

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, APRIL 26, 2018 AT 6:00 P.M.
 BEST WESTERN PREMIER DENHAM INN & SUITES, DISCOVERY ROOM,
 5207 – 50 AVENUE, LEDUC, AB.**

1. CALL TO ORDER

Vice Chairman Beverly Beckett called the meeting to order at 6:00 p.m.

PRESENT:

Councillor Kelly Vandenberghe	Leduc County
Councillor Bill Daneluik	Town of Beaumont
Councillor Sam Munckhof- Swain	Town of Beaumont
Councillor Greg Gillespie	Camrose County
Councillor Doug Lyseng	Camrose County
Mayor Dawn Pauls	Village of Hay Lakes
Councillor Dave Vallee	Village of Hay Lakes
Vice Chairman Beverly Beckett	City of Leduc
Councillor Lars Hansen	City of Leduc
Mayor Tony Wadsworth	Town of Millet
Councillor Pat Garrett	Town of Millet
Mayor Wally Yachimetz	Town of Calmar
Councillor Terry Balaban	Town of Calmar

ALSO PRESENT:

Shawn Olson, Commission Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc
Pamela Regier, Project Manager	City of Leduc
Samantha Folster, Project Manager	City of Leduc
Carol Hounsell, Treasurer	City of Leduc
Shawn Tooth, Water Technician	City of Leduc
Shannon Bremner, Recording Secretary	City of Leduc
Roger Steele, Manager, Technical & Utilities	EIA
Dean Downey, Manager, Utilities	Leduc County
Graham Backus, Manager, Public Works	Camrose County
Teri Pelletier, CAO	Town of Millet
Sean Nicoll, Associated Engineering	

WITH REGRETS:

Chairman Rick Smith	Leduc County
Mayor Bob Young	City of Leduc
Amber Ouellette, Accountant	City of Leduc
Keaton Seaby, Manager, Public Works	Town of Beaumont
Mary Coyne, Project Manager, Infrastructure	EIA

2. ADOPTION OF AGENDA

- 14-18** **Motion:** It was **Moved** by Councillor Lars Hansen that the agenda for the April 26, 2018 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Carried

3. APPROVAL OF MINUTES

A. Minutes of the February 15, 2018 Regular Meeting

It was noted that the Annual General Meeting date was rescheduled to April 30, 2018. The minutes were revised to reflect this meeting date change.

- 15-18** **Motion:** It was **Moved** by Mayor Wally Yachimetz that the meeting minutes of the February 15, 2018 Capital Region Southwest Water Services Commission regular meeting be approved as amended.

Carried

4. REPORTS OF OFFICERS

A. Manager's Report

Millet Water Supply Line Project

A few minor seasonal deficiencies remain which will be completed in Spring, as soon as temperatures are conducive to applying the sealants required to complete some flashing details to the Telford Booster Station. Remaining close-out items also include submission of as-built drawings and Operation and Maintenance Manuals. Administration is withholding sufficient funds from the contractor until they are adequately addressed.

EIA License Agreement for Commission Main Infrastructure and EIA Development

Communications are ongoing with the EIA regarding a License Agreement for Transmission Main 1 after it had been relocated to accommodate the EIA outlet mall. The License Agreement addresses such items as access rights, environmental responsibilities, liability and indemnity, damage, insurance requirements, and discontinuance and abandonment.

Collective comments from Brownlee LLP and Administration were forwarded to EIA on March 21, 2018. The primary concern of the last revision provided by the EIA were comments that indicated that they did not wish there to be further Crossing Agreements with developers beyond the License Agreement. This raised significant concerns for Administration as the terms of access used to protect the Commission when contractors are working within proximity to the line had not yet been captured. Collective comments from Brownlee LLP and Administration

included the Commission's standard Crossing Agreement requirements, a schedule with restrictive conditions for the Outlet mall was struck, and reflected the EIA as the responsible party for enforcing the terms of the License Agreement with EIA developers.

