

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, JANUARY 21, 2021 AT 6:00 P.M.
 VIRTUAL MEETING VIA GOTOMEETING**

1. CALL TO ORDER

Chair Wally Yachimetz called the meeting to order at 6:02 p.m.

PRESENT:

Mayor Wally Yachimetz	Town of Calmar
Councillor Krista Gardner	Town of Calmar
Councillor Rick Smith	Leduc County
Councillor Kelly Vandenberghe	Leduc County
Councillor Bill Daneluik	City of Beaumont
Councillor Sam Munckhof-Swain	City of Beaumont
Councillor Doug Lyseng	Camrose County
Councillor Greg Gillespie	Camrose County
Mayor Dave Vallee	Village of Hay Lakes
Deputy Mayor Dawn Pauls	Village of Hay Lakes
Councillor Beverly Beckett	City of Leduc
Councillor Lars Hansen	City of Leduc
Mayor Tony Wadsworth	Town of Millet
Councillor Mike Storey	Town of Millet

ALSO PRESENT:

Councillor Kevin Hycha	City of Camrose
Councillor David Ofrim	City of Camrose
Malcolm Boyd, CAO	City of Camrose
Roger Steele, Manager, Technical & Utilities	EIA
Shawn Olson, Commission Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc
Lauren Padgham, Treasurer	City of Leduc
Carol Hounsell, Former Treasurer	City of Leduc
Gerard Del Rosario, Accounting Technician	City of Leduc
Shawn Tooth, Manager, Utility Services	City of Leduc
Pamela Regier, Project Manager	City of Leduc
Samantha Folster, Project Manager	City of Leduc
Shannon Bremner, Recording Secretary	City of Leduc
Dean Downey, Manager, Utilities	Leduc County
Ian McCormack, President	Strategic Steps Inc.

WITH REGRETS:

Shawn Olson presented Councillor Beverly Beckett with a gift of appreciation on behalf of the Board, in recognition of her 5 years of service as Vice Chair from 2015 – 2020. Councillor Beverly Beckett expressed her sincere appreciation for the gift and thanked the Board for the opportunity to serve and represent the Commission.

Chair Wally Yachimetz took the opportunity to thank both Councillor Rick Smith and Councillor Beverly Beckett for their wise leadership and dedication to the Commission.

2. ADOPTION OF AGENDA

- 01-21** **Motion:** It was **Moved** by Mayor Tony Wadsworth that the agenda for the January 21, 2021 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the November 19, 2020 Organizational Meeting

- 02-21** **Motion:** It was **Moved** by Councillor Greg Gillespie that the meeting minutes of the November 19, 2020 Capital Region Southwest Water Services Commission organizational meeting be approved as circulated.

Motion Carried Unanimously

B. Minutes of the November 19, 2020 Regular Meeting

- 03-21** **Motion:** It was **Moved** by Councillor Kelly Vandenberghe that the meeting minutes of the November 19, 2020 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

4. REPORTS OF OFFICERS

A. Manager's Report

Strategic Plan – High Priority Items

An annual review of the Strategic Plan was completed under New Business.

1. *Align the Commission's Master Plan with Members municipal plans.
(Communicating with Members - 4.1.1)*
This was completed and can be found in section 3.1.1 of the Master Plan.

2. *Provide comprehensive orientations to Board members. (Internal Efficiency – 4.2.1)*

This will be completed before the next election in October 2021. The intention is to have the information vetted through the current Board to gain feedback on the information that will be shared with incoming Board members.

3. *Provide ongoing training to Board members. (Internal Efficiency – 4.2.1)*

The Board training policy will be brought forward for an update before the next election in October 2021.

4. *Conduct an energy audit. (Internal Efficiency – 4.2.2)*

Administration completed an energy audit of the Boundary Station in 2018. Once planning for the new Nisku Booster station is completed, another energy audit of Commission facilities will be completed, likely towards the end of the current strategic plan (2023).

5. *Develop a current governance policy manual. (Internal Efficiency – 4.2.4)*

This is intended to be completed by 2022 so it can be shared with the new Board. Administration began drafting a Board manual in January 2021, which is also intended to address high priority item #2, to provide comprehensive orientations to Board members.

