

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, JUNE 8, 2017 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 6:01 p.m.

PRESENT:	Chairman John Schonewille Councillor Rick Smith Mayor Wally Yachimetz Councillor Terry Balaban Councillor Bill McNamara Councillor Greg Gillespie Councillor Doug Lyseng Councillor Faye Leicht Deputy Mayor Shannon Yearwood Vice Chairman Beverly Beckett Mayor Tony Wadsworth Councillor Pat Garrett	Leduc County Leduc County Town of Calmar Town of Calmar Town of Beaumont Camrose County Camrose County Village of Hay Lakes Village of Hay Lakes City of Leduc Town of Millet Town of Millet
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ALSO PRESENT:	Shawn Olson, Commission Manager Rick Sereda, Operations Manager Pamela Regier, Project Manager Carol Hounsell, Treasurer Amber Ouellette, Accountant Shannon Bremner, Recording Secretary Mary Coyne, Project Manager, Infrastructure	City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc EIA
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WITH REGRETS:	Councillor Kathy Barnhart Councillor Dana Smith	Town of Beaumont City of Leduc
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2. ADOPTION OF AGENDA

There was an addition to the agenda under New Business for an In-Camera item.

27-17 **Motion:** It was **Moved** by Mayor Wally Yachimetz that the agenda for the June 8, 2017 Capital Region Southwest Water Services Commission regular meeting be approved as amended.

Carried

3. APPROVAL OF MINUTES

A. Minutes of the March 30, 2017 Regular Meeting

There were no changes to the minutes.

28-17

Motion: It was **Moved** by Councillor Greg Gillespie that the meeting minutes of the March 30, 2017 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Carried

4. REPORTS OF OFFICERS

A. Manager's Report

Armena Extension to Ervick and Water Projections

As the Commission moves from an allocation based system to an unallocated system, it is important that the commission be aware of any significant growth that may alter the timelines necessary for future infrastructure investments. Camrose County has inquired as to the available water capacity should they move forward with extending the CRSWSC Transmission Line 2 from Armena to Ervick to service the Ervick Industrial Area. If Armena extends the line, the Commission will require pumping upgrades, as there is currently insufficient capacity within the current system to support water service to Ervick. A letter from Associated Engineering outlining the Commission's requirements should Camrose County wish to proceed with the extension was included in the March 30, 2017 Manager's Report and is attached again for reference. The CRSWSC has received no further information from Camrose County at this time. Once information is received, it may be prudent to sit down with their administration to discuss the details of the proposed expansion to better determine the scope and any limitations.

Millet Water Supply Line Project

Pressure testing and disinfection of the supply line was completed in early April 2017, followed by system startup and commissioning. The Commission began supplying water to the Millet reservoir on April 12, 2017. The switchover to Commission supplied water went smoothly and on April 21, 2017 Millet held their grand opening ceremony to celebrate this achievement. To date all work is within project budget.

Both the Millet reservoir and Telford booster station communication systems are temporarily operating under cellular service. The outstanding work by the communications contractor (Westcan) to complete the radio communications is ongoing and will be completed with the radio overhaul project in the coming weeks. The radio project is discussed further in the Operator's Report.

It should be noted that although the Millet supply line is operational, there is significant ongoing involvement by both Administration Management and Operations as we work towards project closeout. This involves final inspections,

managing contractor deficiency completion (including waiting for an actuator for a PRV which will streamline operations of the line), cleanup and seasonal work completion, review of as-built drawings and Operation and Maintenance Manuals, and closeout of all project documentation.

The Town of Millet was approached by the County of Wetaskiwin in regards to road work deficiencies relating to the Millet project. The contractors will begin work on the deficiencies within the Town of Millet before moving forward to complete the deficiencies in the County of Wetaskiwin, while they work towards Leduc. The deficiencies should be completed in approximately 3 weeks; however, this could be slightly delayed due to rain.

It was suggested to notify local snowmobile clubs in the Millet area of the new pipeline, as there are raised blow-off valves in the ditches that they will need to avoid. There is signage posted to inform the public, but snow drift could potentially cover the signage in the winter months so it would be wise to issue a public announcement concerning this hazard. Administration will send the Town of Millet pictures of the signage for reference.

Town of Beaumont

The Town of Beaumont has requested the as-built information from the Commission that resides in their annexed town limits. The Commission and Beaumont have executed a license agreement regarding the use of this information and the information was subsequently provided.

