

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION,
 REGULAR MEETING, HELD ON THURSDAY, JANUARY 22, 2026
 DINNER AT 5:30 P.M., MEETING AT 6:00 P.M.,
 LEDUC GOLF COURSE 5725 BLACK GOLD DR, LEDUC, AB T9E 8C4**

1. CALL TO ORDER

Chair Krista Gardner called the meeting to order at 6:13 p.m. following Board photos.

PRESENT:

Mayor Krista Gardner	Town of Calmar
Councillor Don Faulkner (alt.)	Town of Calmar
Mayor Lars Hansen	City of Leduc
Councillor Laura Tillack	City of Leduc
Mayor Lisa Vanderkwaak	City of Beaumont
Councillor Anthony Kohlsmith	City of Beaumont
Councillor Paul Patterson	Village of Hay Lakes
Councillor Kelly-Lynn Lewis (alt.)	Leduc County
Councillor Glen Bienert (alt.)	Leduc County
Councillor Doug Lyseng	Camrose County
Councillor Jordon Banack	Camrose County
Mayor Doug Peel	Town of Millet
Councillor Mathew Starky	Town of Millet

ALSO PRESENT:

Councillor Jill Spinks (alt.)	City of Leduc
Councillor Lana Broker	City of Camrose
Kristofer Johnson, G.M., Infrastructure	City of Camrose
Roger Steele, Manager	EIA
Shailesh Modak, Manager, Utilities	Leduc County
Shawn Olson, Commission Manager	City of Leduc
Rick Sereda, Operations Manager	City of Leduc
Gerard Del Rosario, Commission Treasurer	City of Leduc
Elie Tymchyshyn, Accountant	City of Leduc
Mark D'aoust, Operations Technician	City of Leduc
Melanie White, Project Manager	City of Leduc
Shannon Bremner, Recording Secretary	City of Leduc
Chelsey Iles, Acting Manager, Capital Projects	City of Leduc
Blair Martin, Manager, Infrastructure & Main.	City of Leduc
Chris Parfitt, Project Manager	Associated Engineering
Ian McCormack, President	Strategic Steps

WITH REGRETS:

Councillor Jaime McKeag-Reber	Town of Calmar
Deputy Mayor Ron These	Village of Hay Lakes
Councillor Bonnie Thomas	Leduc County
Councillor Dal Virdi	Leduc County

Des Mryglod, Director, Eng., Utilities & Transit Leduc County

2. ADOPTION OF AGENDA

- 01-26 **Motion:** It was **Moved** by Councillor Kelly-Lynn Lewis that the agenda for the January 22, 2026, Capital Region Southwest Water Services regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the November 20, 2025 Organizational Meeting

- 02-26 **Motion:** It was **Moved** by Mayor Lars Hansen that the meeting minutes of the November 20, 2025 Organizational meeting of the Capital Region Southwest Water Services Commission be approved as circulated.

Motion Carried Unanimously

B. Minutes of the November 20, 2025 Regular Meeting

- 03-26 **Motion:** It was **Moved** by Councillor Jordon Banack that the meeting minutes of the November 20, 2025 Regular meeting of the Capital Region Southwest Water Services Commission be approved as circulated.

Motion Carried Unanimously

4. PUBLIC COMMENTARY

There was no public commentary.

5. REPORTS OF OFFICERS

A. Manager's Report

Nisku Booster Station

Administration continues with the close-out of the construction of the Nisku Booster Station. The Commission continues to own and operate the Booster Station, while the Contractor continues to address deficiencies. Most deficiencies have now been remediated, though there remains an issue with cavitation in a pressure reducing valve (PRV) which needs to be resolved in order to achieve Total Performance. As previously mentioned, the two-year warranty period will begin once all deficiencies are resolved and Total Performance is achieved.

Despite not having Total Performance, the Booster Station is operating and supplying water to member municipalities.

EPCOR installed their new meter at County East in early January and will likely install the new meter at Beaumont in the spring. The Nisku West meter will be installed once EPCOR receives all the required parts.

The project team continues to work on financial close-out. All indications are that this project will be completed within budget.

Municipal Developments

Administration received 5 notifications of subdivision developments/extensions (4 from City of Beaumont, 1 from Leduc County), 1 Notice of Subdivision (Town of Calmar), and 1 Outline Plan (City of Leduc). Administration had no concerns with the documents provided and no comments were provided back to the members.

