

2025

ANNUAL REPORT

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

CITY OF BEAUMONT

TOWN OF CALMAR

CAMROSE COUNTY

VILLAGE OF HAY LAKES

CITY OF LEDUC

LEDUC COUNTY

TOWN OF MILLET



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CRSWSC BOARD

CHAIRMAN'S MESSAGE

Lars Hansen, Board Chair

On behalf of the Capital Region Southwest Water Services Commission (CRSWSC) Board, I am honoured to present the 2025 Chairman's Message and to highlight several key activities and accomplishments achieved by the Commission over the past year.

A significant milestone in 2025 was the completion of the Nisku Booster Station, a critical asset that supports the continued delivery of safe and reliable water service to our growing region.

Planning for this project began in 2021, with construction commencing in 2023. Funded through a combination of a provincial Water for Life grant and Commission reserve funding, the Booster Station represents a major investment in regional infrastructure. Construction was completed in August 2025, followed by a grand opening ceremony on September 18, 2025, where Board members and stakeholders toured the facility. This project ensures the Commission's ability to meet current demand while planning responsibly for future growth. I am proud of the successful delivery of this complex project and extend sincere appreciation to Maple Reinders, Associated Engineering, and the CRSWSC Management and Operations team for their dedication and expertise.

In 2025, the Commission commenced the Water Master Plan, which encompasses both the strategic plan and the infrastructure plan that guides Board decision-making and long-term priorities. The updated plan will reflect growth projections for current member municipalities, as well as interest from potential new members. In collaboration with the City of Camrose, the City of Wetaskiwin, and Wetaskiwin County, the Commission submitted a Water for Life grant application in November 2024 to support a Feasibility Study examining the potential extension of water service to these communities. In August 2025, the Commission secured \$250,000 in grant funding to complete this study. The Feasibility Study is currently underway alongside the Water Master Plan update, both of which are anticipated to be completed in late 2026. The updated Master Plan will also incorporate an update to the Board's strategic goals and priorities to ensure continued alignment with the Commission's mandate.

Ensuring reliable service and maintaining a strong safety culture remain core values of the Commission. In support of these priorities,

the Board showed a commitment to participating in education about water infrastructure, and approved funding for several initiatives focused on system resilience, risk mitigation, and safety excellence. On the education side, this included attending the ACE water conference to increase the Board and administration knowledge of best practices and industry trends. To improve system resiliency, the Board approved the completion of an emergency planning initiative to secure contractor support in the event of an emergency, the pre-purchase of critical parts to enable timely repairs, and the installation of protective equipment at Commission facilities to safeguard assets against electrical surges and lightning strikes. In addition, a Hazardous Building Material Assessment was completed across all Commission facilities to identify and minimize potential exposure risks. Collectively, these initiatives demonstrate the Board's ongoing commitment to operational reliability and the safety of all those involved in Commission operations.

Following two terms as Vice-Chair from 2021 to 2023, and two terms as Chair from 2023 to 2025, I am pleased to support leadership succession within the Commission. In November 2025, Mayor Krista Gardner, a Board member for 6 years, assumed the role of Board Chair. Newly appointed Board member, Councillor Laura Tillack, was selected to serve as Vice-Chair. I have full confidence in their leadership and look forward to continuing to work alongside them as the Commission advances its mission to deliver a reliable supply of clean, safe drinking water to its members.

As outgoing Chair, I would like to sincerely thank the Board for their trust and support during my tenure. I also wish to recognize former Vice-Chair Kelly-Lynn Lewis for her dedicated service and collaborative leadership from Fall 2023 to 2025. Following the municipal elections in October 2025, the Commission welcomed several new Board members. I extend my appreciation to outgoing members for their commitment, and warmly welcome those joining the Board for the 2025 – 2026 term.

In closing, I would like to recognize the commitment and professionalism of the Commission's Management and Operations staff. Their collaborative efforts and continued dedication ensure the Commission remains focused on its mandate while consistently seeking opportunities for improvement. This shared commitment has been instrumental to the Commission's success and will remain essential as we look ahead, positioning the organization to proactively prepare for the continued growth and evolving needs of our region.

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 2025, Councillor Lars Hansen was re-elected as Chair, and Councillor Kelly-Lynn Lewis was re-elected as Vice-Chair.



2024-2025 Board of Directors:

BACK ROW (Left to Right): Councillor Don Faulkner (Town of Calmar), Councillor Paul Patterson (Village of Hay Lakes), Councillor Rick Smith (Leduc County), 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 (Leduc County), Councillor Beverly Beckett (City of Leduc), Deputy Mayor Clifford Heinz (Village of Hay Lakes)

Incoming Board of Directors:

In November 2025, the incoming Board of Directors for the 2025 – 2026 term was appointed. Mayor Krista Gardner was elected as Chair and Councillor Laura Tillack was elected as Vice-Chair.



BACK ROW (Left to Right): Councillor Don Faulkner (*alt.*) (Town of Calmar), Councillor Paul Patterson (Village of Hay Lakes), Mayor Lars Hansen (City of Leduc), Councillor Jordon Banack (Camrose County), Councillor Anthony Kohlsmith (City of Beaumont), Mayor Doug Peel (Town of Millet), Councillor Mathew Starky (Town of Millet), Councillor Doug Lyseng (Camrose County), Councillor Glen Bienert (*alt.*) (Leduc County)

FRONT: Mayor Lisa Vanderkwaak (City of Beaumont), Councillor Laura Tillack (City of Leduc), Mayor Krista Gardner (Town of Calmar), Councillor Jill Spinks (*alt.*) (City of Leduc), Councillor Kelly-Lynn Lewis (*alt.*) (Leduc County)

	2025 BOARD MEMBERS	INCOMING BOARD MEMBERS
City of Beaumont	Mayor Bill Daneluik Councillor Catherine McCook Councillor Steven vanNieuwkerk (<i>alternate</i>)	Mayor Lisa Vanderkwaak Councillor Anthony Kohlsmith Councillor Steven vanNieuwkerk (<i>alternate</i>)
Town of Calmar	Councillor Krista Gardner Councillor Don Faulkner Councillor Jaime McKeag-Reber (<i>alternate</i>)	Mayor Krista Gardner (<i>Chair</i>) Councillor Jaime McKeag-Reber Councillor Don Faulkner (<i>alternate</i>)
Camrose County	Councillor Doug Lyseng Councillor Jordon Banack Councillor Don Simpson (<i>alternate</i>)	Councillor Doug Lyseng Councillor Jordon Banack Councillor Martin Maxwell (<i>alternate</i>)
Village of Hay Lakes	Deputy Mayor Clifford Heinz Councillor Paul Patterson Councillor Ron These (<i>alternate</i>)	Deputy Mayor Ron These Councillor Paul Patterson Councillor Kimberlee Hunter (<i>alternate</i>)
City of Leduc	Councillor Beverly Beckett Councillor Lars Hansen (<i>Chair</i>) Mayor Bob Young (<i>alternate</i>)	Mayor Lars Hansen Councillor Laura Tillack (<i>Vice-Chair</i>) Councillor Jill Spinks (<i>alternate</i>)
Leduc County	Councillor Kelly-Lynn Lewis (<i>Vice-Chair</i>) Councillor Rick Smith Councillor Dal Virdi (<i>alternate</i>) Mayor Tanni Doblanko (<i>alternate</i>)	Councillor Dal Virdi Councillor Bonnie Thomas Councillor Kelly-Lynn Lewis (<i>alternate</i>) Councillor Glen Bienert (<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 Susie Petrisor (<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 (General Manager, Infrastructure & Planning), 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 (2024 – 2025 Term)

Councillor Kevin Hycha
Councillor Lana Broker
Malcolm Boyd, City Manager (*alternate*)
Kristofer Johnson, General Manager, Infrastructure (*alternate*)

City of Camrose Representatives (2025 – 2026 Term)

Councillor Wayne Thronson
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.



