

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
TO BE HELD THURSDAY, MARCH 20, 2025.
DINNER AT 5:30 P.M., MEETING AT 6:00 P.M.,
LEDUC GOLF CLUB, 5725 BLACK GOLD DRIVE, LEDUC, AB T9E 8C4**

1. CALL TO ORDER

Chairman Hansen called the meeting to order at 6:02 p.m.

PRESENT:

Councillor Steven vanNieuwkerk	City of Beaumont
Councillor Catherine McCook	City of Beaumont
Councillor Kelly-Lynn Lewis	Leduc County
Councillor Rick Smith	Leduc County
Councillor Krista Gardner	Town of Calmar
Councillor Don Faulkner	Town of Calmar
Councillor Beverly Beckett	City of Leduc
Councillor Lars Hansen	City of Leduc
Councillor Paul Patterson	Village of Hay Lakes
Councillor Ron These	Village of Hay Lakes
Mayor Doug Peel	Town of Millet
Councillor Mathew Starky	Town of Millet
Councillor Doug Lyseng	Camrose County
Councillor Don Simpson	Camrose County

ALSO PRESENT:

Kris Johnson, General Manager	City of Camrose
Shawn Olson, Commission Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc
Gerard Del Rosario, Treasurer	City of Leduc
Elie Tymchyshyn, Accountant	City of Leduc
Melanie White, Project Manager	City of Leduc
Kyle van Steenoven, Project Manager	City of Leduc
Cheri Andres, Recording Secretary	City of Leduc
Des Mryglod, Director, Engineering & Utilities	Leduc County
Roger Steele, Manager	EIA

WITH REGRETS:

Katherine O'Dwyer, Recording Secretary	City of Leduc
Mayor Bill Daneluik	City of Beaumont
Pam Regier, Project Manager	City of Leduc
Councillor Jordon Banack	Camrose County
Deputy Mayor Clifford Heinz	Village of Hay Lakes
Mark D'aoust, Commission Technician	City of Leduc

2. ADOPTION OF AGENDA

10-25

Motion: It was **Moved** by Councillor Paul Patterson that the agenda for the March 20, 2025, Capital Region Southwest Water Services regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the Regular January 16, 2025 Meeting.

11-25

Motion: It was **Moved** by Councillor Beverly Beckett that the meeting minutes of the January 16, 2025 Meeting of the 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

Recommendations:

- 1) It is recommended that the CRSWSC Board of Directors receive this report as information.

Nisku Booster Station

Construction

ATCO's contractor completed the installation of the gas service on December 19, 2024. The gas meter was installed, and the commissioning of the HVAC system was completed early January 2025.

Site acceptance testing (SAT) was rescheduled for January 21-23, 2025, after delays caused by the EPCOR break on the mainline. The Leduc County East piping modifications were completed in mid January between resolution of the EPCOR break and the rescheduled SAT test dates. Troubleshooting of various systems at the Nisku Booster Station continued through the end of January at which point it was determined that the pumps were experiencing vibrations in excess of the limits outlined in the contract specifications. The pumps were decoupled from their motors on February 7 to check for alignment issues, reassembled after none were found, and retested, with the same vibratory issues persisting. The manufacturer recommended that the base plate be grouted which was completed February 12. After the grout cured, the pumps were again uncoupled, checked, reassembled and tested in 10Hz increments. Again, the vibratory issues persisted. The manufacturer did some modelling of the pumps and on February 24 advised that they had completed the design of a new motor saddle to provide further support and reduce vibrations to within permissible tolerances. At the time of writing this report, Administration is awaiting a confirmed timeline for the delivery and installation of these saddles. The installation is only anticipated to take 1-2 days at which point they can be retested. Once the motors and pumps are within tolerance, the 30 day run can commence.

Due to the complexity of troubleshooting and resolving engineering issues of this nature, there remains a risk that the 30-day run will not be completed prior to the scheduled grand opening. Administration will provide ample notice if this event needs to be rescheduled.

