

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION,
 REGULAR MEETING, HELD ON THURSDAY, NOVEMBER 20, 2025
 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 6:34 p.m.

PRESENT:

Mayor Krista Gardner	Town of Calmar
Councillor Jaime McKeag Reber	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
Deputy Mayor Ron These	Village of Hay Lakes
Councillor Paul Patterson	Village of Hay Lakes
Councillor Bonnie Thomas	Leduc County
Councillor Dal Virdi	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 Shawn Raymond	City of Leduc
Councillor Kimberlee Hunter (alt.)	Village of Hay Lakes
Councillor Martin Maxwell (alt.)	Camrose County
Councillor Lana Broker	City of Camrose
Kristofer Johnson, G.M., Infrastructure	City of Camrose
Roger Steele, Manager	EIA
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
Melanie White, Project Manager	City of Leduc
Shannon Bremner, Recording Secretary	City of Leduc
Kyle van Steenoven, Director, Eng. & Env.	City of Leduc
Katherine O'Dwyer, Administrator	City of Leduc
Lauren Padgham, Director, Finance	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
Lauren Driver, Senior Consultant

Strategic Steps
Strategic Steps

WITH REGRETS:

2. ADOPTION OF AGENDA

- 41-25** **Motion:** It was **Moved** by Mayor Lisa Vanderkwaak that the agenda for the November 20, 2025, Capital Region Southwest Water Services regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the September 18, 2025 Meeting

- 42-25** **Motion:** It was **Moved** by Mayor Doug Peel that the meeting minutes of the September 18, 2025 meeting of the Capital Region Southwest Water Services Commission regular meeting be approved as amended.

Motion Carried Unanimously

4. PUBLIC COMMENTARY

There was no public commentary.

5. REPORTS OF OFFICERS

A. Manager's Report

Administration Personnel Changes

Several administrative personnel have changed positions recently within the City of Leduc, which led to some changes to CRSWSC responsibilities. Shawn Olson was promoted to the position of General Manager of Infrastructure and Planning and will remain as the CRSWSC Manager. Kyle van Steenoven was promoted to the Director of Engineering and Environment and will transition to the management of the Leduc and District Regional Waste Management Commission, with the incoming Manager of Capital Projects and Development taking over his position on the CRSWSC. As part of these organizational changes, Shannon Bremner will transition back into the CRSWSC Administrative role which she previously held from 2016 - 2022, with Katherine O'Dwyer continuing to provide cross training, coverage and support.

Nisku Booster Station

The 2020 Water Master Plan specified the need to construct a booster station to ensure adequate water flow for Commission Members' current and future growth. The Commission started construction of the Nisku Booster Station in 2023.

The new Nisku Booster Station achieved Substantial Completion on August 19, 2025 and the Commission has now assumed ownership and operation of the booster station. Work continues to address deficiencies that must be rectified in order to achieve Total Performance. Some of the remaining deficiencies include fencing, line painting, a roof repair and PRV troubleshooting. The two-year warranty period will begin once all deficiencies are resolved and Total Performance is achieved.

New insurance documents were attached to the agenda package, showing that the new booster station was added to the Commission's insurance policy.

The project team continues to work on financial close-out. Carry-forward of funds was discussed further in the Financial Report. All indications are that this project will be completed within budget.

Municipal Developments

Administration received 7 notifications of subdivision developments/extensions (6 from City of Beaumont, 1 from City of Leduc), 1 Notice of Subdivision (Town of Calmar), and 1 Municipal Development Plan (Town of Calmar). Administration responded to one notification for the Elan 6 subdivision in the City of Beaumont.

Regional Water Customer Group

A Regional Water Customer Group (RWCG) meeting was held on October 27, 2025. Some key points discussed were:

1. Review of water license – The RWCG has currently utilized 61% of the existing water diversion licence from the North Saskatchewan River and can apply to increase our allocation once utilization exceeds 80%. Annual diversion amount utilized in 2024 was 36,372,675 m³ of the total permitted allocation of 60,000,000 m³.
2. Cost of Service discussion – This was discussed in the Financial Report.
3. Technical meeting review – Highlights included below.

