



**TOWN OF CLARESHOLM
PROVINCE OF ALBERTA
ANNUAL MEETING MINUTES
MAY 21, 2008**

PRESENT: Mayor: Rob Steel, Councillors: Shirley Isaacson, Don Leonard, Doug MacPherson, David Moore, Connie Quayle and Daryl Sutter, Chief Administrative Officer: Kris Holbeck, Secretary-Treasurer: Karine Wilhauk.
Absent: None
Approximately 15 ratepayers were present.

1. CALL TO ORDER

The meeting was called to order by Mayor Steel.

2. INTRODUCTION OF OFFICIALS

Mayor Steel introduced those seated at the head table.

3. ADOPTION OF AGENDA

Moved by Dave Hubka that the agenda be adopted as presented.

CARRIED

4. CLARESHOLM PHOTO PRESENTATION

Mayor Steel introduced and showed a photo presentation that was created to showcase the Town to anyone who may be interested.

5. ADOPTION OF MAY 17, 2007 ANNUAL MEETING MINUTES

Moved by Orrin Hart that the annual meeting minutes of May 17, 2007 be accepted as presented.

CARRIED

6. MAYOR'S REMARKS

Mayor Steel made some remarks regarding what a busy, growing and vibrant community that Claresholm is, and how hard Council is working to ensure that the growth is managed properly. From a development perspective, in 2003 the total development permits issued totaled \$4.5 million, but in 2007 the total was \$14.5 million. Managing that growth is difficult and challenging, but is something that the Town works very hard at. Two plans that were completed last year to help manage this growth: the Municipal Development Plan (MDP) and the Municipal Sustainability Plan (MSP). These plans will help this Council and Councils in the future as Claresholm continues to grow. Claresholm has also embarked on a major infrastructure plan that incorporates a lot of things, but the major portion of it is focusing on water supply distribution and conservation issues. The Pine Coulee Regional Water Project is possibly the biggest utility improvement project in Claresholm since 1909 when the water tower and the water line to Willow Creek was put in. This is an exciting and dynamic project that has already seen pipe being put into the ground. The total cost of that project alone is \$20 million. It is a huge project that is being done in cooperation with the provincial government, the Municipal District of Willow Creek and the Town of Granum. Claresholm's portion of the total project is approximately \$5 million, and this project will mean a secure water supply for future generations. Water distribution is also an issue and the Town would like residents to see a real difference in their water service. A large part of that is the downtown cast

iron water line replacement and the east side water looping. Lots of work needs to be done to ensure that the water lines can handle the pressure when the new water plant is operational. The water meter project is finishing up and new charges for water usage are coming soon. The last few years has presented both challenges and successes, including working toward attracting people and retaining them such as the physician recruitment committee that is working to ensure a sustainable health care system. The Town's Auditors are always looking for things to suggest because the Town is in good order which is a testament to the administrative staff. Ratepayers will see a reduction in the residential and commercial mill rates, and an increase in the vacant land mill rate to encourage development.

**7. DISCUSSION AND ADOPTION OF THE DECEMBER 31, 2007
AUDITED FINANCIAL STATEMENTS**

Moved by Doug Bowman to accept the 2007 financial statements as presented.
CARRIED

8. GENERAL QUESTION PERIOD

Tony Burton

My name is Tony Burton and I live on the north side. The reason that I am here, well actually there are two reasons. One reason is I just received my Town of Claresholm utility billing and I noticed for the first time how much water I was using and the cost to me. Then today in the Local Press I saw your first cut at what the rate would be. Now I realize that the main reason for having the water meters installed is for water conservation.

Mayor Steel
Yes.

Tony Burton

I think that we will be well within the range of heavy users as the charges will be a fixed rate plus usage. I think there's a big hole in the rate of water usage. The reason I say that is because your cut-off point is 25 cubic meters per month, and on my bill, I used less than 7.5 cubic meters in a month. Now I'm quite sure there are a lot of single and two person families, seniors and people like that who are way way down in their water usage. Right now, 25 cubic meters is like 860 litres per day, and I wasn't using 800, I was using 240 or 250. I am seeing a 27% increase in my bill. What that boils down to is I could water the sidewalk, 580 litres per day I could pour down the sidewalk and not pay any extra money. So basically, senior citizens are subsidizing the water use of others within the community.

