

**SUMMER VILLAGE OF CRYSTAL SPRINGS
SPECIAL COUNCIL MEETING
MONDAY, NOVEMBER 10, 2014 at 10:00 A.M.
Summer Villages Office Council Chambers
605-2nd Ave, Ma-Me-O Beach, AB**

MINUTES

Present:

Doris Bell, Mayor

Grant Churchill, Deputy Mayor

Kevin Pratt, Councillor

Sylvia Roy, CAO

A. CALL TO ORDER

Mayor Bell called the Meeting to Order at 10:00 a.m.

Introductions of Council, Administration and the public gallery took place. Mayor Bell provided a brief overview of the regional wastewater project and the Northeast Pigeon Lake Regional Services Commission (NEPL).

B. DELEGATIONS / PRESENTATIONS

1. Darlene and Donald Bouclin

Mrs. Bouclin provided a written submission to Council and Administration and she reviewed her presentation. Highlights of the Bouclin's presentation included their concerns that Crystal Springs's ratepayers' economic interests will not be represented if Council decides to join the NEPL. It was questioned whether Council was aware or know the interests of the residents. The administration/distribution of costs and shared equity amongst Summer Villages was stated as a concern as were the pumps required on each homeowner's property. The Bouclin's questioned what plans are in place to communicate with residents.

2. Alberta Municipal Affairs

Mr. Kai So and Mr. Ryan Edwards of Alberta Municipal Affairs provided a verbal presentation. Three governance options are available with respect to the regional wastewater project; the first is to tie in to the existing NEPL commission and the Summer Villages would be formal members of NEPL and have voting rights; the second option is to create a new regional services commission and the third option is to opt for intermunicipal agreement/ Part 9 company structured in the way to provide services.

The advantage of joining an existing commission is that the administration and governance is already set up, so there may be cost savings. There would be no need for service agreements and there would be instant access to the lagoon. The disadvantage is the proposed voting model (5 Summer Villages get four votes); the cost of capital assets – the north side infrastructure is approaching 30 years old, and NEPL may be asked to replace or repair lines which would affect all members of commission. Potential borrowing to replace existing north side lines would need to be carried by all of NEPL, and would affect the borrowing power of the NEPL for south side projects.

The advantage of forming a new commission is that the voting structure can be tailored to suit the needs of the Summer Villages. Finances would be dependent on capital costs. The line is now funded through grants so there is no borrowing now but if there was potential borrowing, the new commission could borrow up to their debt limit. Under this option, it would be highly recommended to get a service agreement in place for use of the lagoon and other commission facilities with NEPL. The new commission would have the full rights of a regional services commission, would have natural person powers but could only apply for certain grants.

An intermunicipal agreement would be less formal, and have no legal structure; it would be a contract signed by all parties. Finances and liabilities would be split dependent on the formulas stipulated in the agreement. Borrowing would be against the debt limit of municipalities. The municipalities would apply for grants.

The Municipal Affairs representatives stated that they don't have an official position. A solid business case needs to be made for both options 1 and 2. A business plan and the rate structures need council resolutions and also for approval of membership to join commission. Their Municipal Affairs team reviews all such applications.

Mayor Bell mentioned that the NEPL has had the same Chairperson of 25 years, and that it would be another 8 years until a south side Summer Village would be able to assume such an executive position on the NEPL. Mr. So indicated that this is an unusual condition and that he has never seen it in any previous applications.

Mr. So indicated that the Municipal Government Act states that all regional services commissions must have bylaws for their Board of Directors. The ability to restrict who serves on the NEPL executive would need to be written into the NEPL bylaws and an organizational meeting needs to be held every year.

Mr. So strongly recommended that all 5 south side Summer Villages join the same commission rather than being split.

Mayor Bell stated that the Memorandum of Understanding that is currently in place indicates the formation of a new commission. Administration indicated that a community partnership grant application has been jointly submitted for the Summer Villages of Crystal Springs and Norris Beach for local collection lines, and that the Summer Villages would not be eligible for this grant funding if they join NEPL.

C. ADOPTION / ADDITIONS TO AGENDA

Res. # 14-115

Moved by Deputy Mayor Churchill to approve the agenda as presented.

CARRIED

D. DISCUSSION ITEMS

1. Pigeon Lake Regional Wastewater Committee/ NEPL

Mayor Bell provided a PowerPoint presentation on the decision of whether or not to join the NEPL. Information has been gathered by holding a meeting with legal counsel (RMRF) on November 5, a meeting with BDO (NEPL financial auditors) on November 5, and a meeting with Municipal Affairs representatives on November 6. Councillors from three Summer Villages have been in attendance in meetings with RMRF and Municipal Affairs; they have been writing synopses and collaborating on their documentation.

The purpose of the existing Memorandum of Understanding (MOU) is to build the regional line. The MOU states that all parties need to agree to changes to the MOU.

