

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION,
 REGULAR MEETING, HELD ON THURSDAY, MAY 28, 2026
 DINNER AT 5:00 P.M., MEETING AT 5:30 P.M.,
 MARQUIS ROOM, BEST WESTERN PREMIER DENHAM INN & SUITES,
 5207 - 50 AVENUE, LEDUC, AB T9E 6V3**

1. CALL TO ORDER

Shawn Olson called the meeting to order at 5:26 p.m.

PRESENT:	Councillor Jaime McKeag-Reber	Town of Calmar
	Councillor Don Faulkner (alt.)	Town of Calmar
	Mayor Lars Hansen	City of Leduc
	Councillor Jill Spinks (alt.)	City of Leduc
	Mayor Lisa Vanderkwaak	City of Beaumont
	Councillor Anthony Kohlsmith	City of Beaumont
	Deputy Mayor Ron These	Village of Hay Lakes
	Councillor Paul Patterson	Village of Hay Lakes
	Councillor Dal Viridi	Leduc County
	Councillor Bonnie Thomas	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 Wayne Thronson	 City of Camrose
	Kristofer Johnson, G.M., Infrastructure	City of Camrose
	Des Mryglod, Director, Eng., Utilities & Transit	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
	Chelsey Iles, Manager, Capital Projects	City of Leduc
	Melanie White, Project Manager	City of Leduc
	Shannon Bremner, Recording Secretary	City of Leduc
	Blair Martin, Manager, Infrastructure & Main.	City of Leduc
	Chris Parfitt, Project Manager	Associated Engineering
 WITH REGRETS:	 Mayor Krista Gardner	 Town of Calmar
	Councillor Laura Tillack	City of Leduc
	Councillor Lana Broker	City of Camrose

2. ADOPTION OF AGENDA

Shawn Olson advised that in the absence of the Chair and Vice-Chair, the Commission Manager shall call the meeting to order and call for nominations for a Director to be appointed by the Board to exercise the duties and powers of the Chair, as per Bylaw 01/2021.

Shawn Olson called for nominations and/or anyone who wished to let their name stand to Chair the May 28, 2026 Board meeting.

Councillor Paul Patterson nominated Mayor Lars Hansen to be appointed as Chair of May 28, 2026 CRSWSC Board meeting. Mayor Lars Hansen accepted the nomination.

Shawn Olson made a second call for nominations, then made a third and final call for nominations. No further nominations were received.

- 27-26** **Motion:** It was **Moved** by Councillor Jill Spinks to appoint Mayor Lars Hansen as Chair of the May 28, 2026 Capital Region Southwest Water Services Commission Board meeting, elected by Acclamation.

Motion Carried Unanimously

Mayor Lars Hansen assumed Chair of the meeting.

- 28-26** **Motion:** It was **Moved** by Councillor Jordon Banack that the agenda for the May 28, 2026, Capital Region Southwest Water Services regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the March 19, 2026 Regular Meeting

- 29-26** **Motion:** It was **Moved** by Mayor Doug Peel that the meeting minutes of the March 19, 2026 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

Ongoing negotiations with Maple Reinders and their subcontractor (Inline) to wrap up completion of the project have come to an impasse. The Commission received an official Notice of Escalation from Maple Reinders on March 30. In general terms, the issue is that Maple's subcontractor, Inline, believes they are entitled to extra compensation for work that did not conform to the contract and did not follow notice requirements. Administration engaged Reynolds Mirth Richards & Farmer LLP (RMRF) to provide legal counsel and opened an insurance claim with Alberta Municipalities to cover the legal expenses incurred. The Commission's insurance agreed to pay 80% of the legal fees, including any expert services required to support the claim.

Summary of events:

- On March 30, CRSWSC received official Notice of Escalation from Maple Reinders.
- On April 15, CRSWSC sent official Notice of Default for additional outstanding deficiencies and failure to achieve Total Completion to Maple Reinders. A Notice of Claim was also sent for additional engineering fees incurred due to the delays.
- On April 15, RMRF responded to Maple Reinders Notice of Escalation on behalf of CRSWSC, agreeing to proceed with mediation.
- On April 17 and April 28, Maple Reinders acknowledged the CRSWSC's Notice of Default and Notice of Claim, requesting an extension to the response deadline to allow time for them to coordinate with their subcontractors, which was accepted.