Water Master Plan and Feasibility Study

Associated Engineering has started the water modeling portion of the Master Plan while finalizing parameters and demand projections with members. Some projections may be adjusted slightly to ensure that neither the Commission nor its members become financially liable for overstated forecasts submitted to EPCOR. Associated Engineering will issue letters to all member municipalities to advise of the forecasts that will be used.

Board Members attended the first session of the Strategic Update at the November 20, 2025 Board meeting, led by Strategic Steps. Direction from this meeting was incorporated into a draft Strategic Update which was distributed with the January 22, 2026 Board meeting agenda package.

The Camrose-Wetaskiwin Feasibility Study is being completed in conjunction with the Water Master Plan. Usage and demand projections have been supplied by City of Camrose, County of Wetaskiwin and City of Wetaskiwin. Modeling performed for the Water Master Plan will also be used for the Feasibility Study. The Feasibility Study is still in progress, with a draft expected to be presented in the spring. Councillor Kelly-Lynn Lewis requested that Leduc County administration be engaged to provide comments and feedback for incorporation into the draft Feasibility Study.

City of Beaumont Line Extension to St. Vital Reservoir

Administration has reached out to the City of Beaumont requesting an update on their line extension to St. Vital. The intent of the line is ultimately to allow Beaumont to supply water from their primary reservoir, that the Commission supplies, to their St. Vital reservoir. In the interim, the line will be used to directly supply the St. Vital reservoir while their primary reservoir is temporarily taken down for rehabilitation. This line will be owned and operated by the City of

Beaumont; however, while the main reservoir is down, the Commission will operate the line and EPCOR will temporarily increase the pressure to reach the St. Vital reservoir. For this reason, the Commission must ensure that the water line is constructed to Commission standards, in addition to City of Beaumont standards.

The Commission is interested in learning more about the construction timelines for the line, as the ultimate rehabilitation of the main reservoir can only occur in off-peak times due to limitations in how much the pressure can be temporarily increased. Peak day demand (May–October) supply to St. Vital exceeds the pressure EPCOR can temporarily provide, making timing critical.

Beaumont Second Feed Line

Administration received a letter from the City of Beaumont on November 19, 2025, affirming the importance of advancing the second feed line from EPCOR. The Commission sent a response letter to Beaumont on November 26, 2025, and met with City of Beaumont Commission Board Members on December 8, 2025 to discuss the second feed line. Both letters were attached to the Manager's Report.

It is important to note that the CRSWSC submits a 5-year forecast of demand projections to EPCOR annually, and ultimately the decision to build the second feed line is up to EPCOR. While the 5-year forecast shows that EPCOR is unable to meet the required demand beyond 2028 based on the pressures in our agreement, EPCOR has opted to increase their supply pressure to meet demands in order to delay construction of the second feed line. EPCOR must balance short term needs to increase pressure to Beaumont with the long term need to lower the system pressure to address issues in the rest of their distribution system.

Construction of the second feed line from EPCOR will not increase pressure to the City of Beaumont, and as a result it will not be able to directly feed the St. Vital Reservoir, which is at a higher elevation than the current connection point. The secondary feed line will provide redundancy and additional flow for a growing population. The redundancy is important as the primary feed line to Beaumont is the pipe material that is the highest risk to the Commission.

In terms of the pipe type, it is not the same as the Calgary South Bearspaw Feeder pipe, which is a PCCP (prestressed concrete cylinder pipe). This is a type of CPP (Concrete Cylinder Pipe) called C301 with a concrete inner pipe, then steel pipe, more concrete pipe with a high strength steel wire wrapped around it under high tension, with a mortar coating on top of the steel. The pipe is always under compression from the wires. This pipe is prone to catastrophic failures due to the steel wire being under high tension. Note that it is difficult to evaluate the condition of the steel because it is under the concrete and mortar from both the inside and outside. Reports have shown that corrosion of the high tension steel

wires due to ground conditions are the most likely cause of the failures in Calgary.

The CRSWSC Beaumont feed line is a type of CPP (Concrete cylinder pipe) called C303 bar-wrapped concrete pipe. This pipe consists of a concrete inner lining, steel pipe, mild steel bar wrapped around the steel pipe (not under high tension), and a mortar coating over the steel bar. This type of pipe is much less at risk of catastrophic failure because the steel bars are not under high tension. It is, however, still very difficult to determine the condition of the pipe due to the steel being hidden within the concrete/mortar and being unable to see the outside of the pipe once underground.