Water Master Plan and Feasibility Study

Associated Engineering (AE) distributed letters to members in September requesting information about their water demands, growth projections, and other relevant information for the Water Master Plan. At the time of the report, 2

members had not yet submitted their information; AE will be following up with those members. Once all of the data has been received, AE will begin the water modeling portion of the Master Plan. AE completed the facility assessment portion of the Master Plan in October.

In early November, Board Members received information to review for the strategic planning portion of the Water Master Plan, including an online survey. The first session of strategic planning, led by Strategic Steps, was held on November 20, 2025 under New Business Item 7.A. A second strategic planning session will be held at the January 22, 2026 Board meeting. More information pertaining to the January session will be provided in advance of that meeting.

The Camrose-Wetaskiwin Feasibility Study is being completed in conjunction with the Water Master Plan. Modeling performed for the Water Master Plan will also be used for the feasibility study.

Miquelon Lake Connection

Administration was contacted by a consultant working for Alberta Parks about a possible water connection to feed Miquelon Lake Provincial Park campground from the CRSWSC. Preliminary water modeling shows that connecting directly to the Armena line would require AB Parks to build a dedicated booster station on their service line and may remove future capacity for existing customers on the Armena line. This solution is not recommended, and instead Administration has asked Associated Engineering to add Miquelon Lake onto the Camrose Feasibility Study. That analysis will explore the possibility of a shared line.

City of Beaumont Line Extension to St. Vital Reservoir

Administration has no further updates on the City of Beaumont's line extension to St. Vital. The following is a summary of activity to date as it is expected that this project will be progressing shortly.

City of Beaumont Administration previously submitted a new connection application for a water transmission line connecting the St. Vital Reservoir to the CRSWSC water transmission line to Beaumont. CRSWSC Administration understands that Beaumont plans to construct a temporary water transmission line from their Main Reservoir to their St. Vital Reservoir. Once in place, they plan to perform repairs / upgrades to the Main Reservoir, then will return to operating with the Main Reservoir as the primary connection to CRSWSC and the new line to St. Vital will form part of Beaumont's distribution system.

At the June 19, 2025 CRSWSC Board meeting, Motion 22-25 was passed giving conditional approval for the City of Beaumont's connection subject to submission and administration review of all required documentation. Following that meeting, the City of Beaumont submitted the request and Administration and Associated Engineering reviewed the new information provided. A conditional approval was issued on July 9, 2025, for the new, temporary connection to St. Vital. Note that

this approval has several conditions which must be met before full approval will be granted.

The City of Beaumont has indicated that they will commence with pump house modifications at St. Vital this Fall with a tender for the fill line planned for early 2026.

Future Construction near Beaumont Transmission Line

Administration has become aware of future projects that are in close proximity to the Beaumont water transmission line. The CRSWSC water line to Beaumont is located in a shared utility right-of-way (ROW) belonging to Arrow Utilities. Arrow Utilities plans to twin its sanitary line in the shared ROW, installing a new 900 mm diameter pipe in between the existing sanitary line and the Commission water line. Administration has reached out to Arrow Utilities to gain clarification about the project and to inform them of the sensitivity of working immediately next to Beaumont's only supply line. Arrow Utilities responded that the project is expected to be tendered in late 2026, with construction to be completed by 2028. Administration will continue to work with Arrow Utilities as this project advances.

Another future project is a 600 mm diameter water line being planned by Leduc County. This water line may also share the Arrow Utilities ROW but that remains to be confirmed. Administration will work with Leduc County as the design for the project is finalized to ensure that additional precautions are taken for any work in proximity to the Commission water line. Currently, no additional information is known about the alignment and schedule of this project.

As previously noted over the past year, the Beaumont transmission line is a C303 pipe, a material that has shown in recent years across North America to be highly susceptible to vibration and construction activities causing damage or failure. This type of pipe is also very difficult to repair compared to other pipe materials, often taking weeks to repair rather than hours or days. In this case, the Beaumont transmission line is the sole water line feeding the City of Beaumont, and the City's water demand is too great to be able to rely 100% on trucking water during an extended emergency situation.