Chris Parfitt

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 Chris Parfitt



Kevin Hycha



Lana Broker



Kristofer Johnson

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

2025 REGULAR MEETING DATES:

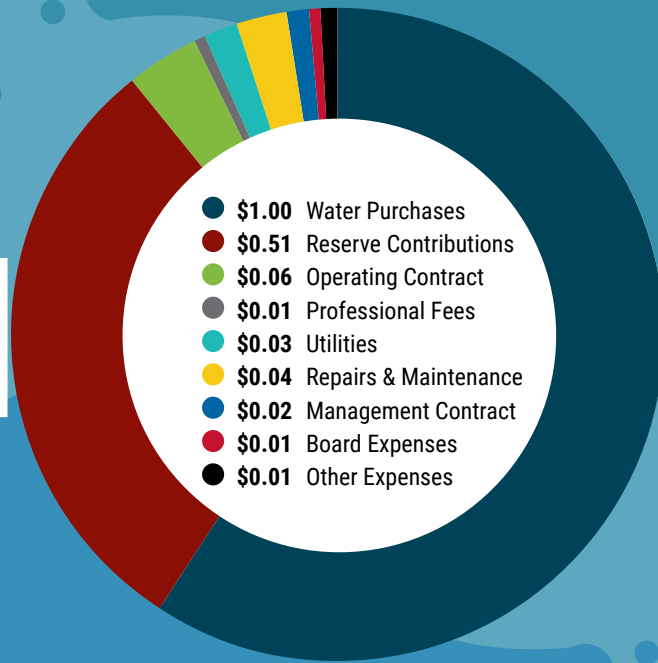
January 16 | March 20 | June 19 | September 18

Annual General Meeting (AGM) April 17

Organizational & Regular Meeting November 20



2025 SIMPLIFIED WATER RATE



Based on Sales Rate of \$1.69/m³



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


Wholesale water rates:
\$1.69 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.



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.

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 Rossdale, 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 Blackmud Booster Station supplies water to Beaumont, the Edmonton International Airport, Leduc County, Discovery Park and to the Nisku Booster Station. The Nisku Booster Station boosts and supplies water to the City of Leduc, Town of Calmar, Village of New Sarepta, Village of Hay Lakes, Hamlet of Armena, and the Town of Millet.

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 fluctuates with system demand. These pressure variances are monitored at the Discovery Park fill station, and automation at the Blackmud Creek Pump Station adjusts pump speeds to maintain the required pressures. The Nisku Booster Station, located downstream of the Blackmud Booster, performs the same function for the communities supplied downstream of Nisku, adjusting pump operations to maintain stable pressures in that portion of the system.

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 REPORT



SHAWN OLSON, Commission Manager



RICK SEREDA, Operations Manager

On behalf of the City of Leduc, we extend our appreciation to the CRSWSC Board for its continued support and confidence in the City of Leduc Management and Operations team. We value the strong, collaborative working relationship with the Board and remain proud to serve the Commission in delivering reliable, safe drinking water to member municipalities.

As we reflect on 2025, the following key highlights demonstrate the Commission's progress, operational excellence, and commitment to long-term planning:

- NISKU BOOSTER STATION:** The Nisku Booster Station was successfully commissioned in August 2025. A grand opening ceremony was held on September 18, 2025, providing an opportunity for Board members and stakeholders to tour the facility. The Management and Operations team commend the Board's foresight in long-term financial planning, which enabled the project to be completed without a debenture by leveraging provincial grant funding and Commission reserves. This building is energy efficient with rooftop solar capable of handling the buildings domestic operations. The Board's efforts are permanently memorialized on a plaque in the new building.



Nisku Booster Station Grand Opening, September 18, 2025

- **WATER MASTER PLAN:** Associated Engineering was retained to complete the Commission's Water Master Plan, which is updated approximately every five years. Work commenced in May 2025 and is targeted for completion in late 2026. This comprehensive project includes the Board's strategic plan, facility condition assessments, analysis of member municipality growth projections, and system water modelling. The Water Master Plan is a critical planning tool that guides Commission decision-making, future capital investment, and water rate setting, ensuring appropriate funding for asset renewal and long-term infrastructure needs.
- **REGIONAL WATER SUPPLY FEASIBILITY STUDY:** In 2025, the Commission secured \$250,000 in provincial Water for Life grant funding to undertake a Regional Water Supply Feasibility Study assessing the potential to extend water service to the City of Camrose, the City of Wetaskiwin, and Wetaskiwin County. Later in the year, an inquiry regarding a potential connection for Miquelon Lake was received, resulting in an expanded study scope to evaluate a shared connection opportunity. The study is being completed in parallel with the Water Master Plan and includes an assessment of the potential members existing water treatment capacity, impacts to storage and distribution systems, and comparative capital and lifecycle costs. This initiative reflects the Commission's commitment to regional collaboration and proactive, long-term infrastructure planning.
- **NEW SAREPTA CONNECTION:** To support regional growth, the Board approved a new connection request for New Sarepta. Construction of the tie-in was completed in September 2025 and is now operational, supplying water to New Sarepta's new reservoir.
- **CITY OF BEAUMONT ST. VITAL RESERVOIR:** To support scheduled maintenance at Beaumont's Main Reservoir, the Board approved a request to provide a temporary water supply to the St. Vital Reservoir through a temporary transmission line constructed by the City of Beaumont. Due to elevation constraints, the Commission was unable to obtain sufficient pressure commitments from EPCOR to provide sufficient pressure directly. As a result, the Commission collaborated with EPCOR to implement an interim solution whereby EPCOR will temporarily increase system pressure to enable maintenance work during an off-peak demand period. Once maintenance activities are completed, Beaumont will return to operating with the Main Reservoir as its primary connection. This initiative demonstrates the Commission's commitment to supporting member municipalities through flexible and cooperative solutions.
- **SECONDARY SUPPLY LINE TO BEAUMONT:** The annual five-year demand forecast was provided to EPCOR, along with a formal request to accelerate construction of a secondary supply line to Beaumont. EPCOR confirmed that existing infrastructure is sufficient to meet Beaumont's water demand from 2025 through 2029 without the additional supply line. Given the long

planning horizon required for EPCOR infrastructure projects, the Commission continues to advocate for advancement of the secondary supply line to improve redundancy and support additional flow for a growing population.

- **WATER DEMAND MANAGEMENT:** The CRSWSC collaborated with EPCOR and the Regional Water Customers Group (RWCG) to update regional water demand management measures, ensuring a consistent and coordinated approach across the region. Updates included clarification of actions for heavy water users under the most restrictive demand scenarios. The CRSWSC Technical Committee is recognized for its thorough review and contributions to the nearly finalized measures.
- **EMERGENCY PLANNING:** To strengthen emergency response and reduce service disruption risks, the Commission advanced several emergency preparedness initiatives in 2025. These included the pre-purchase of critical repair materials and exploring options to reduce downtime during repairs. Board-approved funding supported the acquisition of spare parts and a sea-can for secure, accessible storage. A Memorandum of Understanding was also executed with GS Construction to ensure immediate contractor response during emergency situations. Together, these measures enhance system resilience and operational readiness.
- **HAZARDOUS BUILDING MATERIAL ASSESSMENT:** A hazardous building material assessment was completed in February 2025 for all Commission facilities and municipal facilities in which the Commission operates. The assessment identified potential hazardous materials and informed updates to standard operating procedures to ensure appropriate precautions are taken during operations and maintenance activities. Signage was installed at facility entrances, and the assessment report was shared with member municipalities. This initiative reduces exposure risks to operators and contractors and supports safe operations.
- **AIR RELIEF VALVE CAPITAL PROJECT:** Commission operators completed upgrades to 23 air relief valves, standardizing and properly sizing the valves based on pipeline diameter. This project improves system performance, reduces the risk of air-entrapment issues, and simplifies ongoing maintenance, further demonstrating the Commission's commitment to continuous improvement and risk mitigation.

