

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, MARCH 19, 2020 AT 6:00 P.M.
 via GoToMeeting Conference Call**

1. CALL TO ORDER

Chairman Rick Smith called the meeting to order at 6:07 p.m.

The Board completed round table introductions to confirm who was in virtual attendance.

PRESENT:	Councillor Rick Smith	Leduc County
	Councillor Sam Munckhof-Swain	City of Beaumont
	Councillor Bill Daneluik	City of Beaumont
	Councillor Doug Lyseng	Camrose County
	Mayor Dawn Pauls	Village of Hay Lakes
	Councillor Dave Vallee	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
	Mayor Wally Yachimetz	Town of Calmar
	Councillor Krista Gardner	Town of Calmar

ALSO PRESENT:	Shawn Olson, Commission Manager	City of Leduc
	Rick Sereda, Operations Manager	City of Leduc
	Carol Hounsell, Treasurer	City of Leduc
	Samantha Folster, Project Manager	City of Leduc
	Shannon Bremner, Recording Secretary	City of Leduc

WITH REGRETS:	Councillor Kelly Vandenberghe	Leduc County
	Councillor Greg Gillespie	Camrose County
	Shawn Tooth, Water Technician	City of Leduc

2. ADOPTION OF AGENDA

Mayor Tony Wadsworth requested an addition to the meeting agenda under COVID-19 Virus, Item 5D – Water Rates.

10-20 Motion: It was **Moved** by Mayor Tony Wadsworth that the agenda for the March 19, 2020 Capital Region Southwest Water Services Commission regular meeting be approved as amended.

Carried

3. APPROVAL OF MINUTES

A. Minutes of the January 30, 2020 Regular Meeting

11-20 **Motion:** It was **Moved** by Councillor Bill Daneluik that the meeting minutes of the January 30, 2020 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Carried

4. REPORTS OF OFFICERS

A. Manager's Report

Strategic Plan – High Priority Items

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.
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 the asset sale is complete, and planning for a new Boundary/Booster station is underway, 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)*
To be completed by 2022 so it can be shared with the new Board.
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 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 actions members can take to increase conservation efforts in their municipalities (i.e. perform water audits). Moving forward, to accomplish this goal, Administration will start to work on developing promotional education materials containing potential actions

customers can take to educate them on ways they can be more water tight. This will be shared with the members technical representatives in the future.

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.

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 will be included within the 2019 Annual Report document.

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.

Leduc County – Sales Agreement

Administration has tasked Associated Engineering with performing a Phase 1 Environmental Site Assessment and Hazardous Building Materials Assessment for new boundary station lands. The Commission has received the information release forms from Leduc County which will allow Associated Engineering to proceed with the assessment.

Millet Water Supply Line Project

Weaver began inspection work on the Telford booster station in late February. They are awaiting the final reports back from the trades contracted to perform the testing work but unofficial word is that there does not appear to be any issues at

this time. Unrelated, during testing of the booster station, a 4" butterfly valve was observed to be malfunctioning (not operating properly). Weaver was contacted and they have determined that it will need replacement under warranty.

Administration received an update from the insurance adjuster on Wednesday, January 8, 2020 requesting additional information for assessment of liability which Administration compiled. The information and request was sent to Associated Engineering to review and draft a response. A draft of the response was sent to Administration on February 28, 2020 for review. The document was finalized and sent back to the adjuster on March 9, 2020.

Highway 21 Booster Station Upgrade

Commissioning of the Highway 21 booster station was completed and substantial performance was achieved on October 10, 2019. The fencing scope changes were also completed. The upgraded security scope was quoted well above market value from Lorac. Associated Engineering estimated the overall price should be approximately half of what Lorac had quoted. Associated Engineering provided Lorac with an alternate supplier to obtain better pricing. Lorac responded on January 16, 2020 with a quote \$5,000.00 higher than the previous quote.

Associated Engineering is now obtaining pricing directly from the supplier and Vector for install. If pricing is still too high, Administration may look at approaching alternative security companies to price alternatives.

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 the Manager's Report but can be found within the January 30, 2020 meeting minutes under the 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. 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.

Administration has prepared a presentation outlining the highlights of the Master Plan and Strategic Plan, which will be presented by Shawn Olson and Rick Sereda. This was to be presented to the Board under New Business; however, the meeting agenda was amended on March 18, 2020 to include only urgent matters relating to the COVID-19 Virus. This presentation will be deferred to a future CRSWSC Board meeting following the COVID-19 pandemic, tentatively scheduled for May 21, 2020.

Ervick/Armena Feasibility Study & Armena Reservoir Upgrades

Administration is aware that the upgrades were completed and the reservoir downstream of Armena is operational. Access to the data showing reservoir levels has not yet been provided to the Commission. Camrose County has indicated that the required instrumentation and access will be given once fully functioning.