Municipal Developments

Administration received 9 notifications of Subdivision developments/extensions (7 from City of Beaumont, 1 from Town of Calmar and 1 from City of Leduc), 6 Land Use Bylaw Amendments (5 from City of Beaumont, 1 from Town of Calmar), 1 Amendment to Area Structure Plans (City of Beaumont) and 1 Notice of Intent to Annex (City of Leduc) from Members since the last meeting. Administration had no concerns with the documents provided and no comments were provided back to the Members.

City of Beaumont Line Extension to St. Vital Reservoir

City of Beaumont Administration submitted a new connection request to CRSWSC Administration on January 14, 2025 (see attached). The request details the need for maintenance on Beaumont's Main Reservoir, which is currently the single connection point to the CRSWSC. In order to perform the maintenance or upgrades, Beaumont intends to connect their St. Vital Reservoir to the supply line, either through a direct connection to the Commission line or internally within their distribution system.

The situation is complicated by the fact that the St. Vital Reservoir is approximately 14 m higher in elevation than the existing connection to the Main Reservoir, with a ridge in between that is still higher. This difference in elevation means that the current pressure supplied to the Main Reservoir is not adequate to meet the required pressure to serve the St. Vital Reservoir. The request proposes that the Commission increase the pressure supplied to Beaumont, which can only be done by EPCOR increasing pressure at their Black Mud Booster Station. Another option presented in the request would be for Beaumont to construct a transfer pumphouse.

Administration contracted Associated Engineering (AE) to review the request and prepare a response (attached). The response included modeling of the water system, a review of policies and prior correspondence on the matter, and capabilities of the Commission's system. The review concluded that increasing the pressure on the supply line is not feasible as proposed because it would require drastically increasing the pressure supplied by EPCOR at the Black Mud Booster Station. Construction of a booster station is the most viable option, though the other options could also be improved with the addition of a booster station along the secondary feed line. In terms of policies, the Commission is required to provide a connection point to each member, in this case, the Main Reservoir. A new connection must be applied for by a member and if approved, the Member is responsible for covering all associated costs.

Administration met with the City of Beaumont Administration on February 12, 2025 to discuss the submission. It was noted that Beaumont no longer plans to build a new west reservoir which had been part of the previous Master Plan. They are looking at options such as using St. Vital Reservoir as their primary reservoir, upgrading the main reservoir to a booster station, or building a temporary connection line from Main Reservoir to St. Vital Reservoir while asking EPCOR to increase pressure temporarily while repairs take place.

Following direction from the meeting with Beaumont, Administration met with EPCOR on February 21, 2025 inquiring about the possibility of increasing pressure at the Black Mud Booster Station, whether for a temporary or permanent period to facilitate emergency repairs at Beaumont's Main Reservoir. Of note, the recently executed Second Amending Agreement with EPCOR will actually see the pressure provided by EPCOR's Black Mud Booster Station decrease once the Nisku Booster Station is operational. AE prepared a memo with results of this meeting (attached), summarizing that EPCOR is willing to maintain the current pressure temporarily but is unable to increase the pressure due to issues at their Discovery Park Reservoir.

Following this meeting, at the request of Beaumont Administration, AE prepared a memo calculating the pressures from EPCOR that would be required to achieve Average Day Demand (ADD) and Peak Day Demand (PDD) at the St. Vital Reservoir based on the

proposed design for a line connecting the two reservoirs, provided by the City of Beaumont. The results indicate that EPCOR's current pressure could provide ADD at the St. Vital Reservoir, however they could not achieve PDD under any of the scenarios. AE has reached out to EPCOR based on the modeling to inquire whether EPCOR would be able to increase the pressure to the minimum required to achieve PDD at St. Vital for a short, temporary period during which the necessary repairs could be performed on the Main Reservoir.

Administration will continue to work with Beaumont Administration as they work toward a solution.

City of Camrose Servicing

Administration received follow-up questions from Alberta Transportation regarding the Commission's application for the Water for Life Grant Feasibility Study. The questions were answered, and communications confirmed that all aspects of the project are eligible for funding. A copy of the email communication is attached. The Board will be updated once the final decision on the application is received.

Leduc County Potential New Connection

A Leduc County consultant has reached out to Administration for information regarding a potential new connection. The proposed connection would tie in to the CRSWSC supply line to Calmar and would include a new reservoir which would be used to service a new development west of the Edmonton International Airport. The development is in the early stages of design and no firm plans have been made at this time. Administration continues to work with the consultant to evaluate the feasibility of the proposed connection in terms of capacity of the line.