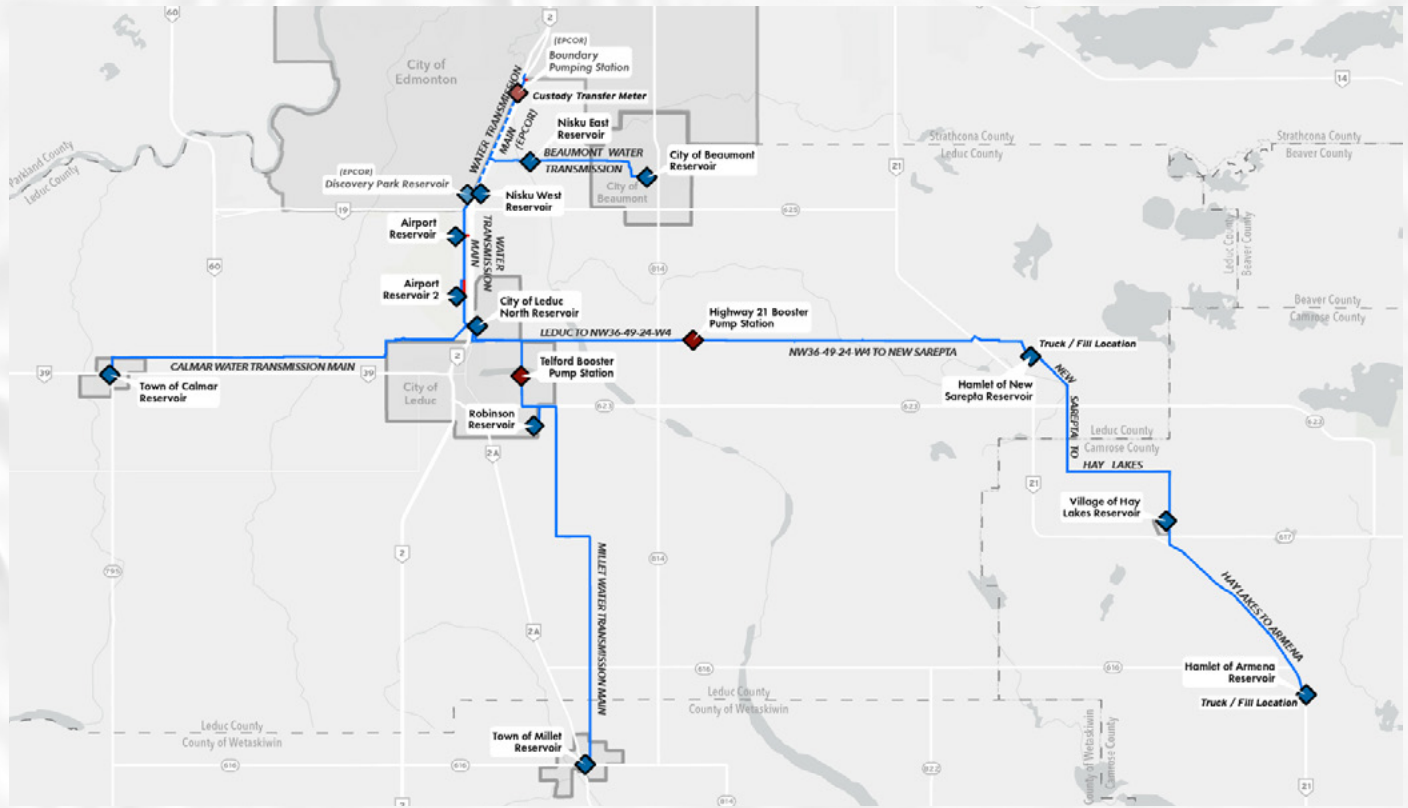
Effective management and operational excellence remain fundamental to the reliable delivery of safe drinking water to member municipalities. Through preventative maintenance programs and adherence to engineering best practices, the Commission continues to protect and extend the service life of its infrastructure. The accomplishments of 2025 reflect strong collaboration among Commission partners, including the EIA and the City of Camrose. The Management and Operations team takes pride in supporting the Commission's mandate and remains focused on enhancing system reliability, operational efficiency, and long-term water security for the region.

CRSWSC MANAGEMENT & OPERATIONS

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



- CRSWSC WATER LINE
- PUMP STATION
- UNDER CONSTRUCTION
- URBAN DEVELOPMENT
- COUNTY BOUNDARY AREA
- EPCOR WATER LINE
- WATER RESERVOIR
- RURAL DEVELOPMENT
- MAJOR HIGHWAYS



HISTORY TIMELINE OF THE CRSWSC

- APRIL 6, 1959
- LATE 1970s
- 1982 - 1983
- SEPT. 1984
- 1985

The Strathcona-Leduc Water Board originally formed as a partnership between the Municipal Districts of Strathcona and Leduc, and the Town of Leduc. Board formation was in response to the federal government's need for potable water to the (then proposed) Edmonton International Airport. **THE ORIGINAL EDMONTON TO LEDUC WATER TRANSMISSION SYSTEM WAS CONSTRUCTED IN 1959-1960** due to the financial contributions of the federal government and debenture borrowing by the three municipalities.

The original waterline had a 300mm diameter, asbestos cement from within the (then) City of Edmonton limits to the airport tie-in and a 250mm diameter cast iron water main from the airport tie-in to the Town of Leduc. Two pump stations; No. 1 at 23 Avenue, in the City of Edmonton, and No. 2 at Nisku provided the transmission capability.

Capacity of the original system was reached.

A NEW STEEL PIPELINE WAS CONSTRUCTED AS PHASE 1 with telescopic diameters; 750mm, 600mm and 500mm, from the City of Edmonton (9 Avenue) to the City of Leduc.

PHASE 2 was constructed.

The Capital Region Southwest Water Services Commission was established and assumed ownership, operation and maintenance of all the Strathcona-Leduc Water Board facilities, as well as the Leduc-to-Calmar waterline, and the Nisku-to-Leduc water supply line.

FULL OPERATION OF PHASE 2. It consisted of the Boundary Pump Station and Fill Stations for the Airport, Leduc County-Nisku and City of Leduc.

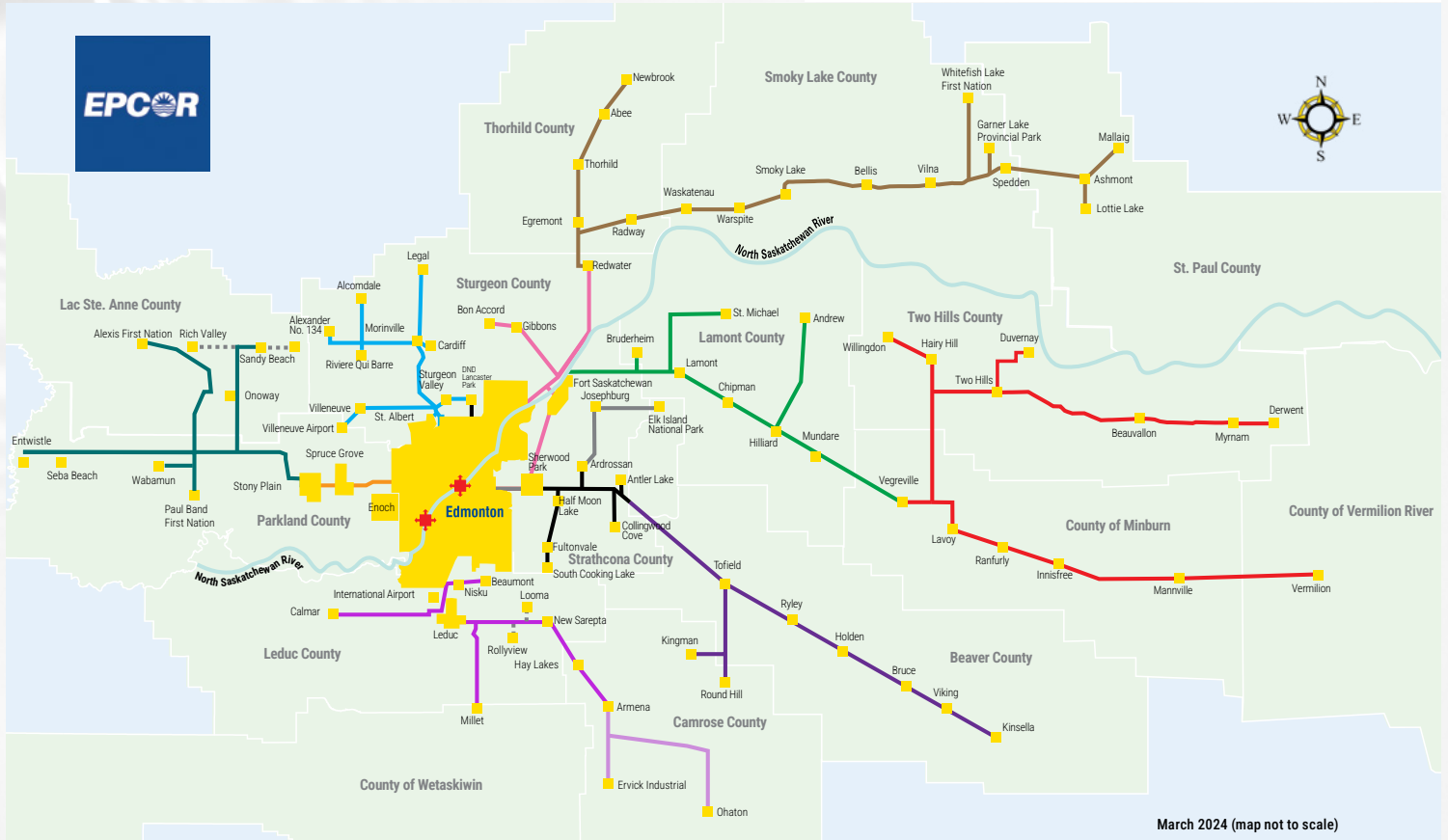
PHASE 3 was to be the On-line Storage Facility and Re-pump Facility for Calmar, however it was not constructed.

PHASE 4 was the Leduc to Calmar waterline, complete with a Fill Station at Calmar. This was implemented by the Town of Calmar and was subsequently transferred to the Commission.

