



**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION  
REGULAR MEETING, HELD ON THURSDAY, FEBRUARY 15, 2018 AT 6:00 P.M.  
BEST WESTERN PREMIER DENHAM INN & SUITES, DISCOVERY B ROOM,  
5207 – 50 AVENUE, LEDUC, AB.**

**1. CALL TO ORDER**

Chairman Rick Smith called the meeting to order at 6:26 p.m.

**PRESENT:**

Chairman Rick Smith	Leduc County
Councillor Kelly Vandenberghe	Leduc County
Councillor Bill Daneluik	Town of Beaumont
Councillor Greg Gillespie	Camrose County
Councillor Doug Lyseng	Camrose County
Councillor Dave Vallee	Village of Hay Lakes
Councillor Ron These	Village of Hay Lakes
Vice Chairman Beverly Beckett	City of Leduc
Councillor Lars Hansen	City of Leduc
Mayor Tony Wadsworth	Town of Millet
Councillor Pat Garrett	Town of Millet
Mayor Wally Yachimetz	Town of Calmar
Councillor Terry Balaban	Town of Calmar

**ALSO PRESENT:**

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
Roger Steele, Manager, Technical & Utilities	EIA
Keaton Seaby, Manager, Public Works	Town of Beaumont
Graham Backus, Manager, Public Works	Camrose County

**WITH REGRETS:**

Councillor Sam Munckhof- Swain	Town of Beaumont
Mayor Dawn Pauls	Village of Hay Lakes
Mayor Bob Young	City of Leduc

**2. ADOPTION OF AGENDA**

There were two additions to the agenda under New Business. Item 6A – Technical Member Meeting and 6B – In-Camera Item (FOIP s. 16, 19 & 24).



- 01-18      **Motion:** It was **Moved** by Councillor Beverly Beckett that the agenda for the February 15, 2018 Capital Region Southwest Water Services Commission regular meeting be approved as amended.

**Carried**

### 3. APPROVAL OF MINUTES

#### A. Minutes of the November 30, 2017 Organizational Meeting

- 02-18      **Motion:** It was **Moved** by Councillor Terry Balaban that the meeting minutes of the November 30, 2017 Capital Region Southwest Water Services Commission organizational meeting be approved as circulated.

**Carried**

#### B. Minutes of the November 30, 2017 Regular Meeting

- 03-18      **Motion:** It was **Moved** by Mayor Wally Yachimetz that the meeting minutes of the November 30, 2017 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

**Carried**

### 4. REPORTS OF OFFICERS

#### A. Manager's Report

##### 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. Remaining close-out items include submission of as-built drawings and Operation and Maintenance Manuals, as well as minor deficiencies to be remediated in spring 2018. Administration is withholding sufficient funds from the contractor until they are adequately addressed.

Two breaks to the line have occurred along HWY 623 on November 24, 2017 and January 2, 2018. Both were repaired by the contractor under warranty. With the January 2, 2018 break, water conservation efforts were required in Millet. Two digital messaging boards were lent to the Commission by the City of Leduc to deploy and assist Millet, and the CRSWSC hauled water until the repair was completed.

##### EIA License Agreement for Commission Main Infrastructure and EIA Development

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.

Administration received some of the clarification requested from the EIA December 11, 2017; Brownlee LLP provided comments on January 16, 2018. We are working through concerns with Brownlee prior to forwarding the agreement back to EIA for review which include: missing documents referenced in the agreement, insurance clauses, notification and access clauses, our request for inclusion of a Crossing Agreement, and a schedule that pertains to conditions for the Outlet Mall.

The development at the EIA continues to progress and during a routine locate request, conflicts were identified with proposed infrastructure at the Costco development. The developer was unaware of required clearances to the Commission water main and Administration is working with their consulting team to resolve this conflict. The Costco development has requested a relaxation of the clearances required and a review is underway with Associated Engineering regarding this request.

Administration continues to execute Crossing Agreements for any work performed with the license area and is working with Brownlee to formalize a Cross Access Agreement where developments have permanent infrastructure such as lot surfacing that would impede future access to the water main. A draft agreement has been received from Brownlee January 11, 2018 which is under review by Administration.

