

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
TO BE HELD THURSDAY, SEPTEMBER 19, 2024
DINNER AT 5:30 P.M., MEETING AT 6:00 P.M.,
LEDUC GOLF CLUB, 5725 BLACK GOLD DRIVE, LEDUC, AB T9E 8C4**

1. CALL TO ORDER

Chairman Lewis called the meeting to order at 6:00 p.m.

PRESENT:	<p>Mayor Bill Daneluik Councillor Catherine McCook Councillor Kelly-Lynn Lewis Councillor Rick Smith Councillor Krista Gardner Councillor Don Faulkner Councillor Beverly Beckett Councillor Clifford Heinz Councillor Paul Patterson Mayor Ron These Mayor Doug Peel Councillor Mathew Starky Councillor Jordon Banack Councillor Doug Lyseng</p>	<p>City of Beaumont City of Beaumont Leduc County Leduc County Town of Calmar Town of Calmar City of Leduc Village of Hay Lakes Village of Hay Lakes Village of Hay Lakes Town of Millet Town of Millet Camrose County Camrose County</p>
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ALSO PRESENT:	<p>Roger Steele, Manager, Technical & Utilities Des Mryglod, Director, Engineering & Utilities Kris Johnson, General Manager Shawn Olson, Commission Manager Rick Sereda, Operations Manager Gerard Del Rosario, Treasurer Elie Tymchyshyn, Accountant Pam Regier, Project Manager Melanie White, Project Manager Kyle van Steenoven, Project Manager Mark D'aoust, Commission Technician Katherine O'Dwyer, Recording Secretary</p>	<p>EIA Leduc County City of Camrose 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</p>
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WITH REGRETS:	<p>Councillor Dal Virdi Councillor Lars Hansen Councillor Steven vanNieuwkerk</p>	<p>Leduc County City of Leduc City of Beaumont</p>
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2. ADOPTION OF AGENDA

- 35-24** **Motion:** It was **Moved** by Councillor Krista Gardner that the agenda for the September 19, 2024 Capital Region Southwest Water Services regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the Regular May 16, 2024 Meeting.

- 36-24** **Motion:** It was **Moved** by Councillor Beverly Beckett that the meeting minutes of the May 16, 2024 Meeting of the Capital Region Southwest Water Services Commission Regular meeting be approved as circulated.

Motion Carried Unanimously

4. PUBLIC COMMENTARY

There was no public commentary.

5. REPORTS OF OFFICERS

A. Manager's Report

Recommendation:

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

Nisku Booster Station

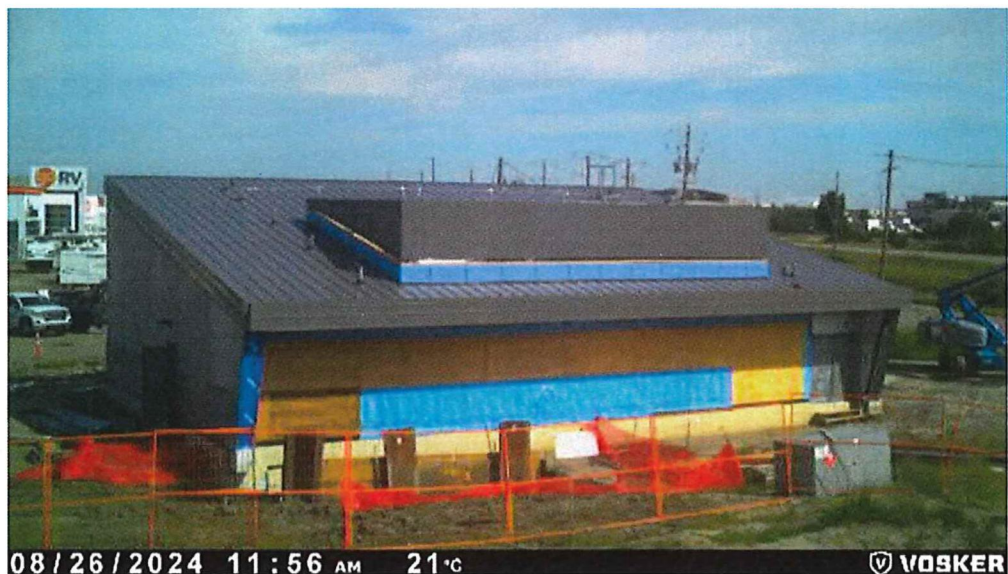
Construction

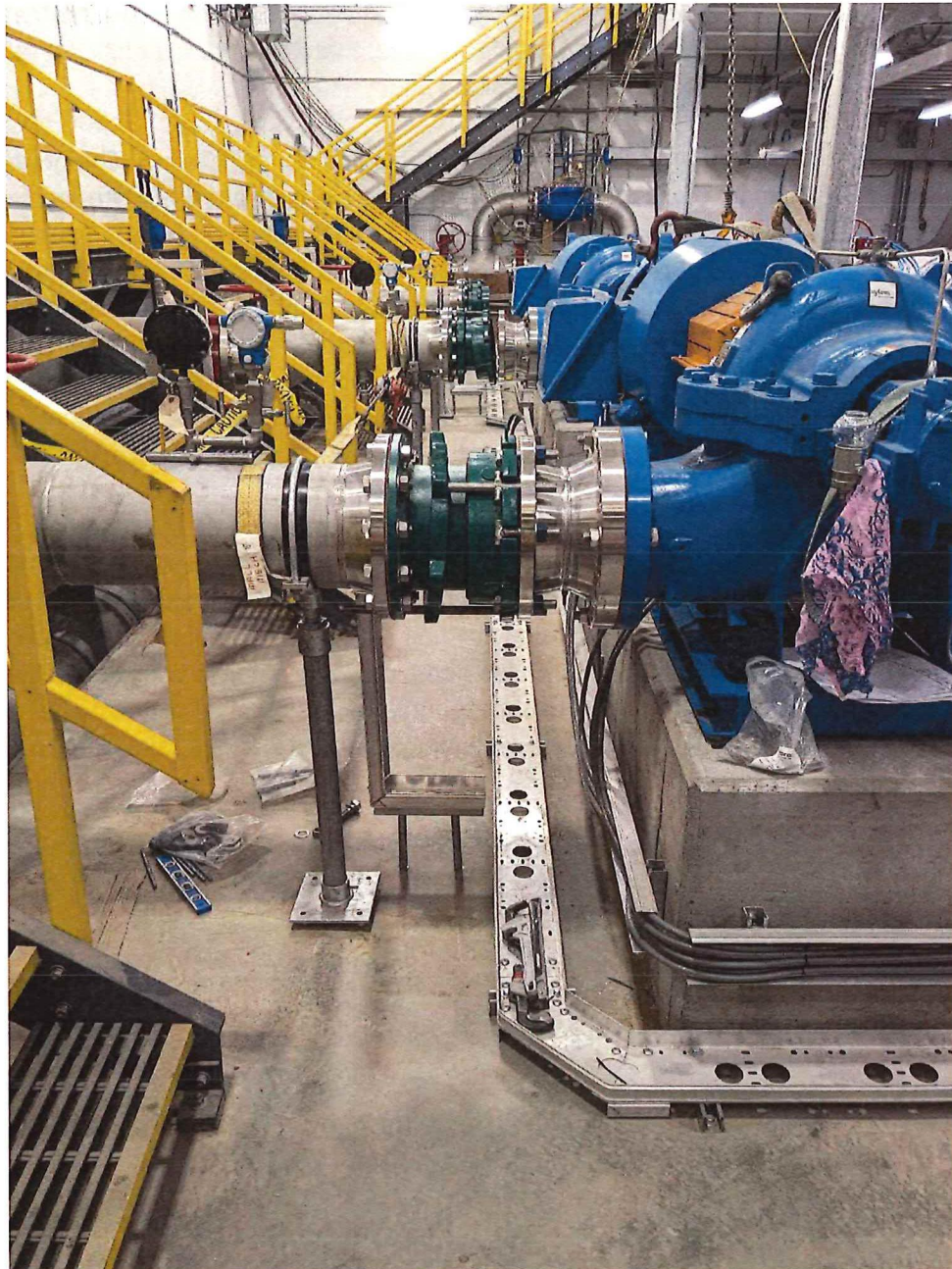
The new supply/discharge water line connection points have been installed on the west transmission main. The old lines on the east side of the highway have now been abandoned and removed and installation of the new supply/discharge lines on the east side of the highway are complete. Testing and disinfection of these lines will commence late September and continue through October. Leduc County continues to manage their water supply to the Nisku West reservoir through their distribution system from their connection point to the Commission system at Nisku East. The progress on waterline installation has required the CRSWSC Administration to work closely with the contractor to facilitate work

