

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION  
 TO BE HELD THURSDAY, MARCH 21, 2024  
 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 6:00 p.m.

**PRESENT:**

Mayor Bill Daneluik	City of Beaumont
Councillor Krista Gardner	Town of Calmar
Councillor Don Faulkner	Town of Calmar
Councillor Lars Hansen	City of Leduc
Councillor Beverly Beckett	City of Leduc
Councillor Clifford Heinz	Village of Hay Lakes
Councillor Paul Patterson	Village of Hay Lakes
Mayor Ron These	Village of Hay Lakes
Councillor Rick Smith	Leduc County
Councillor Kelly-Lynn Lewis	Leduc County
Mayor Doug Peel	Town of Millet
Councillor Mathew Starky	Town of Millet

**ALSO PRESENT:**

Des Mryglod, Director, Engineering & Utilities	Leduc County
Roger Steele, Manager, Technical & Utilities	EIA
Kris Johnson, General Manager	City of Camrose
Shawn Olson, Commission Manager	City of Leduc
Lauren Padgham, Treasurer	City of Leduc
Gerard Del Rosario, Accountant	City of Leduc
Elie Tymchyshyn, Accountant	City of Leduc
Pam Regier, Project Manager	City of Leduc
Melanie White, Project Manager	City of Leduc
Mark D'aoust, Commission Technician	City of Leduc
Katherine O'Dwyer, Recording Secretary	City of Leduc

**WITH REGRETS:**

Councillor Catherine McCook	City of Beaumont
Councillor Jordon Banack	Camrose County
Councillor Doug Lyseng	Camrose County
Reeve Cindy Trautman	Camrose County
Councillor Dal Viridi	Leduc County
Councillor Kevin Hycha	City of Camrose
Kyle Van Steenoven, Project Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc

**ADOPTION OF AGENDA**

**15-24**            **Motion:** It was **Moved** by Councillor Rick Smith that the agenda for the March 21<sup>st</sup>, 2024 Capital Region Southwest Water Services regular meeting be approved as circulated.

**Motion Carried Unanimously**

**2. APPROVAL OF MINUTES**

**A. Minutes of the Regular January 18, 2024 Meeting.**

**16-24**            **Motion:** It was **Moved** by Councillor Don Faulkner that the meeting minutes of the January 18th, 2024 Meeting of the Capital Region Southwest Water Services Commission Regular meeting be amended to add **Motion Carried Unanimously** to **12-24** Motion: It was Moved by Councillor Doug Lyseng the Capital Region Southwest Water Services Commission Board of Directors approve Water Supply Policy.

**Motion Carried Unanimously**

**3. PUBLIC COMMENTARY**

There was no public commentary.

**4. REPORTS OF OFFICERS**

**A. Manager's Report**

**Recommendation:**

- 1) It is recommended that the Capital Region Southwest Water Services Commission Board of Directors receive this report as information.

Shawn Olson initiated the manager's report by recognizing Mark D'aoust, who attended the meeting on behalf of Rick Sereda who was unable to attend the meeting. Additionally, Shawn acknowledged Lauren Padgham's time as Treasurer as she steps down and extended a welcome to Gerard Del Rosario as her successor as the new Treasurer for the Capital Region Southwest Water Services Commission.

**Nisku Booster Station**

***Construction***

The west water line installation, including all boring under the QEII, is now complete less tie-ins to the EPCOR main which will be done in Spring. The subcontractor has remobilized to the east side to continue installation of the supply and discharge lines to the north right-of-way. They will return in Spring for demo of the existing supply/discharge lines and installation of new.

Building progress is ongoing. Precast panel installation is complete, steel stud installation for exterior and interior wall framing is complete with drywall installation to commence later this month. Roof installation is ongoing. Plumbing and electrical rough-ins are complete. The large process mechanical spools have been set in place and thrust blocks formed. Handrails, stairs, and metal platform installation is scheduled to commence later this month.







Piping modifications for the City of Beaumont reservoir are scheduled for the last week of March. County East piping modifications will be scheduled after completion of the Beaumont modifications.