Leduc County / City of Edmonton Annexation

On February 10, 2017, the commission was copied on two letters from the MGB acknowledging receipt of the City of Edmonton's Amended Notice of Intent to Annex that was included in the February 8, 2017 Manager's Report. The Commission has reached out to Lindsey Butterfield from the City of Edmonton's annexation unit to coordinate commencement of discussions with EPCOR regarding infrastructure, and any potential issues with Edmonton's proposed servicing concepts.

A meeting was held on April 25, 2017 with the City of Edmonton, EPCOR, Leduc County and the Commission to discuss potential servicing options for the annexed lands should the annexation be successful. Three options for servicing were discussed including EPCOR purchasing CRSWSC assets within the annexed lands, CRSWSC selling water back to EPCOR as a customer to service these lands, or the annexation area waiting for servicing to come from new lines from Edmonton. These options will be further examined in the next CRSWSC master plan which is scheduled to start at the end of the year. Further information regarding the discussion of these three options can be found in the Water Servicing Discussion Meeting Minutes attached to the agenda package.

EIA License Agreement for Commission Main Infrastructure

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. The agreement was circulated to Brownlee LLP for review and their comments were addressed by the EIA in the second draft of the agreement received in late February 2017.

In addition to the requested changes, the EIA has added a schedule (Schedule E) that provides additional stipulations by the Developer as it pertains to the license area. Administration has received comments back from Brownlee LLP and has submitted a response to the EIA with required changes to the Agreement.

Leduc County Rural Service Request

On March 30, 2017, the Commission received a letter from Leduc County requesting connection of a Low Pressure Distribution System (Trickle System) directly into the CRSWSC main in order to supply water to rural customers within Leduc County. Administration requested Associated Engineering review the request and provide a recommendation. The letter provided from Associated Engineering on April 20, 2017 recommends maintaining minimal connections to the CRSWSC transmission main, noting that service through an air gap into a reservoir is preferred over a trickle fill system in order to maintain the integrity, water quality and pressure of the system. Both letters are attached to the agenda package for reference.

The Board requested to bring this item forward to the September 7, 2017 CRSWSC meeting to discuss the connection further.

Robinson Reservoir

The construction of the Robinson Reservoir fill station building is ongoing. The Commission side of the building is closed-in and installation of the distribution piping within the building has commenced. Install of the fill line to the reservoir from the CRSWSC line to Millet is scheduled for install this spring. Overall project completion is anticipated late 2017. 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 known and a clear completion date has been established.

RWCG Update

The Regional Water Customer's Group (RWCG) Steering Committee had a meeting on May 8, 2017. There were four action items stemming from this meeting and a survey was circulated to members for comment in advance of the next meeting. Both the minutes from the May 8 meeting and the survey are attached to the agenda package.

29-17

Motion: It was **Moved** by Councillor Terry Balaban 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 **714** 1st Call locates year to date on Commission facilities as compared to **621** in 2016.

May 25, 2017 - The Commission received notice from a Leduc County resident that water was surfacing at the intersection of Township 500 and Range Road 233. Konda Underground Solutions was contracted to repair the line break, they arrived onsite the same day early in the afternoon. The line break was more significant this time around forcing Commission operators to isolate the line earlier in the process. Which in turn lead to a Demand B notification which became effective early in the AM on May 26. Reservoir levels stayed within a safe range throughout the day up until the repair was completed around 4:00pm. The water break was the result of a poorly executed repair that was done in 2011. Once again the three affected reservoirs remained within safe operating ranges thanks in large part to Leduc County, Camrose County and Hay Lakes conserving water. The Commission would like to extend our appreciation for everyone's cooperation during the repair.

Radio Project Update – We have had major progress in the month of May. A team effort two years in the making between Commission Operators, MPE Engineering, Associated Engineering, Westcan ACS and Buzenus Construction Ltd. All four towers located in Calmar, Hay Lakes, Armena, and Leduc County (Booster) have been erected and the radio conversion/realignment is underway at all commission sites as of the week of May 29, 2017. A project summary will be submitted for the September Commission meeting.

30-17

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

2017 Financial Update

After four months of operations, there should be approximately 66.67% of the budget remaining. Overall, revenues are very close to meeting budget expectations with 68.34% of the budget remaining and expenses are under budget with 70.51% 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 71.98% of the budget remaining.
- The Commission has recorded a line loss of 3.59% up to April 30.

