

The regular meeting of the Council of the Rural Municipality of Blucher, #343 was held in the Municipal Office, Village of Bradwell, on October 9, 2002 commencing at 8:00 a.m.

Those in attendance were Reeve Dan Greschuk, Councillors Gary Garman, Quintin Senger, Terry Fonstad, Dale Chysyk, Lionel Mitchell and Francis Boehm.

223-2002 - Boehm

Minutes

That the minutes of the previous regular meeting held September 11, 2002 be adopted as read.

Carried.

Discussion Arising out of Minutes

- ◆ N. Boser – Williams Ave. Lease
 - ◆ table until November meeting
- ◆ Office Flag Poles
- ◆ Building Set Backs
 - ◆ table until November meeting
- ◆ 2003 Capital Expenditure
- ◆ Elections
- ◆ RM Staff Party

Municipal
Elections

224-2002 - Fonstad

Further to Resolution # 214-2002 passed September 11, 2002, that the following deputy returning officer amendments be made:

Division	DRO
3	delete Hilda Patkau and insert Susan Yuzik
4	delete Anne Selby and insert Merle Rugg

Carried.

225-2002 - Fonstad

RM Staff
Party

That we host the 2002 RM staff party for all Council, employees and guests at Champetre County, Thursday, December 5, 2002 commencing at 6:30 p.m.

Carried.

226-2002 - Mitchell

Monthly
Statement

That the statement of Assets, Liability, Revenues and Expenditures for the month of September, 2002 be approved as read.

Carried.

227-2002 - Chysyk

Bills

That we approve for payment, the following bills and accounts:

<u>Chq</u>	<u>Name</u>	<u>Account</u>	<u>Amount</u>
Dir Pay	Mark Adam	Salary	998.65
Dir Pay	Jim Duncan	Salary	1,223.22
Dir Pay	Ken Hatzel	Salary	1,234.20
Dir Pay	Ed Hill	Salary	852.75
Dir Pay	Tim Hill	Salary	1,072.69

Dir Pay	Joe Icton	Salary	801.95
Dir Pay	Christina Jensen	Salary	521.46
Dir Pay	Dennis Lark	Salary	1,055.94
Dir Pay	Henry Latta	Salary	1,064.28
Dir Pay	Dan Medernach	Salary	439.61
Dir Pay	Robert Thurmeier	Salary	1,978.93
Dir Pay	Robin Wilson	Salary	1,097.26
Dir Pay	Mark Adam	Salary	1,007.35
Dir Pay	Bryan Buck	Salary	551.28
Dir Pay	Jim Duncan	Salary	1,223.73
Dir Pay	Ken Hatzel	Salary	1,273.42
Dir Pay	Ed Hill	Salary	852.75
Dir Pay	Tim Hill	Salary	1,063.22
Dir Pay	Joe Icton	Salary	833.72
Dir Pay	Christina Jensen	Salary	521.46
Dir Pay	Dennis Lark	Salary	1,056.63
Dir Pay	Henry Latta	Salary	999.98
Dir Pay	Dan Medernach	Salary	851.71
Dir Pay	Robert Thurmeier	Salary	1,978.93
Dir Pay	Robin Wilson	Salary	1,016.93
9779	Edna Manz	Janitorial	350.00
9780	Revenue Canada	Benefits	12,126.97
9781	Municipal Employees Pension Plan	Benefits	2,850.16
9782	CUPE	Union Dues	366.61
9783	Saskatoon East School Div.	Collections	321,533.29
9784	Sask. Municipal Hail Association	Collections	21,719.61
9785	Receiver General	Benefits	46.23
9786	Rogers AT&T	Cel Phone	116.58
9787	Sask Tel	Phone	631.88
9788	Sask Power	Power & Energy	580.33
9789	Teacher's Credit Union	Tax Overpayment	18.77
9790	Municipal Potash Tax Sharing Board	Potash Collection	549,808.26
9791	Canada Post	Postage	535.00
9792	Village of Bradwell	Water & Sewer	38.05
9793	McQuarries Coffee Service	Office Supplies	35.70
9794	Ascom Canada Ltd.	Postage Meter Contract	83.91
9795	Danka	Copier Maintenance	67.48
9796	Clavet Service Station	Chev 1500 Repair	16.98
9797	SARM	Fuel, Stationary	9,166.48
9798	The Star Phoenix	Advertising – Rd Closure	174.39
9799	Ter-Ray Services	Shop Maintenance	53.50
9800	TD Visa	Fuel, Oil	40.17
9801	Admore Coop	Shop & Sign Supplies, Oil	726.73
9802	Acklands-Grainger Inc.	Shop Supplies	63.47
9803	First Filter Service Ltd.	Filters	54.24
9804	Hank's Service Ltd.	JD Tractor Repair	8.63
9805	Brandt Tractor Ltd.	Loader & Grader Repairs	246.92
9806	Redhead Equipment Ltd.	Mack Truck Repair	479.05
9807	Flaman Sales Ltd.	Mower Repair	1,356.99
9808	Fountain Tire	Mack Tire Repair	40.12
9809	Saskatoon Wholesale Tire Ltd.	Mack Tire Repair	99.48
9810	Scaletech Systems Ltd.	Scale Repair	510.35
9811	Prestupa Construction Ltd.	Road Construction	58,652.10
9812	Laredo	Custom Hauling	49.06
9813	Rolling Stones	Custom Hauling	671.15
9814	AMEC Earth & Environmental Ltd.	Gravel Testing & X Section	1,979.50
9815	Sask Highways & Transportation	Agrium Road Striping	816.39
9816	Senger's Trenching Ltd.	Test Holes & Move Packer	374.50
9817	Johnson Concrete & Material Ltd.	Road Construction	9,201.09
9818	William Boehm	Road Construction	2,200.00

