

**MINUTES OF THE CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION
 TO BE HELD THURSDAY, NOVEMBER 21, 2024
 DINNER AT 5:30 P.M., MEETING AT 6:00 P.M.,
 LEDUC GOLF CLUB, 5725 BLACK GOLD DRIVE, LEDUC, AB T9E 8C4**

1. CALL TO ORDER

Chairman Hansen called the meeting to order at 6:00 p.m.

PRESENT:	Mayor Bill Daneluik Councillor Steven vanNieuwkerk Councillor Kelly-Lynn Lewis Councillor Rick Smith Councillor Krista Gardner Councillor Don Faulkner Councillor Beverly Beckett Councillor Lars Hansen Deputy Mayor Clifford Heinz Councillor Paul Patterson Councillor Ron These Mayor Doug Peel Councillor Jordon Banack Councillor Doug Lyseng	City of Beaumont City of Beaumont Leduc County Leduc County Town of Calmar Town of Calmar City of Leduc City of Leduc Village of Hay Lakes Village of Hay Lakes Village of Hay Lakes Town of Millet Camrose County Camrose County
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ALSO PRESENT:	Des Mryglod, Director, Engineering & Utilities Kris Johnson, General Manager Shawn Olson, Commission Manager Rick Sereda, Operations Manager Gerard Del Rosario, Treasurer Elie Tymchyshyn, Accountant Pam Regier, Project Manager Melanie White, Project Manager Kyle van Steenoven, Project Manager Mark D'aoust, Commission Technician Katherine O'Dwyer, Recording Secretary	Leduc County City of Camrose City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc City of Leduc
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WITH REGRETS:	Councillor Mathew Starky Councillor Catherine McCook Roger Steele, Manager, Technical & Utilities	Town of Millet City of Beaumont EIA
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2. ADOPTION OF AGENDA

- 47-24 **Motion:** It was **Moved** by Councillor Doug Lyseng that the agenda for the November 21, 2024 Capital Region Southwest Water Services regular meeting be approved as circulated.

Motion Carried Unanimously

3. APPROVAL OF MINUTES

A. Minutes of the Regular September 19, 2024 Meeting.

- 48-24 **Motion:** It was **Moved** by Councillor Kelly-Lynn Lewis that the meeting minutes of the September 19, 2024 Meeting of the Capital Region Southwest Water Services Commission Regular meeting be approved as circulated.

Motion Carried Unanimously

4. PUBLIC COMMENTARY

There was no public commentary.

5. REPORTS OF OFFICERS

A. Manager's Report

Recommendations:

- 1) It is recommended that the CRSWSC Board of Directors receive this report as information.
- 2) It is recommended that the CRSWSC Board of Directors authorize an update to sections 10b and 18d of the Remuneration and Expenses Policy to reflect the 18% maximum gratuity specified in section 12 of the policy for consistency.

Nisku Booster Station

Construction

The installation of the new supply/discharge water lines is now complete with all final connections made to the EPCOR line and to the building. Backfill of the connection points is complete at the west side of the highway and ongoing at the

east side adjacent to the building. Both lines have been swabbed and pressure testing and disinfection is scheduled for early November. Inside the building the process piping has is complete and has passed its pressure test. Disinfection will occur simultaneously with the civil piping.

For the building, the solar panel installation, building signage, translucent panelling, metal panels and remaining brick installations are complete. The contractor has completed paving of the site. The paving of the drive lane and shared parking lot with Leduc County will not be completed until Spring as the weather will no longer be conducive once the backfill of the civil piping is completed. Installation of the sidewalk is ongoing and epoxy flooring and fencing are scheduled for installation early November.