Hazardous Building Material Assessment

At the January 16, 2025, board meeting, Administration was directed to conduct hazardous materials testing at facilities used by the Commission for operations. The testing was in response to an incident in December 2024 in which a City of Leduc employee was inadvertently exposed to asbestos containing vermiculite insulation inside the Leduc County West facility.

Administration obtained 3 quotes and selected JADA Solutions (HSE) Inc. to perform this work at a contract value of \$9,989.80 excluding GST, though that cost will increase slightly with some additional tests that were added during the inspection. Inspection and testing took place the week of February 24-28, 2025, visiting all Commission rooms/facilities and the municipal member facilities containing Commission

rooms/assets. Results of the testing will be shared once available. This testing identifies if there is a hazard, however it would be up to each individual building owner (Commission Member) to correct anything if deemed necessary. It is anticipated that if a hazardous material is identified, it is unlikely that immediate action would be required as the materials typically do not pose a threat until the walls or infrastructure are disturbed, such as in future construction or repairs. In the event of future repairs/maintenance work, appropriate precautions to work around these materials would be known up front, and proper disposal of the materials could be arranged.

EPCOR Drought Resiliency Plan

EPCOR shared the final copy of their Drought Resiliency Plan with RWCG members (see attached). Administration has received permission from EPCOR to post a link to their Drought Resiliency Plan on the CRSWSC website.

The EPCOR Drought Resiliency Plan outlines a strategy to ensure water supply reliability for Edmonton and surrounding municipalities, including CRSWSC members. The plan assesses drought risks, concluding that while the North Saskatchewan River (NSR) has a low risk of hydrological drought, increasing seasonal water demand during hot, dry periods poses a more immediate challenge. Key initiatives include enhanced water monitoring, updated demand management measures, stormwater reuse projects, and conservation strategies to mitigate future supply risks. EPCOR is also developing outdoor water restriction policies in consultation with regional partners, which could impact CRSWSC municipalities. The plan emphasizes collaboration with local governments and industry stakeholders to ensure sustainable water management and resilience against climate change. CRSWSC has engaged with EPCOR to clarify potential operational impacts and coordinate regional water management strategies.

Emergency Planning

The CRSWSC has initiated procurement of emergency repair components—such as lightning rods, power filters, and additional protective measures—to safeguard Commission facilities against electrical surges and lightning strikes. Additionally, the Beaumont transmission line emergency response plan has been finalized, and we are currently awaiting delivery of the necessary repair parts.

Commission Facility Locates

Commission operators completed 22 Utility Safety Partner locates in 2025 on Commission facilities, as compared to 54 in 2024.

Professional Development Opportunities

Additional opportunities are listed in Attachment vii.

Administration shared that Katherine was in the process of booking American Water Works Association Annual Conference and Exposition (AWWA ACE) registrations and if any board members wanted to be added to let her know by the end of March.

Rick shared highlights from Alberta Water and Wastewater Operators Association (AWWOA) which included information from the Calgary watermain break.

12-25

Motion: It was **Moved** by Councillor Don Faulkner 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.

2024 Financial Update

The financial reports have been prepared up to Feb 28, 2025. After two months of operations, there should be approximately 17% of the budget spent/earned. Overall, the commission is on track with respect to expenses with an overall budget spent of 16%. Management expenses are under budget with 9% of the budget spent and Operating expenses are on budget for the year with 17% of the budget spent.

Water sales and purchases

Revenue Variances

- Interest earned is over budget at 102% due to the combination of budgeting conservatively and carrying a higher bank balance to pay for the booster station.

Expenditure Variances

- Management and Operating contracts are on budget with 17% of the budget spent.

- Insurance is over budget with 67% of the budget spent due to premiums being paid in full at the beginning of the year.
- Easement leases are over budget with 44% of the budget spent as the annual fee has been paid in full at the beginning of the year.
- Engineering Fees and Infrastructure Maintenance are slightly over budget with 23 & 24% of the budget spent.
- There are several line items with 100% of the budget remaining due to the timing of when work is completed, and expenditures occur.
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Capital Expenditures

Capital expenditures are below budget with 2% of the overall budget spent due to the timing of capital projects.

