

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION  
 REGULAR MEETING, HELD ON THURSDAY, SEPTEMBER 7, 2017 AT 6:00 P.M.  
 BEST WESTERN PREMIER DENHAM INN & SUITES, TERRACE ROOM,  
 5207 – 50 AVENUE, LEDUC, AB.**

**1. CALL TO ORDER**

Chairman John Schonewille called the meeting to order at 5:47 p.m.

<b>PRESENT:</b>	Chairman John Schonewille Councillor Rick Smith Councillor Bill McNamara Councillor Kathy Barnhart Councillor Greg Gillespie Councillor Doug Lyseng Councillor Faye Leicht Deputy Mayor Shannon Yearwood Vice Chairman Beverly Beckett Councillor Dana Smith Mayor Tony Wadsworth	Leduc County Leduc County Town of Beaumont Town of Beaumont Camrose County Camrose County Village of Hay Lakes Village of Hay Lakes City of Leduc City of Leduc Town of Millet
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<b>ALSO PRESENT:</b>	Shawn Olson, Commission Manager Rick Sereda, Operations Manager Pamela Regier, Project Manager Carol Hounsell, Treasurer Amber Ouellette, Accountant Shawn Tooth, Water Technician Shannon Bremner, Recording Secretary Mary Coyne, Project Manager, Infrastructure Councillor Dawn Pauls Dean Downey, Manager of Utilities Ed Melesko, Director, Planning & Development Keaton Seaby, Manager of Public Works Curtis Smith, Utilities Foreman Heather Nadeau, CAO Teri Pelletier, CAO	City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc EIA Village of Hay Lakes Leduc County Town of Calmar Town of Beaumont Camrose County Village of Hay Lakes Town of Millet
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<b>WITH REGRETS:</b>	Mayor Wally Yachimetz Councillor Terry Balaban Councillor Pat Garrett	Town of Calmar Town of Calmar Town of Millet
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## **2. ADOPTION OF AGENDA**

There was one additional agenda item added under the Operations Report in regards to the Boundary Station roof repairs.

- 38-17**      **Motion:** It was **Moved** by Councillor Bill McNamara that the agenda for the September 7, 2017 Capital Region Southwest Water Services Commission regular meeting be approved as amended.

**Carried**

## **3. APPROVAL OF MINUTES**

### **A. Minutes of the June 8, 2017 Regular Meeting**

It was noted that there was a date error on page 2 of the minutes. The Millet Water Supply Line grand opening ceremony took place on April 21, 2017.

- 39-17**      **Motion:** It was **Moved** by Councillor Doug Lyseng that the meeting minutes of the June 8, 2017 Capital Region Southwest Water Services Commission regular meeting be approved as amended.

**Carried**

## **4. REPORTS OF OFFICERS**

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

#### **Armena Extension to Ervick and Water Projections**

The Commission received a letter on June 12, 2017 advising that Camrose County Council has passed a motion to proceed with the tender for construction of the Ervick waterline and that design and engineering of this project are ongoing.

With the extension of the Armena 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 was sent to Camrose County advising them that new connections to the CRSWSC system require approval from the Commission's Board of Directors. Associated Engineering's letter from March 6, 2017 was again provided to the County, identifying the information the Commission requires in order to evaluate the impact to the existing system and make a recommendation on this request to the Board. While the Commission has not received flow projections and timelines for the development from Camrose County, there has been discussion about sitting down with their administration to discuss the details of the proposed expansion to better determine the scope and any limitations. The Commission Administration is willing and ready to discuss this with Camrose County at their convenience.



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

The Millet line has been operational since late April. It should be noted that although operational, there remains ongoing involvement by both Administration Management and Operations as we work towards project closeout. This involves final inspections, managing contractor deficiencies, review of as-built drawings and Operation and Maintenance Manuals, and closeout of all project documentation. We are holding back significant funds from Weaver Welding to complete deficiencies that have been lagging for a significant period of time. Of note, landscaping deficiencies have been brought forward by several municipalities and the Commission is pushing the contractor to complete these as soon as possible. A schedule was received on September 7 from the contractor which indicated that landscaping deficiencies should be complete by late 2017, including the County of Wetaskiwin.

