

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, JANUARY 20, 2022 AT 6:00 P.M.
 VIRTUAL MEETING VIA ZOOM**

1. CALL TO ORDER

Chair Bill Daneluik called the meeting to order at 6:00 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 Mayor Doug Peel Councillor Mathew Starky	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 Town of Millet Town of Millet
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ALSO PRESENT:	Councillor Kevin Hycha Councillor Lana Broker Kristofer Johnson, GM, Infrastructure Councillor Marlene Alberts-Wadsworth Roger Steele, Manager, Technical & Utilities Shawn Olson, Commission Manager Rick Sereda, Operations Manager Lauren Padgham, Treasurer Gerard Del Rosario, Outgoing Accountant Elie Klimp, Incoming Accountant Pamela Regier, Project Manager Mark D'aoust, Commission Technician Shannon Bremner, Recording Secretary Dean Downey, Manager, Utilities	City of Camrose City of Camrose City of Camrose Town of Millet 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:	Councillor Kelly Vandenberghe	Leduc County
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**2. ADOPTION OF AGENDA**

The meeting was moved to a virtual format following the original circulation of the agenda. An addition was made to the agenda under New Business to Amend the list of Appointed Members that was previously adopted at the December 2, 2021 Organizational Meeting.

- 01-22** **Motion:** It was **Moved** by Councillor Doug Lyseng that the amended agenda for the January 20, 2022 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES**A. Minutes of the December 2, 2021 Organizational Meeting**

- 02-22** **Motion:** It was **Moved** by Councillor Paul Patterson that the meeting minutes of the December 2, 2021 Capital Region Southwest Water Services Commission organizational meeting be approved as circulated.

Motion Carried Unanimously

B. Minutes of the December 2, 2021 Regular Meeting

- 03-22** **Motion:** It was **Moved** by Councillor Ashley Miller that the meeting minutes of the December 2, 2021 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

4. REPORTS OF OFFICERS**A. Manager's Report****Memorial Plaque**

The bronze plaque in memory of Mayor Tony Wadsworth is scheduled to be presented to the Town of Millet Council on January 26, 2022 by Chairman Daneluik, along with Shawn Olson and Rick Sereda.

Strategic Plan**HIGH PRIORITY ITEMS**

1. *Create a regional water conservation plan. (Reduce Per Capital Use – 4.3.4)*
This will be an ongoing annual Strategic Plan item as a reminder to have Board members bring this forward with their councils and administration. Administration reviewed the “Tips for Saving Water” document with technical members at a meeting held November 29, 2021.
2. *Be prepared for water supply-related emergencies. (Plan B Options – 4.4.4)*
This will be an ongoing annual Strategic Plan item, to serve as an annual reminder to review the water demand measures. A letter was circulated to the CAO of each member municipality on May 7, 2021 with the published water demand management document. Additionally, Administration reviewed the water demand management measures with the technical members of member municipalities on November 29, 2021.

COMPLETED ITEMS

1. *Align the Commission’s Master Plan with Members municipal plans. (Communicating with Members - 4.1.1)*
2. *Educate Members on water conservation methods. (Managing a Scarce Resource – 4.3.1)*
3. *Charge reasonable rates to Members. (Master Planning – 4.4.1)*
4. *Provide a simplified utility rate structure summary to Members. (Master Planning – 4.4.2)*
5. *Be fiscally sustainable as a Commission. (Operational Consistency – 4.2.3)*
6. *Provide ongoing training to Board members. (Internal Efficiency – 4.2.1)*
7. *Provide comprehensive orientations to Board members. (Internal Efficiency – 4.2.1)*
8. *Develop a current governance policy manual. (Internal Efficiency – 4.2.4)*

The Board has previously conducted a review of the CRSWSC Strategic Plan (2019 – 2023) to assess progress towards meeting the goals and priority action items identified within the plan. Since that time, considerable progress has been made on completing the 10 high priority action items that the Board directed Administration to work on over the first 4 years of the Strategic Plan. While we continue to work on the last two of the high priority items, Administration has heard

from Board members that there may be enhanced benefit in conducting training in the first year with the new Board before reprioritizing the Strategic Plan items, which aligns with one of the high priority items in the Strategic Plan.