#### **Robinson Reservoir**

The construction of the Robinson Reservoir fill station building is ongoing. Cleaning and disinfection of the reservoir cells is now complete. The permanent building services (power and gas) are now installed and live. The swabbing of the fill line from the CRSWSC line is complete. The City of Leduc is now working with the contractor on commissioning plans. Overall project completion is anticipated in spring 2018. 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 a clear completion date has been established.

On December 13, 2018 there was an incident whereby the contractor for the water reservoir project operated a Commission valve without the Commission's consent. No issues arose from the incident; however, it is an opportunity to re-inforce process. The contractor has been instructed not to work on Commission infrastructure without the Commission's consent which they have acknowledged.

#### **Alberta Transportation – Notice of Intent to Expropriate**

The CRSWSC was served with a Notice of Intent to Expropriate on November 7, 2017 from Alberta Transportation (AT) for a small section of land adjacent to HWY 60. The Commission water main crosses under HWY 60 at this location and is protected by a registered right-of-way on either side of the HWY 60 crossing. The Intent to Expropriate is for AT's expansion of the HWY 60 right-of-way to accommodate the development of the HWY 39/HWY 60 traffic circle.





The Commission had 21 days from receipt to respond outlining any concerns with the affected area. Administration did not provide a response to the Notice after consultation with Brownlee LLP on the matter. On February 5, 2018, the Commission received notice of a 30 day extension to the review period for the Approving Authority to render its decision regarding the intended expropriation.

#### **Alberta Climate Change Office**

The Commission received an invitation from the Alberta Climate Change Office (ACCO) to partner with the Commission to complete a free industrial energy efficiency and emissions reduction assessment at a facility of our choosing. The intent was to identify potential opportunities to improve energy efficiency, reduce on-site emissions, and reduce the impact of the carbon levy. Administration opted to participate and the ACCO provided a third-party expert at no cost to the Commission to evaluate potential efficiencies at the Boundary Station. An inspection was performed on October 19, 2017. The third party is currently analyzing the data collected and will provide a detailed written report summarizing the findings to the Commission upon completion.

#### **Leduc County**

Leduc County has requested the Commission upgrade the inlet process piping at this reservoir to increase supply to make up for storage issues. Administration received a letter from Associated Engineering dated January 4, 2018 which notes that the fill piping has sufficient capacity to accommodate the long term filling requirements and increasing this pipe would not result in additional water supply as the pumping capacity of the Highway 21 system is limited. Leduc County has indicated that they will reassess after receipt of the letter.

#### **Water Master Plan RFP**

Administration prepared and posted an RFP requesting proposals from qualified consulting services for the preparation of the Commission's 2018 Water Master Plan. The Highway 21 Booster Station pump upgrades, oversight of the Discovery Park reservoir construction, and formalization of Commission standards were also included in the scope of work. Six proposals were received (AECOM, Associated Engineering, Allnorth, CIMA, MPE, and Stantec) and reviewed with the Sub-Committee elected at the Commission's November 30, 2017 Board Meeting. Based on these reviews, three proponents (Associated Engineering, MPE, and Stantec) were selected for interviews which took place on February 9, 2018. Administration met with the Sub-Committee on February 14, 2018 to select the successful proponent.

#### **Discovery Park Reservoir**

Issued for Construction drawings have been provided to Administration for the Discovery Park development reservoir. Construction of the reservoir has commenced and Administration will continue to have the Commission Engineer review applicable submittals and requests for information, attend necessary site meetings, and perform inspections of the fill line and Commission room during construction.



### **Elan Development**

Administration was contacted by the Town of Beaumont Public Works regarding their Elan development to confirm if the Developer had contacted the Commission. Administration has not been provided a set of development drawings, but it is the Commission's understanding that the development drawings show a direct connection to the Commission transmission main that does not include an air gap per Commission standards. Administration has advised Beaumont that the Commission has not received or approved any such connection request which must be approved by the Commission's Board. Beaumont confirmed they would relay this information to the Developer.

### **Regional Water Customers Group (RWCG)**

On December 15, 2017 Administration attended a negotiation meeting regarding the water supply agreement. The agreement is being updated with EPCOR with formal execution expected in May. The agreement follows the existing agreement very closely with no consequential amendments expected. The largest changes so far are to highlight the Commission member municipalities by municipal border rather than a map and expanding under what conditions a member may sell water back to EPCOR. The agreement calls for billing either using rate principles similar to how EPCOR bills the RWCG, or a method as agreed to by the two parties.