As a response to this elevated risk profile, the Commission has increased requirements for crossing / proximity agreements where work takes place adjacent to the Beaumont transmission water line. CRSWSC Operations has also updated the emergency plan and entered into a Memorandum of Understanding with GS Construction to ensure a timely and effective response in case of critical service interruptions and infrastructure failures. The Operations Team also proactively purchased spare materials with long lead times to reduce the duration of a repair in case of emergency.

These added measures were put in place for the development of Beaumont's 2025 Elan Stage 4 subdivision which backs directly onto the Commission water line. Administration worked with the developer's consultant to meet additional

requirements for a crossing agreement, which included preparing a Constructability Report with vibration monitoring for the duration of construction, as well as requiring the developer to pay for a Commission representative to be on site supervising all work within 10 meters of the water line.

Administration has received notice that Elan Stage 6 is expected to be constructed in Summer 2026 and will continue to work with Elan's team to ensure safe construction activities are followed with the upcoming crossing / proximity agreement.

Hazardous Building Material Assessment

Following the completion of the hazardous materials assessment earlier this year, the Standard Operating Procedures (SOPs) have now been distributed to all applicable facilities, and warning signage has been installed. These measures ensure that all Commission operators and contractors are aware of potential asbestos and lead paint hazards and are equipped with the necessary guidance to perform work safely. This completes the Commission response to the near miss at Nisku West where unknown asbestos was discovered. This ensures that all sites, regardless of ownership, are aware of potentially hazardous materials.

Air Relief Valve Capital Project

Air relief valves (ARV) are being installed or replaced throughout the system to meet current standards. As a point of reference, it was an ARV that failed at 41st Avenue in Edmonton which resulted in extended outages in water supply from EPCOR to all Commission members. This proactive project is planned for completion by year-end, pending favorable weather conditions.

Regional Water Customer Group Technical Committee

During the most recent Regional Water Customer Group (RWCG) technical committee meeting, several key operational and planning topics were discussed. The group reviewed the proposal to update reservoir level displays on SCADA (Supervisory Control and Data Acquisition). SCADA is the remote monitoring and controls system which will now include fire storage indicators for all reservoirs monitored by the RWCG. This improvement will enhance visibility of available fire storage capacity and support coordinated response across member municipalities.

Water demand management recommendations were also brought forward to the RWCG Steering Committee for discussion, with member input to be gathered before the measures are finalized.

The group also discussed opportunities to share information on emerging water line assessment technologies, noting that CRSWSC had previously utilized Smart Ball technology to assess the City of Beaumont transmission line, providing valuable data on pipeline integrity and leak detection. In addition, the

CRSWSC will be providing EPCOR with shapefiles for custody transfer points to ensure data consistency and improve system mapping accuracy across the regional network.

Emergency Planning

The following progress has been made since the September 18, 2025 Board meeting based on ongoing emergency planning:

- Fusing parts for HDPE pipe were purchased.
- The team is awaiting recommendations for lightning rod and surge protection upgrades at the Calmar Fill Station.
- Proactive daylighting of the Millet line leading to the reservoir, as well as inspection of an old repair clamp to assess its condition and check for potential leaks.
- Ordered and awaiting delivery from Westcan on upgrading the grounding at Calmar like they did for Highway 21.

Commission Facility Locates

Commission operators completed 339 Utility Safety Partner locates as of November 1, 2025 on Commission facilities, as compared to 610 as of November 1, 2024.

Professional Development Opportunities

The list of professional development opportunities was attached to the agenda.

Management and Operations Contract

The Management and Operations Contract, currently held by the City of Leduc, extends until December 31, 2026. The Contract provides an option to extend the term of the Agreement by a one-year period ending December 31, 2027. This option was requested by the Board at the time of the initial contract to allow for additional stability recognizing the 2025 municipal election.

Administration advised that they will require direction at the January 22, 2026 Board meeting to exercise the one-year extension currently priced out in the original proposal, or whether to direct Administration to prepare the RFP for a new 5-year contract. This will be brought forward as an in-camera item in January for Board discussion and direction.

43-25

Motion: It was **Moved** by Councillor Anthony Kohlsmith 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 October 31, 2025. After ten months of operations, there should be approximately 83% of the budget spent/earned. The Commission is slightly over budget in expenses with 88% of the budget spent, which is offset by earning more revenue than budgeted at 95%. Management expenses are under budget with 68% of the budget spent and operating expenses are slightly above budget for the year with 89% of the budget spent.