C303 pipe is still vulnerable to failure, but far less so than C301 pipe. A C303 failure is likely to be less "spectacular" than a C301 failure. Lengthy repair times and hard-to-source repair materials increase the risk associated with these pipe materials, which is why the Commission has stocked emergency repair parts for our C303 line.

In summary, for both redundancy and ensuring ultimate flows to our members, the Commission is committed to advocating to EPCOR for the second feed line to Beaumont and will be sending EPCOR a report specific to Beaumont's 5-year projections later this winter.

City of Beaumont Board members requested that the 5-year forecast report be provided to Beaumont administration for review prior to its submission to EPCOR. Associated Engineering anticipates finalizing the report within the next several weeks and will send it to Beaumont for review as requested. Once finalized, the forecasts will be submitted to EPCOR and included in the March 19, 2026 CRSWSC Board meeting agenda package for reference.

Councillor Anthony Kohlsmith asked whether pipe condition can be assessed without excavation. Shawn Olson advised that the Commission previously completed an interior pipeline assessment using SmartBall technology, a free-swimming inspection tool capable of detecting leaks, identifying gas pockets, and mapping water and wastewater pipelines. The results indicated that the interior condition of the Commission's pipelines is in good shape. However, assessing pipe exteriors would require excavation. Administration intends to explore emerging technologies that may offer less invasive options for exterior assessments. New technologies are commonly showcased at conference trade shows, such as the WEFTEC conference.

Board Policy Updates

There are two Board policies that are up for renewal this year: (1) Procurement, and (2) Remuneration and Expenses. A new privacy policy will also be adopted this year to reflect changes in legislation in which the Access to Information Act (ATIA) and Protection of Privacy Act (POPA) have replaced the Freedom of Information and Protection of Privacy Act (FOIP). Administration invited Board

members to volunteer for a sub-committee to review these policies. Councillor Paul Patterson, Councillor Mathew Starky, and Mayor Lisa Vanderkwaak volunteered to serve on the Board Policy Review Sub-Committee. Shannon Bremner will schedule the sub-committee meeting. Once the sub-committee has completed its review and finalized the policies, it will bring recommendations forward to the Board.

Regional Water/Wastewater Assessment Initiative (RWWAI)

Administration received a questionnaire from Public Works Management Corporation (PWMC) who is the project management team for the RWWAI, engaged on behalf of the Alberta Central East (ACE) Water Commission. The RWWAI is a grant-funded initiative conducting a province-wide review of operational, financial, and governance models in regional water/wastewater entities, identifying strengths, gaps, and opportunities for collaboration. A response to the questionnaire was submitted on December 18, 2025.

Further to the questionnaire, PWMC reached out to the CRSWSC requesting copies of all as-built drawings for the entire Commission system. Administration is hesitant to provide this sensitive information as the approximate location, sizes and materials of pipes are already available publicly in the Water Master Plan posted on our website. Administration responded to the request by asking for justification for as-built drawings and have yet to receive a response.

Shawn Olson reported that he met with the PWMC project manager to better understand the initiative. PWMC has engaged 44 regional water commissions in a study that appears focused on advocating to the province for financial sustainability, noting that the ACE Water Commission pays higher water rates due to the use of other commissions' infrastructure to serve their rural service area. Shawn Olson noted that the CRSWSC may not share the same interests, as the Commission is in a strong financial position with adequate reserves to support future infrastructure needs and maintain rate stability.

PWMC has scheduled a regional meeting with a minister on March 12, 2026, which appears aimed primarily at elected officials. This unfortunately conflicts with the AWWOA Operators Seminar, which the Management team is attending. As a result, Kyle van Steenoven will attend the PWMC meeting with Chair Krista Gardner. An update will be provided at the March 19, 2026 Board meeting.