Mayor Steel

Well, it's interesting and it's a good point that you bring up, because we've struggled with this and talked about this throughout the process that we've taken to a set a new water rate. If I could just make a couple of comments. It's challenging in this first year because we have costs that are fixed to run the utility. We talked about having a basic delivery charge, say \$10 delivery charge and then \$0.80 per cubic metre, so that for someone that uses very little water the charges would be low. But then we run the risk of not having enough money to operate the utility, and we don't know at this point in time what the actual usage is going to be in Town. We talked about that way with a flat rate fee and a per cubic meter charge, but if we did that, we run the risk of not having the financing to operate the utility. We won't know that until we have a year's worth of data, that's why we needed to come up with a metered water rate that we can review in

a year to see how it goes.

Tony Burton

So your plan is to see what your actual infrastructure costs are and what your water meter income is in one year.

Mayor Steel

Yes, one of the perks of having metered water is knowing where the water is going and determine who the higher users are.

Tony Burton

I understand you want to protect yourself, but I think there is an argument to be made to bring that split down somewhere below 25 cubic meters.

Mayor Steel

I think you may very well be right, Tony, I'm just saying that we need to be very careful because if we did it on a delivery charge, we run the risk of having revenues far below our expenditures for just operating the system. I also want to say that prior to setting that 25 cubic meter point, we did a usage survey within Town and average usage was 30 cubic meters. We took families like yourselves with two people, three people, four people, five people and more. Certainly families with more people are going to use more water, and in the past you were paying the exact same amount as them for water. There are families in Town that easily use 60 to 70 cubic meters a month. For them, they are going to be paying way more. What I am trying to say is that I understand your point, but we needed a starting point to gauge our use to determine an equitable metered rate. We even went lower than the average use. If you take an acceptable standard of usage per person per day, we are very close to that.

Tony Burton

Is it your intent then in one year, you'll have one more year of statistics, is it your intent to adjust the metered rate then to give those of us that use a relatively small amount of water, a break.

Mayor Steel

Is is clearly our intention to review after a year the metered prices. Council, feel free to comment if you'd like to. The other thing is, we are staring at a \$5 million bill to pay for water for this Town, and we feel that the utility should pay for the service of the water system. So that means that we are going to have a large debenture as part of our water expenditure, as part of our whole operating expenditure for the utility. So we have to look forward because we will be paying for that debenture well into the future. We really have to strike a balance between the revenue and the expenditures and still reward people for conserving water because that's the whole point of having metered water. We wanted to ensure that we are collecting enough money from the utility so that we don't have to put in a huge increase for ratepayers in the future. The way the system is set up now, the way higher water user will be paying way more. I appreciate your comment, but I think once people start getting their water bills, I think we will start getting comments on the other side.

Tony Burton

Do you see the Town becoming short of fresh water in the future? Why, for example, are you installing water meters to encourage people to cut down on their water use, so the question is, are you concerned about total water use?

Mayor Steel

Today? No. But 10 years from now, I am with projected growth. Let me put it to you this way. Our historic allocation of Willow Creek, which dates back to 1903

or something like that, is 1,100 acre feet. That's our allocation of Willow Creek and it's a closed basin – we can't get any more water. Our usage is over 900, so you have an interesting question. Do we use our full allocation now? No, but we're sure on the top end, so we can increase our supply by decreasing our consumption. That's part of the reason we need to conserve water because we are so close to our maximum allocation.

Tony Burton

I see how the new rates are going to work according to water usage, but it doesn't help the individual or low water users.

Mayor Steel

No, it doesn't, but I would suggest that our water rates, and I know it's not about the \$30 per month, it's about people that are really concerned about conserving water like you are, which is great. I know you are xeriscaping and you're low water users, and at this point in time you don't see a real benefit. Going forward, we are going to know where the water is going, because right now it's a free-for-all. This new billing system brings it closer to being equitable. The main thing is, we will have a better handle on it so we can budget better. At this point, it is a bit of a guessing game. But thanks for your question.

Orrin Hart

On the same subject, I am paying \$10 per bag for garbage as I have one bag every two weeks. I am paying the same amount for garbage disposal as someone who has a dozen bags. I think you should charge a price per bag, say \$5 per bag to encourage recycling.

Mayor Steel

You're right.

Councillor Moore

Unfortunately, society works on averages and there has to be a balance. There are people on the low end and people on the high end, and somehow we have to meet in the middle and try to have a price. It would be quite difficult to charge per bag as far as administration goes, to try and count the bags at each property.