Water sales and purchases

- Water sales and purchases are slightly over budget with 93% of the budget spent/earned due to higher than projected consumption.
- To date the Commission has recorded a line loss of 2.98%.

Revenue Variances

- Interest earned (381%) exceeds the budget due to a combination of interest in our bank balance as well as investment returns. Once costs for the Nisku Booster Station are finalized, excess bank balances will be transferred into investments.

Expenditure Variances

Management:

- The Management contract is on budget with 83% of the budget spent.
- Debentures are under budget at 50%, however payments are made in June and December.
- Legal fees are under budget at 4% as the focus for the year has been on the Nisku Booster Station.
- Other Professional Fees are over budget at 160% due to the Hazardous Building Material Assessment.
- Audit fees will be booked in Q4 during the interim audit of the Commission's financials.
- Honorariums (41%) and mileage (59%) 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 83% of the budget spent.
- Seminar and Conference fees are under budget with 42% of the budget spent to date. Unused funds from this year's training allocation will be carried forward into 2026.
- Power and Gas are under budget at 40% and 52% as the budget had additional funds added in 2025 for a full year of operating the Booster Station (Commission took ownership in August).

- Engineering fees are under budget at 66% as the Booster Station has been the primary focus.
- Insurance is under budget at 67% as the Commission's insurance company waived the pro-rated invoice for the Commission.
- Infrastructure Maintenance is under budget at 21% however, \$50K of this budget is for emergency repairs.
- There are several line items that are well under budget due to the timing of when work is completed and expenditures occur.

Capital Expenditures

Capital expenditure is below budget with 12% of the budget spent.

2017.002 Air Release Manhole Rehab

- The Operations Team has obtained quotes for this project and selected a preferred proponent. Additional funding is required to accommodate unforeseen component needs and higher than anticipated contract costs.
- Depending on contractor availability during sub-zero temperatures, this may be completed within the year. Any unused funds will be carried forward into 2026 to complete the project.

2021.001 Nisku Booster Station & Beaumont Piping Upgrades (10.5%)

- There is currently ~\$480K in holdbacks to be released; additional details were presented in the Manager's Report.
- Remaining budget will be carried forward into 2026 to close out the project.

2024.002 Scada Upgrade (38%)

- This is not expected to be completed by the end of the year, and funds will be carried forward into 2026.

2025.001 Water Master Plan & Strategic Plan (5%)

- 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 (54%)

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

2025.003 Camrose Feasibility Study

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

2025 Budget Adjustment for Air Release Manhole Rehab

The total budget for the Air Release Manhole Rehabilitation project is \$171,700. After a thorough procurement process, Administration has selected a qualified contractor to perform the work. The contractor is estimated to cost \$192K and additional parts to complete the work have been estimated at \$77K. Administration

requested a Capital Budget Adjustment of \$100K funded by the Equipment Capital Reserve to complete this project.

Regional Water Customer's Group (RWCG)

At the October 27, 2025 RWCG meeting the following financial updates were presented:

2023 EPCOR Actual Rate of \$0.9453/M3, the Commission paid \$1.01/M3 for the first half of the year and \$0.90/M3 for the last half of the year.

- The impact to the balancing fund as a result of the overpayment totals ~\$280K, added back to the balancing fund. The 2023 settlement is still being finalized.

2024 EPCOR Actual Rate of \$0.9886/M3, the Commission paid \$0.90/M3.

- The impact to the balancing fund as a result of the underpayment results in the RWCG owing EPCOR ~\$3.1M. This amount will be deducted from the balancing fund, once settled (2026).

2025 EPCOR Forecasted Rate of \$1.0163/M3, the Commission currently pays \$1.00/M3.

- The impact to the balancing fund will not be known until total consumption for the year is finalized.

The RWCG is still expecting the balancing fund to be over the maximum threshold of \$5M as the balance after the impacts above would result in a fund balance of ~\$7.3M. The RWCG has continued the strategy of underpaying EPCOR to reduce the balancing fund as the interim rate for 2026 has been set at \$1.00/M3, while EPCOR's forecasted rate is \$1.07/M3.

