

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 ANNUAL GENERAL MEETING, HELD ON THURSDAY, APRIL 15, 2021 AT 7:00 P.M.
 VIRTUAL MEETING VIA GOTOMEETING**

PRESENT:

Chairman Wally Yachimetz	Town of Calmar
Councillor Krista Gardner	Town of Calmar
Councillor Rick Smith	Leduc County
Councillor Kelly Vandenberghe	Leduc County
Councillor Bill Daneluik	City of Beaumont
Councillor Steven vanNieuwkerk	City of Beaumont
Councillor Greg Gillespie	Camrose County
Councillor Doug Lyseng	Camrose County
Mayor Dave Vallee	Village of Hay Lakes
Deputy Mayor Dawn Pauls	Village of Hay Lakes
Councillor Mike Storey	Town of Millet
Councillor Pat Garrett	Town of Millet
Councillor Beverly Beckett	City of Leduc
Councillor Lars Hansen	City of Leduc

ALSO PRESENT:

Kathy Krawchuk, CAO	Town of Calmar
Ed Melesko, Manager, Planning & Development	Town of Calmar
Councillor Kelly-Lynn Lewis	Leduc County
Des Mryglod, Director, Engineering & Utilities	Leduc County
Jason Angus, Manager, Infrastructure	City of Beaumont
Derek Prohar, CAO	City of Leduc
Mike Pieters, GM, Infrastructure & Planning	City of Leduc
Shawn Olson, Commission Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc
Lauren Padgham, Treasurer	City of Leduc
Carol Hounsell, Former Treasurer	City of Leduc
Gerard Del Rosario, Accounting Technician	City of Leduc
Shawn Tooth, Manager, Utility Services	City of Leduc
Pamela Regier, Engineering Project Manager	City of Leduc
Shannon Bremner, Recording Secretary	City of Leduc
Councillor Kevin Hycha	City of Camrose
Councillor David Ofrim	City of Camrose
Roger Steele, Manager, Technical & Utilities	Edmonton Int. Airport
Mary Coyne, Project Manager, Infrastructure	Edmonton Int. Airport
Chad Maki, Engineer	Associated Eng.
Chris Cholak, Senior Manager	MNP LLP
Emily Piwowar, Senior Accountant	MNP LLP
Todd Hirsh, Guest Speaker	ATB Financial

**WITH REGRETS:**

Honourable Mike Lake, MP	Edmonton-Wetaskiwin
Damien Kurek, MP	Battle River- Crowfoot
Brad Rutherford, MLA	Leduc – Beaumont
Jackie Lovely, MLA	Camrose
Honourable Rick Wilson, MLA	Maskwacis – Wetaskiwin
Mark Smith, MLA	Drayton Valley – Devon
Councillor Don Faulkner	Town of Calmar
Graydon Nielson, Public Works Foreman	Town of Calmar
Mayor Tanni Doblanko	Leduc County
Duane Coleman, CAO	Leduc County
Dean Downey, Manager, Utilities	Leduc County
Councillor Sam Munckhof-Swain	City of Beaumont
Mayor John Stewart	City of Beaumont
Mike Schwirtz, CAO	City of Beaumont
Trevor Bosma, Operations Resource Inspector	City of Beaumont
Reeve Cindy Trautman	Camrose County
Paul King, CAO	Camrose County
Zach Mazure, Manager, Public Works	Camrose County
Councillor Faye Leicht	Village of Hay Lakes
Shannon Yearwood, CAO	Village of Hay Lakes
Mayor Tony Wadsworth	Town of Millet
Lisa Schoening, CAO	Town of Millet
Lisa Novotny, Director, Development & Infrs.	Town of Millet
Mayor Bob Young	City of Leduc
Samantha Folster, Engineering Project Manager	City of Leduc
Mayor Norman Mayer	City of Camrose
Malcolm Boyd, CAO	City of Camrose
Jeremy Enarson, Manager, Eng. Services	City of Camrose
Steve Maybee, VP, Operations & Infrastructure	Edmonton Int. Airport
Sean Nicoll, Engineer	Associated Eng.
Tahner Bowers, Manager	MNP LLP

I. CALL MEETING TO ORDER

Chairman Wally Yachimetz welcomed everyone to the Annual General Meeting and called the meeting to order at 7:00 p.m.