Operations and Management Contracts

Administration is preparing a proposal regarding contract extension, which will be presented to the Board Chairman at the May 21, 2020 Commission meeting.

EIA Reservoir 2

EIA Reservoir 2 is still in the process of being commissioned and a Construction Completion Certificate (CCC) has not yet been issued.

Commission Facility Locates

Commission operators completed 126 1st Call locates year to date on Commission facilities as compared to 247 in 2019.

12-20

Motion: It was **Moved** by Councillor Lars Hansen 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.

Carried

B. Treasurer's Report

2020 Financial Update

After two months of operations, there should be approximately 83.33% of the budget remaining. Management expenses are under budget with 89.19% of the budget remaining due to the timing of expenses. Overall, operating expenses are close to budget with 83.78% of the budget remaining. There are some fluctuations within line items due mainly to the timing and seasonality of expenditures.

Revenue Variances

- Water sales are very close to budget for the period with 83.68% of the budget remaining.
- Interest earned is below budget due to the timing of when interest is recognized on investments.
- Government transfers are below budget since these are typically booked at year end.

Expenditure Variances

- Honorariums and mileage are below budget with budget remaining of 85.63% and 88.03%.
- Audit fees are booked at year end.

- The budget remaining for legal fees is at 92.5% due to timing of expenditures.
- Debenture interest and principal payments are made in June and December therefore no entries have been recorded for 2020.
- Seminars and conferences is at 86.16% of budget. Expenses incurred to date are for the American Water Works Association (AWWA) ACE20 conference scheduled for June 2020.
- Insurance is paid for at the beginning of the year and covers the entirety of the year. The budget is spent with 1.65% remaining.
- Engineering fees is slightly under budget with 85.43% of the budget remaining.
- Water purchases are at \$0.95/m³ which is the rate at which EPCOR is billing. This is the interim rate set by EPCOR and members of the RWCG agreed to this rate.
- Water purchases are very close to budget with 83.63% of the budget remaining which is consistent with water sales being close to budget.
- 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. No invoices have been received for these budgeted items at this time.
- The Commission has recorded a line loss of 3.3%.

Capital Expenditures

Capital expenditures are below budget with 100% of the overall budget remaining due to timing of capital projects. Capital projects do not normally start until Spring.

2019 Audit and Audit RFP

The Commission Auditors, Metrix Group LLP, completed the 2019 Audit field work on February 13, 2020. The audit report and findings, along with the Commission's final financial results, will be presented at the April 16, 2020 Board meeting, pending direction from Alberta Municipal Affairs confirming whether virtual presentation is acceptable at this time.

An Audit RFP will have to be issued in 2020, as the Audit contract expires following the completion of the 2019 Financial Statements.

Regional Water Customers Group

The next meeting of the Regional Water Customers Group is scheduled for Monday, May 4, 2020.

ATB Financial – Setup of Electronic Funds Transfer

The electronic funds transfer (EFT) setup has not yet been completed in Great Plains, the financial software used by the Commission. The setup has been delayed due to timing and capacity issues within the City of Leduc's IT department as a result of other ongoing software implementations. It is anticipated that this will be completed sometime during the Summer of 2020. After the setup has been completed and tested, Electronic Funds Transfer Request Forms will be distributed to all Board members and vendors.

- 13-20** **Motion:** It was **Moved** by Councillor Krista Gardner that the Capital Region Southwest Water Services Commission Board of Directors receive as information the Treasurer's Report as presented by Carol Hounsell, Treasurer, CRSWSC.

Carried

Councillor Doug Lyseng joined the meeting at 6:16 pm.

5. COVID-19 VIRUS

A. Business and Operations Continuity Plan

The CRSWSC continues to deliver essential utility services across the communities we serve. EPCOR currently has no interruptions to essential services for our water needs related to COVID-19. EPCOR continues to receive deliveries of essential supplies to treat the water.

Operations has implemented our multi-stage response plan, including additional protocols to protect the health of our employees and the municipalities that we serve, to ultimately ensure operations continue throughout the outbreak.

Management and Operations have taken proactive steps to reinforce our ability to safely and reliably deliver water to our member municipalities. Management and Operations have significantly enhanced cleaning and hygiene protocols, implemented a wide range of social distancing practices, placed restrictions on employees returning to work following travel, illness or potential exposure and implemented restrictions on contractors and the public visiting our facilities.

