

GREATER SHEDIAC
SEWERAGE
COMMISSION
DES ÉGOUTS
SHEDIAC ET BANLIEUES



2020 Annual General Meeting

THE GREATER SHEDIAC SEWERAGE COMMISSION

2020 ANNUAL GENERAL MEETING

MEETING NO. 688

DATE: WEDNESDAY, NOVEMBER 18, 2020
LOCATION: MULTIPURPOSE CENTRE, SHEDIAC, NB
HOUR: 6:00 P.M.

AGENDA

- 1. OFFICIAL OPENING**
- 2. APPROVAL OF THE AGENDA**
- 3. APPROVAL OF THE MINUTES OF THE 2019 ANNUAL GENERAL MEETING**
- 4. PRESENTATION OF THE 2019 AUDITED FINANCIAL STATEMENTS**
- 5. PRESENTATION OF THE 2019 ANNUAL REPORT**
- 6. RATIFICATION OF MEMBERS' ACTIONS**
- 7. PUBLIC PARTICIPATION**
- 8. ADJOURNMENT**

THE GREATER SHEDIAC SEWERAGE COMMISSION

2019 ANNUAL GENERAL MEETING

Meeting No. 666, held on Thursday, April 25, 2019

at 6:00 p.m., in Boudreau-Ouest

in the Commission's boardroom

Members present:

H.J. (Harry) McInroy,	chairperson
Laura Gallant,	vice-chairperson
Marie Ann Cormier,	treasurer
Susan Cormier,	secretary
Raymond Cormier,	member
Jean-Charles Dugas,	member

Also present:

Joey Frenette,	general manager
Stephanie Bernard,	office manager

And:

Louis-Paul Savoie,	Boudreau Albert Savoie & Associates
Chris Gallant,	Crandall Engineering Ltd.
1 member of the public	

MINUTES

1. OFFICIAL OPENING

The annual general meeting of the Commission is officially called to order by the chairperson, H.J. (Harry) McInroy at 6:00 p.m. He wishes a warm welcome to all who are present.

2. APPROVAL OF THE AGENDA

19-22 Moved by: Susan Cormier
Seconded by: Jean-Charles Dugas

That the agenda, of the annual general meeting, dated April 25, 2019, be approved as submitted.

Motion Carried

3. APPROVAL OF THE MINUTES OF THE 2018 ANNUAL GENERAL MEETING

19-23 Moved by: Laura Gallant
Seconded by: Raymond Cormier

That the minutes of the annual general meeting, meeting No. 650, held on Wednesday, April 11, 2018, be approved as submitted.

Motion Carried

At this time, since the auditor is not yet present, the meeting will continue from item 5. until the auditor arrives and is ready to present the audited financial statements.

5. PRESENTATION OF THE 2018 ANNUAL REPORT

The chairperson, H.J. (Harry) McInroy, summarized the report.

19-24 Moved by: Raymond Cormier
Seconded by: Marie Ann Cormier

That the 2018 annual report be approved as submitted.

Motion Carried

6. RATIFICATION OF MEMBERS' ACTIONS

19-25 Moved by: Jean-Charles Dugas
Seconded by: Marie Ann Cormier

That all actions, procedures, contracts, regulations, nominations, elections and past payments, undertaken or performed by the members since the last annual general meeting of the Greater Shediac Sewerage Commission, held on April 11, 2018, as they appear in the minutes of the regular meetings of the Commission, or in any other book or record of the Commission be approved, ratified and confirmed.

Motion Carried

7. APPOINTMENT OF AUDITORS

19-26 Moved by: Susan Cormier
Seconded by: Laura Gallant

That the accounting firm of Boudreau Albert Savoie & Associates be appointed as auditors for the year 2019.

Motion Carried

8. PUBLIC PARTICIPATION

A member of the public mentioned that TransAqua was upgrading its wastewater treatment facility to meet the federal government's standards by the year 2020. He asked if the GSSC had plans to upgrade its wastewater treatment facility to meet the standards as well. The general manager explained that GSSC's facility already meets the federal standards and that its effluent testing results were available on its website. He added that the GSSC is looking at upgrading its treatment facility, but not due to the federal standards, but rather since it has reached its design life.

The audio recording device was paused at 6:15pm and the members will take a break until the auditor arrives.

The auditor, Louis-Paul Savoie, arrives at 6:18pm. He will now present the audited financial statements. The audio recording device has been turned back on.

4. PRESENTATION OF THE 2018 AUDITED FINANCIAL STATEMENTS

Mr. Louis-Paul Savoie, of Boudreau Albert Savoie & Associates, presented the audited financial statements for the year ended December 31, 2018.

19-27 Moved by: Raymond Cormier
Seconded by: Marie Ann Cormier

That we adopt the audited financial statements for the fiscal year ended December 31, 2018, as presented by the firm Boudreau Albert Savoie & Associates.

Motion Carried

Laura Gallant asked the auditor if the GSSC could pay off small debentures to save on interest charges. The auditor explained that we would have to compare the interest charges saved versus the refinancing cost. The general manager added that some of the debentures are related to sewer system extensions to add new areas to our system. Those debentures should not be paid with GSSC's funds as these projects are supposed to be financed entirely by the new clients, and not the existing clients.

9. ADJOURNMENT

Susan Cormier moved that the meeting be adjourned at 6:40 p.m.


Chairperson

Financial statements of
**The Greater Shediac Sewerage
Commission**

December 31, 2019

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Independent Auditor's Report

To the Shareholders of
The Greater Shediac Sewerage Commission

Opinion

We have audited the financial statements of The Greater Shediac Sewerage Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Commission 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 these 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 PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 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 GAAS 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 an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism 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 Commission'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 Commission'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 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 Commission 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.