outside their originally planned schedule. While Administration has been able to accommodate the contractor to date, there has been significant effort required to keep the project on schedule.

Major equipment is mostly delivered and being installed. The generator arrived in August. Two of the three pumps have been delivered to site and installed with the third anticipated to be delivered in September. The final mechanical and electrical connections are underway. The building is now energized with permanent power, but the project is waiting on the permanent gas connection from ATCO. Preliminary equipment startup has commenced and testing and commissioning will continue into the fall. Integrated system commissioning will be scheduled once all process mechanical systems have been tested and disinfected and all permanent utility connections are in place. This is now expected to occur late fall.

For the building, all stair installations are complete, roofing is complete, building mechanical and electrical are mostly complete, fall protection installation is complete, interior building finishes are mostly complete, and water and sanitary lines to the building are also complete. The exterior brick is mostly installed and will be grouted once backfill around the mechanical connections to the building is complete. Building signage, solar panel installations, and translucent panelling are scheduled to be installed in September.





Administration is pleased to report the project is progressing well and is anticipated to be done by the end of the year as planned. At this juncture, we will continue to plan for a Grand Opening event in the spring once weather is conducive to this type of event.

Once Nisku Booster is commissioned and water service is restored to Leduc County west reservoir, the piping modification work at Leduc County east will be scheduled to accommodate the EPCOR meter. This will not be until sometime later in the fall.

Municipal Developments

Administration received 13 notifications of Subdivision developments/extensions (10 from City of Beaumont, 2 from City of Leduc, 1 from Town of Calmar), 2 Land Use Bylaw Amendments (1 from City of Beaumont, 1 from Town of Calmar) and 1 Municipal Development Plan (City of Beaumont) from Members since the last meeting. Administration responded to one subdivision development notification that borders the CRSWSC water line and may require crossing/proximity agreements. Otherwise, there were no concerns with the documents provided and no other comments were provided back to the Members.

Regional Water Customer's Group (RWCG)

A number of RWCG meetings were reported at the May 16, 2024 board meeting, however the minutes were unavailable at that time. Meeting minutes are attached for record for the following meetings:

- RWCG Cost of Service Subcommittee Meeting – March 14, 2024
- RWCG Cost of Service Subcommittee Meeting – March 28, 2024
- RWCG Steering Committee Meeting – April 19, 2024

EPCOR Rates were also more recently received and will be addressed in the Finance report (letter attached).

EMRB Servicing Study

Administration is working with the Edmonton Metropolitan Region Board (EMRB) to provide information requested regarding their study on the serviceability of different industrial expansion zones in the Capital region. The study will look at the system capacity of the CRSWSC to meet the demands of future expansion in the region, while also investigating the CRPWSC and CRNWSC regions. A copy of the final report is to be provided to the Commission and will be included in the report at that time.

At this time the EMRB analysis is focused on the availability of water to service the employees from future industrial developments. The CRSWSC has been alerted that the analysis is not investigating water needs for process demands. Board members should be aware of this as it may cloud where industry can be serviced.

EPCOR Secondary Supply Line to Beaumont

Administration is beginning the process to review and update the water supply demands for the City of Beaumont in order to report the 5-year forecast to EPCOR. In the November 2023 report, it was noted that EPCOR proposed reviews of the 5-year forecast be completed annually moving forward. The upcoming review may be postponed until the Nisku Booster Station is operational. Discussions are ongoing with Associated Engineering and EPCOR.