In response to a Board inquiry, it was clarified that when the former Booster Station on Highway 2 was sold to EPCOR, the Agreement required the establishment of two separate demarcation points. This requirement was not fulfilled, as the Commission's contractor subsequently encased the area in concrete, making any corrective work significantly risky and difficult. Administration is working through this with EPCOR and the contractor.

The legal team, alongside the CRSWSC Administration, is working on procuring a mediator and setting the mediation date.

The Nisku Booster Station remains operational during the legal process. Administration will provide an update at the next Board meeting.

Municipal Developments

Administration received 5 subdivision development/extension notifications (4 from the City of Beaumont and 1 from the Town of Calmar), as well as 1 Neighborhood Structure Plan from the City of Leduc. No concerns were identified, and no comments were provided in response.

Feasibility Study

Administration and Associated Engineering (AE) met with EPCOR on April 23, 2026 to discuss the potential demand increase to supply the City of Camrose, City of Wetaskiwin and Wetaskiwin County as part of the Feasibility Study. It was determined at this meeting that EPCOR cannot supply the water required through the future 50 street connection to Beaumont through the anticipated second feed line. The large increase in demand means that the new line to Camrose and Wetaskiwin would likely need to tie in north of the Anthony Henday Drive in Edmonton, as the current water supply to the perimeter of Edmonton would not be adequate. AE will take this into consideration when completing the Feasibility Study and will work closely with EPCOR in determining the most logical connection point and alignment.

It is anticipated that the draft of the Feasibility Study will be ready in June, with the opportunity to complete a Water for Life grant application by the November deadline if desired. Results from the Feasibility Study will be shared at the September 17, 2026 Board meeting.

City of Beaumont Line Extension to St. Vital Reservoir

At the meeting with EPCOR on April 23, Administration also discussed the ongoing water needs in Beaumont. EPCOR indicated they cannot maintain higher pressures long term and indicated that they intend to lower the pressure at the Blackmud Booster Station in Spring 2028, at the latest. After Spring 2028 it will be impossible for the City of Beaumont to complete system upgrades, utilizing St. Vital in the interim, without a new Booster Station. EPCOR has indicated that they need a formal letter requesting increased pressure with specific timelines to facilitate review and approval. A letter was sent to Beaumont to summarize the discussion with EPCOR, which was attached to the CRSWSC agenda package, in addition to the April 23, 2026 meeting minutes.

Beaumont Administration continues to work through the steps needed to perform the necessary repairs at their main reservoir. It should be noted that while a conditional approval was provided for the work on July 9, 2025, there are outstanding requirements that need to be submitted to receive full approval. The conditional approval was attached for reference.

The CRSWSC Administration will continue to work with Beaumont on these plans and to communicate with EPCOR.

Beaumont Second Feed Line

In the April 23 meeting with EPCOR, the 5-year forecast as it relates to the second feed line was discussed. EPCOR disclosed the design and construction of a second feed line along 50 street is anticipated to be in the 2032 - 2035 budget cycle. This information was included in the letter to Beaumont.

EPCOR reiterated that the new Beaumont feed line will not increase system pressures and will not be able to supply St. Vital reservoir. The Commission's intent was to provide redundancy if the existing 400mm line goes down, but EPCOR stated that full redundancy is not immediately achievable with the second feed line. EPCOR's intent of the second feed line is to supplement the existing 400mm line once it is at capacity to maintain minimum pressure to the Beaumont reservoir, but EPCOR cannot guarantee the second feed line will provide average day demand on its own.

Details regarding the specific level of redundancy that the second feed line will provide have not yet been finalized, as the project remains in the early stages of planning. In the event of an incident affecting supply, the Commission would implement contingency measures, including the trucking of water to Beaumont if required. Nonetheless, the second feed line is expected to provide a limited degree of short-term redundancy. It should be noted that this is an elevated level of service when compared to most commission members in the Regional Water Customers Group, where service is provided through single feed lines to reservoirs with 2 days of storage to allow time for emergency repairs. *In this manner, the second feed line does provide a level of additional supply for emergency response which is in alignment with the strategic priority of emergency preparedness.*

Regional Water Customer Group (RWCG)

The RWCG met on May 7, 2026 and discussed a range of topics.