9819	J & H Builders Warehouse	Signs	124.75
9820	Canadian National	Crossing Maintenance	709.71
9821	Dennis Boyenko	Waste Supervision	880.00
9822	Loraas Disposal	Waste Collection	3,244.25
9823	Town of Allan	Waste Site Charges	164.00
9824	Sask Water	Water	6,402.08
9825	Adele Medernach	Meeting Expense	72.00
9826	Petty Cash	Petty Cash	10.90
			<u>Carried.</u>

Administrator's Report

- ◆ Allan South Rural Water Pipeline
- ◆ Office Furnace
- ◆ Office Computer
 - ◆ postpone until 2003 fiscal year
- ◆ Tankfull water analysis
- ◆ Tax Cancel
- ◆ Tax Enforcement
- ◆ November 14, 15, 2002 SARM Convention

228-2002 - Fonstad
 Allan South Utility Report That the attached Administrator's written report regarding the Allan South Rural Water Utility be accepted as presented.
Carried

229-2002 - Mitchell
 Office Furnace That we contract Ace Plumbing & Heating Inc. to install 2 RUUD UGLH-100 furnaces in the municipal office for a quoted price of \$ 4,178 plus GST, payable in 2003; and further, that we also contract annual maintenance from Ace Plumbing & Heating Inc. for an annual cost of \$392.00 plus GST.
Carried

230-2002 - Boehm
 Tax Cancel Pursuant to Section 331 of the RM Act, that the following taxes be cancelled:

		<u>Mun</u>	<u>School</u>	<u>Total</u>
Sask Ag	PT NW 11-36-3 W3	6.11	13.24	19.35

Carried

231-2002 - Chysyk
 Tax List Pursuant to Section 3 (3) of the Tax Enforcement Act, that the Administrator be instructed not to include in the Tax Enforcement List any parcel on which the arrears of taxes owing are less than one half of the immediately preceding year's levy.
Carried.

232-2002 - Garman
 Tax List That the Reeve be authorized to accept the 2002 list of arrears of taxes.
Carried.

233-2002 - Mitchell

SARM Mid-Term

That Dan Greschuk and Francis Boehm be appointed as official delegates to attend the SARM Mid-Term Convention November 14 & 15, 2002.

Carried.

Bylaw Enforcement/Pest Control Officer Report

- ◆ Weed Control
 - ◆ Weed Inspector's Report
- ◆ Bylaw Enforcement
- ◆ Sign Maintenance

Weed Inspector Report

234-2002 - Senger

That the Weed Inspector's report be accepted as presented and be filed.