As a reminder, this is important because once EPCOR is no longer forecasted to be able to meet the water supply demands for the City of Beaumont, the CRSWSC will need to provide formal notice to EPCOR to extend a connection point to Beaumont. This requires 5 years of planning to facilitate construction of the assets. In November of 2023, Administration confirmed that EPCOR did not have any concerns with supplying the CRSWSC for the next 5 years. In the 2023 report, EPCOR could meet average day demands to Beaumont until 2043 but could only meet peak day demands until 2028 without increasing pressure. If EPCOR provides higher pressures, the second fill line may not be required until 2038. This needs to be reconfirmed once EPCOR modifies their system when the Nisku Booster Station is operational as they would typically reduce their pressure once the booster station is online.

City of Camrose Servicing

Administration continues to work with the City of Camrose to prepare an application for a feasibility study through the Water for Life Grant program as directed by the Board at the March 21, 2024 meeting. The following municipalities were approached to determine whether they would like to participate in the application alongside the City of Camrose and the Commission:

1. City of Wetaskiwin – Interested in participating (Letter of Support attached)
2. County of Wetaskiwin – Interested in participating in kind (Letter of Support attached)
3. Camrose County – Not interested in participating

Administration anticipates receiving the first draft of the application by the end of September to allow time for review and submission prior to the application deadline of November 30, 2024. If successful, the Water for Life Grant would cover 100% of the feasibility study required to determine how to service these municipalities from the CRSWSC.

In preparation of the Government of Alberta capital Budget 2025 planning process, the City of Leduc sent a letter to the Alberta Ministry of Transportation and Economic Corridors on August 16, 2024. Within the letter, the City of Leduc listed the Water for Life Grant project with CRSWSC and the City of Camrose as a priority project.

Regional Water Customer Group Technical Committee

The regional Water Customer Group Technical Committee will continue to meet monthly throughout the fall and into winter to come to a consensus on water demand measures throughout the region. More specificity is going to be provided regarding actions for heavy water users in the most stringent water demand scenarios. These changes will be communicated to CRSWSC members through regular technical committee meetings.

Water Demand Measures

On July 22, 2024, RWCG members were notified that a Water Demand Management Condition A was recommended (notice attached). Condition A is internal only and bans non-essential potable water use for municipal operations. The City of St. Albert entered a Condition B due to hot, dry weather impacting demands and reservoir storage levels. On July 25, 2024, the Water Demand Condition was lifted as supply was back to normal (notice attached).

EIA Reservoir 2

EIA and Leduc County have completed all deficiencies, and CRSWSC is awaiting updated as-built drawings for the electrical. Deficiencies addressed include high velocity flushing of the line, header modification to include air relief, pipe bonding connector, entry alarm, and flow control valve training. Final acceptance of the work (FAC) is being issued. This will not be reported on further.

EIA Reservoir 1 Alarm Issue

While performing work on their reservoir in late May, EIA accidentally interrupted the commission level sensor. The EIA had VECTOR come out to site to inspect and recalibrate the level sensor.

Highway 21 Electrical Issues

The power filter has been installed. Issues with the motor winding were found during annual pump inspection, and a new motor will be installed. Operations believe this may be the final damaged piece to be replaced from the lightning strike. Administration is getting quotes to upgrade all CRSWSC stations to improve reliability in the face of these types of extreme weather events.

Commission Facility Locates

Commission operators completed 478 Utility Safety Partner locates in 2024 on Commission facilities, as compared to 479 in 2023 at this time.

Emergency Repair Planning

The CRSWSC is undergoing a complete transmission line assessment to identify any repair parts or equipment that we should be keeping a running stock of. These would include items that are hard to find or have long lead times. This is to minimize downtime when doing emergency repairs.

EPCOR Water Main Leak at Ellerslie Road

On July 21st, EPCOR reported a significant leak near the intersection of Ellerslie Road and Gateway Boulevard in Edmonton. The leak occurred on one of the two supply lines that merge into the supply line to the Blackmud Creek booster station. The leak did not affect CRSWSC supply lines, and regular pressures have been maintained since the line was isolated. Repairs are still underway. A copy of the notice that was distributed is attached.