1. EPCOR advised that the 2027 water rate is likely to increase due to inflation in operating and maintenance costs, including a significant increase in power costs and flood protection work. More details were provided in the financial report.
2. The Regional Water/Wastewater Assessment Initiative (RWWAI) was discussed and the consensus was that most members (EPCOR, Strathcona County, St. Albert and Sturgeon County) were not aware of the project until the CRSWSC copied them on correspondence to the Ministers. The group agreed to share information as more details became available.
3. A RWCG webpage is being created and should be active shortly. Once live, the webpage link will be added to the CRSWSC website to ensure the messaging for water demand management is consistent. A screenshot of the webpage content was attached for reference.

Regional Water/Wastewater Assessment Initiative (RWWAI)

The Commission received a response letter from Grant Hunter, Minister of Environment and Protected Areas (AEPA), acknowledging the letter the Commission previously sent regarding potential changes to the structure of water commissions and how rates are established (see attached). Minister Hunter stated that the first phase of the RWWAI is nearly complete, but a decision on how to proceed has not been made yet.

The correspondence with the Minister regarding this initiative aligns with the strategic priority of Commission governance; maintaining role clarity and long-term planning.

ARROW Utilities New Sanitary Line

Administration continues to work with ARROW Utilities regarding their proposed construction of a new sanitary main within the shared utility right-of-way containing the CRSWSC feed line to Beaumont. Given the proximity of the proposed work to critical CRSWSC infrastructure and the importance of coordinated planning and construction, Administration engaged Brownlee LLP to draft a formal letter emphasizing the need for collaborative engagement and risk mitigation between the two parties. The letter was circulated to ARROW Utilities and CRSWSC Board members on May 27, 2026.

Administration advised that a representative from ARROW Utilities has since contacted the Commission to confirm that they are aware of the need for preventative measures during construction, to protect critical CRSWSC infrastructure. ARROW Utilities is planning for construction in 2027 and 2028.

ATIA / POPA Legislative Requirements

Following the recent adoption of Policy 8 – Privacy and Access Management, Administration has generated the Personal Information Banks and Security Classification System to ensure the Commission is compliant with the Access to Information Act (ATIA) and Protection of Privacy Act (POPA) by the June 11, 2026 deadline.

Planned Shutdown at Blackmud Booster Station

EPCOR successfully completed scheduled maintenance at the Blackmud Booster Station on April 16, 2026. The work proceeded as planned and required a full outage of the Blackmud Booster Station for approximately 10 hours to the CRSWSC system.

Partial system flows were maintained during the outage to reduce impacts to members with smaller reservoir storage. Larger systems, including the City of Leduc, were fully isolated for the duration of the work.

The maintenance was completed successfully and without issue, system performance met expectations, and no adverse impacts were experienced. Commission operations staff coordinated throughout the outage and maintained communication with member operations teams.

Calmar Line Repair

Associated Engineering (AE), in collaboration with Administration, completed and issued the permanent repair Request for Quotes (RFQ) to seven qualified contractors. Following a competitive evaluation, the contract was awarded to Nikiforuk Construction Ltd., the lowest compliant bidder, for a contract value of \$265,000 (excluding GST). This exceeds the budget of \$200,000 approved at the January 2026 Board Meeting (Motion 07-26). No additional funding request is required at this time, as the variance will be accommodated with other capital project savings.

Construction is scheduled to begin in late May 2026, with completion anticipated in July 2026. Throughout construction, CRSWSC Administration will coordinate with Calmar Administration to ensure knowledge and awareness of potential impacts of the project.

Emergency Planning

Planned electrical protection, including lightning rods, have been procured and are being installed at all Commission facilities with towers this Spring / Summer. Due to ground conditions and site access, Hay Lakes and New Sarepta will be completed during the Summer when the ground has dried out and can accommodate the heavy equipment.

Telford Booster Station Pump Repairs

Repairs to Pump 101 at the Telford Booster Station have been successfully completed, and the pump has been returned to service. Maintenance on Pump 102 is underway to complete preventative mechanical seal work, which was planned to coincide with the completion of work on Pump 101. An additional third set of seal components has been ordered and is being retained as emergency backup inventory.

Administration is also continuing to evaluate the purchase of an additional pump and motor for the Telford Booster Station. As both pumps are the same size, this would improve redundancy and ensure rapid response capability in the event of a future failure. This practice is already employed at other stations like Highway 21.

These efforts support the strategic priority of emergency preparedness.

Commission Facility Locates

Commission operators completed 74 Utility Safety Partner locates as of May 11, 2026, as compared to 163 as of June 2025.

Professional Development Opportunities

Professional development opportunities were attached to the agenda package.