ARROW Utilities New Sanitary Line

ARROW Utilities provided further information about their upcoming project to install a new 900 mm diameter PVC sanitary pipe next to the CRSWSC feed line to Beaumont. The CRSWSC water line is within ARROW Utilities right-of-way in many sections of this line. The new sanitary line is expected to be installed 8-9 metres north of the water line and is approximately 7 metres deep. An open cut excavation of this depth is likely to come within 1-2 metres of the Commission water line. ARROW plans to use locations on the south side of the water line as

lay down areas which will require several crossing points over the water line during construction. Administration responded to ARROW informing them of the requirements for work near the C303 water line to Beaumont, including a constructability report and vibration monitoring plan which need to be in place prior to signing off on a crossing agreement. Full-time supervision of the work within 10 metres of the water line is required for this type of work to ensure the contractor follows all requirements. As the CRSWSC line is located within the ARROW right-of-way, costs for monitoring may need to be borne by the Commission.

Air Relief Valve Capital Project

The CRSWSC air relief valve replacement and retrofit project was undertaken to upgrade and improve the reliability of existing air relief valves along the system. The project included a combination of full valve replacements and retrofits, depending on the condition and configuration at each location.

A total of 23 air relief valves were included in the project's scope, and all 23 valves have now been completed. During final review, one valve was identified as leaking. As such, replacement parts have been ordered, and repairs will be completed once those parts are received.

The project was completed on schedule. Two planned service interruptions were required to facilitate repairs below the isolation valves. These interruptions were coordinated to minimize operational impacts.

As part of this work, air relief valves across the CRSWSC system are now standardized and properly sized based on the diameter of the pipe they are installed on. This improves system performance, reduces the risk of air-related issues, and simplifies ongoing maintenance.

Planned Shutdown at Blackmud Booster Station

EPCOR has advised the CRSWSC that maintenance work at the Blackmud Booster Station, originally planned for late January, has been rescheduled to late March or early April 2026. Administration is coordinating with EPCOR to confirm timing that will minimize service impacts. Commission operators are hopeful that partial supply can be maintained during the work, as it will take place outside peak demand periods. An update will be provided at the March 19, 2026 Board meeting prior to the scheduled work.

Commission Personnel

Andy Humphreys, a City of Leduc operator, will be rotating into the position of Commission Operator beginning in January 2026. Keung Lee, the Commission Operator for the last 4 years, will continue to provide support to Andy Humphreys during the transition. Maintaining the rotation of Commission operators ensures

redundancy, supports cross training and vacation coverage, and provides ongoing operational support.

Calmar Line Repair

A small leak was detected on the Calmar feed line piping inside the reservoir building. The leak has been temporarily repaired with a pipe clamp. The pinhole leak is believed to be caused by cavitation in the line, and there are concerns that the remaining section of pipe within the building and extending down underground below the building may be in similar condition. While performing a permanent repair on the leaking pipe, Administration intends to also replace the connected weakened sections of pipe. The high-level cost estimate for this work is \$200,000, which was included in the 2026 budget for Board consideration. The plan is to design the repair this winter for spring construction so that an above-ground bypass option can be available if needed. Shawn Olson advised that a budget adjustment may be required for items such as asbestos abatement, as the entire project scope is still being finalized so budget estimates are very high-level at this juncture.

Arc Flash Study

A previous change in the electrical code introduced the requirement for an arc flash study and the installation of specific warning signage on booster stations like the Commission's. The Telford and Highway 21 Booster Stations were grandfathered in and therefore the study was not required on them. The recently constructed Nisku Booster Station had an arc flash study completed during construction, and Administration recommends bringing the grandfathered Telford and Highway 21 Booster Stations up to that standard as well. The electrical arc flash study and the installation of specific warning signage are part of electrical safety standards and occupational health and safety requirements. The study identifies potential electrical hazards and determines appropriate safety controls for staff and contractors working on energized equipment. The standard is that the arc flash study is completed every 5 years, or when changes are made to the electrical system.

Administration is reviewing the scope of work, estimated cost, and scheduling requirements to complete the studies and install the required signage. Administration estimates \$10,000 for the work, which was included in the 2026 budget for Board consideration. The goal is to complete the arc flash studies in 2026.

Emergency Planning

The following progress has been made since the November 20, 2025 Board meeting based on ongoing emergency planning:

- Ordered and awaiting delivery of a lightning rod and other equipment to improve the grounding at Calmar, as was done at the Highway 21 Booster Station. This work will happen in the spring.

Commission Facility Locates

Commission operators completed 345 Utility Safety Partner locates in 2025 on Commission facilities, as compared to 650 in 2024. The decreased number is due to a tightening of the notification offset from our main line.