Deloitte LLP

Chartered Professional Accountants
May 5, 2020

The Greater Shediac Sewerage Commission
Statement of operations and accumulated surplus
For the year ended December 31, 2019

	Budget 2019 \$	Actual 2019 \$	2018 \$
	(Unaudited)		
Revenues			
Sewerage fees	2,346,430	2,357,086	2,191,913
Amortization of deferred grants	—	79,705	37,298
Interest on term deposits	7,700	61,194	40,479
Interest on receivable	60,500	45,850	41,128
Miscellaneous revenue	8,400	21,958	—
Sewer certificate and hook-up fees	10,000	9,100	9,950
	2,433,030	2,574,893	2,320,768
Expenses			
Amortization of tangible capital assets	—	841,667	769,615
Salaries and benefits	474,100	494,273	478,103
Debt charges and short term interest	490,691	192,691	216,629
Electricity	138,200	160,396	161,176
Engineering and professional fees	131,450	145,243	175,426
Discount on sewerage fees	130,920	137,966	131,697
Office supplies, postage and telecommunications	51,150	59,439	57,792
Property taxes	45,000	45,512	44,310
Repairs and maintenance - treatment disposal	50,500	40,408	38,789
Insurance	39,100	38,971	37,851
Repairs and maintenance - lift station	50,500	32,785	36,493
Legal fees	18,000	26,944	16,588
Repairs and maintenance - machinery and equipment	10,500	24,295	16,133
Salaries - honorarium and expenses	28,000	23,669	20,380
Losses on replacement of tangible capital assets	—	19,158	94,119
Repairs and maintenance - lines, manholes and laterals	42,000	19,123	26,588
Vehicle	17,000	18,836	22,921
Bank charges and credit card charges	26,255	18,831	16,251
Audit fees	9,900	18,276	9,386
Bad debts	23,000	14,160	2,018
Infiltration study	10,000	11,359	11,087
Flushing and video	21,000	9,155	16,132
Small tools, safety and testing equipment	14,175	4,146	6,113
Purification treatment, grit removal and lab test	6,000	6,922	5,122
Seminar and courses	8,800	2,900	3,231
	1,836,241	2,407,125	2,413,950
Annual surplus (deficit)	596,789	167,768	(93,182)
Accumulated surplus, beginning of year	—	15,551,602	15,644,784
Accumulated surplus, end of year	—	15,719,370	15,551,602

The accompanying notes are an integral part of the financial statements.

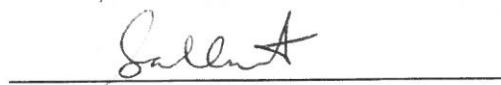
The Greater Shediac Sewerage Commission
Statement of financial position
As at December 31, 2019

	Notes	2019 \$	2018 \$
Financial assets			
Cash		2,523,801	1,681,636
Restricted cash and term deposits		239,460	244,041
Receivables			
Trade and other receivables	3	158,854	812,093
Harmonized sales tax receivable		262,312	499,410
		3,184,427	3,237,180
Liabilities			
Accounts payable and accrued liabilities	5	659,815	1,137,921
Deferred tangible capital assets grants		4,605,590	3,142,063
Debentures	6	4,745,000	4,913,000
		10,010,405	9,192,984
Net debt		6,825,978	5,955,804
Non-financial assets			
Tangible capital assets	7	35,529,540	33,752,502
Accumulated amortization	7	(13,035,990)	(12,305,978)
		22,493,550	21,446,524
Inventory of supplies		51,801	60,882
		22,545,351	21,507,406
Accumulated surplus		15,719,370	15,551,602

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 , Director

 , Director

The Greater Shediac Sewerage Commission**Statement of change in net debt**

For the year ended December 31, 2019

	2019	2018
	\$	\$
Annual surplus (deficit)	167,768	(93,182)
Losses on replacement of tangible capital assets	19,158	94,119
Proceeds on sales of tangible capital assets	—	10,925
Acquisition of tangible capital assets	(1,907,848)	(3,285,931)
Amortization of tangible capital assets	841,667	769,615
	(879,255)	(2,504,454)
Acquisition of inventory of supplies	(51,801)	(60,882)
Consumption of inventory of supplies	60,882	53,871
Increase in net debt	(870,174)	(2,511,465)
Net debt, beginning of the year	(5,955,804)	(3,444,339)
Net debt, end of the year	(6,825,978)	(5,955,804)

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Statement of cash flows
For the year ended December 31, 2019

	2019 \$	2018 \$
Operating		
Annual surplus (deficit)	167,768	(93,182)
Losses on replacement of tangible capital assets	19,158	94,119
Amortization of tangible capital assets	841,667	769,615
	<u>1,028,593</u>	<u>770,552</u>
Change in other balances related to operations		
Trade and other receivables	653,239	(462,346)
Inventory of supplies	9,081	(7,011)
Harmonized sales tax receivable	237,098	(380,192)
Deferred tangible capital assets grants	1,463,527	2,693,201
Accounts payable and accrued liabilities	(478,106)	704,603
	<u>1,884,839</u>	<u>2,548,255</u>
	<u>2,913,432</u>	<u>3,318,807</u>
Capital		
Acquisitions of tangible capital assets	(1,907,848)	(3,285,931)
Proceeds on sale of tangible capital assets	—	10,925
	<u>(1,907,848)</u>	<u>(3,275,006)</u>
Financing		
Issuance of debenture	—	948,000
Repayment of debenture	(168,000)	(1,106,000)
	<u>(168,000)</u>	<u>(158,000)</u>
Net increase (decrease) in cash	837,584	(114,199)
Cash, beginning of year	1,925,677	2,039,876
Cash, end of year	<u>2,763,261</u>	<u>1,925,677</u>
Cash and equivalents consists of:		
Cash	2,523,801	1,681,636
Restricted cash and term deposits	239,460	244,041
	<u>2,763,261</u>	<u>1,925,677</u>