### **EPCOR Amending Agreement**

Administration and Brownlee LLP have reviewed the proposed draft second amending agreement from EPCOR. Administration is awaiting the proposed change markups from Brownlee for circulation to EPCOR which are anticipated shortly. Once the revisions are finalized with EPCOR, the agreement will be brought forward to the Board for approval.

### **Municipal Developments**

Administration received 5 notifications of Subdivision developments/extensions (5 from City of Beaumont) and 1 Area Structure Plan (City of Beaumont) from Members since the last meeting. Administration had no concerns with the documents provided and no comments were provided back to the Members.

### **Regional Water Customer's Group (RWCG)**

Several RWCG Cost of Service Subcommittee meetings took place throughout December 2023, January and February 2024. The RWCG subcommittee continues to discuss the Cost of Service model allocations with EPCOR. Main discussion points to date have included cost of capital, percentage of pipes allocated to the transmission system, solar at E.L. Smith and EPCOR's reorganization. At this juncture, the general consensus around the table is that the model is likely appropriate so most changes will be of a minor nature. The meeting minutes for the meetings are attached for record. The next meeting is scheduled for March 2024.

### **Water Treatment Plant Tour**

Administration has coordinated a tour of EPCOR's E. L. Smith Water Treatment Plant in Edmonton prior to the regularly scheduled board meeting on May 16, 2024. The tour will take place at 2:00 pm, lasting approximately 2 hours. Participants are required to wear closed-toe shoes for the tour. The Board meeting will follow at Blackjacks Roadhouse in Nisku. Board members are requested to RSVP to Administration by May 6, 2024 if they will be participating in the tour, as outlined in the invitation sent out to Board Members. The start time of the meeting is also on the agenda to determine if there is an ability to start early due to the end time of the tour.

### **EPCOR Demand Management Condition C**

On January 29, 2024, CRSWSC received notice from RWCG of the implementation of Demand Management Measure B due to a switch gear failure at EPCOR's E.L. Smith Water Treatment Plant. The Demand Management Measure B required municipalities to suspend all non-essential potable water use and notify their customers of the restrictions requiring the general public to reduce non-essential water use. A copy of this notice is attached.

In the afternoon of January 29, 2024, CRSWSC received a notice from RWCG upgrading the situation to Demand Management Measure C which imposed a ban on non-essential potable water use for all municipal operations and a mandatory water ban prohibiting the general public from non-essential water use. A copy of this notice is attached.

The Demand Management Measure C remained in effect until February 2, 2024 when the repairs were completed, the water distribution network had stabilized and the ban was lifted as per the attached media release from EPCOR.

Administration noted that the CRSWSC reservoirs did not drop substantially below typical levels throughout the incident.

### **Millet Transmission Main Repair**

The final repairs to the Millet transmission line were completed during the week of January 29th. This involved a week-long process, including excavation of the pipe, securing the surrounding area with shoring, and electro-fusing the pipe in place. Throughout the shutdown, water was transported to Millet to maintain adequate reservoir levels. The line underwent pressure testing on February 2nd and was successfully restored to service by noon.

Administration will update the Board on the cost of the final repairs at the May 16, 2024 meeting.

### **EIA Reservoir 2**

Commission staff recently convened with Leduc County to address the deficiencies outlined by Associated Engineering. The meeting proved highly productive, with Leduc County now taking proactive steps on behalf of EIA to rectify the identified issues. They have compiled a comprehensive outline of all items to be addressed, continually updating it with specified timelines. Furthermore, additional information provided has already resolved some of the listed items. In parallel, Associated Engineering will provide CRSWSC with a communication regarding the acceptance of risk linked to the existing flow control valve and actuator. The commission will also oversee the installation of the building alarm item in collaboration with Vector.