As a follow up from the December 2, 2021 Board Meeting, Administration approached both Brownlee LLP and Reynolds Mirth (RMRF) with regards to providing a personalized orientation and training session for the Board. After discussion with both, Administration recommends engaging with Brownlee for the session as they have an existing presentation that they have provided to numerous Regional Commissions regularly over the past 10 years. The session proposed by Brownlee is intended to cover legal principles and statutory obligations that differ from the those received from Municipal Members as a Councillor. The session will cover the legal structure of Commissions, Board of Director fiduciary responsibilities including obligations, expectations, personal liabilities, and their roles in reporting back to their respective Councils. It also includes anecdotal evidence from case law providing examples of what happens when things go awry for a Regional Commission.

The budget provided by Brownlee for this 2 hour session is \$3,000. Preparation time and tailoring of the presentation to the CRSWSC is charged at the lawyer's hourly rate which Administration is budgeting an additional \$2,000 for. Brownlee is currently holding the evening of March 17, 2022 for the Commission which aligns with the next regularly scheduled Board Meeting. Administration recommended proceeding with legal training and delaying the re-examination of the high priority items from the Strategic Plan until 2023. Upon approval of the Manager's Report, Administration advised that they will proceed in securing Brownlee for this session.

Nisku Booster Station Land Acquisition and RFP

Associated Engineering provided the Preliminary Engineering Design Report for the Nisku Booster Station on December 22, 2021. A copy can be provided to any Board Member upon request. Further detailed design cannot be progressed further without the geotechnical investigation necessary to support structural design of the facility, which can commence after the purchase of the lot.

The Land Agent, Bear Land Services, sent Agreements for the necessary temporary working space, right of ways, and access road and parking easements required for the project to Leduc County on January 5, 2022. Bear Land Services will be negotiating the Agreements directly with Leduc County on behalf of the Commission. Once these Agreements are approved by Leduc County, the Option to Purchase can be exercised, and detailed design can commence.

Bear Land Services also prepared an Agreement for the working space needed on the GoRV lot. This Agreement has yet to be forwarded as the Land Agent is still trying to determine the appropriate party to negotiate with for this parcel.

Associated Engineering has drafted the AMWWP and Water for Life grant applications. These will be finalized and submitted prior to the deadlines of January 31, 2022.

Beaumont Piping Upgrades

In 2020, the Commission had Associated Engineering (AE) undertake the design of piping upgrades within the Beaumont fill station as part of planned Capital Upgrades identified within the 2020 Water Master Plan. The construction of these upgrades was included in the 2021 budget. Administration is working with AE to update the design as a result of the EPCOR asset sale and new Nisku Booster Station design. Once the new station is commissioned, part of the EPCOR Sale Agreement is that EPCOR will install water flow meters at each facility for invoicing purposes. Given the logistical challenges of installing two meters in some of the facilities, Administration directed AE to review the option of tying into EPCOR's meter. EPCOR was amenable to the preliminary discussions.

A Technical Memorandum comparing meters was provided to EPCOR at the end of October. EPCOR provided a response to AE on January 7, 2022 advising that they did not prefer to consider new meters due to increased maintenance, operating, and training costs associated with having multiple types of meters for their regional customers. They advised that EPCOR has a PLC within each regional meter that converts the pulse signal from their meter into 4-20mA signal communicated to EPCOR's SCADA system. They proposed exploring the option of providing the Commission with that signal, or supporting the Commission on improvements to our PLC to accommodate a direct pulse input from the meter, rather than installing a second meter or changing from their standard meter. AE reviewed both options and advised that neither option is suitable for the Commission system as conversion of the pulse count does not provide the accuracy required for controls. As such, Administration will work with AE to redesign the piping upgrades to accommodate the two meters.

Water Supply Policy

The Board of Directors adopted the Water Supply Policy at the December 2, 2021 Board Meeting. On January 7, 2022, Administration mailed letters to the CAO's of the Member Municipalities advising of the adoption of this Policy and providing the username and password for the interactive map.

EIA Reservoir 2

The Final Acceptance Certificate (FAC) template has not been received from the EIA as of January 7, 2022. A reminder has been sent, and we are waiting to hear back.

Commission Facility Locates

Commission operators completed 839 1st Call locates on Commission facilities in 2021 as compared to 1089 in 2020. Commission operators have completed 0 1st Call locates year to date on Commission facilities as compared to 14 at the start of 2020.

Beaumont Digital Ball Camera

The project for the digital ball camera has commenced with preliminary planning onsite at the end of January. The insertion point will be determined at that time, with commencement of the project slated for Fall of 2022. This activity requires more scoping between Administration and the contractor to finalize the work plan, as the insertion point may require work adjacent to the air relief insertion point.