Administration further met with the EIA on March 23, 2018 to discuss how to the EIA would like to address Crossing Requests and Agreements for the Costco development and other developments in light of comments provided on the License Agreement. From this meeting, the EIA noted that they would not accept responsibility and liability to enforce the Commission's access requirements with each developer. The EIA was going to review internally their preference to amend the License Agreement for each development as they had previously proposed for the Outlet Mall development or to have each developer negotiate directly with the Commission for independent agreements.

Administration received comments from EIA's legal counsel on April 10, 2018. To expedite resolution to this agreement, Administration has requested that Commission legal counsel, Brownlee LLP, negotiate to finalize the agreement directly with EIA legal counsel. Administration will still be involved in review and providing comment to Brownlee as they progress through these negotiations. Due to size of attachment, copies of the draft agreements and comments are available for review by Board Members upon request.

Robinson Reservoir

Pre-testing of the Robinson Reservoir fill station building is ongoing with commissioning activities to follow shortly. Cleaning and disinfection of the reservoir cells was previously complete and pressure testing is ongoing for the incoming service and internal process piping. The swabbing of the fill line from the CRSWSC fill line is complete with pressure testing to follow in the Spring. The facility is expected to be operational by summer 2018. The City of Leduc will be scheduling a Grand Opening Ceremony closer to completion. More information with respect to the grand opening will be provided to the Commission once a clear completion date has been established.

Water Master Plan RFP

Based on approval from the Board in the February 15, 2018 meeting, Administration has awarded the Water Master Plan project to Associated Engineering which also included the Highway 21 Booster Station pump upgrades, oversight of the Discovery Park reservoir construction, and formalization of Commission standards.

Associated Engineering has requested water projections from each member municipality. Joint meetings were held with Administration and the member municipalities that wished to further discuss anticipated growth and their water projections. A few municipalities have yet to provide their water projections or confirm the projections provided which is causing a delay to completing the water modelling. The consultant has made some assumptions for these municipalities in

order to commence the modelling and provide potential servicing scenarios when the annexation occurs.

Discovery Park Reservoir

Administration continues to coordinate applicable submittals for the Discovery Park development reservoir with the Commission engineer. The hot tap to the Commission's Transmission Main 1 was completed and the fill line was installed as part of this ongoing construction. Associated Engineering was present to oversee the hot tap connection. The valve will remain closed to restrict water from the site until construction is finished and proper disinfection of the fill line is complete. The project is anticipated to be complete by the end of 2018.

Beaumont Elan Development

Administration was previously advised by the Town of Beaumont Public Works that the proposed Elan development in Beaumont was showing a direct connection to the Commission transmission main that does not include an air gap per Commission standards. Administration advised at that time that such a request had not been received or approved by the Commission's Board. Administration has not yet been contacted by the Developer to discuss this connection request or development in proximity to the water main. Beaumont advises that they have heard nothing further on this development.

Armena Extension to Ervick and Water Projections

The Commission previously received a letter advising that Camrose County Council has passed a motion to proceed with the tender for construction of the Ervick waterline and that design and engineering of this project are ongoing. The area will be serviced by re-pumping from the existing air gap at the truck fill located in Armena.

The Board has approved necessary pump and variable frequency drive (VFD) upgrades at the Highway 21 station to continue to support this further growth and accommodate flows based on the ultimate pipeline capacity. The design scope for these upgrades has been included in the Water Master Plan RFP. Detailed design will commence following the masterplan modelling.

Camrose County has provided their design documents which have been circulated to the Commission engineer for review and comment.

Alberta Municipal Affairs Awards for Municipal Excellence

Administration completed an application for the 17th annual Minister's Awards for Municipal Excellence in the Partnerships category for the Millet Waterline Project. This application was submitted on March 13, 2018. Award recipients will be contacted by Municipal Affairs by fall 2018.

Leduc County / City of Edmonton Annexation

The Commission received notice from the City of Edmonton (the City) on February 20, 2018 advising that as part of an Intermunicipal Planning Framework Agreement committed to with Leduc County and the Town of Beaumont, that nine quarter

sections would be removed from the City's proposed Southwest Annexation. The letter was to advise of the City's intent to proceed with a third amended Notice of Annexation.