### **Highway 21 Electrical Issues**

Based on findings by RMS Electrical, the reading from the test on the power filter capacitor is exceeding its capacity and in turn is causing the filter to not operate as designed. Vector looked into the VFD parameters and found they are within operational tolerances and believe the issue is a potential process issue. We are awaiting formal report from Vector to supply to Associated for a decision on what the next steps should be.

### **Commission Facility Locates**

Commission operators completed 54 Utility Safety Partner locates in 2024 on Commission facilities, as compared to 37 in 2023 at this time.

- 17-24**            **Motion:** It was **Moved** by Councillor Kelly-Lynn Lewis 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**

- 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 29, 2024. 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 16% of the budget spent.

***Water sales and purchases***

- Water sales and purchases are on budget with 17% of the budget spent.
- To date the Commission has recorded a line loss of 3.26%.

***Revenue Variances***

- Interest earned exceeds the budget due to high bank balances and investment interest. Investments and bank balances will begin to decline as spending on the Nisku Booster Station and the Beaumont Piping Upgrade continues throughout 2024.

***Expenditure Variances***

- Management and Operating contracts are on budget with 17% of the budget spent.
- Insurance is over budget with 82% of the budget spent due to premiums being paid in full at the beginning of the year.
- Easement leases are over budget with 43% of the budget spent as the annual fee has been paid in full at the beginning of the year.
- Other Communication/Maintenance Costs are over budget with 54% of the budget spent as the annual license for radios has been paid in full at the beginning of the year.





- There are a several line items with 100% of the budget remaining due to the timing of when work is completed, and expenditures occur.

***Capital Expenditures***

Capital expenditures are below budget with 5% of the overall budget spent due to the timing of capital projects.

**2023 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 final representation of the Commissions finances will be presented at the Annual General Meeting (AGM) on April 18, 2024.

**Statement of Operations to Feb 29, 2024**

	Actual 2024	Budget 2024	Variance	Budget % Spent
<b>Revenue</b>				
Water Sales	1,737,075	10,283,860	8,546,785	17%
Water Flat Rate Debenture Proceeds	15,650	93,903	78,253	17%
Interest Earned	97,508	50,000	47,508	195%
<b>Total Revenue</b>	<b>1,850,234</b>	<b>10,427,763</b>	<b>8,577,529</b>	<b>18%</b>
<b>Expenses</b>				
<b>Management Expenses</b>				
Management Contract	24,000	144,000	120,000	17%
Debenture payments	-	93,903	93,903	0%
Legal Fees	683	20,000	19,318	3%
Other Professional Fees	-	20,500	20,500	0%
Honorarium	2,320	16,200	13,880	14%
Audit Fees	-	15,500	15,500	0%
Office Supplies	60	3,600	3,540	2%
Mileage	460	4,000	3,540	11%
Bank Charges & Interest	91	500	409	18%
<b>Total Management Expenses</b>	<b>27,614</b>	<b>318,203</b>	<b>290,589</b>	<b>9%</b>
<b>Operating Expenses</b>				
Water Purchases	985,395	5,818,126	4,832,731	17%
Operating Contract	59,333	356,000	296,667	17%
Seminars & Conferences	-	86,650	86,650	0%
Line Maintenance	834	85,000	84,166	1%
Power	6,408	100,000	93,592	6%
Engineering Fees	1,411	40,000	38,589	4%
Instrumentation & Mechanical	1,097	45,000	43,903	2%
Insurance	28,694	35,000	6,306	82%
Facility Maintenance	415	16,000	15,585	3%
Regular & Annual Meeting Expenses	661	16,000	15,339	4%
Cathodic Protection	-	6,000	6,000	0%
Materials & Supplies	488	13,000	12,512	4%
Computer Maintenance & Supplies	403	28,000	27,597	1%
Easement Leases	2,146	5,000	2,854	43%
Gas	1,816	10,000	8,184	18%
Telephone	930	6,000	5,070	16%
Other Communication / Maintenance Costs	1,354	2,500	1,146	54%
<b>Total Operating Expenses</b>	<b>1,091,387</b>	<b>6,668,276</b>	<b>5,576,889</b>	<b>16%</b>
<b>Total Expenses</b>	<b>1,119,001</b>	<b>6,986,479</b>	<b>5,867,478</b>	<b>16%</b>
<b>Net of Revenue over Expenses</b>	<b>731,233</b>	<b>3,441,284</b>	<b>2,710,051</b>	<b>21%</b>
<b>Net Interfund Transfers</b>				
Drawn from Accumulated Surplus	-	-	-	0%
Transfer to Operating Reserves	-	65,431	65,431	100%
Transfer from Operating Reserves	-	91,650	91,650	100%
Transfer to Capital Reserves	-	3,467,502	3,467,502	100%
<b>Total Interfund Transfers</b>	<b>-</b>	<b>3,441,283</b>	<b>3,441,283</b>	
<b>Net Surplus (Deficit)</b>	<b>731,233</b>	<b>-</b>	<b>731,233</b>	

