

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, MAY 20, 2021 AT 6:00 P.M.
 VIRTUAL MEETING VIA GOTOMEETING**

1. CALL TO ORDER

Chair Wally Yachimetz called the meeting to order at 6:00 p.m.

PRESENT:	Mayor Wally Yachimetz Councillor Krista Gardner Councillor Kelly-Lynn Lewis Councillor Bill Daneluik Councillor Sam Munckhof-Swain Councillor Greg Gillespie Mayor Dave Vallee Deputy Mayor Dawn Pauls Councillor Beverly Beckett Councillor Lars Hansen Mayor Tony Wadsworth Councillor Mike Storey	Town of Calmar Town of Calmar Leduc County City of Beaumont City of Beaumont Camrose County Village of Hay Lakes Village of Hay Lakes City of Leduc City of Leduc Town of Millet Town of Millet
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ALSO PRESENT:	Councillor Kevin Hycha Councillor David Ofrim Malcolm Boyd, CAO Roger Steele, Manager, Technical & Utilities Shawn Olson, Commission Manager Rick Sereda, Operations Manager Lauren Padgham, Treasurer Gerard Del Rosario, Accountant Shawn Tooth, Manager, Utility Services Pamela Regier, Project Manager Samantha Folster, Project Manager Shannon Bremner, Recording Secretary Dean Downey, Manager, Utilities Jason Angus, Manager, Infrastructure	City of Camrose City of Camrose City of Camrose EIA City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc Leduc County City of Beaumont
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WITH REGRETS:	Councillor Kelly Vandenberghe Councillor Doug Lyseng	Leduc County Camrose County
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2. ADOPTION OF AGENDA

Rick Sereda advised of an addition to the Manager's Report to discuss a water main break incident that occurred on May 12, 2021.

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- 24-21 **Motion:** It was **Moved** by Mayor Tony Wadsworth that the agenda for the May 20, 2021 Capital Region Southwest Water Services Commission regular meeting be approved as amended.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the March 18, 2021 Meeting

- 25-21 **Motion:** It was **Moved** by Councillor Beverly Beckett that the meeting minutes of the March 18, 2021 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Motion Carried Unanimously

4. REPORTS OF OFFICERS

A. Manager's Report

Strategic Plan – High Priority Items

HIGH PRIORITY ITEMS

1. *Provide comprehensive orientations to Board members. (Internal Efficiency – 4.2.1)*
Development of an orientation manual is underway. It is being drafted in conjunction with the governance manual outlined in item 3 below and was brought forward under New Business for Board feedback. It is intended that this feedback will be incorporated and the manual brought forward for adoption at the September meeting, before the October election.
2. *Provide ongoing training to Board members. (Internal Efficiency – 4.2.1)*
The Board and Administration Training and Development Policy has been revised and was discussed further under New Business.
3. *Develop a current governance policy manual. (Internal Efficiency – 4.2.4)*
Development of a governance policy manual is underway. It is being drafted in conjunction with the orientation manual outlined in item 1 above and was brought forward as New Business for Board feedback. It is intended that this feedback will be incorporated and the manual brought forward for adoption at the September meeting, before the October election.
4. *Be fiscally sustainable as a Commission. (Operational Consistency – 4.2.3)*
A Reserve Policy was adopted at the March 18, 2021 Board Meeting, so this is now completed. This item will be reflected as a completed item in the September Board meeting Manager's Report.

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5. *Create a regional water conservation plan. (Reduce Per Capital Use – 4.3.4)*
Administration had requested further direction from the Board on this item at the March 18, 2021 Board meeting to understand how this priority item is different than the water conservation information that was previously prepared and distributed to municipalities. As a result of direction provided, Administration will review the “Tips for Saving Water” document with technical members at a Fall meeting, in conjunction with the water demand measures discussed under item 6 below.
6. *Be prepared for water supply-related emergencies. (Plan B Options – 4.4.4)*
Administration was previously unclear if the Board envisions this item pertaining to water demand management or if it pertains to seeking alternative water supplies and as such was seeking direction on this initiative. Water demand measures were previously provided to members and are on the CRSWSC website for reference.

