

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION  
REGULAR MEETING, HELD ON THURSDAY, MAY 19, 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 6:00 p.m.

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|-----------------|-------------------------------|----------------------|
| <b>PRESENT:</b> | Mayor Bill Daneluik           | City of Beaumont     |
|                 | Councillor Ashley Miller      | 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 Doug Lyseng        | Camrose County       |
|                 | Councillor Jordon Banack      | Camrose County       |
|                 | Councillor Clifford Heinz     | Village of Hay Lakes |
|                 | Councillor Paul Patterson     | Village of Hay Lakes |
|                 | Councillor Kelly Vandenberghe | Leduc County         |
|                 | Councillor Kelly-Lynn Lewis   | Leduc County         |
|                 | Mayor Doug Peel               | Town of Millet       |
|                 | Councillor Mathew Starky      | Town of Millet       |

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|----------------------|--|---------------|
| <b>ALSO PRESENT:</b> | 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 |
|                      | Shannon Bremner, Recording Secretary           | City of Leduc |
|                      | Keri Nelson, Administrative Assistant          | City of Leduc |
|                      | Des Mryglod, Director, Engineering & Utilities | Leduc County  |
|                      | Chad Maki, Associated Engineering              |               |

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|----------------------|--|-----------------|
| <b>WITH REGRETS:</b> | Councillor Kevin Hycha                       | City of Camrose |
|                      | Councillor Lana Broker                       | City of Camrose |
|                      | Kristofer Johnson, GM, Infrastructure        | City of Camrose |
|                      | Roger Steele, Manager, Technical & Utilities | EIA             |
|                      | Elie Klimp, Accountant                       | City of Leduc   |

**2. ADOPTION OF AGENDA**

- 22-22**      **Motion:** It was **Moved** by Councillor Beverly Beckett that the agenda for the May 19, 2022 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

**Motion Carried Unanimously**

**3. APPROVAL OF MINUTES****A. Minutes of the March 17, 2022 Regular Meeting**

- 23-22**      **Motion:** It was **Moved** by Councillor Ashley Miller that the meeting minutes of the March 17, 2022 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****Beaumont Piping Upgrades**

History: In 2020, the Commission had Associated Engineering (AE) undertake the design of piping upgrades within the Beaumont fill station as part of planned Capital Upgrades identified within the 2020 Water Master Plan. The construction of these upgrades was included in the 2021 budget. Administration is working with AE to update the design as a result of the EPCOR asset sale and new Nisku Booster Station design. Once the new station is commissioned, part of the EPCOR Sale Agreement is that EPCOR will install water flow meters at each facility for invoicing purposes. Given the logistical challenges of installing 2 meters in some of the facilities, Administration directed AE to review the option of tying into EPCOR's meter. EPCOR was amenable to the preliminary discussions.

A Technical Memorandum comparing meters was provided to EPCOR at the end of October. EPCOR provided a response to AE on January 7, 2022 advising that they did not prefer to consider new meters due to increased maintenance, operating, and training costs associated with having multiple types of meters for their regional customers. They advised that EPCOR has a Programmable Logic Controller (PLC) within each regional meter that converts the pulse signal from

their meter into 4-20mA signal communicated to EPCOR's SCADA system. They proposed exploring the option of providing the Commission with that signal or supporting the Commission on improvements to our PLC to accommodate a direct pulse input from the meter, rather than installing a second meter or changing from their standard meter. AE reviewed both options and advised that neither option is suitable for the Commission system, as conversion of the pulse count does not provide the accuracy required for controls.

New Information: AE has now received the meter specifications from EPCOR and submitted the finalized design on May 6, 2022 which accommodates meters. Administration is currently reviewing the finalized design. AE will request quotations for this work from three contractors in June. The project is scheduled to commence in September so as not to impact water service delivery during the peak summer months.

#### **Management and Operations Contract RFP**

Administration previously advised the Board at the January 20, 2022 meeting on the process for the Request for Proposal (RFP) for the Management and Operations contract. In accordance with that process, the RFP is being drafted in consultation with Associated Engineering for the Management and Operations contract. Administration will be issuing the RFP to member municipalities at the end of May and it will close near the end of August 2022. The sealed submissions will then be turned over to the RFP Submission Review Committee. The Review Committee, which was also discussed at the January 20, 2022 Board meeting, has been confirmed as Wally Yachimetz, former CRSWSC Commission Chair, and Jason Casault, Chair of the Regional Water Customers Group (RWCG). The RFP Submission Review Committee will then provide a recommendation of award to the Board of Directors at the September 15, 2022 Board Meeting.