The provisions on how to sell water back to EPCOR are important to note as a result of the annexation proceedings surrounding the Discovery Park development. If the Board elects to continue providing water to the Discovery Park development following the annexation, bylaws will need to be amended and rate structures will need to be adopted for that buy-back. This will be explored more in the Commission's master planning exercise.

### **Beaumont ASP Consolidation**

The Town of Beaumont issued a Notice of Consolidated Area Structure Plan on January 30, 2018 which they identify as a "housekeeping amendment" for the 12 quarter sections around the perimeter of Beaumont's pre-2017 annexation boundary. The letter provides notice of a Public Hearing to be held on February 27, 2018. Administration does not have concerns with the intended ASP consolidation and will not be providing any written submissions for the hearing.

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

The Commission previously received a letter 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. The area will be serviced by re-pumping from the existing air gap at the truck fill located in Armena.

The Board has approved necessary pump and variable frequency drive (VFD) upgrades at the HWY 21 station to continue to support this further growth and accommodate flows based on the ultimate pipeline capacity. The design scope for these upgrades has been included in the Water Master Plan RFP.

Camrose County has provided their design documents which will be circulated to the Commission Engineer for review and comment.

**Alberta Municipal Affairs Awards for Municipal Excellence**

A letter was received by Administration in January, inviting the Commission to provide a submission for the 17<sup>th</sup> annual Minister's Awards for Municipal Excellence which recognizes excellence in local government practices and promotes knowledge sharing among municipalities. Administration believes the successful collaboration in the region and amongst Commission members would qualify the Millet Waterline Project under the Partnership category. Administration intends to submit the project for consideration and the deadline for submissions is March 31, 2018. The Board was in favour of submitting an application for the Partnership category for the annual Minister's Awards for Municipal Excellence.

**Leduc County / City of Edmonton Annexation**

The Commission previously received formal notice from the Municipal Government Board (MGB) indicating that the City of Edmonton (the City) and Leduc County signed an Annexation Agreement that removes the Edmonton International Airport from the City's proposed southwest annexation.

The City of Edmonton's letter of August 30, 2017 indicated their intent to make their annexation application to the MGB in the fall with an anticipated decision of January 2019. The City advised that they are exploring joint-planning with the Town of Beaumont for the water and wastewater systems that service the proposed annexation area North of Beaumont in order to determine the most efficient way to service these lands. The Alberta Capital Region Wastewater Commission (ACRWC) had previously responded to this letter noting that the City, EPCOR, and the ACRWC are currently in the process of completing an integrated wastewater servicing plan for the region and have expressed their interest in further collaboration with the City and Beaumont to determine the most cost effective solution to service this region. The Commission sent a similar letter on December 4, 2017, with similar content.

**CRSWSC Website**

The CRSWSC website was recently found to be no longer functioning because the technology used to build the website is outdated and no longer supported. As such, Administration has contracted Web3 Marketing to design a new website for the CRSWSC. The cost of the website has been accounted for in the Final Budget Report. A temporary site has been established and the new website is expected to be complete by March.

04-18

**Motion:** It was **Moved** by Mayor Tony Wadsworth 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 completed **2228** 1<sup>st</sup> Call locates on Commission facilities in 2017 as compared to **1626** in 2016. Commission operators have completed **133** 1<sup>st</sup> Call locates year to date on Commission facilities.

November 17, 2017 – County East Fill Station - Leduc Plumbing and Heating installed a new fire alarm and emergency exit signage.

November 23, 2017 – County East Fill Station - NCGL Construction Ltd. replaced the uninterruptible power supply unit's batteries and installed a relay enabling an AC power failure alarm for our SCADA system.

December 14, 2017 – Telford Booster Station - Commission operators coordinated the delivery and setup of a 500 kW standby generator to verify the emergency transfer switch works as per design.

December 18, 2017 – ArcCathodic Protection Ltd. completed our annual Cathodic protection survey. A summary of their recommendations will be submitted in our next operators report.

January 3, 2018 – Hwy 19 & Hwy 2 – Commission operators received a call from County of Leduc staff notifying us of a "river running down the side of Hwy 2". Further investigation revealed water was coming from an air release vault on the west side of Hwy 2. A 2" ball valve connection to our 750mm main had frozen and burst. Commission operators acted quickly deactivating our pumps at the Boundary Station in an effort to reduce the amount of water flowing down the side of Hwy 2. Commission operators were able to replace the valve and reactivate the transmission system by midafternoon.