Mayor Bell reviewed excerpts from the legal advice received by legal counsel (RMRF). RMRF indicated that it is appropriate to carry out due diligence in this instance and recommended that prior to becoming a member of NEPL, further information is required. RMRF has provided a draft resolution should Crystal Springs Council choose to join NEPL.

Councillor Pratt raised a concern with NEPL with their 25 year old infrastructure. He also raised the concern that the County could tell a Summer Village that they can no longer dump at the lagoon if they don't join NEPL. Mayor Bell replied that since the lagoon project was funded by a shared Water for Life grant application to which the Summer Villages were a party, legal counsel has indicated that the Summer Village cannot be excluded from dumping there.

Service agreements were briefly discussed; NEPL can charge a new commission an extra 10% but that would need to be negotiated in the service agreement.

Deputy Mayor Churchill stated that based on the wastewater committee meeting Wednesday night, he saw value in joining NEPL. Deputy Mayor Churchill stated that if Council decided to join NEPL at the

Council Meeting today, Council will be privy to the offer provided to them by NEPL and can still have the option to decline in joining NEPL later.

Mayor Bell reviewed a list of due diligence items required from NEPL. The PowerPoint presentation noted from the meeting with NEPL auditors that Mulhurst Bay residents pay their wastewater fees to the County, not to NEPL.

Mr. So indicated that keeping separate books for NEPL wouldn't protect the south side Summer Village funds from being used by the commission for the north side. Mr. So stated that again, it goes back to debt borrowing – it affects the borrowing for entire commission.

Joining NEPL does not increase the borrowing limit via revenue from Summer Villages/users. The cost of the lagoon was not provided to the Summer Villages. A lagoon debenture still exists for \$341,000 and a recent expansion was currently performed through grants.

Administration stated the importance of separating out the capital and operating costs. Phase 1 was funded 90% by Water for Life funding and 10% through various grant programs. The second part of the line connects the regional to the local, but costs for this line haven't been received as of yet.

Mr. So indicated that Municipal Affairs recommends that local lines be managed by municipalities, not through a commission. It was stated that it is the intention of NEPL to manage the local wastewater lines.

Res. # 14-116

Moved by Mayor Bell that a recorded vote be held for the proceeding motion.

CARRIED

Res. # 14-117

Moved by Mayor Bell that the Summer Village of Crystal Springs not accept the proposal to join an expanded North East Pigeon Lake Regional Wastewater Commission and instead maintain the commitments as outlined in the Memorandum of Understanding and Interim Agreement dated March 21, 2013, as amended, which involve forming a new regional services commission for the governance of the South Pigeon Lake Regional Wastewater System and becoming customers of the Mulhurst Bay Lagoon.

**In favor: Mayor Bell
Against: Deputy Mayor Churchill, Councillor Pratt
DEFEATED**

The Municipal Affairs representatives departed from Council Chambers at 12:07 pm.

Res. # 14-118

Moved by Mayor Bell that a recorded vote be held for the proceeding motion.

CARRIED

Res. # 14-119

Moved by Mayor Bell that the Summer Village of Crystal Springs wishes to become a member of the Northeast Pigeon Lake Regional Services Commission (NEPL) subject to and conditional upon:

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- A. **The Summer Village and NEPL entering into an agreement acceptable to the Summer Village of Crystal Springs;**
- B. **The Summer Village of Crystal Springs being satisfied, after receiving all required information from NEPL that would typically be provided for the purposes of carrying out a due diligence process, that it is prudent for the Summer Village to become a member of NEPL;**

A request to the Minister of Municipal Affairs for the Summer Village to become a member of NEPL shall only be made upon Council confirming its intent to proceed following the due diligence process. The following due diligence items include but is not limited to the following 14 items within the timeline of February 1, 2015:

- 1. Most recent functional assessment of assets (lagoon, collection system, machinery and equipment)**
- 2. List of all assets and liabilities**
- 3. List of any contingent liabilities**
- 4. 5 year capital plan**
- 5. 5 year current budget and forecast**
- 6. Financial statements from 2014-2014 (annual)**
- 7. Most recent interim financial statements, showing detail (2014)**
- 8. Fees and charges – formulas for rate setting from 2004-2014**
- 9. Organizational documents – Order in Council, Regulations and Bylaws**
- 10. Copies of the facility's approval and registration documents granted for ownership and operation of the facilities**
- 11. Copies of code of practice**
- 12. Documentation of safety practices and compliance certificates**
- 13. Copies of insurance documents**
- 14. Current agreements – administrative agreement with the County of Wetaskiwin, employee agreements, insurance agreements, bylaws, etc.**

**In favor: Mayor Bell, Deputy Mayor Churchill, Councillor Pratt
Against: None
CARRIED**

C. IN CAMERA

No In Camera items were discussed.

D. ADJOURNMENT


Res. #14-120

Moved by Councillor Pratt to adjourn the meeting at 12:33 pm.

CARRIED



**Doris Bell, Mayor
Summer Village of Crystal Springs**



**Sylvia Roy, C.A.O.
Summer Village of Crystal Springs**