

ANNUAL REPORT

2024

CITY OF BEAUMONT

TOWN OF CALMAR

CAMROSE COUNTY

VILLAGE OF HAY LAKES

CITY OF LEDUC

LEDUC COUNTY

TOWN OF MILLET





TABLE OF CONTENTS



CRSWSC BOARD

- 01 Chairman's Message
- 02 Membership & Governance Structure
- 03 Organization & Administration
- 04 Strategic Partnerships
- 04 2024 Meeting Dates
- 05 Water Rate



CRSWSC MANAGEMENT & OPERATIONS

- 07 Introduction
- 08 Management & Operations Report
- 09 Operational Philosophy
- 10 History of the CRSWSC



CRSWSC FINANCIAL REPORT

- 15 Introduction
- 16 Independent Auditor's Report



CRSWSC BOARD

CHAIRMAN'S MESSAGE

Lars Hansen, Board Chair

I am delighted to present the 2024 Chairman's Message on behalf of the CRSWSC Board of Directors. It is a privilege to highlight the Commission's key achievements and milestones from this past year.

Throughout 2024, the CRSWSC achieved significant progress in critical projects and initiatives. Construction of the Nisku Booster Station continued, with substantial advancements in water line installation, building infrastructure, and system testing, keeping the project on track for early 2025 commissioning.

The Commission also effectively managed emergency repairs, including the Millet transmission line and EPCOR pipeline, ensuring uninterrupted water service to our communities. Collaborative efforts with EPCOR and the RWCG led to advancements in demand management measures, drought resilience planning, and infrastructure improvements, reinforcing our commitment to regional water security. Additionally, the CRSWSC enhanced its emergency response planning and expanded its focus on proactive maintenance and operational excellence, setting a strong foundation for future growth and sustainability.

As Chair, I am honored to continue serving alongside Vice-Chair Kelly-Lynn Lewis for another term. This past year has been both rewarding and inspiring as I've had the privilege of working with our dedicated board members. I am incredibly proud of the progress we have made together in advancing the Commission's goals.

The commitment and expertise of our board members and administration extend far beyond our meetings. Their dedication is evident in their continuous efforts to expand their knowledge of water systems, including valuable learning opportunities such as WEFTEC. This passion for growth and innovation ensures that we remain well-equipped to make forward-thinking, sustainable decisions for the future of the CRSWSC.

Lastly, I want to extend my gratitude to the dedicated City of Leduc Management and Operations team for their unwavering commitment and hard work. Looking ahead to 2025, I am confident it will be another successful and rewarding year, thanks to the collective efforts of our Commission Members and the Administration team.

CRSWSC BOARD

MEMBERSHIP & GOVERNANCE STRUCTURE

Alberta Regulation, AR 292/84 originally created the Capital Region Southwest Water Services Commission which is governed by Part 15.1 of the Municipal Government Act (SA 194, Chapter 26.1). The Regulation mandates that services be supplied 'as required,' that fees charged are based on full recovery of capital and operating costs, and that all members be charged a uniform rate. The Regulation was most recently amended in 2016 by Order in Council 141/2016 to include a new member. Similar amendments have previously been made to add members in 2009 (143/2009) and 2011 (213/2011).

AR 292/84 was repealed by AR 122/2020 as part of the government's effort to reduce red tape by granting municipal authorities more autonomy and reducing the required number of provincial approvals for Regional Service Commissions. The Capital Region Southwest Water Services Commission continues to operate as before in accordance with their bylaw, water policy, and Part 15.1 of the MGA.

The Capital Region Southwest Water Services Commission (CRSWSC) membership includes:

- City of Beaumont
- Town of Calmar
- Camrose County
- Village of Hay Lakes
- City of Leduc
- Leduc County
- Town of Millet



ORGANIZATION & ADMINISTRATION

The Capital Region Southwest Water Services Commission requires each member municipality to appoint two representatives to the Board, with the option to designate a council member as an alternate. Each year, the Board elects a Chair and Vice-Chair from among its members. In 2024, Councillor Lars Hansen was elected as Chair, and Councillor Kelly-Lynn Lewis was elected Vice-Chair.



2023-2024 Board of Directors:

BACK ROW (Left to Right): Councillor Don Faulkner (*Town of Calmar*), Councillor Paul Patterson (*Village of Hay Lakes*), Councillor Dal Virdi (alternate) (*County of Leduc*), Mayor Ron These (alt.) (*Village of Hay Lakes*), Deputy Mayor Clifford Heinz (*Village of Hay Lakes*), Mayor Doug Peel (*Town of Millet*), Councillor Mathew Starky (*Town of Millet*), Councillor Lars Hansen (*City of Leduc*)

FRONT: Mayor Bill Daneluik (*City of Beaumont*), Councillor Catherine McCook (*City of Beaumont*), Councillor Krista Gardner (*Town of Calmar*), Councillor Beverly Beckett (*City of Leduc*), Reeve. Cindy Trautman (alt.) (*Camrose County*) Councillor Doug Lyseng (*Camrose County*)

Incoming Board of Directors:

In November 2024, the incoming Board of Directors for the 2024 - 2025 term was appointed. Councillor Lars Hansen was re-elected as chair and Councillor Kelly-Lynn Lewis was re-elected as vice-chair.



BACK ROW (Left to Right): Councillor Don Faulkner (*Town of Calmar*), Councillor Paul Patterson (*Village of Hay Lakes*), Councillor Rick Smith (*County of Leduc*), Mayor Bill Daneluik (*City of Beaumont*), Councillor Ron These (*alt.*) (*Village of Hay Lakes*), Mayor Doug Peel (*Town of Millet*), Councillor Jordan Banack (*Camrose County*)

FRONT: Councillor Catherine McCook (*City of Beaumont*), Councillor Krista Gardner (*Town of Calmar*), Councillor Lars Hansen (*City of Leduc*), Councillor Kelly-Lynn Lewis (*County of Leduc*), Councillor Beverly Beckett (*City of Leduc*), Deputy Mayor Clifford Heinz (*Village of Hay Lakes*)

	2024 BOARD MEMBERS	INCOMING BOARD MEMBERS
City of Beaumont	Mayor Bill Daneluik Councillor Catherine McCook Councillor Steven vanNieuwkerk (<i>alternate</i>)	Mayor Bill Daneluik Councillor Catherine McCook Councillor Steven vanNieuwkerk (<i>alternate</i>)
Town of Calmar	Councillor Krista Gardner Councillor Don Faulkner Councillor Jaime McKeage Reber (<i>alternate</i>)	Councillor Krista Gardner Councillor Don Faulkner Councillor Jaime McKeage Reber (<i>alternate</i>)
Camrose County	Councillor Doug Lyseng Councillor Jordon Banack Reeve Cindy Trautman (<i>alternate</i>)	Councillor Doug Lyseng Councillor Jordon Banack Councillor Don Simpson (<i>alternate</i>)
Village of Hay Lakes	Deputy Mayor Clifford Heinz Councillor Paul Patterson Mayor Ron These (<i>alternate</i>)	Deputy Mayor Clifford Heinz Councillor Paul Patterson Councillor Ron These (<i>alternate</i>)
City of Leduc	Councillor Beverly Beckett Councillor Lars Hansen (<i>chair</i>) Mayor Bob Young (<i>alternate</i>)	Councillor Beverly Beckett Councillor Lars Hansen (<i>chair</i>) Mayor Bob Young (<i>alternate</i>)
Leduc County	Councillor Kelly-Lynn Lewis (<i>vice-chair</i>) Councillor Rick Smith Councillor Dal Viridi (<i>alternate</i>) Mayor Tanni Doblanko (<i>alternate</i>)	Councillor Kelly-Lynn Lewis (<i>vice-chair</i>) Councillor Rick Smith Councillor Dal Viridi (<i>alternate</i>) Mayor Tanni Doblanko (<i>alternate</i>)
Town of Millet	Mayor Doug Peel Councillor Mathew Starky Councillor Rebecca Frost (<i>alternate</i>)	Mayor Doug Peel Councillor Mathew Starky Councillor Rebecca Frost (<i>alternate</i>)

CRSWSC BOARD

STRATEGIC PARTNERSHIPS

Management and Operating Services

Management Services is contracted by the City of Leduc for provision of management services to the Commission:

COMMISSION MANAGER

Shawn Olson (Director, Engineering & Environment), City of Leduc

OPERATIONS MANAGER

Rick Sereda (Director, Public Services), City of Leduc

TREASURER

Gerard Del Rosario (Manager, Taxes & Utilities), City of Leduc

FINANCIAL AGENCY

Alberta Treasury Branch (ATB) Financial

AUDITOR MNP LLP

ENGINEERING SERVICES

Associated Engineering Alberta Ltd.

SOLICITOR

Brownlee LLP and Reynolds Mirth Richards & Farmer LLP

INVESTMENT AGENCY

CIBC Wood Gundy Hobson Chahal Advisory Group

The **City of Camrose** began attending CRSWSC Board meetings as observers with no voting privileges in late 2019, as they have expressed potential interest in joining the Commission in the future. We would like to thank **Councillor Kevin Hycha**, **Councillor Lana Broker** and **General Manager Kristofer Johnson**, for their involvement in Commission meetings. The Commission looks forward to continuing to work with the City of Camrose representatives in the future.

City of Camrose Representatives (2023 – 2024 Term)
Councillor Kevin Hycha
Councillor Lana Broker
Kristofer Johnson, General Manager

City of Camrose Representatives (2024 – 2025 Term)
Councillor Kevin Hycha
Councillor Lana Broker
Malcolm Boyd, City Manager /
Kristofer Johnson, General Manager



Roger Steele

EDMONTON INTERNATIONAL AIRPORT (EIA) is a key strategic partner of the Commission.

Roger Steele is currently the appointed representative from the EIA. We would like to thank Roger Steele for his active participation at CRSWSC Board meetings and for his contributions to the success of the Commission.