With regards to alternative water supplies, the Commission is limited in this regard per the existing Water Supply Agreement with EPCOR. The Agreement prevents any cross connections and only permits alternate sources of water for brief periods if/when EPCOR is unable to provide the volumes requested by the Commission, as detailed below. The Water Supply Agreement was renewed for a 20-year term, effective May 12, 2018 at the February 21, 2019 Board meeting (Motion 11-19).

In accordance with Section 3(c) of this Agreement, the customer will “obtain all of its Water requirements, for the Point/s of Delivery defined in Schedule “d”, from EPCOR provided that if EPCOR is at any time unable to supply the quantity of Water required by Customer, then Customer must purchase from EPCOR the maximum amount of Water which EPCOR is able to supply and, after giving prior notice to EPCOR, Customer may use an alternate source of supply to supplement its needs, but only until such time as EPCOR is able to supply additional quantities of Water.”

Additionally, it is noted in 3(k) that “Customer and EPCOR will not allow or permit any Cross Connections”, which is defined as any physical connection to the system whereby water may become contaminated.

Administration requested direction from the Board at the March 18, 2021 meeting. As a result of this direction, Administration circulated a letter to the CAO of each member municipality with the published water demand management measures on May 7, 2021. A copy of one of the letters was attached to the report for reference. Administration will also coordinate a meeting with the technical representatives from each of these municipalities in the Fall to affirm their understanding of the procedures. This will be repeated as an annual reminder moving forward, so this will remain a high priority item.

COMPLETED ITEMS

1. *Align the Commission's Master Plan with Members municipal plans. (Communicating with Members - 4.1.1)*
2. *Educate Members on water conservation methods. (Managing a Scarce Resource – 4.3.1)*
3. *Charge reasonable rates to Members. (Master Planning – 4.4.1)*
4. *Provide a simplified utility rate structure summary to Members. (Master Planning – 4.4.2)*

Nisku Booster Station Land Acquisition and RFP

Associated Engineering (AE) has begun preliminary engineering for the site and confirmed building size requirements in order to identify any necessary variances that may be required from Leduc County's Development group. AE has commenced discussions with Leduc County regarding necessary variances required. A response was received on May 13, 2021 indicating that the variances requested are not an issue. As such, detailed design has now commenced and Administration will move forward with AE in negotiations for the land parcel with Leduc County.

The land assessment document has been updated and finalized. AE has reached out to two demolition firms for quotations on hazardous material abatement and building demolition to supplement the land assessment in negotiations with the County regarding the land parcel's value.

The intent is to have the land parcel procured in 2021 and design complete for early 2022 tender.

Bylaw Updates

This was addressed as an Unfinished Business item later in the meeting.

Regional Water Customers Group (RWCG)

Brownlee LLP provided a copy of a letter filed with the Alberta Utilities Commission on April 28, 2021 that withdrew the 2019 rate complaint in light of a settlement between the parties. This letter was attached to the report for reference.

The RWCG also discussed the 2020, 2021 and projected 2022 rates at the May 6 meeting with EPCOR. The 2020 rate is finalized at \$0.96/m³ pending verification and the interim projected rate for 2021 is \$0.98/m³ (down from the projected \$1.01/m³ at the beginning of the year). 2022 and 2023 are currently forecasted at \$1.03/m³ and \$1.08/m³ due to the increased costs associated with the orthophosphate system (design of which is underway with construction later this year and dosing occurring by Q4 2022) to address any potential lead in drinking water, E.L. Smith upgrades and transmission and distribution upgrades. The

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RWCG is working with Bill Stannard to review the rates put forward by EPCOR to ensure they are in alignment with the cost of service model. While these rate projections have increased slightly quicker than the Commission's 2020 Master Plan projections, they are still well within what has been budgeted in the 3-year plan so Administration sees no reason for concern.