Board member and guest introductions were completed. Guests were thanked for their flexibility to attend the virtual meeting, as the in person banquet was unfortunately cancelled due to active public health measures.

II. ADOPTION OF AGENDA

- 19-21** **Motion:** It was **Moved** by Councillor Rick Smith that the agenda for the April 15, 2021 Capital Region Southwest Water Services Commission Annual General Meeting be approved as circulated.

Motion Carried Unanimously

III. APPROVAL OF THE SEPTEMBER 10, 2020 ANNUAL GENERAL MEETING MINUTES

- 20-21** **Motion:** It was **Moved** by Councillor Doug Lyseng that the meeting minutes of the September 10, 2020 Capital Region Southwest Water Services Commission Annual General Meeting be approved as circulated.

Motion Carried Unanimously

IV. 2020 ANNUAL REPORT

Chairman Wally Yachimetz invited former Chair, Councillor Rick Smith, to provide the 2020 Chairman's Message.

Councillor Rick Smith presented the Chairman's Message, highlighting the successes of the Commission in 2020. Councillor Smith thanked the Board for their trust and support throughout his time as Chairman from 2017 – 2020, and took the opportunity to thank Councillor Beverly Beckett for her dedicated leadership as Vice-Chair from 2015 – 2020. Councillor Rick Smith welcomed Chairman Wally Yachimetz and Vice-Chair Councillor Bill Daneluik, serving for the 2020 – 2021 term. The City of Leduc Management and Operations team were also recognized for their dedicated service.

Chairman Wally Yachimetz invited Shawn Olson, Commission Manager, and Rick Sereda, Operations Manager, to present the 2020 Management and Operations Report.

Shawn Olson and Rick Sereda reviewed the Management and Operations Report of the 2020 Annual Report and summarized some of the Commission's accomplishments from 2020.

- In early 2020, the Commission was initially concerned with potential penalties from EPCOR for reduced water consumption, relating to decreased industrial/commercial water consumption due to the impacts of the pandemic, including business closures and many people working from home. The Commission proactively brought this concern forward to the Regional Water Customers Group (RWCG) and EPCOR for discussion. Surprisingly, at the end of 2020, the Commission had used 96% of our estimated overall water consumption, with water sales only 4% below budget. Fortunately, it

appears that increased residential water demand balanced the impacts of reduced industrial/commercial use.

- The EPCOR Sale Agreement was signed on January 9, 2020 and was approved by Municipal Affairs shortly after. The Commission worked diligently throughout 2020 on closing conditions and impacts of the sale, such as utility transfers and amendments to the Water Supply Agreement. The asset transfer was completed on January 6, 2021 with no service interruptions.
- The sale of assets also resulted in an improved financial position for the Commission, which allowed the Board to secure stable water rates for 2020 – 2023. Former Chair, Councillor Rick Smith, and former Vice-Chair, Councillor Beverly Beckett, were thanked for their guidance and leadership in this endeavour.
- Following the EPCOR sale, the Water Master Plan was finalized in early 2020. Highlights of the Master Plan and Strategic Plan were presented to the CRSWSC Board in May 2020 and were presented to member Councils upon request in Summer 2020, including the City of Beaumont, City of Leduc, Leduc County and the Town of Calmar.
- The Edmonton International Airport (EIA) reservoir # 2 was commissioned in Spring 2020 with assistance from CRSWSC operators. The EIA was thanked for working with the Commission to complete this.
- In response to a vandalism incident, a security system was installed at the recently upgraded Highway 21 Booster Station in 2020, to prevent future theft and vandalism.
- After lengthy negotiations, the Commission was successful in pursuing cost recovery to resolve the claim for the Millet water supply line incident, which took place in November 2018.
- In coordination with the Regional Water Customers Group (RWCG), an application was submitted to transfer water allocations from EPCOR to the RWCG. In October 2020 the RWCG received a preliminary Water Diversion License, which helps guarantee our long term water requirements.
- On July 16, 2020 a severe weather incident occurred, resulting in damage to the Commission's communication tower in the Town of Millet. The tower was replaced in November 2020 once debris had been removed, but the Commission was able to restore communications immediately after the incident. The collaborative working relationship and community mindset of Commission members was evident in this incident, as the City of Leduc supplied resources (2 laborers, 1 arborist, 1 bucket truck, and 1 wood chipper) for two full days to assist the Town of Millet with cleaning up trees

that had fallen in the storm. This was an excellent demonstration of the Commission's "one for all" mentality. Following this incident, Administration proactively completed an inspection of all Commission towers to ensure there were no safety concerns relating to future severe weather incidents.