Chad Maki

ASSOCIATED ENGINEERING (AE) is the Commission's contracted engineering consultant and has been a vital partner of the Commission for many years. Associated Engineering offers their expertise to provide advisory services, oversee capital construction projects and undertake updates to the Water Master Plan every 5 years. We appreciate the hard work and dedication from the Associated Engineering team, led by Chad Maki, P. Eng. and Chris Parfitt



Kevin Hycha



Lana Broker



Kristofer Johnson

City of Camrose (Councillors): (L to R)

2024 Regular Meeting Dates:

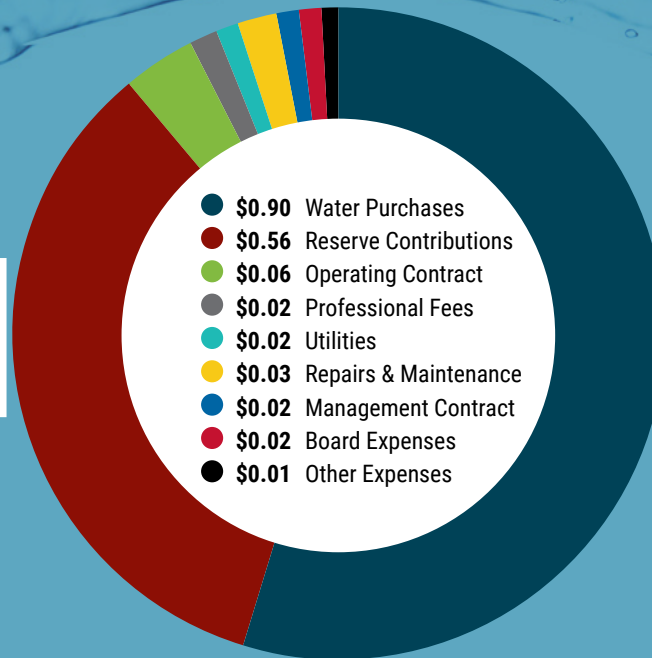
January 18 | March 21 | May 16 | September 19

Annual General Meeting (AGM) April 18

Organizational & Regular Meeting November 21



2024 SIMPLIFIED WATER RATE



Based on Sales Rate of \$1.64/m³



The **2024 water rate** established by the Commission is as follows:

Customers who are identified as major or wholesale customers are: Leduc County, City of Beaumont, Town of Calmar, City of Leduc, Edmonton International Airport, Village of Hay Lakes, Camrose County, and Town of Millet.

Wholesale water rate:
\$1.64 per m³
 (cubic metre) for all
 member communities

CRSWSC MANAGEMENT & OPERATIONS



INTRODUCTION

The Capital Region Southwest Water Services Commission (CRSWSC) was established on September 1, 1984 and today is a regional co-operation providing clean, safe drinking water to the City of Leduc, Leduc County (including the Edmonton International Airport), City of Beaumont, Town of Calmar, Village of Hay Lakes, Camrose County, and the Town of Millet. The Commission purchases its water directly from EPCOR Water Services in coordination with the Regional Water Customers Group.

The CRSWSC is part of the Regional Water Customers Group, which consists of nine members collaborating to present a unified approach in all communications and dealings with EPCOR Water Services. The Commission actively partners with the group on long-term planning, rate negotiations, water diversion license oversight, emergency preparedness, and the coordination of water supply rates.

CRSWSC MANAGEMENT & OPERATIONS



The Commission is committed to delivering clean, safe drinking water to all its customers.

It consistently monitors and manages flow rates, chlorine levels, pressure, and reservoir capacities to ensure quality service. The Commission strives to adhere to all regulations and standards established by Canadian authorities. Its objective is to establish best practices and benchmarks that its customers can follow as a model.



crswsc.ca

CRSWSC MANAGEMENT & OPERATIONS

REPORT

Shawn Olson, Commission Manager
Rick Sereda, Operations Manager



On behalf of the City of Leduc, we extend our sincere gratitude to the CRSWSC Board for their trust and confidence in the City of Leduc's Management and Operations team. We greatly value the collaborative working relationship we continue to foster and look forward to building on this partnership in the years to come.

The past year has been one of significant achievement and steady progress for the Commission. By prioritizing infrastructure development, proactive maintenance, and regional collaboration, we have made great strides in ensuring a reliable and sustainable water supply for our members.

Some key highlights to reflect on are:

- **NISKU BOOSTER STATION:** Construction advanced substantially, with waterline installations under the QEII completed and building construction nearing final stages. Structural advancements, pressure testing, and interior works have prepared the station for commissioning in early 2025.
- **MILLET TRANSMISSION LINE REPAIRS:** A permanent solution addressed recurring issues, utilizing advanced electrofusion methods. Collaborative efforts minimized service disruptions and ensured reservoir levels were maintained throughout critical repairs.
- **BEAUMONT STATION PIPING RECONFIGURATION:** The reconfiguration of piping was completed, restoring service through updated infrastructure, with further modifications planned to align with broader system upgrades.
- **COMMISSION FACILITY LOCATE REQUESTS:** The number of Utility Locate requests decreased from 708 in 2023 to 650 in 2024, indicating less requests over or adjacent to our lines.
- **DROUGHT MANAGEMENT AND EMERGENCY RESPONSE:** Collaborative efforts with the RWCG and EPCOR enhanced drought preparedness through demand reduction and public awareness initiatives. Additionally, effective response strategies, including temporary water hauling and timely repairs, minimized service disruptions during critical incidents such as pipeline failures and system leaks.
- **EPCOR AMENDING AGREEMENT:** Successful negotiations resulted in a finalized agreement that strengthens collaboration and ensures future water supply reliability.
- **CITY OF CAMROSE SERVICING – WATER FOR LIFE GRANT APPLICATION:** Administration continued to collaborate with the City of Camrose to prepare a Water for Life Grant application for a feasibility study, to evaluate regional water servicing options through the CRSWSC. If approved, the grant would fully fund the feasibility study, which will analyze existing water treatment facilities, assess regional water supply options, evaluate impacts on storage and distribution systems, and determine capital and life cycle costs for each alternative. This initiative marks another significant highlight of the past year, demonstrating ongoing regional collaboration and proactive planning to enhance long-term water security and infrastructure.



E.L. Smith Facility Tour

- **E.L. SMITH FACILITY TOUR:** On May 16, 2024, members of Administration and the Board of Directors toured the water treatment facility. This tour provided valuable insight into the treatment process and the state-of-the-art technologies that ensure safe and reliable drinking water. Attendees also viewed the facility's large solar farm and areas undergoing improvements to enhance flood mitigation efforts. The tour was well received and offered a great opportunity for learning and engagement.

Effective management and operations are vital to ensuring the safe and efficient delivery of drinking water to member municipalities. By adhering to a preventative maintenance program and engineering best practices, the Commission continues to maximize the endurance and longevity of its assets. Reflecting on the successes of 2024, achieved through collaboration and dedication from everyone involved with the CRSWSC, we take pride in reporting another year with no safety incidents. As we look ahead to 2025, the Management and Operations team remains committed to strengthening infrastructure, fostering partnerships, enhancing operational efficiency, ensuring long-term water security for the communities we serve.



Millet Repair, January 2024 (Unloading Butt Fusion Equipment)

OPERATIONAL PHILOSOPHY

The CRSWSC water infrastructure enables transmission of potable water to the City of Leduc, Leduc County, City of Beaumont, Town of Calmar, Village of New Sarepta, Village of Hay Lakes, Camrose County, and the Town of Millet. EPCOR supplies the CRSWSC from two major water treatment plants, E.L. Smith and Rosedale, both located in the City of Edmonton, each sourcing water from the North Saskatchewan River. Water from Edmonton is boosted by electrically driven pumps at the Blackmud Creek pumping station along Highway 2 south, approximately 1 km south of Anthony Henday Drive. The transmission main from the Blackmud Creek pump station supplies water to the City of Leduc with lateral mains feeding the City of Beaumont, Town of Calmar, Leduc County, Village of New Sarepta, Village of Hay Lakes, Hamlet of Armena, the Edmonton International Airport, Town of Millet and Discovery Park in the City of Edmonton.

In 2017, the City of Edmonton filed their intent with Municipal Affairs to annex a portion of Leduc County. This led to the Blackmud Creek station (formerly the Boundary station) and 7 km of transmission main residing in what is now City of Edmonton municipal boundaries to be sold to EPCOR in 2020. The pressure supplied from EPCOR's Blackmud Creek station is affected by demand, resulting pressure variances are monitored at the Discovery Park fill station, automation at the Blackmud Creek pump station adjusts pumps speeds to match required pressures.



Millet Repair, January 2024 (Butt Fusion Welding)

CRSWSC MANAGEMENT & OPERATIONS

The Supervisory Control and Data Acquisition (SCADA) control system is designed to provide operating information and control capability for the water transmission system. This is performed through a communication system link between the 14 Programmable Logic Controllers (PLC) located at each of the fill station sites, and the booster stations. The host PLC, collects data from each site and transfers new data to the other PLCs, as required. The host PLC is located on the CRSWSC side of the City of Leduc Robinson Reservoir. Endpoint adjustment, such as starting of pumps and modulating of valves, are performed by the onsite PLCs upon receipt of command from the host PLC.