Orthophosphate dosing was originally scheduled for 2021, however due to the COVID-19 pandemic it has been delayed to Q4 2022. EPCOR will use the next several months to gear the treatment facility up to include orthophosphate treatment. Public relations information material will be provided by EPCOR in late 2021 that can be distributed to residential and commercial customers at that point. Orthophosphate may have an effect to industrial customers process water so EPCOR needs to ensure that all industrial customers are up to speed.

In addition to discussions on rates, EPCOR shared that they are continuing to plan for emergency preparedness through drills on spill responses and flood mitigation at treatment plants. More information can be found in the presentation from EPCOR that was attached to the report.

Enmax Agreement

The CRSWSC's electricity Agreement with Enmax expired on March 31, 2021. The new Agreement provided by Enmax had a Load Following Price of \$0.07195/kWh as compared to the previous agreement of \$0.05473/kWh. Enmax advised that the rate was subject to fluctuations in market pricing and is not a reflection of the lowered demand projections resulting from the sale of the Boundary Station to EPCOR.

After negotiation with Enmax, Administration was able to add the Commission as an additional customer onto the City of Leduc contract with Enmax, at a rate even lower than the expiring Agreement with the Commission, resulting in substantial cost savings (estimated at approximately \$12,000/year based on forecast demand projections). The City of Leduc Agreement is set to terminate June 20, 2026 and the Commission can take advantage of this low rate until that time. The Commission is also free to review an independent contract at anytime should market electricity rates fall. This represents a significant benefit to the Commission, as renewing at market rates were approximately 27% above what our previous contract was.

Beaumont Elan Development

The CRSWSC received a notice on April 1, 2021 that Elan Phase I in Beaumont has been approved for a Subdivision Approval Timeline Extension, valid until April 15, 2022. We received this information as an appeal body in accordance with Section 678(1) of the MGA. Appeals were to be submitted by March 31, 2021. Administration did not file an appeal as the Elan Development had been previously reviewed with no concerns. The notice was attached to the report for reference.

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Beaumont Piping Upgrades

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 Master Plan. The construction of these upgrades was budgeted in the 2021 budget. Administration is working with Associated Engineering 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 is currently deciding on a meter standard and AE will review this standard to see if this option is feasible. Administration believes the risk of reliance on a third party water meter is low, as this was done previously at the Boundary Station. Additionally, the Water Agreement with EPCOR provides the CRSWSC opportunity to challenge EPCOR's readings. Should EPCOR specify a compatible meter, Administration will move forward with this option. Administration will ensure the meters are properly maintained by EPCOR, including routine calibrations. This result will provide cost savings to the Commission in sharing this resource with EPCOR and further demonstrates ongoing regional collaboration with Commission partners.

Councillor David Ofrim and Malcolm Boyd joined the meeting at 6:22 p.m.

Crossing Agreements

There were two items in the initial Strategic Plan that were lowered in priority this year, which Administration had already started working on. These are as follows:

1. *Evaluate crossing agreements within Member rights of way. (Managing a Scarce Resource – 4.3.2)*
2. *Request that Members development permitting process includes identifying location of Commission water lines. (Master Planning – 4.4.3)*

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.

Administration has been working with Associated Engineering on drafting a new Water Policy that includes this recommendation, which was intended to be brought forward in the Fall for approval and adoption. To accompany this, Administration has generated an interactive map which can be hosted on the Commission website for municipalities and third parties to reference, pending Board direction.

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Administration contacted Reynolds Mirth Richards Farmer LLP (RMRF) who reviewed the risk of providing this service to the public and drafted a disclaimer notice for the website. Administration demonstrated the interactive map to the Board, noting that there are still a few changes forthcoming, including adding the appropriate disclaimer noted above. The interactive map includes asset information, links to as-built drawings and provides aerial map imagery. This tool also provides opportunity to store historical information which can be used for risk and asset management purposes, such as valve replacements or water main breaks. It was suggested that with the legal disclaimer, this map and select information could be made available to the public on the CRSWSC website, to provide a general understanding of where CRSWSC lines are located.