Management and Operations Contract RFP

The Board of Directors previously extended the Management and Operations Agreements with the City of Leduc, both dated November 26, 2015, for a period of 2 years at the June 28, 2018 Board Meeting. At the January 30, 2020 Board Meeting, the City of Leduc was requested to prepare a fee proposal for a further 2 year contract extension to these Agreements. The proposal was provided on May 8, 2020, which the Board of Directors approved (Motion 29-20) at the May 21, 2020 Board Meeting. With these extensions, these contracts terminate December 31, 2022.

In anticipation of the contract expiration at the end of year, Administration will be preparing a Request For Proposal (RFP) to invite Member Municipalities of the CRSWSC to submit sealed proposals for the Management and Operation of the CRSWSC for 3 years, with an optional 2 year extension to be determined by the Board at the end of the 3 year contract. Both contracts will only be awarded to a single member municipality.

Administration will prepare the RFP with Associated Engineering to ensure it is following a fair process based on industry best practices. The RFP will be issued to CRSWSC Member Municipalities in May and will close in August. Administration recommends an independent RFP Submission Review Committee be established to evaluate the proposals received from member municipalities. Administration is recommending the Review Committee consist of a previous CRSWSC Board Chairman, and a technical member from Strathcona County as they manage the

Regional Water Customers Group (RWCG). Administration will have the Chair approve proposed individuals prior to the RFP close. The RFP Submission Review Committee will then provide a recommendation of award to the Board of Directors at the September 15, 2022 Board Meeting.

04-22

Motion: It was **Moved** by Mayor 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

2021 Financial Update

The financial reports have been prepared up to December 31, 2021. It was noted that there are some additional financial entries yet to be made. The audited financial statements will be presented at the Annual General Meeting by the auditor.

After twelve months of operations, there should be 0% of the budget remaining. Revenue is over budget by 13%. Management expenses are under budget with 16% of the budget remaining and operating expenses are over budget by 8%. Overall the Commission's total expenses are slightly over budget by 7%.

Water Sales and Purchases

- Both water sales and purchases are over budget by 13%, primarily due to the high consumption months from June to September. To date the Commission has recorded a line loss of 3% which is consistent with prior years.

Revenue Variances

- Interest earned is over budget by 48% due to the performance of the Commission's investments.

Expenditure Variances

- Other professional fees are under budget with 46% of the budget remaining.
- Legal fees are under budget at 43%. Costs to date relate to the bylaw draft/revision and asset transfer, as well as the Commission's share of legal expenses relating to the Regional Water Customers Group (RWCG).
- Seminars and Conferences have 100% of the budget remaining. Any amount that is not used in the year will be carried forward for one year as per the *Board & Administration Training and Development Policy*.
- Regular & Annual meeting expenses have 82% of the budget remaining due to restrictions on Board meetings throughout 2021.
- Other communications/maintenance costs are over budget due to the replacement of SD4 equipment at Calmar Reservoir.

- Line maintenance is over budget due to a water main repair between New Sarepta and Hay Lakes, as well as a water leak at the Beaumont Recreation Center.

Capital Expenditures

Capital expenditures are below budget with 80% of the overall budget remaining due to timing of capital projects.

- 2017.002 Air Release Manhole Rehab costs relates to parts that have been ordered and delivered. Work will commence in 2022.
- 2019.002 Beaumont Piping Upgrades project is on hold.
- 2021.001 Nisku Booster Station project costs incurred thus far relate to preliminary work on the Nisku Booster Station.
- 2021.002 Calmar Piping Upgrades is completed and the project came in slightly under budget.

2021 Water Consumption

Water sales and purchases are over budget to date. A report titled *2021 Water Sales and Expenditures* was attached to the report, which shows the impact of water sales and purchases to December 31, 2021 in comparison to budget.

Due to the high consumption in the year, actual water sales and purchases were over budget in the year, resulting in a positive effect on operating surplus of \$432K. A portion of this revenue will be transferred to reserves.

2021 Audit

The Commission Auditors, MNP LLP are scheduled to complete the 2021 audit field work in February 2022. The audit report and findings, along with the Commission's final financial results, will be presented at the Annual General Meeting on April 21, 2022.

Regional Water Customers Group

The most recent meeting of the Regional Water Customers Group (RWCG) was held virtually on October 29, 2021.

Based on discussions with the RWCG and EPCOR, a recommended 2022 interim rate of \$1.01/m³ has been incorporated into the 2022 budget. This letter was included within the attachments for reference.

