

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 REGULAR MEETING, HELD ON THURSDAY, SEPTEMBER 19, 2019 AT 6:00 P.M.
 KOSMOS BOARDROOM, 5010 - 49 AVENUE, LEDUC, AB.**

1. CALL TO ORDER

Chairman Rick Smith called the meeting to order at 5:59 p.m.

PRESENT:

Councillor Rick Smith	Leduc County
Councillor Kelly Vandenberghe	Leduc County
Councillor Bill Daneluik	City of Beaumont
Councillor Sam Munckhof-Swain	City of Beaumont
Councillor Doug Lyseng	Camrose County
Councillor Greg Gillespie	Camrose County
Mayor Dawn Pauls	Village of Hay Lakes
Councillor Dave Vallee	Village of Hay Lakes
Councillor Beverly Beckett	City of Leduc
Councillor Lars Hansen	City of Leduc
Councillor Mike Storey	Town of Millet
Mayor Wally Yachimetz	Town of Calmar
Councillor Terry Balaban	Town of Calmar

ALSO PRESENT:

Shawn Olson, Commission Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc
Pamela Regier, Project Manager	City of Leduc
Samantha Folster, Project Manager	City of Leduc
Carol Hounsell, Treasurer	City of Leduc
Gerard Del Rosario, Accounting Technician	City of Leduc
Shawn Tooth, Water Technician	City of Leduc
Shannon Bremner, Recording Secretary	City of Leduc
Sean Nicoll, Associated Engineering	
Ian McCormack, Strategic Steps Inc.	

WITH REGRETS:

Mayor Tony Wadsworth	Town of Millet
Dean Downey, Manager, Utilities	Leduc County
Keaton Seaby, Manager, Public Works	City of Beaumont
Roger Steele, Manager, Technical & Utilities	EIA

2. ADOPTION OF AGENDA

- 35-19** **Motion:** It was **Moved** by Councillor Lars Hansen that the agenda for the September 19, 2019 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Carried

3. APPROVAL OF MINUTES

A. Minutes of the June 20, 2019 Regular Meeting

- 36-19** **Motion:** It was **Moved** by Councillor Bill Daneluik that the meeting minutes of the June 20, 2019 Capital Region Southwest Water Services Commission regular meeting be approved as circulated.

Carried

4. REPORTS OF OFFICERS

A. Manager's Report

Millet Water Supply Line Project

Administration previously reported on the receipt of a technical memorandum from Associated Engineering regarding the November 2018 water quality issue in the Millet transmission main. This report provides a full description of the incident, reactive measures taken, and recommendations for the future. It also includes a summary of costs incurred directly by the CRSWSC. In addition to these costs, it is anticipated that the CRSWSC will incur costs from the City of Leduc for additional work required on the Robinson Reservoir project as a result of debris conveyed to the reservoir. This may include costs pertaining to cleaning and disinfection of the reservoir cells and recertification of pumps to maintain warranty.

Based on the findings of the Associated Engineering report, Administration issued Weaver Welding Notice on February 28, 2019 advising of impacts and damages. The intent of the letter was to formally advise Weaver Welding of Associated Engineering's findings, advise them of forthcoming costs, and Weaver's responsibility to complete the recommended work at the Telford Booster Station. A meeting has been scheduled with Weaver for mid-September to discuss the findings and begin discussions on how to best resolve this matter.

The Robinson Reservoir was returned to service on July 29, 2019. The Commission anticipates the City of Leduc will present a summary of costs incurred by the City in advance of the Commission's scheduled meeting with Weaver. As previously reported, it is anticipated that this item will become a long-term dispute item between the CRSWSC and Weaver Welding.

EIA License Agreement for Commission Main Infrastructure and EIA Development

On March 13, 2019, the CRSWSC received a response from William (Bill) Wright, Vice President Risk, General Counsel and Governance Officer for the EIA regarding the License Agreement. He indicated that the last edits submitted on October 2, 2018 are acceptable to the EIA. Schedule A which is the drawing of the licensed area has yet to be finalized to accompany the Agreement. Bill Wright forwarded the latest Schedule A drawings the EIA had on file on April 3, 2019 and indicated they would confirm they are the correct version for the final Agreement. Administration followed up with the EIA and was advised on August 15, 2019 that the file is now with the EIA's new legal representative who is prioritizing the file.

Discovery Park Reservoir

EPCOR has advised that they are pursuing acquisition of the Discovery Park facility and will be assuming operational control of the facility when it is commissioned. They are working through a water supply agreement for the interim period with Leduc County until EPCOR acquires the facility. The CRSWSC does not have a bylaw that allows for the sale of water to a non-member so Leduc County's involvement is very important.