January 8 - 11, 2018 – Rollyview Road west of C.W. Gaetz Road in Leduc – Weaver Welding's crew started an excavation to address water that was surfacing near the Millet transmission main on Rollyview Road. Weaver's crew was able to expose the issue early in the afternoon; a fusion coupler had failed. A number of issues plagued the resulting repair: Temperatures fluctuated from -25 to -40 degrees Celsius (with wind chill), the repair location was at drill site which created some significant deflection between the two sections of pipe and the contractors prepared method of repair was not feasible. Two attempts at repair failed consuming 48 hours of precious time. On January 10, 2018, the decision was made to start hauling water to the Town Millet as their reservoir level was getting close to emergency status. Great communication and coordination between the Town of Millet and Commission staff made the water-hauling endeavor possible. On January 11, 2018, the repair on Rollyview Road was now entering its fourth day (without any down time), a revised procedure which was formulated by Select Engineering, Weaver Welding and Commission operators was ready to be tested. Fortunately, the third attempt held narrowly avoiding the need for an emergency alert. Administration intends to recover the costs from the contractor related to water hauling.

February 1, 2018 – Hwy 21 Booster - JWPM performed a one-year inspection on our new 50m tower. During their inspection, they noted all of the grounding at the Booster station had been cut and stolen. JWPM repaired the grounding for our new tower the same day, the rest of the site is scheduled for a temporary repair on February 12, 2018.

February 5, 2018 – Boundary Station - Kova Engineering Ltd. performed our annual inspection of the monorail hoist.

- 05-18** **Motion:** It was **Moved** by Councillor Bill Daneluik 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 Customer Sales**

Bylaw 02-2015, section 6.7 states that Commission members are required to pay a minimum of 90% of the volume requested by the member for the year. In 2017, Camrose County (83.78%) and The Town of Millet (66.32%) fell below the 90% requirement. The Commission as a whole was at 95.05% of their consumption estimate. Since the Commission as a whole exceeded the 90% requirement, administration is recommending that Camrose County and The Town of Millet not be assessed any additional charges or penalties. However, the 95.05% of estimated consumption referenced above is based on a 97% recovery rate that is used for budgeting. The estimated annual consumption submitted to the RWCG was 5,933,393 M<sub>3</sub>. The 2017 actual consumption of 5,470,304 M<sub>3</sub> is 92.2% of that amount.

- 06-18** **Motion:** It was **Moved** by Mayor Wally Yachimetz that the Capital Region Southwest Water Services Commission agrees to waive the requirement for Camrose County and the Town of Millet to pay a minimum of 90% of their estimated volume requirement for 2017.

**Carried**

**2017 Financial Update**

At yearend, total expenditures are below budget with 4.09% of the budget remaining. Management expenses are under budget with 4.53% of the budget remaining. Operational expenses are under budget with 4.07% of the budget remaining. Explanations for the variances are discussed below. Please note that there are some additional yearend adjustments still pending so the information provided is not final. There will be capital carry forwards into 2018 for the following capital projects:

- 1) 2015.003 Millet Water Line Expansion - \$293,974
- 2) 2016.002 Boundary Station Transfer Switch - \$200,000



- 3) 2017.002 Air Release Manhole Rehab - \$200,000 (increased from \$60,000 for the 2017 Budget)

***Revenue Variances***

- Water sales are 4.95% under budget for the year due primarily to a rainy summer.
- Debenture proceeds is below budget because a payment for the Armena line debenture was budgeted for in 2017 but the debenture funding has not yet been applied for.
- Interest earned is below budget with 40.71% of the budget remaining. This is due to lower than anticipated returns on investments. However, yearend adjustments for interest were not completed at the writing of this report so this is not the final number.
- As a result of the ALARIE rebate the Commission recorded \$26,655 of miscellaneous revenue in 2017 for which there was no budget.
- Capital provincial government grant funding and transfers from other governments are below budget due to yearend and reserve transfer entries that were not completed at the writing of this report.
- Some yearend accounting entries are still to be posted.
- The Commission has recorded a line loss of 3.20%.