30-26

Motion: It was **Moved** by Councillor Don Faulkner 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.

Motion Carried Unanimously

B. Treasurer's Report

2026 Financial Update

The financial reports have been prepared up to April 30, 2026. At this stage in the year, approximately 33% of the annual budget would normally be expended or earned. The Commission is on track with respect to budget, with total revenues of 32% earned and total expenditures of 31% incurred. Management expenses are under budget at 22% of the budget spent, while Operating expenses are on budget with 32% of the budget spent.

Water sales and purchases

- Water sales and purchases are on budget with 32% of the budget spent.
- A line loss of 3.38% has been recorded to date.

Revenue Variances

- Interest revenue is above budget at 164%; attributed to conservative budgeting of interest.

Expenditure Variances

Management:

- Management contract expenditures align with budget expectations with 33% spent.
- Debenture payments remain unutilized as they are paid in June and December.
- We have not incurred any Legal fees to date.
- Audit fees currently reflect 5% of the budget being spent; fees will be booked in Q4 during the interim audit of the Commission's financials.
- Honorariums (51%) and mileage (50%) are over budget. Alternate attendance has been encouraged this year, to build knowledge of the Commission's operations amongst the newly appointed members. *This is a direct link to member education, which is one of the Board's strategic goals.*

Operating:

- Operating contract is consistent with the budget at 33% spent.
- Seminars & Conferences are presently under budget (3%) but will incur additional costs as registrations and travel for WEFTEC get expensed. We are expecting to use the entirety of this budget, which further contributes to the overall education of both the Board and Administration.
- Power and Gas are slightly below budget at 22% and 26%, respectively. Our new rates for power will begin in July.
- Engineering fees are under budget at 12% as the primary focus remains on the close out of the Booster Station.
- Insurance premiums were paid in full at the beginning of the year and came in slightly higher than expected. We will adjust the 2027 Budget in the Fall to reflect this new base.
- Easement Leases are currently at 69% of budget, reflecting the full annual member fee payment made in January.
- Materials and Supplies expenditures are at 62% due to the procurement of AGM materials.
- Infrastructure Maintenance is over budget at 46% due to repairs done to the pump at Telford Booster Station (~\$27K).
- Cathodic Protection and Computer & Comm. Maintenance, Supplies, Licenses are below budget due to the timing of scheduled work.
- Instrumentation & Mechanical is currently over budget at 49% due to a HACH invoice for the region's annual calibrations being paid in full. Costs will be recovered through billbacks to each respective municipality/COOP.

Capital Expenditures

Capital expenditure stands at 3% of the budget, due to timing of planned capital initiatives.

Addressed in Manager's Report:

- 2021.001 Nisku Booster Station & Beaumont Piping Upgrades (0.3%)
- 2025.001 Water Master Plan & Strategic Plan (16%)
- 2025.003 Camrose Feasibility Study (35%)
- 2026.001 Calmar Line Repair (9%)

2017.002 Air Release Manhole Rehab (26%):

- Project was completed in 2025; the remaining funds were carried forward to purchase a replacement core for a new Air Release Valve that failed. The remaining budget will be used for Air Release replacement parts.

2024.002 Scada Upgrade (0%):

- Project is ongoing, but no invoices have been billed to date.

2025.002 Emergency Planning (4.69%):

- Budget will be spent on lightning rods and grounding cables. Administration is working with the contractor to address issues that have surfaced since the initial planning phase.

2026.002 Arc Flash Study (0%):

- Project has been completed; we are waiting to be invoiced.

Unrestricted Surplus

As of the 2025 Financial Statements, the Commission's unrestricted surplus totals \$3.1M. The Commission currently does not have a clause in its reserve policy that provisions the transfer of this surplus into a capital reserve. The total unrestricted surplus in the last 5 years is \$1.9M. Administration requested that the Board allow for the transfer of this lump sum (\$1.9M) into the Future Water Capacity Capital Reserve which will further strengthen the Commission's reserve balances. The reserve policy is due for revision in 2027, and at that time, Administration will bring forward options for transferring potential surpluses to the Commission's capital reserves.

Regional Water Customers Group (RWCG)

At the May 7, 2026 RWCG meeting it was confirmed by Strathcona County that the 2023 settlement which was executed in 2025, has been paid out. The total of this settlement was ~\$281K and has been deposited into the balancing fund.