Communication between all 14 water commission sites is performed by a UHF radio system installed within each station. There is a near constant feedback of information occurring between the radios and host PLC. Examples of information being transmitted include:

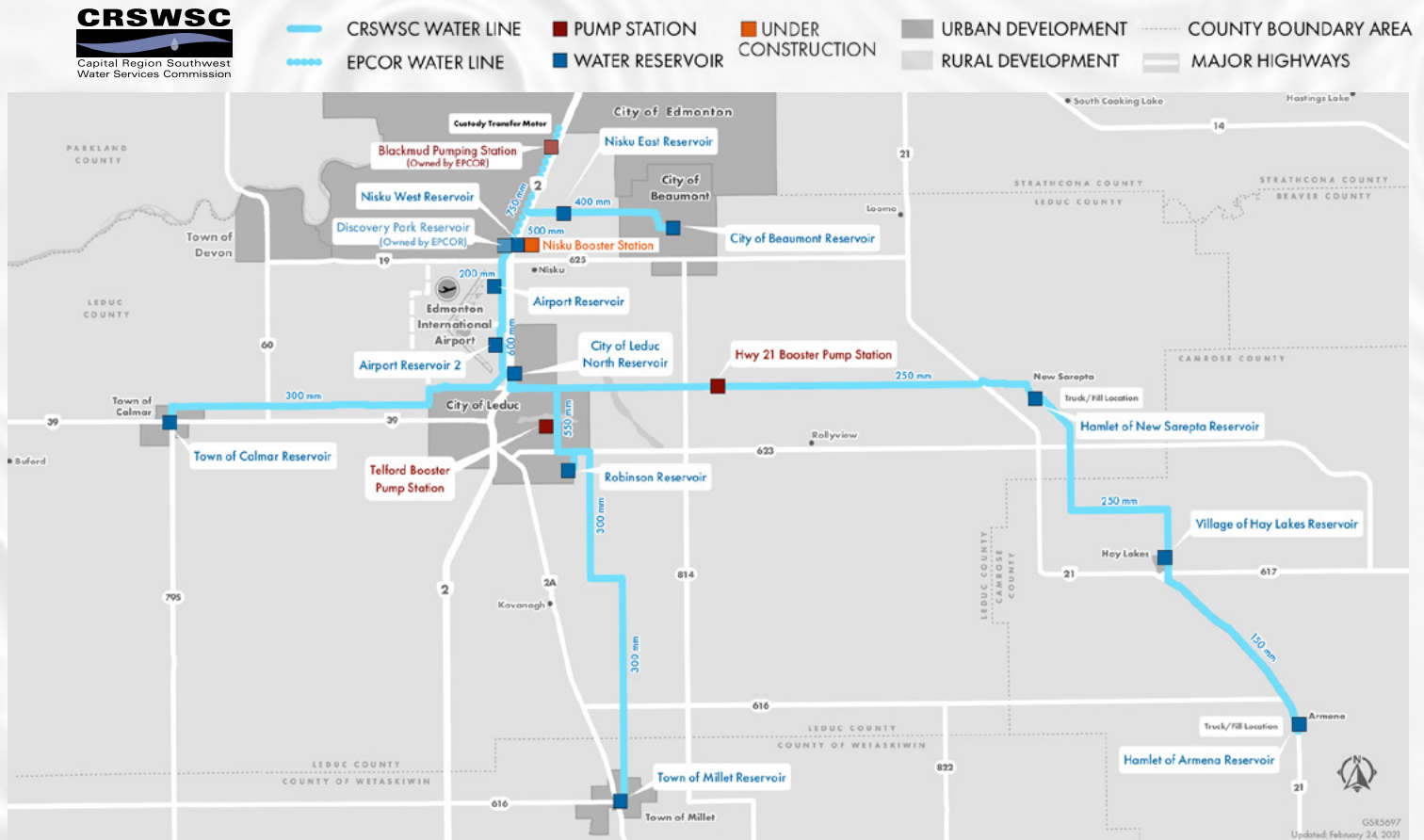
- Present pressures
- Flow rates
- Flow totaling
- Alarms when occurring
- Control valve positions
- Reservoir levels
- Chlorine residuals

The host PLC receives commands from the human machine interface (HMI) located at the City of Leduc Robinson Reservoir fill station. The HMI displays and communicates all SCADA related events for Commission operators.

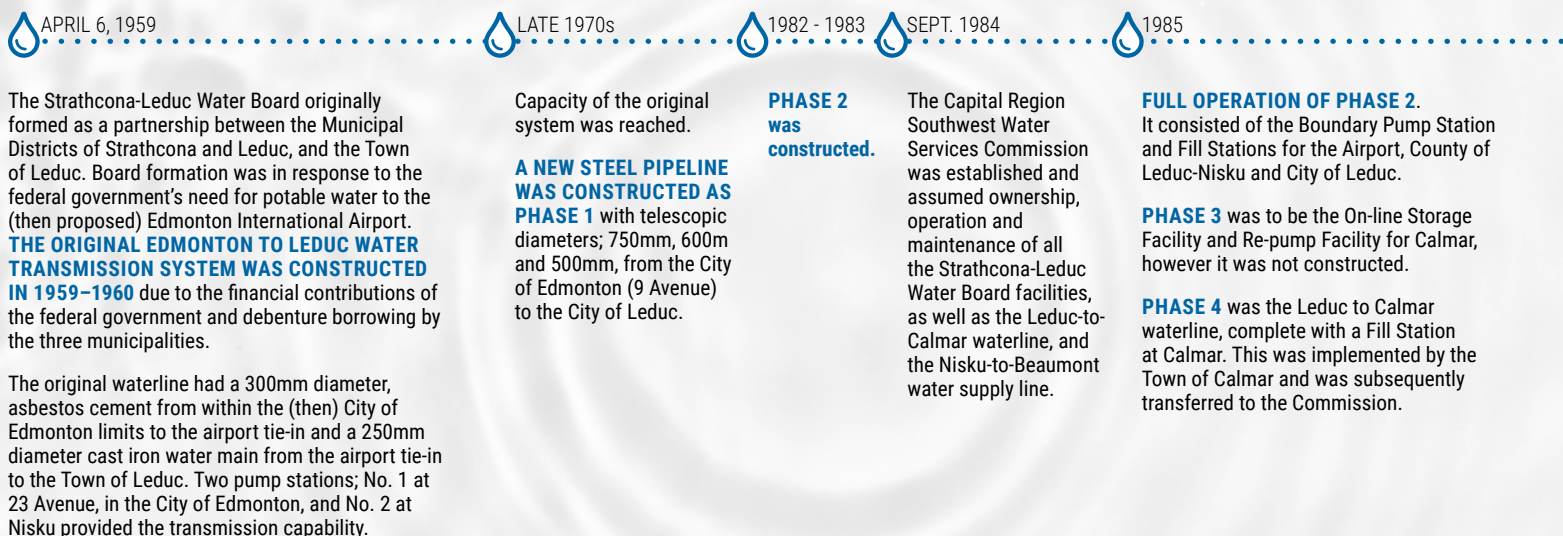
Total flow received from Edmonton is compiled by EPCOR's master meters, which are situated within the Blackmud Creek pump station and Discovery Park fill station. These meters are owned by EPCOR and are serviced on site. The magnetic flow meters keep a record of water entering the Blackmud Creek station which in turn flows into EPCOR's transmission main; the second meter tracks water entering EPCOR's Discovery Park fill station. Water supplied to the Commission is calculated as the difference between these two meters.

CRSWSC MANAGEMENT & OPERATIONS

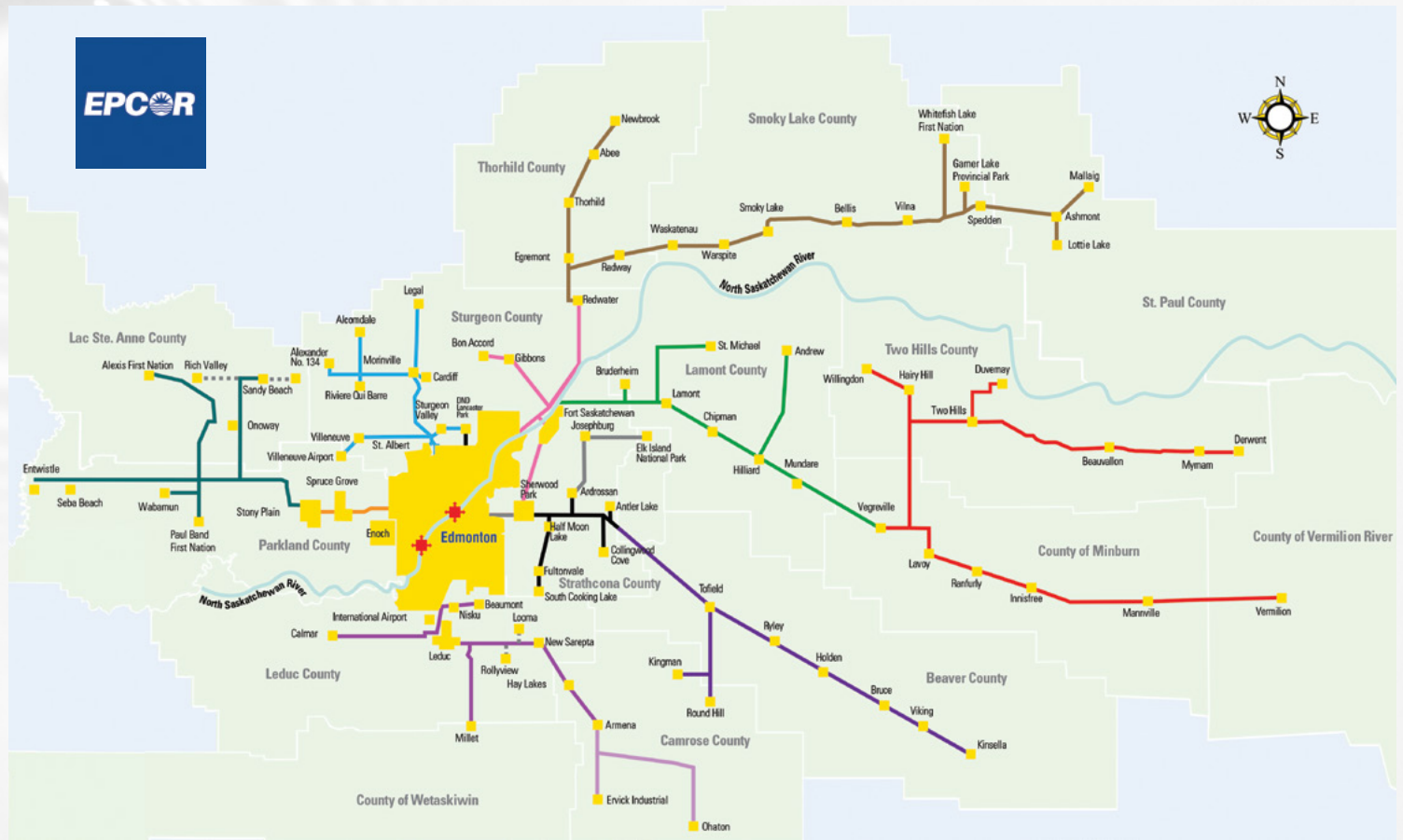
CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION (CRSWSC) TRANSMISSION SYSTEM (see figure 1.1)



HISTORY TIMELINE OF THE CRSWSC



EPCOR CAPITAL REGION WATER SERVICE MAP (see figure 1.2)



FALL 1986

AN AGREEMENT WAS FINALIZED FOR THE SALE OF THE COMMISSION'S SYSTEM INSIDE THE EDMONTON CITY LIMITS TO THE CITY OF EDMONTON.