On March 6, 2018, the Commission received notice from the Municipal Government Board (MGB) advising that the City of Edmonton (the City) has submitted to them this Notice of Intent Amendment. A further notice was received from the MGB on March 28, 2018 advising of a preliminary hearing with regards to the proposed annexation. The letter is attached to this report and includes details regarding the schedule details of the hearing. The Commission had previously filed a notice of concern regarding the annexation with the MGB, and both the Commission and Operation Managers attended the hearing to reiterate Commission interest in the annexation. The two concerns brought forward on behalf of the Commission were the Booster Station ownership and Remington Development, as an agreement is not yet in place for water rates. Administration will continue to pursue a collaborative approach to these concerns directly with EPCOR as part of the Masterplan work currently underway.

CRSWSC Website

The CRSWSC website was recently found to be no longer functioning because the technology used to build the website was outdated and no longer supported. As such, Administration contracted Web3 Marketing to design a new website for the CRSWSC. The website design and content is complete and the website is now launched. A presentation of the new website appearance will be provided at the Annual General Meeting.

New Alternate Board Members

Both the Town of Beaumont and the Village of Hay Lakes have recently had changes to their appointed Board Members. The CRSWSC Board has recently welcomed two new alternate Board members, Councillor Steven vanNieuwkerk from the Town of Beaumont and Councillor Faye Leicht from the Village of Hay Lakes.

Leduc County Rural Area Water Distribution

The Commission received a letter from Leduc County on April 10, 2018 requesting clarification on CRSWSC allocation and funding policies for providing additional capacities as they look at servicing new developments. Administration met with Leduc County to review their questions on April 23, 2018.

It was noted that once the Master planning exercise is complete the CRSWSC Bylaw will be reviewed and revised.

16-18

Motion: It was **Moved** by Mayor Tony Wadsworth that the Capital Region Southwest Water Services Commission receives as information the Manager's Report as presented by Shawn Olson, Commission Manager, CRSWSC.

Carried

B. Operator's Report

Commission operators have completed **496** 1st Call locates year to date on Commission facilities as compared to **184** in 2017.

February 12, 2018 – Highway 21 Booster – Leduc Plumbing and Heating (LPH) repaired the electrical grounding system. The repair is only temporary at this point, LPH will return in May to complete the repair by burying the cables.

March 26, 2018 – Calmar – Early in 2018, the Town of Calmar experienced a low chlorine event in their reservoir. Further investigations revealed an issue with water circulation. The Town approached the CRSWSC to assist with an interim solution as well as a long term solution. Commission operators granted temporary access to the Town of Calmar's staff to open and close a valve on the Commission's fill which provides a temporary solution for their chlorine issue. A long term solution was provided by ISL Engineering; the addition of an automated flow control valve (FCV) to the Commission's fill line would allow the Commission to alternate which reservoir cell we fill into. Alberco Construction was contracted to execute ISL's design, they sub contracted the work to R&D Mechanical Services. A shut down of Calmar's fill was planned for March 26, 2018, however the work was postponed. R&D Mechanical Services was concerned that the proposed solution would not fit. Another visit was scheduled for April 10, 2018.

March 28, 2018 – Highway 21 Booster – Using our SCADA system's trending capability, Commission operators noted that we were experiencing pumping fluctuations at the facility. It was later determined that the piping that supports our four Pressure Induced Transmitters (PIT) was heavily corroded inside. Commission operators replaced the piping, which returned the station to normal operation.

April 3 – 9, 2018 – NCGL Contracting Ltd. (NCGL) completed or began addressing three SCADA control issues:

1. The recent transition of the Commission's radio communications to Store it Forward created some radio communication delays between our City of Leduc fill station and the main PLC at the Boundary station. Pressure obtained from the City of Leduc's PIT is used by Boundary's PLC to determine the speed at which it is running the lead pump. The communication delays resulted in the lead pump speeding up and slowing down constantly. NCGL has decreased the polling delaying in an attempt to remedy the issue. The change has corrected our pumping issue as of right now, we will provide an update at the next board meeting.
2. As described above, the Commission's pressure control setpoint is normally located at the City of Leduc's fill station. In the event communications drop out or the PLC at Boundary cannot see PIT for 5 minutes, the setpoint automatically reverts to the Boundary Station's

discharge header PIT. The setpoint is programmed to remain at Boundary until an operator acknowledges the issue. Commission operators noticed that the setpoint was reverting to Boundary regardless of the status of our radio communications. NCGL has setup a computer at our City of Leduc fill station to closely monitor the onsite PLC to troubleshoot the issue. We will provide an update at the next board meeting.

