

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION  
 REGULAR MEETING, HELD ON THURSDAY, MARCH 30, 2017 AT 6:00 P.M.  
 BEST WESTERN PLUS DENHAM INN & SUITES, DISCOVERY A BALLROOM,  
 5207 – 50 AVENUE, LEDUC, AB.**

**1. CALL TO ORDER**

Chairman John Schonewille called the meeting to order at 6:02 p.m.

<b>PRESENT:</b>	Chairman John Schonewille	Leduc County
	Councillor Rick Smith	Leduc County
	Mayor Wally Yachimetz	Town of Calmar
	Councillor Terry Balaban	Town of Calmar
	Councillor Bill McNamara	Town of Beaumont
	Councillor Greg Gillespie	Camrose County
	Councillor Doug Lyseng	Camrose County
	Councillor Faye Leicht	Village of Hay Lakes
	Deputy Mayor Shannon Yearwood	Village of Hay Lakes
	Vice Chairman Beverly Beckett	City of Leduc
	Councillor Pat Garrett	Town of Millet
	Mayor Tony Wadsworth	Town of Millet

<b>ALSO PRESENT:</b>	Shawn Olson, Commission Manager	City of Leduc
	Rick Sereda, Operations Manager	City of Leduc
	Pamela Regier, Project Manager	City of Leduc
	Carol Hounsell, Treasurer	City of Leduc
	Amber Ouellette, Accountant	City of Leduc
	Shawn Tooth, Water Technician	City of Leduc
	Shannon Bremner, Recording Secretary	City of Leduc
	Mary Coyne, Project Manager, Infrastructure	EIA

<b>WITH REGRETS:</b>	Councillor Kathy Barnhart	Town of Beaumont
	Councillor Dana Smith	City of Leduc
	Steve Rumley, Vice President, Infrastructure	EIA

**2. ADOPTION OF AGENDA**

**12-17**      **Motion:** It was **Moved** by Councillor Terry Balaban that the agenda for the March 30, 2017 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

**Carried**

**3. APPROVAL OF MINUTES**

**A. Minutes of the February 16, 2017 Regular Meeting**

There were no changes to the minutes.

- 13-17**      **Motion:** It was **Moved** by Councillor Pat Garrett that the meeting minutes of the February 16, 2017 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

**Carried**

**4. INFORMATION ITEM**

Board members agreed that a brief high level summary of each officer's report is preferred at the Board meetings, with the opportunity for a question and answer period following each report.

**5. REPORTS OF OFFICERS**

**A. Manager's Report**

**Water Allocation Update**

The final draft of Bylaws 2 and 3, Fees and Administration were distributed with the February 16, 2017 Manager's Report and are attached again for reference. Feedback was previously requested from Commission members for discussion at the March 30, 2017 meeting. Pending discussion and possible incorporation of any comments, it is intended that this bylaw would be brought forward for a vote at the June meeting.

It was noted that with consideration of the recent Leduc County and City of Edmonton annexation discussions, it would be wise to defer the completion of the bylaws until the annexation discussions have provided a clear understanding of the potential impacts that annexation may have on the Commission.

- 14-17**      **Motion:** It was **Moved** by Councillor Bill McNamara that the Capital Region Southwest Water Services Commission agrees to postpone the review and approval of Bylaws 2 and 3 until the Leduc County and City of Edmonton annexation discussions are complete.

**Carried**

**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. At the December 1, 2016 meeting, additional information had been requested but not



yet received from both the Edmonton International Airport and Camrose County. Information provided to administration at this time is as follows:

1. Edmonton International Airport has provided the required information and the commission is confident that available storage and capacity exists to accommodate the EIA's future growth.
2. Camrose County previously provided projected water forecast increases over the next five years to accommodate a proposed expansion to Ervick. The commission engaged Camrose County and provided information relative to the available water that can be drawn for their use from the commission system. Additional information is provided below.