1987

An Agreement was made between the Commission and the County of Leduc to transfer ownership, operation and maintenance of the original 300mm water main to the county, with exception of Nisku Pump House No. 2. The 300mm diameter main now serves as a county distribution main with pressurization from the county's Nisku reservoir.

1988

THE COMMISSION COMPLETED THE CONSTRUCTION OF A 400MM DIAMETER LATERAL FROM THE COMMISSION'S MAIN LINE TO BEAUMONT and a fill station at the Beaumont reservoir. The original Nisku-to-Beaumont waterline was transferred to the County of Leduc.

1993-1995

The Supervisory Control and Data Acquisition (SCADA) system was upgraded to new technology and radio communication with the five fill stations.

The AGT Communication Telemetry was replaced with a UHF Radio communication system.

1999

The SCADA system was replaced with Year 2000 capabilities, and Wonderware Software was installed.

2001

THE EDMONTON INTERNATIONAL AIRPORT 200MM CAST IRON LATERAL WAS TWINNED WITH A 200MM PVC LINE FROM THE MAIN LINE TO THE AIRPORT FILL STATION.

Management Team



(Back Row): Rick Sereda, Kyle Van Steenoven, Shawn Olson, Mark D'aoust
(Front Row): Melanie White, Elie Tymchyshyn, Katherine O'Dwyer, Gerard Del Rosario
(Regrets): Pamela Regier

Operations Team



(Back Row): Mark D'aoust, Randy Plican, Andy Humphreys, Scott Clements, Patrick Martin, James Sew, Rick Cannon
(Front Row): Zach Reimer, Darrell Claydon, Keung Lee

HISTORY TIMELINE OF THE CRSWSC

THE BEAUMONT 300MM PIPELINE WAS TWINNED WITH A 400MM LINE FROM THE WEST EDGE OF THE TOWN BOUNDARY INTO THE BEAUMONT FILL STATION.

Based on the 2004 review, VSP 102 and 103 were replaced. The computer was replaced and the SCADA system was updated. Landscaping with low maintenance and drought-resistant design was completed at the boundary pump station.

The Commission acquired a revocable license by the Department of Transport (federal government) for the Commission's water lines on Edmonton International Airport property (exclusive of the east/west water line at the south end of airport property).

The City of Leduc took over the operation of the Commission.

In 2012, the 14" Foxboro magnetic flow meter was upgraded to a 16" ABB magnetic flow meter at the Boundary Station.

Millet requested to become a member of the Commission, which they will become after the completion of the transmission main extension to the Town of Millet.

Hamlet of Armena extension design work was completed for the main extension.

Completion of the water distribution system to the Hamlet of Armena in Camrose County. Completion of the water transmission main realignment and vault access project at the 41st Avenue interchange.

New water licensing Agreement with the Regional Water Customers' Group (RWCG).

Construction on the Millet Water Supply Line Project began in early Summer 2016 and the grand opening ceremony was celebrated in April 2017.

The Commission's radio communication network was upgraded including the re-alignment of all antennas, the installation of four new towers and a signal transmission modification. The radio system upgrades signaled the end of the Hamlet of Armena's extension project.



Associated Engineering was hired to carry out a supply system review. Based on this study and the years of service of VSP 102, the Commission installed a new motor, pump, and Variable Frequency Drive.

The Commission upgraded its radio system for all fill stations to improve communications via the boundary pump station HMI (Human Machine Interface). Leduc County constructed a new reservoir and fill station. Ownership of the fill station was turned over to the water Commission.

The Commission entered into a review of the proposed Highway 21 Water Pipeline expansion project to service the Villages of New Sarepta, Hay Lakes and Camrose County. As a result, the Commission voted to expand the membership.

Under the 'Water for Life Strategy,' the Commission partnered with Alberta Transportation to construct the south Highway 21 water line. The new 250mm water line ties into the Commission's line within the City of Leduc boundary and heads east through Leduc County to New Sarepta and Hay Lakes. The line will eventually head into Camrose County.

EPCOR realigned a segment of the 762mm steel main for the 41st Avenue Interchange.

Edmonton International Airport realigned a segment of the 600mm steel main for commercial development on their property.

The SCADA system was upgraded to replace the PLCs, programming and associated hardware modifications.

The south Highway 21 water main asset transferred to the CRSWSC from Strathcona County.

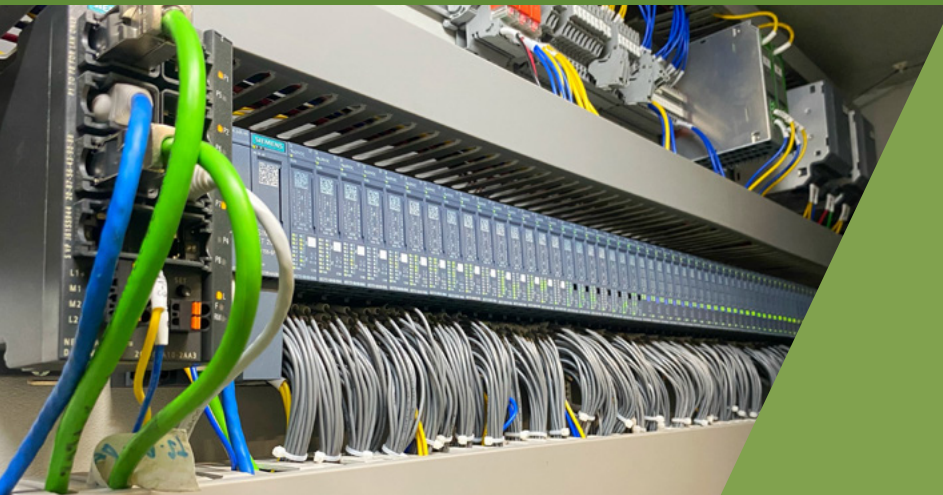
The Commission took over construction management of the Town of Millet Water Supply Line Project.

The Town of Millet was welcomed to join the Board as directors-at-large.

The Water Master Plan was completed which identified key required long term improvements to the existing Commission infrastructure.

The City of Leduc was the successful proponent for the CRSWSC operations and management contract with a three year term extendable to five years.

CRSWSC MANAGEMENT & OPERATIONS



PUMP UPGRADES AT THE HIGHWAY 21 BOOSTER STATION WERE COMPLETED.

The Water Master Plan update was completed by Associated Engineering with input and direction from Board Members. Edmonton's Discovery Park's first facility came online and the Edmonton International Airport (EIA) added a second fill station. A License Agreement was executed with the EIA regarding the CRSWSC transmission main within EIA land.

Negotiations commenced with EPCOR regarding assets within the Edmonton annexation area. Negotiations also commenced with Leduc County in order to secure land for a new Booster facility required in 2023. An Option to Purchase was executed in late 2019 to secure a land parcel for a future Booster Station.

THE CRSWSC CELEBRATED 35 YEARS OF OPERATION IN SEPTEMBER 2019.

Through coordination with the Regional Water Customers Group (RWCG), the Commission obtained a water license from Alberta Environment and Parks which **PROVIDES WATER SECURITY INTO THE FUTURE.**

IN MAY, THE COMMISSION ADOPTED BYLAW 01/2021

and repealed all previous Bylaws in order to comply with changes to the MGA, intended to reduce red tape. In addition, water allocations within the transmission mains for each municipality was also removed from the Bylaw.

Planning commenced for the design and construction of the **NEW NISKU BOOSTER STATION** to increase service pressures to Member municipalities in order to meet long-term demands in accordance with the Masterplan.

CONSTRUCTION COMMENCED ON THE NISKU BOOSTER STATION

to increase service pressures to Member municipalities in order to meet long term demands in accordance with the Masterplan. Completion and the grand opening are anticipated in 2024.

Discussions commenced in regards to the EPCOR Amending Agreement which will be required once the Nisku Booster Station is commissioned.

Negotiations began between the Regional Water Customers Group (RWCG) and EPCOR on the Cost of Service agreement. Discussions will continue into 2024.

A water main break on the Millet Line in December resulted in an emergency repair. The line began leaking again, in a smaller volume, shortly after the initial repair and a more permanent repair was scheduled for early 2024.



Negotiations were finalized with EPCOR and a Sale Agreement executed for the sale of assets impacted by the annexation. The sale closed in late 2020 which transferred the former Boundary Station to EPCOR (adjacent to Highway 2), along with 7 km of transmission main from the former Boundary Station to just south of the Discovery Park lateral to EPCOR.

Security upgrades were completed at the Highway 21 Booster Station.

The CRSWSC started the RFP process to secure a design firm for the new Booster Station late in 2020.

AR 292/84 was repealed by AR 122/2020 as part of the government's effort to reduce red tape by granting municipal authorities more autonomy and reducing the required amount of provincial approvals for Regional Service Commissions. CRSWSC continues to operate as before in accordance with their bylaws and Part 15.1 of the MGA. The CRSWSC commenced a bylaw review and update to ensure compliance with the MGA changes and to reflect the changes to the Commission as a result of the EPCOR asset sale.

THE DESIGN AND LAND PROCUREMENT WAS COMPLETED FOR THE NEW NISKU BOOSTER STATION

and a contractor was secured for 2023-2024 construction.

A leak detection survey of 8 km of bar wrapped concrete pipe supplying the City of Beaumont was completed which found no detectable leaks.

The Highway 21 booster station antennae was struck by lightning causing significant damage to the radio and antennae cabling and overloaded the variable frequency drive (VFD). The radio and cabling were repaired and the VFD replaced.

THE NISKU BOOSTER STATION CONSTRUCTION ADVANCED

in 2024 with completion and commissioning expected in 2025.

The EPCOR Second Amending Agreement was fully executed and is expected to take effect in 2025 once the Nisku Booster Station is operational and all meters are installed.

The 2022 Rate Settlement was finalized between the Regional Water Customers Group (RWCG) and EPCOR. The Cost of Service discussion between RWCG and EPCOR continued and will carry over into 2025.

A joint application was submitted by CRSWSC, City of Camrose, City of Wetaskiwin, and Wetaskiwin County to the Water for Life Grant for funding for a feasibility study to determine whether the CRSWSC could extend supply lines to service Camrose and Wetaskiwin. Results of the grant application are expected in 2025.