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission

Notes to the financial statements

Year end December 31, 2019

1. Purpose of the organization

The Greater Shediac Sewerage Commission (the "Commission") was incorporated as a Commission by the Province of New Brunswick Municipalities Act and was approved for a status as a Commission. As a Commission, it is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

The Commission operates waste water treatment plants in Boudreau-Quest and Scoudouc LSD, New Brunswick and provides waste water treatment for the town of Shediac, Scoudouc LSD, Scoudouc Road LSD, Pointe-du-Chene LSD, part of Shediac Cape LSD and the regions of Cap Bimet/Boudreau-Ouest.

2. Significant Accounting policies

The financial statements of the Commission are prepared in accordance with Canadian public sector accounting standards ("PSAS") and reflect the accounting policies enumerated below.

The focus of PSAS financial statements is on the financial position of the Commission and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Commission.

Budget

The budget figures contained in these financial statements were approved by Council on November 30, 2018 and submitted to the Minister of Environment and Local Government, and have not been audited.

Revenue recognition

The Commission recognizes revenues from sewerage fees and other sources as the services are rendered, the price is fixed or determinable and collection is reasonably assured. Interest income is recognized on an accrual basis.

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

Deferred revenues

Deferred revenues include grants, contributions and other amounts received from third parties for the acquisition of capital assets. Revenue is recognized on the same basis as the amortization expense related to the acquired capital assets or recognized as a direct increase in net assets for assets that will not be amortized.

Use of estimates

The preparation of the financial statements in conformity with PSAS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates.

2. Significant Accounting policies (continued)

Financial instruments

The Commission's financial assets and liabilities are initially measured at fair value and subsequently carried at amortized cost.

Cash and restricted cash

Cash includes cash on hand and cash in banks not subject to other restriction. Cash that has been internally restricted by the board of directors for future projects has been presented separately.

Tangible capital assets

Tangible capital assets are measured at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Land improvements	10-60 Years
Buildings and structures	20-50 years
Office equipment	5 years
Motor vehicles	8 years
Heavy equipment	15 years
Machinery, equipment and bidding forms	5-60 years
Sewer pipes	25-60 years
Manholes	40 years

Assets under construction are not amortized until the asset is available for productive use.

Inventory of supplies

Inventory is measured at the lower of cost and net replacement cost with cost being determined on a first-in, first-out basis.

Accrued sick leave

The Commission provides for sick leave that accumulates at 1.50/day per month worked for full-time employees. The employees can accumulate up to a maximum of 185 days. On retirement or resignation after being employed, any employee having accrual sick leave will receive an allowance equal to 5% of accrued sick days for each year of work at a rate of 50% of the base salary at the date of termination.

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of annual surplus as they come due. The liability as at December 31, 2019 of \$72,900 (\$66,377 as at December 31, 2018) is presented in accounts payable and accrued liabilities.

The Greater Shediac Sewerage Commission
Notes to the financial statements
Year end December 31, 2019

3. Trade and other receivables

	2019	2018
	\$	\$
Trade	196,267	182,997
Tangible capital assets grants receivables	71,934	741,679
Allowance for doubtful accounts	(109,347)	(112,583)
	<u>158,854</u>	<u>812,093</u>

4. Bank loan

The Commission has an authorized line of credit of \$500,000, bearing interest at prime rate, and renewable annually. The Commission has \$500,000 available on the line of credit as at December 31, 2019 (2018 - \$500,000).

5. Accounts payable and accrued liabilities

	2019	2018
	\$	\$
Future employees benefits (note 8)	72,369	66,377
Trade and holdbacks	568,216	1,023,674
Vacation accrued	6,407	4,415
Deferred grant	—	9,603
Accrued expenses	6,823	30,852
Deposit in trust	6,000	3,000
	<u>659,815</u>	<u>1,137,921</u>

6. Debentures

	2019	2018
	\$	\$
Debenture BC43 (Cap-Bimet/Boudreau-Ouest), interest varying from 1.5% to 4.55% maturing in 2020	266,000	275,000
Debenture BE38 (Scoudouc Road LSD), interest varying from 1.65% to 4.25% maturing in 2021	2,019,000	2,091,000
Debenture BJ46 (Head Office), interest varying from 1.25% to 4.4% maturing in 2033	443,000	467,000
Debenture BK41 (Gould Beach Road & Lift Station #6), interest varying from 1.15% to 4.15% maturing in 2034	1,104,000	1,132,000
Debenture BT38 (Cap-Bimet/Boudreau-Ouest), interest varying from 2.1% to 3.7% maturing in 2038	913,000	948,000
	<u>4,745,000</u>	<u>4,913,000</u>

The Greater Shediac Sewerage Commission
Notes to the financial statements
Year end December 31, 2019

6. Debentures (continued)

In 2020, debenture BC43 will mature with a final amount due of \$257,000, which is expected to be refinanced in that year, for a period not to exceed 20 years.

In 2021, debenture BE38 will mature with a final amount due of \$2,532,000. \$197,000 is to be refinanced in that year for a period not to exceed 10 years and \$1,672,000 for a period not to exceed 20 years.

In 2034, debenture BK41 will mature with a final amount due of \$544,000, which is expected to be refinanced in that year, for a period not to exceed 10 years.