6. *Educate Members on water conservation methods. (Managing a Scarce Resource – 4.3.1)*

Recommendations are provided in section 4.5 Water Conservation, in the Master Plan. Essentially, the Commission is doing a good job of managing water loss as the overall Commission's infrastructure systems loss is just slightly more than the accuracy of the meters. There are recommendations in that section of the report around things that members can do to increase conservation efforts in their municipalities (i.e. perform water audits).

Administration developed a document titled "Tips for Saving Water" that members/customers can share with residents to reduce water usage. This document was approved by the Board at the September 17, 2020 Board meeting and was distributed digitally following the meeting. The document is also available on the CRSWSC website under "Technical Documents". This item is now complete.

7. *Evaluate crossing agreements within Member rights of way. (Managing a Scarce Resource – 4.3.2)*

A recommendation is included within section 2.1 of the Master Plan regarding protection of the CRSWSC lines. The recommendation states that a CRSWSC policy should be drafted to require member municipalities to have standards that developers must obtain crossing agreements from the

CRSWSC and have Commission pipelines identified within planning documents by members. Administration will be incorporating these requirements within the new CRSWSC Water Policy.

Administration has been working with Associated Engineering on drafting a new Water Policy that includes this recommendation, which will be brought forward at a future Board Meeting for approval and adoption.

8. *Charge reasonable rates to Members. (Master Planning – 4.4.1)*
This has been completed and is documented within the Master Plan and is included within the rate scenarios Section 11.1. This is deemed reasonable as a result of the lengthy and detailed discussions had by the Board to find a balanced approach to charge reasonable rates to members while saving for infrastructure upgrades to protect the financial viability of the Commission. The Board played a key role in developing a reasonable rate model for the CRSWSC and should be commended for their efforts.
9. *Provide a simplified utility rate structure summary to Members. (Master Planning – 4.4.2)*
A simplified utility rate pie chart is included within the 2019 Annual Report document (page 7) and will be included in all future Annual Reports.
10. *Request that Members development permitting process includes identifying location of Commission water lines. (Master Planning – 4.4.3)*
The new Commission Water Policy will cover this subject. Commission GIS data and maps will be made available to member municipalities to help streamline the process.

Nisku Booster Station Land Acquisition and RFP

Per the Master Plan, the new Booster Station in Nisku is required by 2023. An RFP to procure design and construction management services was prepared and issued on December 21, 2020. The RFP closed on January 20, 2021 which resulted in the submission of three proposals that are currently being reviewed. The intent is to have the land parcel procured by mid-2021 and design complete for early 2022 tender.

Millet Water Supply Line Project

An FAC inspection was performed on this project on October 30, 2020 prior to warranty expiration. Only a single minor deficiency was identified. This item was rectified and all outstanding payments have been made. The settlement to the City of Leduc for the debris infiltration incident has been issued. Administration has issued the final invoice to the City of Leduc, and small refunds to the Town of Millet and Leduc County. Backup documentation has been provided to the province to close out the Water for Life Grant as well. This project is now closed.

Water Master Plan & EPCOR Negotiations

Administration was previously asked to present the chronological events regarding the discussions with EPCOR. Since the Agreement has been signed, the history has been removed from this Manager's Report but can be found in the previous January 30, 2020 Manager's Report.

Since the signing of the Agreement on January 9, 2020, Administration has been working through the closing conditions to finalize the sale. Notably, letters were drafted and sent from EPCOR to Municipal Affairs requesting written consent to the transaction. A letter was received on July 23, 2020 from Municipal Affairs advising this request was approved by Order in Council 217/2020. Administration has also been working closely with EPCOR to amend the Water Sale Agreement to reflect the new points of delivery and their respective minimum and maximum flows.

The final legal documents were provided by Brownlee to both parties and executed with an official closing date of December 18, 2020. The funds (\$1,582,240.76) from the sale are being held in trust with Brownlee and the majority will be released once the land titles and right-of-ways are registered in EPCOR's name with Alberta Land Titles. The remaining funds (\$25k) will be released once the Department License of Occupation (DLO) for the stormwater outfall at the Boundary Station is transferred to EPCOR, which could take up to 2 years. The operational transfer of the Boundary Station to EPCOR was completed on January 6, 2021. Administration is in the process of updating this information within the GIS system, Alberta First Call locates, and cancelling any applicable service contracts at the Boundary Station.