CRSWSC MANAGEMENT & OPERATIONS



CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION (CRSWSC)
LEDUC, ALBERTA

FINANCIAL REPORT

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

City of Leduc Finance Team



Elie Tymchyshyn



Gerard Del Rosario



crswsc.ca

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Capital Region Southwest Water Services Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, remeasurement gains and losses, change in net financial assets and cash flows and the related schedules I and II for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2024, and the results of its operations, its remeasurement gains and losses, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:
In accordance with Alberta regulation 76/2000, we confirm that the Commission is in compliance with the Debt Limit Regulation. A detailed account of the Commission's debt limit can be found in Note 8.

Leduc, Alberta

April 17, 2025

Chartered Professional Accountants

Statement of Financial Position

AS AT DECEMBER 31, 2024

	2024	2023
Financial assets		
Cash	3,516,461	7,568,011
Investments (Note 4)	7,256,024	8,429,668
Trade and other accounts receivable (Note 5)	1,199,261	949,985
	11,971,746	16,947,664
Liabilities		
Accounts payable and accrued liabilities	2,403,016	2,210,351
Long-term debt (Note 6)	629,644	694,182
Deferred revenue (Note 9)	-	300,000
	3,032,660	3,204,533
Net financial assets	8,939,086	13,743,131
Non-financial assets		
Tangible capital assets (Schedule 1)	40,229,575	29,555,840
Accumulated surplus (Schedule 2)	49,168,661	43,298,971
Accumulated surplus is comprised of:		
Accumulated operating surplus	49,843,503	43,784,068
Accumulated remeasurement losses	(674,842)	(485,097)
	49,168,661	43,298,971
Contingencies (Note 13)		
Commitments (Note 14)		
Approved on behalf of the Board of Directors		

Chairperson

Treasurer

The accompanying notes are an integral part of these financial statements.

Statement of Operations

FOR THE YEAR ENDED DECEMBER 31, 2024

CRSWSC
FINANCIAL
REPORT

	2024 Budget	2024	2023
Revenue			
Water sales (Note 10)	10,283,860	11,121,694	10,725,871
Government transfers	-	2,325,300	-
Return on investments	50,000	446,301	597,710
Contributions from members	93,903	93,903	93,903
Services	-	-	10,958
	10,427,763	13,987,198	11,428,442
Cost of sales			
Water purchases	5,818,126	6,284,001	6,436,088
Expenses			
Repairs and maintenance	224,759	464,754	209,015
Amortization	-	403,971	403,971
Operating contract (Note 10)	356,000	356,000	345,000
Management Contract (Note 10)	144,000	144,000	140,000
Utilities	116,000	87,934	95,558
Honorarium and travel	106,850	74,932	54,788
Interest on long-term debt	31,748	29,252	31,748
Insurance	35,000	28,694	27,305
Engineering fees	40,000	21,033	34,857
Professional fees	56,000	20,856	21,731
Office and annual meeting	31,100	12,336	24,409
	1,141,457	1,643,762	1,388,382
Operating surplus before other items	3,468,180	6,059,435	3,603,972
Other loss			
Loss on disposal of portfolio investments	-	-	(122,204)
Loss on disposal of capital assets	-	-	(10,794)
	-	-	(132,998)
Excess of revenue over expenses	3,468,180	6,059,435	3,470,974

The accompanying notes are an integral part of these financial statements.

Statement of Remeasurement Gains and Losses

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Accumulated remeasurement losses, beginning of year	(485,097)	(892,701)
Unrealized gain (loss) attributable to:		
Portfolio investments	(189,745)	529,808
Realized loss reclassified to the statement of operations:		
Portfolio investments	-	(122,204)
	(189,745)	407,604
Accumulated remeasurement losses, end of year	(674,842)	(485,097)

Statement of Change in Net Financial Assets

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 Budget	2024	2023
Annual surplus	3,468,180	6,059,435	3,470,974
Acquisition of tangible capital assets	(15,644,321)	(11,077,706)	(7,663,121)
Amortization of tangible capital assets	-	403,971	403,971
Loss on sale of tangible capital assets	-	-	10,794
Opening work in progress adjustment	-	-	75,202
Change in remeasurement losses for the year	-	(189,745)	407,604
Decrease in net financial assets	(12,176,141)	(4,804,045)	(3,294,576)
Net financial assets, beginning of year	13,743,131	13,743,131	17,037,707
Net financial assets, end of year	1,566,990	8,939,086	13,743,131

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2024

CRSWSC
FINANCIAL
REPORT

	2024	2023
Operating activities		
Excess of revenue over expenses	6,059,435	3,470,974
Non-cash items		
Amortization	403,971	403,971
Loss on disposal of portfolio investments	-	122,204
Loss on disposal of capital assets	-	10,794
Work in Progress opening adjustment	-	75,202
Changes in working capital accounts		
Accounts receivable	(249,276)	266,985
Accounts payable and accruals	192,935	1,600,422
Deferred revenue	(300,000)	300,000
	6,107,065	6,250,552
Financing activities		
Long-term debt repayments	(64,539)	(62,046)
Capital activities		
Purchases of tangible capital assets	(11,077,706)	(7,663,121)
Investing activities		
Net change in investments	983,630	3,485,298
Increase (decrease) in cash resources	(4,051,550)	2,010,683
Cash resources, beginning of year	7,568,011	5,557,328
Cash resources, end of year	3,516,461	7,568,011

The accompanying notes are an integral part of these financial statements.

Schedule 1 - Schedule of Tangible Capital Assets

FOR THE YEAR ENDED DECEMBER 31, 2024

	Land	Engineered structures	Equipment	2024	2023
Cost					
Balance, beginning of year	208,298	34,654,650	405,376	35,268,324	27,716,387
Acquisition of tangible capital assets	-	-	-	-	10,620
Construction-in-progress	-	11,060,206	17,500	11,077,706	7,652,501
Disposal of tangible capital assets	-	-	-	-	(111,184)
Balance, end of year	208,298	45,714,856	422,876	46,346,030	35,268,324
Accumulated amortization					
Balance, beginning of year	-	5,355,389	357,095	5,712,484	5,333,700
Annual amortization	-	364,185	39,786	403,971	403,971
Accumulated amortization on disposals	-	-	-	-	(25,187)
Balance, end of year	-	5,719,574	396,881	6,116,455	5,712,484
Net book value of tangible capital assets	208,298	39,995,282	25,995	40,229,575	29,555,840
2023 Net book value of tangible capital assets	208,298	29,299,261	48,281	29,555,840	

Schedule 2 - Schedule of Changes in Accumulated Surplus (Deficit)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Surplus	Restricted Operating Reserve	Restricted Capital Reserve	Equity in Tangible Capital Assets	Accumulated Remeasurement Losses	2024	2023
Balance, beginning of year	2,367,250	1,440,734	11,114,422	28,861,662	(485,097)	43,298,971	39,420,393
Excess of revenue over expenses	6,059,435	-	-	-	-	6,059,435	3,470,973
Unrestricted funds designated for future use	(4,145,718)	70,540	4,075,178	-	-	-	-
Restricted funds used for operations	101,146	(101,146)	-	-	-	-	-
Restricted funds used for tangible capital assets	-	-	(8,787,665)	8,787,665	-	-	-
Amortization of tangible capital assets	403,971	-	-	(403,971)	-	-	-
Current year funds used for tangible capital assets	(2,290,041)	-	-	2,290,041	-	-	-
Unrealized remeasurement gains (losses)	-	-	-	-	(189,745)	(189,745)	529,809
Repayment on long-term debt	(64,538)	-	-	64,538	-	-	-
Realized gain or loss on investment	-	-	-	-	-	-	(122,204)
Change in accumulated surplus	64,255	(30,606)	(4,712,487)	10,738,273	(189,745)	5,869,690	3,878,578
Balance, end of year	2,431,505	1,410,128	6,401,935	39,599,935	(674,842)	49,168,661	43,298,971

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

CRSWSC
FINANCIAL
REPORT**1. Nature of the organization**

The Capital Region Southwest Water Services Commission (the "Commission") is constituted under the *Municipal Government Act* and was established by Alberta Regulation 292/84. The Commission's main purpose is to supply water to its members. The Commission is exempt from income tax under Section 149 of the *Income Tax Act*.

2. Significant accounting policies

The financial statements of the Commission are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the Commission are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Trade and other accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Cash

Cash includes balances deposited with financial institutions.

Portfolio investments

Investments with prices quoted in an active market are recorded at fair value. Income earned from investments is recorded as earned and gains and losses on the sale of investments are recorded in income on disposition. Investment premiums and discounts are amortized proportionately over the term of the respective investment.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Commission is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2024.

At each financial reporting date, the Commission reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Commission continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government Transfers

The Commission recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Commission recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Revenue from transactions with performance obligations is recognized when the Commission satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

The Commission recognizes revenue from water sales and other sources of revenue are recognized as revenue in the period in which the service is delivered or in which the transactions or events occurred that gave rise to the revenue.

Return on investments

Income earned from investments is recorded as earned and gains and losses on the sale of investments are recorded in income on disposition. Investment premiums and discounts are amortized proportionately over the term of the respective investment.

Financial instruments

The Commission recognizes its financial instruments when the Commission becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Commission may irrevocably elect to subsequently measure any financial instrument at fair value. The Commission has not made such an election during the year.

The Commission subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating excess of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

CRSWSC
FINANCIAL
REPORT**2. Significant accounting policies** *(Continued from previous page)***Non-financial assets**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Commission's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Amortization

Assets under construction are not amortized until the asset is available for productive use. The net book value of assets under construction in the current year is \$19,797,199 (2023 - \$8,719,492).

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Buildings	straight-line	45
Engineered structures	straight-line	15-75
Equipment	straight-line	10

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a Commission's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

3. Change in accounting policies**Revenue**

Effective January 1, 2024, the Commission adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

4. Portfolio investments

	2024	2023
Measured at cost:		
Interest receivable	84,794	70,706
Measured at fair value:		
Bonds and principal protected notes	7,171,230	8,358,962
	7,256,024	8,429,668

Book value at December 31, 2024 is \$7,930,865 (2023 - \$8,914,495). Investments consist of a mix of bonds with a rate of return between 1.57% and 5.75% and principal protected notes which have non-fixed returns based on the participation in equity markets, maturing between 2025 and 2032. The income from these investments is being reinvested as received.