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture reported on the Statement of Financial Position. Principal repayments required during the next five years are as follows:

	\$
2020	430,000
2021	2,037,000
2022	94,000
2023	98,000
2024	101,000

7. Tangible capital assets

	Cost \$	Accumulated amortization \$	2019 Net book value \$	2018 Net book value \$
Land	54,651	—	54,651	54,651
Art work	3,442	—	3,442	3,442
Land improvements	3,721,292	1,443,337	2,277,955	2,358,199
Buildings and structures	12,854,131	5,708,288	7,145,843	7,015,537
Office equipments	53,939	41,298	12,641	8,935
Motor vehicles	127,771	68,407	59,363	75,335
Heavy equipments	429,182	124,123	305,060	262,147
Software	21,389	21,388	1	10,695
Machineries and equipments	2,489,410	877,418	1,611,992	1,445,830
Sewer pipes	12,652,001	3,565,380	9,086,621	8,427,300
Manholes	3,122,332	1,186,351	1,935,982	1,784,453
	35,529,540	13,035,990	22,493,550	21,446,524

8. Future employee benefits

Under the sick leave benefits plan, unused sick leave benefits can be accumulated, and employees may become entitled to a cash payment upon leaving the Commission's employment.

The liability as at December 31, 2019 of \$72,369 (\$66,377 as at December 31, 2018) is recorded in accounts payable and accrued liabilities.

9. Sewer capital reserve fund and capital fund

An amount of \$525,000 was transferred from the operating fund to the capital fund. The transfer was authorized based on authorizing motion 19-87, meeting no. 676, dated December 18, 2019.

A total amount of \$100,000 was transferred from the operating fund to the operating reserve fund, with the approval of the 2019 budget.

There was also a transfer of \$16,048 for an operation reserve fund, with the approval of the 2019 budget.

10. Water and sewer fund surplus/deficit

The Municipalities Act requires that any Water and Sewer Fund deficit amounts be absorbed by surpluses in the ensuing four years. The cumulative surplus/deficit is as follows:

	2019	2018
	\$	\$
2019 Deficit	(12,327)	—
2018 Deficit	(49,649)	(49,649)
2017 Deficit	(11,820)	(11,820)
2016 Surplus	19,010	19,010
2015 Deficit	(9,536)	(9,536)
	(64,322)	(51,995)

11. Financial instruments and risk management

Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate because of changes in market prices. The Commission's debentures are at fixed rates of interest and it is not exposed to other price risks.

Credit risk

Credit risk arises from the potential that a debtor will be unable to meet its obligations. The Commission conducts a thorough assessment of its debtors prior to granting credit and actively monitors the financial health of its debtors on a continuous basis. Credit risk arises primarily from cash and accounts receivable. There are no significant concentrations of credit risk.

Liquidity risk

The Commission's objective is to have sufficient liquidity to meet its liabilities when due. The Commission monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2019, the most significant financial liabilities are accounts payable and accrued liabilities, and debentures.

12. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

The Greater Shediac Sewerage Commission
Schedule 1 - regulatory reporting requirements
Statement of sewer capital reserve

For the year ended December 31, 2019
(Unaudited)

	2019	2018
	\$	\$
Assets		
Cash	101,467	40,177
Restricted cash and term deposits	239,460	244,041
Due (to) from capital	(4,254)	(4,254)
Due to operating	(8,934)	(46,460)
Accumulated surplus	327,739	233,504
Revenue		
Transfers from operating fund	16,048	13,197
Interest earned	7,624	4,180
Annual surplus	23,672	17,377

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Schedule 2 - regulatory reporting requirements
Statement of operating reserve fund

For the year ended December 31, 2019
(Unaudited)

	2019	2018
	\$	\$
Revenue		
Transfers from operating fund	—	19,770
Transfers to operating fund	100,000	(124,380)
Annual surplus (deficit)	100,000	(104,610)

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Schedule 3 - regulatory reporting requirements
Reconciliation of annual surplus (deficit)
For the year ended December 31, 2019
(Unaudited)

	General operating fund \$	General capital fund \$	Sewer capital reserve fund \$	Operation reserve fund \$	2019 total \$
2019 Annual fund surplus (deficit)	716,224	(736,175)	7,624	—	(12,327)
Adjustments to 2019 annual surplus (deficit) for funding requirements					
Second previous year's deficit	11,820	—	—	—	11,820
Transfers between funds					
Transfer from general operating fund to general capital fund	(525,000)	525,000	—	—	—
Transfer from general operating fund to sewer capital reserve fund	(16,048)	—	16,048	—	—
Transfer from general operating fund to operation reserve fund	—	—	—	—	—
Transfer from operation reserve fund to general operating fund	(100,000)	—	—	100,000	—
Debtenture principal repayments	(168,000)	168,000	—	—	—
Amortization expense	—	841,667	—	—	841,667
Total adjustments to annual surplus (deficit)	(797,228)	1,534,667	16,048	100,000	853,487
2019 annual surplus (deficit)	(81,004)	798,492	23,672	100,000	841,160
	General operating fund \$	General capital fund \$	Sewer capital reserve fund \$	Operation reserve fund \$	2018 total \$
2018 Annual fund surplus (deficit)	702,928	(800,290)	4,180	—	(93,182)
Adjustments to 2018 annual surplus (deficit) for funding requirements					
Second previous year's surplus	19,010	—	—	—	19,010
Transfers between funds					
Transfer from general operating fund to general capital fund	(705,000)	705,000	—	—	—
Transfer from general operating fund to sewer capital reserve fund	(13,197)	—	13,197	—	—
Transfer from general operating fund to operation reserve fund	(19,770)	—	—	19,770	—
Transfer from operation reserve fund to general operating fund	124,380	—	—	(124,380)	—
debtenture principal repayments	(158,000)	158,000	—	—	—
Amortization expense	—	769,615	—	—	769,615
Total adjustments to annual surplus (deficit)	(752,577)	1,632,615	13,197	(104,610)	788,625
2018 annual surplus (deficit)	(49,649)	832,325	17,377	(104,610)	695,443

The accompanying notes are an integral part of the financial statements.