Expenditure Variances

- Debenture payments are made in June and December therefore no entries have been recorded for 2017.
- Water purchases are at \$0.85/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 71.81% of the budget remaining which is consistent with water sales being under budget.
- Insurance has been paid for 2017. The insurance premium was slightly less than anticipated.
- The SCADA alarm dialer was recently replaced at the Boundary Station. This was the dominant item budgeted for under Computer Maintenance & Supplies for 2017.
- Line Maintenance is over budget due to a rural transmission line break resulting in a costly repair that was plagued by bad weather, equipment failures and poor initial instruction.
- Most other variances are related to timing of expenditures and seasonality.

Capital Expenditures

- Capital expenditures are below budget with 75.67% of the overall budget remaining. This is due to:
 - a. The radio communication tower project has not yet gotten underway.
 - b. The Boundary Station transfer switch project has not yet gotten underway.
 - c. The Boundary Station Roof Replacement project has not yet gotten underway.
 - d. The Air Release Manhole Rehab project has not yet gotten underway.

Regional Water Customers Group

Several members of administration attended the most recent meeting of the Regional Water Customers Group which was held in Strathcona County on May 8, 2017.

EPCOR's true up rate for 2015 is \$0.7452/M₃ which is \$0.0548/M₃ below the \$0.80/M₃ interim rate paid by the RWCG members. This will result in an estimated \$321K refund to CRSWSC based on 2015 consumption of 5.86 M₃. It is expected that the RWCG will receive the refund to help replenish the water rate balancing fund.

The preliminary true up rate for 2016 is \$0.8389/M₃ which is \$0.0189/M₃ above the \$0.8200/M₃ interim rate paid by the RWCG members. This rate requires RWCG review and agreement before it is finalized.

The RWCG members will use \$0.89/M₃ as a budget rate for 2018. This amount will be adjusted at the fall meeting.

The next meeting of the RWCG is scheduled for September or October. The exact date is to be determined.

Pre-authorized Debit & Online Banking

Administration is requesting approval from the Board to allow access to online banking in order to review the bank balance and transactions periodically. This would give the Treasurer and the accountant the ability to better monitor the commission's cash flows. It is important to note that this request is for approval to set-up online banking in order to review the balance and bank transactions only and not for approval to process transactions through online banking.

Administration is also seeking the Board's approval to set up pre-authorized debit payments for utility vendors and EPCOR. These vendors include Altagas, Direct Energy, Enmax, EPCOR and Telus. This would help eliminate late fees and penalties and reduce the cost of cheques, envelopes and postage. It would also ensure that utility bills and EPCOR get paid on time in the event of not having signing officers readily available when required such as when the Board changes following the annual organizational meeting or after an election.

31-17 **Motion:** It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board approves Administration to proceed with setting up online banking for the purposes of viewing bank transactions and the bank balance only.

Carried

32-17 **Motion:** It was **Moved** by Councillor Pat Garrett that the Capital Region Southwest Water Services Commission Board approves Administration to proceed with setting up pre-authorized debit payments for utility bills including Altagas, Direct Energy, Enmax, EPCOR and Telus.

Carried

CIBC Wood Gundy Investment

An additional \$1.25 million dollars was deposited into investment account, bringing the balance in short term investments to approximately \$2.6 million dollars.

33-17 **Motion:** It was **Moved** by Councillor Bill McNamara 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. Board Training and Development Policy Amendment Recommendation

Administration has revised the Board Training and Development Policy to set guidelines to provide for training and development opportunities for Directors.

Administration is recommending the addition of section 1.a.iii to the Board Training and Development policy that reads as follows:

“Any unexpended annual allowance will be carried forward for a maximum period of one fiscal year.”

- 34-17** **Motion:** It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board moves to adopt the revised Board Training and Development Policy as presented by Administration.

Carried

6. NEW BUSINESS

A. In-Camera Item

- 35-17** **Motion:** It was **Moved** by Chairman John Schonewille that the Capital Region Southwest Water Services Commission Board of Directors move In-Camera at 6:34 p.m. to discuss annexation updates.
(FOIP s. 21, 23, 24 & 25)

Carried

- 36-17** **Motion:** It was **Moved** by Councillor Beverly Beckett that the Capital Region Southwest Water Services Commission Board of Directors move In-Public at 6:46 p.m.

Carried

7. NEXT MEETING

The next regular meeting of the Capital Region Southwest Water Services Commission will be held on September 7, 2017 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

- 37-17** **Motion:** It was **Moved** by Chairman John Schonewille to adjourn the meeting at 6:47 p.m.

Carried



CHAIRMAN



MANAGER