Professional Development Opportunities

The list of professional development opportunities was attached to the Manager's Report. Board members were asked to notify Shannon Bremner of their interest in opportunities so hotel accommodations can be pre-reserved, specifically for the WEFTEC Conference taking place in New Orleans, Louisiana from September 26 – 30, 2026.

04-26

Motion: It was **Moved** by Mayor Lisa Vanderkwaak that the Capital Region Southwest Water Services Commission Board of Directors receives as information the Manager's Report as presented by Shawn Olson, Commission Manager, CRSWSC.

Motion Carried Unanimously

B. Treasurer's Report

2025 Financial Update

The financial reports were prepared up to December 31, 2025. After twelve months of operations, 100% of the budget should be spent. Management expenses are slightly under budget with 93% of the budget spent and Operating expenses are slightly above budget for the year by 7%. Overall expenses for the Commission are slightly over budget by 6%.

Administration noted that there are still invoices to be entered, and year end entries will be made up to the conclusion of the year end audit. A final representation of the Commission's finances will be presented at the completion of the audit at the Annual General Meeting.

Water sales and purchases

- Water sales and purchases are over budget by 11% due to higher than projected consumption.
- To date the Commission has recorded a line loss of 3.02%.

Revenue Variances

- Interest earned is over budget at 426% due to the combination of the Commission's investment returns and earning interest on the Commission's high bank balance throughout the year.

Expenditure Variances

Management:

- The Management contract is on budget with 100% of the budget spent.
- Debentures are on budget with 100% of the budget spent.
- Legal fees are under budget at 4% as focus for the year has been on the Nisku Booster Station.
- Other Professional Fees are over budget at 169% due to the Hazardous Building Material Assessment.
- Audit fees will be recorded as part of the year end process.
- Honorariums (55%) and mileage (77%) are both under budget. These budgets were increased to account for annual policy reviews and directly correlate to the number of Board members attending these reviews.

Operating:

- The Operating contract is on budget with 100% of the budget spent.
- Seminars and Conference fees are under budget with 46% of the budget spent to date. Unused funds from the 2025 training allocation will be carried forward into 2026.
- Power and Gas are under budget at 53% and 60% as the budget had additional funds added in 2025 for a full year of operating the Booster Station (the Commission took ownership in August).
- Engineering fees are under budget at 67% as the Booster Station has been the primary focus.
- Insurance is under budget at 67% as insurance was budgeted with a full year of ownership of the Booster Station. Additionally, the Commission's insurance company waived the pro-rated invoice for the Commission.
- Infrastructure Maintenance is under budget at 58% however, \$50K of this budget is for emergency repairs.
- Computer & Comm. Maintenance, Supplies, Licenses is under budget as the new VT Scada (which is still in progress) annual license is part of this budget line.
- Several line items, including office supplies, bank charges, and easement leases, are tracking below budget; however, their overall financial impact is minimal.
- Transfers to and from reserves are entries that will be made during the year end process.

Capital Expenditures

Capital expenditure is below budget with 20% of the budget spent.

2017.002 Air Release Manhole Rehab (93%)

- Details were provided in the Manager's Report. The remaining budget will be carried forward to close out the project.

2021.001 Nisku Booster Station & Beaumont Piping Upgrades (13%)

- Remaining budget will be carried forward into 2026 to close out the project.

2024.002 Scada Upgrade (62%)

- This project is still ongoing, expected to be finished in May - June of 2026 with testing to follow. The remaining budget will be carried forward into 2026 to close out the project.

2025.001 Water Master Plan & Strategic Plan (34%)

- This will not be completed in 2025 and will be carried forward into 2026. Further details were provided in the Manager's Report.

2025.002 Emergency Planning (35%)

- Details were provided in the Manager's Report. No carryforward of the 2025 budget was required as there is a budget line for this project in 2026 and 2027.

2025.003 Camrose Feasibility Study (8%)

- This will not be completed in 2025 and will be carried forward into 2026. Further details were provided in the Manager's Report.

2025 Audit

The Commission's Request for Proposals (RFP) for audit services closed on November 20, 2025. Upon completion of the evaluation process, Administration re-selected MNP as the successful proponent. Although there is a slight increase in fees, the impact is negligible.

