

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, APRIL 7, 2016 AT 6:00 P.M.
 BEST WESTERN PLUS DENHAM INN & SUITES, TERRACE ROOM,
 5207 – 50 AVENUE, LEDUC, AB.**

1. CALL TO ORDER

Chairman John Schonewille called the meeting to order at 6:00 p.m.

PRESENT:	Chairman John Schonewille	Leduc County
	Councillor Rick Smith	Leduc County
	Mayor Wally Yachimetz	Town of Calmar
	Councillor Bill McNamara	Town of Beaumont
	Councillor Kathy Barnhart	Town of Beaumont
	Councillor Doug Lyseng	Camrose County
	Councillor Greg Gillespie	Camrose County
	Councillor Faye Leicht	Village of Hay Lakes
	Vice Chairman Beverly Beckett	City of Leduc
	Councillor Bob Young	City of Leduc

ALSO PRESENT:	Shawn Olson, Commission Manager	City of Leduc
	Rick Sereda, Operations Manager	City of Leduc
	Samantha Folster, Engineering Project Manager	City of Leduc
	Amber Ouellette, Accountant	City of Leduc
	Carol Hounsell, Treasurer	City of Leduc
	Shannon Bremner, Recording Secretary	City of Leduc
	Mayor Tony Wadsworth	Town of Millet
	Councillor Pat Garrett	Town of Millet
	Teri Pelletier, CAO	Town of Millet
	Graham Backus, Manager of Public Works	Camrose County
	Mary Coyne, Edmonton Int. Airport	

WITH REGRETS:	Councillor Anne Donovan	Town of Calmar
	Deputy Mayor Shannon Yearwood	Village of Hay Lakes
	Shawn Tooth, Water Technician	City of Leduc

2. ADOPTION OF AGENDA

16-16 **Motion:** It was **Moved** by Mayor Wally Yachimetz that the agenda for the April 7, 2016 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Carried

3. APPROVAL OF MINUTES

A. Minutes of the February 18, 2016 Regular Meeting

There were no changes to the minutes.

- 17-16** **Motion:** It was **Moved** by Councillor Kathy Barnhart that the meeting minutes of the February 18, 2016 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Carried

4. REPORTS OF OFFICERS

A. Manager's Report

Filing

Electronic filing has begun at the boundary station. A commission operator started working on the task on February 29th 2016. Documents identified as due for destruction will be presented to the board for approval when filing is complete.

Highway 19 Crossroads ASP

Associated Engineering reviewed the last update from WSP. There are still unresolved issues that have not been addressed by WSP which may lead to change orders from the contractor in the field, which will be borne by the Remington development. Associated Engineering will be hired to inspect the field work, as it is in the Commissions best interest to ensure these unaddressed issues are properly completed. A letter from Associated Engineering that was addressed to Shawn Olson was distributed to Board Members for review, which provided comments on the items that will need to be addressed in the field. Questions concerning the letter can be directed to Shawn Olson.

Millet Water Supply Line Project

The Commission has finalized the engineering services agreement with Select Engineering. An invitation for prequalification was posted on February 10th and closed February 25th. Fourteen of the twenty two contractors that submitted an application were pre-qualified for the tendering process. It is anticipated that the project will be tendered in mid-April and awarded by the end of May. There was a delay in the tendering schedule as it was identified that there was a lack of geotechnical information in and around Telford Lake. This discovery was made evident by the recent NASTT conference attendance, where HDD along an unknown bedrock ridge elevation led to significant scope changes. As the original geotechnical information speculated the elevation of the bedrock adjacent to Telford Lake, additional drilling is now planned to ensure the depth at the shorelines is known. Select Engineering now recommends this additional geotechnical work (at a cost of approximately \$10,000), but believes that additional exploratory work under Telford Lake is not required (and would very negatively impact the project schedule) It is believed that 2 shoreline holes should be sufficient

to proceed. No bedrock was found when the contractor drilled down which is very good news.

Spine Road Crossing over the Beaumont Line

The Commission has been contacted by Urban Systems, the Consultant designing the Spine Road over the Beaumont Line, for a crossing agreement. Urban Systems has been directed to provide a more detailed design of their proposed crossing while incorporating the Commissions minimum requirements. We have not yet received their proposed design.

Enmax Electricity Contract

The Commission has moved forward with signing a five year contract with Enmax to provide electricity to the Commission infrastructure. The Commission was able to lock in a reduced electricity rate for the next 5 years going from our previous contracted rate of \$0.08318 per kWh to \$0.05473 per kWh. This represents an annual savings in excess of \$20,000 per year.

Water Allocation Update

Following the last board meeting administration started working on a revised water allocation strategy that will allow for future commission infrastructure upgrades to be planned for and constructed by the commission. At the same time the policy will protect the supply of water to all communities, and not unnecessarily impede development, or require new unique water rates for each municipality. Administration has employed Associated Engineering to assist in drafting a policy which will in turn be run through a legal review prior to being presented to the board later this year.

18-16

Motion: It was **Moved** by Councillor Beverly Beckett 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 209 1st Call locates year to date on Commission facilities as compared to 183 last year at this time.