As of the 2025 Year End, the balance in the balancing fund totals ~\$6.9M with a max fund balance of ~\$5.1M. The RWCG is projecting a balance owing to EPCOR of ~\$2.9M for the 2024 settlement (to be settled this year) as well as a balance owing of ~\$1.1M for the 2025 settlement (to be settled in 2027), which would bring the balancing fund into the allowable threshold.

Councillor Dal Virdi and Councillor Jaime McKeag-Reber joined the meeting at 5:40 p.m.

**Statement of Operations to April 30, 2026**

	Actual 2026	Budget 2026	Variance	Budget % Spent
Revenue				
Water Sales	3,867,157	12,261,383	8,394,226	32%
Water Flat Rate Debenture Proceeds	31,301	93,903	62,602	33%
Interest Earned	81,861	50,000	(31,861)	164%
Miscellaneous Revenue	-	-	-	0%
Capital Prov Gov't Grants	23,270	-	(23,270)	
Total Revenue	4,003,588	12,405,286	8,401,698	32%
Expenses				
Management Expenses				
Management Contract	51,000	153,000	102,000	33%
Debenture payments	-	93,903	93,903	0%
Legal Fees	-	10,000	10,000	0%
Other Professional Fees	3,910	10,500	6,590	37%
Honorarium	8,240	16,200	7,960	51%
Audit Fees	863	18,000	17,138	5%
Office Supplies	747	2,000	1,253	37%
Mileage	2,001	4,000	1,999	50%
Bank Charges & Interest	121	500	379	24%
Total Management Expenses	66,882	308,103	241,221	22%
Operating Expenses				
Water Purchases	2,300,303	7,264,713	4,964,410	32%
Operating Contract	125,667	377,000	251,333	33%
Seminars & Conferences	3,872	124,400	120,528	3%
Power	44,107	200,000	155,893	22%
Engineering Fees	4,037	35,000	30,964	12%
Instrumentation & Mechanical	22,231	45,000	22,769	49%
Insurance	55,824	45,000	10,824	124%
Infrastructure Maintenance	54,073	117,000	62,927	46%
Regular & Annual Meeting Expenses	15,866	26,000	10,134	61%
Cathodic Protection	-	6,000	6,000	0%
Materials & Supplies	11,220	18,000	6,780	62%
Computer & Comm. Maintenance, Supplies, Licenses	2,513	30,500	27,988	8%
Easement Leases	2,079	3,000	921	69%
Gas	3,346	13,000	9,654	26%
Telephone	2,036	7,500	5,464	27%
Total Operating Expenses	2,647,174	8,312,113	5,664,939	32%
Total Expenses	2,714,055	8,620,216	5,906,161	31%
Net of Revenue over Expenses	1,289,533	3,785,070	2,495,537	34%
Net Interfund Transfers				
Drawn from Accumulated Surplus	-	-	-	0%
Transfer to Operating Reserves	-	169,449	169,449	100%
Transfer from Operating Reserves	-	98,700	98,700	100%
Transfer to Capital Reserves	-	3,714,321	3,714,321	100%
Total Interfund Transfers	-	3,785,070	3,785,070	
Net Surplus (Deficit)	1,289,533	-	1,289,533	

Statement of Financial Position as at April 30, 2026

Financial Assets

Bank	\$	3,968,632
Accounts Receivable	\$	3,015,363
Accrued Receivables	\$	-
Investment Interest Receivable	\$	37,807
GST Receivable	\$	15,040
Short Term Investments	\$	8,060,930
Inventory	\$	19,422
Total Financial Assets	\$	15,117,195

Liabilities

Trade Accounts Payable	\$	739,696
Accrued Accounts Payable	\$	337,380
Accrued Interest on Debentures	\$	1,085
Deferred Revenue - Gov't Grant	\$	-
Debenture 4000845 - 2010	\$	502,195
Debenture 4002395 - 2018	\$	60,315
Total Liabilities	\$	1,640,672

Net-Financial Assets	\$	13,476,523
-----------------------------	-----------	-------------------

Non-Financial Assets

Land	\$	334,685
Machinery & Equipment	\$	405,377
Accum. Depreciation - Mach & Equip	\$	(397,943)
Engineering Structures	\$	46,455,495
Work in Progress - Buildings	\$	-
Work in Progress - Equipment	\$	269,922
Work in Progress - Eng Structure	\$	257,825
Accum. Depreciation - Eng Stru	\$	(6,357,364)
Work in Progress - Nisku Booster Station	\$	11,483
Total Non-Financial Assets	\$	40,979,480

