

CRSWSC



Capital Region Southwest
Water Services Commission

Minutes

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
REGULAR MEETING, HELD ON THURSDAY, MAY 18, 2023 AT 6:00 P.M.
RIGHAND DISTILLERY, 50158 RRR 244A, LEDUC COUNTY, AB T4X 0P3**

1. CALL TO ORDER

Chair Bill Daneluik called the meeting to order at 6:21 p.m.

PRESENT:

Mayor Bill Daneluik	City of Beaumont
Councillor Ashley Miller	City of Beaumont
Councillor Don Faulkner	Town of Calmar
Mayor Sean Carnahan	Town of Calmar
Councillor Lars Hansen	City of Leduc
Councillor Beverly Beckett	City of Leduc
Councillor Doug Lyseng	Camrose County
Councillor Jordon Banack	Camrose County
Councillor Clifford Heinz	Village of Hay Lakes
Councillor Paul Patterson	Village of Hay Lakes
Mayor Ron These	Village of Hay Lakes
Councillor Kelly-Lynn Lewis	Leduc County
Councillor Rick Smith	Leduc County
Mayor Doug Peel	Town of Millet
Councillor Mathew Starky	Town of Millet

ALSO PRESENT:

Roger Steele, Manager, Technical & Utilities	EIA
Des Mryglod, Director, Engineering & Utilities	Leduc County
Kristofer Johnson, GM, Infrastructure	City of Camrose
Shawn Olson, Commission Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc
Lauren Padgham, Treasurer	City of Leduc
Pamela Regier, Project Manager	City of Leduc
Mark D'aoust, Commission Technician	City of Leduc
Katherine O'Dwyer, Recording Secretary	City of Leduc
Gerard Del Rosario, Accountant	City of Leduc
Sean Nicoll, P. Eng	Associated Engineering

WITH REGRETS:

Councillor Krista Gardner	Town of Calmar
Elie Tymchyshyn, Accountant	City of Leduc

CRSWSC



Capital Region Southwest
Water Services Commission

2. ADOPTION OF AGENDA

Minutes

- 19-23** **Motion:** It was **Moved** by Councillor Don Faulkner the agenda for the May 18, 2023 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the March 23, 2023

- 20-23** **Motion:** It was **Moved** by Councillor Rick Smith that the meeting minutes of the March 23, 2023 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

Recommendation:

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

Nisku Booster Station Land Acquisition and RFP

Land Procurement & Third-Party Agreements

The final outstanding agreement for the EPCOR connections has been finalized by EPCOR and returned to the Commission. All agreements are now finalized and completed.

Construction



A groundbreaking ceremony was held on April 5, 2023 with the Board of Directors, Administration, and Maple Reinders.

Maple Reinders mobilized to site mid-March. Hazardous material abatement of the existing facility has been completed and demolition of the building is scheduled for this month. The underground subcontractor also mobilized to site and has commenced the first of two bores under the QEII highway for the new 900mm supply and discharge lines. The tunnel boring and waterline installation will be ongoing over the next several months. A picture of the boring activities are attached to the report as information.

EPCOR Amending Agreement

As part of the EPCOR asset transfer, an amendment was signed for the Water Supply Agreement given the change in points of service. This interim agreement identified the new points of water transfer, however there was no meter at this location to identify consumption. Consumption volume was identified in the agreement as the water flowing through Boundary Station (now EPCOR property), less the volume supplied and metered at Discovery Park (also EPCOR property). A new amendment was to be completed when the Nisku Booster Station is commissioned as this station will have a flow meter and can be used as a demarcation point. EPCOR flow meters will ultimately be required at Leduc County East Reservoir and the Beaumont Reservoir in order to accurately capture all points of sale from EPCOR for the agreement.

A piping upgrade to the City of Beaumont reservoir is being undertaken and the modifications to accommodate the EPCOR meter were accounted for as part of this design. This work is being performed by Maple Reinders as part of the Nisku Booster Station contract.

Administration had Associated Engineering (AE) evaluate the Leduc County East Reservoir in the fall of 2022 to confirm if any piping modifications would be required to accommodate a meter from EPCOR. AE provided a report, dated December 13, 2022, advising that modifications would be required. Administration received a quote from AE for completion of the design for this scope on April 4, 2023 in the amount of \$11,600 and has approved them to proceed. The intent is to have this work completed by the time the Nisku Booster Station is commissioned so that the three demarcation points for water metering are in place and no further amendments are required to the Water Supply Agreement as a result of the EPCOR sale after this milestone. While the meters are being paid for by EPCOR, it's the Commissions responsibility to ensure it will fit within the station.

