DEFEATED

Community Group	Eligibility	Funding
Smoky Lake Public Library	After School Programming	\$1,000.00

MOTION DEFEATED.

Manager's Reports:

Planning and Development Manager

Schedule a Municipal Planning Commission Meeting

526-19: Orichowski That a Smoky Lake County **Municipal Planning Commission Meeting** be scheduled for **Monday, April 8, 2019 at 1:00 p.m.**, to be held in County Council Chambers.

Carried.

Subdivision Development and Appeal Board: Public-at-Large

527-19: Gawalko That Smoky Lake County remove, Sue Landiak and Ron Bobocel as Public-at-Large members to the Subdivision Development and Appeal Board in accordance with Bylaw No. 1226-11 and as per the email resignations received from Ron Bobocel, dated March 1, 2019 and Sue Landiak, dated March 20, 2019.

Carried.

Subdivision Development and Appeal Board: Clerk

528-19: Halisky That Smoky Lake County appoint Kyle Schole, Planning and Development Assistant, as the Subdivision Development and Appeal Board Clerk effective March 28, 2019.

Carried.

Waskatenau Nuisance Ground SE-16-59-19-W4, 5225CL; OT

529-19: Lukinuk That Smoky Lake County administration research potential grants applicable to the remediation of the Waskatenau Nuisance Ground legally described as: SE-16-59-19-W4, 5225CL; OT; and prepare to pursue an application to Alberta Environment for a reduction of the development setback surrounding the said property; and recommend the Village of Waskatenau: provide a letter of support for reducing the setback as well as investigate the protocol for providing fill material to the said location.

Carried.

Communications/GIS Manager

Committee of the Whole for the Purpose of GIS

530-19: Orichowski That a Smoky Lake County Council **Committee of the Whole Meeting for the Purpose of GIS**, be scheduled for **Friday, May 10, 2019 at 1:00 p.m.**, to be held in County Council Chambers.

Carried.

531-19: Halisky That the management reports received for the period between February 20, 2019 to March 20, 2019 from; Doug Ponich, Public Works Manager; Bob Novosiwsky, Public Works Road Foreman; Dave Kully, Public Works Shop Foreman; Ed English, Bylaw Enforcement/Peace Officer/Parks and Recreation Manager; Jordan Ruegg, Planning and Development Manager; Trevor Tychkowsky, Safety Officer; and Paul Miranda, GIS/Communication Director, be accepted and filed for information.

Carried.

Training Events – Reports

532-19: Gawalko That Smoky Lake County Council acknowledge receipt of the Reports produced in accordance with Management Policy No. 01-M-41: Reporting on Training Events, received from:

Public Works

- 2019 Rural Municipalities of Alberta (RMA) Spring Convention attended by: Dave Kully, Shop Foreman & Doug Ponich, Manager.

Environmental Operations

- Alberta Water & Wastewater Operators Association Course - attended by: Dave Franchuk, Manager
- 9th Annual Alberta Coordinated Action for Recycling Enterprises (CARE) Spring Seminar attended by: Dave Franchuk, Manager

Finance

- Local Assessment Review Board Clerk Training – attended by: Carleigh McMullen, Taxation Clerk.

Carried.

5. Issues for Information:

Committee Task Forces and Boards: Reports

Alberta CARE (Alberta Coordinated Action for Recycling Enterprises)

- Attended the Alberta CARE Spring Seminar February 27, 2019 to March 1, 2019 to be held in High River.
- April 14, 2019 is the Zone 3-4 Conference.
- Next meeting is scheduled for July 26, 2019 in Nisku.

8. Executive Session

Corridor Communications Inc. (CCI) Wireless

533-19: Halisky That Smoky Lake County Council go into Executive Session, to discuss a Legal Issue in regard to the future business direction of CCI Wireless, under the authority of the FOIP Section 17: third party personal privacy, time 2:51 p.m.

Carried.

534-19: Cherniwchan That Smoky Lake County Council go out of Executive Session, time 3:03 p.m.

Carried.