Audit Request for Proposal (RFP)

The Commission's RFP for audit services is set to close on November 20, 2025. Administration will review and select the proponent by November 28, 2025.

Revolving Line of Credit

The line of credit has not been utilized as of October 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 October 31, 2025

	Actual 2025	Budget 2025	Variance	Budget % Spent
Revenue				
Water Sales	10,093,549	10,800,212	706,663	93%
Water Flat Rate Debenture Proceeds	78,252	93,903	15,651	83%
Interest Earned	190,659	50,000	(140,659)	381%
Total Revenue	10,362,460	10,944,115	581,655	95%
Expenses				
Management Expenses				
Management Contract	124,167	149,000	24,833	83%
Debenture payments	46,895	93,903	47,008	50%
Legal Fees	413	10,000	9,587	4%
Other Professional Fees	16,753	10,500	(6,253)	160%
Honorarium	6,720	16,200	9,480	41%
Audit Fees	6,563	15,500	8,938	42%
Office Supplies	251	2,000	1,749	13%
Mileage	2,364	4,000	1,636	59%
Bank Charges & Interest	262	500	238	52%
Total Management Expenses	204,388	301,603	97,215	68%
Operating Expenses				
Water Purchases	6,153,784	6,588,307	434,523	93%
Operating Contract	305,000	366,000	61,000	83%
Seminars & Conferences	33,040	79,000	45,960	42%
Power	65,193	165,000	99,807	40%
Engineering Fees	23,189	35,000	11,811	66%
Instrumentation & Mechanical	25,039	45,000	19,961	56%
Insurance	30,208	45,000	14,792	67%
Infrastructure Maintenance	24,983	117,000	92,017	21%
Regular & Annual Meeting Expenses	12,326	16,000	3,674	77%
Cathodic Protection	1,066	6,000	4,934	18%
Materials & Supplies	11,630	13,000	1,370	89%
Computer & Comm. Maintenance, Supplies, Licenses	14,747	30,500	15,753	48%
Easement Leases	2,183	5,000	2,817	44%
Gas	6,453	12,500	6,047	52%
Telephone	5,536	7,500	1,964	74%
Total Operating Expenses	6,714,376	7,530,807	816,431	89%
Total Expenses	6,918,764	7,832,410	913,646	88%
Net of Revenue over Expenses	3,443,696	3,111,705 -	331,991	111%
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)	3,443,696	- -	3,443,696	

Statement of Financial Position as at October 31, 2025

Financial Assets

Bank	\$	5,160,895
Accounts Receivable	\$	1,139,159
Accrued Receivables	\$	-
Investment Interest Receivable	\$	84,794
GST Receivable	\$	16,395
Short Term Investments	\$	7,929,604
Total Financial Assets	\$	14,330,847

Liabilities

Trade Accounts Payable	\$	1,233,928
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	\$	1,882,318

Net-Financial Assets	\$	12,448,528
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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	\$	173,606
Work in Progress - Eng Structure	\$	-
Accum. Depreciation - Eng Stru	\$	(5,719,575)
Work in Progress - Nisku Booster Station	\$	20,221,223
Total Non-Financial Assets	\$	40,827,207

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)	\$	3,432,233
Total Accumulated Surplus	\$	53,275,735

2025 Capital Summary to October 31, 2025

2017.002 Air Release Manhole Rehab

2025 Budget	171,700
2025 Expenditures	-
Budget Remaining	171,700

2021.001 Nisku Booster Station & Beaumont Piping Upgrade

2025 Budget	4,205,400
2025 Expenditures	(441,255)
Budget Remaining	3,764,145

2024.002 SCADA upgrade

2025 Budget	182,500
2025 Expenditures	(70,000)
Budget Remaining	112,500

2025.001 Water Master Plan & Strategic Plan

2025 Budget	230,000
2025 Expenditures	(11,463)
	218,537

2025.002 Emergency Planning

2025 Budget	160,000
2025 Expenditures	(86,106)
	73,894

2025.003 Camrose Feasibility Study

2025 Budget	250,000
2025 Expenditures	-
	250,000

2025 Total Capital Budget	5,199,600
2025 Total Capital Expenditures	(608,824)
Budget Remaining	4,590,776
Budget Spent	12%

44-25

Motion: It was **Moved** by Councillor Jordon Banack that the Capital Region Southwest Water Services Commission Board of Directors receive this report as information.

