

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, MARCH 17, 2022 AT 6:00 P.M.
 LEDUC GOLF CLUB, 5725 BLACK GOLD DRIVE, LEDUC, AB T9E 8C4**

1. CALL TO ORDER

Chair Bill Daneluik called the meeting to order at 6:05 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 Vandenberghe 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 Leduc County Town of Millet Town of Millet
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ALSO PRESENT:	Mayor Ron These Councillor Kevin Hycha Kristofer Johnson, GM, Infrastructure Roger Steele, Manager, Technical & Utilities Shawn Olson, Commission Manager Rick Sereda, Operations Manager Lauren Padgham, Treasurer Elie Klimp, Accountant Pamela Regier, Project Manager Shannon Bremner, Recording Secretary Keri Nelson, Administrative Assistant Des Mryglod, Director, Engineering John McDonnell, Partner	Village of Hay Lakes 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 Brownlee LLP
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WITH REGRETS:	Mark D'aoust, Commission Technician Councillor Lana Broker	City of Leduc City of Camrose
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2. BOARD PHOTOS FOR ANNUAL REPORT

The Board took a group photo for the 2021 Annual Report, prior to beginning the meeting.

3. ADOPTION OF AGENDA

- 11-22 **Motion:** It was **Moved** by Councillor Kelly Vandenberghe that the agenda for the March 17, 2022 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

4. APPROVAL OF MINUTES**A. Minutes of the January 20, 2022 Regular Meeting**

- 12-22 **Motion:** It was **Moved** by Councillor Paul Patterson that the meeting minutes of the January 20, 2022 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

5. PUBLIC COMMENTARY

There was no public commentary.

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

The bronze plaque in memory of Mayor Tony Wadsworth was presented to the Town of Millet Council on January 26, 2022 by Chairman Daneluik, along with Shawn Olson and Rick Sereda. A photo from the event will be included in the Annual Report.

Strategic Plan**HIGH PRIORITY ITEMS**

All high priority items have been actioned by Administration, two of which are now recurring items that Administration will continue to action on an annual basis.

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)*
9. *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.

10. *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 at a member meeting held on November 29, 2021.

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. At the December 2, 2021 Board Meeting, the Board provided direction to engage Brownlee LLP to provide an orientation and training session in lieu of conducting a review of the Strategic Plan. This training session was scheduled for March 17, 2021, presented under New Business.

Orthophosphate Update

Starting December 2022, EPCOR will be adding orthophosphate to its treated water to reduce lead. As the CRSWSC purchases its water from EPCOR, we will also be impacted by this change. Orthophosphate is an odorless, tasteless substance that creates a protective barrier on plumbing surfaces to reduce the release of lead in drinking water from all sources, including lead service lines and plumbing. Orthophosphate does not pose any health concerns and should not affect residential consumers. Commercial customers that use the water for manufacturing, food processing, petrochemical production, or commercial cooling and heating *may* need to make slight adjustments to their processes. EPCOR reached out to the CRSWSC to request that all members refrain from posting this information until they distribute further information in April. This still provides ample time to share details with customers prior to the orthophosphate addition. EPCOR's communications plan was attached to the report as information.

- 13-22** **Motion:** It was **Moved** by Councillor Beverly Beckett 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

2022 Financial Update

The financial reports have been prepared up to February 28, 2022. After two months of operations, there should be approximately 83% of the budget remaining. Management expenses are under budget with 91% of the budget remaining and operating expenses are on track for the year with 85% of the budget remaining. Due to the timing of expenses, many of the expense line items remain unspent for the year.

Water Sales and Purchases

- Both water sales and purchases are on budget with 84% of the budget remaining. To date the Commission has recorded a line loss of 2.7%. The Board inquired whether this line loss is reasonable and what this may equate to in lost revenue. Administration advised that this percentage of line loss is quite low in comparison to the average municipal line loss and is also likely lower than other commission's reported line loss.

Revenue Variances

- Interest earned on bank deposits and investments is over budget due to the timing of interest earned. The Commission has received \$65,000 in investment revenue to date, which is considered over budget since we have received more interest than budgeted for. This is a benefit to the Commission and does not present any risk, as the Commission does not pay taxes.

Expenditure Variances

- Instrumentation & Mechanical is slightly over budget with 79% of the budget remaining.
- Facility Maintenance is slightly over budget with 73% of the budget remaining.
- Easement leases are over budget with 64% of the budget remaining.
- There are a number of line items with 100% of the budget remaining due to the timing of when work is completed and expenditures occur. To the date of this report writing, no invoices had been received for these budgeted items.