**Statement of Financial Position as at Feb 29, 2024**

**Financial Assets**

Bank	\$	6,705,227
Accounts Receivable	\$	810,689
Accrued Receivables	\$	-
Investment Interest Receivable	\$	70,706
GST Receivable	\$	49,889
Short Term Investments	\$	8,874,863
<b>Total Financial Assets</b>	<b>\$</b>	<b>16,511,374</b>

**Liabilities**

Trade Accounts Payable	\$	1,297,019
Accrued Accounts Payable	\$	-
Accrued Interest on Debentures	\$	1,315
Deferred Revenue - Gov't Grant	\$	300,000
Debenture 4000845 - 2010	\$	588,577
Debenture 4002395 - 2018	\$	105,605
<b>Total Liabilities</b>	<b>\$</b>	<b>2,292,516</b>

<b>Net-Financial Assets</b>	<b>\$</b>	<b>14,218,857</b>
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**Non-Financial Assets**

Land	\$	208,298
Machinery & Equipment	\$	405,377
Accum. Depreciation - Mach & Equip	\$	(357,095)
Engineering Structures	\$	25,935,158
Accum. Depreciation - Eng Stru	\$	(5,355,389)
Work in Progress - Nisku Booster Station	\$	9,466,106
<b>Total Non-Financial Assets</b>	<b>\$</b>	<b>30,302,454</b>

**Accumulated Surplus**

Rate Stabilization Op Reserve	\$	165,939
Emergency & Operations - Op Res	\$	200,000
General Reserves - Op Reserve	\$	1,074,794
Equipment - Cap Reserve	\$	1,912,701
Future Water Capacity - Cap Reserve	\$	9,201,721
<b>Total Reserves for Future Use</b>	<b>\$</b>	<b>12,555,155</b>
Unrestricted Surplus	\$	2,367,438
Investment - remeasurement gains/losses	\$	-
Equity in Fixed Assets	\$	28,861,661
Current Earnings (Net surplus (deficit) + add back debenture principle)	\$	731,233
<b>Total Accumulated Surplus</b>	<b>\$</b>	<b>44,515,487</b>

**2024 Capital Summary to Feb 29, 2024**

<b>2017.002 Air Release Manhole Rehab</b>	
2024 Budget	171,700
2024 Expenditures	
Budget Remaining	<u>171,700</u>
<b>2021.001 Nisku Booster Station &amp; Beaumont Piping Upgrade</b>	
2024 Budget	15,273,180
2024 Expenditures	<u>(754,268)</u>
Budget Remaining	14,518,912
<b>2023.001 Highway 21 Booster Pump Station Repairs</b>	
2024 Budget	9,700
2024 Expenditures	
Budget Remaining	<u>9,700</u>
<b>2024.001 North Reservoir PRV Replacement</b>	
2024 Budget	25,000
2024 Expenditures	
Budget Remaining	<u>25,000</u>
<b>2024.002 SCADA upgrade</b>	
2024 Budget	200,000
2024 Expenditures	
Budget Remaining	<u>200,000</u>
2024 Total Capital Budget	15,679,580
2024 Total Capital Expenditures	<u>(754,268)</u>
Budget Remaining	14,925,312
Budget Spent	5%

18-24

**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 Gerard Del Rosario, Commission Accountant, CRSWSC.

**Motion Carried Unanimously**

## **7. NEW BUSINESS**

### **A. Drought Management**

#### **Recommendation:**

- 1) It is recommended that the Capital Region Southwest Water Services Commission Board of Directors accept the discussion as information brought forward by Councillor Rick Smith.