The Commission Auditors, MNP LLP, are scheduled to complete the 2025 audit field work in February 2026. The audit report and findings, along with the Commission's final financial results, will be presented at the Annual General Meeting on April 16, 2026.

Revolving Line of Credit

The line of credit has not been utilized as of December 31, 2025. With the final settlements coming due for the Booster Station, Administration does not expect to draw into this fund and will not renew this Line of Credit for 2026.

Statement of Operations to December 31, 2025

	Actual 2025	Budget 2025	Variance	Budget % Spent
Revenue				
Water Sales	12,012,356	10,800,212 -	1,212,144	111%
Water Flat Rate Debenture Proceeds	93,903	93,903	0	100%
Interest Earned	213,247	50,000	(163,247)	426%
Total Revenue	12,319,505	10,944,115 -	1,375,390	113%
Expenses				
Management Expenses				
Management Contract	149,000	149,000	-	100%
Debenture payments	93,903	93,903	0	100%
Legal Fees	413	10,000	9,587	4%
Other Professional Fees	17,753	10,500	(7,253)	169%
Honorarium	8,960	16,200	7,240	55%
Audit Fees	6,563	15,500	8,938	42%
Office Supplies	251	2,000	1,749	13%
Mileage	3,062	4,000	938	77%
Bank Charges & Interest	341	500	159	68%
Total Management Expenses	280,245	301,603	21,358	93%
Operating Expenses				
Water Purchases	7,327,127	6,588,307 -	738,820	111%
Operating Contract	366,000	366,000	-	100%
Seminars & Conferences	35,982	79,000	43,018	46%
Power	87,263	165,000	77,737	53%
Engineering Fees	23,515	35,000	11,485	67%
Instrumentation & Mechanical	40,937	45,000	4,063	91%
Insurance	30,208	45,000	14,792	67%
Infrastructure Maintenance	68,160	117,000	48,840	58%
Regular & Annual Meeting Expenses	14,680	16,000	1,320	92%
Cathodic Protection	7,246	6,000 -	1,246	121%
Materials & Supplies	11,630	13,000	1,370	89%
Computer & Comm. Maintenance, Supplies, Licenses	12,330	30,500	18,170	40%
Easement Leases	2,183	5,000	2,817	44%
Gas	7,547	12,500	4,953	60%
Telephone	6,077	7,500	1,423	81%
Total Operating Expenses	8,040,883	7,530,807 -	510,076	107%
Total Expenses	8,321,129	7,832,410 -	488,719	106%
Net of Revenue over Expenses	3,998,377	3,111,705 -	886,672	128%
Net Interfund Transfers				
Drawn from Accumulated Surplus	-	-	-	0%
Transfer to Operating Reserves	- -	148,486 -	148,486	100%
Transfer from Operating Reserves	-	84,000	84,000	100%
Transfer to Capital Reserves	- -	3,047,219 -	3,047,219	100%
Total Interfund Transfers	- -	3,111,705 -	3,111,705	
Net Surplus (Deficit)	3,998,377	- -	3,998,377	

Statement of Financial Position as at December 31, 2025

Financial Assets

Bank	\$	4,843,307
Accounts Receivable	\$	1,065,816
Accrued Receivables	\$	-
Investment Interest Receivable	\$	84,794
GST Receivable	\$	55,659
Short Term Investments	\$	7,930,470
Total Financial Assets	\$	13,980,047

Liabilities

Trade Accounts Payable	\$	770,226
Accrued Accounts Payable	\$	17,544
Accrued Interest on Debentures	\$	1,202
Deferred Revenue - Gov't Grant	\$	-
Debenture 4000845 - 2010	\$	546,366
Debenture 4002395 - 2018	\$	83,279
Total Liabilities	\$	1,418,617

Net-Financial Assets

\$ 12,561,430

Non-Financial Assets

Land	\$	208,298
Machinery & Equipment	\$	405,377
Accum. Depreciation - Mach & Equip	\$	(396,881)
Engineering Structures	\$	25,935,158
Work in Progress - Buildings	\$	-
Work in Progress - Equipment	\$	285,811
Work in Progress - Eng Structure	\$	253,000
Accum. Depreciation - Eng Stru	\$	(5,719,575)
Work in Progress - Nisku Booster Station	\$	20,309,259
Total Non-Financial Assets	\$	41,280,448