Capital Expenditures

Capital expenditures are below budget with 100% of the overall budget remaining due to timing of capital projects.

2021 Audit

The Commission Auditors, MNP LLP, have conducted their field work and have not identified any concerns. The audit report and findings will be presented at the Annual General Meeting (AGM) on April 21, 2022.

14-22

Motion: It was **Moved** by Councillor Ashley Miller 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

7. **UNFINISHED BUSINESS**

There were no unfinished business items presented.

8. **NEW BUSINESS**

A. **Amendment to the List of Appointed Members**

On February 10, 2022, the Town of Millet advised that Marlene Alberts-Wadsworth resigned from the Town of Millet Council. Considering that Councillor Alberts-Wadsworth was the appointed alternate member for the Town of Millet, this requires a change in the CRSWSC Board appointments. The Town of Millet has appointed Councillor Rebecca Frost as the new appointed alternate Board member for the CRSWSC.

15-22

Motion: It was **Moved** by Councillor Krista Gardner that the Capital Region Southwest Water Services Commission Board of Directors approve the amended list of Appointed Members, to appoint Councillor Rebecca Frost as the alternate member for the Town of Millet.

Motion Carried Unanimously

B. Brownlee Board Training

At the January 20, 2022 Board Meeting, Administration was directed to engage Brownlee LLP with regards to providing a personalized orientation and training session for the new Board. John McDonnell from Brownlee LLP presented this training, which was anticipated to take approximately 1.5 hours, including time for a question and answer period.

The Board orientation session provided information regarding the operational and legal difference between a Commission and a Municipality, including legal principles and statutory obligations that differ from those received from Municipal Members as a Councillor. The session also covered the legal structure of Commissions and Board of Director fiduciary responsibilities including obligations, expectations, personal liabilities, and their roles in reporting back to their respective Councils. John McDonnell also referred to anecdotal evidence from case law and provided examples of what happens when things go awry for a Regional Commission.

It was noted that the changes to the Municipal Government Act (MGA) in 2020 introduced provision for a public member to be a Director on the Board, if permitted by the Commission. The Board inquired whether this would be possible for the CRSWSC. John McDonnell clarified that Commission Bylaw 01/2021 states that Directors must be an elected official of the member municipality, so the Commission Bylaw would need to be revised to specifically allow public members to be Directors, if approved by the CRSWSC Board.

John McDonnell also clarified that commission Bylaws only require one reading, in comparison to municipal Bylaws which require three readings. There is also no legal obligation for commissions to provide public notice prior to Bylaw approval, although it is best practice to publicly advertise before Bylaws are approved, in consideration of public interest and transparency. Further, it was recommended that if an important resolution is expected, it is wise to note this on the CRSWSC website for public awareness. Administration noted that the Water Master Plan is a public document that is available on the CRSWSC website, which identifies the Board's direction and provides justification for capital projects and borrowing needs, serving as a form of public notice.

In terms of the law, a Trustee has the same fiduciary obligations as a Director. John McDonnell recommended that Directors ensure they have adequate Director & Officer (D&O) personal liability insurance to be safe. Administration will confirm that the Commission has sufficient D&O coverage in place for Board members and will report back to the Board. John McDonnell further recommended that Directors ensure they also have personal D&O coverage for

other Boards they may sit on, including volunteer commitments. It was further noted that D&O coverage applies to decisions made in good faith, but does not cover decisions made in bad faith.

The Board inquired whether there is a legal requirement to conduct a formal performance review for the Commission Manager. It was clarified that a formal performance evaluation is not necessarily required. Administration noted that the Commission's existing process is to distribute a Request for Proposal (RFP) every 3 years upon expiry of the Management and Operations contracts. At this point, the Board has the opportunity to extend the existing contract for 2 years if they are pleased with the performance of the Commission Manager, or they may choose to distribute an RFP to seek a new Commission Manager. The City of Leduc is currently within the second year of a 2 year contract term extension, expiring on December 31, 2022.

On behalf of the Board, Chair Bill Daneluik thanked John McDonnell for his informative presentation.

9. NEXT MEETING

The Annual General Meeting is scheduled for April 21, 2022, to be held at the Leduc Golf Club. Formal invitations have been distributed for this event.

The next regular meeting of the Capital Region Southwest Water Services Commission is scheduled for May 19, 2022.

10. ADJOURNMENT

16-22 **Motion:** It was **Moved** by Mayor Bill Daneluik to adjourn the meeting at 7:31 p.m.

Motion Carried Unanimously



CHAIRMAN



MANAGER