Village of Hay Lakes Water Break

The CRSWSC on call operator received an alarm of low pressure at Hay Lakes fill station at 11:00 pm on Saturday September 7th. Upon investigation the operator found a break located in the chamber of the fill station which was significant enough that it also entered the pump/fill station. The Line was isolated, and the chamber was pumped out to determine the extent of the break. The CRSWSC could not confirm if the overflow water had entered into the reservoir, therefore we recommended to the Town of Hay Lakes that they enter into a boil water advisory until bacteriological testing could be done on the system to ensure the water was still potable. Once the chamber was pumped out, it was determined that a fitting had blown off causing the flooding from a combination of improper glue and bracing failure. The line has been temporarily repaired and braced, while we wait for a quote to perform a long term repair. The line was disinfected, flushed, sampled, and placed back into operation. The boil water advisory has since been lifted.

Town of Millet Thank You

Millet has extended their gratitude for the City of Leduc aid during their most recent water break. The CRSWSC and the City of Leduc are pleased to be able to help our members when required to ensure the smooth operation of our partners.

Professional Development Opportunities

Attachment xi.

37-24

Motion: It was **Moved** by Mayor Bill Daneluik that the Capital Region Southwest Water Services Commission Board of Directors receives as information the Manager's Report as presented by Shawn Olson, Commission Manager, CRSWSC.

Motion Carried Unanimously

B. Treasurer's Report

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

2024 Financial Update

The financial reports have been prepared up to Aug 31, 2024. After eight months of operations, there should be approximately 67% of the budget spent/earned. Management expenses are under budget with 50% of the budget spent and operating expenses are slightly over budget for the year with 71% of the budget spent.

Water sales and purchases

- Water sales and purchases are slightly over budget with 72% of the budget earned. This is due to the seasonality of consumption in the summer months.
- To date the Commission has recorded a line loss of 2.74%.

Revenue Variances

- Interest earned exceeds the budget for the year due to interest earned on investments and bank deposits. Bank balances will continue to decline as spending on the Nisku Booster Station & Beaumont Piping Upgrades project continues throughout 2024.

Expenditure Variances



- Management and Operating contracts are on budget with 67% of the budget spent.
- Insurance is over budget as it is paid in full at the beginning of the year.
- Legal fees, engineering fees and other professional fees have had little activity due to the focus on the Nisku Booster Station.
- Audit fees will be booked in Q4 during the interim audit of the Commission's financials.
- Seminar and Conference fees are under budget with 16% of the budget used to date. Additional costs are expected in the fall with Board and Administration attendance at WEFTEC.
- Line Maintenance is over budget with 97% of the budget used to date due to the emergency repairs on the Millet line repair.
- Instrumentation and Mechanical is over budget with 87% of the budget used to date due to a PLC upgrade, small pump rebuilt and motor replacement at the Hwy 21 Booster Station.
- Power is under budget at 49% as the budget includes use for when the Nisku Booster Station is operational.
- There are several line items that are well under budget due to the timing of when work is completed, and expenditures occur.

Capital Expenditures

Capital expenditures are below budget with 52% of the budget spent due to timing of capital projects.

- Air Release Manhole Rehab – 0% of budget used as investigating options for installation going forward project is currently on hold.
- Nisku Booster Station & Beaumont Piping Upgrades – construction is ongoing and is scheduled for completion by the end of 2024.
- Highway 21 Booster Pump Station Repairs – this project will be over budget by approximately \$7K due to the purchase of a new motor.
- North Reservoir PRV Replacement – A 12" Singer Valve has been purchased and installed at the North Reservoir.
- SCADA Upgrade – this is scheduled for work to be completed in the fall/new year based on the vendors availability.

Revolving Line of Credit

On May 16, 2024, the Board passed Bylaw 02/2024 – Line of Credit Borrowing Bylaw for \$1M. This is now set up with Alberta Treasury Branch but has not been utilized as of August 31, 2024.

