

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE TOWN OF STETTLER COUNCIL
HELD ON WEDNESDAY, NOVEMBER 1, 2006
IN THE MUNICIPAL OFFICE, COUNCIL CHAMBERS**

Present:

Mayor J. Hunter

Councillors A. Campbell, S. Hurley, G. Majeran, D. Richards
& R. Peeples

Town Manager R. Stoutenberg
Director of Finance & Administration G. Switenky

Absent:

Councillor L. Thorogood

Waiver of Notice:

Section 194(4) of the *Municipal Government Act (MGA)* requires that at least 2/3rds of the whole Council must agree to hold a Special Council Meeting with less than 24 hours notice. All members of Town Council present (6 of 7) signed the Waiver of Notice for this Special Council Meeting.

Call to Order:

Mayor J. Hunter called the Special Meeting to order at 4:00 p.m.

1. **Agenda Additions/Approval:**

Motion 06:11:01

Moved by Councillor Majeran that the Town of Stettler Council approve the agenda for the Special Council Meeting with the following item:

2(a) East Central Regional Water Agreement

and that Notice of Special Meeting has been appropriately waived in accordance with Section 194(4) of the *Municipal Government Act*.

MOTION CARRIED
Unanimous at 4:01 p.m.

2. **Administration:** (a) East Central Regional Water Agreement

Town Manager, R. Stoutenberg explained that the Stettler Water Committee and the East Central Alberta Regional Water Services Committee met on October 23, 2006 to review the standard water supply agreement. A few changes were made as follows:

1. Section 2 was changed to require the written consent of the other party if either party wished to assign their interests in the agreement to another party. This was added at the request of the Commission to ensure that they have control over who will be their supplier.
2. Term has been changed from 25 to 30 years.
3. Section 10 the termination clause has been changed from 5 years notice to one where termination can occur at any time but requires the terms and conditions to be mutually agreed upon. This acknowledges the long-term investment of and commitment of both parties.
4. A new clause added and numbered as Section 12 to outline that should the plant need to be replaced the Joint Steering Committee will meet to discuss the possible sale of the water treatment assets to the Commission.

5. A new clause added and numbered as Section 13 to outline that the Town provided funding for the construction of the existing plant, lands and right of ways and that Province has funded part of the water treatment plant on behalf of both parties.

The current legal status of the Commission was questioned. Town Manager R. Stoutenberg explained that the Commission does not yet have legal status or the authority to sign this agreement. However approvals in principle (of this water sale/purchase agreement) by both parties will form the premise to legally establish a Commission.

Discussion continued regarding whether this agreement (as presented) can be wrongly interpreted to imply a shared ownership of the plant. Town Manager R. Stoutenberg highlighted the Title as being a Water Supply Agreement; the Introduction Statements; Section 3 (the Obligations of the Parties); Section 12 (Future Ownership of the Water Treatment Plant); and Section 13 (Provincial Grant Funding) all which add strength to support the Town's ownership of the entire Plant, now and in the future.

Roundtable discussion ensued regarding changing some wording to clarify and strengthen the Town's asset ownership position. Mayor Hunter concluded that the Introduction - Statement 1 should be changed to delete the word currently and replace with the words owns and. The revised Statement will read substantively as follows, "The Town **owns and** manages the distribution, treatment and transmission assets of The Town of Stettler Water Department used to provide water service".

Other minor wording changes were identified and appropriately noted by Town Manager R. Stoutenberg for revision.

Town Manager R. Stoutenberg informed Council that the Town's appointed municipal legal firm (Brownlee LLP) has reviewed and provided advice to him on the agreement as presented.

General discussion continued regarding the intent and general purpose of various Sections and Schedules included in the agreement.

It was clarified that the Town will not be a member of the Commission at this point. The Town will explore purchasing/securing additional (non-regional) storage capacity in the new reservoir (proposed to be located at the west end of Stettler).

It was agreed that the Town will benefit in the long term as follows:

- There should be lower rates (for all Stettler water customers) due to economies of scale being eventually realized given the larger volumes/capacities.
- Water rates will be determined using an acceptable utility methodology (prepared by Campbell Ryder) which includes an AEUB approved return on investment/debt. The Town will be limited to a prescribed return over an above real cost.

- Increased provincial funding for regional capital upgrades will effectively eliminate some long term borrowing requirements of the Town.
- Plant & reservoir (treated and raw) upgrades will be constructed sooner than the Town would otherwise be able to undertake on their own.
- Water quality and safety will be improved.
- The sustainability of Stettler's trade area will be improved.

The primary drawback to selling water outside the boundaries of the Town is that in-Town customers may have to share a burden of pain that is greater than they otherwise would have to when water restrictions/drought conditions exist.

Town Manager R. Stoutenberg noted that the Town's wells should remain as a viable back-up, in case of need, however new Alberta Environment treatment guidelines/standards will have to be complied with.

Mayor Hunter thanked the Town's Water Committee Members for their dedication, time and effort towards this initiative.

Motion 06:11:02

Moved by Councillor Peeples that the Town of Stettler Council endorse in principle the Water Supply Agreement with the East Central Alberta Regional Water Services Commission (legal status pending) subject to minor administrative revisions and subject to the Introduction Statement #1 being revised to include that the Town owns and manages the assets.

MOTION CARRIED
Unanimous

3. **Adjournment:**

Motion 06:11:03

Moved by Councillor Campbell that this Special Council Meeting of the Town of Stettler Council be adjourned.

MOTION CARRIED
Unanimous at 5:12 p.m.

Mayor

Director of Finance & Administration