In addition to the CRSWSC emergency protocols that are currently in place, additional emergency preparedness efforts have been implemented. Examples include:

- Close collaboration with municipal peers and other partners and local emergency preparedness agencies for contingency purposes. As an example, in November 2019 the City of Leduc and Leduc County signed a Utility Services Mutual Aid Agreement. Further, the City of Beaumont has also expressed willingness to become a member of the Mutual Aid Agreement, which would form a tri-party Agreement. This Agreement could potentially be extended to other member municipalities if desired.
- Dedicated personnel to ensure we are closely monitoring, responding to and planning for COVID-19 developments as they occur.
- Dedicated personnel to monitor SCADA, ultimately allowing us to operate the CRSWSC transmission system effectively and efficiently at remote locations (i.e. working from home).

The Board discussed the Utility Services Mutual Aid Agreement and expressed interest and value in extending the Agreement to include all member municipalities of the CRSWSC. Administration further clarified that this

Agreement is a Intermunicipal Mutual Aid Agreement, which is not specifically related to CRSWSC business. Rick Sereda will consult with City of Leduc administration in regards to modifying the Utility Services Mutual Aid Agreement to extend to other member municipalities, if their councils are interested. It is anticipated that this Agreement could be executed within a fairly short timeframe. Following the meeting, communication will be distributed to technical representatives from the Village of Hay Lakes, Town of Calmar, Town of Millet and Camrose County to confirm whether these municipalities are interested in joining this Agreement.

Administration continues to be available to assist with any questions or concerns from member municipalities. In order to follow the appropriate chain of command, member municipalities were asked to contact Chairman Rick Smith with any questions or concerns, unless advised otherwise. Chairman Rick Smith will then consult with Administration and distribute a response to all member municipalities.

14-20

Motion: It was **Moved** by Mayor Dawn Pauls that the Capital Region Southwest Water Services Commission Board of Directors receive this report as information, as presented by Rick Sereda, Operations Manager, CRSWSC.

Carried

B. Out of Country Travel

A report on Out of Country travel was submitted by Chairman Rick Smith on March 13, 2020 for inclusion in the agenda package, as outlined below. It was noted that considering the COVID-19 situation is very fluid, some information contained within this report may have changed since submission.

The Provincial and Federal governments have recommended no international travel in the foreseeable future. At this point in time there are warnings of potential closed borders, so there is no guarantee that travellers will be freely permitted to return from their destination in the event of border closures. Further, there is also potential to face forced quarantine in another country and receiving medical attention may also be hampered by the capacity of the country that travellers are visiting. Timelines and outcomes for the situation to improve are not assured or known at this time.

Based on an ever changing situation with COVID-19, it would be prudent for the safety of CRSWSC Board members, technical staff, their families and our communities to cancel all international conferences and travel at this time and not approve any further international travel until further notice.

The American Water Works Association (AWWA) ACE20 conference (June 14-17, 2020) is set to host 12,000 delegates from around the world and therefore poses a risk to attendees. Therefore, it is recommended that CRSWSC Board members cancel registrations to the ACE20 conference and any other registered international conference members may be registered for at this time.

The Commission may be subject to minor cancellation fees, but the health and safety of our members and their communities are the priority at this time. Rough estimates of cancellation costs currently may be between \$3,000 to \$3,500. Airline ticket credits may be carried for a year for another professional development opportunity in the future.

- 15-20** **Motion:** It was **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.
- Carried**

- 16-20** **Motion:** It was **Moved** by Mayor Wally Yachimetz that the Capital Region Southwest Water Services Commission Board of Directors approve that all costs associated with cancellations of CRSWSC business travel be borne by the Commission. Specific losses/costs will still be budgeted to municipal member's professional development budgets for accounting purposes. In the event of credits, members can use them to apply to domestic professional development opportunities. In the event the credits are to be used within a specific period and are not, the Commission will cover the cost, to be applied to specific members. Proof of all relevant cancellations and/or credits must be submitted to the Commission Treasurer for accounting purposes.
- Carried**

Administration advised that the AWWA cancellation policy for the ACE20 conference permits cancellation up to April 22, 2020. As stated on the registration form: "*All cancellations postmarked/fax-dated, email-dated by 4/22/20 will receive a refund, minus a 25% administrative fee.*" Therefore, Administration recommended that the Board wait to submit cancellation until closer to the April 22, 2020 deadline, as AWWA may cancel the conference before this date and full refunds would likely be provided. This would allow the Commission to potentially avoid the 25% administrative fee.

- 17-20** **Motion:** It was **Moved** by Councillor Bill Daneluik that the Capital Region Southwest Water Services Commission Board of Directors approve that Administration cancels registration for the American Water Works Association (AWWA) ACE20 conference before April 22, 2020, if the conference is not cancelled by AWWA before this date.
- Carried**

C. Annual General Meeting

Given recommendations from the Government of Canada and Alberta Health Services for social distancing measures and restrictions on group gatherings, it was recommended that the Annual General Meeting on April 16, 2020 be cancelled and postponed to a later date.