#### **Insurance**

Administration was directed to review the coverage the Commission has for Director and Officer (D&O) Liability Insurance as a follow up to Brownlee's presentation at the March 17, 2022 Board Meeting. AMSC has confirmed that the Commission currently has a \$1 million D&O policy per loss, per year. This means the \$1 million is not per Director, but per incident for the organization's Directors as a whole. The 1<sup>st</sup> and 2<sup>nd</sup> excess liabilities does not cover D&O and is only applicable to the Auto and Commercial and General Liability policies. Administration received a quote to increase the D&O Liability policy from \$1 million to \$3 million at an increased cost of \$520 per year. The current cost for the \$1 million D&O policy is \$866 per year. Administration offered to arrange to increase the D&O policy to the \$3 million limit, subject to Board approval.

24-22

**Motion:** It was **Moved** by Councillor Kelly Vandenberghe that the Capital Region Southwest Water Services Commission Board of Directors direct Administration to increase D&O coverage to \$3 million at an increased cost of \$520 per year.

**Motion Carried Unanimously**

**Regional Water Customers Group (RWCG)**

A RWCG Steering Committee meeting was held on April 27, 2022. EPCOR provided a RWCG Cost of Service and Rate update which was attached to the report for reference. The 2021 actual unapproved rate is showing a savings of \$.01397/m<sup>3</sup> below the interim approved rate and the 2022 rate is being forecast at a minor savings of \$0.027/m<sup>3</sup> lower than the approved rate. The presentation was attached for reference.

The Steering Committee also circulated a March 8, 2022 Raftelis memo regarding the review of EPCOR's 2020 Actual Wholesale Water Rate. The memo was attached to the report for reference. Raftelis also presented a rate analysis and review at the meeting, which was also attached.

EPCOR also presented how their standards with regards to residential water use are changing. EPCOR has reduced their residential water standard to 220l/c/d as they are trending towards 160l/c/d. This reduction will have an impact on storage requirements and thus future water infrastructure requirement timings. This means that we will get more life out of our existing assets before upgrades are required. There is no immediate impact to Commission facilities as existing storage requirements are based on actuals. This would have an impact on future reservoir and pipeline construction as sizing new facilities would be based on updated projected flow requirements. This is of benefit to the Commission, as it will delay previously planned infrastructure upgrades, as identified within the current Master Plan.

**EIA Reservoir 2**

The Commission is still waiting on the EIA to return the FAC documents for Reservoir 2. Roger Steele has informed Administration that he is trying to get in contact with AECOM to get an engineer or someone else who worked on the project to sign off on the FAC. There has been no update since the last Board meeting.

**Commission Facility Locates**

Commission operators have completed 34 Utility Safety Partner locates to date this year on Commission facilities, as compared to 298 at the start of 2021. Administration believes the reduction in locates is due to providing Utility Safety

Partners with a shape file last year, which refined and gave better certainty with respect to the areas that require Commission locates. Mark D'aoust and the City of Leduc GIS team were commended for their hard work on this project.

#### **Beaumont Digital Ball Camera**

The smart ball project will be scheduled for late Summer or early Fall. Administration has reached out to the City of Beaumont to confirm adequate flows will be able to be maintained throughout the inspection. Administration has also decided to add a chamber around the insertion point and utilize the hot tap as an air relief chamber, as well as an access point for future inspections and as a flush point.

#### **Orthophosphate Update**

EPCOR has distributed their notification letters and have advised that communities are now free to start their orthophosphates communication programs to notify their residents and businesses that will be affected. At the previous Board meeting, member municipalities were made aware that they could contact the CRSWSC if they needed any communications materials for their customers. Members who require additional information or support are welcome to contact Mark D'aoust, Commission Operations Technician, if they have not already received information directly from EPCOR.

#### **Erwick Development**

The Ohaton extension is currently underway and staff, consultants and contractors are expected to be in touch with the Commission shortly to coordinate the communication of information back to the CRSWSC. At the current time they believe that the majority, if not all, underground infrastructure has been installed.