Accumulated Surplus

Rate Stabilization Op Reserve	\$	170,165
Emergency & Operations - Op Res	\$	200,000
General Reserves - Op Reserve	\$	1,203,846
Equipment - Cap Reserve	\$	1,768,342
Future Water Capacity - Cap Reserve	\$	6,763,343
Total Reserves for Future Use	\$	10,105,696
Unrestricted Surplus	\$	2,781,290
Investment - remeasurement gains/losses		
Equity in Fixed Assets	\$	40,279,484
Current Earnings (Net surplus (deficit) + add back debenture principle)	\$	1,289,533
Total Accumulated Surplus	\$	54,456,003

2025 Capital Summary to April 30, 2026

2017.002 Air Release Manhole Rehab

2026 Budget	18,700
2026 Expenditures	(4,825)
Budget Remaining	13,875

2021.001 Nisku Booster Station & Beaumont Piping Upgrade

2026 Budget	3,675,755
2026 Expenditures	(11,471)
Budget Remaining	3,664,284

2024.002 SCADA upgrade

2026 Budget	51,250
2026 Expenditures	-
Budget Remaining	51,250

2025.001 Water Master Plan & Strategic Plan

2026 Budget	132,520
2026 Expenditures	(21,383)
Budget Remaining	111,137

2025.002 Emergency Planning

2026 Budget	120,000
2026 Expenditures	(5,634)
Budget Remaining	114,366

2025.003 Camrose Feasibility Study

2026 Budget	219,520
2026 Expenditures	(77,020)
Budget Remaining	142,500

2026.001 Calmar Line Repair

2026 Budget	200,000
2026 Expenditures	(17,136)
Budget Remaining	182,864

2026.002 Arc Flash Study

2026 Budget	10,000
2026 Expenditures	-
Budget Remaining	10,000

2025 Total Capital Budget	4,427,745
2025 Total Capital Expenditures	(137,468)
Budget Remaining	4,290,277
Budget Spent	3%

- 31-26** **Motion:** It was **Moved** by Councillor Paul Patterson that the Capital Region Southwest Water Services Commission Board of Directors receive the Treasurer's Report as information as presented by Gerard Del Rosario, Treasurer.

Motion Carried Unanimously

- 32-26** **Motion:** It was **Moved** by Deputy Mayor Ron These that the Capital Region Southwest Water Services Commission Board of Directors approve a transfer from Accumulated Surplus to the Future Water Capacity Reserve in the amount of \$1.9M.

Motion Carried Unanimously

6. UNFINISHED BUSINESS

A. Water Master Plan

In January 2025, Administration began the process to complete a Water Master Plan Update in accordance with CRSWSC Bylaw 01/2021. According to the Bylaw, a review and update of the Water Master Plan must be completed every 5 years, beginning on the date the previous Master Plan was adopted. The previous Master Plan Update was adopted in 2020.

According to the Bylaw, the goal of the Water Master Plan is:

1. To assess the Commission's existing assets and projected maintenance and asset acquisition requirements;
2. To set out a written forecast of the quantity of water which the Commission reasonably expects to purchase during the next five calendar years, and;
3. To provide engineering and other information supporting the forecast including, without limitation, information regarding the forecast population, business and industrial growth of the Members.

The 2026 Water Master Plan Update was completed by Associated Engineering (AE) and was circulated in advance for review. Completion of the Water Master Plan also incorporated an update to the Commission's strategic priorities.

While preparing the Master Plan, it became apparent that a further policy is needed to address future large demand customers or large demand increases for current members. Policy 9 – Large Demand User and Infrastructure Upgrade Policy was drafted in conjunction with the Master Plan, which was also attached for review (Appendix D of the Water Master Plan).

Board members were asked to review the draft Water Master Plan update and proposed Policy 9 – Large Demand User and Infrastructure Upgrade Policy in

advance, for discussion and adoption at the May 28, 2026 Board meeting. Members and their administration teams were invited to reach out to CRSWSC Administration with any questions.

Prior to the meeting, the City of Beaumont submitted correspondence requesting that their preferred conceptual alignment of the secondary water line be incorporated into the Master Plan. As the proposed alignment aligns with the Commission's existing modelling, there were no concerns with its inclusion. Administration proposed adding the correspondence from Beaumont as a supplementary appendix to the Water Master Plan update.