The Commission will still own the infrastructure to the Discovery Park air gap and supply them with water. There are discussions ongoing where these assets may transfer to EPCOR along with the rest of the assets in and adjacent to the annexation area per the Master Plan discussions. EPCOR has inquired if any kind of interim agreement is required with the Commission but Administration is aiming to resolve the asset transfer early enough so that a secondary agreement is not required.

Construction of the reservoir and pump house is mostly complete with power and gas service now installed. Construction Completion Certificate Inspection is anticipated shortly.

Highway 21 Booster Station Upgrade

On September 9, 2019, the Highway 21 Booster Station was shutdown temporarily to replace piping that would permit isolation of the pump to be replaced. Email notice was provided to affected Commission Members of this shutdown on August 22, 2019. The shutdown lasted approximately 3 hours, during which the downstream reservoir levels were monitored. At the time of writing this report, pump replacement is ongoing and commissioning is expected shortly. Administration has had Associated Engineering explore security upgrades to the facility that could potentially be installed with remaining project budget. Associated Engineering (AE) has advised that the following deterrents could be undertaken:

- Upgrade to thicker gauge fence making it harder to cut.
- Install additional lighting along the perimeter of the building. Currently the only light on the building is above the entrance which is controlled by a photo sensor.
- Install lights with motion sensors around the building.

- Incorporate video monitoring in addition to the light upgrades. This could range from a basic recording system to a more interactive system that provides the operators a video snap shot of activities within the yard. The interactive system could also be linked to an audio system or a flashing light, with the intent that the operator could call out or turn on the light with the intent to scare away the thief. This system can either be connected into the Commission SCADA system, but it would likely be easier to have a system that is independent of the SCADA, due to concerns with bandwidth.

AE is reviewing commercial availability of an “off the shelf” system versus a customized design. Administration will then proceed to seek pricing for these options.

Strategic Plan

Strategic Steps Inc. has previously submitted their draft Strategic Plan which was presented to the Board at the June 20, 2019 Commission meeting. This will be presented under Unfinished Business for Board comments and adoption.

History of EPCOR discussions and Master Plan Updates

EPCOR Discussions

Administration was previously asked to present the chronological events regarding the discussions with EPCOR. These are being retained in the Manager’s Report moving forward to keep the Commission up to speed on negotiations. Below are the events as they took place:

- On June 8, 2017, at the CRSWSC Commission meeting, in the Manager’s Report, under the Annexation discussions, an April 25th meeting between the City of Edmonton, EPCOR, Leduc County and the CRSWSC was referenced having been held where three options were discussed; 1) EPCOR purchase Commission assets within annexation boundary, 2) EPCOR purchases water from a Commission member, and 3) annexation area waits for servicing to come from the new lines from Edmonton (an independent system). It was decided that any further discussions would have to happen during the Master Plan revisions in 2018. This was reaffirmed in the November meeting.
- At the April 26, 2018 Commission meeting, Associated Engineering presented three viable options for the future of the Commission. Rough financials were discussed and Option 2 (EPCOR purchases CRSWSC assets within annexation area and provides additional connection North of Beaumont) was the least expensive option presented. A motion was passed by the CRSWSC Board (motion 21-18) to invite the Board Chair and/or Vice Chair to attend discussions with EPCOR. There are no minutes for this section of the meeting as it was an In-Camera discussion.
- On May 18, 2018, the first meeting with EPCOR was held at the City of Leduc Operations building. Associated presented the same three options to EPCOR as previously presented to the Board. EPCOR indicated that they preferred to

own and operate utilities that were within City of Edmonton boarders but made no preference to either of the options, which this scenario met as this was the first time seeing the information and modelling would need to be done to further any discussions. The CRSWSC representatives present at the meeting indicated that Option 2 appeared to be preferable but that any decisions, and prior to any negotiations occurring, the Board would need to vote and agree on the preferred option at the next CRSWSC meeting.