March 1, 2016 – The City of Leduc hired a seasonal employee (NAIT Student - Randy Plican) for the document management required at the Boundary Station. The documents are being handled in accordance to the Commission's file retention policy. All of the documents are being scanned and filed electronically. All of the documents that are past their retention timeframe will be brought to the board for approval of destruction. The intention is to bring the list of documents that are due for destruction to the board in June. These documents will be filed electronically before destruction so there is a permanent record.

March 21, 2016 – The new HMI at the Boundary station became active, all users have now transitioned to the new system. Commission operators will be working closely with Nason Contracting Ltd. over the next month to ensure the system operates as planned.

March 23, 2016 – Commission operators attended the Town of Calmar's construction startup meeting for the expansion of their existing water reservoir. Commission operators will be immediately available for any concerns/issues that arise during the entirety of the project.

19-16

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

Carried

C. Treasurer's Report

2015 Year End Update

Curtis Friesen, CA of Hawkings Epp Dumont LLP completed the CRSWSC's 2015 audit on Tuesday, March 1, 2016. The CRSWSC reported a net surplus of \$602,395 in 2015 before capital expenditures and reserve transfers. After capital expenditures and reserve transfers there was a budget deficit of \$323,151. This includes depreciation expense of \$321,985 which is not budgeted for. Results of the 2015 audit will be presented at the 2016 AGM on May 5, 2016.

2016 Financial Update

After two months of operations, there should be approximately 83% 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 to the timing and seasonality of expenses.

Revenue Variances

- Water sales are slightly under budget for the period with 86.44% of the budget remaining.
- Debenture proceeds are under budget because there was an amount budgeted for proceeds from members for the Armena Line debenture but we have not received debenture funding yet.
- The Commission has recorded a line loss of 2.88% to date.

Expenditure Variances

- Debenture payments are made in June and December therefore no entries have been recorded for 2016.
- Water purchases are at \$0.82/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 86.47% of the budget remaining which is consistent with water sales being under budget.
- Insurance has been paid for 2016. The insurance premium was slightly more than anticipated; due to the addition of assets. The CRSWSC is insured through AMSC.

Capital Expenditures

- Capital expenditures are below budget with 99.41% of the overall budget remaining. This is due to:
 - a. The Millet line extension project tender has not yet been awarded.
 - b. The radio communication tower project has not yet gotten underway.
 - c. The air and vacuum release valves project has not yet gotten underway.
 - d. The upgrade the Boundary Station transfer switch project has not yet gotten underway.

Armena Line Debenture

The application for the debenture for the Armena line expansion has not yet been submitted to Alberta Capital Financing Authority as the final costs of the project are not yet known. The radio communication tower project is expected to be completed by the end of the summer. As a result administration should be about to submit the debenture application in August and the proceeds will be received in September of 2016. The first principal plus interest payment for the debenture will be due March 2017.

Regional Water Customers Group

The next meeting of the RWCG is scheduled for June 2, 2016.

20-16

Motion: It was **Moved** by Councillor Doug Lyseng 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

A. Professional Development Opportunities

Administration provided an updated list of potential conferences for Board members to consider and briefly explained each conference. Administration is available to assist Board members with booking conferences and arranging travel accommodations.

The Board requested to have the Professional Development Opportunities report attached to the agenda going forward, as it is not necessary to vote on this item.

- 21-16** **Motion:** It was **Moved** by Councillor Pat Garrett that the Capital Region Southwest Water Services Commission accept this report as information as presented by Rick Sereda, Operations Manager, CRSWSC.
- Carried**

6. New Business

A. Capital Region Board Request

Malcom Bruce sent a letter on behalf of the Capital Region Board (CRB) requesting to be involved in regional planning of water corridors for anticipated growth. The CRB would like to be involved in the regional planning of commission facilities and coordinate decisions in the Edmonton Metropolitan Region.

Administration discussed this request at length with the RWCG, the ACRWC, and the Parkland Water Commission and discussed a coordinated response. The CRSWSC took the lead in preparing a draft response to be used by all of the commissions rejecting the CRBs request. Since that time administration has received multiple variations of the letter confirming that the commissions do not see value in the CRBs involvement.

A proposed letter response indicating the CRSWSC does not see a role for the CRB in the planning of commission facilities and upgrades is attached to this agenda item. Administration is seeking approval from the Board to send the attached letter on behalf of the CRSWSC.

- 22-16** **Motion:** It was **Moved** by Councillor Bob Young that the Capital Region Southwest Water Services Commission Board of Directors approve the proposed letter response to the Capital Region Board, 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 May 5, 2016 at the Best Western Plus 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 meeting will begin at 7:00 p.m. Please R.S.V.P. to Shannon Bremner by April 20, 2016.

The next regular meeting of the Capital Region Southwest Water Services Commission will be held on June 9, 2016 at the Best Western Plus 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

23-16 **Motion:** It was **Moved** by Councillor Beverly Beckett to adjourn the meeting at 6:25 p.m.

Carried



CHAIRMAN

MANAGER