***Expenditure Variances***

- Other professional fees is over budget by \$2,545 due the RWCG invoice for shared expenses and Wood Gundy management fees being higher than anticipated.
- Debenture interest is below budget with 5.05% of the budget remaining because a payment for the Armena line debenture was budgeted for in 2017 but the debenture funding has not yet been received.
- Seminars and Conferences is under budget with 100% of the budget remaining due to the fact that none of the board members opted for professional development in 2017 since it was an election year. These funds have been carried forward to 2018 as per the Board Training and Development Policy.
- Legal Fees are under budget with 33.73% of the budget remaining.
- Engineering fees are under budget with 83.74% of the budget remaining due to less consulting and advisory services required in 2017.
- Power is over budget by 17.55% because the budget was based on the new 2016 Enmax contract which did not take into account the two new facilities for the Millet Line.
- Facility Maintenance is under budget with 26.23% of the budget remaining. Line maintenance is over budget by \$88,000 due to several water main breaks in 2017. This will be partially offset by a number of line items that are under budget.
- Cathodic Protection has 13.13% of the budget remaining.
- Water purchases is under budget with 4.76% of the budget remaining which is consistent with water sales being under budget.

**2017 Capital Project Summary**

A copy of the 2017 Capital Projects Summary was attached to the agenda for information. The final work for the Armena Line is complete and it is anticipated that the Millet Line project will be completed by the end of 2018. Funding and expenditure budgets have been carried forward to the 2018 budget for the Millet Line project. The Boundary Station Transfer Switch and the Air Release Manhole Rehab projects have also been carried forward to the 2018 budget. The Calmar Radio Communications Tower project was completed in 2017 and came in slightly under budget at \$29,940.

**2017 Water Consumption**

Water sales and purchases are under budget for 2017 with 4.95% and 4.76% of the budget remaining respectively. 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 December 31, 2017 in comparison to budget.

Water sales are below budget by \$379,166 to December 31, 2017 and purchases are below by \$240,045. The effect on operating surplus is -\$139,121. This is partially offset by savings in other areas such as engineering fees and electrical repairs & maintenance.

**2017 Audit**

As of the writing of this report the Commission auditors, Metrix Group LLP (previously Hawkings, Epp Dumont LLP) will begin the 2017 Audit review on February 13, 2018. The audit report and findings along with the Commission's final financial results will be presented at the AGM on April 19, 2018 as per best practice. Included in the Board Agenda Package are copies of the Audit Engagement letter, the Audit Planning Letter and the letter confirming that there is no knowledge of actual, suspected or alleged fraud (to be signed by Chairman Rick Smith).

We received correspondence from Hawkings Epp Dumont LLP that effective January 31, 2018 the firm officially changed its name to Metrix Group LLP. The Metrix Group Announcement included in the agenda package provides some additional information about the change.

**ALAIRE Update**

In January 2018 we received an update from ALARIE regarding the redistribution of assets. After the first cheques were distributed, two of the cheques were returned because the recipients were not ALAIRE subscribers. In addition, they received a late payment for some interest on investments. The additional amount received by the CRSWSC was \$63.18. A copy of the correspondence was attached to the agenda package for information.

**Regional Water Customers Group**

Nothing new to report since the last meeting.



**Armena and Millet Line Expansion Projects**

Updates on the Armena Line expansion and the Millet Line expansion will be presented at the next board meeting after the final yearend transactions have been processed.

07-18

**Motion:** It was **Moved** by Councillor Greg Gillespie that the Capital Region Southwest Water Services Commission receive as information the Treasurer's Report as presented by Carol Hounsell, Treasurer, CRSWSC.

**Carried**

**D. Final Budget Report**

**2018 Final Budget Adjustments**

On November 30, 2017, the Board approved the 2018 Interim Budget. Highlights of the budget approved on that date are recapped later in this report. Presented to the Board at this time is the 2018 Final Budget. The only changes to the budget since adoption of the 2018 Interim Budget are as follows:

***Capital Budget***

- Project 2015.003 Millet Water Line Extension was updated to reflect the 2017 actual cost and to reflect a total budget for the project of \$10,796,191. The 2018 budget was adjusted from \$229,736 to \$293,974.

***Provincial Government Capital Grant/Debenture Proceeds/Loans***

- Funding for the Millet Line Project was adjusted to reflect the 2017 actual expenditures and recoveries.