GREATER SHEDIAC
SEWERAGE
COMMISSION
DES ÉGOUTS
SHEDIAC ET BANLIEUES

2019 Annual Report

THE GREATER SHEDIAC SEWERAGE COMMISSION

2019 ANNUAL REPORT

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Past Chairpersons

▪ Laurie Williams	1969 - 1972
▪ Alfred Léger	1972 - 1976
▪ James Bateman	1976 - 1981
▪ Jamie Storey	1981 - 1988
▪ Valmon Thibodeau	1988 - 1992
▪ Ernest Drapeau	1992 - 1997
▪ Jean-Guy Lirette	1997 - 2001
▪ Yvon Gautreau	2001 - 2007
▪ Maurice Cormier	2007 - 2008
▪ Roland Belliveau	2008 - 2014
▪ Roger Caissie	2014 - October 2018
▪ H.J. (Harry) McInroy	November 2018 - present

Members of the Commission

▪ H.J. (Harry) McInroy,	Chairperson
▪ Laura Gallant,	Vice-chairperson
▪ Marie Ann Cormier	Treasurer
▪ Susan Cormier	Secretary
▪ Raymond Cormier	Member (Since February)
▪ Jean-Charles Dugas,	Member (Since March)

General Committee

All members are part of the committee.

Employees

▪ Joey Frenette,	General Manager and level II Wastewater Treatment and Collection Operator
▪ Stephanie Bernard,	Office Manager
▪ Janice Bernard,	Accounting Clerk
▪ Nicole LeBlanc,	Administrative Secretary
▪ Gilles LeBlanc,	Level II Wastewater Treatment and Collection Operator
▪ Daniel St-Amand,	Level II Wastewater Treatment Operator (Employed until April)
▪ Cory Babineau,	Level I Wastewater Treatment and Collection Operator (Employed since June)

Chairperson's Report

Again in 2019, the GSSC made major investments for substantial upgrades to the infrastructure of its sewerage collection system. As well, planning and positioning for future collection and treatment requirements for the Greater Shediac area highlighted the year.

Policy, Procedure and Planning

The Long Term Study of the eastern section of our collection system as well as our treatment facility was completed, approved by the Board of Commissioners and, submitted to the Department of Environment and Local Government for review and comment.

The preliminary design for the proposed new Wastewater Treatment Facility at Cap-Brulé was finalized and approved by the Board. A request for funding for this major undertaking and investment was submitted to the DELG for funding via the new Integrated Bilateral Agreement Fund.

The Certificate of Approval to Operate, for the Cap-Brulé treatment facility was renewed with two additional operational requirements. The first is the requirement to report all wastewater overflow events, including those caused by flooding due to rainfall and/or snow melt.

It should be noted that in 2018, prior to this being a requirement, the GSSC expanded its website (www.gssc-cesb.ca) content to include details on all storm water diluted overflows at its lift stations.

The other added operational requirement is that ultraviolet (UV) disinfection of the effluent at the Cap-Brulé WWTF be carried out all year round with the following standards being met; May 1st to October 31st a maximum of 200MPN/100 ml of E.coli; November 1st to April 30th a maximum of 1000 MPN/100 ml of E.coli.

The Commission has actually been implementing year-round UV disinfection since 2017. This process occurs after the full lagoon sewage treatment process, prior to effluent outflow.

Processes which the GSSC has already implemented are now incorporated by the DELG as wastewater treatment facility operational requirements.

Ongoing laboratory effluent test results for operations at the Cap-Brulé and Scoudouc treatment facilities, which continue to exceed Environment Canada 2020 Standards, are posted on the website.

Projects and Infrastructure Investments

In addition to ongoing projects of maintenance and repair, the following are noted. The sanitary sewer collection system in Gallagher Street and a small section of Centennial Drive was replaced. This work was undertaken in conjunction and with the cooperation of the Town of Shediac, as it upgraded its water system and added a new storm water system in the street.

Government funding programs once again enabled the GSSC to invest significantly in upgrades to existing infrastructure. The Gas Tax Fund contributed to the cost of replacing the sanitary sewer collection system in St. John Street, Pointe-du-Chêne, from First Avenue to Lift Station No. 10 on MacKenzie Road.

Preparations were undertaken to install an onsite generator at Lift Station No. 8, 133 Pointe-du-Chêne Road, with the remaining Clean Water and Wastewater Fund allocation.

Parlee Beach Sanitary Sewer System

Parlee Beach's new sanitary sewer collection system was completed, and significant upgrades were made to Lift Station No. 10, including increased retention and new pumps with increased pumping capacity.

All wastewater flows from Parlee Beach are now collected and directed to Lift Station No. 10. It is important to note that there is no overflow outfall associated with this new system. It is designed such that all flows are to be retained within the collection system and refurbished lift station.

Budget and Personnel Matters

The Board adopted the 2020 budget of \$ 2,531,267.00 which will ensure availability of capital for infrastructure works, incorporated sewer rate increases of \$10.00 for Shédiac, Pointe-du-Chêne LSD and Scoudouc LSD and, \$7.00 for Scoudouc Road LSD and Cap Bimet/Boudreau Ouest.