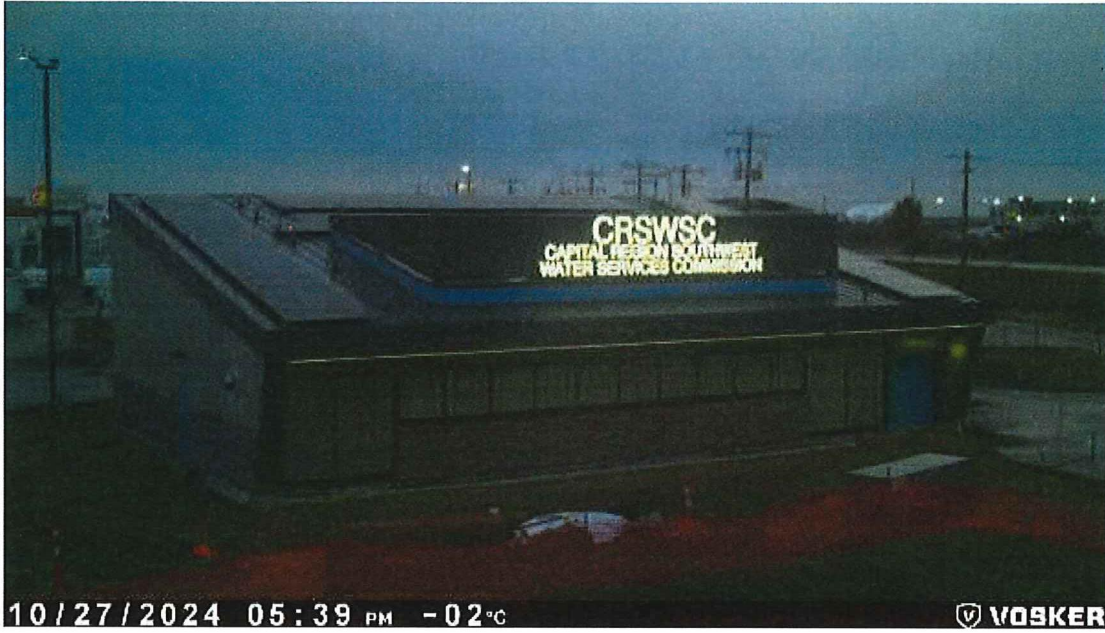
With the late completion of the supply/discharge water lines by the underground subcontractor, Maple Reinders has advised that turnover will move from December 2024 to January 2025. Seasonal deficiencies will remain including the paving of the drive lane and shared parking lot with Leduc County as the weather will no longer be conducive to paving once the backfill of the civil piping is completed.

The building is now energized with permanent power, but ATCO continues to push back the schedule for the installation of the permanent gas connection. They have most recently pushed back the scheduled install another 4 weeks and is now anticipated to occur in late November. The contractor will provide temporary heat to the facility. Administration has agreed to permit commissioning of the process mechanical and electrical systems, and the 30 day run cycle required for project turnover to proceed without commissioning the HVAC system to assist the contractor in meeting their contractual schedule obligations. Final turnover of the facility will not be accepted until the gas is complete and the facility is fully commissioned.

At this juncture, we will continue to plan for a Grand Opening event in the spring once weather is conducive to this type of event, potentially coinciding with the June Board meeting.

Once Nisku Booster is commissioned and water service is restored to Leduc County west reservoir, the piping modification work at Leduc County east will be scheduled to accommodate the EPCOR meter. This is now anticipated to occur in December.







Municipal Developments

Administration received 7 notifications of Subdivision developments/extensions (City of Beaumont) and 1 Land Use Bylaw Amendment (City of Beaumont) from Members since the last meeting. Administration determined that 1 development in Beaumont is immediately adjacent to the Beaumont supply line. The Beaumont supply line is a critical transmission facility and would likely be the most difficult to repair in the Commission which led Administration to further refine our Emergency Response Plan in this area. This is further described later in the report.

Regional Water Customer's Group (RWCG)

The RWCG meeting took place on November 1, 2024 while the RWCG Steering Committee met on October 31, 2024 (meeting notes attached). Also attached are RWCG Steering Committee Meeting Notes from April 19, 2024. EPCOR is working on a public Drought Resiliency Plan that is expected to go out by the end of the year (draft attached). Highlights include: predicting the possibility of drought, reducing water demand when in drought, building resilience through better stormwater management, and communication and building public awareness.

- Predicting Possibility of Drought: The CRSWSC is fortunate that the North Saskatchewan River has significant flows, and that EPCOR monitors various upstream locations for level and quality for treatment plant predictability. This is also aided by two upstream dams that regulate the flow in the North Saskatchewan River.
- Reducing Water Demand: Edmonton's per capita water demand is significantly below Calgary's, however EPCOR continues to look for ways to reduce demand and are updating demand measurement scenarios in collaboration with the RWCG. RWCG acknowledges that the various regions may not always be in demand management at the same time, however they are working to standardize the system so that a Demand Management Level A means the same regardless of the region. The RWCG technical committee continues to meet monthly throughout the fall and into winter to come to a consensus on water demand measures throughout the region. More specificity is going to be provided regarding actions for heavy water users in the most stringent water demand scenarios. These changes will be communicated to CRSWSC technical members through regular technical committee meetings with a goal of having resolution in the spring.
- To build resilience, EPCOR is offering a rebate for water reuse initiatives such as discounting rain barrel purchases and increasing private property permeability which results in changing the property's impermeability percentage, which is how the stormwater charge on utility bills is calculated.