Town of Calmar Developments



Administration previously reported on a Subdivision Application for Highway 39 Industrial Stage 2 (Application 2022-002S) in the March 23, 2023, Manager Report. A letter was received from the Town of Calmar Subdivision Authority on March 28, 2023 noting that this subdivision has been conditionally approved (see attached).

Administration also received two letters on April 11, 2023 advising of proposed land use bylaw amendments Bylaw 2023-15 and 2023-16 with comments required by May 1, 2023. No comments were provided as Administration noted no concerns. The letters are attached for reference.

City of Beaumont Developments

Administration received a notice from the City of Beaumont with regards to a public hearing for Bylaw 1028-23 which proposes changing the name of the Lakeview Area Structure Plan to Azur/Lakeview Area Structure Plan. The Public Hearing was scheduled for April 25, 2023 with comments due the day prior. The Administration had no concerns with the amendments and as such no comments were submitted. All notices referenced above are attached to this report for reference.

Shawn Olson commented on 65 ave. project and how the Commission Administration is working with the contractor and handling any commission locations as well as thanking Pam Regier on her efforts handling the crossing agreements.

Regional Water Customers Group (RWCG)

On March 13, 2023 the Regional Water Customers Group (RWCG) Steering Committee issued a letter to EPCOR confirming agreement on the cost allocated to regional customers in their review of the 2021 EPCOR Rate Model (attached).

A RWCG Steering Committee meeting was held on May 4, 2023. All attachments from this meeting are attached to this report except for the financial presentation documents which are included in the Treasurer Report.

The RWCB is passing a trust agreement for the water diversion license held by the RWCG for all of the members. This will be passed 30 days from May 4, 2023, subject to any clarifications or objections received from the membership. This agreement is also attached for reference.

Chair Daneluik asked the function of the RWCB. Shawn Olson went over the primary function and goals of the RWCG.

May & September 2023 Meetings



The City of Leduc Golf Course Meeting Room is unavailable for the May and September 2023 Board Meetings. Administration has booked the May 18th meeting at Rig Hand Distillery in Leduc County and the September 21st meeting at the Colonial Golf Course in the City of Beaumont.

Building Valuation & Loss Control Program

Suncorp Valuations reached out to the CRSWSC through AB Municipalities on April 6, 2023 to schedule an assessment of our insured assets. The intent of the valuation is to ensure that in the event of a loss experienced by the commission that we are adequately covered. The inspection was scheduled for Tuesday April 18. The Commission is awaiting the results of the evaluation and will ensure our asset insurance amounts are updated accordingly, if required.

EIA Reservoir 2

In 2021 the CRSWSC reached out to the Edmonton Airport to finalize the FAC for the EIA reservoir 2. A copy of the CRSWSC FAC form was provided to EIA to be completed. The EIA has been unsuccessful in contacting the original engineer of record to sign off on the FAC. In order for the CRSWS to take over the asset there needs to be some insurance that the asset has been built and designed according to standards. As a middle ground, the EIA agreed to pay for the Commissions engineer (Associated Engineering) to undertake an assessment to minimize risk to the CRSWSC in taking over the asset. The inspection was performed on May 4, 2023, and results will be reported to the board at the next board meeting.

Commission Facility Locates

Commission operators have completed 132 Utility Safety Partner locates in 2023 on Commission facilities, as compared to 34 at this time in 2022.

21-23

Motion: It was **Moved** by Councilor Kelly-Lynn Lewis the Capital Region Southwest Water Services Commission Board of Directors receives passing a trust agreement for the water diversion license held by the RWCG for all of the members. This will be passed 30 days from May 4, 2023, subject to any clarifications or objections received from the membership.



Minutes

Motion Carried Unanimously

- 22-23** **Motion:** It was **Moved** by Councilor Paul Patterson 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.
- 2) It is recommended that the Board of Directors approve the transfer of \$340,000 from water purchases to the Future Water Capacity reserve.

2023 Financial Update

The financial reports have been prepared up to April 30, 2023. After four months of operations, there should be approximately 33% of the budget spent/earned. Management expenses are under budget with 21% of the budget spent and operating expenses are on track for the year with 31% of the budget spent.

Water sales and purchases

- Both water sales and purchases are within budget with 32% of the budget spent/earned. To date the Commission has recorded a line loss of 2.89%.