A member of our treatment plant and collection system team, Daniel St.-Amand, resigned in April. Operator Cory Babineau was hired in June, restoring our staff complement to six.

Our Board of Commissioners consists of;

Chairperson ...	H.J. (Harry) McInroy
Vice Chair ...	Laura Gallant
Secretary ...	Susan Cormier
Treasurer ...	Marie Ann Cormier
Member ...	Raymond Cormier (since February)
Member ...	Jean-Charles Dugas (since March)

My appreciation to Commission Board members for their commitment and support.

On behalf of the Board, I extend appreciation to our staff for its capable and committed service over this past year.

H.J. (Harry) McInroy
Chairperson

Activities in 2019

The Greater Shediac Sewerage Commission was created in 1969. In 2019, the Commission completed its 50th year of service to the citizens. The present report retraces the main events of the Commission in 2019 and summarizes the infrastructure projects and capital investments undertaken during the past ten (10) years. As you will notice in the report, the Greater Shediac Sewerage Commission invested a total amount of **\$10,273,246.26** during this period, representing an average investment of **\$1,027,325** per year.

Members' Activities

The Greater Shediac Sewerage Commission held twelve (12) regular meetings, three (3) special meetings, and one (1) annual general meeting in 2019. The Commission adopted a total of ninety-one (91) resolutions at these meetings. The General Committee held three (3) meetings. In total, nineteen (19) meetings were held in 2019.

Staff Activities

An operator has left the Commission last April and a new operator, Cory Babineau, joined operations and maintenance staff in June. Cory is adapting well and is fulfilling his duties, including on-call rotation, diligently. Operators continue to face the challenges related to issues with inflow and infiltration into our collection system and power outages. Cory has obtained his level II certifications in wastewater treatment and collection. The GSSC now has 3 operators who are certified level II in wastewater treatment and collection.

The administrative staff consistently looks to improve our processes. They have recognized that continuing to use mail only for accounts receivable is not the most efficient method of delivery. They now also conduct communications via email. This includes sending of invoices, statements and receipts. We encourage all users to commence using this method delivery, if possible. By doing so, we will reduce waste which is a small step towards protecting our environment which always remains the main objective for the Commission.

Activities and investments of the past ten (10) years

2010	Acquisition of truck 1/2 ton	\$	26,654.00
2010	Standard Specifications	\$	30,706.00
2011	Screw pumps	\$	336,831.00
2012	Forcemain - Gould Beach Road	\$	223,515.00
2012	Head Office	\$	975,058.00
2012	Flow meters	\$	13,112.00
2012	SCADA System - Phase 1	\$	184,104.00
2013	SCADA System - Phase 2	\$	50,809.00
2013	Lift Station No. 6 & Forcemain realignment	\$	1,007,548.00
2014	SCADA System - Phase 2	\$	165,055.00
2014	Acquisition of truck 3/4 ton 4x4 diesel with plow	\$	49,533.00
2014	Acquisition of truck 3/4 ton 4x4 with plow	\$	39,431.00
2015	West Shediak Improvements - Sewer main	\$	599,390.87
2015	Manhole infiltration reduction	\$	321,027.22
2015	Replacement of sewer mains - Main Street	\$	34,119.09
2015	Baffles -Lift stations' wet wells	\$	20,479.63
2015	Land acquisition in Scoudouc	\$	9,256.20
2015	Computerize collection system master plan	\$	46,574.31
2016	Acquisition of tractor	\$	30,512.59
2016	Replacement of sanitary sewer - Chesley Street	\$	125,935.74
2016	Install electronic temperature monitoring equipment	\$	12,399.19
2017	Pointe-du-Chêne Sanitary Sewer Improvements	\$	1,353,578.51
2017	Lift Station Upgrades	\$	809,988.66
2017	Shediak East Long-Term Wastewater Strategy	\$	86,036.78
2017	Replacement of sewer mains – Main Street	\$	159,587.89
2017	Aquatech SJ-1650	\$	247,134.89
2018	Parlee Beach	\$	2,689,409.36
2018	Wayne Street	\$	61,483.04
2018	Tipperary Street	\$	87,433.18
2018	Truck – Silverado 1500	\$	23,575.98
2019	Gallagher & Centennial	\$	320,594.33
2019	Kubota Tractor	\$	68,205.52
2019	Lift Station Upgrades	\$	54,409.17
2019	Vcam 6 Control Module	\$	9,488.19

Total for the period of 2010 to 2019 **\$ 10,273,246.26**

Summary of future infrastructure projects:

See Schedule A - Five-year plan 2020-2024

**The Greater Shediac Sewerage Commission
Five-Year Plan 2020-2024**

No.	Activities	2019	2020	2021	2022	2023	2024	Total for 2020-2024
1	Improvement of Infrastructure							
	a. Lift station no. 11 - full renewal + generator	\$25,000						\$0
	b. Lift station no. 7 - full renewal + generator + section of forcemain + and gravity	\$80,000						\$0
	c. Lift station no. 13 - new building + new pumps and electrical			\$185,000				\$185,000
	d. Lift station no. 1 - Phase I - generator	\$5,000						\$0
	e. Lift station no. 5 - Phase I - generator and general electrical	\$5,000						\$0
	f. Lift station no. 5 - Phase II - increase retention, mechanical, electrical				\$300,000			\$300,000
	g. Lift station no. 6 - generator and general electrical	\$5,000						\$0
	h. Lift station no. 12 - phase I - generator and general electrical	\$5,000						\$0
	i. Lift station no. 12 - phase II - mechanical, electrical, increase retention, section forcemain				\$500,000			\$500,000
	j. Lift station no. 9 - increase retention + generator + flow meter		\$170,000					\$170,000
	k. East Wayne Street/Stead Street - culvert and section of sewer main	\$10,000						\$0
	l. Lift station no. 14 - new pumps, generator and general electrical		\$200,000					\$200,000
	m. Lift station no. 8 - new pumps, mechanical, generator					\$170,000		\$170,000
2	Extension of existing services							
	a. Extension Scoudouc LSD - Highway 132 at Malakoff Road							
		\$135,000	\$370,000	\$185,000	\$800,000	\$240,000	\$375,000	\$1,970,000
	SUBTOTAL							
		\$135,000	\$370,000	\$185,000	\$800,000	\$240,000	\$375,000	\$1,970,000
	Extension of existing services							
	a. Extension Scoudouc LSD - Highway 132 at Malakoff Road							
							\$3,000,000	\$3,000,000
	SUBTOTAL							
		\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$3,000,000
	Elimination of Infiltration							
	a. Inflow and Infiltration Study							
	b. Sewer Main Renewal - Lift station no. 2 - forcemain	\$10,000	\$10,000	\$50,000	\$50,000	\$10,000		\$130,000
	Sewer Main Renewal - Dupuis Street							
	Sewer Main Renewal - Inglis, Grand Pre and Main Street (Easement to Route 133)							
	Sewer Main Renewal - Lift station no. 1 - forcemain			\$320,000				\$320,000
	c. Sewer Main Renewal - Gallagher Street	\$500,000	\$2,880,000					\$3,380,000
	Sewer Main Renewal - Centennial Drive		\$100,000					\$100,000
	Sewer Main Renewal - Belle Isle Street							
	Sewer Main Renewal - Brown Street			\$1,920,000	\$280,000			\$2,200,000
	Sewer Main Renewal - Shore Drive							
3	Equipment Replacement (trucks, tractors, flusher, etc.)							
	a. New 3/4 ton Pickup Truck (2 separate trucks)							
	b. New 1/2 ton Pickup Truck		\$40,000	\$40,000				\$80,000
	c. New large tractor with snowblower and lawn mower							
	d. New HD dump trailer					\$15,000		\$15,000
	SUBTOTAL							
		\$985,000	\$4,215,000	\$2,290,000	\$2,830,000	\$260,000	\$10,000	\$9,605,000
	Cap-Brûlé WWTP Upgrade							
	a. Pre-design							
	b. Phase 1	\$165,000						\$165,000
	c. Influent flow Meter	\$15,000	\$6,000,000	\$11,000,000	\$6,100,000	\$1,400,000		\$24,500,000
	SUBTOTAL							
		\$180,000	\$6,000,000	\$11,000,000	\$6,100,000	\$1,400,000	\$0	\$24,500,000
	YEARLY ESTIMATES							
		\$1,365,000	\$10,625,000	\$13,515,000	\$9,730,000	\$1,900,000	\$3,185,000	\$39,155,000

* Project to proceed should government subsidies become available
 * timeline and scope may vary with availability of subsidies and/or our financial position
 * exact scope and cost to be determined

Signed by Chairperson: _____

Date: _____

LA COMMISSION DES ÉGOUTS SHEDIAC ET BANLIEUES / THE GREATER SHEDIAC SEWERAGE COMMISSION										Schedule/Annexe B
DISTRIBUTION DES UNITÉS / DISTRIBUTION OF UNITS										
31-Dec-19										
RÉGIONS / AREAS	(1,2,4) Shediac	(3,6) Pointe du Chene DSL / LSD	(7,) Shediac Cape DSL / LSD	(5,) CRBE (original)	(81,) CRBE (nouveau / new)	(9,) Scoudouc DSL / LSD	(95,) Scoudouc Rd. DSL / LSD	Total		
Établissements/Establishments										
Résidentiel/Residential	3,276	992	110	148	327	166	101	5,120		
Commercial /Commercial	781	366	4		6	6	6	1,169		
								-		
Industriel / Industrial	49					1		50		
Institutionnel /Institutional	771	8	33		1	6		819		
Total	4,877	1,366	147	148	334	179	107	7,158		

The Greater Shediac Sewerage Commission / La Commission des Égouts Shediac et Banlieues					
Historical Sewerage Rate Structure / Structure Historique du Taux d'Égout					
Past 30 Years / 30 Dernières Années					
Shediac and Pointe-du-Chêne Area / Région de Shediac et Pointe-du-Chêne					
	Units /	Increase of units /	Gross Rate /	Discounts /	Net Rate/
Year / Année	Unités	Augmentation d'unités	Taux Brut	Escomptes	Taux Net
1989	3,682		\$151.80	\$13.80	\$138.00
1990	3,775	2.53%	\$158.40	\$14.40	\$144.00
1991	3,830	1.46%	\$162.80	\$14.80	\$148.00
1992	3,871	1.07%	\$166.10	\$15.10	\$151.00
1993	3,972	2.61%	\$170.50	\$15.50	\$155.00
1994	4,000	0.70%	\$173.80	\$15.80	\$158.00
1995	4,125	3.13%	\$176.00	\$16.00	\$160.00
1996	4,160	0.85%	\$181.50	\$16.50	\$165.00
1997	4,250	2.16%	\$187.00	\$17.00	\$170.00
1998	4,340	2.12%	\$187.00	\$17.00	\$170.00
1999	4,475	3.11%	\$190.30	\$17.30	\$173.00
2000	4,525	1.12%	\$193.60	\$17.60	\$176.00
2001	4,535	0.22%	\$198.00	\$18.00	\$180.00
2002	4,610	1.65%	\$209.00	\$19.00	\$190.00
2003	4,725	2.49%	\$214.50	\$19.50	\$195.00
2004	4,775	1.06%	\$220.00	\$20.00	\$200.00
2005	4,940	3.46%	\$225.50	\$20.50	\$205.00
2006	5,075	2.73%	\$231.00	\$21.00	\$210.00
2007	5,175	1.97%	\$236.50	\$21.50	\$215.00
2008	5,340	3.19%	\$242.00	\$22.00	\$220.00
2009	5,400	1.12%	\$242.00	\$22.00	\$220.00
2010	5,475	1.39%	\$242.00	\$22.00	\$220.00
2011	5,805	6.03%	\$253.00	\$23.00	\$230.00
2012	5,893	1.52%	\$264.00	\$24.00	\$240.00
2013	5,922	0.49%	\$264.00	\$24.00	\$240.00
2014	6,125	3.31%	\$264.00	\$24.00	\$240.00
2015	6,156	0.50%	\$269.00	\$24.00	\$245.00
2016	6,299	2.27%	\$279.00	\$25.00	\$254.00
2017	6,373	1.16%	\$289.00	\$25.00	\$264.00
2018	6,415	0.65%	\$299.00	\$25.00	\$274.00
2019	6,538	1.88%	\$319.00	\$25.00	\$294.00