Motion Carried Unanimously

- 45-25** **Motion:** It was **Moved** by Mayor Lisa Vanderkwaak that the Capital Region Southwest Water Services Commission Board of Directors approve a 2025 Capital Budget Adjustment of \$100,000 funded by the Equipment Capital Reserve for the Air Release Manhole Rehab capital project.

Motion Carried Unanimously

Kyle van Steenoven and Katherine O'Dwyer left the meeting at 7:05 p.m.

C. Interim Budget Report

Gerard Del Rosario delivered a presentation to provide an overview of the interim budget.

Proposed 2026 Interim Budget Highlights

Management & Operating

Water Sales & Purchases:

- Water Sales – proposed water sales rate at \$1.74/m³ for 2026, in line with the increase as presented in the Water Master Plan.
- Water Purchases – purchase rate for 2026 from EPCOR has been set by the Regional Water Customers Group (RWCG) at \$1.00/m³ as per the attached interim rate letter.

The Regional Water Customer Group (RWCG) voted for an interim rate of \$1.00/m³ for 2026. EPCOR's projected rate is approximately \$1.07/m³. This strategy is being utilized to continue to reduce the balancing fund by a projected \$0.07/m³ while still maintaining a balance to be used in the future. This has been reflected in the 2026 interim budget as water purchases have been set to \$1.00/m³. This will only be for 2026 as the 2027 & 2028 purchase rates are forecasted back at EPCOR's projected rate increases. The additional one-time dollars, as a result of the 2026 voted rate and EPCOR's projected rate, will be transferred to the Future Water Capacity reserve.

Other Revenue:

- Drawn from Operating reserves \$85K:
 - \$35K unused Board Training from 2025. As per the Board & Administration Training Policy, unused Board & Administration budget can be carried forward into 2026.
 - \$50K to fund emergency repairs

Management Expenses:

- Management contract \$153K – increased per contractual Agreement; 2026 & 2027 is based on the extension option being executed. 2028 has been extrapolated to align with yearly increases based on the current contract.
- Audit Fees \$16K – a nominal increase of \$500 to align with prior year actuals. The RFP for Audit Services will be completed by the end of November. Updates to this line item may be presented as part of the Final Budget at the January 22, 2026 Board meeting once all bids are received.

Operating Expenses:

- Operating contract \$377K – increased per contractual agreement; 2026 & 2027 is based on the extension option being executed. 2028 has been extrapolated to align with yearly increases based on the current contract.
- Easement leases \$3K – reduced by \$2K to align with prior year actuals.
- Power \$200K – increased by \$35K; the Commission's rate for power is currently at the City of Leduc's preferred rate. This rate is set to expire in 2026 and a significant increase is expected.
- Gas – inflationary increase of \$500 and to account for a full year of operating the Nisku Booster Station.
- Seminars & Conferences \$111K
 - Board Training 2025 – The American Water Works Association (AWWA) Annual Conference & Expo (ACE) costs have not been finalized. However, due to the carry forward from 2024, none of the \$35K 2025 budget is expected to be used and will be carried forward into 2026.
 - 2026 training budgets have been increased to align with the recent policy review.
 - Board training has increased from \$5K to \$6K per municipality (total from \$35K to \$42K)
 - Administration training has been increased from \$10K to \$12K
 - The two most utilized training opportunities by the Commission's Board members have been ACE and the Water Environment Federation's Technical Exhibition (WEFTEC). Since these two conferences are in the United States, and to align with our policy that the budget is based on local currency, we have translated the 2026 training amounts into Canadian funds for easier tracking.
- Transfer to Reserves has increased due to a combination of projected increase in consumption across the Commission's member municipalities and the resulting surplus from the interim rate of \$1.00/M3.

- Operating – 2026 - 2028 \$0.024/m3
 - Capital – Equipment – 2026 \$0.035/m3, 2027 - 2028 \$0.034/m3
 - Future Water Capacity reserve – 2026 \$0.487/m3, 2027 \$0.417/m3, 2028 \$0.418/m3
- All other expense line items have remained unchanged or have not changed by material amounts.