As part of this project, several appurtenances have been installed along the alignment of the waterline that have the potential to negatively impact the routes occasionally traversed by various parties (members of the agricultural community, maintenance staff, recreational vehicle users). As seasonal conditions may affect the visibility of these appurtenances, a notification was provided to the affected municipalities, and the Tri-County Snowmobile Club to communicate their locations, including a photograph of a typical installation assembly. Commission administration will ensure that a notice is also posted on the Commission website in regards to this.

### **Leduc County / City of Edmonton Annexation**

Leduc County's website notes that the Annexation agreement with the City of Edmonton was signed on June 30, 2017 though no formal advisement has been provided to the CRSWSC by the County. The City of Edmonton must still submit its annexation application to the Municipal Government Board for approval. If approved by the MGB, the CRSWSC Boundary Station would fall within the City of Edmonton limits but the assets would remain property of the CRSWSC.

Administration has previously met with the City of Edmonton, EPCOR, and Leduc County to discuss potential servicing options for the annexed lands and the options discussed were noted in the June 8, 2017 Manager's Report. These options will be further examined in the next CRSWSC master plan which is scheduled to start at the end of the year. During that master plan update we will also look at how annexation may impact future infrastructure requirements and the impact that those scenarios could have on rates.

It was noted that the Commission water rate slightly increases each year in order to save up for the twinning of the main waterline in the future. This item was previously voted on and approved by all member municipalities and the rate schedule increase will continue until the next master plan update takes place.

### **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.

Based on comments provided from Brownlee LLP, administration has previously sent the required changes to the Agreement back to the EIA, which were included in the June 8, 2017 Manager's Report. The EIA has not yet responded regarding these comments and no revised license agreement has been received.

#### **Robinson Reservoir**

The construction of the Robinson Reservoir fill station building is ongoing. Testing and sealing of the reservoir cells is ongoing. 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.

#### **Canada's Core Public Infrastructure Survey 2016**

The CRSWSC received a copy of Canada's Core Public Infrastructure Survey 2016 from Statistics Canada for completion to collect information on the condition, performance and asset management strategies of Canada's core public infrastructure assets. Participation in the study was mandatory and consisted of 10 questionnaires, only two of which were applicable to the Commission's infrastructure (potable water and Asset Management). The requested data was compiled and returned to Statistics Canada in mid-August. A copy of their request is appended to this report. Given the size of surveys, copies have not been included in the report but are available upon request.

#### **First Nation Communities Regional Tie-in Initiative**

The Commission received a letter from the Office of the Minister of Indigenous Relations for the Province that relayed the Government's commitment to ensuring First Nation communities have reliable access to clean and safe drinking water. The letter outlined a \$100 million commitment over four years to support regional system tie-in for First Nation communities and how projects will be selected. No connection requests have been communicated to the CRSWSC at this time.

40-17

**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 **1317** 1<sup>st</sup> Call locates year to date on Commission facilities as compared to **1187** in 2016.

June 30, 2017 – One of our Commission operators attended the Hwy 21 Booster facility to perform our weekly generator test. Unfortunately, the generator would



not start. We contracted All Generator Solutions to assess and repair. It turns out a family of mice had made a home inside the controller housing for the generator and while doing so they chewed their way through several of the wires resulting in some minor repairs. We deployed a series of rodent control devices throughout the facility; the rodent issue appears to be under control now.

July 5 - 6, 2017 – Konda Underground Solutions repaired an inoperable valve on EIA property just south of airport road, the valve casing had been damaged creating a separation from the bonnet. To properly reassemble the valve, a full excavation was required.

July 25 – August 4, 2017 – The 2016 Annual Cathodic Protection survey had identified some anodes that were no longer supplying adequate cathodic protection current. Commission operators contracted Arc Cathodic protection to replace four anodes located near 12-33-50-24-W4M, 12-3250-50-24-W4M, 08-36-50-24-W4M and 12-33-50-24-W4M.