The Greater Shediac Sewerage Commission / La Commission des Égouts Shediac et Banlieues					
History of Sewerage Rates Structure / Structure Historique du Taux d'Égout					
Scoudouc Area / Région Scoudouc					
	Units /	Increase of units /	Gross Rate /	Discounts /	Net Rate/
Year / Année	Unités	Augmentation d'unités	Taux Brut	Escomptes	Taux Net
1998	152		\$375.00	\$0.00	\$375.00
1999	152	0.00%	\$375.00	\$0.00	\$375.00
2000	152	0.00%	\$375.00	\$0.00	\$375.00
2001	152	0.00%	\$375.00	\$0.00	\$375.00
2002	153	0.66%	\$375.00	\$0.00	\$375.00
2003	153	0.00%	\$375.00	\$0.00	\$375.00
2004	153	0.00%	\$375.00	\$0.00	\$375.00
2005	154	0.65%	\$375.00	\$0.00	\$375.00
2006	158	2.60%	\$375.00	\$0.00	\$375.00
2007	160	1.27%	\$375.00	\$0.00	\$375.00
2008	164	2.50%	\$375.00	\$0.00	\$375.00
2009	170	3.66%	\$375.00	\$0.00	\$375.00
2010	163	-4.12%	\$375.00	\$0.00	\$375.00
2011	172	5.52%	\$375.00	\$0.00	\$375.00
2012	173	0.58%	\$264.00	\$0.00	\$264.00
2013	174	0.57%	\$264.00	\$0.00	\$264.00
2014	174	0.00%	\$264.00	\$0.00	\$264.00
2015	173	-0.58%	\$269.00	\$24.00	\$245.00
2016	174	0.57%	\$279.00	\$25.00	\$264.00
2017	178	2.25%	\$289.00	\$25.00	\$264.00
2018	179	0.56%	\$299.00	\$25.00	\$274.00
2019	179	0.00%	\$319.00	\$25.00	\$294.00

The Greater Shediac Sewerage Commission / La Commission des Égouts Shediac et Banlieues					
History of Sewerage Rates Structure / Structure Historique du Taux d'Égout					
Cap-Bimet/Boudreau-Ouest Area / Région Cap-Bimet/Boudreau-Ouest					
	Units /	Increase of units /	Gross Rate /	Discounts /	Net Rate/
Year / Année	Unités	Augmentation d'unités	Taux Brut	Escomptes	Taux Net
2008	275		\$475.00	\$0.00	\$475.00
2009	272	-1.09%	\$475.00	\$0.00	\$475.00
2010	326	19.85%	\$475.00	\$0.00	\$475.00
2011	330	1.23%	\$475.00	\$0.00	\$475.00
2012	330	0.00%	\$483.00	\$0.00	\$483.00
2013	330	0.00%	\$483.00	\$0.00	\$483.00
2014	331	0.30%	\$483.00	\$0.00	\$483.00
2015	331	0.00%	\$486.00	\$17.00	\$469.00
2016	332	0.30%	\$493.00	\$18.00	\$475.00
2017	339	2.06%	\$500.00	\$18.00	\$482.00
2018	337	-0.59%	\$507.00	\$18.00	\$489.00
2019	334	-0.90%	\$521.00	\$18.00	\$503.00

The Greater Shediac Sewerage Commission / La Commission des Égouts Shediac et Banlieues					
History of Sewerage Rates Structure / Structure Historique du Taux d'Égout					
Scoudouc Road Area / Région de Scoudouc Road					
	Units /	Increase of units /	Gross Rate /	Discounts /	Net Rate/
Year / Année	Unités	Augmentation d'unités	Taux Brut	Escomptes	Taux Net
2010	92	Beginning	\$375.00	\$0.00	\$375.00
2011	95	3.26%	\$375.00	\$0.00	\$375.00
2012	97	2.11%	\$384.00	\$0.00	\$384.00
2013	99	2.06%	\$384.00	\$0.00	\$384.00
2014	98	-1.01%	\$384.00	\$0.00	\$384.00
2015	101	3.06%	\$387.00	\$17.00	\$370.00
2016	103	1.98%	\$394.00	\$18.00	\$376.00
2017	106	2.91%	\$401.00	\$18.00	\$383.00
2018	107	0.94%	\$408.00	\$18.00	\$390.00
2019	107	0.00%	\$422.00	\$18.00	\$404.00