**Armena Extension to Ervick**

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 in the current system to support water service to Ervick. The services of Associated Engineering was retained to prepare a letter outlining the Commission's requirements should Camrose County wish to proceed with the extension. The letter is attached for reference. The CRSWSC believes that it would be prudent to sit down with Camrose County administration to discuss the details of the proposed expansion to better determine the scope and limitations of an expansion.

**Millet Water Supply Line Project**

All HDPE pipe is currently installed from Leduc to Millet. The specialty spool piece required for the Robinson Reservoir connection was delivered and installed mid-February.

A new fill line was added in the Millet pump house to facilitate the Commission's required air gap between the water feed and Millet's reservoir instead of tying into the existing fill line. This line along with all other piping install within the Millet pump house has now been completed.

Pressure testing of the new water lines commenced February 21, 2017. The contractor has experienced several challenges during pressure testing such as a number of valve and gasket failures, and a few leaks, each of which has slowed progress. These failures required repairs and/or replacement that interrupted the pressure testing process and has resulted in overall project delay. Pressure testing on the Booster Station internal piping, the 22" lines, and the 12" line to Glen Park Road is now complete. At the time of writing, the remaining 12" line to Millet is being filled for pressure testing. Chlorination and disinfection of the lines is scheduled to occur late March 2017.

The Fortis transformer installed by the Fortis subcontractor at the Booster Station was not set up to facilitate meter install direct on the transformer as intended. The housing for the transformer has since been replaced and the Booster Station was energized mid-February.

The electrical and controls work is nearing completion at the Millet pump house. Startup and commissioning of all systems at both the Booster Station and the Millet pump house will follow completion of the pressure testing and disinfection of the lines. As the CRSWSC Leduc SCADA repairs will not be complete before the Millet Water Supply Project is ready for commissioning, the stations will operate under cellular service temporarily. There will remain outstanding work by the communications contractor (Westcan) that will be completed with the radio overhaul project in the Spring.

Due to the delays caused by the incorrect transformer and pressure testing, the consultant believes the line will be in service at the end of March, however administration is expecting the line to actually be in service a week before Millet's grand opening which is scheduled for April 21, 2017. An invitation was sent to the commission and its board and is attached to this report. To date all work is within project budget.

#### **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 is currently finalizing a license agreement that will be sent to Beaumont for their execution prior to sending them the information.

#### **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. These acknowledgments were distributed to all affected local authorities and are attached for reference.

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.

#### **EIA License Agreement for Commission Main Infrastructure**

In August of 2016, communications commenced with the EIA regarding a license agreement to protect 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 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. The administration is currently reviewing the revised draft and are sending it back to Brownlee to assess potential risk to the commission with comments from administration. The second draft of the agreement is attached for reference.

#### **Miquelon Lake Service Connection**

The Commission received an inquiry from Alberta Parks at the beginning of March 2017 regarding a potential connection to the CRSWSC water main at Hay Lakes. They are beginning to explore the feasibility of a project to provide potable water service to Miquelon Lake from the CRSWSC line. Administration confirmed sufficient water capacity for their anticipated service draw (approximately 9000m3 a year; mostly for seasonal operation) and provided a potential tie-in location that would result in the shortest distance possible to the park (approximately 12km). They are at the very early stages of investigation and planning and as such it could not be determined at this time if any upgrades to pumping systems would be required to facilitate water at the intended service point. If the proponent seriously considers this connection as a viable alternative moving forward, it will be brought forward to the board to determine what requirements will be placed on them to grant a connection.

#### **Carbon Tax Exemption**

At the September 8, 2016 meeting the board passed a motion to submit a letter requesting that the Commission be exempt from paying the Carbon Tax. Administration received a response declining the request for exemption on February 28, 2017. The primary reason noted was "because the commission provides a service that is location-based and not largely exposed to trade competition, the Government of Alberta does not intend to provide exemptions for water service providers at this time." A copy of the letter is appended to this report for reference.

**15-17**

**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 **184** 1<sup>st</sup> Call locates year to date on Commission facilities as compared to **215** in 2016.