The Board was impressed with the interactive map and agreed that it will be extremely valuable in providing member municipalities with an understanding of where CRSWSC infrastructure is located, to help determine when crossing agreements are required. There was general concern however with sharing this information publically, as it presents security risk in consideration of potential terrorism incidents or illegal connections. Additionally, there was concern that the public may make assumptions in regards to whether they need to submit an Alberta One Call ticket based on this map. With these concerns in mind, a thorough discussion was held to determine whether there is a need or purpose to provide this information publically.

Administration advised that open data is now common practice, with many municipalities sharing their infrastructure information publically, which is why this was suggested for consideration. Pending Board direction, critical infrastructure points could be removed and only select layers of information could be made available for public viewing. Detailed information will only be available to member municipalities through a secure private login, such as asset information, as-builts and historical maintenance.

Following discussion, the Board felt uncomfortable providing this information publically in consideration of potential security risks. This may be revisited in the future to provide limited public access; however, at this time, the Board prefers to have the public approach their municipality to request information as needed. Administration agreed with the Board's direction and will proceed to create individual logins for each member municipality, to provide secure access to the interactive map.

There was an inquiry in regards to whether third party utility information could be included within the map. Administration advised that it is a challenge to maintain up to date information from third party utility companies, as the information changes almost on a daily basis, so this does not provide reliable data. Additionally, many private utility companies guard their infrastructure information for competitive purposes and will not agree to publically share their data.

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Water Main Break

Administration advised of a water main break incident that occurred in the area of Range Road 222 and Township Road 492 on May 12, 2021. This impacted Camrose County and the Village of Hay Lakes, who were immediately notified of the incident and asked to assist by conserving water in their communities while operators completed the repair. A new valve was installed and the repair was completed on May 14, 2021, with reservoir levels remaining at a healthy state throughout the interruption.

Administration shared an image of the damaged valve for reference. It is believed that the valve had likely cracked during initial installation; however, it would have been nearly impossible to visually identify as the crack was on the bottom of the valve.

Administration thanked Camrose County and the Village of Hay Lakes for their cooperation throughout the incident. Assistance from their operators was extremely helpful and greatly appreciated.

Commission Facility Locates

Commission operators have completed 327 1st Call locates year to date on Commission facilities as compared to 298 in 2020.

26-21

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

2021 Financial Update

After four months of operations, there should be approximately 67% of the budget remaining. Management expenses are slightly under budget with 70% of the budget remaining due to the timing of expenses. Operating expenses are under budget with 74% of the budget remaining. Overall the Commission is under budget with total expenses at 74% of the budget remaining. Due to the timing of expenses, many of the expense line items remain unspent for the year.

Revenue Variances

- Water sales are on budget with 66% of the budget remaining.
- Interest earned on bank deposits and investments is projected to exceed the budget for the year.

Expenditure Variances

- Water purchases are on budget at 66% of the budget remaining which is consistent with water sales above.
- Other professional fees are under budget with 97% of the budget remaining.

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- Legal fees are slightly over budget sitting at 59%. The Bylaw draft/revision makes up a large portion of the current expenses.
- Bank charges and interest is over budget at 10% of the budget remaining. This is due to EFT fees which were not included in the budget for 2021.
- Insurance has been paid out for the year and is over budget by 2%. At the time of writing the report, we were waiting for the credit relating to the removal of the Booster Station from the policy. Administration advised that the credit of \$7,920.00 has since been received.
- 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. To the date of this report writing, no invoices had been received for these budgeted items.

Capital Expenditures

Capital expenditures are below budget with 97% of the overall budget remaining due to timing of capital projects. The only costs incurred thus far relate to preliminary work on the Nisku Booster Station.