Doctor Recruitment and Retention

- Action List from the meeting held on December 3, 2018 included in this agenda package.

Evergreen Regional Waste Management Services Commission

- Meeting held on March 21, 2019.
- JMD Group LLP presented the audited financial statements – the Commission is in good standing.
- Currently in the process of reviewing harassment / FOIP Policies with employees and public.
- Reviewed term deposit interest rates and decided to stay with the Credit Union as they had the best rates.
- Reviewed the insurance coverage and decided to top up the premium slightly and have 3 times the coverage dollars now.
- The Oxi-Clean test results showed it does not reduce the amount of Lechate.
- Received a letter from First Nations Technical Services Advisory Group Inc. thanking the Commission for participating the First Nations training.
- Next meeting is scheduled for April 18, 2019.

Family Community Support Services Committee

- Northeast Zone Spring Gathering hosted by Cold Lake District FCSS is scheduled for April 24-26, 2019 in Cold Lake.

Fire and Rescue Liaison Committee

- Smoky Lake
 - No Report.
- Vilna
 - No Report.
- Waskatenau
 - No Report.

Government Liaison Committee

- Addressed in the Reeve's Report.

Meeting with the Senate Committee on Bill C-69

535-19: Cherniwchan That the Smoky Lake County contribute funding in the amount of \$1,000.00 to the Town of Bonnyville, to help offset the costs of lobbying against Bill C-69: known as the "Impact Assessment Act", which is the federal government's attempt to impose new "environmental assessment" measures on Canada's resource sector.

Carried.

Highway 28/63 Regional Water Services Commission

- Meeting held on March 5, 2019.
- The waterline construction to Whitefish Lake First Nation #128 was delayed due to cold temperatures in February: approximately 30% of the line is fused and only 15% installed. The work will be scaled back during the Spring thaw.
- Received grant funding in excess of \$22 million from the Provincial and Federal Governments.
- Associated Engineering Ltd. is currently designing the water reservoir and prequalification.
- JMD Group LLP presented the audited financial statements – the Commission is in good standing.
- Nova Mechanical Systems was awarded the contract to build the booster station in Warspite.
- Next meeting is scheduled for April 8, 2019.

Joint Health and Safety Committee

- Meeting Minutes included:
 - Minutes: January 25, 2019.
- Meeting held March 27, 2019.
- Discussed:
 - reporting all suspicious activities to the RCMP,
 - hazards associated with daylight saving,
 - Springtime road conditions,
 - Mental Health and benefits of getting help,
 - De-escalating disgruntled people for staff members
 - First Aid incident: employee cut hand on kitchen knife.
 - Restricted Work Class incident: employee injured shoulder during a slip and fall.
- Next meeting is scheduled for April 24, 2019.

Municipal Planning Commission

- Next meeting is scheduled for April 8, 2019 at 1:00 p.m.

Northeast Alberta Information HUB

- Meeting held, February 25, 2019.
- Welcome message delivered by Jessica Littlewood, MLA.
- The financial report was given in good standing.
- The Executive Director contract was renewed for another year.
- Requested a letter of support from Alberta HUB.
- Received a presentation from Rural Alberta Business Centre (RABC) by Lisa Ford and discussed having her come to the Smoky Lake Region development functions.
- Dr. Richards Starke, MLA discussed viable rural communities.
- Received presentations from: ATCO on broadband connectivity development, Northern Alberta Hemp Projects, Aerospace Tech/Defense Unmanned Systems CFB Event, Opportunity Identification / Lead Generation Sector Profile Development and Agricultural Strategy Regional Approach Alternative Crops.
- Discussed Rural Alberta Business Centers and the benefits of them as well as recycling agricultural plastics.
- Next meeting is the Annual General Meeting scheduled for June 27, 2019.

North East Muni-Corr. Ltd.

- Addressed in the Reeve's Report.
- The next meeting is scheduled for April 8, 2019.

Northern Lights Library Board

- Addressed in the Reeve's Report.
- The Northern Lights Library System's statements for the year ended December 31, 2018, are available.