Capital

The CRSWSC forecasts the next three years capital projects with approval in the first year and subsequent years approved in principle. No new capital projects have been identified for the 2026 - 2028 horizon.

Carry Forward projects:

The following projects will be carried forward from the 2025 budget. The final budget amount will be finalized at the conclusion of the 2025 Year End Financial Audit. Carry forwards based on year-to-date costs include:

- Air Release Manhole \$271K
- Nisku Booster Station & Beaumont Piping Upgrades \$3.76M
- Scada Upgrade \$112.5K
- Water Master Plan & Strategic Plan \$218K
- Camrose Feasibility Study \$250K

46-25 **Motion:** It was **Moved** by Councillor Paul Patterson that the Capital Region Southwest Water Services Commission Board of Directors adopt the 2026 Interim Operating & Capital Budget as presented, with total revenues and transfers from reserves of \$12,490,286 and total expenditures and transfers to reserves of \$12,490,286.

Motion Carried Unanimously

47-25 **Motion:** It was **Moved** by Councillor Anthony Kohlsmith 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

There was no unfinished business.

7. NEW BUSINESS

A. Master Plan / Strategic Plan (Strategic Steps)

Ian McCormack from Strategic Steps led the Board in a discussion regarding strategic planning and provided an overview of the strategic planning survey results which ranked the following strategies as:

1. Emergency Preparedness
2. Rate Predictability
3. Governance
4. Environmental Stewardship
5. Member Communications (to municipalities, not customers)
6. Member Education
7. Commission Member Expansion

Board members and Administration were asked to provide feedback on the ranking of priorities, most of which are interconnected. Participants agreed that Emergency Preparedness and Rate Predictability remained high priorities. The Commission has focused on these areas in recent years and is currently in a strong position. The Board and Administration emphasized the importance of Member Education as a key priority to ensure members are well-informed and empowered to contribute effectively. Shawn Olson advised that the Commission's impact on Environmental Stewardship is limited due to the confined nature of its operations; however, efforts continue through initiatives such as installing solar panels at the Nisku Booster Station. It was suggested that Member Education be elevated in priority ahead of Environmental Stewardship and Member Communications. Commission Member Expansion was also noted as a strategy that may be considered to increase in priority, considering strong growth of communities and interest expressed from several organizations to join the Commission.

Board members were divided into small groups to discuss what they felt the Commission should focus on achieving through the next 5-year term to provide strategic guidance for the Master Plan, and what the most important thing Board members need to know to serve well. Administration emphasized that Board members should recognize the complexity of the Commission system. It functions as a large, interconnected ecosystem where each member's actions and decisions have a direct impact on others, reinforcing the need for collaboration and awareness of interdependencies. Board members should also be familiar with the Commission's Water Supply Policy and have a clear understanding of the Commission's scope of operations - specifically, what falls within its authority to execute and what lies outside its control.

Shawn Olson noted that the Commission has a "one-for-all mentality", fostering a mindset of unity and collective responsibility. To this point, Mayor Doug Peel shared that the City of Leduc has demonstrated that they are there to support and assist member municipalities as the contract holders, as evident in the emergency line repair incident in the Town of Millet, where the Commission trucked in potable water while the repair was completed. This incident demonstrated the collaborative nature of the Commission and its members.

Following this exercise, Ian McCormack advised that Strategic Steps would compile the feedback provided and return to the January 22, 2026 Board meeting with a draft of the strategic goals for the Board's review and feedback.

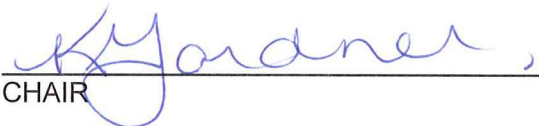
8. NEXT MEETING


The next meeting of the Capital Region Southwest Water Services Commission is scheduled for January 22, 2026.

9. ADJOURNMENT

48-25 **Motion:** It was **Moved** by Councillor Laura Tillack to adjourn the meeting at 7:47 p.m.

Motion Carried Unanimously


CHAIR


MANAGER