27-21

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

5. UNFINISHED BUSINESS

A. Bylaw Revision Review

In the September 17, 2020 Manager's Report, the Board was advised of receipt of a notice from Municipal Affairs advising of amendments to the Municipal Government Act (MGA) to streamline the legislative framework for Regional Service Commissions, including the CRSWSC. The changes permit service commissions to continue as incorporated entities and maintain all of their current powers and duties, while reducing the role of the province in approving many business decisions. Changes have been made to the list of required Bylaws to address matters previously established in the regulations. The Bylaws must comply with the amendments to the MGA by September 1, 2021.

A draft Bylaw was presented at the March 18, 2021 Board Meeting. Following the meeting, Administration received a list of questions/clarifications from a Member with regards to the new Bylaw. This email correspondence was attached to the report along with an updated draft of the Bylaw to reflect these clarifications.

Administration highlighted the following summary of changes:

- Repeal of Bylaws 01/2015 and 02/2015, and consolidation of the two into a single Bylaw.

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- Updates required to meet the MGA changes discussed at the September 17, 2020 meeting, as outlined in the document that was attached to the report. Most notably these included requirements to address changes in membership, disposal of assets, and disestablishment of the Commission which are discussed further below.
 - Changes in Membership
Bylaw 02/2015 already contained procedures regarding membership. These have been further refined to minimize long term impact to the Commission (i.e. 5 year notice provision).
 - Disposal of Assets
The MGA changes required the Commission Bylaw to contemplate how assets would be disposed of. The draft Bylaw has added a provision to require a 2/3 majority to dispose of any assets.
 - Disestablishment of the Commission
The MGA changes required the Commission Bylaw to contemplate how the Commission would be disestablished. The draft Bylaw has added a provision to require a 2/3 majority to disestablish the Commission. Commission assets would then be divided up between Members based on a pro rata water consumption basis. It would then be up to those Members to determine what to do with that asset.
- Removal of water allocations within the transmission mains and subsequent revised Bylaw amendment voting structure. Resolution is by simple majority for most issues except those explicitly outlined within the Bylaw (such as removal of a Director, addition of Members, disposal of assets, disestablishment of the Commission, and amendments to the Bylaw), which now require a 2/3 majority. Bylaw 02/2015 previously required a ¾ majority for Bylaw amendment. Modification to clause 6.10 of Bylaw 02/2015 required a ¾ majority of the Board AND a ¾ majority of Directors from Members that were part of transmission main 1. This clause allowed for only members of transmission main 1 to set the rate affecting this line and also provided for a right of veto on any costs affecting the cost of water on transmission main 1.
- Minimum requirements for 2 year terms for Directors, and procedural information for removal/replacement of Directors.
- Removal of the 3 readings for Bylaw amendment, as legal advises this is not a requirement under the MGA

There was an inquiry in regards to how many members are required to table a discussion on disestablishment and whether the revised Bylaw speaks to this. Administration advised that the MGA changes did not require Commissions to specify how disestablishment of the Commission could be brought forward, so

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this is not included within the revised Bylaw. The Board felt it would be prudent to include a clause within the Bylaw outlining a minimum number of members in support of disestablishment in order to bring this forward for discussion. Administration clarified that although any Board member could request to add this to a CRSWSC meeting agenda, addition of an agenda item requires a majority vote from the Board when adopting the agenda at the beginning of each meeting. Additionally, if disestablishment was added to an agenda, this would require a 2/3 majority vote of the Board to proceed.

- 28-21** **Motion:** It was **Moved** by Councillor Sam Munckhof-Swain that the Capital Region Southwest Water Services Commission Board of Directors amend Clause 9.2 of Bylaw 02/2015 to require a 2/3 majority of all of the Directors of the Board to amend Clause 6.10.

Motion Carried Unanimously

- 29-21** **Motion:** It was **Moved** by Mayor Dawn Pauls that the Capital Region Southwest Water Services Commission Board of Directors adopt Bylaw 01/2021 and repeal Bylaws 01/2015 and 02/2015.