Policy Committee

- None scheduled.

R.C.M.P. Liaison Committee

- Discussed having an Emergency Response Meeting with RCMP, Fire & Rescue and Ambulance Services in quarter two of 2019.
- RCMP to expedite Accident Scene Information so the County claims can be submitted in a timely fashion to Alberta Transportation, Insurance Companies, etc.
- Emergency Response Community Gathering to take place in the second quarter of 2019, tentatively at the Smoky Lake Detachment.
- All accident scene photos and media releases are to be vetted through RCMP prior to posting to social media.
- Discussed an RCMP Challenge Coin for the Smoky Lake Region.
- The Smoky Lake RCMP Detachment will be 100 year in service in Year-2020.
- Discussed: the need to more RCMP members in the Smoky Lake Detachment, funding for Rural Crime Watch and Citizens On Patrol, and requested a Crime Reduction Team update.

Regional Community Development Committee (RCDC)

- Addressed in the Reeve's Report.
- Attending the Edmonton Boat & sportsman Show.
- The RCDC Assistant's contract has been extended to the end of 2019.

Community Economic Development Officer (CEDO)

536-19: Halisky

That Smoky Lake County accept with regret the letter received from Shaun Green, dated March 12, 2019, in regard to his resignation from the position of Community Economic Development Officer, Smoky Lake Region, effective April 12, 2019.

Carried.

Regional Emergency Management Advisory Committee

- Next meeting is scheduled for April 24, 2019 at 1:00 p.m.

Risk-Pro Control Management Committee

Added Named Insured: Minutes:

Four member attending April 11-12, 2019.

Smoky Lake Community Daycare Co-operative Steering Committee

- Address in the Reeve's Report.

Smoky Lake Foundation

- Meeting held on March 27, 2019.
- JMD Group LLP presented the audited financial statements – due to the changes within the Foundation's accounting software, a lot of work was required by the auditor to consolidate all the various accounts; and we did receive a clean audit.
- ASCHA Conference is scheduled for April 15-17, 2019 in Edmonton.
- CUPE agreements have been ratified.
- Reviewed the contract with AHS.
- Funds were deposited to cover the ownership transfer of Bar V Nook Manor and Bar V Nook Supportive Living to the Province of Alberta.
- Doug Mills, the Foundation's CAO, has resigned due to health issues. The board is reviewing options going forward. The contract with Connecting Care expires on July 31, 2019. An interim CAO has been appointed from within their human resources.
- All accommodation that the Foundation manages remains 98% occupied and the waiting lists to get in are large.
- Next meeting is scheduled for May 2, 2019 at 9:00 a.m.

Smoky Lake Region Fire and Rescue Committee

- Meeting held on February 22, 2019.
- Addressed in the Reeve's Report.
- Next meeting is scheduled for May 3, 2019.

Smoky Lake Heritage Board

- Meeting held on March 12, 2019.
- Developed an interactive game to teach school students about heritage that will be utilized in the school presentations.

Joint Municipalities Meeting

- Next meeting is scheduled for April 1, 2019.

Smoky Lake Agricultural Society

- Meeting held March 27, 2019 - unable to attend.

Intermunicipal Development

- Address in the Reeve's Report

537-19: Orichowski That the Smoky Lake County Committee Task Force and Board Reports presented by Councillors as of March 28, 2019, be accepted.

Carried.

6. Correspondence:

Schedule a County Council Departmental Meeting

538-19: Cherniwchan That a Smoky Lake County Council Departmental Meeting be scheduled for **Friday, July 19, 2019 at 9:00 a.m.** for the purpose of accommodating a visit from Rural Municipalities of Alberta (RMA) at 11:00 a.m. on County's three-year rotation, as per the letter request from Al Kemmere, President of RMA, dated January 21, 2019.

Carried.

RMA (Rural Municipalities of Alberta)

539-19: Halisky That the following correspondence received from the RMA (Rural Municipalities of Alberta), be filed for information:

- a. Contact Newsletter: March 8, 2019.
- b. President's Update: March 2019.

Carried.