Councillor Rick Smith initiated a discussion on water conservation strategies and shared how Arrow Utilities is using grey water as a potential revenue option. Shawn Olson emphasized the commissions' role is for drought management is primarily to ensure knowledge sharing of what actions we have to take at a regional level during drought conditions, and noted that we also do have water saving tips that municipalities can use to educate their residents on our website. In a drought or any event that triggers water demand management, the CRSWSC has an obligation to work with all of our member municipalities towards emergency management following our Emergency Response Plan (ERP), which is currently being updated. Once completed, Operations will convene with all technical members of the municipalities to brief them on the new ERP. Shawn highlighted that at a broad level, Administration will recommend actions for municipalities to take, and noted that water saving tips are provided on the Capital Region Southwest Water Services Commission website. However, there was also encouragement for municipalities to actively share this information with their residents. Municipalities were also encouraged to pay attention to their water haulers to try and ensure that they are not hauling water out of the CRSWSC area, essentially to prevent interbasin water transfers. At a recent water operators conference, Alberta Environment noted that they do not appear to have plans to prevent haulers from taking water from one truck fill and transporting it to a community outside of the basin. This is of particular importance to the CRSWSC members because, due to forecasted drought in Southern Alberta, there may be a market created for transporting water from our most southern truck fills to areas in drought. Board members with truck fills were encouraged to share this information with their councils. The CRSWSC Administration will be sharing it with the technical representatives during ERP briefings.

**19-24**

**Motion:** It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors accept the discussion of Drought Management as information.

**Motion Carried Unanimously**

**B. City of Camrose Feasibility Request**

**Recommendation:**

- 1) It is recommended that the Capital Region Southwest Water Services Commission Board of Directors direct Administration to work with the City of Camrose and other potential municipal partners on an application for the funding of a feasibility study.

Kris Johnson, General Manager of Infrastructure with the City of Camrose proposed the Capital Region Southwest Water Services Commission work with the City of Camrose and other potential municipal partners on a feasibility study.

- 20-24**      **Motion:** It was **Moved** by Mayor Bill Daneluik that the Capital Region Southwest Water Services Commission Board of Directors direct Administration to work with the City of Camrose and other potential municipal partners on an application for the funding of feasibility study.

**Motion Carried Unanimously**

**NEXT MEETING**

The next meeting of the Capital Region Southwest Water Services Commission will be the Regular meeting, scheduled for May 16, 2024 at Black Jacks Roadhouse in Nisku, 2110 Sparrow Dr, Nisku, AB T9E 8A2, with supper to begin at 5:00 pm and the meeting to start at 5:30 pm following the E.L Smith Water Treatment Plant tour.

- 21-24**      **Motion:** It was **Moved** by Councillor Krista Gardner that the Capital Region Southwest Water Services Commission Board of Directors approve the May 16, 2024 Regular meeting to be held at Black Jacks Roadhouse in Nisku, 2110 Sparrow Dr, Nisku, AB T9E 8A2, with supper to begin at 5:00 pm and the meeting to start at 5:30 pm.

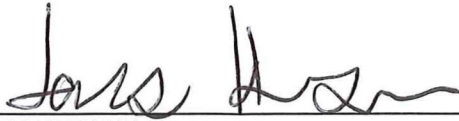
**Motion Carried Unanimously**

**5. ADJOURNMENT**

- 22-24**      **Motion:** It was **Moved** by Councillor Paul Patterson to adjourn the meeting at 6:35 pm.

**Motion Carried Unanimously**



  
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CHAIRMAN

  
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MANAGER