Carried.

Correspondence

235-2002 - Fonstad

That the following correspondence, having been read, now be filed:

- a) Doug Renwick – “Renwick Road” name request
- b) SAL Engineering Ltd.
 - ◆ Allan South Water pipeline route Phase 2 & 3 thru 3, E3-34-1 W3
- c) Brompton Adjusters Ltd.
 - ◆ Allan South Water Corp. damage to G. Boechler
- d) Sask Highways
 - ◆ Rural Road Classification System
 - ◆ Highway 397 Signing
- e) Sask Fire Commissioner
 - ◆ Emergency Services Telecommunications Grant - \$7,752
- f) Sask Environment – proposed waterworks regulations
- g) SARM
 - ◆ Railway running rights
 - ◆ RM 305 flood assistance request
 - ◆ Nov 14, 15, 2002 Mid Term Convention resolutions
 - ◆ October 3, 2002 Update
- h) Center for Ag Medicine
 - ◆ Ag Health & Safety Network Scholarship
 - ◆ Farm Injury Control Seminar Nov 20, 2002, Saskatoon
- i) Boyd Petro Search – Seismic operations line 35-1 W3
- j) Prairie Swine Center
 - ◆ Summary of geographical distribution of cash expenditures
 - ◆ Pork interpretive gallery
 - ◆ Director's Lecture – October 24, 2002, Saskatoon
- k) AMEC – Community & Environmental Planning Services

Carried.

NOTE: Councilor Fonstad declared a pecuniary interest with respect to the following and left the room prior to and during any discussion and resolution with respect to the road naming.

Road Naming

236-2002 - Senger

That we make application to Sask. Highways to have the following road named:

- ◆ Wind River Road – WSW 15-35-3 W3 - Highway 16 North

Carried.

Following adoption of Resolution # 236-2002, Councilor Fonstad rejoined the meeting.

Allan South
Water Phase
2 & 3

237-2002 - Chysyk

That we table any decision with respect to the Allan South Rural Pipeline Association water pipeline route – phase 2 & 3 thru 3, E3-34-1 W3 pending receipt of an executed water pipeline agreement.

Carried.

PCS –
Allan
Seismic

238-2002 - Garman

That permission be granted to Boyd Petro Search to conduct seismic operations, on behalf of PCS – Allan , thru Sections 10-15, 22-27-35-1 W3 providing as follows:

- ◆ all roadways and ditches, if disturbed, be returned to their condition prior to the said seismic activities.

Carried.

Interviews:

Grattan O’Grady, Eric Wiens, Barry Koskinsky, David Remmen, Aaron Garman, Henry Block - Allan South Rural Water Utility

- ◆ water utility agreement
 - ◆ RM advised utility is covered under SARM liability insurance plan
 - ◆ utility requested the elimination of Schedule “C”
 - ◆ in lieu of Schedule “C”, RM requested irrevocable letter of credit, or similar security in the amount of \$10,000
 - ◆ utility will discuss at their Oct 15, 2002 board meeting and advise RM

Meeting
Recess

239-2002 - Senger

That we recess this council meeting and reconvene as a committee of the whole.

Carried.

Committee
of the
Whole

240-2002 - Senger

That this committee of the whole be adjourned and we reconvene as a regular meeting of council.

Carried.

Foreman’s Report

- ◆ Mower Operations
 - ◆ mow top cut on back roads
 - ◆ mow full cut on bus routes
- ◆ Equipment Maintenance
- ◆ Custom gravel haul
- ◆ Inland gravel crushing
 - ◆ Quantity
 - ◆ Road allowance SSW 25-36-3 W3
 - ◆ Reject Sale
- ◆ Road Construction cost summary

- ◆ packer rental
- ◆ 2003 capital expenditures
 - ◆ motor grader
- ◆ Employees
 - ◆ Lay off

241-2002 - Fonstad

Employee

That the following employees be hired full time, at the wage category, terms and effective date as follows:

Employee	Effective Date of Employment	Wage	Job Description	Terms
Byran Buck	September 16, 2002	13.23	Equipment Operator I	90 day probation

Carried.