2022 Final Budget

The 2022 Final Operating and Capital Budget was presented following the Treasurer's report.

05-22

Motion: It was **Moved** by Councillor Beverly Beckett that the Capital Region Southwest Water Services Commission Board of Directors receive as information the Treasurer's Report as presented by Lauren Padgham, Treasurer, CRSWSC.

Motion Carried Unanimously

C. 2022 – 2024 Final Budget Report

2022 Final Budget Adjustments

Presentation changes:

- Inclusion of % of changes from the 2021 budget

Telephone:

- Removal of budget for tablets as determined it is budgeted for by the City of Leduc

Budget Overview Presentation

As requested by the Board at the December 2, 2021 meeting, Lauren Padgham provided the Board with a brief Budget Overview presentation, highlighting the 2022 budget details, explanation of reserve accounts and how the Commission budget differs from municipal budgets. The presentation was attached to the report for reference.

- 06-22** **Motion:** It was **Moved** by Councillor Don Faulkner that the Capital Region Southwest Water Services Commission Board of Directors adopt the 2022 Final Operating and Capital Budget as presented, with total revenues and transfers from reserves of \$9,857,491 and total expenditures and transfers to reserves of \$9,857,491.

Motion Carried Unanimously

- 07-22** **Motion:** It was **Moved** by Councillor Lars Hansen that the Capital Region Southwest Water Services Commission Board of Directors accept in principle the 2023 - 2024 forecasted Operating and Capital Budget.

Motion Carried Unanimously

5. UNFINISHED BUSINESS

There were no unfinished business items presented.

6. NEW BUSINESS

A. Out of Country Travel

The CRSWSC Board of Directors previously made a Motion suspending international business travel for Board members and technical members at the March 19, 2020 Board meeting, as referenced below. This Motion was made in consideration of the arising COVID-19 pandemic and resulting safety and travel concerns.

Motion 15-20: Moved by Councillor Mike Storey that the Capital Region Southwest Water Services Commission Board of Directors suspend all international business travel immediately and until further notice.

At this time, the Provincial and Federal governments still recommend avoiding unnecessary international travel; however, they have released guidelines for travelling internationally, as well as return guidelines in respect to quarantine timelines.

When this Motion was originally passed by the CRSWSC Board, there were no Provincial and Federal guidelines in place to follow. As such, Administration recommends rescinding the previous Motion suspending international business travel, and instead monitor and comply with the travel guidelines issued by the Provincial and Federal governments.

- 08-22** **Motion:** It was **Moved** by Councillor Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors rescind previous Motion 15-20 made on March 19, 2020, suspending all international business travel until further notice.

Motion Carried Unanimously

The Board Chair and several members of Administration have expressed interest in attending the American Water Works Association (AWWA) ACE22 annual conference in San Antonio, Texas, from June 12 – 15, 2022, pending COVID measures. Board members were asked to advise Shannon Bremner, Commission Secretary, by January 31, 2022 if they have interest in attending the ACE22 conference so a group registration can be coordinated. Administration can also assist Board members with travel arrangements, ensuring that sufficient travel insurance is included in case travel plans need to be cancelled. Administration was asked to distribute further information to Board members in regards to available budgets for Professional Development in 2022, as well as key information from applicable policies.

B. Amendment to the list of Appointed Members

The City of Camrose requested to remove Malcolm Boyd, City Manager, as the appointed alternate observing member, to be replaced by Kristofer Johnson, General Manager. It was clarified that the appointed members from the City of Camrose are observers with no voting privileges.

- 09-22** **Motion:** It was **Moved** by Mayor Doug Peel that the Capital Region Southwest Water Services Commission Board of Directors amend the list of Appointed Members to remove Malcolm Boyd, City Manager, as the appointed alternate observing member for the City of Camrose, to be replaced by Kristofer Johnson, General Manager.

Motion Carried Unanimously

7. NEXT MEETING

The next regular meeting of the Capital Region Southwest Water Services Commission is scheduled for March 17, 2022. The Board agreed with Administration's recommendation to relocate the meetings to the Leduc Golf Course in consideration of

cost savings, as the City of Leduc receives complimentary rentals of their meeting rooms.

8. ADJOURNMENT

10-22 **Motion:** It was **Moved** by Chair Bill Daneluik to adjourn the meeting at 6:42 p.m.

Motion Carried Unanimously

CHAIRMAN

MANAGER