July 27, 2017 – Sometime in the spring the exhaust piping for our unit heater at the Beaumont fill station was vandalized. Leduc Plumbing and Heating completed the repair work.

July – September, 2017 – Commission operators contracted Goodwin Roofing Consultants to create a tender for the replacement of the Boundary Station roof. The tender was posted to Alberta Purchasing Connection's website on August 24, 2017, which closed on September 6, 2017. Once work commences, it will take approximately 1 – 2 weeks to complete. Goodwin provided an initial quote of \$75,000 but it was later discovered that there was significant settlement and pooling on the roof. In order to remedy this situation, the roof requires additional drainage which was not originally identified. The low tender cost was \$113,000 to complete this full scope of work. Commission administration had allocated \$60,000 within the 2017 budget for the manhole rehabilitation project which will not be proceeding this year. It is recommended to reallocate a portion of this budget to the Boundary Station roof repairs.

**41-17**

**Motion:** It was **Moved** by Councillor Kathy Barnhart that the Capital Region Southwest Water Services Commission Board agrees to transfer \$38,000 from the capital project budget line for manhole rehabilitation, to be reallocated to the Boundary Station roofing project.

**Carried**

August 14, 2017 – Commission operators responded to a potential water break just west of Millet on Township Rd. 475. The water was surfacing at a newly installed air release valve on the Millet supply line. Commission operators contacted Weaver Welding as the section of pipe is still under warranty. Weaver Welding arrived on August 16, 2017 to repair the air release valve. Upon further investigation, a failed fusion coupler was to blame. The repair ran late into the evening on the 16<sup>th</sup>. At approximately 1:00am on the 17<sup>th</sup> the main was brought back into operation.

August 24, 2017 – Commission operators received several alarms from our SCADA system. Upon further investigation, pump 104 had failed during operation creating significant pressure loss throughout the system. Alberta Rewind attended the Boundary station Friday morning to assess and potentially repair the pump. Alberta Rewind found that current was not passing through the motor, creating a need to remove the motor from the Boundary station. The motor was removed on Monday, August 28, 2017 and is currently at Alberta Rewind's shop awaiting parts.

**Radio Project Update**

The Commission's radios are now officially running in Ethernet mode! We are still working on the project as the radios have not been aligned to their agreed upon path. A full report will be provided once the radios have been properly aligned and the new system has been approved.

42-17

**Motion:** It was **Moved** by Mayor Tony Wadsworth 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 seven months of operations to the end of July, there should be approximately 41.67% of the budget remaining. Management expenses are under budget due to the timing of expenses. Overall, operating expenses are under budget with some fluctuations within line items. Total expenses are slightly under budget for the year with 44.67% of the budget remaining.

**Revenue Variances**

- Water sales are under budget for the period with 45.43% of the budget remaining.
- With the exception of the Town of Calmar, the water consumption projections for all municipalities and EIA are below the target for 2017 at 54.57% of budget (after 7 months it should be approximately 58.33%). The decreased consumption is likely due to a wet summer and poor economic conditions. I will discuss the impact of this on overall revenues and expenditures in more detail later.
- 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.
- Interest income is under budget with 72.00% of the budget remaining. This is due to the timing of interest payments.
- The Commission has recorded a line loss of 3.43% to date.



***Expenditure Variances***

- Water purchases are under budget for the period with 45.18% of the budget remaining. This is consistent with water sales being under budget.
- Insurance has been paid for 2017. The insurance premium was under budget at about 95% of the budgeted amount. The budget was \$25,000 and the actual was \$23,674.
- Engineering fees is under budget with 98.7% of the budget remaining.
- There have been no expenditures to date for electrical repairs & maintenance.
- Computer maintenance & supplies is over budget with -0.99% of the budget remaining due to an \$8,000 expenditure to replace the alarm dialer at the boundary station.
- Power is slightly under budget at 44.34%. It is anticipated that expenditures on power will be close to budget at year end.
- Facility maintenance is under budget with 60.28% of the budget remaining.
- Instrumentation & mechanical and cathodic protection are both under budget with 86.09% and 83.78% respectively of the budget remaining.
- Line maintenance is over budget due to line breaks and a water valve repair at EIA. The budget is \$35,000 and expenditures to date are \$122,522.
- No expenditures for audit fees have been incurred to date. Audit fees are incurred at year end but are based on a contractual amount that aligns with the budget.