- On June 28, 2018, at the next Board meeting, with updated draft figures, Administration asked the Board to approve a recommendation to pursue Option 2 in further discussions with EPCOR as this appeared to be the best financial option for the Commission. The majority of the Board voted in favor of pursuing Option 2 (motion 43-18).
- On July 4, 2018 a meeting was held between EPCOR and Associated Engineering with Administration present to discuss modelling scenario's and required system pressures, etc.
- On August 10, 2018 a meeting between EPCOR, Associated Engineering, Administration and the Board Chair and Vice Chair was held to discuss going down the path of pursuing Option 2. EPCOR asked the Commission to provide a summary of assets and their value, as well as energy consumption costs. A follow up meeting was scheduled for October 12, 2018 to further these discussions. The requested information was provided and the copies were provided to the Board at the September 20, 2018 Board meeting, along with a summary of the meeting.
- On October 12, 2018, the Commission met again with EPCOR. EPCOR presented a draft Agreement of purchase and sale of the Commission assets. A copy of the Agreement with comments by both the Commission and legal representation, Reynolds Mirth Richards & Farmer, was provided in the November 22, 2018 Manager's Report.
- On December 10, 2018, the Commission met with EPCOR and provided a copy of the Agreement with comments that was included in the November 22, 2018 Manager's Report noted above for their review. There was further discussion regarding the logistics of assets to be transferred, timelines and the operational requirements from each group within these timelines. Discussions included the demarcation point(s) and location of the meter chamber, as well as the location for the three other meter chambers potentially being located within each of the three reservoirs (Nisku East, Nisku West, and Beaumont Reservoir). It was noted that the metering stations and the Commission's new booster station would be required to be constructed prior to the transfer of assets. As such, the Commission needs to identify potential land locations for the new booster station prior to finalizing the Agreement. It was agreed that the Commission will commence drafting an operational plan with the assistance of Associated Engineering, which defines the logistics of the asset transfer which is to be appended to the Agreement.

- On February 1, 2019, Administration technical members met with Associated Engineering to discuss an operational plan to better understand how assets would be transferred, the timelines, and the operational requirements for each period of asset ownership and transfer. At this meeting it was determined that further modelling and investigation regarding system pressures was required at the potential Beaumont connection from EPCOR. Associated Engineering's modeler is reviewing these technical details with EPCOR's modeler directly so that Administration has sufficient information to finalize these requirements, which will be an Appendix to the purchase of sale Agreement. A follow up meeting is being scheduled with EPCOR in early March to review and discuss the operational plan and transfer.
- Discussion was held by the Board during the February 21, 2019 meeting regarding how to proceed with the Water Master Plan given the significant delays caused by the ongoing negotiations with EPCOR pertaining to the potential transfer of assets. The Board passed a motion (04-19) to delay finalizing the Water Master Plan until negotiations with EPCOR are complete, in order to avoid unnecessary rework and costs that would be associated with revising the plan based on the final Agreement with EPCOR.
- A technical meeting was held with EPCOR on March 4, 2019 to discuss the servicing details for Beaumont and to clarify technical assumptions developed as part of the potential asset transfer between EPCOR and the CRSWSC. As a result of this meeting, it appears that EPCOR is able to provide adequate pressure at transfer points to the Beaumont line and from a future connection point from the South end of Edmonton. Associated Engineering will prepare a servicing concept diagram that indicates the points of infrastructure transfer and the point of sale/metering/pressure for review and discussion.
- A meeting was held between Administration and Associated Engineering to discuss CRSWSC operational requirements of the asset transfer with EPCOR. As a result of this meeting, Associated Engineering prepared a Technical Memorandum on May 6, 2019 outlining these operational requirements for further discussion/negotiation with EPCOR.
- A meeting was held on May 9, 2019 with CRSWSC and EPCOR legal counsels to discuss the terms and conditions of the Agreement. Discussions progressed with the legal terms and purchase conditions that the CRSWSC would have if the assets were to transfer. This allowed the lawyers to start to draft documents that will eventually be used if the transfer is approved. More information will be needed from the technical groups to filter into these documents and that meeting is to come.
- A meeting was held on May 14, 2019 to finalize technical discussions on the points of transfer and to further discuss the details that will be included in the revised Water Supply Agreement and the Sale Agreement. A further meeting will be scheduled upon receipt of outstanding deliverables for inclusion in the legal agreements being finalized by both legal teams.

- Administration received a draft Agreement from Brownlee on July 23, 2019. Comments have been provided and a revised draft was received and circulated to EPCOR for review on September 6, 2019. The draft was included as an In-Camera item under New Business for Board review and comment. After EPCOR has had an opportunity to review, the intent is to revise the Agreement and bring it forward to the CRSWSC Board for ratification first. The Master Plan and Memorandum of Understanding (MOU), mentioned below, would then also be able to be completed and ratified, respectively. Administration is targeting the November 21, 2019 Board meeting to finalize the EPCOR Agreement. Given that this Agreement is still being negotiated with both parties' legal counsel, Administration cautions that this could still be an aggressive schedule.