Regional Water Service Ownership

- Strathcona County
- CR Southwest WSC
- CR Northeast WSC
- John S. Batiuk Regional WSC
- Highway 14 WSC
- CR Parkland WSC
- Alberta Central East Corp. (ACE)
- West Inter Lake District (WILD) WSC
- Morinville System
- Highway 28/63 WSC
- Camrose County
- Josephburg Water Co-op
- - - - Future

EPCOR CAPITAL REGION WATER SERVICE MAP (see figure 1.2)



FALL 1986 1987 1988 1993-1995 1999 2001

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

An Agreement was made between the Commission and the Leduc County 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.

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 Leduc County.

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.

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

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



(Left to Right): Mark D'aoust, Elie Tymchyshyn, Rick Sereda, Chelsey Iles, Shawn Olson, Melanie White, Blair Martin, Shannon Bremner, Gerard Del Rosario

(Regrets): Pamela Regier, Kyle Van Steenoven, Katherine O'Dwyer

Operations Team



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

(Front Row): Luke Ryan, Jeevun Kahlon

CRSWSC HISTORY TIMELINE

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.

The Nisku Booster Station was commissioned in August 2025 with the **CRSWSC CELEBRATING THE GRAND OPENING ON SEPTEMBER 18, 2025.** The warranty period will not commence until 2026 when all deficiencies are rectified and Total Performance is achieved.

A hazardous materials building assessment was completed on all Commission facilities.



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 WAS COMPLETED in 2024 while commissioning continued into 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.

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.

Following an RFP, Associated Engineering was awarded the contract as Commission Engineer and began work on a **WATER MASTER PLAN AND STRATEGIC UPDATE** which would carry on into 2026.

The CRSWSC, jointly with the City of Camrose, City of Wetaskiwin and Wetaskiwin County was successfully awarded a Water for Life Grant to fund a feasibility study to determine whether the CRSWSC could extend supply lines to service Camrose and Wetaskiwin. Work on the feasibility study commenced in 2025 and is expected to be completed alongside the Water Master Plan update in 2026.

CRSWSC MANAGEMENT & OPERATIONS



City of Leduc Finance Team



Elie Tymchyshyn



Gerard Del Rosario



FINANCIAL REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

A photograph of the Capital Region Southwest Water Services Commission (CRSWSC) building. The building has a dark, textured facade with large, white, three-dimensional lettering that reads "CRSWSC" in a large font, and "CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION" in a smaller font below it. The building is set against a clear blue sky. In the foreground, there is a chain-link fence and a brick wall. A small sign is visible on the brick wall near the fence.

CRSWSC
CAPITAL REGION SOUTHWEST
WATER SERVICES COMMISSION

Independent Auditor's Report



To the Board of Capital Region Southwest Water Services Commission:

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, 2025, and the statements of operations, remeasurement gains and losses, change in net financial assets, cash flows and the related schedules 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, 2025, 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the 2025 report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MNP LLP

200 - 5019 49th Avenue, Leduc AB, T9E 6T5

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MNP.ca

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.

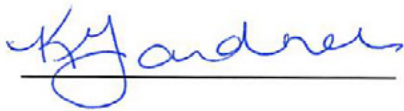
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement of Financial Position

AS AT DECEMBER 31, 2025

	2025	2024
Financial assets		
Cash	4,843,307	3,516,461
Investments (Note 3)	7,922,168	7,256,024
Trade and other accounts receivable (Note 4)	1,154,678	1,199,261
	13,920,153	11,971,746
Liabilities		
Accounts payable and accrued liabilities	847,883	2,403,018
Long-term debt (Note 5)	562,510	629,644
	1,410,393	3,032,662
Net financial assets	12,509,760	8,939,084
Non-financial assets		
Tangible capital assets (Schedule 1)	40,509,116	40,229,575
Inventories held for use	19,422	-
Accumulated surplus (Schedule 2)	53,038,298	49,168,659
Accumulated surplus is comprised of:		
Accumulated operating surplus (Schedule 2)	53,170,969	49,843,501
Accumulated remeasurement losses (Schedule 2)	(132,671)	(674,842)
	53,038,298	49,168,659
Contingencies (Note 12)		
Commitments (Note 13)		

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, 2025

CRSWSC
FINANCIAL
REPORT

	2025 Budget (Note 10)	2025	2024
Revenue			
Water sales (Note 9)	10,800,212	12,012,356	11,121,694
Return on investments	50,000	252,822	446,301
Contributions from members (Note 9)	93,903	93,903	93,903
Government transfers	-	30,480	2,325,300
Other revenue	-	11,694	-
	10,944,115	12,401,255	13,987,198
Cost of sales			
Water purchases	6,588,307	7,327,127	6,284,001
Expenses			
Amortization	-	634,353	403,971
Operating contract (Note 9)	366,000	366,000	356,000
Repairs and maintenance	370,254	306,271	464,754
Management Contract (Note 9)	149,000	149,000	144,000
Utilities	185,000	99,980	87,934
Honorarium and travel	99,200	49,253	74,932
Professional fees	36,000	36,129	20,856
Insurance	45,000	30,208	28,694
Interest on long-term debt	26,651	26,651	29,252
Office and annual meeting	29,500	24,700	12,336
Engineering fees	35,000	24,115	21,033
	1,341,605	1,746,660	1,643,762
Excess of revenue over expenses	3,014,203	3,327,468	6,059,435

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

Statement of Remeasurement Gains and Losses

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Accumulated remeasurement losses, beginning of year	(674,842)	(485,097)
Unrealized gain (loss) attributable to:		
Portfolio investments	542,171	(189,745)
Accumulated remeasurement losses, end of year	(132,671)	(674,842)

Statement of Change in Net Financial Assets

FOR THE YEAR ENDED DECEMBER 31, 2024

	2025 Budget (Note 10)	2025	2024
Annual surplus	3,014,203	3,327,468	6,059,435
Acquisition of tangible capital assets	(5,165,595)	(913,894)	(11,077,706)
Amortization of tangible capital assets	-	634,353	403,971
Acquisition of supplies inventories	-	(19,422)	-
Change in remeasurement losses for the year	-	542,171	(189,745)
Decrease in net financial assets	(2,151,392)	3,570,676	(4,804,045)
Net financial assets, beginning of year	8,939,084	8,939,084	13,743,129
Net financial assets, end of year	6,787,692	12,509,760	8,939,084

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

Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2025

CRSWSC
FINANCIAL
REPORT

	2025	2024
Operating activities		
Excess of revenue over expenses	3,327,468	6,059,435
Non-cash items		
Amortization	634,353	403,971
Changes in working capital accounts		
Accounts receivable	44,585	(249,276)
Inventory	(19,422)	-
Accounts payable and accruals	(1,655,692)	192,935
Deferred revenue	-	(300,000)
	2,331,292	6,107,065
Financing activities		
Long-term debt repayments	(67,133)	(64,539)
Capital activities		
Purchases of tangible capital assets	(813,339)	(11,077,706)
Investing activities		
Net change in investments	(123,974)	983,630
Increase (decrease) in cash resources	1,326,846	(4,051,550)
Cash resources, beginning of year	3,516,461	7,568,011
Cash resources, end of year	4,843,307	3,516,461

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

Schedule 1 - Schedule of Tangible Capital Assets

FOR THE YEAR ENDED DECEMBER 31, 2025

	Land	Engineered structures	Equipment	2025	2024
Cost					
Balance, beginning of year	208,298	45,714,856	422,876	46,346,030	35,268,324
Acquisition of tangible capital assets	126,387	403,257	-	529,644	-
Construction-in-progress	-	253,000	131,250	384,250	11,077,706
Balance, end of year	334,685	46,371,113	554,126	47,259,924	46,346,030
Accumulated amortization					
Balance, beginning of year	-	5,719,574	396,881	6,116,455	5,712,484
Annual amortization	-	633,291	1,062	634,353	403,971
Balance, end of year	-	6,352,865	397,943	6,750,808	6,116,455
Net book value of tangible capital assets	334,685	40,018,248	156,183	40,509,116	40,229,575
2024 Net book value of tangible capital assets	208,298	39,995,282	25,995	40,229,575	

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

FOR THE YEAR ENDED DECEMBER 31, 2025

	Unrestricted Surplus	Operating Reserve	Capital Reserve	Tangible Capital Assets	Remeasurement Losses	2025	2024
Balance, beginning of year	2,431,505	1,410,128	6,401,935	39,599,933	(674,842)	49,168,659	43,298,967
Excess of revenue over expenses	3,327,468	-	-	-	-	3,327,468	6,059,437
Unrestricted funds designated for future use	(3,699,705)	164,983	3,534,722	-	-	-	-
Restricted funds used for operations	1,100	(1,100)	-	-	-	-	-
Restricted funds used for tangible capital assets	491,077	-	(1,404,972)	913,895	-	-	-
Amortization of tangible capital assets	634,353	-	-	(634,353)	-	-	-
Unrealized remeasurement gains (losses)	-	-	-	-	542,171	542,171	(189,745)
Repayment on long-term debt	(67,133)	-	-	67,133	-	-	-
Change in accumulated surplus	687,160	163,883	2,129,750	346,675	542,171	3,869,639	5,869,692
Balance, end of year	3,118,665	1,574,011	8,531,685	39,946,608	(132,671)	53,038,298	49,168,659

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

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025.