#### **CRSWSC Emergency Alert April 20, 20**

On April 20, 2022 EPCOR Water Services reported that a motor vehicle accident had caused significant damage to a Fortis Alberta's power pole, which feeds their booster station. As a result, the pole needed to be replaced. Fortis mobilized their crew and equipment and the repairs were extended into the later part of the afternoon. The pumps to the former Commission Boundary Pumping Station were offline until Fortis could finish repairs. The CRSWSC operators continued to monitor reservoir levels until the repair was completed at approximately 5:50 p.m. All reservoirs returned to normal fill operations and no communities were affected.

#### **Nisku Booster Station Land Acquisition and RFP**

The Land Agent, Bear Land Services, sent Agreements for the necessary temporary working space, right of ways, and access road and parking easements

required for the project to Leduc County on January 5, 2022. Leduc County Council approved these Agreements at the February 22, 2022 Council Meeting. Administration received signed documents on March 3, 2022 and will finalize the documents and arrange for registration with Alberta Land Titles once the Execution of the Option to Purchase for the land parcel for the Booster Station is received. This document was sent to Leduc County on April 6, 2022. There were some issues with Schedule A-1 and a revised schedule was issued to Leduc County on May 2, 2022, both of which were attached to the Manager's report.

Bear Land Services also prepared an Agreement for the working space needed on the GoRV lot. The Land Agent is currently negotiating on the space and cost of the working space directly with GoRV on the CRSWSC's behalf. A verbal agreement has been reached and Bear Land Services will be sending a formal Agreement to GoRV shortly.

The sitework for the geotechnical investigation is complete and the report is anticipated by the end of May. Detailed design is progressing. The 60% design submission was submitted to Administration on May 5, 2022 and a model review workshop was held on May 9, 2022. The Agreements have been signed with both Fortis and ATCO to relocate their overhead power lines and gas cabinets respectively.

Procurement for the project is expected to commence over the summer once the design is completed. As the next Board meeting is not until September, which will be after the procurement is completed, Administration had Associated Engineering present the Board with the current 3D model rendering (60% design rendering) of the project, to make sure the look of the project was aligned with the vision of the Board before it is procured. Administration incorporated feedback previously provided by the Board into the design. The final version that will have been tendered will be brought forward to the Board for information at the September 15, 2022 Board meeting.

There was an inquiry regarding whether natural gas was considered instead of diesel. Associated Engineering (AE) investigated this and most notably, the decision to go with diesel was related to site restrictions, considering that the lot is small and the building takes up significant space. The natural gas genset is larger and would result in the project extending over our site coverage maximums for the Development Permit. Administration and AE spent a lot of time discussing this and another important consideration was that diesel is more reliable in an emergency, as it is less likely to be impacted during a supply interruption like natural gas could.

A Board member inquired about staffing requirements for the Nisku Booster Station and working alone practices. Administration advised that staffing requirements will be similar to other CRSWSC facilities, which are visited by operators on a daily basis. The SCADA technology allows the operators to manage the facilities remotely; however, physical checks are still required to assist in the prevention of theft, etc. The operations and maintenance procedures also require a weekly inspection of generators, as well as a monthly safety inspection by a professional licensed mechanic. When working alone, Commission operators utilize an App called *CheckMate* which requires operators to check in every 2 hours. If the operator does not check in, the supervisor and security is immediately alerted.

The Nisku Booster Station project will be tendered in the Fall and will be open for several weeks. Administration advised that the tender has been advanced to allow lead time for contractors to order supplies and materials, given supply chain delays. Depending on the contractor's schedule, building demolition and abatement could begin in the Fall, should the contractor wish to gain a head start. The project is anticipated to take 18 months and currently has a budget of \$15 million. Unfortunately, it is anticipated that the project will come in over budget though, considering that general materials and supplies have increased 40%. Administration and Associated Engineering will update the Board once the estimate is revised.

The Commission is waiting to hear whether the grant applications were successful, which would cover a portion of the entire project. If the Commission receives grant funding for the project through Water for Life, it would fund a percentage of the overall project costs, including any solar panels. It was clarified that grant funding specifically towards the solar panel installation was not applied for as part of this project; however, this investment will be recovered through utility cost savings as the installation will cover the building load requirements, with exception of pump operations.