- The design for Beaumont pipe upgrades was completed in 2020, with construction to take place in 2021.
- In December 2019, the Commission secured the option to purchase a parcel of land in Leduc County for the future construction of a new Booster Station, required in 2023 as identified in the updated Master Plan. A phase 1 environmental assessment of the Leduc County parcel of land was completed in 2020, which identified environmental contaminants within the building that would need to be addressed prior to demolition. A contractor has been selected to pursue land negotiations and design of the new Booster Station in 2021, with a goal to tender the project for construction in early 2022.
- In September 2020 Municipal Affairs advised of amendments to the Municipal Government Act (MGA) to streamline the legislative framework for Regional Service Commissions, including the CRSWSC. The changes permit service commissions to continue as incorporated entities and maintain all of their current powers and duties, while reducing the role of the Province in approving many business decisions. These changes require an update to the Commission's Bylaws by September 1, 2021, which are currently underway for Board approval at the May 2021 Board meeting. Bylaw amendments will also include alignment with the revised Water Policy, which was previously identified as a high priority item in the CRSWSC Strategic Plan.
- The Commission was recently recognized as a leader in pursuing these necessary Bylaw updates, and has been asked to provide assistance to other commissions through the Regional Water Customers Group (RWCG). Shawn Olson commended Pamela Regier, Engineering Project Manager, for her hard work on the Bylaw updates and for providing her guidance to other commissions, on behalf of the CRSWSC.

In closing, Shawn Olson and Rick Sereda recognized the hard work and resilience of the City of Leduc Management and Operations team. Carol Hounsell was recognized and thanked for her expertise and dedicated long term service as the former Commission Treasurer from 2012 – 2020. Lauren Padgham was warmly welcomed as the new Commission Treasurer, which was effective January 2021.

On behalf of the City of Leduc, Shawn Olson and Rick Sereda extended sincere appreciation to the Board and member municipalities for their support throughout 2020 and expressed gratitude for the opportunity to continue serving the Commission for an additional 2 year term, extended to December 2022.

- 21-21** **Motion:** It was **Moved** by Mayor Dave Vallee that the 2020 Annual Report be accepted as presented.

Motion Carried Unanimously

V. 2020 FINANCIAL STATEMENTS AND AUDITORS REPORT

Chairman Wally Yachimetz invited Auditor Chris Cholak, Senior Manager, MNP LLP, to present the 2020 Financial Statements and Auditors Report.

Chris Cholak, Senior Manager, MNP LLP, presented an overview of the 2020 Financial Statements and Auditors Report. A new statement titled *Statement of Remeasurement Gains and Losses* was added to the financial package; this statement notes the unrealized gains from various investments, which was approximately \$113,000 for 2020. It was noted that the EPCOR sale transaction funds were not yet received at the end of 2020, so this amount is noted as an accounts receivable. Chris Cholak commended the City of Leduc finance team on a smooth audit process.

Chris Cholak advised of a significant upcoming change in 2023 for public sector organizations, where any future decommissioning costs will need to be reassessed and added to the cost of assets. This will require work to identify the scope of remediation and reclamation costs for any water lines owned by the Commission.

Councillor Kelly Vandenberghe left the meeting at 7:39 p.m.

- 22-21** **Motion:** It was **Moved** by Councillor Mike Storey that the 2020 Financial Statements and Auditor's report be accepted as presented, to be inserted into the 2020 CRSWSC Annual Report for finalization and printing.

Motion Carried Unanimously

Chairman Wally Yachimetz advised that following the AGM, the approved financial statements will be inserted into the 2020 Annual Report, which will then be printed and distributed to guests, along with an AGM thank you gift.

VI. GUEST SPEAKER: TODD HIRSH, VICE PRESIDENT AND CHIEF ECONOMIST, ATB FINANCIAL

Chairman Wally Yachimetz introduced and welcomed guest speaker, Todd Hirsh, Vice President and Chief Economist for ATB Financial.