Radio Tower Inspection

Following the severe weather incident in Millet in 2020, Administration completed an inspection of all CRSWSC sites to identify surrounding infrastructure and potential risks to the Commission should a tower collapse occur in the future due to extreme weather. It was noted that the tower at the Town of Calmar is located next to a skateboard park and the Village of Hay Lakes tower is located next to a park/playground. In consideration of children playing in close proximity to the towers, these sites could pose a safety hazard if they were to collapse. Upon review, the towers are an industry standard engineered tower in acceptable condition; however, there is only so much factor of safety that can be economically considered. In an extreme weather event, there is always the possibility of structural damage (for example in Millet the roof was carried off the building into the adjacent tower which caused the tower to fail). A good practice is to close adjacent publicly utilized infrastructure in severe weather events.

The learning from the Millet case would be to close potentially highly utilized public infrastructure when severe weather hits, as it is impossible to know what combination of factors could lead to perfectly acceptable infrastructure becoming compromised. Administration recommends Board members in these municipalities raise this at the local level and consider keeping people away from towers in a severe weather event.

There was an inquiry regarding whether the communication hardware can be shared on towers. Rick Sereda advised that tower co-location can occur; however, the engineered tower weight specifications and weight of equipment would need to be evaluated. Rick Sereda further clarified that the Commission did not historically use CSA approved towers, which are bolted and welded structures that can withstand increased weight and wind load. The existing Commission towers are all acceptable engineered structures; however, it was recommended that the Commission installs CSA approved towers in the future in consideration of increased safety.

EIA Utility Services

On November 25, 2020 Leduc County contacted the CRSWSC and inquired about the Commission bidding on private utility work, similar to EPCOR. They indicated it was something their Board members may bring forward at the next CRSWSC Board meeting. At this point, the Commission is not set up to undertake that scope of work, as this would functionally change the role of the Commission and require revision to the Commission's bylaws. Administration offered to investigate the requirements to undertake this scope of work should the Board have interest; however, the Board did not express interest in undertaking this additional scope of work. Approval of the Manager's Report was to be taken as concluding that the Commission will not pursue this work at the EIA.

Beaumont Le Reve Neighbourhood Redistricting

On December 10, 2020, the Commission received a notice from the City of Beaumont advising of a proposed redistricting of Le Reve Neighbourhood and requesting comments by January 6, 2021. Administration advised the City of Beaumont Planning Department that though the Commission does not have any existing infrastructure in this area, or concerns regarding the redistricting, that it does border the future connection point from EPCOR at 50th Street. The Commission provided a response advising that the Commission will require land to be protected for this connection point either as part of La Reve, or in the future when development occurs to the west of Le Reve and 50th Street. The notice and email were attached for reference.

Bylaw Updates

In the September 17, 2020 Manager's Report, the Board was advised of receipt of a notice from Municipal Affairs advising of amendments to the Municipal Government Act (MGA) to streamline the legislative framework for Regional Service Commissions, including the CRSWSC. The changes permit service commissions to continue as incorporated entities and maintain all of their current powers and duties, while reducing the role of the province in approving many business decisions. Changes have been made to the list of required bylaws to address matters previously established in the regulations. The bylaws must comply with the amendments to the MGA by September 1, 2021.

Administration has contacted Reynolds Mirth Richards & Farmer LLP (RMRF) to assist with updating the Commission bylaws. Administration is working with RMRF to align the bylaw updates with the upcoming Water Policy (which will

include removing references to water allocations, and include a statement in regards to members ensuring they have sufficient storage capacity), as well as update information contained within due to the sale of assets to EPCOR which was recently completed.

Commission Facility Locates

Commission operators completed 1089 1st Call locates on Commission facilities in 2020 as compared to 1850 in 2019. Commission operators have completed 14 1st Call locates year to date on Commission facilities as compared to 27 at the start of 2020.

04-21

Motion: It was **Moved** by Councillor Krista Gardner 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

2020 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 2020, the Edmonton International Airport (65%), the Village of Hay Lakes (79%), Camrose County (79%) and the Town of Millet (89%) fell below the 90% requirement. The Commission as a whole was at 96% of their consumption estimate. Since the Commission as a whole achieved the percent requirement, Administration recommended that the noted members not be assessed any additional charges or penalties. However, the 96% 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 6,114,138 m³. The 2020 actual consumption of 5,682,950 m³ is 93% of that amount.