A Board member inquired about the Water Master Plan and what year of the plan the Commission is currently in. The Commission is currently within year 2 of the Master Plan, as it was completed in 2020. The next Water Master Plan is due to be completed in 2025. It was suggested that the Board may wish to consolidate the Water Master Plan and Strategic Plan into one document in the future, in the interest of cost savings. The Strategic Plan term is 2019 – 2023, although all 10 high priority items have been completed well before the 2023 timeline. The Board was asked to think about the suggestion to combine the Water Master Plan and Strategic Plan into one document, so this can be brought forward at the September 15, 2022 for further discussion.

25-22

**Motion:** It was **Moved** by Mayor Doug Peel 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 April 30, 2022. After four months of operations, there should be approximately 67% of the budget remaining. Management expenses are under budget with 78% of the budget remaining and operating expenses are on track for the year with 68% 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 at 67%. To date the Commission has recorded a line loss of 2.86%.

***Revenue Variances***

- Interest earned on bank deposits and investments is projected to exceed the budget for the year, which is of benefit to the Commission. The Commission has earned \$93,000 in interest revenue year to date.

***Expenditure Variances***

- Legal fees are under budget with 87% of the budget remaining.
- Other Professional Fees are slightly over budget sitting at 46% due to the timing of the AGM and Board Orientation.
- Debenture interest and principal payments are made in June and December therefore no entries have been recorded for 2022.
- 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.
- Insurance has been paid in full for the year and is over budget due to an increase in property premiums over 2021. Insurance premiums are \$33,000 for 2022; the premium was \$23,000 in 2021. Finance had budgeted \$30,000 in anticipation of rate increases; however, this increase was much more than expected. Administration has since approached AMSC Insurance Services to inquire about the increase in premium, given that the Commission removed insurance on the Booster Station. Administration will report back at the September 15, 2022 Board meeting.

A Board member inquired whether the Commission would consider self-insuring, given continual premium increases. Administration advised against this due to the high level of liability and risk, and suggested that there may instead be opportunity to increase deductibles in return for a reduction in premiums. Administration will complete a risk analysis of self-



insurance and increased deductible scenarios and will bring this information forward at the September 15, 2022 Board meeting.

***Capital Expenditures***

Capital expenditures are below budget with 99% of the overall budget remaining due to timing of capital projects.

**Regional Water Customers Group (RWCG)**

The RWCG met on April 27, 2022; EPCOR provided a RWCG Cost of Service and Rate update, which was attached to the Managers Report. The 2020 and 2021 rates are unapproved but are projected to be as follows. The 2020 unapproved actual rate is \$0.96/m<sup>3</sup> which is \$0.01/m<sup>3</sup> higher than the interim rate of \$0.095/m<sup>3</sup> which will result in a balance owing to EPCOR from the balancing fund. The 2021 unapproved actual rate is \$0.8703/m<sup>3</sup> which is \$0.1397 less than the interim rate of \$0.95/m<sup>3</sup> which will result in a refund to the balancing fund. When the rates are approved the RWCG settlements will be processed through the balancing fund. Administration advised that they have now received a letter on Monday, May 16, 2022 confirming the 2020 rate, as referenced above.

26-22

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

6. **UNFINISHED BUSINESS**

There were no unfinished business items presented.

7. **NEW BUSINESS**

There were no new business items presented.

8. **NEXT MEETING**

The next regular meeting of the Capital Region Southwest Water Services Commission is scheduled for September 15, 2022.

Professional development opportunities were discussed. Several Board members and members of Administration plan to attend the WEFTEC conference in New Orleans, Louisiana from October 8 - 12, 2022. Board members were asked to let Administration know by June 10, 2022 if they are interested in attending, so Administration can assist with coordinating travel arrangements. The Town of Calmar Board members will be attending the Canadian Water Summit conference from June 1 – 3, 2022 and will provide a brief conference report at the following September 15, 2022 Board meeting.

**9. ADJOURNMENT**

**27-22**            **Motion:** It was **Moved** by Mayor Bill Daneluik to adjourn the meeting at 6:49 p.m.

**Motion Carried Unanimously**

CHAIRMAN   
MANAGER 