Revenue Variances

- Interest earned exceeds the budget for the year due to interest earned on investments and bank deposits. Investment and bank balances will begin to decline as spending on the Nisku Booster Station occurs throughout 2023 & 2024.

Expenditure Variances

- Insurance is paid in full at the beginning of the year.
- Debenture payments are paid in June and December.
- Honorarium, Mileage, and Regular & Annual Meeting Expenses is over budget at this time due to the AGM occurring early in the year.

- Other Communication/Maintenance Costs are at 52% of the budget spent as the annual license for radios has been paid in full at the beginning of the year.
- There are a number of line items with 0% of the budget spent due to the timing of when work is completed and expenditures occur.

Capital Expenditures

Capital expenditures are below budget with 4% of the budget spent due to timing of capital project.

2022 Audit

The Commission Auditors, MNP LLP, completed and presented the audit findings at the AGM. The Financial Statements along with Financial Information Return have been submitted to the Province.

Regional Water Customers Group

Balancing Fund & Interim Rate Adjustment

The Regional Water Customers Group (RWCG) meeting was held on May 4, 2023. The 2021 settlement with EPCOR is about to be finalized. The RWCG has not received the 2021 settlement in the balancing fund as of that date. This is due to the rate being set at \$1.01/m³ and the actual rate was \$0.87/m³. This is savings of \$0.14/m³ which results in a refund to the balancing fund of approximately \$5.3M. This is over and above the internal maximum set by the RWCG for the balancing fund. The RWCG decided not to pay out to the members and utilize the current year rate to capitalize on these savings.

The 2023 rate was set at \$1.01/m³ and due to the 2021 upcoming settlement the RWCG voted to reduce the rate to \$0.90/m³. The rate of \$0.90/m³ will start July 1, 2023, and continue to December 31, 2023. To capitalize on these savings, Administration is proposing adjust the budget and transfer the \$0.11/m³ (\$340,000) savings to the Future Water Capacity Capital Reserve.

23-23 Motion: It was **Moved** by Councilor Doug Lyseng 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

24-23 Motion: It was **Moved** by Councilor Lars Hansen that the Capital Region Southwest Water Services Commission Board of Directors approve the budget adjustment of \$340,000 from water purchases to the Future Water Capacity reserve.

Motion Carried Unanimously

6. UNFINISHED BUSINESS

There were no unfinished business items presented.

7. NEW BUSINESS

A) 2020 Master Plan Rate Comparison – presented by Sean Nicoll, P.Eng. Associated Engineering

25-23 It was **Moved** by Councilor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors receives as information the 2020 Master Plan Rate Comparison. as presented by Sean Nichols.

Motion Carried Unanimously

B) Remuneration Remuneration and Expense Policy Update

26-23 It was **Moved** by Councilor Beverly Beckett that the Capital Region Southwest Water Services Commission Board of Directors receives as information the remuneration and expense policy update.

Motion Carried Unanimously

C) Rick Smith would like the Commission Administration to research flights to allow for premium economy for flights more than 4 hours business class to be covered.

27-23 It was **Moved** by Councilor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors approve the Commission Administration to compare and review the flight cost coverage.

Motion Carried Unanimously

D) Councilor Kelly-Lynn Lewis would like the Commission to develop a sub committee to review the current policies and upcoming policy development.

28-23 It was **Moved** by Councillor Kelly-Lynn Lewis that the Capital Region Southwest Water Services Commission Board of Directors to develop a sub committee to review the current policies and upcoming policy development.

Rick Sereda wanted to acknowledge Mark D'aoust and the Commission operators during the current dry time the daily draw rates higher than average and their attention to monitoring and consistent efforts with the recent increase in draw rates and high demand.

Chair Bill Daneluik commented on the 6 years of his time on the Board he feels like it's legacy work that has been done and he has enjoyed being part of a great group of people. WEFTEC is encouraged, please feel free to attend the conferences as part of the Commission. Reach out to Katherine O'Dwyer for any questions on registering for WEFTEC.

8. NEXT MEETING

The next Regular Board meeting is scheduled for September 21, 2023, to be held at Coloniale Golf Club, Beaumont, AB. Details to be sent out in August.

9. ADJOURNMENT

29-23 **Motion:** It was **Moved** by Councilor Jordan Banack to adjourn the meeting at 7:24 p.m.

Motion Carried Unanimously

CHAIRMAN

MANAGER