2024 Audit

The Commission Auditors, MNP LLP, are still conducting their audit work at the writing of this report. The audit report and findings along with the Commission's final financial results will be presented at the Annual General Meeting (AGM) on April 17, 2025.

Statement of Operations to Feb 28, 2025

	Actual 2025	Budget 2025	Variance	Budget % Spent
Revenue				
Water Sales	1,790,231	10,800,212	9,009,981	17%
Water Flat Rate Debenture Proceeds	15,650	93,903	78,253	17%
Interest Earned	50,772	50,000	772	102%
Total Revenue	1,856,653	10,944,115	9,087,462	17%
Expenses				
Management Expenses				
Management Contract	24,833	149,000	124,167	17%
Debenture payments		93,903	93,903	0%
Legal Fees		10,000	10,000	0%
Other Professional Fees		10,500	10,500	0%
Honorarium	1,120	16,200	15,080	7%
Audit Fees		15,500	15,500	0%
Office Supplies	60	2,000	1,940	3%
Mileage	448	4,000	3,552	11%
Bank Charges & Interest	65	500	435	13%
Total Management Expenses	26,527	301,603	275,076	9%
Operating Expenses				
Water Purchases	1,095,472	6,588,307	5,492,835	17%
Operating Contract	61,000	366,000	305,000	17%
Seminars & Conferences	1,816	79,000	77,184	2%
Power	11,615	165,000	153,385	7%
Engineering Fees	7,896	35,000	27,104	23%
Instrumentation & Mechanical		45,000	45,000	0%
Insurance	30,208	45,000	14,792	67%
Infrastructure Maintenance	27,577	117,000	89,423	24%
Regular & Annual Meeting Expenses	1,888	16,000	14,112	12%
Cathodic Protection		6,000	6,000	0%
Materials & Supplies		13,000	13,000	0%
Computer & Comm. Maintenance, Supplies, Licenses	1,391	30,500	29,109	5%
Easement Leases	2,183	5,000	2,817	44%
Gas	2,013	12,500	10,487	16%
Telephone	1,441	7,500	6,059	19%
Total Operating Expenses	1,244,500	7,530,807	6,286,307	17%
Total Expenses	1,271,027	7,832,410	6,561,383	16%
Net of Revenue over Expenses	585,626	3,111,705	2,526,079	19%
Net Interfund Transfers				
Drawn from Accumulated Surplus	-	-	-	0%
Transfer to Operating Reserves	-	148,486	148,486	100%
Transfer from Operating Reserves	-	84,000	84,000	100%
Transfer to Capital Reserves	-	3,047,219	3,047,219	100%
Total Interfund Transfers	-	3,111,705	3,111,705	
Net Surplus (Deficit)	585,626	-	585,626	

Statement of Financial Position as at Feb 28, 2025

Financial Assets

Bank	\$	3,571,467
Accounts Receivable	\$	1,546,136
Accrued Receivables	\$	-
Investment Interest Receivable	\$	84,794
GST Receivable	\$	17,362
Short Term Investments	\$	7,877,169
Total Financial Assets	\$	13,096,928

Liabilities

Trade Accounts Payable	\$	2,340,020
Accrued Accounts Payable	\$	17,544
Accrued Interest on Debentures	\$	1,202
Deferred Revenue - Gov't Grant	\$	-
Debenture 4000845 - 2010	\$	546,366
Debenture 4002395 - 2018	\$	83,279
Total Liabilities	\$	2,988,410

Net-Financial Assets	\$	10,108,517
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Non-Financial Assets

Land	\$	208,298
Machinery & Equipment	\$	405,377
Accum. Depreciation - Mach & Equip	\$	(396,881)
Engineering Structures	\$	25,935,158
Work in Progress - Buildings	\$	-
Work in Progress - Equipment	\$	35,000
Work in Progress - Eng Structure	\$	-
Accum. Depreciation - Eng Stru	\$	(5,719,575)
Work in Progress - Nisku Booster Station	\$	19,853,233
Total Non-Financial Assets	\$	40,320,610