242-2002 - Garman

Lay Off

That we serve lay off notices to the following employees as stated, said layoff to be effective as indicated:

Employee	Notice Date	Effective Date
Mark Adam	October 11, 2002	November 22, 2002
Dennis Lark	October 11, 2002	November 22, 2002
Tim Hill	October 11, 2002	October 25, 2002
Ken Hatzel	October 11, 2002	October 25, 2002
Robin Wilson	October 11, 2002	October 25, 2002
Dan Medernach	October 11, 2002	October 25, 2002
Byran Buck	October 11, 2002	October 25, 2002

and further, that the Reeve be granted authority to continue the employment past a layoff date, on a daily basis, of any employee providing the employee voluntarily agrees and waives any further lay off notice.

Carried.

Councillor's Report

Reeve Greschuk

- ◆ Fire District
 - ◆ Clavet Department pump purchase
 - ◆ Clavet Department member remuneration
- ◆ Gravel pit stripping
- ◆ Gravel spreading

Councillor Garman

- ◆ Combine World gravel sale

Councillor Senger

- ◆ Harder Road Construction W 19-34-2 W3

Councillor Fonstad

- ◆ Project 203 clay sourcing & haul cross section
- ◆ Agrium (Hanson) Road seal coat
- ◆ Tree removal – WSW 30-34-3 W3

Councillor Chysyk

- ◆ H. Little road maintenance WSW 16-35-1 W3
- ◆ Project 316 rutting
- ◆ Grass seeder – mount on frame with harrows
- ◆ Enforcement Officer responsibilities and equipment maintenance

Councillor Mitchell

- ◆ Weed control
- ◆ Rock in ditch N 35-35-2 W3
- ◆ Pit Road surface
- ◆ Contractor parked equipment in L. Tucker yardsite
 - ◆ replace lost gravel in yardsite
- ◆ Project 317

Councillor Boehm

- ◆ PCS clay borrow site
- ◆ Zadvorny approach
- ◆ Allrock road culvert extension
- ◆ Prokop house move – PCL DD NE 31-36-3 W3
- ◆ RM Tour
- ◆ Policing – protection of private property

243-2002 - Boehm

R. M. Tour

That we set Friday, November 1, 2002 at 9:00 a.m. as the date for the annual tour of the municipality by Council; and further, that the Administrator be instructed to rent a van for this purpose.

Carried.

244-2002 - Garman

Adjourn

That this meeting of Council adjourn.

Carried.

Reeve

Administrator

2002

October 16,

File:

RPTAllanSwater

TO: Council

FROM: Robert Thurmeier, Administrator

TOPIC: Allan South Rural Water Utility (the “Utility”)

- Section 5 of schedule C stated that any “obligation shall be divided equally among the shareholders of the corporation, the undersigned included”
 - Section 6 of schedule C stated that “the undersigned shall be liable to pay the sum allocated”
 - in other words, the intent of the RM is that schedule C creates only a pro rated share of the Utility’s liability for the subscriber
 - at the conclusion of this meeting, the Utility representatives led the RM to believe the Utility’s concerns were addressed
- At the June 3, 2002 Council meeting discussion of this meeting with the Utility was held, as recorded in the minutes under Councilor Senger’s report
- On June 13, 2002, after discussions with Ron Thorstad, the Utility’s lawyer, Kim Anderson, the RM’s lawyer, advised that since the Utility was created by bylaw pursuant to Sec. 228.1 of the RM Act, schedule C could be removed from the agreement because the RM already has sufficient security
- At the July 8, 2002 Council meeting discussion of Kim Anderson’s letter was held, as recorded in the minutes under correspondence
 - a reply was sent to Mr. Anderson July 9, 2002 advising that
 - Schedule C had been accepted and executed by an existing utility, the Elstow North Rural Water utility
 - Council believed the guarantee, although inconvenient to obtain, is not onerous to the subscriber and provides the RM with additional peace of mind, if no additional security, since the utility subscribers, by securing the guarantee, acknowledge their indebtedness
 - Consequently, the RM is not prepared to amend the said agreement and will not permit access to this Municipality’s road allowance until the said agreement and accompanying guarantees are executed
- On Aug. 21, 2002, Kim Anderson advised Ron Thorstad, the Utility’s lawyer, of the RM’s position
- Sometime in September, 2002, the Utility installed water pipelines in the RM of Blucher #343 road allowances with no notification to the RM nor any permission from the RM
- On October 1, 2002 the Administrator contacted Gratton O’Grady, Utility Chair inquiring why the Utility installed the pipeline without the RM’s permission. He responded that he had “no answer” to the question. The Administrator then advised that Council will be discussing this matter at their Oct. 9, 2002 meeting and invited the Utility to attend. Mr. O’Grady accepted the invitation. The Administrator also advised that this was a serious matter and Council may consider the shutting off of water service, and pipeline removal, if no agreement can be entered into. Also, since the RM will be seeking legal advice, the Utility should consider speaking to their lawyer.