3. Commission operators noticed that the flow totalizer at our Town of Beaumont fill station was no longer working. NCGL has corrected the issue.

April 9, 2018 – Telford Booster – Arndt Motor & Pump attended to an issue with both pumps. Commission operators had noticed an abnormal amount of grease coming from the bearings of both pumps. Based on their onsite inspection, Arndt Motor & Pump determined that the seals need to be replaced.

April 10, 2018 – Calmar – R&D Mechanical Services returned for the installation of the new flow control valve (FCV) and associated piping. Once the fill piping was disassembled, R&D Mechanical Services was able to fit the FCV in place without any structural modifications. The FCV's Rotork actuator installation and the associated PLC programming still needs to be completed. Commission operators will provide an update at the next board meeting.

April 16, 2018 – Calmar Fill Station – R&D Mechanical Services returned to address a small leak.

April 17, 2018 – Boundary Station – Alberta Rewind and Pump Service Ltd. was contracted to address a cracked packing gland on VSP 102. The pump is disassembled and is currently at their shop. We will provide an update at the next board meeting.

Energy Efficiency and Emissions Assessment

In September of 2017 the CRSWSC was invited to participate in an Industrial Energy Efficiency and Emission Reduction Assessment by the Alberta Climate Change Office (ACCO). The assessment was delivered at no cost by the ACCO's consulting firm SysEne Consulting Inc. The Energy Efficiency and Emissions Assessment for the Boundary station was attached to the agenda package. The report had three recommendations:

1. Operational Smoothing – The Commission has multiple flow rates available at each fill station. The flow rates change based on the level of water in the respective reservoir. The goal of the varied flow rates is to keep each reservoir as full as possible. SysEne Consulting Inc. is recommending that we have one flow rate at each facility to avoid the highs and lows we currently have associated with our pumping. They estimate that we could save around \$5000 per year. Their recommendation introduces risk; the Commission utilizes our current fill

scenario to ensure each of our members has the most available fire storage.

2. Pump Coating – SysEne Consulting Inc. recommended that we apply a low friction coating to the inside of our pumps to increase efficiency. They estimate a savings of around \$6000 per year. Commission operators investigated the recommendation by consulting with some of our neighboring municipalities. It turned out EPCOR had trialed pump coating in the last five years. Their trial came back inconclusive, as the gains in efficiency were so low that their instrumentation could not pick up the difference. They also encountered another issue with Volatile Organic Compounds (VOC), most of the coatings that exist for this recommendation are high in VOCs which are not fit for human consumption. EPCOR did not recommend applying the coating.
3. Upgrade Lights to LED – SysEne Consulting Inc. is recommending that we replace the lighting inside the Boundary station. We will follow through on this recommendation when we replace the pumps and the motor control center in five years.

17-18

Motion: It was **Moved** by Councillor Lars Hansen that the Capital Region Southwest Water Services Commission receive as information the Operator's Report as presented by Rick Sereda, Operations Manager, CRSWSC.

Carried

Going forward, it was requested that Administration include page numbers for each report on the front page of the agenda package.

C. Treasurer's Report

2018 Financial Update

After three months of operations, there should be approximately 75% of the budget remaining. Management expenses are under budget due to the timing of expenses. Overall, operating expenses are slightly under budget as well. This is also due mainly to the timing and seasonality of expenditures.

Revenue Variances

- Water sales are slightly under budget for the period with 76.45% of the budget remaining. This is due to seasonality since water sales are typically higher during the warmer months.
- Debenture proceeds are under budget with 78.82% of the budget remaining because there was an amount budgeted for proceeds from members for the Armenia Line debenture. We have not received the debenture funding yet.
- Interest earned is below budget due to the timing of when interest is paid on investments.
- Government transfers are typically booked at year end.
- The Commission has recorded a line loss of 3.17% to date.