05-21

Motion: It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors agree to waive the requirement for the Edmonton International Airport, the Village of Hay Lakes, Camrose County, and the Town of Millet to pay a minimum of 90% of their estimated volume requirement for 2020.

Motion Carried Unanimously

2020 Financial Update

It was noted that there are some additional 2020 transactions and year-end adjustments still pending, so the information provided is not final.

As at December 31, total expenditures are under budget by 5%. Management expenses are under budget with 13% of the budget remaining. Operational expenses are under budget by 5%. Explanations for the variances are discussed

later in this report. There will be capital carry forwards into 2021 for the following capital projects:

- 1) 2017.002 Air Release Manhole Rehab
- 2) 2019.002 Beaumont Piping Upgrades

Revenue Variances

- Water sales are under budget by 4%.
- Interest earned is over budget by 120%. This is due to the performance of the Commission's investment portfolio along with the new ATB MUSH account that pays interest on bank deposits. However, year-end adjustments for interest were not completed at the writing of this report so this is not the final number.
- Provincial government grant (Millet waterline) and transfers from other governments (Millet waterline) are both under budget as the Commission has paid back the unused grant funds to the province along with a repayment of funds to Millet and Leduc County. The project has been finalized and documentation has been sent to the Provincial Government to close out the grant.
- Gain on sale of capital assets is the result of the sale of assets to EPCOR.

Expenditure Variances

- Other professional fees are under budget by 22% due to savings from the AGM Guest Speaker as well as having no expenditures for RWCG – Rate Review & Water Diversion License consulting fees.
- 100% of the budget is remaining for audit fees. Audit fees are booked at year-end.
- Legal fees are under budget with 43% of the budget remaining.
- Seminars and Conferences is under budget with 94% of the budget remaining due to conferences cancelled due to the pandemic. \$35,000 of the unused 2020 budget for Board Members will be carried forward to 2021, along with the \$10,000 that was unused for Administration.
- Engineering fees is below budget with 45% of the budget remaining. This is an adjustment since the last report due to approximately \$19,000 of expenses that were adjusted to capital projects.
- Power is under budget with 20% of the budget remaining, but the December invoice has not yet been processed.
- Gas is under budget with 27% of the budget remaining but year-end accruals have not been entered.
- Facility maintenance is over budget by 129% due to work on the Boundary Station in preparation for the sale to EPCOR, costs related to a mouse problem at the Highway 21 Booster Station and painting at Calmar.
- Instrumentation & mechanical is over budget by 33% due mainly to work performed on the Millet tower.
- Line maintenance is under budget by 46%.
- Cathodic protection is under budget by 58%.

- Water purchases is under budget with 4% of the budget remaining. The Commission has recorded a line loss of 3.5%.

2020 Capital Project Summary

A copy of the 2020 Capital Projects Summary was attached for information. Unless otherwise noted, projects that are in progress or have yet to begin will have their remaining budgets carried forward into 2021 for future completion.

- The Millet Waterline Extension is complete.
- The Air Release Manhole Rehab project with a budget of \$200,000 was put on hold in 2020 and the budget has been carried forward to 2021.
- The Highway 21 booster project is complete.
- Beaumont Piping Upgrades in progress. The design was completed in 2020 and the project construction will be completed in 2021 with a budget of \$125,000.
- Environmental Land Assessment for new Facility – project is complete.

2020 Water Consumption

Water sales and purchases are under budget for 2020 by 4% and 4% respectively. The report that was attached titled “2020 Water Sales and Expenditures Summary” shows the impact of water sales and purchases to December 31, 2020 in comparison to budget.

Water sales are under budget by \$406,330 to December 31, 2020 and purchases are under budget by \$211,650. The effect is a decrease in operating surplus of \$194,680; however, final year-end adjustments have yet to be made.

2020 Audit

The Commission Auditors, MNP LLP are scheduled to complete the 2020 audit field work in February 2021. The audit report and findings, along with the Commission’s final financial results will be presented at the AGM on April 15, 2021.

ATB Financial – Electronic Funds Transfer

The electronic funds transfer (EFT) setup has been completed. The EFT form was attached and Board members were asked to please complete and return to CRSWSCFinance@leduc.ca.