Motion Carried Unanimously

6. NEW BUSINESS

A. Board Orientation Manual

The purpose of the Board Orientation Manual is to provide new Board members with an overview of the Commission, to acquaint them with pertinent key information and resources to enable them to be effective Board members. The Manual also provides convenient access to Board documents in an effort to increase efficiency and access to information.

Adoption of a Board Orientation Manual satisfies the current high priority Strategic Plan goals to *Provide comprehensive orientations to Board members (Internal Efficiency – 4.2.1)* and to *Develop a current governance policy manual (Internal Efficiency – 4.2.4)*.

Key information includes:

1. Overview of the Commission – establishment and history of infrastructure
2. Applicable Legislation – this includes the updated Provincial Regulations and Bylaw based on recent MGA changes
3. Board Governance Matters – information on the Board, meetings, strategic plan, decision framework, as well as Board and Management roles and responsibilities
4. Explanation of the Water Master Plan
5. Understanding of the Regional Water Customers Group
6. Information on Contracted Services – management and operations, engineering consultant, investment advisors and audit services
7. Overview of the Transmission System and Commission Facilities

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8. Key Documents – such as policies, contact lists for Board and Management staff, Board member registration, expense and EFT forms, water management information

The draft manual is being brought forward at this time to allow time for Board review and feedback over the summer months, with feedback to be incorporated into a final version that will be presented for formal adoption at the September 16, 2021 meeting. Board members are kindly asked to provide their feedback and suggested revisions to Shannon Bremner by August 15, 2021 to allow Administration to finalize the manual. The Board Orientation Manual will then be provided to the incoming Board of Directors in Fall 2021.

Once adopted, the Board Orientation Manual will be updated on an ongoing basis as needed. Suggestions and feedback to improve the manual are always welcomed, as the Commission strives for continuous improvement.

Upon initial review, the Board agreed that this manual will provide valuable information to new Board members and thanked Administration for their work on preparing the manual in preparation for the incoming Board.

30-21

Motion: It was **Moved** by Councillor Krista Gardner that the Capital Region Southwest Water Services Commission Board of Directors accept the draft Board Orientation Manual as information for Board review and feedback to be incorporated and brought back for formal adoption at the September 16, 2021 meeting.

Motion Carried Unanimously

B. Board & Administration Training and Development Policy

The purpose of this policy is to set guidelines for Board of Directors and Administration training and development.

The revised policy now includes provision for Administration to pursue training and development opportunities to develop their knowledge, to ensure that the Commission is being operated and managed using industry best practices. An annual professional development allowance for Administration was previously discussed with the Board and the policy has now been revised to reflect this.

The policy has also been revised to strongly encourage both Directors and Administration to utilize the training and development budget, which supports the Strategic Plan high priority goal to provide ongoing training to Board members.

Upon Board adoption, the revised Board & Administration Training and Development Policy will replace the existing Board Training and Development Policy, approved on June 8, 2017.

Administration advised that a list of upcoming professional development opportunities would be distributed to Board members following the meeting, including several virtual conferences. Board members were encouraged to

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consider these opportunities, as there is budget available. Board members are welcome to contact Shannon Bremner if they have interest in registering for any of these opportunities.

- 31-21 **Motion:** It was **Moved** by Councillor Bill Daneluik that the Capital Region Southwest Water Services Commission Board of Directors adopt the revised Board & Administration Training and Development Policy.

Motion Carried Unanimously

7. **NEXT MEETING**

The next regular meeting of the Capital Region Southwest Water Services Commission is scheduled for September 16, 2021. Further information regarding the meeting arrangements will be distributed in early September, pending provincial restrictions in place at that time.

8. **ADJOURNMENT**

- 32-21 **Motion:** It was **Moved** by Councillor Lars Hansen to adjourn the meeting at 7:14 p.m.

Motion Carried Unanimously



CHAIRMAN



MANAGER