

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION  
 REGULAR MEETING, HELD ON THURSDAY, JUNE 9, 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 5:55 p.m.

<b>PRESENT:</b>	Chairman John Schonewille	Leduc County
	Mayor Wally Yachimetz	Town of Calmar
	Councillor Kathy Barnhart	Town of Beaumont
	Councillor Bruce LeCren	Town of Beaumont
	Councillor Doug Lyseng	Camrose County
	Councillor Greg Gillespie	Camrose County
	Councillor Faye Leicht	Village of Hay Lakes
	Deputy Mayor Shannon Yearwood	Village of Hay Lakes
	Councillor Dawn Pauls	Village of Hay Lakes
	Vice Chairman Beverly Beckett	City of Leduc
	Councillor Bob Young	City of Leduc

<b>ALSO PRESENT:</b>	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
	Shawn Tooth, Water Technician	City of Leduc
	Shirley Weslosky, Recording Secretary	City of Leduc
	Mayor Tony Wadsworth	Town of Millet
	Councillor Pat Garrett	Town of Millet
	Graham Backus, Manager of Public Works	Camrose County
	Mary Coyne, Project Manager, Infrastructure	EIA

<b>WITH REGRETS:</b>	Councillor Rick Smith	Leduc County
	Councillor Bill McNamara	Town of Beaumont

**2. ADOPTION OF AGENDA**

**28-16**      **Motion:** It was **Moved** by Councillor Beverly Beckett that the agenda for the June 9, 2016 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

**Carried**

### **3. APPROVAL OF MINUTES**

#### **A. Minutes of the April 7, 2016 Regular Meeting**

There were no changes to the minutes.

**29-16 Motion:** It was **Moved** by Councillor Pat Garrett that the meeting minutes of the April 7, 2016 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

**Carried**

### **4. REPORTS OF OFFICERS**

#### **A. Manager's Report**

##### **Highway 19 Crossroads ASP**

The Management team received a tender package submission for review from WSP. Associated Engineering has been tasked with reviewing this package and we are still awaiting comments back.

##### **Millet Water Supply Line Project**

The tender for the Millet Water Supply Line project closed on May 20<sup>th</sup>, 2016. A total of nine contractors' submitted bids and Weaver Welding Ltd. was the low bid. The total project cost is estimated at \$10.78 Million for both engineering and construction services which is under the budgeted \$14.5 Million. Select Engineering is currently in the process of reviewing the tender documents prior to Contracts being sent out for signature. A breakdown of the funding required from each municipality, based on the executed joint project agreement, will be provided once all contract documents are reviewed and approved. The millet water line work will commence after contracts are signed.

##### **Spine Road Crossing over the Beaumont Line**

The Commission has received a revised submission from Urban Systems on the Spine Road crossing. The crossing was redesigned to increase the cover in the ditch area. It is currently under review.

##### **Water Allocation Update**

Associated Engineering was tasked with drafting a bylaw to address the changes and modernization of the water allocation for the Commission. The administration has reviewed and returned comments to Associated Engineering. The final draft will be reviewed by Brownlee for a legal opinion prior to being brought forward to the Board in the future.

##### **Water Diversion License Update**

The Regional Water Customers Group met on June 2, 2016 and discussed the status of the water diversion license with EPCOR. While there was no update

available at the meeting EPCOR was asked to go back and re-examine the issue and advise on the status of the water diversion license update.

**30-16**

**Motion:** It was **Moved** by Councillor Bob Young 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 **621** 1<sup>st</sup> Call locates year to date on Commission facilities as compared to **657** last year at this time.

The Boundary station filing project is complete. The files have all been organized according to the Commission's file retention policy. In the event there is a fire or flood at the Boundary station, the commission now has a digital backup of all files that are to be permanently retained. Commission operators are working on a document destruction plan, we will bring it to the board at a later date.

Nason Contracting Ltd. has been contracted to add the Town of Beaumont and the City of Leduc's second reservoirs to the commission's SCADA system for the purpose of viewing the reservoir levels. The work is expected to be complete by the end of June.

Super Pro Painting Systems has been contracted to paint the Beaumont fill station inside and out. The work is expected to be complete by the end of June.

The Town of Beaumont's flow requirements have begun to exceed their maximum flow capacity. Commission operators have been working to increase flow to Beaumont with little success. Summit Valve attended the facility with a commission operator to assess the existing pressure sustaining valve to see if more flow could be achieved with a modification to the pilot assembly. After a review of the valve and the rest of the fill station's valving, Summit determined the flow restriction actually existed in the flow control valve, they in turn recommended a modification to the valve to increase Beaumont's flow capacity. Commission operators opted to get a second opinion from Associated Engineering, we are expecting a letter of recommendation in the coming weeks.