Expenditure Variances

- Debenture interest and principal payments are made in June and December therefore no entries have been recorded for 2018.
- Water purchases are at \$0.89/M3 which is the rate at which EPCOR is billing. This is the interim rate set by EPCOR and members of the RWCG agreed to this rate.
- Water purchases are slightly below budget with 76.4% of the budget remaining which is consistent with water sales being slightly under budget.
- Insurance has been paid for 2018. The insurance premium was significantly less than anticipated with 29.84% of the budget remaining.
- Audit fees are booked at year end.
- The budget remaining for legal fees is at 82.58% due to timing of expenditures.
- Engineering fees is below budget because \$250,000 was budgeted for the Long Range Master Plan which is in progress and invoices have yet been received.
- Other expenditure variances are primarily a result of timing and seasonality.

Capital Expenditures

- Capital expenditures are below budget with 100% of the overall budget remaining. This is because:
 - a. There were no expenses incurred up to March 31, 2018 for the Millet Line Extension;
 - b. The Boundary Station transfer switch project has not yet gotten underway;
 - c. The Air Release Manhole Rehab project has not yet gotten underway;
 - d. The Air and Vacuum Release Valves project has not yet started;
 - e. The pump for the Hwy 21 Booster Station has not yet been purchased.

The \$1,191 of expenses incurred in 2018 are residual amounts from the Armena Line Project and the Boundary Station Roof Replacement both of which were completed in 2017 and did not have any budget in 2018.

Regional Water Customers Group

The next Regional Water Customers Group meeting is scheduled for Monday, April 30, 2018.

Armena Line Expansion Update

The Armena Line Expansion is completed and an application for the debenture in the approximate amount of \$217,800 will be submitted to the Alberta Capital Finance Authority by May 15, 2018 for receipt of funds in June 2018. Semi-annual payments of \$12,655 for debenture interest and principal will commence December 2018.

The final installment of the Water-for-Life grant of approximately \$64,390 will be also be requested at that time.

- 18-18** **Motion:** It was **Moved** by Councillor Terry Balaban that the Capital Region Southwest Water Services Commission receive as information the Treasurer's Report as presented by Carol Hounsell, Treasurer, CRSWSC.

Carried

5. UNFINISHED BUSINESS

There was no unfinished business presented.

6. NEW BUSINESS

A. In-Camera Item

- 19-18** **Motion:** It was **Moved** by Councillor Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors move In-Camera at 6:17 p.m. to discuss the Water Master Plan Update.
(*FOIP s. 16, 23, 24 & 25*)

Carried

- 20-18** **Motion:** It was **Moved** by Councillor Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors move In-Public at 7:04 p.m.

Carried

- 21-18** **Motion:** It was **Moved** by Mayor Tony Wadsworth that the Capital Region Southwest Water Services Commission Board invites the Board Chair and/or Vice Chair (dependant upon availability) to attend discussions with EPCOR as master planning progresses.

Carried

- 22-18** **Motion:** It was **Moved** by Councillor Kelly Vandenberghe that the Capital Region Southwest Water Services Commission Board of Directors receives this update as information, as presented by Shawn Olson, Commission Manager, CRSWSC.

Carried

7. NEXT MEETING

The Annual General Meeting of the Capital Region Southwest Water Services Commission will be held on April 30, 2018 at the Best Western Premier Denham Inn & Suites, located at 5207 – 50 Avenue, Leduc, AB.

Cocktails at 5:00 p.m., dinner at 6:00 p.m. and the Annual General Meeting will begin at 7:00 p.m.

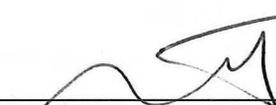
The next regular meeting of the Capital Region Southwest Water Services Commission will be held on June 28, 2018 at the Best Western Premier Denham Inn & Suites, located at 5207 – 50 Avenue, Leduc, AB.

Dinner at 5:30 p.m. and the meeting will begin at 6:00 p.m.

8. ADJOURNMENT

23-18 **Motion:** It was **Moved** by Councillor Pat Garrett to adjourn the meeting at 7:08 p.m.

Carried



CHAIRMAN



MANAGER