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, 2025

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

Revenue recognition

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, 2025

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 \$401,750 (2024 - \$19,797,199).

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. Portfolio investments

	2025	2024
Measured at cost:		
Interest receivable	37,807	84,794
Measured at fair value:		
Bonds and principal protected notes	7,884,361	7,171,230
	7,922,168	7,256,024

Book value at December 31, 2025 is \$8,078,251 (2024 - \$7,930,865). Investments consist of a mix of bonds with a rate of return between 1.57% and 5.10% and principal protected notes which have non-fixed returns based on the participation in equity markets, maturing between 2027 and 2035. The income from these investments is being reinvested as received.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2025

4. Trade and other accounts receivable

	2025	2024
Trade receivable from member municipalities	1,060,247	1,161,765
Goods and services tax receivable	58,382	37,496
Other receivable	36,049	-
	1,154,678	1,199,261

5. Long-term debt

	2025	2024
Debenture held by the Alberta Government repayable in semi-annual installments of \$34,371 including interest at 4.589%, due December 15, 2034.	502,195	546,365
Debenture held by the Alberta Government repayable in semi-annual installments of \$12,580 including interest at 2.832%, due June 15, 2028.	60,315	83,279
	562,510	629,644

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
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
2030	55,419	13,324	68,743
Thereafter	248,618	26,350	274,968

Debenture debt is issued on the credit and security of the Commission at large. The Commission's payments for interest in 2025 were \$26,651 (2024 - \$29,252).

6. 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, 2025, the Commission has note drawn 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, 2025 is 4.45% (2024 - 5.45%).

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2025

7. 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:

	2025	2024
Total debt limit	24,802,509	23,323,798
Total debt	562,510	629,644
Amount of debt limit unused	24,239,999	22,694,154
Service on debt limit	4,340,439	4,081,665
Service on debt	93,903	93,902
Amount of debt servicing limit unused	4,246,536	3,987,763

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.

8. Deferred revenue

The Commission entered into an agreement with Alberta Transportation to acquire funds that is to be used exclusively for the Regional Water Supply Feasibility Study. The total grant is for \$250,000 with \$30,480 being recorded in 2025.

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

	<i>Balance, beginning of year</i>	<i>Contributions</i>	<i>Recognized as revenue</i>	<i>Balance, end of year</i>
Alberta Transportation Grant	-	30,480	30,480	-

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2025

9. 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.

	2025	2024
Members' charges		
City of Leduc	5,492,742	5,247,601
City of Beaumont	2,947,860	2,672,321
Leduc County	1,896,150	1,659,628
Edmonton International Airport	778,120	698,853
Town of Calmar	414,141	367,931
Town of Millet	305,827	310,534
Camrose County	113,734	104,307
Village of Hay Lakes	63,782	60,519
	12,012,356	11,121,694
Contributions from members		
Leduc County	46,480	46,479
Village of Hay Lakes	33,431	33,431
Camrose County	13,992	13,992
	93,903	93,902

(c) Management and operating contract fees

During the year, the Commission paid \$149,000 (2024 - \$144,000) in management fees and \$366,000 (2024 - \$356,000) 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 \$1,060,247 (2024 - \$1,161,659) receivable from member municipalities.

(e) Accounts payable and accrued liabilities

The year end accounts payable and accrued liabilities balance includes a total of \$1,489 (2024 - \$12,666) 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.

10. 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 16, 2025.

The Commission does not budget for amortization. Included in the actual expenses on the statement of operations is amortization of \$634,353 (2024 - \$403,971).

Included in the disclosed budget on the statement of operations is \$164,754 (2024 - \$35,259) 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, 2025

11. 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, 2025, three related parties (2024 - three) accounted for 82% (2024 - 87%) 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.

12. 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.

13. 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. Subsequent to year end, the following agreement was extended with the City of Leduc until December 31, 2027.

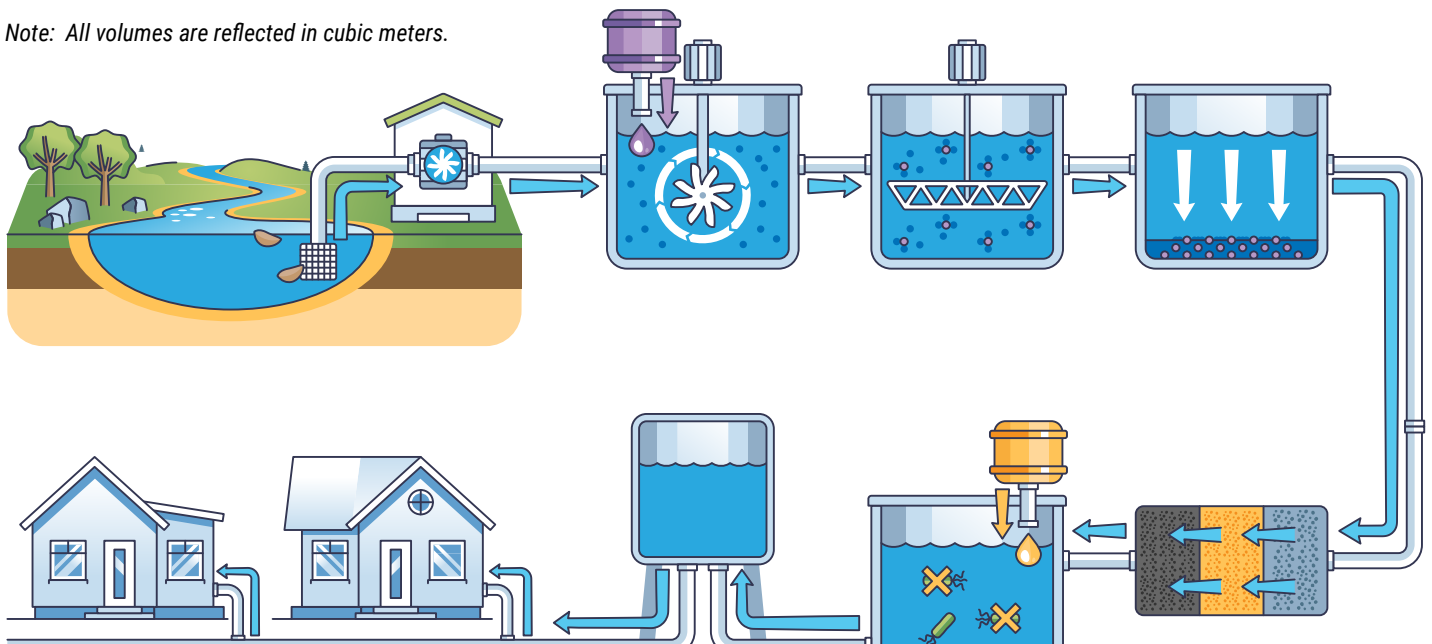
The commitments over the next two years are as follows:

2026	\$530,000
2027	\$546,000

Water Sales (2025)

Customers	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
City of Leduc	254,398	230,054	236,330	276,818	283,423	272,237	320,137	264,843	276,534	302,878	248,373	284,118	3,250,143
City of Beaumont	144,491	121,038	117,172	142,306	153,524	153,814	173,884	143,702	154,348	163,459	125,325	151,233	1,744,296
Leduc County	83,141	76,241	79,645	102,960	97,293	94,100	108,301	94,659	99,737	110,196	83,036	92,673	1,121,982
Town of Calmar	19,773	20,242	17,047	20,103	20,861	23,199	25,283	19,207	20,930	21,298	16,474	20,637	245,054
International Airport	34,143	33,966	33,039	35,015	39,026	40,646	46,020	44,026	39,825	43,396	32,668	38,656	460,426
Village of Hay Lakes	2,627	2,499	2,247	3,209	4,107	4,040	3,838	2,654	3,289	3,484	2,638	3,109	37,741
Camrose County	3,799	3,355	3,070	5,251	8,868	9,374	6,854	5,532	7,211	5,417	4,140	4,427	67,298
Town of Millet	15,238	14,303	13,186	15,545	15,317	15,476	16,834	15,722	15,455	16,005	12,669	15,213	180,963
Total Sales	557,610	501,698	501,736	601,207	622,419	612,886	701,151	590,345	617,329	666,133	525,323	610,066	7,107,903
Master Meter Purchases	582,303	515,050	518,512	618,309	639,224	631,428	719,228	611,952	631,876	687,792	544,263	629,082	7,329,009
Water Differential	(24,693)	(13,352)	(16,776)	(17,102)	(16,805)	(18,542)	(18,077)	(21,607)	(14,547)	(21,659)	(18,940)	(19,016)	(221,116)

Note: All volumes are reflected in cubic meters.