***Expenditures***

- Computer Maintenance, Supplies & Licenses was increased by \$5,000 for website development. These additional dollars were found by reducing Instrumentation and Mechanical by \$5,000.

***December 31, 2017 Actuals***

- The 2017 Actuals were updated to reflect the 2017 yearend balances prior to the Audit but are not the final numbers. At the writing of this report there were some final yearend entries to be processed.

**2018 Final Budget Highlights**

*(Based on Interim Budget prior to changes referenced above)*

**Revenue**

**Water rates**

The CRSWSC sales rate for water has increased to \$1.47/m<sup>3</sup> from \$1.33/m<sup>3</sup> in 2017. The increase is due to a number of factors. The 2018 interim rate for EPCOR was set at \$0.89/m<sup>3</sup> up from \$0.85/m<sup>3</sup> in 2017. The increase of \$0.14/M<sup>3</sup> is required for the following:

- \$0.04/m<sup>3</sup> for the EPCOR rate increase.
- \$0.075/m<sup>3</sup> increase for Future Water Expansion Reserve.

- \$0.025/m<sup>3</sup> increase in the rate to cover increases in management and operating expenses.

### ***Interest***

Interest has increased from \$40,000 to \$46,000 based on projected actuals for 2017 and budgeted reserve transfers for 2017 being invested.

### ***Accumulated Surplus***

We are budgeting to draw \$0.01/m<sup>3</sup> or \$55,197 from accumulated surplus for the Annual Revenue Requirement and Rate Design Policy. The required net balancing amount of -\$8,313 will result in an increase to accumulated surplus. The net impact on accumulated surplus is -\$46,884.

### **Expenditures**

- Operational and management contracts are as per contractual agreements.
- Legal fees has increased by \$15,000 to cover review of legal documents.
- Audit fees are as per contractual agreement.
- Other professional fees has increased by \$4,800 due to an increase in CIBC Wood Gundy Management Fees.
- Debenture payments expense (interest + principal) has remained very close to the same as budgeted for in 2017. The Armenia Line Project is completed and we are waiting on final documentation. We will be drawing the debenture in March 2018. Only one payment of \$12,399 (principal & interest) will be required in 2018.
- Cathodic Protection has decreased by \$10,000 in 2018 due to the anode replacement budgeted for in 2017 having been completed.
- Other Communication and Maintenance Costs has decreased in 2018. The upgrade to the central control panel monitors at Strathcona County for automated meter reads was completed in 2017.
- Line Maintenance has increased over 2017 due to being considerably over budget in 2017.
- Engineering Fees has increased by \$250,000 over 2017. This is to cover the cost of reviewing and upgrading the Long Range Master Plan.
- Insurance has increased over 2017 to cover additional premium costs related to the Millet Line Expansion.
- Water Purchases – For 2018 EPCOR has recommended an interim rate of \$0.89/m<sup>3</sup>. Administration recommends that the CRSWSC use this as its budgeted water rate for 2018.
- Power has increased over the 2017 budget due to projected consumption increase for the Telford booster station. As a reminder, a contract with ENMAX was signed in 2016 which gave the Commission a much lower rate than it had previously been paying. The current rate is \$0.05473/KWH. The contract period is for the five years from April 1, 2016 to March 31, 2021. This is a savings from the previous contract rate which was \$0.08318/KWH.





- Gas has increased slightly due to two new facilities being added part way through 2017. These facilities will have a full year consumption in 2018. Also, the rate for the carbon tax will increase by \$0.506/GJ in 2018.
- Facility maintenance has decreased due to the arc flash inspection and study having been completed in 2017.
- Seminars & Conferences increased to \$70,000 in 2018. This is a result of a carry forward of \$35,000 from 2017 as per the Board Training and Development Policy. The additional \$35,000 does not impact the rates as a transfer to the general operating reserve will happen at the end of 2017 in order to fund the additional \$35,000 out of the general operating reserve in 2018.
- “Transfers to Operating Reserves” has decreased below the 2017 budget. The transfer for General Operating Reserves was reduced to \$0.01/m<sup>3</sup> in 2017 in order to stabilize the rate. In addition, nothing was budgeted for the Rate Stabilization Reserve for 2017.
- All other expense line items have remained unchanged or have not changed by material amounts.