Further to proposed Policy 9 – Large Demand User and Infrastructure Upgrade, Shawn Olson advised that a prospective large volume customer had recently contacted the Commission regarding water supply. This inquiry highlighted the need for a Large Demand User Policy to establish a clear framework for evaluating and responding to high-demand requests. A Board member sought clarification on whether large users would be required to contribute if sufficient capacity exists. Shawn Olson clarified that the policy is intended to address unusually large water users, that significantly impact long-term (25 year) demand forecasts, and not typical water users operating within standard demand ranges.

A Board member raised questions regarding cost-sharing under Section 2 a) ii. of the draft policy related to infrastructure upgrades that provide mixed benefits. Shawn Olson clarified that the Commission would fund infrastructure required to support forecasted growth; however, any infrastructure exceeding forecasted requirements (e.g. upsizing of pipes) would be the responsibility of the benefiting member or developer. The member or developer would initially fund the upgrade, with the Commission reimbursing the portion attributed to growth-related capacity. The Board suggested that interest costs should be considered in such reimbursements, and Administration agreed this should be reflected in the policy. With respect to operations and maintenance, Administration noted that incremental costs are expected to be minimal, primarily limited to increased power consumption. As such, additional operational costs are not expected to be addressed within the policy.

An amendment to the policy was recommended to explicitly include interest and debt servicing considerations under Section 2, recognizing cost of borrowing as a relevant factor. It was suggested that the policy be approved as amended to ensure a framework is in place to address future inquiries. The Board asked that if the policy were approved as amended, that it be brought back to the September 17, 2026 meeting to analyze if further modifications should be considered.

Board members representing Leduc County expressed a preference to defer approval of the Large Demand User Policy to allow additional time for review by members respective Administration teams.

33-26 **Motion:** It was **Moved** by Councillor Bonnie Thomas that the Capital Region Southwest Water Services Commission Board of Directors defer the Policy 9 – Large Demand User and Infrastructure Upgrade Policy approval until the September 17, 2026 Board meeting.

In Favour (4): Councillor Bonnie Thomas, Councillor Dal Viridi, Councillor Doug Lyseng, Deputy Mayor Ron These

Opposed (10): Councillor Jaime McKeag-Reber, Councillor Don Faulkner, Mayor Lars Hansen Councillor Jill Spinks, Mayor Lisa Vanderkwaak, Councillor Anthony Kohlsmith, Councillor Paul Patterson, Councillor Jordon Banack, Mayor Doug Peel, Councillor Mathew Starky

Motion Defeated

34-26 **Motion:** It was **Moved** by Councillor Anthony Kohlsmith that the Capital Region Southwest Water Services Commission Board of Directors approve the Policy 9 – Large Demand User and Infrastructure Upgrade Policy as amended, to explicitly include interest and debt servicing considerations under Section 2, recognizing cost of borrowing as a relevant factor.

In Favour (12): Councillor Jaime McKeag-Reber, Councillor Don Faulkner, Mayor Lars Hansen Councillor Jill Spinks, Mayor Lisa Vanderkwaak, Councillor Anthony Kohlsmith, Councillor Paul Patterson, Councillor Jordon Banack, Mayor Doug Peel, Councillor Mathew Starky, Councillor Doug Lyseng, Deputy Mayor Ron These

Opposed (2): Councillor Bonnie Thomas, Councillor Dal Viridi

Motion Carried

Administration agreed to bring Policy 9 – Large Demand User and Infrastructure Upgrade back to the September 17, 2026 Board meeting for review under Unfinished Business, providing opportunity for the Board to bring forward policy amendments.

35-26 **Motion:** It was **Moved** by Mayor Lisa Vanderkwaak that the Capital Region Southwest Water Services Commission Board of Directors approve the draft Water Master Plan Update as amended and direct Administration to finalize the Water Master Plan as amended.

Motion Carried Unanimously

7. NEW BUSINESS

There were no new business items.

8. CLOSED SESSION

There were no closed session agenda items.

9. NEXT MEETING

The next meeting of the Capital Region Southwest Water Services Commission is scheduled for September 17, 2026, to be held at the Leduc Golf Club.

10. ADJOURNMENT

36-26 **Motion:** It was **Moved** by Mayor Lars Hansen to adjourn the meeting at 6:13 p.m.

Motion Carried Unanimously



CHAIR



MANAGER