5. Trade and other accounts receivable

	2024	2023
Trade receivable from member municipalities	1,161,765	860,391
Goods and services tax receivable	37,496	89,594
	1,199,261	949,985

6. Long-term debt

	2024	2023
Debenture held by the Alberta Government repayable in semi-annual installments of \$34,371 including interest at 4.589%, due December 15, 2034.	546,365	588,577
Debenture held by the Alberta Government repayable in semi-annual installments of \$12,580 including interest at 2.832%, due June 15, 2028.	83,279	105,605
	629,644	694,182

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal	Interest	Total
2025	67,134	26,768	93,902
2026	69,839	24,063	93,902
2027	72,658	21,244	93,902
2028	63,016	18,307	81,323
2029	52,960	15,782	68,742
Thereafter	304,037	39,674	343,711

Debenture debt is issued on the credit and security of the Commission at large. The Commission's payments for interest in 2024 were \$29,252 (2023 - \$31,748).

7. Credit Facility

On August 21, 2024, the Commission entered into a line of credit agreement with ATB Financial that provides for borrowing up to \$1,000,000. As of December 31, 2024, the Commission has drawn down \$nil on the line of credit. The line of credit bears an interest rate of prime plus 1.00% per annum. Prime rate as at December 31, 2024 is 5.45%.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

CRSWSC
FINANCIAL
REPORT**8. Debt limits**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 76/2000 for the Capital Region Southwest Water Services Commission be disclosed as follows:

	2024	2023
Total debt limit	23,323,798	22,856,884
Total debt	629,644	694,182
Amount of debt limit unused	22,694,154	22,162,702
Service on debt limit	4,081,665	3,999,955
Service on debt	93,902	93,902
Amount of debt servicing limit unused	3,987,763	3,906,053

The debt limit is calculated at 2 times revenue of the Commission (as defined in Alberta Regulation 76/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

9. Deferred revenue

The Commission entered into an agreement with Alberta Transportation to acquire funds that is to be used exclusively to build the Nisku Booster Station. The total grant is for \$2,325,300 with \$2,025,300 being received in 2024 (2023 - \$300,000).

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year	Contributions received	Recognized as revenue	Balance, end of year
Alberta Transportation Grant	300,000	2,025,300	2,325,300	-

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

10. Related party transactions

(a) Members' charges

Included in water sales revenue are charges to participating municipalities based upon usage by respective residents.

(b) Contributions from members

Contributions were received from members to cover annual debenture payments.

	2024	2023
Members' charges		
City of Leduc	5,247,601	5,072,169
City of Beaumont	2,672,321	2,524,529
Leduc County	1,659,628	1,649,549
Edmonton International Airport	698,853	685,140
Town of Calmar	367,931	348,024
Town of Millet	310,534	300,497
Camrose County	104,307	86,195
Village of Hay Lakes	60,519	59,434
	11,121,694	10,725,537
Contributions from members		
Leduc County	46,479	46,480
Village of Hay Lakes	33,431	33,430
Camrose County	13,992	13,992
	93,902	93,902

(c) Management and operating contract fees

During the year, the Commission paid \$144,000 (2023 - \$140,000) in management fees and \$356,000 (2023- \$345,000) in operating fees to the City of Leduc.

(d) Trade and other accounts receivable

The year end trade and other accounts receivable balance includes a total of \$1,161,659 (2023 - \$860,391) receivable from member municipalities.

(e) Accounts payable and accrued liabilities

The year end accounts payable and accrued liabilities balance includes a total of \$12,666 (2023 - \$39,776) owing to member municipalities.

These transactions are in the normal course of operations and are measured at the exchange rate amounts are established and agreed to by the related parties.

11. Budget information

The disclosed budget information has been approved by the Board of the Capital Region Southwest Water Services Commission at the board meeting held on January 18, 2024.

The Commission does not budget for amortization. Included in the actual expenses on the statement of operations is amortization of \$403,971 (2023 - \$403,971).

Included in the disclosed budget on the consolidated statement of operations is \$35,259 (2023 - \$79,547) in non-capital expenses that were approved as part of the capital budget. These expense have been reclassified from the budget for the acquisition of tangible capital assets on the statement of change in net financial assets, resulting in a corresponding reduction in the budget presented.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

CRSWSC
FINANCIAL
REPORT**12. Financial Instruments**

The Commission as part of its operations carries a number of financial instruments. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

As at December 31, 2024, three related parties (2023 - three) accounted for 87% (2023 - 82%) of the trade and other accounts receivable balance. The Commission believes that there is no unusual exposure associated with the collection of these receivables. The Commission provides allowances for potentially uncollectible accounts receivable, if necessary.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Commission's investments in publicly-traded fixed income instruments and principal protected notes exposes the Commission to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

13. Contingencies

The Commission is a member of the Regional Water Customer Group. Each year, the total cost of water delivery is settled between EPCOR Water Services Inc. and the Regional Water Customer Group. Under the terms of the membership, the Commission could become liable for its proportionate share of any costs in excess of funds held by Regional Water Customer Group. Any liability incurred would be accounted as a current transaction in the year the costs are determined.

14. Commitments

The Commission has entered into operation and management agreements with the City of Leduc expiring on December 31, 2026. Capital commitments are not reflected in the financial statements. These capital commitments were included in the Commission's capital budget and will be funded from government transfers for capital and reserves in future years. The commitments over the next four years are as follows:

2025	\$515,000
2026	\$530,000

15. Comparative figures

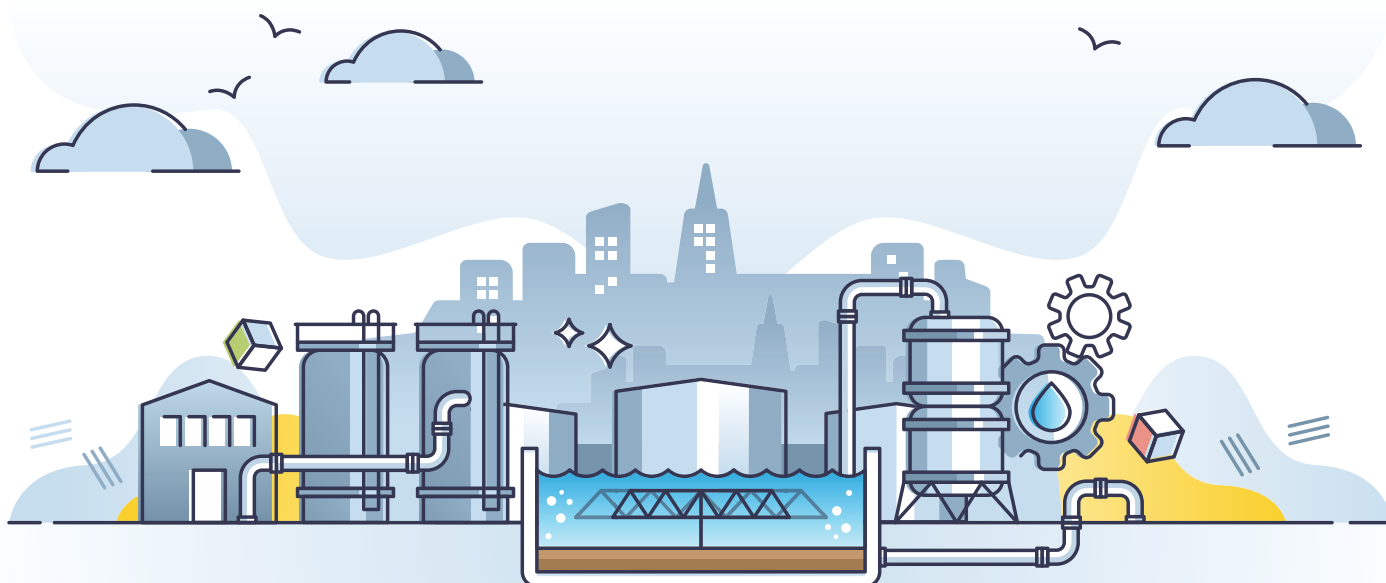
Certain comparative figures have been reclassified to conform with current year's presentation.

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Water Sales (2024)

Customers	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
City of Leduc	267,200	236,926	238,287	264,649	261,156	259,494	334,284	283,309	258,291	287,241	241,286	267,634	3,199,757
City of Beaumont	137,149	116,476	117,596	137,342	133,968	129,056	179,201	148,441	129,216	146,425	120,028	134,566	1,629,464
Leduc County	89,301	73,935	76,347	76,797	79,182	80,647	99,167	88,613	79,178	95,193	82,118	91,490	1,011,968
Town of Calmar	17,134	15,544	15,880	17,553	17,981	20,702	27,710	19,777	18,000	19,525	15,575	18,967	224,348
International Airport	34,289	26,280	26,946	31,379	31,945	35,048	50,921	44,058	36,411	39,664	32,369	36,820	426,130
Village of Hay Lakes	3,094	2,718	2,648	3,034	3,253	3,432	4,044	3,068	2,712	3,205	2,731	2,963	36,902
Camrose County	4,086	3,103	3,427	5,105	6,164	7,068	9,340	6,720	5,262	4,865	4,009	4,453	63,602
Town of Millet	17,388	14,569	16,783	14,959	15,311	15,094	20,467	16,422	14,240	14,986	13,949	15,182	189,350
Total Sales	569,641	489,551	497,914	550,818	548,960	550,541	725,134	610,408	543,310	611,104	512,065	572,075	6,781,521
Master Meter Purchases	587,127	507,759	508,962	567,900	568,362	561,480	745,182	624,020	562,830	632,204	526,407	590,100	6,982,333
Water Differential	(17,486)	(18,208)	(11,048)	(17,082)	(19,402)	(10,939)	(20,048)	(13,612)	(19,520)	(21,100)	(14,342)	(18,025)	(200,812)

Note: All volumes are reflected in cubic meters.