CRSWSC FINANCIAL REPORT

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Water Sales Percent (2016 - 2025)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Purchases	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	7,329,009
City of Leduc	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	3,250,143
<i>percentage</i>	52.4%	52.1%	50.0%	47.4%	48.9%	48.1%	47.1%	47.3%	47.2%	45.7%
City of Beaumont	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	1,744,296
<i>percentage</i>	23.9%	24.0%	22.8%	22.3%	24.3%	24.3%	23.4%	23.5%	24.0%	24.5%
Leduc County	679,266	668,132	733,584	783,644	696,276	837,181	937,622	1,005,823	1,011,968	1,121,982
<i>percentage</i>	12.7%	12.5%	12.6%	13.4%	12.3%	13.3%	14.7%	15.4%	14.9%	15.8%
Town of Calmar	229,300	233,459	237,193	223,393	233,662	250,478	211,457	212,210	224,348	245,054
<i>percentage</i>	4.3%	4.4%	4.1%	3.8%	4.1%	4.0%	3.3%	3.2%	3.3%	3.4%
International Airport	319,299	330,425	378,415	536,461	364,037	397,700	476,745	417,768	426,130	460,426
<i>percentage</i>	6.0%	6.2%	6.5%	9.2%	6.4%	6.3%	7.5%	6.4%	6.3%	6.5%
Village of Hay Lakes	37,035	35,526	37,097	40,068	35,517	37,468	35,351	36,240	36,902	37,741
<i>percentage</i>	0.7%	0.7%	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%
Camrose County	6,372	5,689	6,558	8,874	14,710	20,476	35,585	52,558	63,602	67,298
<i>percentage</i>	0.1%	0.1%	0.1%	0.2%	0.3%	0.3%	0.6%	0.8%	0.9%	0.9%
Town of Millet		144,750	188,019	179,214	177,964	195,704	180,310	183,230	189,350	180,963
<i>percentage</i>		2.7%	3.2%	3.1%	3.1%	3.1%	2.8%	2.8%	2.8%	2.5%
Total Sales	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	7,107,903
% Year Increase	-6.2%	-0.8%	9.3%	0.4%	-2.8%	10.8%	1.1%	2.7%	3.7%	4.8%

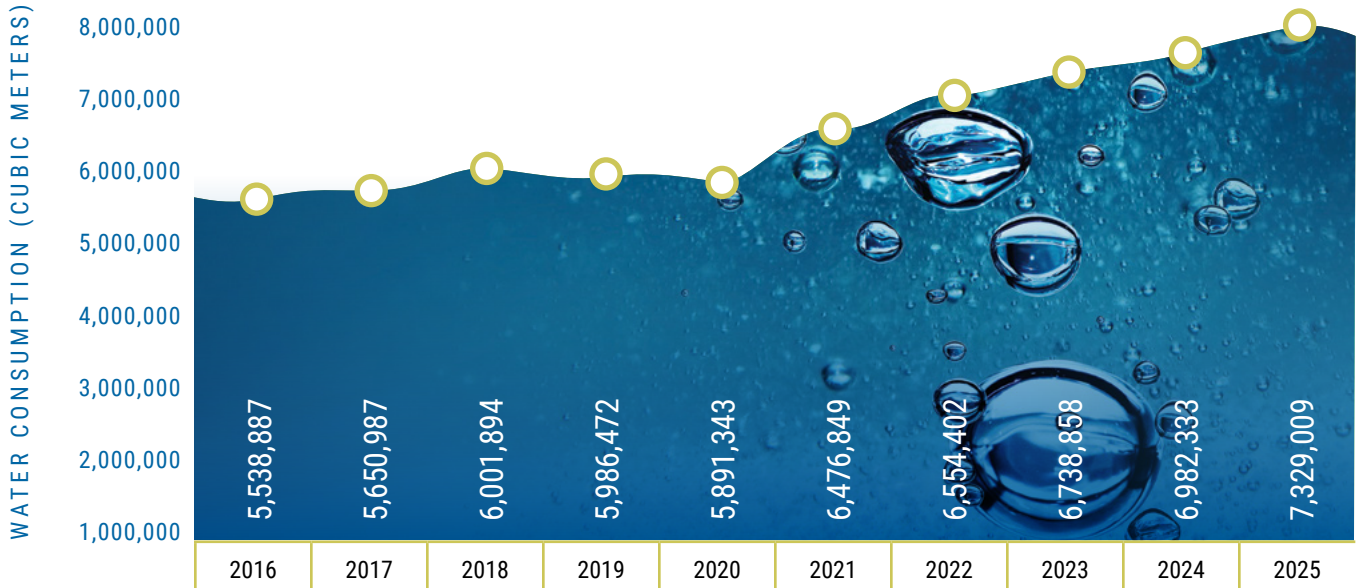
Average increase of 2.30% per year over ten year period.

2.3%

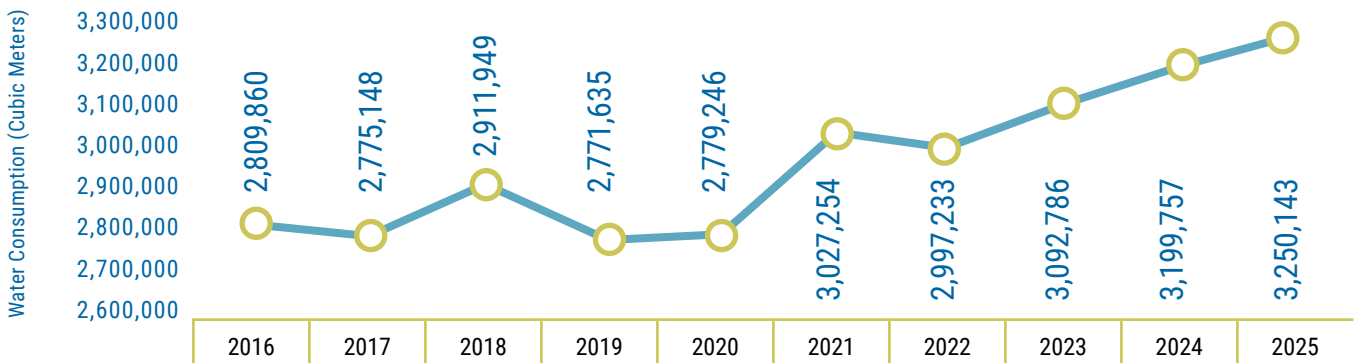
Note: All volumes are reflected in cubic meters. Percent increases are reflective of previous year sales.

Annual Water Consumption (2016 - 2025)

