

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, JANUARY 19, 2023 AT 6:00 P.M.
 LEDUC GOLF CLUB, 5725 BLACK GOLD DRIVE, LEDUC, AB T9E 8C4**

1. CALL TO ORDER

Chair Mayor Bill Daneluik called the meeting to order at 6:06 p.m.

PRESENT:	Mayor Bill Daneluik Councillor Ashley Miller Councillor Krista Gardner Councillor Don Faulkner Councillor Lars Hansen Councillor Beverly Beckett Councillor Doug Lyseng Councillor Jordon Banack Councillor Clifford Heinz Councillor Paul Patterson Councillor Kelly-Lynn Lewis Councillor Rick Smith Mayor Doug Peel	City of Beaumont City of Beaumont Town of Calmar Town of Calmar City of Leduc City of Leduc Camrose County Camrose County Village of Hay Lakes Village of Hay Lakes Leduc County Leduc County Town of Millet
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ALSO PRESENT:	Councillor Kevin Hycha Councillor Lana Broker Kristofer Johnson, GM, Infrastructure Roger Steele, Manager, Technical & Utilities Shawn Olson, Commission Manager Rick Sereda, Operations Manager Lauren Padgham, Treasurer Elie Tymchyshyn, Accountant Pamela Regier, Project Manager Mark D'aoust, Commission Technician Katherine O'Dwyer, Recording Secretary Des Mryglod	City of Camrose City of Camrose City of Camrose EIA City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc Leduc County
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WITH REGRETS:	Shannon Bremner, Recording Secretary Councillor Mathew Starky	City of Leduc Town of Millet
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2. ADOPTION OF AGENDA

- 01-23** **Motion:** It was **Moved** by Rick Smith that the agenda for the January 19th, 2023 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the November 17th, 2022, Organizational and Regular Meeting

- 02-23** **Motion:** It was **Moved** by Kelly-Lynn Lewis, that the meeting minutes of the November 17th, 2022 Capital Region Southwest Water Services Commission Organizational Meeting be approved as circulated.

Motion Carried Unanimously

- 03-23** **Motion:** It was **Moved** by Ashley Miller, that the meeting minutes of the November 17th, 2022 Capital Region Southwest Water Services Commission Regular Meeting be approved as circulated.

Motion Carried Unanimously

4. PUBLIC COMMENTARY

There was no public commentary.

5. REPORTS OF OFFICERS

A. Manager's Report

Nisku Booster Station Land Acquisition and RFP

Land Procurement & Third Party Agreements

Bear Land Services continues to work with the landowner on the West side of the highway for working space for installation of the transmission main. Their only concern prior to execution is that they have requested the landowner be added as an additional insured to the Commission's commercial and general liability insurance. Administration has reviewed the request with Reynold's Mirth Richards & Farmer (RMRF) who confirms this is fairly common practice. Administration also confirmed with the Commission's insurer that this is possible with no added fee to the policy. Bear provided an update on January 3, 2023 that Rodney Perkins, the lawyer for major shareholder BCIMC, that all the particulars of the agreement have been accepted and is in the process of signing.

The Roadside Development Permit from Alberta Transportation was previously approved prior to the last Board Meeting. The Crossing Agreement for the QEII road crossing with the supply and discharge lines is now also completed.

The last outstanding agreement is the EPCOR connection which is agreed to in principle. There was some back and forth on insurance and liability clauses that were resolved at the end of January and the agreement is now with EPCOR to finalize and execute.

Reynolds Mirth Richard Farmer LLP (RMRF) advised the Commission on January 3, 2023 that the registration of the lot purchase with Alberta Land Titles is now complete. The right of ways purchased from Leduc County are also registered. As such, RMRF will release the funds currently held in trust for these purchases to Leduc County. The funds for the shared parking lot purchase will remain in trust until confirmation of registration with AB Land Titles is received.

In summary, the working space agreement needs to be signed on the west side of the highway, and EPCOR needs to sign off on the connection details, otherwise land issues are resolved. All those outstanding items are agreed to in principle. As such this is not anticipated to result in construction delays.

Construction

The construction contract has been awarded to Maple Reinders. A notice of award was sent to them on November 30, 2022 advising of the award (attached for reference). Contract documents were issued to them for execution on January 6, 2023. A kick off meeting is scheduled for January 12, 2023, and a partnering session on February 21, 2023. According to their preliminary schedule, Maple Reinders will mobilize to site in early spring to commence construction.

ATCO commenced with relocation of the gas cabinet just before Christmas. They did not, however, advise Administration in advance of their intent to replace their service lines from the cabinet to the Leduc County Reservoir at the same time. Administration and Associated Engineering met with ATCO on site to review the conflict with their intended new locations. As a result of this meeting ATCO demobilized from the site until a new location could be coordinated. If they had proceeded to install these lines as planned they would have conflicted with the future parking lot and required another relocation during construction. Once ATCO completes their install, TELUS is ready to complete the overhead power relocations.