Minister of Municipal Affairs

540-19: Gawalko That Smoky Lake County acknowledge receipt of the letter from Honourable Shaye Anderson, Minister of Municipal Affairs, dated February 19, 2019, in regard to the Municipal Sustainability Initiative (MSI) Memorandum of Agreement requirement and the MSI program concluding on March 31, 2022.

Carried.

Ukrainian Canadian Congress Alberta Provincial Council

541-19: Cherniwchan That the e-bulletin received by Smoky Lake County from the Ukrainian Canadian Congress Alberta Provincial Council, dated March 1, 2019, be filed for information.

Carried.

Aspen View Public School Division #78

542-19: Halisky That the newsletter received by Smoky Lake County from Aspen View Public School Division #78, titled: Aspen View Board Highlights, dated February 7, 2019, be filed for information.

Carried.

Alberta Urban Municipalities Association (AUMA)

543-19: Cherniwchan That Smoky Lake County acknowledge receipt of the website article from the Alberta Urban Municipalities Association (AUMA), dated January 30, 2019, in regard to the recipient names of the 2018 William F. Lede and Ernest Newman Memorial Bursary, including Kyle Schole: former Development Officer with the City of Lacombe and current Smoky Lake County Planning and Development Assistant.

Carried.

Hanmore Lake Maintenance Contract

544-19: Halisky That Smoky Lake County acknowledge receipt of the letter from Brenda Oshman, dated February 26, 2019, in appreciation of Jaclyn Jarema's services as the Hanmore Lake Maintenance Contractor; and provide recognition by advertising the appreciation in the Grapevine.

Carried.

Minister of Culture and Tourism

545-19: Gawalko That the correspondence received by Smoky Lake County from Ricardo Miranda, Minister of Culture and Tourism, dated March 2019, in regards to an opportunity to host the Year-2022 Alberta Winter Games or the Year-2022 Alberta Summer Games, be filed for information.

Carried.

2019 Alberta Masters Games

546-19: Orichowski That the correspondence received by Smoky Lake County from Bonnie Feaks, Alberta Games Consultant, Alberta Sport Connection, dated February 5, 2019, in regard to promotional material for the Year-2019 Alberta Masters Games, hosted by Rocky Mountain House – Clearwater County on August 22-25, 2019, be displayed at the County Main Office front counter for information.

Carried.

Kinette Club of Smoky Lake

547-19: Orichowski That Smoky Lake County take no action to the email request for funding from Michelle Wright, Treasurer, Kinette Club of Smoky Lake, dated March 11, 2019; and as an alternative to support the upgrades to the KinPark playground near the Spray Park and Kin Pavilion in the Town of Smoky Lake, provide in kind support subject to Public Works availability, and upon request.

Carried.

Ukrainian Canadian Congress

548-19: Cherniwchan That the e-Bulletin received by Smoky Lake County from the Ukrainian Canadian Congress – Alberta Provincial Council, dated March 7, 2019, be filed for information.

Carried.

Aspen View Public School Division #78

549-19: Orichowski That the newsletter received by Smoky Lake County from Aspen View Public School Division #78, titled: Aspen View Board Highlights, dated March 7, 2019, be filed for information.

Carried.

Hanmore Lake Maintenance Contract

550-19: Halisky That Smoky Lake County acknowledge receipt of the letter from Jerry and Ivanna Szewczuk, dated March 6, 2019, in appreciation of Jaclyn Jarema's services as the Hanmore Lake Maintenance Contractor; and provide recognition by advertising the appreciation in the Grapevine.

Carried.

North Saskatchewan Watershed Alliance

551-19: Orichowski That Smoky Lake County take no action to the email correspondence received from the North Saskatchewan Watershed Alliance (NSWA), dated March 11, 2019, in regard to renewing membership to the Alliance for Year-2019, as the County is not currently a member of NSWA.

Carried.