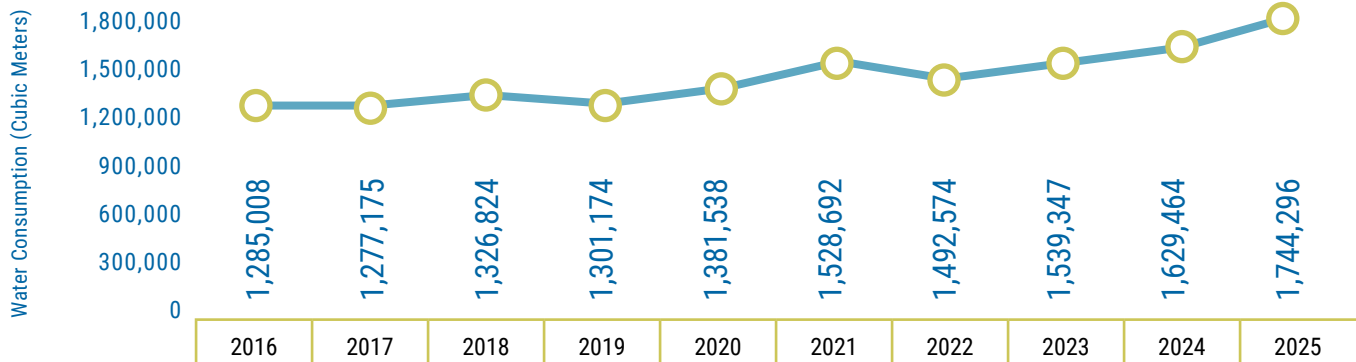
REGIONAL WATER COMMISSION



CITY OF LEDUC



CITY OF BEAUMONT

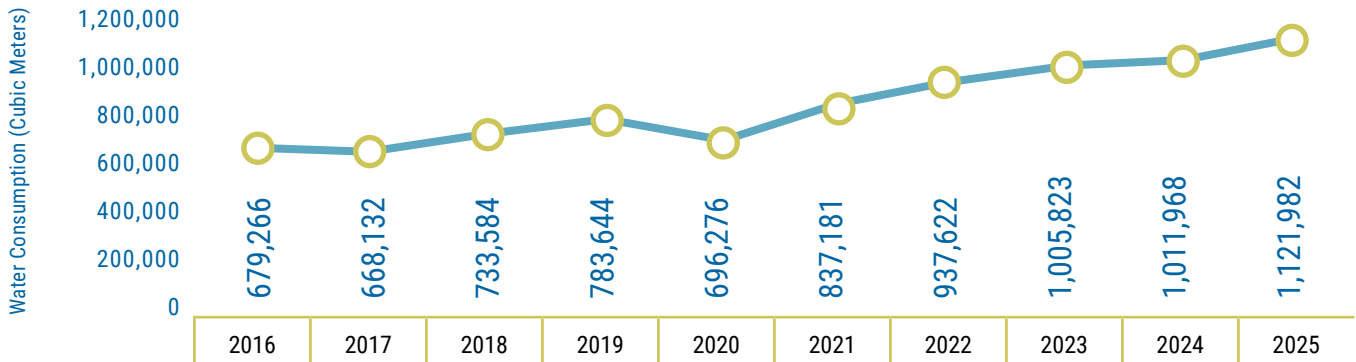


CRSWSC FINANCIAL REPORT

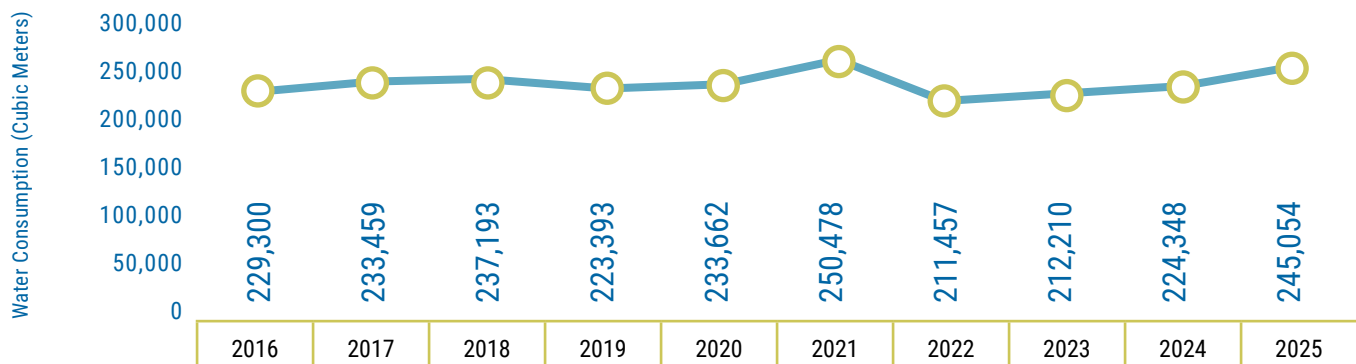
CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Annual Water Consumption (2016 - 2025)

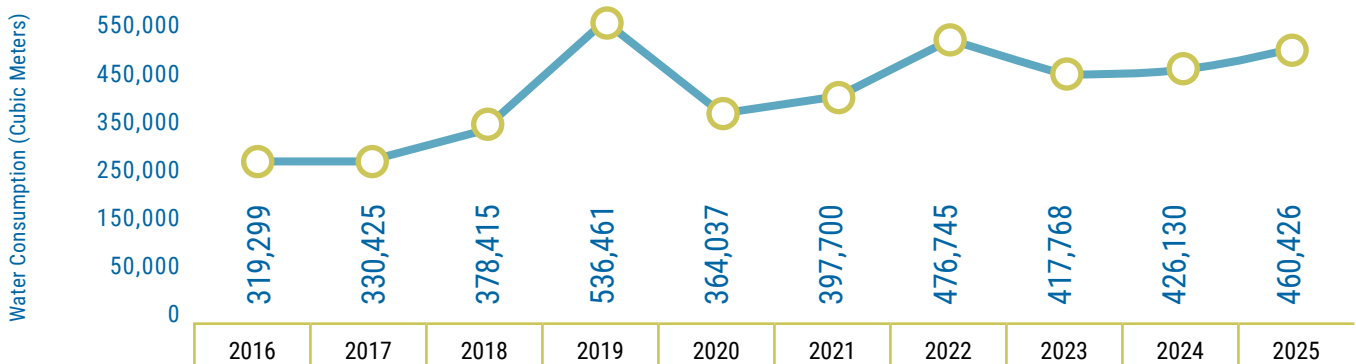
LEDUC COUNTY



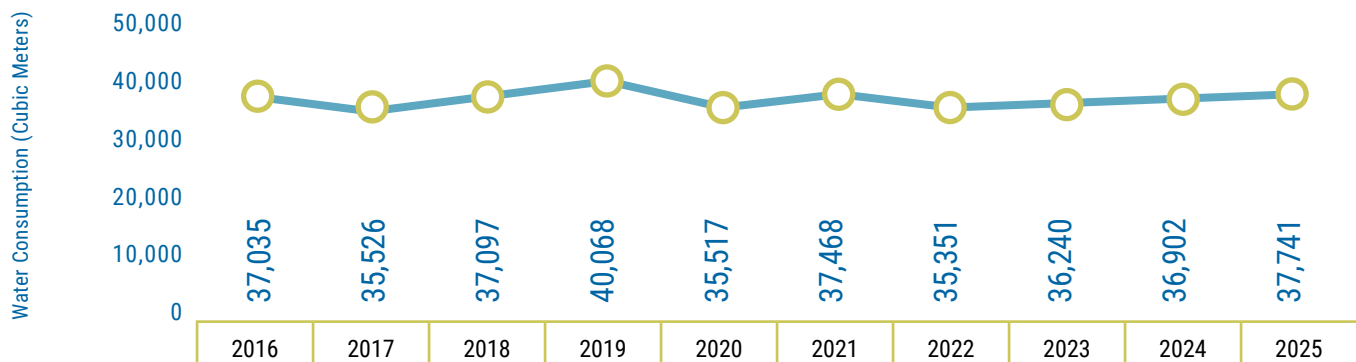
TOWN OF CALMAR



EDMONTON INTERNATIONAL AIRPORT

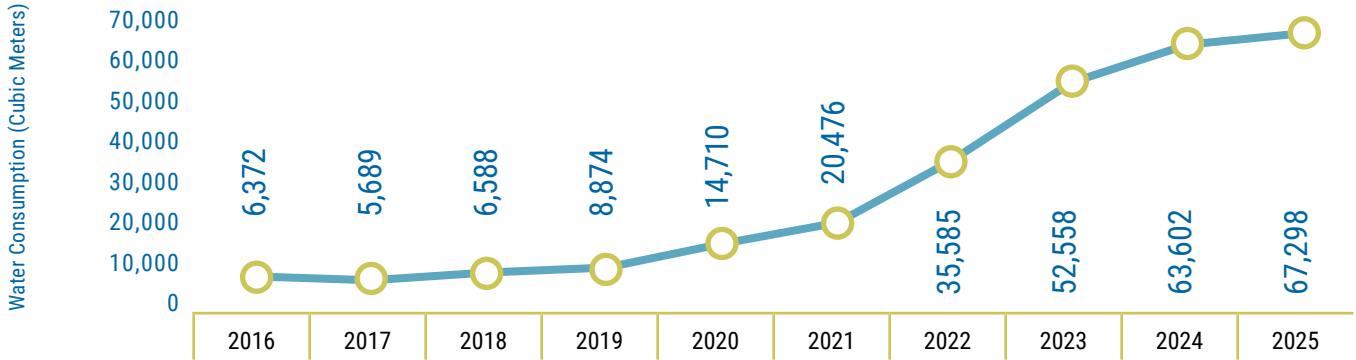


VILLAGE OF HAY LAKES

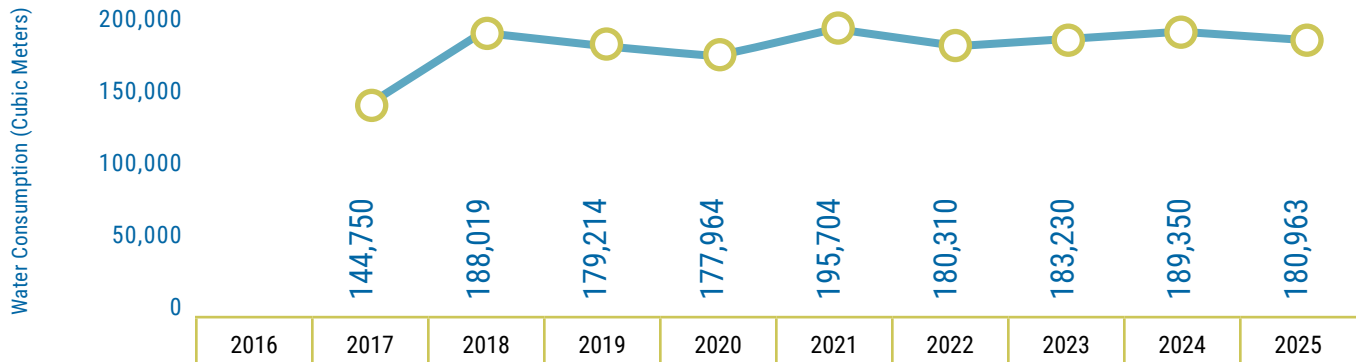


Annual Water Consumption (2016 - 2025)

