



**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
TO BE HELD THURSDAY, JANUARY 16, 2025
DINNER AT 5:30 P.M., MEETING AT 6:00 P.M.,
LEDUC GOLF CLUB, 5725 BLACK GOLD DRIVE, LEDUC, AB T9E 8C4**

1. CALL TO ORDER

Chairman Hansen called the meeting to order at 6:05 p.m.

PRESENT:	Mayor Bill Daneluik Councillor Catherine McCook Councillor Kelly-Lynn Lewis Councillor Rick Smith Councillor Krista Gardner Councillor Don Faulkner Councillor Beverly Beckett Councillor Lars Hansen Deputy Mayor Clifford Heinz Councillor Paul Patterson Councillor Ron These Mayor Doug Peel Councillor Jordon Banack	City of Beaumont City of Beaumont Leduc County Leduc County Town of Calmar Town of Calmar City of Leduc City of Leduc Village of Hay Lakes Village of Hay Lakes Village of Hay Lakes Town of Millet Camrose County
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ALSO PRESENT:	Kris Johnson, General Manager Shawn Olson, Commission Manager Rick Sereda, Operations Manager Gerard Del Rosario, Treasurer Elie Tymchyshyn, Accountant Pam Regier, Project Manager Melanie White, Project Manager Kyle van Steenoven, Project Manager Mark D'aoust, Commission Technician Katherine O'Dwyer, Recording Secretary	City of Camrose City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc
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WITH REGRETS:	Councillor Steven vanNieuwkerk Councillor Mathew Starky Councillor Doug Lyseng Des Mryglod, Director, Engineering & Utilities	City of Beaumont Town of Millet Camrose County Leduc County
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Nisku Booster Station

Construction

Disinfection of all piping has been completed and all systems have been commissioned except for the heating and ventilation system (HVAC) due to the delay in the permanent natural gas connection. During commissioning of the process mechanical system, issues with the two pressure reducing valves were identified (PRVs). Associated Engineering now believes this to be resolved and has a meeting with the manufacturer early in 2025 to confirm. The site acceptance test (SAT) was scheduled for January 7-9, 2025 but has been delayed due to the EPCOR break on the mainline (discussed further below). Upon successful completion of the SAT test, the facility will commence the 30 day operational run required prior to turnover.

ATCO's contractor completed the installation of the gas service on December 19, 2024. Maple Reinders has applied for the gas meter, and commissioning of the HVAC system is tentatively scheduled for the week of January 6, 2025. Sections of the fence and sidewalk which were left incomplete to facilitate the gas line installation, will remain as seasonal deficiencies along with the paving of the drive lane and shared parking lot, which will be completed in the Spring.

At this juncture, we will continue to plan for a Grand Opening event in the spring once weather is conducive to this type of event. This is planned to coincide with the June Board meeting, which is tentatively planned to take place at Black Jacks.

Once Nisku Booster is commissioned the piping modification work at Leduc County east will be scheduled to accommodate the EPCOR meter.

Hazardous Building Material Assessment

In early December, a City of Leduc employee was inadvertently exposed to asbestos containing vermiculite insulation inside the Leduc County West facility. The employee had entered the Commission side of the facility after the contractor for the Nisku Booster Station project had completed some drilling through the exterior block walls for installation of the cathodic protection system. The employee identified the debris as potentially containing asbestos, the area was sealed, and a contractor was brought in to test the material and perform and complete an emergency clean. The contractor was brought back the following week to complete the required coring and abatement of the open cells of the masonry wall created by the coring. The air quality of the room was again tested to ensure absence of asbestos prior to completion. Leduc County was contacted and advised of the hazardous material that was found. The insulation remains

Directors from the City of Beaumont requested supply agreements between EPCOR and the CRSWSC be shared with Beaumont's administration when a formal response to Beaumont's letter is sent. They asked to see the response as well.

EPCOR Secondary Supply Line to Beaumont

Administration has submitted an updated 5-year forecast report to EPCOR with the water supply demands for the City of Beaumont (see attached report from Associated Engineering).

The report indicates that water demand projections suggest the secondary feed line to Beaumont would be needed in 2028 if EPCOR maintains current pressures at the Blackmud Booster Station. If EPCOR increases pressure, as they have previously committed to in order to delay the construction of the second feed, it may be delayed until 2038. Administration intends to confirm EPCOR's decision to increase the pressure (as was proposed by EPCOR in 2023), or alternatively the CRSWSC would provide notice to EPCOR of the need for the second supply line.