***Capital Expenditures***

- Capital expenditures are significantly below budget with 67.45% of the overall budget remaining. This is due to:
  - a. The Armena Line radio communication issue not being resolved;
  - b. The Millet line extension not being fully completed; and
  - c. The boundary station transfer switch; the boundary station roof replacement; and the air release manhole rehab projects not having been started yet.

**2018 Interim Budget**

The 2018 Interim Budget will be presented at the next scheduled board meeting on November 30, 2017.

**2017 Water Consumption**

Water sales and purchases are under budget to date and anticipated to be under budget for 2017. Included in the agenda package you will find a report titled "2017 Water Sales and Expenditures Projections." This report shows the impact of water sales and purchases to August 31, 2017 in comparison to budget. It also shows the projections for year end. Water sales are below budget by \$246,665 to August 31, 2017 and purchases are below by \$150,578. The effect on operating surplus is -\$96,088. It is anticipated that water sales will be below budget by an estimated \$370K by year end and purchases will be below budget by \$226K for a

projected impact on operating surplus of -\$144K. This will be partially offset by anticipated savings in other areas such as seminars & conferences and engineering fees.

- 43-17**      **Motion:** It was **Moved** by Councillor Faye Leicht 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**

**A. In-Camera Item**

- 44-17**      **Motion:** It was **Moved** by Councillor Bill McNamara that the Capital Region Southwest Water Services Commission Board of Directors move In-Camera at 6:10 p.m. to discuss the Regional Water Quality Advisory Committee (RWQAC) Exercise. (FOIP s. 18, 21 & 23)

**Carried**

- 45-17**      **Motion:** It was **Moved** by Councillor Dana Smith that the Capital Region Southwest Water Services Commission Board of Directors move In-Public at 6:16 p.m.

**Carried**

**B. Trickle Fill Service Requests**

The CRSWSC received two trickle fill system requests for rural customers within Leduc County. Chairman John Schonewille asked that this item be brought forward to the CRSWSC Board for discussion and a decision.

**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.



**Leduc County Resident Service Request**

Administration received an informal request directly from a Leduc County resident along Range Road 222 and Township 492 requesting a connection to the CRSWSC infrastructure to service a farm. A letter was provided to the resident from Associated Engineering advising that a connection request must be formally requested by a member municipality in order for the Board to grant the connection. The letter also outlined the CRSWSC's current policies regarding connection requirements and service flows.

It was noted that Leduc County is currently proceeding with a study on the overall costs of a trickle fill system from the Leduc County reservoir. Commission administration also confirmed that there is currently a connection for Rolly View and there is sufficient capacity on the line for Rolly View.

- 46-17**      **Motion:** It was **Moved** by Councillor Dana Smith that the Capital Region Southwest Water Services Commission Board of Directors continue to enforce the policy of requiring all new connections to have air gaps and re-pumping facilities.

**Carried**

**7. NEXT MEETING**

The next meeting of the Capital Region Southwest Water Services Commission is the Organizational meeting, which will be held on November 30, 2017 at the Best Western Premier 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.

A technical member from each municipality is welcome to attend the CRSWSC meetings. Technical members are asked to contact Commission administration if they wish to be included on the CRSWSC agenda distribution and meeting invitation list.

**8. ADJOURNMENT**

- 47-17**      **Motion:** It was **Moved** by Chairman John Schonewille to adjourn the meeting at 6:23 p.m.

**Carried**

VICE CHAIRMAN

MANAGER