Leduc County Land Discussions

Administration met with Leduc County Administration on May 31, 2019 regarding the potential land parcel identified for the future booster station. Leduc County Administration advised that the following motion (169-19) was carried unanimously by Leduc County Council on May 28, 2019:

169-19 *Councillor Smith – that Leduc County explore a Memorandum of Understanding with the Capital Region Southwest Water Services Commission (CRSWSC) for the potential future purchase, lease or right of first refusal for Lot B, Plan 1011 MC, in conformance with s.70 of the Municipal Government Act, RSA 2000, and to grant permission to enter the site to complete preliminary engineering investigations, including a Phase 1 environmental site assessment.*

CRSWSC Administration clarified that the Commission will require ownership of the land to construct an asset that services the CRSWSC long term. Administration contacted Reynolds Mirth Richards & Farmer LLP (RMRF) to draft the MOU for this transfer which will be presented to the Board for approval in advance of execution. RMRF has drafted an Option to Purchase Agreement, the most recent draft having been provided on August 20, 2019 to Administration for review. Administration anticipates this Option to Purchase will be sent to Leduc County for review October 2019.

Based on the progress with the EPCOR negotiations and the Leduc County land parcel, Associated Engineering has updated the cost analysis of the two Options and provided rate analysis for several rate options. These are included in the draft Master Plan which was presented in detail under New Business as an In-Camera item.

Camrose County Armena Truck Fill

Associated Engineering completed a review of the Draft Feasibility Study which was distributed to Camrose County on April 25, 2019. The review indicates that based on the projected water demands, the expansion of the Armena reservoir and the construction of the new Ervick reservoir will provide adequate capacity to maintain the minimum 2 average days of storage until approximately 2030. It also indicates that Camrose County has sufficient capacity within their allocation with

the projected water demands until 2037. Camrose County will be responsible for any infrastructure downstream of the air gap at the Armena reservoir. However, as the Commission is required to monitor water levels within each of its member's reservoirs, water levels within the Ervick reservoir will need to be communicated back to the Commission SCADA for demand management situations. It was requested that Camrose County update their servicing concept to reflect the revised water demands provided to the Commission as part of their Water Master Plan, as well as outline the operational philosophy of the proposed expansion. This information was requested again on May 27, 2019. Camrose County did confirm on June 6, 2019 that they are working with their consultant to address the comments and provide the confirmations requested but this information has not yet been received. A response to this and an understanding of how the systems will be interconnected is required before the Ervick reservoir can be brought online.

Regional Water Customers Group

Administration received a briefing from the Regional Water Customers Group (RWCG) and subsequently additional information from EPCOR regarding a temporary interruption to fluoride while construction upgrades occur to the E.L. Smith Water Treatment Plant's fluoridation system. The CRSWSC is one of several EPCOR customers that are affected by this upgrade. The work was scheduled to commence September 3, 2019 and is anticipated to take approximately seven months. Fluoride messaging and an insert were provided to Commission members in case questions arise from customers and for members to communicate with their customers if they choose to do so.

Intermunicipal Accord Work

McElhanney Consulting reached out to Administration for a meeting regarding two different Accords, one on the Land Use, Servicing and Transportation Framework under the Airport Accord which is being undertaken collaboratively by the City of Leduc, City of Edmonton, Leduc County, and the EIA, and the other is the Intermunicipal Planning Framework Accord (IPFA) between the City of Edmonton, City of Beaumont and Leduc County. Both accords are preparing a joint plan for high-level land use compatibility, and cost-effective infrastructure and transportation servicing, as well as a cost-sharing tool for projects with shared benefit. Administration attended an IPFA servicing review workshop on July 17, 2019 to review preliminary plans and provide comments. Comments are being reviewed and a second workshop will be scheduled in the fall.

Village of Hay Lakes

On June 5, 2019, the Commission received an inquiry from the Village of Hay Lakes inquiring if their revised projected population growth would be supported by their current water allocation. Associated Engineering provided confirmation that the system has adequate capacity to service this growth but that the Village does not have sufficient reservoir storage to satisfy Commission service requirements which could result in challenges to the Commission to maintain minimum storage volumes during periods of increased flow. This information was forwarded to the Village of Hay Lakes on June 20, 2019 and was attached for information.

- 37-19** **Motion:** It was **Moved** by Mayor Dawn Pauls that the Capital Region Southwest Water Services Commission receives as information the Manager's Report as presented by Shawn Olson, Commission Manager, CRSWSC.

Carried

B. Operator's Report

Commission operators have completed **1406** 1st Call locates year to date on Commission facilities as compared to **1496** in 2018.