Once Administration receives a response from EPCOR it will be included with the subsequent manager's report.

In the meeting, it was discussed that the recent watermain break at 41st Avenue took longer to repair than previous watermain breaks. This illustrated how beneficial the looped system may be to avoid having outages in the future. The board discussed asking for the secondary supply line to Beaumont to be accelerated to try and loop the system and provide some redundancy.

City of Camrose Servicing

Administration submitted the application for the Water for Life Grant Feasibility Study on November 26, 2024 (see attached). No significant changes were made from the draft provided with the November 2024 manager's report. The board will be updated once a response is received.

2025 Water Master Plan

Administration is working to prepare the Request for Proposals for the Commission's 2025 Water Master Plan which is expected to go out this winter. The successful Consultant will prepare the master plan as well as provide services as the Commission's Engineer for day-to-day work consultations. The Water Master Plan is expected to be completed at the end of 2026.

EPCOR Water Break AAV Chamber

On January 4th, 2025, a water break was identified south of the former CRSWSC Boundary Station, currently owned and operated by EPCOR, following the asset sale in 2020. Water was observed surfacing from an air release chamber in the area and discharging into Blackmud Creek.

EPCOR and the CRSWSC on-call operator responded promptly. Initial assessments suggest that an air release valve within the chamber may have failed, likely due to extreme cold weather. The break appears localized to the chamber, with no immediate signs of damage to the 750mm (30-inch) steel transmission main.

Water supply to the Commission was temporarily suspended while EPCOR's Engineering team developed a detailed plan to address the issue, which included a potential dewatering of the affected segment of the main. Municipal utility operators within the Commission were notified, and most reservoir levels remained stable throughout the incident with active monitoring by CRSWSC operators.

As of the writing of this report, EPCOR is undertaking further investigation and is preparing plans to identify the root cause and implement a resolution. The responsibility for addressing this issue remains with EPCOR, however CRSWSC Administration will be heavily involved to ensure member municipalities can keep reservoir levels topped up and that those levels are monitored throughout the repair. CRSWSC Operations will provide further updates as progress is made. A copy of the notice emailed to Board Members is attached.

Administration will look in to potential intruder at the New Sarepta Booster Station that took place during the EPCOR water break.

Post meeting update: The CRSWSC can confirm none of our operators were in the station on January 4 or 5.

EPCOR Line Repair at Ellerslie

The repairs on the Ellerslie line are still ongoing. During the summer EPCOR connected an existing 300mm line to provide extra capacity to the line until EPCOR can connect the permanent 750mm line under the on ramp. This work is expected to be completed this spring.

B. Treasurer's Report

Recommendation:

- 1) It is recommended that the CRSWSC Board of Directors receive this report as information.

2024 Financial Update

The financial reports have been prepared up to Dec 31, 2024. After twelve months of operations, there should be 100% of the budget spent. Management expenses are under budget with 82% of the budget spent and operating expenses are slightly over budget for the year by 7%.

Please note that we will still be entering invoices and making year end entries up to the conclusion of the year end audit. A final representation of the Commissions finances will be presented at the completion of the audit at the AGM.

Water sales and purchases

- Water sales and purchases are over budget by 8% due to higher than projected consumption.
- To date the Commission has recorded a line loss of 2.88%.

Revenue Variances

- Interest earned is over budget at 758% due to the combination of the commission's investment returns and earning interest on the commission's high bank balance throughout the year.

Expenditure Variances

- Legal, Engineering and Other Professional fees are under budget due to less work required outside of the capital projects occurring in 2024.
- Audit fees are booked as part of the year end process.
- Seminars & Conferences fees have 66% of the budget spent. All carried forward budget amounts have been spent in the year.
- Line Maintenance is over budget with 144% of the budget used to date due to the emergency repairs for the Millet line including the transmission pipeline emergency repair on Rollyview road.
- Power and Gas are under budget as budgets include amounts for the Nisku Booster Station.

Revolving Line of Credit

As of December 31st, the commission has not utilized the line of credit.