**April 13, 2016** – Chamco Industries attended the boundary station to perform annual maintenance on all three pumps. None of the pumps required significant repair and they all passed their vibration analysis.

**May 20, 2016** – Rapid Fire Service completed our annual emergency systems evaluation at all commission facilities with the exception of New Sarepta, Hay Lakes and Armena.

**June 04, 2016** – Leduc Plumbing and Heating was contracted to clean all of the major electrical systems at the Boundary station.

EPCOR is discontinuing the bulk water sales business; it is not clear at this time whether they will be selling privately or not.

Beaumont has concerns with their flow capacity. The CRSWSC administration inquired when Beaumont was filling the second reservoir, as the timing may be why the commission cannot withstand flow demands during peak times. Further investigation is required.

**31-16**

**Motion:** It was **Moved** by Councillor Bob Young 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**

**2016 Financial Update**

After four months of operations, there should be approximately 66.67% of the budget remaining. Overall, revenues are below budget with 90.54% of the budget remaining and expenses are under budget with 71.75% of the budget remaining.

***Revenue Variances***

- Water sales are under budget with 71.24% of the budget remaining. However, water usage tends to increase in the busy summer months which will help more closely align water sales to the budget for the year.
- Flat rate debenture proceeds are under budget because the budget included a payment amount for the Armena line debenture which hasn't been applied for yet. Therefore no payments have been made. This does not impact the bottom line since the revenue from the debenture proceeds would be offset by the principal and interest expense.
- Interest income is slightly over budget due to the timing of interest payments on investments.
- The Commission recorded a line loss of 2.92% up to April 30, 2016.

***Expenditure Variances***

- Debenture payments are made in June and December therefore no payments have yet been recorded in 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 below budget with 71.27% of the budget remaining which is consistent with water sales being under budget.

- Insurance has been paid for 2016. The budget for insurance was decreased in 2016 to align with the 2015 premium. However, the 2016 premium came in slightly above budget resulting in a budget variance of - 4.54% for the year.
- Power is below budget with 79.78% of the budget remaining. However, the April Enmax bill had not been received at the time of this report so this number only includes three months.
- Gas is under budget with 71.49% of the budget remaining. This is due to rate fluctuations and a relatively mild winter. In addition, some of the April costs get captured in May due to the cut off dates of the statements.
- Engineering fees is over budget with 54.07% of the budget remaining. This is due to Associated Engineering advisory fees related to: the system allocation review and presentation; reviews of Discovery Park; an electrical investigation at the Boundary Station; the radio system review & configuration; and the Millet System expansion.
- Other expenditure variances are due mainly to timing and seasonality.

***Capital Expenditures***

- Capital expenditures are significantly below budget with 96.35% of the overall budget remaining. A significant amount of the budget relates to the Millet line expansion which has not officially gotten underway yet.

**RWCG – Regional Water Customers Group**

There was a RWCG meeting on June 2, 2016. EPCOR's preliminary budget indicates that the interim rate for 2017 will be \$0.85. However, this has not been approved by Executive and the Board of Directors and is therefore subject to change. We will find out the actual interim rate to be used for the 2017 budget in the next meeting scheduled for the fall of 2016.

The preliminary true up rate for 2015 is estimated to be \$0.7509. This has not been finalized and is still subject to change. However, it is not expected to change by more than \$0.005. The interim rate that was paid to EPCOR in 2015 was \$0.80. This will result in a credit for 2015. The credit for all of the Regional Water Customer Group members will most likely be refunded to the RWCG to apply to the balancing fund to be used for future year rate adjustments when the true-up rate exceeds the interim rate. A final decision on this has not been made yet.

Counsellor Robert Young requested an estimate of the refund expected from EPCOR as a result of the 2015 true-up rate being less than the interim rate that was paid.

The Alberta carbon tax will have an effect on the water rates.

- 32-16      **Motion:** It was **Moved** by Councillor Wally Yachimetz 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**

There was no new business presented.

Wally Yachimetz informed the board that Councillor Anne Donovan has resigned from the Town of Calmar.

7. **NEXT MEETING**

The next regular meeting of the Capital Region Southwest Water Services Commission will be held on September 8, 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**

- 33-16      **Motion:** It was **Moved** by Councillor Greg Gillespie to adjourn the meeting at 6:26 p.m.

**Carried**

  
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CHAIRMAN

  
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MANAGER