April 9 – 26, 2019 – Pure HM completed an indirect inspection of the Commission's 34 kilometers of steel water main. The objective of the inspection was to provide GPS and depth of cover of the pipeline centerline, as well as general assessment of the effectiveness of cathodic protection and coating condition of the pipelines. A copy of the inspection report was attached to the agenda package, as well as some images with red dots identifying locations that are more than 2 meters horizontally away from our existing coordinates. We intend to use the locational data to update our Commission GIS database. This was a wise investment from a risk mitigation perspective, as this provides accurate GIS data information which helps to protect the line from construction work that may occur within close proximity to CRSWSC pipelines. It was noted that the steel infrastructure was found to be in immaculate condition from 41 Avenue to the Town of Calmar, which was a pleasant surprise considering the age of the line.

June 4 & 5, 2019 – Fire Prevention Services completed our annual fire protection systems survey. No issues were identified during this year's survey.

June 27 & July 22, 2019 – Summit Valve and Controls Inc. (Summit) attended to the pressure sustaining valve in Beaumont. The two inspections have led to the conclusion that the valve is not performing to the full extent of what it was designed for. They believe we should be able to increase flow through the valve during normal operating conditions by 100 cubic meters per hour. If all goes well, we will be able to delay the pending piping upgrade project for a few more years. Summit rebuilt the valve on September 12, 2019 which resulted in an increased flow of 35 cubic meters per hour; however, it is believed that additional work can be done to obtain additional flow. It was noted that eventually this valve will require a mechanical upgrade, which is a budgeted expense.

July 11 & 12, 2019 – Commission operators contracted Green Oasis to spray for weeds at all three of our pumping facilities.

August 6, 2019 – The proposed EPCOR asset transfer will affect the current cathodic protection system setup. In an effort to identify the effects of losing the cathodic protection system at the Boundary station, Commission operators contracted Pure HM to perform a survey of the system. We are still waiting for the report; an update will be provided at the next Board meeting.

August 9, 2019 – Leduc Plumbing and Heating’s electrical division completed our annual electrical maintenance program at the Boundary station. They were also contracted to reroute two 4-20 mA electrical supplies for our chlorine analyzer and flow meter into the UPS protected power supply.

August 20, 2019 – Leduc Plumbing and Heating’s electrical division completed our annual electrical cleaning/inspection program at our Telford & Highway 21 booster pumping facilities. No issues were identified during their inspections.

38-19

Motion: It was **Moved** by Councillor Mike Storey that the Capital Region Southwest Water Services Commission receive as information the Operator’s Report as presented by Rick Sereda, Operations Manager, CRSWSC.

Carried

C. Treasurer’s Report

Gerard Del Rosario was introduced to the Board as a new member of the CRSWSC Finance team, as Lauren Padgham is now on maternity leave.

2019 Financial Update

After seven months of operations (to July 31, 2019), there should be approximately 41.67% of the budget remaining. Management expenses are under budget with 53.83% of the budget remaining due to the timing of expenses. Operating expenses are on budget with 41.17% of the budget remaining and overall, expenditures are on budget with 41.71% of the budget remaining.

Revenue Variances

- Water sales are slightly over budget for the period with 39.06% of the budget remaining.
- Interest earned is below budget due to the timing of when interest is paid on investments.
- Government transfers are typically booked at year end.
- The Commission has recorded a line loss of 2.15% to date.

Expenditure Variances

- Honorariums and mileage are over budget with budget remaining of 23.72% and 29.96% respectively due to the timing of expenditures for the Strategic Planning Workshops. In addition, the City of Leduc board members have been paid honorariums dated back to January 1, 2019 and this was an unbudgeted expense.
- Other professional fees are below budget with 77.87% of the budget remaining. This budget was increased by \$30,000 in 2019 to cover the cost of the Strategic Plan. This project is not completed and the Commission has not received any invoices for the work completed to date.
- Audit fees are booked at year end.
- Legal fees are below budget with 80.14% of the budget remaining.

- Debenture interest and principal payments are made in June and December therefore only one entry has been recorded for 2019.
- Seminars and Conferences is at 98.71% of the budget because Board Members did not attend any conferences in the first seven months of 2019.
- Insurance premiums have been paid for 2019.
- Engineering fees is below budget with 65.32% of the budget remaining. This is due to \$125,000 carry forward into the 2019 budget for the Long Range Master Plan and this project is still ongoing.
- Other communication and maintenance cost is over budget due to the installation of a ground cable at the Hwy 21 booster station which had to be replaced due to theft/vandalism. There were also SCADA maintenance and communication issues.
- Facility maintenance is slightly over budget due to maintenance required at the Boundary Station and the purchase and installation of a check valve.
- No expenses have been incurred to the end of July for cathodic protection.
- Water purchases are at \$0.93/m³ which is the rate at which EPCOR is billing. This is the interim rate set by EPCOR which members of the RWCG agreed to pay.
- Water purchases are slightly over budget with 39.59% of the budget remaining which is consistent with the percentage of water sales to budget.
- Other expenditure variances are primarily a result of timing and seasonality.