Accumulated Surplus

Rate Stabilization Op Reserve	\$	168,664
Emergency & Operations - Op Res	\$	200,000
General Reserves - Op Reserve	\$	1,041,464
Equipment - Cap Reserve	\$	1,995,572
Future Water Capacity - Cap Reserve	\$	4,406,363
Total Reserves for Future Use	\$	7,812,063
Unrestricted Surplus	\$	2,431,508
Investment - remeasurement gains/losses		
Equity in Fixed Assets	\$	39,599,931
Current Earnings (Net surplus (deficit) + add back debenture principle)	\$	3,998,377
Total Accumulated Surplus	\$	53,841,878

2025 Capital Summary to December 31, 2025

2017.002 Air Release Manhole Rehab	
2025 Budget	271,700
2025 Expenditures	(253,000)
Budget Remaining	18,700
2021.001 Nisku Booster Station & Beaumont Piping Upgrade	
2025 Budget	4,205,400
2025 Expenditures	(529,560)
Budget Remaining	3,675,840
2024.002 SCADA upgrade	
2025 Budget	182,500
2025 Expenditures	(113,750)
Budget Remaining	68,750
2025.001 Water Master Plan & Strategic Plan	
2025 Budget	230,000
2025 Expenditures	(77,877)
	152,123
2025.002 Emergency Planning	
2025 Budget	160,000
2025 Expenditures	(56,217)
	103,783
2025.003 Camrose Feasibility Study	
2025 Budget	250,000
2025 Expenditures	(20,468)
	229,533
2025 Total Capital Budget	5,299,600
2025 Total Capital Expenditures	(1,050,872)
Budget Remaining	4,248,728
Budget Spent	20%

05-26

Motion: It was **Moved** by Mayor Doug Peel that the Capital Region Southwest Water Services Commission Board of Directors receive the Treasurer's Report as information.

Motion Carried Unanimously

C. Final Budget Report

2026 Final Budget Adjustments

Operating

The following changes were made from the Interim Budget to the Final Budget.

Transfers to Capital Reserve:

- Changes to transfers to Future Water Capacity reserve include: 2026 reduced by \$14.1K, 2027 reduced by \$21.8K, 2028 reduced by \$15.1K

Regular & Annual Meeting Expenses:

- Increased by \$10K ongoing for the provision of a guest speaker at the Annual General Meeting. The Commission has used complimentary guest speakers from existing vendors in recent years; these opportunities have been exhausted, requiring a budgeted line item for the provision of a guest speaker. The Board expressed support for the guest speaker, with an expression of interest for comedy aimed at building a sense of team.

Materials & Supplies:

- Added a line item for Materials for Board Meetings in the amount of \$5K as an ongoing cost.

Audit Fees:

- 2026 increased by \$2K, 2027 increased by \$2.5K, 2028 increased by \$3K to align with the new audit contract.

Transfers to Rate Stabilization Reserve:

- 2026 reduced by \$2.9K, 2027 increased by \$4.3K, 2028 reduced by \$2.9K

Capital

Two new capital projects were identified for 2026, details of which were presented in the Manager's Report.

- 2026.001 Calmar Line Repair - \$200K
- 2026.002 Arc Flash Study - \$10K

Carryforward

The following 2025 projects were not completed, so Administration requested to carry forward the remaining budget from 2025 into 2026. These projects were added to the 2026 Capital Budget.

- 2017.002 Air Release Manhole Rehab \$18,700
- 2021.001 Nisku Booster Station & Beaumont Piping Upgrades \$3,675,840
- 2024.002 Scada Upgrade \$68,750

- 2025.001 Water Master Plan & Strategic Plan \$152,123
- 2025.003 Camrose Feasibility Study \$229,532

06-26 **Motion:** It was **Moved** by Councillor Don Faulkner that the Capital Region Southwest Water Services Commission Board of Directors adopt the 2026 Final Operating Budget as presented of \$12,490,286.

Motion Carried Unanimously

07-26 **Motion:** It was **Moved** by Councillor Kelly-Lynn Lewis that the Capital Region Southwest Water Services Commission Board of Directors adopt the 2026 Capital Budget as presented of \$4,474,945, subject to year-end adjustments.