**Capital**

- “Transfers to Capital Reserves” has increased in 2018. The increase is mainly due to a \$0.075/m<sup>3</sup> increase to the reserve for the Future Water System Expansion. This will increase the reserve transfer amount from \$0.185/m<sup>3</sup> in 2017 to \$0.26/m<sup>3</sup> in 2018.
- Project 2015.003 – Millet Waterline Expansion was not fully completed in 2017 and will be carried forward into 2018. The 2018 budget was adjusted to reflect the projected cost to complete.
- Project 2016.002 – Boundary Station Transfer Switch was not completed in 2017 and has been carried forward into 2018.
- Project 2017.002 – Air Release Manhole Rehabilitation was not completed in 2017 and has been carried forward to 2018 with a budget increase from \$60,000 to \$200,000.
- Project 2018.001 – Air and Vacuum Release Valves is new to 2018 with a \$20,000 budget.
- Project 2018.002 – Pump for Hwy 21 Booster is new for 2018 with a budget of \$200,000.

**08-18**      **Motion:** It was **Moved** by Councillor Pat Garrett that the Capital Region Southwest Water Services Commission adopt the 2018 Final Operating and Capital Budget as presented by Carol Hounsell, Treasurer, CRSWSC, with total revenues and transfers from reserves of \$9,236,980 and total expenditures and transfers to reserves of \$9,236,980.

**Carried**

**09-18**      **Motion:** It was **Moved** by Councillor Lars Hansen that the Capital Region Southwest Water Services Commission accept in principle the 2019-2020 forecasted Operating and Capital Budget, as presented by Carol Hounsell, Treasurer, CRSWSC.

**Carried**

**5. UNFINISHED BUSINESS****A. Professional Development Opportunities**

There were no expenditures in 2017 for professional development so these budgets were carried over into 2018, as per the Board Training and Development policy. This has resulted in an allowance of up to \$10,000 for each member municipality in 2018 towards professional development.

Several Board members have expressed interest in attending the American Water Works Association (AWWA) ACE18 conference in Las Vegas June 11- 14, 2018. There is opportunity for a group discount if we have 6 members attending. Board members are asked to contact Shannon Bremner by February 26, 2018 if they wish to attend the conference, as Administration will submit a group registration. The ACE18 conference features a Public Officials Program with the opportunity to earn an AWWA Public Officials Certificate. Board members who have attended this conference in the past encouraged other Board members to attend the conference as it is a valuable learning opportunity.

**6. NEW BUSINESS****A. Technical Member Meeting**

Commission meeting expenses have increased as meeting attendance has grown with the inclusion of technical members. Board members discussed whether there would be value in organizing a technical member meeting that would be separate from the Board meetings. Board members agreed that it is valuable to have technical members present at the Board meetings, as this can assist with communication and clarification of technical questions. The Board wishes to continue inviting technical members to attend the CRSWSC Board meetings. Administration will make arrangements to ensure sufficient meeting space and budget for this increase in attendance.

**B. In-Camera Item**

Mary Coyne, Roger Steele, Keaton Seaby and Graham Backus exited the meeting at 7:00 p.m.

**10-18**      **Motion:** It was **Moved** by Councillor Pat Garrett that the Capital Region Southwest Water Services Commission Board of Directors move In-Camera at 7:01 p.m. to discuss the Water Master Plan Request for Proposal.  
(FOIP s. 16, 19 & 24)

**Carried**

**11-18**      **Motion:** It was **Moved** by Councillor Beverly Beckett that the Capital Region Southwest Water Services Commission Board of Directors move In-Public at 7:31 p.m.

**Carried**



- 12-18**      **Motion:** It was **Moved** by Mayor Tony Wadsworth that the Capital Region Southwest Water Services Commission Board of Directors retain Associated Engineering as the Commission Engineer for a two year term with a two year option to renew.

**Carried Unanimously**

Roger Steele and Graham Backus returned to the meeting at 7:32 p.m.

## **7. NEXT MEETING**

The next regular meeting of the Capital Region Southwest Water Services Commission will be held on April 26, 2018 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.

The Annual General Meeting of the Capital Region Southwest Water Services Commission will be held on April 30, 2018 at the Best Western Premier 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.

## **8. ADJOURNMENT**

- 13-18**      **Motion:** It was **Moved** by Councillor Bill Daneluik to adjourn the meeting at 7:33 p.m.

**Carried**

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
MANAGER