Administration would like to schedule the Nisku Booster Station groundbreaking event, it would be ideal to coordinate the event with the with AGM on April 20th. however at the meeting it was noted that this will be too late for the contractor and earlier dates are being looked at. More information will follow to the board once a date and time is set.”

. Due to the time sensitive nature and not wanting to delay the start of construction it would be ideal to get it done sooner rather than later. The event would include a photo opportunity with a golden shovel with the Chairman and Vice Chair, an invite would be sent out to media outlets.

Beaumont Piping Upgrades

This scope has been awarded to Maple Reinders as part of the Nisku Booster Station contract and is currently scheduled for Fall 2023.

City of Beaumont Developments

Administration received several notices from the City of Beaumont with regards to proposed subdivisions. On November 18, 2022, notices were received advising of approval of Dansereau Meadows Phase 14 and Le Reve Phase 1C. A notice was received on December 8, 2022 advising of subdivision extension approval for 3002 49 Street Beaumont. Lastly, on December 21, 2022 a notice was received advising of refusal of a subdivision timeline extension for Lakeview Phase 1. All notices referenced above are attached to this report for reference.

Administration appreciates the City of Beaumont's diligence in circulating these notices and advising of any development in proximity to CRSWSC infrastructure as required by the Water Policy. These circulations help Administration monitor development in order to identify any protections for a future waterline alignment that will loop the CRSWSC supply lines to EPCOR.

Regional Water Customers Group (RWCG)

A RWCG Steering Committee meeting was held on September 28, 2022, and reported on at the November 17, 2022 Board Meeting. The minutes for this meeting have since been distributed and are attached to this report for reference. Administration is awaiting follow-up meetings to kickoff the cost of service review as indicated in the last board meeting.

EIA Reservoir 2

There have been no updates from the EIA on the sign off for the EIA Reservoir 2 FAC documents. Following the last meeting, Administration was approached by the EIA to determine if there were any other options to resolve the transfer of assets as they were having difficulty getting sign off from their engineers given the amount of time that passed between project completion and commissioning. Administration is reviewing options and costs to have Associated Engineering complete an inspection on

the CRSWSC's behalf to confirm the facility follows Commission standards and draft a letter for the EIA to execute as opposed to the engineer of record for the project.

May & September 2023 Meeting Locations

The City of Leduc Golf Course Meeting Room is unavailable for the May and September 2023 Board Meetings. Administration proposes that these meetings be held in other Member municipalities. Administration will arrange for these meetings and provide updates once locations have been confirmed.

Administration suggested the September meeting be held in Beaumont and the May meeting in Calmar. Administration welcomes suggestions from the board and to reach out to Katherine O'Dwyer or Shawn Olson with any questions or location suggestions.

Statistics Canada Job Vacancy Survey

Administration received an email from Statistics Canada on December 1, 2022 advising of a mandatory survey on job vacancy within the CRSWSC organization. The deadline to complete the survey was December 8, 2022. This survey was completed and submitted by Administration in advance of the deadline.

Louis Bull Tribe

WSP reached out to the Commission on November 21, 2022 on behalf of Louis Bull Tribe in Maskwacis. They are undertaking a study on long term water supply to the Nation and advised they want to arrange a meeting with the CRSWSC to discuss possibilities. Administration responded on the same day advising of information required to determine possible servicing locations in the area. Administration is awaiting a response from WSP or Louis Bull Tribe.

It was questioned if the other 3 nations are interested in meeting with the CRSWSC? WSP did reach out the other 3 nations awaiting a response.

Commission Facility Locates

Commission operators have completed 355 Utility Safety Partner locates in 2022 on Commission facilities, as compared to 300 at this time in 2021.

- 04-23** **Motion:** It was **Moved** by Doug Peel that the Capital Region Southwest Water Services Commission Board of Directors receives as information the Manager's Report as presented by Shawn Olson, Commission Manager, CRSWSC.

Motion Carried Unanimously

B. Treasurer's Report

Recommendation:

- 1) It is recommended that the CRSWSC Board of Directors receive this report as information.
- 2) It is recommended that the CRSWSC Board of Directors waive the requirement for the Town of Calmar to pay a minimum of 90% of their estimated volume requirement for 2022.
- 3) It is recommended that the CRSWSC Board of Directors adopt the Government of Canada automobile allowance rate of \$0.61/km for 2023.

2022 Customer Sales

Bylaw 01-2021, section 8.7 states that Commission members are required to pay a minimum of 90% of the volume requested by the member for the year. In 2022, the Town of Calmar (86.5%) fell below the 90% requirement. The CRWSC as a whole was at 109.4% of the consumption projection therefore, Administration is recommending that the Town of Calmar not be assessed any additional charges or penalties.

- 05-23** **Motion:** It was **Moved** by Rick Smith that the Administration is recommending that the Town of Calmar not be assessed any additional charges or penalties.