Accumulated Surplus

Rate Stabilization Op Reserve	\$	168,664
Emergency & Operations - Op Res	\$	200,000
General Reserves - Op Reserve	\$	1,041,464
Equipment - Cap Reserve	\$	1,995,572
Future Water Capacity - Cap Reserve	\$	4,406,363
Total Reserves for Future Use	\$	7,812,063
Unrestricted Surplus	\$	2,431,508
Investment - remeasurement gains/losses		
Equity in Fixed Assets	\$	39,599,931
Current Earnings (Net surplus (deficit) + add back debenture principle)	\$	585,626
Total Accumulated Surplus	\$	50,429,127

2025 Capital Summary to Feb 28, 2025

2017.002 Air Release Manhole Rehab	
2025 Budget	171,700
2025 Expenditures	-
Budget Remaining	171,700
2021.001 Nisku Booster Station & Beaumont Piping Upgrade	
2025 Budget	4,205,400
2025 Expenditures	(73,534)
Budget Remaining	4,131,866
2024.002 SCADA upgrade	
2025 Budget	182,500
2025 Expenditures	(17,500)
Budget Remaining	165,000
2025.001 Water Master Plan & Strategic Plan	
2025 Budget	230,000
2025 Expenditures	-
	230,000
2025.002 Emergency Planning	
2025 Budget	160,000
2025 Expenditures	-
	160,000
2025.003 Camrose Feasibility Study	
2025 Budget	250,000
2025 Expenditures	-
	250,000
2025 Total Capital Budget	5,199,600
2025 Total Capital Expenditures	(91,034)
Budget Remaining	5,108,566
Budget Spent	2%

13-25

Motion: It was **Moved** by Councillor Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors receive this report as information.

Motion Carried Unanimously

6. **UNFINISHED BUSINESS**

A. Borrowing Bylaw

Recommendation:

- 1) It is recommended that the CRSWSC Board of Directors pass Bylaw 03-2025 – Line of Credit Borrowing Bylaw, 2025.

Background:

Bylaw No. 02-2024 – Line of Credit Borrowing Bylaw, 2024 was passed by the Board on May 16, 2024. This bylaw enabled the commission to apply for a line of credit to avoid redeeming investments to finance operating expenditures of the commission. Administration applied and opened a line of credit from our banking institution ATB Financial (ATB).

ATB has since initiated an annual review/renewal requirement of the bylaw for it to remain in effect. Since there are no costs associated with inactivity, Administration is looking to renew the line of credit to maintain liquidity as we close out the booster station project.

14-25

Motion: It was **Moved** by Mayor Doug Peel that the Capital Region Southwest Water Services Commission Board of Directors pass Bylaw 03-2025 – Line of Credit Borrowing Bylaw, 2025.

Motion Carried Unanimously

7. **IN-CAMERA BUSINESS**

A. 2025 Water Master Plan Request for Proposal (In-Camera Item) (FOIP's 16 & 24)

15-25

Motion: It was **Moved** by Councillor Kelly-Lynn Lewis that the Capital Region Southwest Water Services Commission Board of Directors move to In-Camera at 6:20 p.m. to discuss the 2025 Water Master Plan Request for Proposal (In-Camera Item) (FOIP's 16 & 24).

Motion Carried Unanimously

16-25

Motion: It was **Moved** by Councillor Beverly Beckett that the Capital Region Southwest Water Services Commission Board of Directors move out of camera at 6:25 p.m.

Motion Carried Unanimously

17-25

Motion: It was **Moved** by Councillor Don Smith that the Capital Region Southwest Water Services Commission Board of Directors direct Administration to retain Associated Engineering as the Commission Engineer for a two year term with an option to renew annually until the next Water Master Plan Update.

Motion Carried Unanimously

8. NEXT MEETING

The next meeting of the Capital Region Southwest Water Services Commission will be the Regular meeting, scheduled for June 19, 2025.

9. ADJOURNMENT

18-25

Motion: It was **Moved** by Councillor Mat Starky to adjourn the meeting at 6:28 p.m.

Motion Carried Unanimously



CHAIRMAN



MANAGER