Reimbursement to CRSWSC

The CRSWSC is unable to receive payments via credit card, debit, or e-transfer due to the size of the organization and set up with Alberta Treasury Branch. For reimbursements paid by Board members please provide a cheque to the Capital Region Southwest Water Services Commission.

Regional Water Customers Group

The 2022 final settlement agreement (see attachment) between the RWCG and EPCOR has been reached as of August 26, 2024. The true-up rate for 2022 has been settled at a rate of \$0.94, for a difference of \$0.07 under the rate of \$1.01 that was being paid to EPCOR in 2022. This has resulted in a refund from EPCOR which will be reimbursed to the balancing fund.

The RWCG has taken steps to reduce the balance in the balancing fund by reducing the rate in 2023 paid to EPCOR to \$0.90/m³ from July – December of 2023, this initial reduction did not have a large enough effect on the balancing fund, so the rate was extended to all of 2024. It is expected that this will trigger enough of an underpayment to bring the balancing fund back down below the maximum balance.

The 2023 settlement has not been finalized and more information is expected to come when the RWCG meets again in November.

**Statement of Operations to August 31, 2024**

	Actual 2024	Budget 2024	Variance	Budget % Spent
Revenue				
Water Sales	7,450,466	10,283,860	2,833,394	72%
Water Flat Rate Debenture Proceeds	62,602	93,903	31,301	67%
Interest Earned	269,589	50,000	219,589	539%
Total Revenue	7,782,656	10,427,763	2,645,107	75%
Expenses				
Management Expenses				
Management Contract	96,000	144,000	48,000	67%
Debenture payments	46,951	93,903	46,952	50%
Legal Fees	683	20,000	19,318	3%
Other Professional Fees	3,661	20,500	16,839	18%
Honorarium	9,120	16,200	7,080	56%
Audit Fees	1,263	15,500	14,238	8%
Office Supplies	215	3,600	3,385	6%
Mileage	2,042	4,000	1,958	51%
Bank Charges & Interest	220	500	280	44%
Total Management Expenses	160,155	318,203	158,048	50%
Operating Expenses				
Water Purchases	4,203,705	5,818,126	1,614,421	72%
Operating Contract	237,333	356,000	118,667	67%
Seminars & Conferences	13,637	86,650	73,013	16%
Line Maintenance	224,911	232,060	7,149	97%
Power	49,155	100,000	50,845	49%
Engineering Fees	7,801	40,000	32,199	20%
Instrumentation & Mechanical	39,042	45,000	5,958	87%
Insurance	28,694	35,000	6,306	82%
Facility Maintenance	4,606	16,000	11,394	29%
Regular & Annual Meeting Expenses	6,189	16,000	9,811	39%
Cathodic Protection	316	6,000	5,684	5%
Materials & Supplies	7,269	13,000	5,731	56%
Computer Maintenance & Supplies	1,849	28,000	26,151	7%
Easement Leases	2,146	5,000	2,854	43%
Gas	5,731	10,000	4,269	57%
Telephone	3,794	6,000	2,206	63%
Other Communication / Maintenance Costs	1,354	2,500	1,146	54%
Total Operating Expenses	4,837,533	6,815,336	1,977,803	71%
Total Expenses	4,997,688	7,133,539	2,135,851	70%
Net of Revenue over Expenses	2,784,968	3,294,224	509,256	85%
Net Interfund Transfers				
Drawn from Accumulated Surplus	-	-	-	0%
Transfer to Operating Reserves	-	65,431	65,431	100%
Transfer from Operating Reserves	-	238,709	238,709	100%
Transfer to Capital Reserves	-	3,467,502	3,467,502	100%
Total Interfund Transfers	-	3,294,224	3,294,224	
Net Surplus (Deficit)	2,784,968	-	2,784,969	