CRSWSC FINANCIAL REPORT

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Water Sales Percent (2015 - 2024)

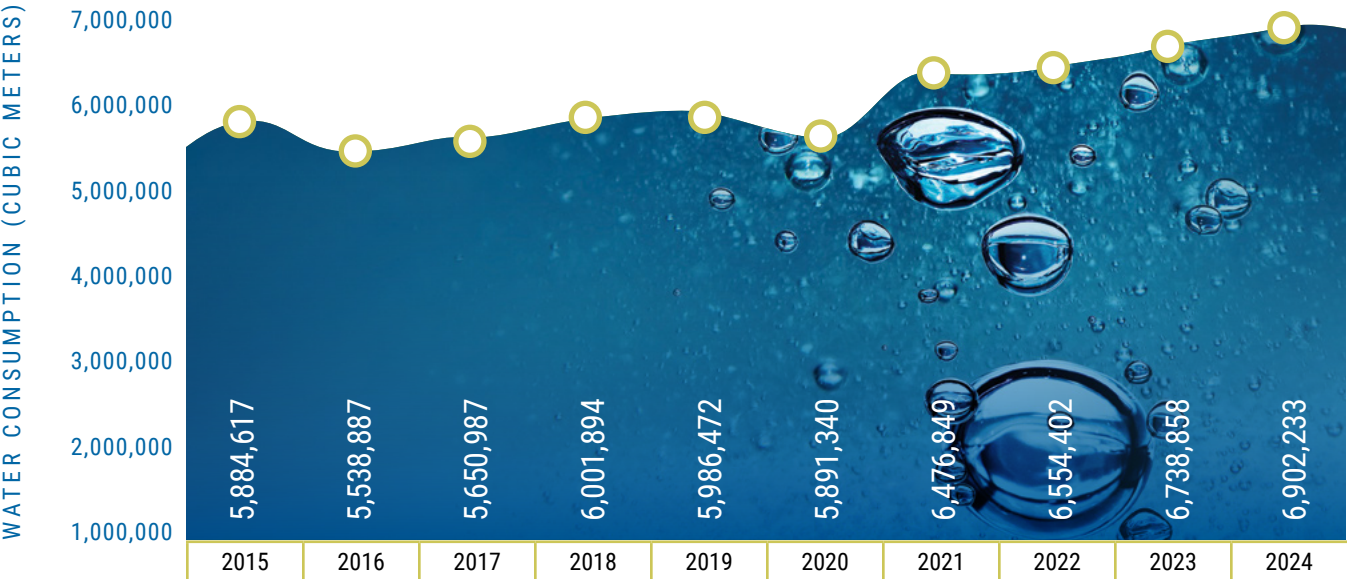
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water Purchases	5,884,617	5,538,887	5,650,987	6,001,894	5,986,472	5,682,950	6,476,849	6,554,402	6,738,858	6,982,333
City of Leduc	3,024,774	2,809,860	2,775,148	2,911,949	2,771,635	2,779,246	3,027,254	2,997,233	3,092,786	3,199,757
<i>percentage</i>	52.9%	52.4%	52.1%	50.0%	47.4%	48.9%	48.1%	47.1%	47.3%	47.2%
City of Beaumont	1,307,363	1,285,008	1,277,175	1,326,824	1,301,174	1,381,538	1,528,692	1,492,574	1,539,347	1,629,464
<i>percentage</i>	22.9%	23.9%	24.0%	22.8%	22.3%	24.3%	24.3%	23.4%	23.5%	24.0%
Leduc County	804,621	679,266	668,132	733,584	783,644	696,276	837,181	937,622	1,005,823	1,011,968
<i>percentage</i>	14.1%	12.7%	12.5%	12.6%	13.4%	12.3%	13.3%	14.7%	15.4%	14.9%
Town of Calmar	217,182	229,300	233,459	237,193	223,393	233,662	250,478	211,457	212,210	224,348
<i>percentage</i>	3.8%	4.3%	4.4%	4.1%	3.8%	4.1%	4.0%	3.3%	3.2%	3.3%
International Airport	321,527	319,299	330,425	378,415	536,461	364,037	397,700	476,745	417,768	426,130
<i>percentage</i>	5.6%	6.0%	6.2%	6.5%	9.2%	6.4%	6.3%	7.5%	6.4%	6.3%
Village of Hay Lakes	37,686	37,035	35,526	37,097	40,068	35,517	37,468	35,351	36,240	36,902
<i>percentage</i>	0.7%	0.7%	0.7%	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.5%
Camrose County	5,118	6,372	5,689	6,558	8,874	14,710	20,476	35,585	52,558	63,602
<i>percentage</i>	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.3%	0.6%	0.8%	0.9%
Town of Millet			144,750	188,019	179,214	177,964	195,704	180,310	183,230	189,350
<i>percentage</i>			2.7%	3.2%	3.1%	3.1%	3.1%	2.8%	2.8%	2.8%
Total Sales	5,718,271	5,366,140	5,325,554	5,819,639	5,844,463	5,682,950	6,294,953	6,366,877	6,539,962	6,781,521
% Year Increase	4.6%	-6.2%	-0.8%	9.3%	0.4%	-2.8%	10.8%	1.1%	2.7%	3.7%

Average increase of 2.30% per year over ten year period.

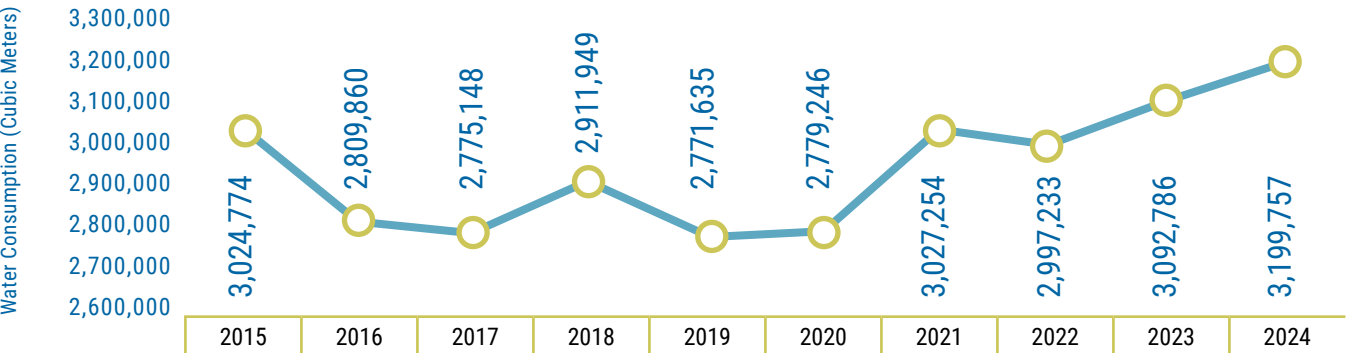
Note: All volumes are reflected in cubic meters. Percent increases are reflective of previous year sales.

Annual Water Consumption (2015 - 2024)

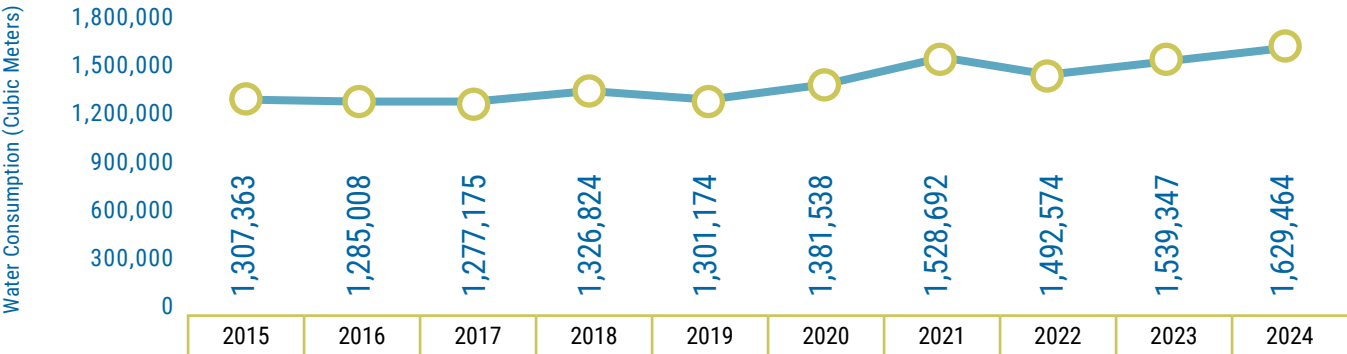
REGIONAL WATER COMMISSION



CITY OF LEDUC



CITY OF BEAUMONT

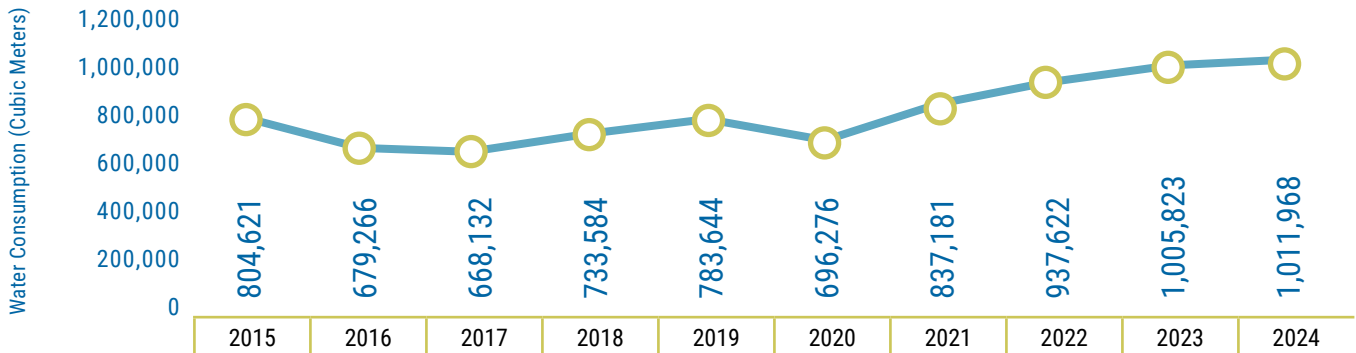


CRSWSC FINANCIAL REPORT

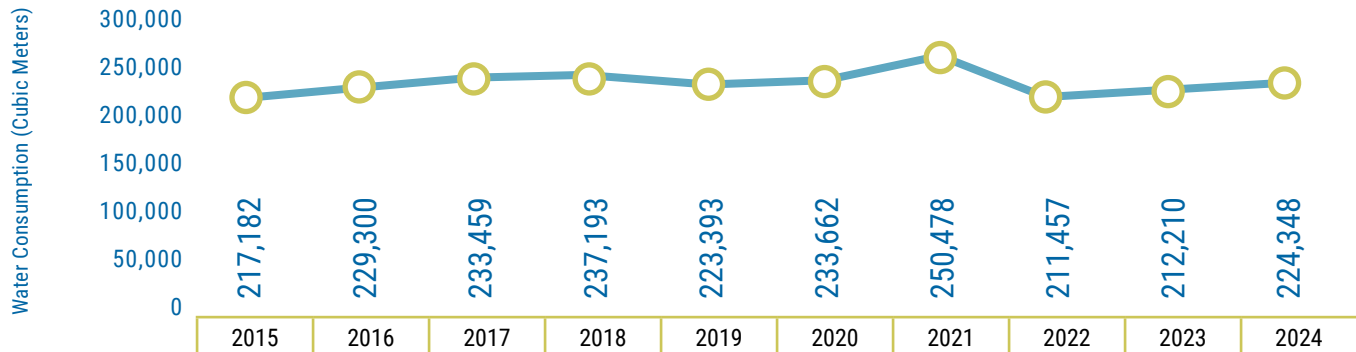
CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Annual Water Consumption (2015 - 2024)