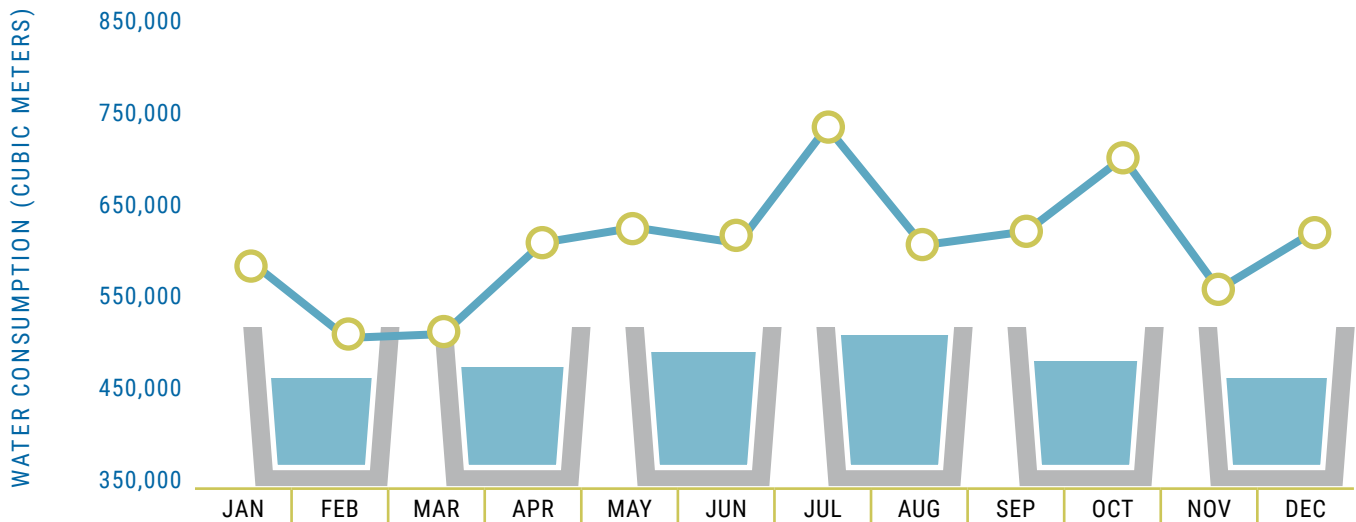
CAMROSE COUNTY



TOWN OF MILLET



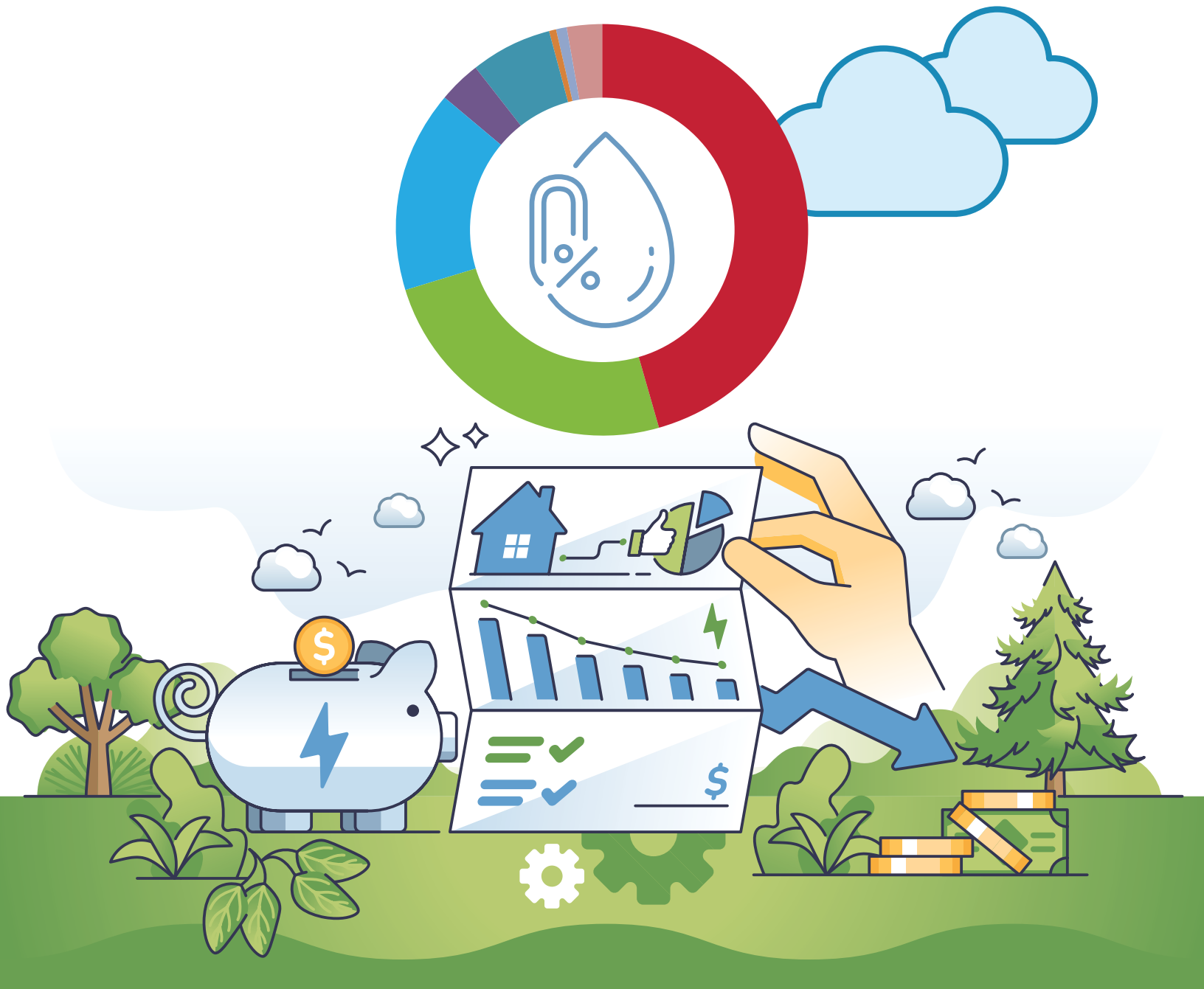
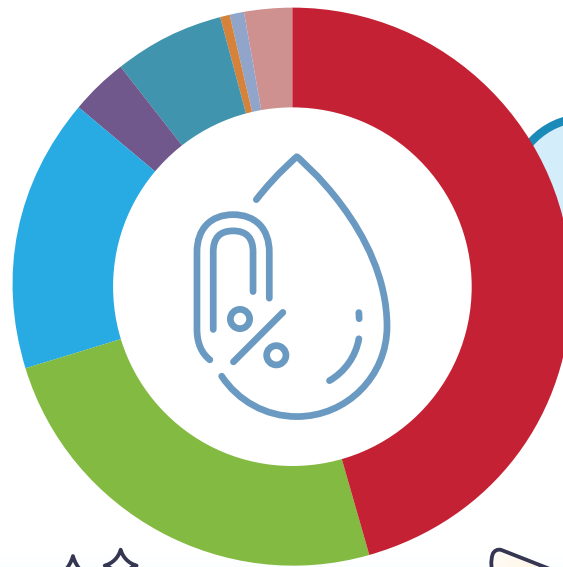
Water Commission Consumption (2025) Water Demand



Customer Share of Water Sales (2025)

CRSWSC FINANCIAL REPORT

● City of Leduc	45.7%	● International Airport	6.5%
● City of Beaumont	24.5%	● Village of Hay Lakes	0.5%
● Leduc County	15.8%	● Camrose County	0.9%
● Town of Calmar	3.4%	● Town of Millet	2.5%







CRSWSC



Capital Region Southwest
Water Services Commission

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