Orrin Hart

Perhaps people could buy tags, and a tag would be attached to each bag.

Mayor Steel

Yes, there are towns that have two bag limits, and if you want an extra bag, you have to pay for that. I understand your point that people with more garbage should pay more, and those who are generating less waste and are showing a commitment to recycling and composting and all that should get a break. It is something that we have talked about, Orrin, but we haven't got there yet. I think a lot of it is dictated also by the landfill. Did you want to speak to that, Don? What's unfortunate is, it's still cheaper for us to bury stuff than it is to recycle. By that, I mean we subsidize the recycler in Town per ton. It's way cheaper to bury things, because to recycle it's way more. At some point, the landfill may dictate that. At some point they may say “quit bringing so much tonnage, I don't care how you do it, just quit bringing so much tonnage.” Then we would be forced into that, but we don't want to be forced into that. Good points on both the water and the garbage.

Joe Sweeder

I have a question about your budgets here. There are government transfers, and you are showing a surplus for 2007. Is this something you can explain?

Mayor Steel
Kris, can you answer this question?

Kris Holbeck, CA, Chief Administrative Officer
Yes, we have grant funding. This year we have the Municipal Sustainability Initiative money that we haven't spent yet and AMIP (Alberta Municipal Infrastructure Program) money. The first portion of our Pine Coulee water grant was \$2.5 million. We haven't done a lot yet with that project, but they have given us \$2.5 million to start us off. So we will be using up that money this year.

Dr. Jeff Jones
We just wanted to share some issues with our health care. We are in desperate need of health care workers, RNs and LPNs, which could cause the closure of beds within our facilities.

Dr. George Gish
We need to come up with other ideas for attracting and retaining nurses and physicians to stay here, and I'm certainly open to any suggestions. As well, we need to attract workers from Calgary to take shifts here.

Mayor Steel
If I can make a comment here. The whole initiative regarding the Auxiliary Hospital and the possibility of them reducing the number of beds is something that we just found out about today, so it's only today that we heard about that. In my opinion, it's absolutely ludicrous that they are considering any bed closures anywhere in this day and age, and especially long care beds are very well needed. The demand for long term beds is only going to increase. So, any initiative that is going to reduce the amount of long term beds in this community is ridiculous as far as I'm concerned, and I think my Council will agree with me. We will be very diligent in following this up immediately to see what is going on. As soon as I heard today from George, I tried talking to the area manager, and I didn't get a hold of her, but I will be talking with her tomorrow. I have already sent a note to the MLA to make sure that he's aware. George and Jeff are right that we have to do something about this. We can't sit back and watch this go by. We will get some more information on this tomorrow. We need to come up with genuine solutions to the problem. Any other questions or comments on anything? Thanks for coming to talk about that.

Orrin Hart
Just out of curiosity, with water coming down from Pine Coulee, are people allowed to hook on?

Mayor Steel
Yes, part of the negotiations for the project included the landowners so that was actually engineered into the pipeline to provide water to the landowners, however not for irrigation purposes. What was engineered was eight gallons per minute per mile. So if you had two miles of right-of-way, you would get sixteen gallons per minute. You could get a tap off for sixteen gallons per minute. The other big issue is that they had to have their own allocation for water; they needed to have their own license. So everyone that had a license that had right-of-way got a proportional amount of raw water.

Orrin Hart
The question that I have is we have been irrigating with Town sewage for years, and we have a lot of money invested, and we have been told we can't anymore because the water is not fit for irrigation.

Mayor Steel

We've been down this road before, and it's an interesting dialogue with government departments and the bureaucracy about it. To get orders that we can't put the water onto the crop, so what do we do with it? Put it into Willow Creek? Doesn't make any sense. It's ridiculous because someone will complain to the politicians and then they'll change their minds. Thanks Orrin. Any other comments or questions? If not, would someone like to make a motion to adjourn?

Harold Seymour

I would just like to make a comment on what's happened in the past year. I would like to acknowledge the work that is being done to bring water from Pine Coulee. It has been a long time coming, and something that has been talked about for many years.

Mayor Steel

Thanks, Harold. I have a copy of your report from 1976 with your recommendation for water meters. Any other comments or questions? If not, would someone like to make a motion to adjourn?

9. ADJOURNMENT

Moved by George Gish that this meeting adjourn.

CARRIED

MAYOR – Rob Steel

SECRETARY/TREASURER – Karine Wilhauk