February 9, 2017 – Leduc Plumbing and Heating was contracted to attend EIA's fill station to disconnect the electrical connection for the heat trace line that is no longer required.

February 28, 2016 – The Commission was notified by Leduc County that water was surfacing at the intersection of Township 500 and Range Road 234.

Commission operators confirmed the existence of a transmission main leak by testing the water for chlorine. NS Pawliuk and Son was contracted to repair the damaged section of main, they arrived onsite on March 1 in the early afternoon. The repair was plagued by bad weather, equipment failures and poor initial construction. Fortunately the repair was completed without the need for demand conditions. This was due in large part to Leduc County, Camrose County and Hay Lakes conserving water, the Commission would like to extend our appreciation for their cooperation during the repair.

March 22, 2017 – Vector Electric and Associated Engineering (AE) met with commission operators at the Boundary station to complete the field investigation portion of our Arc Flash study. Vector has supplied a journeyman electrician to open our major electrical panels to assist AE in the assessment of our electrical infrastructure at the Boundary station. When completed, the Arc Flash study will provide information for future upgrades and most importantly provide an added layer of safety for our commission operators.

16-17

**Motion:** It was **Moved** by Mayor Wally Yachimetz 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 Year End Update**

Curtis Friesen, CA of Hawkings Epp Dumont LLP completed the CRSWSC's 2016 audit on Tuesday, February 14, 2017. The CRSWSC reported a net surplus of \$10,218,314 in 2016 before capital expenditures and reserve transfers. After capital expenditures and reserve transfers there was a budget deficit of \$165,307. This includes depreciation expense of \$320,292 which is not budgeted for. Results of the 2016 audit will be presented at the 2017 AGM on April 20, 2017.

#### **2017 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 85.95% 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 the debenture funding yet.
- The Commission has recorded a line loss of 3.07% to date.



***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 85.94% 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.

***Capital Expenditures***

- Capital expenditures are below budget with 90.15% 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**

The next meeting of the RWCG is scheduled for May 8, 2017.

17-17

**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**

**6. UNFINISHED BUSINESS**

There was no unfinished business presented.

**7. NEW BUSINESS**

**A. Board Training and Development Policy Amendment Recommendation**

Further to the discussion from the February 16, 2017 Board meeting and pending an approved motion, administration will amend the Board Training and Development policy for circulation at the June 8, 2017 Board meeting.

The Board thoroughly discussed the proposed amendment to the current policy and determined that the professional development budget allocated to each municipality will not be extended to municipal technical staff, as it is important for elected officials to attend these educational opportunities. Board members were in favour of exploring the possibility of allowing municipalities to carry the professional development budget forward for a maximum of one year to allow for flexibility.

- 18-17**      **Motion:** It was **Moved** by Chairman John Schonewille that the Capital Region Southwest Water Services Commission Board of Directors directs Administration to investigate whether member municipalities can carry the professional development budget forward for a maximum of one year.

**Carried**

**B. In-Camera Item**

- 19-17**      **Motion:** It was **Moved** by Chairman John Schonewille that the Capital Region Southwest Water Services Commission Board of Directors move In-Camera at 6:31 p.m. to discuss the Regional Water Quality Advisory Committee (RWQAC) Exercise. (FOIP s. 18, 21 & 23)

**Carried**

- 20-17**      **Motion:** It was **Moved** by Councillor Pat Garrett that the Capital Region Southwest Water Services Commission Board of Directors move In-Public at 6:43 p.m.

**Carried**

**8. NEXT MEETING**

The Annual General Meeting of the Capital Region Southwest Water Services Commission will be held on April 20, 2017 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 General Meeting will begin at 7:00 p.m. Please R.S.V.P. to Shannon Bremner by Tuesday, April 4, 2017.

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



9. ADJOURNMENT

21-17      **Motion:** It was **Moved** by Councillor Rick Smith to adjourn the meeting at 6:44 p.m.

**Carried**

  
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CHAIRMAN  
\_\_\_\_\_  
MANAGER