Capital Expenditures

Capital expenditures are below budget with 99.39% of the overall budget.

- 2015.003 Millet Line Extension – previously discussed in Manager's Report.
- 2017.002 Air Release Manhole Rehab – intentionally on hold due to failures in the pilot project.
- 2018.002 Pump for Hwy 21 Booster – in progress
- 2019.001 Cathodic Protection Survey – completed and waiting for invoice.
- 2019.002 Beaumont Piping Upgrades – in progress. This is projected to come in under budget.

2020 Interim Budget

The 2020 Interim Budget will be presented at the next regular meeting on November 21, 2019.

Regional Water Customers Group

Members of the Regional Water Customers Group (RWCG) received a copy of a letter dated August 13, 2019 that was sent to EPCOR from the RWCG regarding the 2018 Rate Model review. Upon review of the model by Raftelis Financial Consultants Inc. it was determined that the 2018 actual cost of service rate to the RWCG was \$0.865/m³. RWCG members were paying EPCOR a rate of \$0.89/m³ for a difference of \$0.025/m³ in the RWCG's favor. This will result in a credit for the CRSWSC of approximately \$150,000 based on purchases of 6 million cubic meters in 2018, which is transferred to the RWCG rate settlement

fund. This rate has not yet been settled. A copy of the letter was attached for reference.

The next Regional Water Customers Group meeting is scheduled for Monday, October 7, 2019.

RFP for Investments

At the June 20, 2019 CRSWSC Board meeting the Board approved a motion to allow Administration to issue a Request for Proposal (RFP) for Investment Advisors, to be posted on the Alberta Purchasing Connection. The RFP was posted on the Alberta Purchasing Connection site on September 18, 2019 with a closing date of October 10, 2019.

An evaluation committee consisting of City of Leduc Finance staff will review the proposals and based on that review, the Treasurer will bring forth a recommendation at the next CRSWSC Board meeting scheduled for Thursday, November 21, 2019.

ATB Financial

Carol Hounsell and Lauren Padgham met with Douglas Erickson from ATB Financial on July 30, 2019 to review the Commission's banking needs. ATB now offers a Municipal operating account. The benefit of this account is that it pays monthly interest on the account balance while still waiving monthly fees. The Commission's current account waives fees but does not pay interest. The interest rate varies depending on the account balance and the prime rate. Below is the range of interest rates for the Municipal operating account:

- Balance up to 1.49MM - Prime less 1.90 = 2.05%
- Balance up to 2.49MM - Prime less 1.80 = 2.15%
- Balance up to 4.99MM - Prime less 1.70 = 2.25%
- Balance up to 9.99MM - Prime less 1.60 = 2.35%
- Over \$10MM - Prime less 1.55 = 2.40%

The prime rate at the writing of this report is 3.95%.

ATB will switch the CRSWSC to the Municipal operating account upon receipt of all signed documentation.

There was also some discussion around using Electronic Funds Transfer (EFT) as an alternate method of paying vendor invoices. The associated fees are as follows:

- EFT Setup \$125.00 for initial setup
- EFT Monthly \$15.95/month – WAIVED
- EFT File \$10.00 per file
- EFT Item \$0.15 per item
- Payment Recall \$.50 per item or \$10.00 for the entire file

Administration considers EFT as a more efficient and cost-effective method for paying vendor invoices. It allows vendor invoices to be paid in the most secure and efficient manner available, eliminates issues with lost or stolen cheques and the process is more environmentally friendly.

Considering that the \$125 setup fee is the only up-front charge, the agreement by ATB Financial to waive the monthly fee and the fact that all other fees are reasonable and based on usage, Administration would like to proceed with setting up the EFT payment option with the bank. It is recommended that the CRSWSC Board move to approve the setup and implementation of Electronic Funds Transfer (EFT) as an alternate payment option for payment of vendor invoices.

The Board asked Carol Hounsell to confirm that the Commission has sufficient fraud protection insurance in place prior to setting up electronic funds transfer.

- 39-19** **Motion:** It was **Moved** by Councillor Lars Hansen that the Capital Region Southwest Water Services Commission approve electronic funds transfer (EFT) as an alternate method for paying vendor invoices.

Carried

- 40-19** **Motion:** It was **Moved** by Councillor Terry Balaban that the Capital Region Southwest Water Services Commission receive as information the Treasurer's Report as presented by Carol Hounsell, Treasurer, CRSWSC.