2017.002 Air Release Manhole Rehab	
2024 Budget	171,700
2024 Expenditures	-
Budget Remaining	171,700
2021.001 Nisku Booster Station & Beaumont Piping Upgrade	
2024 Budget	15,273,180
2024 Expenditures	(8,185,368)
Budget Remaining	7,087,812
2023.001 Highway 21 Booster Pump Station Repairs	
2024 Budget	9,700
2024 Expenditures	(8,671)
Budget Remaining	1,029
2024.001 North Reservoir PRV Replacement	
2024 Budget	25,000
2024 Expenditures	(20,416)
Budget Remaining	4,584
2024.002 SCADA upgrade	
2024 Budget	200,000
2024 Expenditures	-
Budget Remaining	200,000
2024 Total Capital Budget	15,679,580
2024 Total Capital Expenditures	(8,214,455)
Budget Remaining	7,465,125
Budget Spent	52%

Statement of Financial Position as at August 31, 2024

Financial Assets

Bank	\$	1,525,559
Accounts Receivable	\$	1,313,903
Accrued Receivables	\$	-
Investment Interest Receivable	\$	70,706
GST Receivable	\$	94,620
Short Term Investments	\$	8,914,218
Total Financial Assets	\$	11,919,006

Liabilities

Trade Accounts Payable	\$	2,116,928
Accrued Accounts Payable	\$	-
Accrued Interest on Debentures	\$	1,315
Deferred Revenue - Gov't Grant	\$	300,000
Debenture 4000845 - 2010	\$	588,577
Debenture 4002395 - 2018	\$	105,605
Total Liabilities	\$	3,112,425

2024 Capital Summary to August 31, 2024

- 38-24** **Motion:** It was **Moved** by Mayor Doug Peel that the Capital Region Southwest Water Services Commission Board of Directors receive as information the Treasurer's Report as presented by Gerard Del Rosario, Commission Treasurer, CRSWSC.

Motion Carried Unanimously

7. NEW BUSINESS

A. EPCOR Second Amending Agreement

Recommendation:

- 1) It is recommended that the CRSWSC Board of Directors approve CRSWSC Administration executing the EPCOR Second Amending Agreement.

Background:

As part of the EPCOR asset transfer, an amendment to the Water Supply Agreement was signed with EPCOR, given the change in points of service. This interim agreement identified the new points of water transfer, however there were no meters at these locations to measure consumption. Commission consumption volume was identified in that amendment to the agreement as the water flowing through Boundary Station (now EPCOR property), less the volume supplied and metered at Discovery Park (also EPCOR property). A new amendment was to be completed when the Nisku Booster Station was commissioned as this station would have space for an EPCOR flow meter to measure consumption at this location which would represent all water consumed south of the tie ins to the main line. EPCOR flow meters were also planned for the Leduc County East Reservoir and the Beaumont Reservoir in order to accurately capture all points of sale from EPCOR for the agreement.

The Beaumont piping modifications were completed in the Spring of 2024 and now have space to permit installation of EPCOR's meter. The new Nisku Booster Station is nearing completion, also with space for EPCOR's meter. Leduc County East Reservoir piping modifications are part of Maple Reinder's scope of work for the Nisku Booster Station

project and will be completed following commissioning of the new Booster Station. The County East modifications will create space to permit installation of EPCOR's meter.

Administration has worked with EPCOR, Associated Engineering, and our legal representation, Brownlee, to draft the EPCOR Second Amending Agreement (attached). Upon approval by the Board, this document will be executed by Administration and EPCOR at the appropriate time when all 3 projects are completed.

- 39-24** **Motion:** It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors approve CRSWSC Administration executing the EPCOR Second Amending Agreement

Motion Carried Unanimously

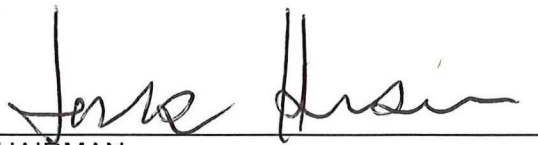
8. NEXT MEETING

The next meeting of the Capital Region Southwest Water Services Commission will be the Regular and Organizational meeting, scheduled for November 21, 2024.


9. ADJOURNMENT

- 40-24** **Motion:** It was **Moved** by Councillor Krista Gardner to adjourn the meeting at 6:24pm.

Motion Carried Unanimously



CHAIRMAN



MANAGER