Aspen View Public Schools

552-19: Gawalko That Smoky Lake County acknowledge receipt of the letter from Neil O'Shea, Superintendent of Schools, Aspen View Public Schools, dated March 8, 2019, in appreciation of the Reeve, Craig Lukinuk and Councillor, Lorne Halisky, attending the Rural Education Symposium during March 3-5, 2019, and demonstrating interest and willingness to work together in collaborating to build a strong rural community.

Carried.

Lac La Biche County - Regional Solid Waste Management Strategy

553-19: Halisky That Smoky Lake County acknowledge receipt of the letter from Omer Moghrabi, Mayor, Lac La Biche County, dated March 8, 2019, announcing no further action will be taken on pursuing a meeting to discuss a regional solid waste management strategy, in relation to his original letter dated August 15, 2018, which was brought forward to the October 22, 2018, Environmental Operations Meeting: Council Motion # 1066-18.

Carried.

Kinette Club of Smoky Lake

554-19: Halisky That the Smoky Lake County sponsor the Kinette Club of Smoky Lake's 6th Annual Ladies Night scheduled for Saturday, May 4, 2019, at the Smoky Lake Agricultural Complex, with a "Silver Package" sponsorship in the amount of \$300.00; with funds to be allocated from the Grants to Individuals and Organizations budget; and donate the 4 event tickets, 8 liquor tickets and reserved table that come as part of the "Silver Package" back to the Kinette Club of Smoky Lake to re-sell.

Carried.

Thank You: Summary Listing

555-19: Cherniwchan Smoky Lake County "Thank you" received in the Month of March 2019:

- Smoky Lake Senior Citizens for their Drummer Facilitator/Drums – Financial Assistance.
- Holy Trinity Russo Orthodox Church for Snow Removal Services.
- Smoky Lake Food Bank for a Food Bank Donation.

Carried.

Information Releases

556-19: Gawalko That the Smoky Lake County "Information Released" calendar for March 2019, be filed for information.

Carried.

Smoky Lake Holubka Dancers

557-19: Lukinuk That Smoky Lake County donate 13 Tonne of 1" gravel (cash value of \$325.00) delivered within the boundaries of Smoky Lake County to support the Smoky Lake Holubka Dancers for their 1st Annual Ham Bingo scheduled for Saturday April 6, 2019, in response to the letter request received from Angela Semenuik and Roberta Jarvis, members of Smoky Lake Holubka Dancers, dated March, 2019.

Carried.

10. Bills & Accounts:

558-19: Orichowski

That all the Bills and Accounts approved for payment, including the bills and accounts recommended for payment by the Natural Gas Council, including transfers to the Payroll Account, be filed for information:

County Council Meeting: March 28th, 2019

Batch #	Cheque Numbers	Total of Batch
44560	46879 to 46903	\$37,796.46
44674	46904 to 46946	\$267,320.03
44720	46947 to 46968	\$124,620.22
44757	46969 to 47000	\$119,933.36
44785	47001 to 47010	\$228,649.37
44857	47011 to 47059	\$239,823.81
44870	47060 to 47064	\$3,651.05
44891	47065 to 47078	\$49,686.53
44929	47079 to 47095	\$260,689.74
44939	47096 to 47098	\$8,895.42
44957	47099 to 47127	\$56,762.28

Total Cheques from 46879 to 47127 ***\$1,397,828.27***

Direct Debit Register

Batch #	Description	Total of Batch
44635	Smoky Lake County	\$331,371.59

Total Direct Debits ***\$331,371.59***

Grand Total Bills and Accounts **\$1,729,199.86**
 (Note: From General Account)

Carried.

County Council Meeting(s)

559-19: Halisky

That the next Smoky Lake **County Council Meeting** be scheduled for Thursday, **April 25, 2019 at 9:00 a.m.**, Thursday, **May 23, 2019 at 9:00 a.m.**, and Thursday, **June 27, 2019 at 9:00 a.m.**, to be held in the County Council Chambers.

Carried.

ADJOURNMENT:

560-19: Lukinuk

That this meeting be adjourned, time 3:46 p.m.

Carried.

 REEVE

S E A L

 CHIEF ADMINISTRATIVE OFFICER