Carried

5. UNFINISHED BUSINESS

A. Draft Strategic Plan

Strategic Steps facilitated two workshops on January 17 and March 14, 2019 with the CRSWSC Board and Administration to establish the Commission vision, mission and goals. As a result of these workshops, Strategic Steps has generated a draft Strategic Plan documenting and prioritizing these items for the Commission. Ian McCormack from Strategic Steps Inc. presented the draft Strategic Plan at the June 20, 2019 Board Meeting. Administration recommended that the Board approve and adopt the draft Strategic Plan.

The CRSWSC will work towards completing the high priority items within the Strategic Plan over the next 4-year period. Administration has reviewed and prioritized the goals within the Plan and will provide updates to the Board as priority items are completed. Administration noted that it is expected that several priority items will be completed as part of the Master Plan update.

Ian McCormack stated that the Strategic Plan is not a static document; the Board's priorities may shift over the 4-year period so it is wise to revisit the Strategic Plan on a regular basis to review the priorities. The Board suggested reviewing high

priority Strategic Plan items at every second Board meeting. The Board would also like to include information on the Strategic Plan within the Annual Report, with updates on what items have been completed and what we are working towards.

- 41-19** **Motion:** It was **Moved** by Councillor Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors approve and adopt the draft CRSWSC Strategic Plan (2019 – 2023).

Carried

Ian McCormack left the meeting at 6:45 p.m.

6. NEW BUSINESS

A. City of Camrose: Observers at Board Meetings

It was previously reported in the June 20, 2019 Board Meeting that the City of Camrose has contracted ISL to conduct a larger study of their water system and look further at the feasibility of upgrading City of Camrose infrastructure versus other servicing options, such as via the Commission. On July 17, 2019, a meeting was held with Administration, City of Camrose, and Associated Engineering where the City of Camrose inquired as to Commission upgrades to future lines and potential oversizing for their future use. They expressed interest in becoming a member of the Commission so that they would be aware of such opportunities as discussions arise. Administration clarified that the members of the Commission are regulated per Alberta Regulation 292/84 under the Municipal Government Act (MGA) and is limited to municipalities that actively receive water services from the Commission.

The Edmonton International Airport (EIA) is currently a non-member but attends Commission meetings regularly. The Town of Millet did not become a member until the Commission had approved the connection and the Town passed a motion to pursue membership with the Commission. As such, Administration recommends that the City of Camrose be approved to attend Board meetings as observers until such time that they intend to join the Commission and a connection to the Commission line is approved by the Board. It is recommended that attendance be limited to a maximum of 2 Council members and 1 technical member to align with member attendance. As a non-member, the City of Camrose will not have voting rights and will not be permitted to attend In-Camera discussions. As the City of Camrose does not receive water services from the Commission, Administration also recommends the City of Camrose be invoiced \$25 per person attending the meetings for reimbursement of meal costs.

- 42-19** **Motion:** It was **Moved** by Councillor Greg Gillespie that the Capital Region Southwest Water Services Commission Board of Directors approve 2 Council members and 1 technical member from the City of Camrose to attend Board meetings as observers with no voting rights.

Carried

- 43-19** **Motion:** It was **Moved** by Councillor Doug Lyseng that the Capital Region Southwest Water Services Commission Board of Directors approve a fee of \$25 per person to be invoiced to the City of Camrose for reimbursement of meeting meal costs.

Carried

B. Proposed 2020 Meeting Dates

Administration provided a list of tentative 2020 meeting dates for Board consideration. The meeting dates will be formally approved at the November 21, 2019 organizational meeting.

Proposed meeting dates:

- Thursday, January 30, 2020 – Regular Meeting
- Thursday, March 19, 2020 – Regular Meeting
- Thursday, April 16, 2020 – Annual General Meeting
- Thursday, May 21, 2020 – Regular Meeting
- Thursday, September 17, 2020 – Regular Meeting
- Thursday, November 19, 2020 – Organizational & Regular Meeting

- 44-19** **Motion:** It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors accept the proposed 2020 meeting dates.

Carried

Councillor Sam Munckhof-Swain left the meeting at 7:05 p.m.

C. Sale Agreements (*In-Camera Item*)

The City of Edmonton recently annexed lands in Leduc County. As part of the CRSWSC water transmission main and the Boundary Pump Station are located in these annexed lands, Associated Engineering (AE) was tasked with reviewing options for the Commission assets in these lands as part of the master planning process. On April 26, 2018, AE presented 3 options: Option 1 is the status quo in which the Commission retains all assets; Option 2 is the sale of assets within the annexed lands to EPCOR, with a second feed being provided to Beaumont from 50th Street; Option 3 is the sale of assets within the annexed lands to EPCOR but without the second feed to Beaumont from EPCOR. During the June 28, 2018 CRSWSC Board Meeting, the Board passed a motion to pursue Option 2 (motion 43-18).