The Best Western Premier Denham Inn & Suites has kindly waived cancellation fees in consideration of the COVID-19 situation. Speakers Spotlight has also

waived fees to postpone the contracted keynote speaker to a later date. Therefore, it is anticipated that there should be no financial implications to postpone the Annual General Meeting.

Pursuant to the Municipal Government Act (MGA), each Commission must submit its Financial Information Return and Audited Financial Statements to the Minister and each member of the Commission, by May 1st of the year following the year for which the Return and Statements have been prepared. As per the MGA requirements, the presentation of the financial reports must be presented live and be open to the public. Carol Hounsell contacted Alberta Municipal Affairs regarding flexibility with this requirement and they indicated that correspondence will be distributed shortly in regards to the May 1st deadline. If permitted by Alberta Municipal Affairs, the intent would be to have the Auditor virtually present the financial reports to the Board on April 16, 2020, or prepare a video presentation to circulate to the Board in advance of this meeting, if possible.

18-20 **Motion:** It was **Moved** by Councillor Mike Storey that the Capital Region Southwest Water Services Commission Board of Directors agree to cancel the April 16, 2020 Annual General Meeting at this time, to be rescheduled in Fall 2020.

Carried

19-20 **Motion:** It was **Moved** by Councillor Lars Hansen that the Capital Region Southwest Water Services Commission Board of Directors hold the April 16, 2020 meeting date for a potential CRSWSC Regular meeting via GoToMeeting, for the purpose of presenting the 2019 Financial Statements and Auditor's Report, pending further direction from Alberta Municipal Affairs.

Carried

The Board recommended that a practice meeting should be set up prior to the April 16, 2020 meeting date to test screen sharing of the financial statements. This would also provide opportunity for Board members to test their audio and microphone capabilities for the GoToMeeting function.

D. Water Rates

This item was added to the agenda by Mayor Tony Wadsworth, who presented the information outlined below.

In response to the COVID-19 pandemic, the Alberta Government has made three statements:

1. Premier Jason Kenney announced on March 18, 2020 that he was calling upon all utility companies to allow deferrals and breaks in utility payments to those affected by the pandemic.

2. In addition to a deferral of utility charges for residential, farm and small commercial customers, Alberta says it has asked municipalities to offer similar protection for water charges.
3. In setting out terms of the financial aid package for Albertans, eligibility will be based upon those persons who meet the Government's criteria for self-isolation, and include those who are the sole caregiver of a dependent who is dependent upon self-isolation.

Collectively, these statements suggest that either some or all of our water customers will expect some financial relief for the duration of this pandemic. It was suggested that Administration clarify what has been asked of other utility providers (i.e. ATCO, EPCOR, Fortis, etc.) in order to consider implementing similar measures.

The Board discussed whether there was interest in using the Commissions reserve fund to subsidize water rates by 15 cents for a period of 5 months, which would be passed along to the member municipalities, who would then pass this reduced rate onto their customers. Several Board members expressed concern with how this would be managed considering that municipalities have different utility billing cycles and how this may impact the Commission's accounting records. It was further noted that municipal water rates are set by Bylaw, so each member municipality would need to change their Bylaw as mandated by the MGA, which could be a slow process. Additionally, rough calculations estimate that a water rate reduction of 15 cents would result in a reduction of approximately \$1.50 to \$2.00 on an average customers water bill. Administration cautioned on reducing the Commissions water rate, as municipal budgets have already been set and the Commission must charge the same rate to all member municipalities.

Administration clarified that the direction from the Alberta Government is intended for utility companies that provide services directly to customers or businesses. The Commission sells water to member municipalities so we do not have the capability to reduce the water rate for the end user. Additionally, utility companies appear to be deferring deadlines for payment of utility bills, as opposed to reducing rates. Therefore, considering that member municipalities directly bill their utility customers, Administration suggested that it would be a decision of each member municipality to determine whether they wish to provide relief to their citizens and businesses through methods such as the deferral of utility bills.

Administration will advise Chairman Smith if further information is provided from the Alberta Government in regards to direction to EPCOR or water commissions, which will then be shared with the Board.

6. NEXT MEETING

The next regular meeting is tentatively scheduled for April 16, 2020 via GoToMeeting, pending further direction from Alberta Municipal Affairs. Board members were asked to hold this meeting date and Administration will distribute further information once available.

7. ADJOURNMENT

20-20 **Motion:** It was **Moved** by Councillor Beverly Beckett to adjourn the meeting at 7:12 p.m.

Carried



CHAIRMAN



MANAGER