Motion Carried Unanimously

08-26 **Motion:** It was **Moved** by Mayor Doug Peel that the Capital Region Southwest Water Services Commission Board of Directors accept in principle the 2027 – 2028 forecasted Operating & Capital Budget.

Motion Carried Unanimously

6. UNFINISHED BUSINESS

A. Master Plan / Strategic Update

Strategic Steps Inc. was engaged in Fall 2025 to support the update of the Commission’s strategic priorities, which will be incorporated into the CRSWSC Master Plan currently in development. As part of this process, Strategic Steps conducted a survey with Board Members and Administration, and facilitated a workshop during the November 20, 2025 Board Meeting. Based on the feedback and contributions received, a draft Strategic Priorities update was prepared and attached to the agenda package.

Ian McCormack from Strategic Steps presented the draft to the Board for review and confirmation of the priority ranking for the strategic themes discussed. The proposed priorities are summarized below:

Goal	Priority
Emergency Preparedness	High
Rate Predictability	High
Commission Governance	High
Member Education	Medium
Environmental Stewardship	Medium
Commission Expansion	Low
Member Communications	Low

Board members were invited to provide feedback and confirm the prioritization of goals. There was general agreement that the priority rankings were appropriate and achievable with existing capacity.

Roger Steele asked whether the priority of rate predictability also addressed keeping rates low. Administration noted that a balance is required and that the Board ultimately determines the appropriate rate level. The previous Board set the amount of money being put away in reserves to be at a mid-range level to balance how much of future projects would be paid for from reserves versus debenture borrowing, to support reserve contributions for future infrastructure needs, reduce reliance on debt, and maintain long-term rate stability. The Commission successfully held rates for approximately five years following the EPCOR asset sale, for which the Board was commended. Administration will seek further feedback from the Board through the Master Plan process to confirm whether rates should continue to be maintained at a mid-range level or adjusted. Member municipalities retain autonomy over their own municipal water rates. CRSWSC rates remain lower than those of comparators, while also planning for and saving to accommodate the future organic growth of our members.

In closing, Ian McCormack recommended that Management report progress on priority items several times per year, with an annual review of priorities during the fall budget cycle. Budgets should be aligned with strategic priorities to ensure resources and capacity are appropriately directed.

- 09-26** **Motion:** It was **Moved** by Councillor Paul Patterson that the Capital Region Southwest Water Services Commission Board of Directors receive the Master Plan / Strategic Update report as information.

Motion Carried Unanimously

7. NEW BUSINESS

There was no new business.

8. CLOSED SESSION

A. Management and Operations Contract (ATIA s.22, 28 & 29)

Shawn Olson, Rick Sereda, Melanie White, Mark D'aoust, Gerard Del Rosario, Elie Tymchyshyn, Shannon Bremner, Blair Martin, Chelsey Isles, Chris Parfitt, Roger Steele, Shailesh Modak, Kristofer Johnson and Ian McCormack left the meeting at 7:07 p.m. to allow for a private Board discussion.

- 10-26** **Motion:** It was **Moved** by Councillor Laura Tillack that the Capital Region Southwest Water Services Commission Board of Directors move into Closed Session at 7:08 p.m. to discuss the Management and Operations Contract. (ATIA s.22, 28 & 29)

Motion Carried Unanimously

- 11-26** **Motion:** It was **Moved** by Councillor Kelly-Lynn Lewis that the Capital Region Southwest Water Services Commission Board of Directors return to Open Session at 7:10 p.m.

Motion Carried Unanimously

Shawn Olson, Rick Sereda, Melanie White, Mark D'aoust, Gerard Del Rosario, Shannon Bremner, Blair Martin, Chelsey Isles, Chris Parfitt, Roger Steele, Shailesh Modak and Kristofer Johnson returned to the meeting at 7:10 p.m.

- 12-26** **Motion:** It was **Moved** by Councillor Jordon Banack that the Capital Region Southwest Water Services Commission Board of Directors approve the extension option within the Management and Operations Contract with the City of Leduc, extending the current contract to December 31, 2027.

Motion Carried Unanimously


9. NEXT MEETING

The next meeting of the Capital Region Southwest Water Services Commission is scheduled for March 19, 2026.


10. ADJOURNMENT

- 13-26** **Motion:** It was **Moved** by Councillor Glen Bienert to adjourn the meeting at 7:12 p.m.

Motion Carried Unanimously



CHAIR



MANAGER