With the oversight of the Board Chairman, Administration has been working on a Sale Agreement of the assets within the annexed lands to EPCOR. Administration is providing the most recent revision of this Sale Agreement to the Board for review and comment by October 10, 2019 in anticipation of finalizing the Agreement for Board review at the November 21, 2019 Board Meeting.

With the sale of the Boundary Pump Station, the Master Plan is forecasting the need for a new Booster Station in 2023. During the May 28, 2019 Leduc County Council meeting, Council passed a motion (169-19) to explore a Memorandum of Understanding with the CRSWSC for the potential future purchase, lease, or right of first refusal for a land parcel suitable for the new Booster Station. Administration then contacted Reynolds Mirth Richards & Farmer LLP to draft an Option to Purchase Agreement, which Administration is providing to the Board for information. Any comments on the Agreement are requested by October 10, 2019 at which time Administration will forward the draft to Leduc County. Pending coordination of timelines with Leduc County, Administration intends to bring the Option to Purchase Agreement to the Board for approval at the November 21, 2019 Board Meeting.

45-19 **Motion:** It was **Moved** by Mayor Wally Yachimetz that the Capital Region Southwest Water Services Commission Board of Directors move In-Camera at 7:07 p.m. to discuss the Sale Agreements.
(FOIP s. 16, 23, 24 & 25)

Carried

46-19 **Motion:** It was **Moved** by Councillor Dave Vallee that the Capital Region Southwest Water Services Commission Board of Directors move In-Public at 7:20 p.m.

Carried

47-19 **Motion:** It was **Moved** by Mayor Wally Yachimetz that the Capital Region Southwest Water Services Commission Board of Directors receive the EPCOR Sale Agreement for review and comment by October 10, 2019 for further update and discussion at the November 21, 2019 Board Meeting.

Carried

48-19 **Motion:** It was **Moved** by Councillor Kelly Vandenberghe that the Capital Region Southwest Water Services Commission Board of Directors receive the Leduc County Option to Purchase Agreement for review and comment by October 10, 2019 for further update and discussion at the November 21, 2019 Board Meeting.

Carried

D. Master Plan Update (In-Camera Item)

At the April 26, 2018 Commission meeting, Sean Nicoll from Associated Engineering, presented three potential servicing scenarios for the Commission. During the June 28, 2018 Board Meeting, a motion was passed by the CRSWSC Board (motion 43-18) to pursue Option 2 (EPCOR purchases CRSWSC assets within the annexation area and provides additional connection North of Beaumont) from the draft Master Plan in negotiations with EPCOR.

Associated Engineering presented updated cost analysis of the Options at the June 20, 2019 Board meeting as a result of the ongoing meetings and

negotiations with EPCOR as well as the Leduc County land parcel. The complete Master Plan is now in its final draft complete with 3 different rate analyses for Option 2. Sean Nicoll presented the different rate impact options for review and discussion. Administration will present the finalized Master Plan for Board approval upon ratification of the EPCOR Sale Agreement.

49-19 **Motion:** It was **Moved** by Councillor Lars Hansen that the Capital Region Southwest Water Services Commission Board of Directors move In-Camera at 7:21 p.m. to discuss the Water Master Plan Update.
(FOIP s. 16, 23, 24 & 25)

Carried

50-19 **Motion:** It was **Moved** by Councillor Bill Daneluik that the Capital Region Southwest Water Services Commission Board of Directors move In-Public at 7:48 p.m.

Carried

51-19 **Motion:** It was **Moved** by Councillor Lars Hansen that the Capital Region Southwest Water Services Commission Board of Directors receive the September 2019 CRSWSC Master Plan Update for review and comment by October 10, 2019 for final update and approval at the November 21, 2019 Board Meeting.

Carried

7. NEXT MEETING


The next meeting of the Capital Region Southwest Water Services Commission is the Organizational and Regular meetings, which will be held on November 21, 2019 at Kosmos Boardroom, located at 5010 – 49 Avenue, Leduc, AB.


Dinner will be served at 5:30 p.m. and the meeting will begin at 6:00 p.m.

8. ADJOURNMENT

52-19 **Motion:** It was **Moved** by Councillor Beverly Beckett to adjourn the meeting at 7:48 p.m.

Carried



CHAIRMAN


MANAGER