Todd Hirsh provided a keynote presentation titled "Five Economic Truths to Unlearn", discussing economic truths that we have long taken for granted that require reconsideration.

1. Growing the GDP is always good.
Todd Hirsh encouraged everyone to reconsider this statement and ask whether the economy is creating goods and services for societies well-being and whether we are creating equal opportunities for all.

Suggested Revised Truth: Direction and quality of GDP matters most.

2. Printing money will cause inflation.
Will inflation lead to higher interest rates? There is expected inflation in late 2021, although this will likely be temporary. Interest rates are not expected to rise for 1.5 – 2 years; expected in late 2022 or early 2023.

Suggested Revised Truth: Interest rates are unlikely to rise.

3. Grow the economy by lowering taxes.
This statement may have been true in previous eras when residents and businesses would relocate to regions with the lowest tax rates. There are now other important considerations that impact where people and businesses choose to locate, such as the reputation of the region or the Province, availability of daycare and early childhood education, as well as availability of transportation systems such as air and transit. Many residents and businesses also place importance on relocating to regions that align with their values such as culture, arts, recreation and sports.

Suggested Revised Truth: Reputation, quality of life and transportation matters more than traditional tax rates.

4. We need to balance the environment and the economy.
Rather than focusing on balancing, which implies tradeoffs, it is recommended that we strive to harmonize the environment and economy instead. What is good for the environment can also be good for the economy; there does not need to be tradeoffs.

Suggested Revised Truth: Harmonize economy and environment.

5. Free trade is always beneficial.
Free trade lifts national economies; however, it does not lift every individual in every economy. This presents challenges, as we are experiencing opposition towards trade deals. Recently, Canada has been caught between our largest and second largest trade partners, China and the USA. It is believed that the provincial and national economies will no longer be expanded through increasing international trade; instead, we will likely need to consider increasing domestic trade within Canada and Alberta.

Suggested Revised Truth: Seek growth from domestic markets.

Looking forward, Todd Hirsh advised that the forecasted GDP growth for Alberta is 4.1% in 2021. In consideration of the ongoing COVID vaccinations, the economy is expected to gradually reopen in quarters 3 and 4 of 2021, though vaccination anxiety and a severe third wave of COVID could delay these economic recovery projections. There is expected growth in the technology and digital sectors, agriculture and agrifoods sectors, renewable energy (e.g. hydrogen and geothermal) and clean energy technology industries (e.g. carbon capture utilization and storage).

Following the presentation, Todd Hirsh invited guests to participate in a question and answer period.

There was an inquiry regarding the anticipated impact of increasing carbon tax on the Alberta economy. Todd Hirsh did not believe the impact to the Alberta economy would be severe considering that the tax is redistributed to consumers.

There was an inquiry relating to whether there is a need to regulate real estate housing in Western Canada. The Vancouver and Toronto regions have been problematic and Alberta is starting to see some real estate price pressures. Todd Hirsh explained that the policy response can be challenging; tactics such as setting a higher threshold for mortgage qualifying, applying a capital gains tax on property sales, or utilizing a land transfer tax are all options that present both benefits and drawbacks. It was noted that Alberta is not expected to see a high real estate price bubble, as seen in the Vancouver and Toronto regions.

Todd Hirsh was asked about Alberta's unemployment rate projections. The Alberta unemployment rate is currently over 9%; it is expected to be 3 or 4 years before we see a 4% – 4.5% unemployment rate. The challenge in Alberta is that many unemployed individuals do not necessarily have transferrable skill sets, which may result in a slow recovery of unemployment rates.

In closing, Todd Hirsh thanked the Board for the invitation to present at the Annual General Meeting. Chairman Wally Yachimetz thanked Todd Hirsh for providing a very interesting and educational presentation. In appreciation and in lieu of a keynote speaker fee, the Capital Region Southwest Water Services Board of Directors agreed to donate \$3,500.00 to be split amongst local food banks that serve the communities in which the CRSWSC operates.

VII. ADJOURNMENT


Chairman Wally Yachimetz thanked guests for attending the CRSWSC Annual General Meeting.

23-21

Motion: It was **Moved** by Councillor Lars Hansen to adjourn the meeting at 8:20 p.m.

Motion Carried Unanimously





CHAIRMAN



MANAGER