2020 Final Budget

The 2020 Final Operating and Capital Budget was presented following the Treasurer’s report.

06-21

Motion: It was **Moved** by Councillor Mike Storey 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. 2021 Final Budget Report****2021 Final Budget Adjustments**

No budget adjustments were made to the interim budget as presented at the November 19, 2020 meeting.

- 07-21** **Motion:** It was **Moved** by Councillor Beverly Beckett that the Capital Region Southwest Water Services Commission Board of Directors approve the 2021 Final Operating and Capital Budget as presented, with total revenues and transfers from reserves of \$10,952,897 and total expenditures and transfers to reserves of \$10,952,897.

Motion Carried Unanimously

- 08-21** **Motion:** It was **Moved** by Councillor Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors accept in principle the 2022-2023 forecasted Operating and Capital Budget as presented by Lauren Padgham, Treasurer, CRSWSC.

Motion Carried Unanimously

5. UNFINISHED BUSINESS

There were no unfinished business items presented.

6. NEW BUSINESS**A. Strategic Plan Review & Update**

The Board has established a mandate to annually review the CRSWSC Strategic Plan (2019 – 2023) to assess progress towards meeting the goals and priority action items identified within the plan. The annual review provides opportunity for the Board to reprioritize goals and action items as needed, and build upon the existing plan in order to align with the vision of the Board. The high priority items will continue to be listed so that at the end of the inaugural 4 year period there is documentation illustrating the progress towards the CRSWSC Board of Directors highest priorities. This can be used to help develop the next Strategic Plan for the Board.

Ian McCormack, President of Strategic Steps Inc., was contracted to lead the Board through the first annual review of the Strategic Plan. One (1) hour was allocated for this agenda item to allow for Board discussion and the CRSWSC Strategic Plan (2019 – 2023) was attached for reference.

Ian McCormack began by commending the Board and Administration for completing 4 of the 10 high priority items over the past year, with other high priority items currently in progress. He noted that this was excellent progress considering that the goal is to complete these high priority items within the identified 4 year term. Ian explained that the purpose of the annual review

process is to review the current high priority items and consider if any changes are required, or whether the current high priorities are still appropriate to pursue.

Councillor Bill Daneluik and Councillor Sam Munckhof-Swain joined the meeting at 6:47 p.m. due to attendance at a Beaumont Council meeting that had run later than expected.

Ian McCormack asked Board members, Administration and technical members to complete a short online survey to review the previous strategies identified from the initial Strategic Plan workshops in 2019 and individually vote on which priorities they felt were of most importance at this time. The results of the live survey were briefly reviewed; however, Ian McCormack advised that he will provide a report to summarize the outcomes of the survey. Chair Wally Yachimetz requested that the results of the survey be included in the March 18, 2021 Board meeting agenda package, along with recommendations for further discussion by the Board.

Administration will include any changes to the priorities for the initial 4 year horizon of the Strategic Plan in the next Manager's Report. This will accompany formal documentation produced by Strategic Steps Inc. to update the high priority items and to include as an addendum to the existing Strategic Plan.

09-21

Motion: It was **Moved** by Deputy Mayor Dawn Pauls that the Capital Region Southwest Water Services Commission Board of Directors receive the feedback and comments discussed by the Board, and if necessary produce an addendum or foreword illustrating any adjustments to the high priority items in the Strategic Plan that Administration is actively working on.

Motion Carried Unanimously

Councillor David Ofrim, Councillor Kevin Hycha and Malcolm Boyd left the meeting at 6:55 p.m. in order to attend another meeting.

7. NEXT MEETING

The next regular meeting of the Capital Region Southwest Water Services Commission is scheduled for March 18, 2021.

This meeting will tentatively be held at the Best Western Premier Denham Inn & Suites, located at 5207 – 50 Avenue in Leduc, pending provincial restrictions in place at that time. Further information regarding the meeting arrangements will be distributed 30 days before the next meeting to comply with requirements for bylaw discussions, if applicable.



8. ADJOURNMENT

10-21 **Motion:** It was **Moved** by Councillor Bill Daneluik to adjourn the meeting at 7:05 p.m.

Motion Carried Unanimously



CHAIRMAN



MANAGER