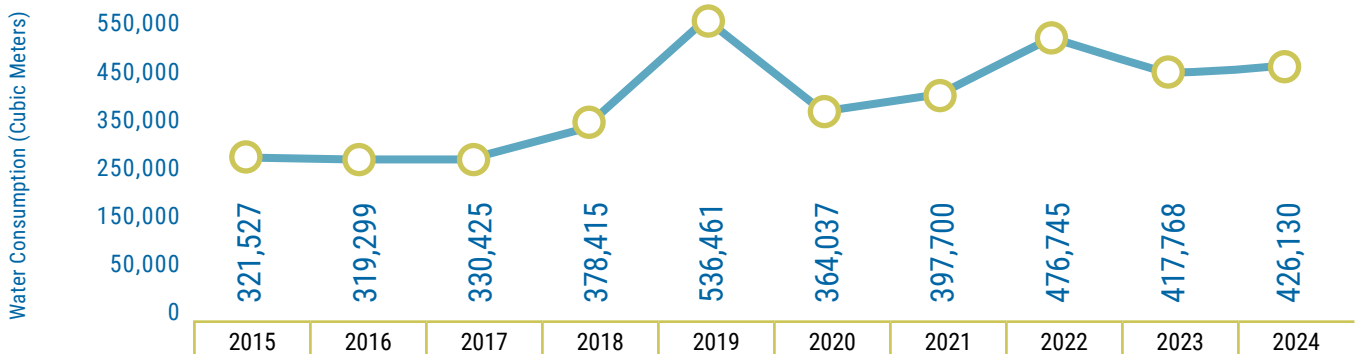
LEDUC COUNTY



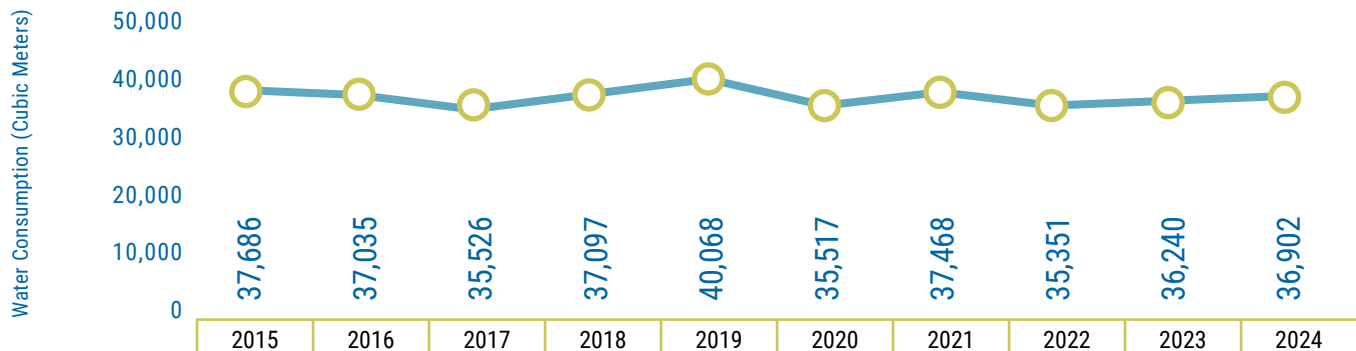
TOWN OF CALMAR



EDMONTON INTERNATIONAL AIRPORT

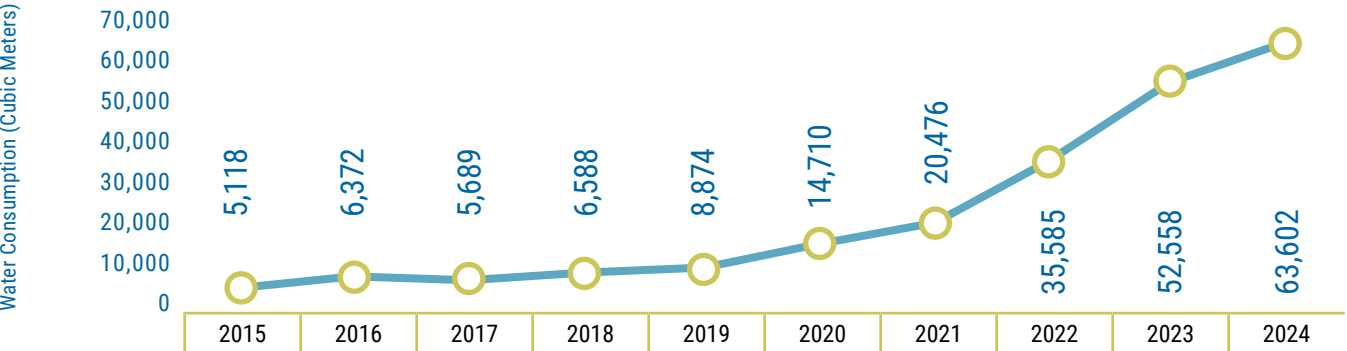


VILLAGE OF HAY LAKES

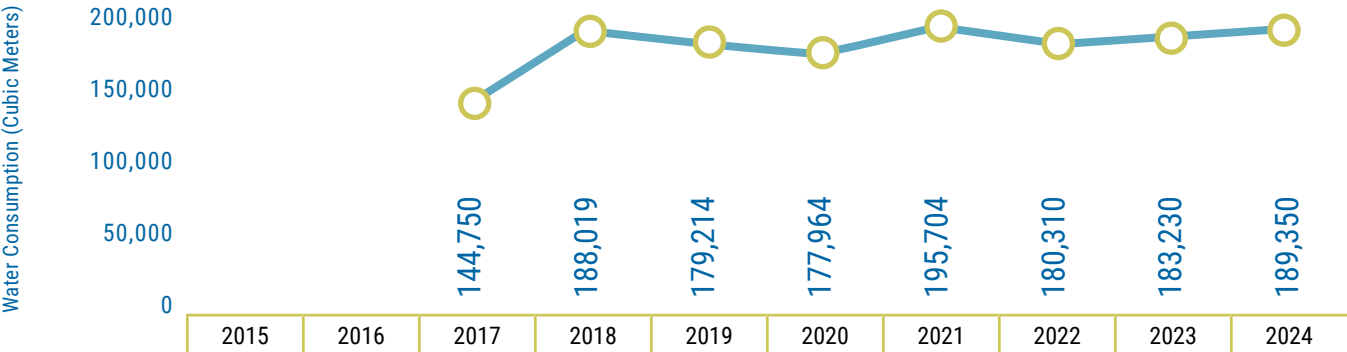


Annual Water Consumption (2015 - 2024)

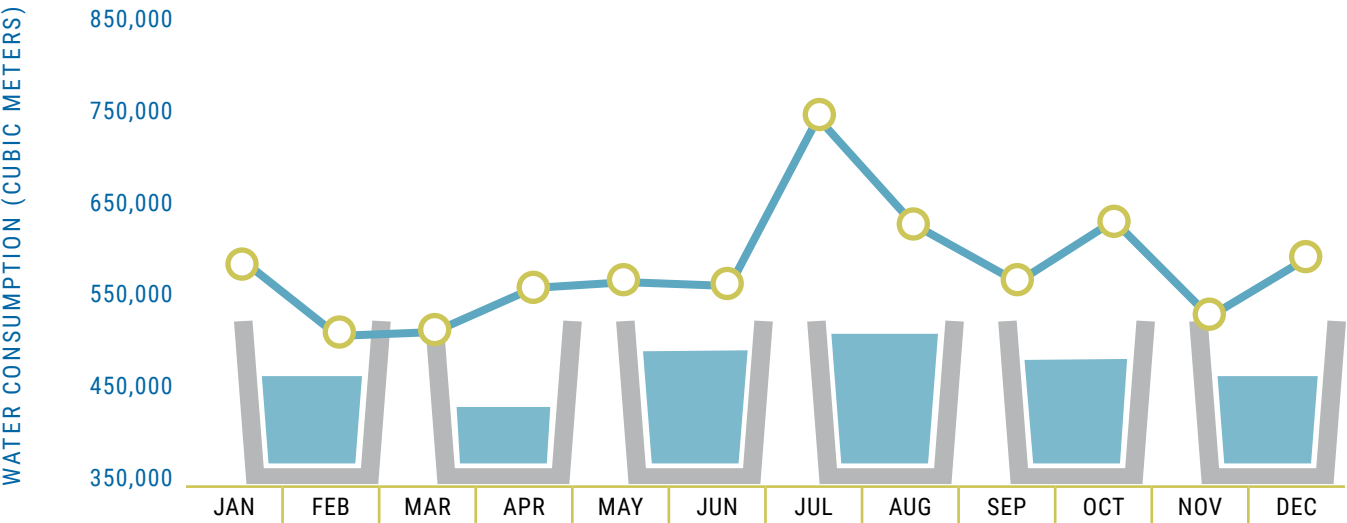
CAMROSE COUNTY



TOWN OF MILLET



Water Commission Consumption (2024) Water Demand



CRSWSC FINANCIAL REPORT

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Customer Share of Water Sales (2024)

● City of Leduc	47.2%	● International Airport	6.3%
● City of Beaumont	24.0%	● Village of Hay Lakes	0.5%
● Leduc County	14.9%	● Camrose County	0.9%
● Town of Calmar	3.3%	● Town of Millet	2.8%