Motion Carried Unanimously

2022 Financial Update

The financial reports have been prepared up to December 31, 2022. After twelve months of operations, there should be 0% of the budget remaining. Management expenses are slightly under budget with 5% of the budget remaining and operating expenses slightly over budget by 6%.

Water sales and purchases

- Both water sales and purchases are over budget by 9%, due to this higher consumption an additional \$337K has been added to the CRSWSC surplus for the 2022 year. To date the Commission has recorded a line loss of 2.86% which is consistent with prior years.

Revenue Variances

- Interest earned is over budget by 135% due to the performance of the Commission's investments. Interest earned is transferred to the Future Water Capacity Reserve as of December 31, 2022.

Expenditure Variances

- Legal fees are under budget with at 31% of the budget remaining. Majority of costs to date are the CRSWSC portion of the Regional Water Customers Group share of legal and consulting costs for the year.
- Audit Fees are over budget mostly due to a new auditing standard required adding additional scope to the project.
- Seminars and Conferences have 68% of the budget remaining. Any unexpended annual allowance that is not used in the year will be carried forward for one year as per the *Board & Administration Development and Training Policy*. A full year of Board and Administration budget has been included in the 2023 budget as it has not been fully spent in 2022.
- Line maintenance is under budget by 48%. This budget includes \$50K for emergency repairs to be funded by the operating reserve of which \$9,250 was used in 2022.
- Engineering Fees is under budget by 99% as engineering consulting was not required outside of capital projects in 2022.
- Instrumentation & Mechanical is over budget by 23% due to the purchase of a \$12K Variable Frequency Drive (VFD) for the Highway Booster Station in 2022. The VFD was included in the interim 2023 budget as a capital project but Administration was able to secure one in 2022. Due to the risk to the Highway Booster Station Administration went ahead with the installation and purchase in 2022. The 2023 final budget has been updated to remove the VFD from the capital plan.

Capital Expenditures

Capital expenditures are below budget with 88% of the overall budget remaining due to the multi-year projects. The 2021.003 Smart Ball project was completed on budget in 2022. The following projects are being carried forward into the 2023 budget:

- 2017.002 Air Release Manhole Rehab
- 2019.002 Beaumont Piping Upgrades
- 2021.001 Nisku Booster Station

2022 Audit

The Commission Auditors, MNP LLP are scheduled to complete the 2022 audit field work in February 2023. The audit report and findings along with the Commission's final financial results will be presented at the AGM on April 20, 2023.

Mileage

At the November 17, 2022, Board meeting, it was brought to Administration's attention that the Government of Canada automobile allowance rate is \$0.61/km and the CRSWSC rate remains at \$0.505/km. The CRSWSC rates are based on the Alberta Municipality policy FM003 and per review of the policy the mileage rate has not been increased since 2008. As such, it is recommended that the CRSWSC increase the mileage rate to \$0.61/km for 2023. Administration will review the Remuneration and Expenses Policy and will bring forward updates at a future Board meeting.

06-23 Motion: It was **Moved** by Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors the CRSWSC increase the mileage rate to \$0.61/km for 2023.

Motion Carried Unanimously

C. 2023 Final Budget Report

Recommendation:

- It is recommended that the CRSWSC Board of Directors adopt the 2023 Final Operating & Capital Budget as presented, with total revenues and transfers from reserves of \$10,384,859 and total expenditures and transfers to reserves of \$10,384,859.
- It is recommended that the CRSWSC Board of Directors accept in principle the 2024-2025 forecasted Operating & Capital Budget.

07-23 Motion: It was **Moved** by Lars Hansen that the CRSWSC Board of Directors adopt the 2023 Final Operating & Capital Budget as presented, with total revenues and transfers from reserves of \$10,384,859 and total expenditures and transfers to reserves of \$10,384,859. And that the CRSWSC Board of Directors adopt the 2023 Final Operating & Capital Budget as presented, with total revenues and transfers from reserves of \$10,384,859 and total expenditures and transfers to reserves of \$10,384,859.

Motion Carried Unanimously

2023 Final Budget Adjustments

Operating

Mileage

- Increase of \$2K to account for increase in per km mileage rate.

Capital

2023.001 Highway 21 Booster Pump Station Repairs

- Decrease of \$12K as VFD was able to be secured in 2022 therefore this is no longer required in the 2023 budget.

08-23 Motion: It was **Moved** by Jordan Banack that the Capital Region Southwest Water Services Commission Board of Directors receive as information the 2023 Final Budget Report as presented by Lauren Padgham, Treasurer, CRSWSC.

Motion carried.

6. UNFINISHED BUSINESS

There were no unfinished business items presented.

7. NEW BUSINESS

There were no new business items presented.

8. NEXT MEETING

The next meeting of the Capital Region Southwest Water Services Commission is scheduled for March 23, 2023.

9. ADJOURNMENT

09-23 Motion: It was **Moved** by Chair Bill Daneluik to adjourn the meeting at 6:37pm p.m.

Motion Carried Unanimously

CHAIRMAN

MANAGER