Statement of Operations to December 31, 2024

	Actual 2024	Budget 2024	Variance	Budget % Spent
Revenue				
Water Sales	11,121,694	10,283,860	- 837,834	108%
Water Flat Rate Debenture Proceeds	93,903	93,903	0	100%
Interest Earned	378,979	50,000	- 328,979	758%
Total Revenue	11,594,576	10,427,763	- 1,166,813	111%
Expenses				
Management Expenses				
Management Contract	144,000	144,000	-	100%
Debenture payments	93,903	93,903	0	100%
Legal Fees	683	20,000	19,318	3%
Other Professional Fees	4,661	20,500	15,839	23%
Honorarium	12,560	16,200	3,640	78%
Audit Fees	1,263	15,500	14,238	8%
Office Supplies	215	3,600	3,385	6%
Mileage	3,081	4,000	919	77%
Bank Charges & Interest	332	500	168	66%
Total Management Expenses	260,697	318,203	57,506	82%
Operating Expenses				
Water Purchases	6,284,001	5,818,126	- 465,875	108%
Operating Contract	356,000	356,000	-	100%
Seminars & Conferences	56,909	86,650	29,741	66%
Line Maintenance	333,203	232,060	- 101,143	144%
Power	72,426	100,000	27,574	72%
Engineering Fees	24,346	40,000	15,654	61%
Instrumentation & Mechanical	46,146	45,000	- 1,146	103%
Insurance	28,694	35,000	6,306	82%
Facility Maintenance	11,930	16,000	4,070	75%
Regular & Annual Meeting Expenses	9,327	16,000	6,673	58%
Cathodic Protection	316	6,000	5,684	5%
Materials & Supplies	11,986	13,000	1,014	92%
Computer Maintenance & Supplies	23,571	28,000	4,429	84%
Easement Leases	2,146	5,000	2,854	43%
Gas	7,978	10,000	2,022	80%
Telephone	5,359	6,000	641	89%
Other Communication / Maintenance Costs	1,573	2,500	927	63%
Total Operating Expenses	7,275,911	6,815,336	- 460,575	107%
Total Expenses	7,536,608	7,133,539	- 403,069	106%
Net of Revenue over Expenses	4,057,968	3,294,224	- 763,744	123%
Net Interfund Transfers				
Drawn from Accumulated Surplus	-	-	-	0%
Transfer to Operating Reserves	-	65,431	- 65,431	100%
Transfer from Operating Reserves	-	238,709	- 238,709	100%
Transfer to Capital Reserves	-	3,467,502	- 3,467,502	100%
Total Interfund Transfers	-	3,294,224	- 3,294,224	
Net Surplus (Deficit)	4,057,968	-	4,057,968	

Capital Projects Summary to December 31, 2024

2017.002 Air Release Manhole Rehab	
2024 Budget	171,700
2024 Expenditures	-
Budget Remaining	171,700
2021.001 Nisku Booster Station & Beaumont Piping Upgrade	
2024 Budget	15,273,180
2024 Expenditures	(11,053,831)
Budget Remaining	4,219,349
2023.001 Highway 21 Booster Pump Station Repairs	
2024 Budget	9,700
2024 Expenditures	(14,843)
Budget Remaining	(5,143)
2024.001 North Reservoir PRV Replacement	
2024 Budget	25,000
2024 Expenditures	(20,416)
Budget Remaining	4,584
2024.002 SCADA upgrade	
2024 Budget	200,000
2024 Expenditures	-
Budget Remaining	200,000
2024 Total Capital Budget	15,679,580
2024 Total Capital Expenditures	(11,089,090)
Budget Remaining	4,590,490
Budget Spent	71%

06-25

Motion: It was **Moved** by Deputy Mayor Clifford Heinz that the Capital Region Southwest Water Services Commission Board of Directors receive this report as information.

Motion Carried Unanimously

07-25 **Motion:** It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors adopt Final Operating Budget as presented, with total revenues and transfers from reserves of \$11,028,115 and total expenditures and transfers to reserves of \$11,028,115 and the 2025 Capital budget with a combined budget of \$5,230,349 less any carryforward adjustments as part of the year end process.

Motion Carried Unanimously

08-25 **Motion:** It was **Moved** by Mayor Bill Daneluik the Capital Region Southwest Water Services Commission Board of Directors accept in principle the 2026-2027 forecasted Operating & Capital Budget.

Motion Carried Unanimously

7. NEW BUSINESS

8. NEXT MEETING

The next meeting of the Capital Region Southwest Water Services Commission will be the Regular meeting, scheduled for March 20, 2025.

9. ADJOURNMENT

09-25 **Motion:** It was **Moved** by Councillor Kelly-Lynn Lewis to adjourn the meeting at 6:45 pm.

Motion Carried Unanimously



CHAIRMAN



MANAGER