Analysis:

As both the Elstow North and Allan South Rural Water Utilities are utilities created by bylaw pursuant to Section 228.1 of the RM Act, the RM does have several statutory imposed collection options that are not available to water user groups:

- should the utility be dissolved, and where there are insufficient realizable assets to satisfy the utility’s liabilities, the Minister may prescribe a charge to be imposed on persons to whom the public utility service is supplied (Sec. 228.1 (11) RMA)
- all rates and costs imposed by a public utility board are a lien on the land and improvement and may be levied and collected in the same manner as taxes (Sec. 233 (1) a RMA)
- any outstanding rates, charges or rents imposed by the utility, and that have been paid by the RM, become part of the property taxes (Sec. 233.1 RMA)

However, these options deal with the dissolution of the utility, or any utility imposed charges. They do not address any costs directly incurred by the RM from the utility's actions or operations (such as a water line break).

Attached is a copy of the Oct. 3, 2002 letter from Kim Anderson, the RM's solicitor, briefly noting the above and suggesting options to the RM and actions available to the RM to remedy the situation.

Options:

1. Status quo
 - require the Utility to provide an executed schedule C from each subscriber
2. Modify Schedule C
 - delete the "jointly & severally" reference and specifically state, in detail, that the subscriber is only responsible for the subscriber's pro rated share of any cost to the RM by the utility.
3. New utility agreement with no schedule C
 - require the Utility to carry insurance to cover any costs directly incurred by the RM from the utility's actions or operations (such as a water line break).
 - as noted by Mr. Anderson, caution must be exercised since, by being a bylaw created public utility, the Utility is covered by the RM's liability insurance and consequently any claim made by the RM would be excluded since, in effect, we would be claiming against ourselves
4. New utility agreement with no schedule C
 - require the Utility to provide the RM with an irrevocable letter of credit, or other form of security acceptable to council such as cash, performance bond, etc., in an amount the RM believes sufficient to cover any costs directly incurred by the RM from the utility's actions or operations (such as a water line break).

Recommendations:

Although the Utility made a serious mistake by installing water pipelines in the RM road allowance without the RM's permission, the fact remains that the RM would prefer to see an uninterrupted water service to its residents, and the residents of neighboring RM's.

However, the RM must ensure that its ratepayers will incur no cost from the Utility's operations and that the Utility is treated in the same manner as other existing utilities with no special consideration.

As it appears schedule C, in any form, is unacceptable to the Utility subscribers, and the public utility - RM liability insurance issue potentially prohibits the RM from seeking full damages from the Utility's liability insurance, **I recommend:**

- 1. The RM prepare a new utility agreement, with no schedule C.**

- 2. The Utility be required to provide to the RM an irrevocable letter of credit, or other form of security acceptable to council such as cash, performance bond, etc., in an amount to be determined by Council.**
- 3. Should the Utility fail to execute the new agreement, or provide satisfactory security, within 60 days, the RM should seek a court injunction to have the pipelines removed from all RM road allowances and enjoining the Utility from any future trespass on RM road allowances, and further, that the RM commence a suit for any damages suffered from the pipeline installation or removal.**
- 4. The existing utility, the Elstow North Rural Water Utility, be offered the option to continue with the existing agreement, and obtaining an executed schedule C from each subscriber, or enter into this new agreement, with no schedule C, and provide an irrevocable letter of credit, or other form of security acceptable to council such as cash, performance bond, etc., in the same manner as the Allan South Rural Water Utility.**