- Public Awareness: EPCOR continues to work on conservation tips on their website and preparing information for residents. EPCOR will share this information when available.

The 2022 Rate Settlement has been finalized and is with RWCG contract management to be sent to EPCOR (unsigned copy attached).

The Cost of Service (COS) discussion continues. The general discussion points and current status are:

- Solar credits: More expensive way to get power today but decreases over time as the asset depreciates, over 30 years its cheaper then if they bought green electricity from the grid, we are not going to get it removed from the rate.
- Cost of capital: Increased from 8.5% to 9% based on more recent AUC rulings for return on investment for 2024.
- Distribution for 300mm pipes in the City of Edmonton: The issue the RWCG has with 300mm diameter pipes is that the group believes they are benefiting City of Edmonton fire protection rather than transmission of water to the Regional Water Customer Group. This is going to take significant additional discussion which will continue into 2025. There is going to be a further subgroup of the subcommittee to work through the modelling exercise with EPCOR. The ultimate result could be a change to methodology where the RWCG agrees to a larger pipe size, which is more consistent in other jurisdictions with a standby fee to acknowledge we benefit from EPCORs internal looped network. This wouldn't change the current rate charged to the RWCG, but it would guard against future increases by not paying for additional infill 300 mm diameter pipes in Edmonton which are frequently upsized for city fire flow needs. Discussions are positive and respectful.

The RWCG continues to transfer funds from the balancing fund to our CRSWSC capital reserves by lowering the interim rate paid to EPCOR for water as the RWCG. RWCG usage continues to come in below what EPCOR projects the actual rate to be, because the actual consumption from the RWCG is higher than EPCOR projects, which lowers the true up cost of water. The RWCG is going to use \$1.00 per cubic meter as a projected true up rate. This results in a temporary influx of roughly 7 cents per cubic meter into our CRSWSC capital infrastructure reserves. This additional funding will be considered in the next Water Master Plan when looking at what needs to be done to set planned future water rates.

EMRB Servicing Study

Administration received the draft Edmonton Metropolitan Region Board (EMRB) Servicing Study and provided comments, including concerns regarding the exclusion of industrial process demand potential in the study (draft report and comments attached to this report). As a reminder, the study will look at the system capacity of the CRSWSC to meet the demands of future expansion in the region, while also investigating the CRPWSC and CRNWSC regions. A copy of the final report will be provided to the Commission and will be included in the report at that time. In general, the CRSWSC is concerned that the methodology used to analyze available water capacity is over estimating the lands that are able to support industrial development in the capital region.

City of Beaumont Line Extension to St. Vital Reservoir

Administration has been actively working with City of Beaumont Administration as they are looking into adding a connection from the CRSWSC supply line at their main reservoir to their St. Vital reservoir. Discussions began in fall 2023 at which time Commission Administration informed the City of Beaumont Administration that the Commission is responsible for ensuring there is adequate flow at minimum pressure to a single connection point in Beaumont. The existing supply line does not have adequate pressure to reach the St. Vital reservoir without a booster station, which if built, would be a cost to the City of Beaumont. Recent communications indicate that the City will be looking into various options and will contact CRSWSC when they have further questions or to submit a plan for review and approval.

EPCOR Secondary Supply Line to Beaumont

Administration is in the process of reviewing and updating the water supply demands for the City of Beaumont in order to report the 5-year forecast to EPCOR. Discussions are ongoing with Associated Engineering and EPCOR. More information will be provided to the Board when the review is complete and the submission is made to EPCOR.

As a reminder, this is important because once EPCOR is no longer forecasted to be able to meet the water supply demands for the City of Beaumont, the CRSWSC will need to provide formal notice to EPCOR to extend a connection point to Beaumont. This requires 5 years of planning to facilitate construction of the assets. In November of 2023, Administration confirmed that EPCOR did not have any concerns with supplying the CRSWSC for the next 5 years. In the 2023 report, EPCOR could meet average day demands to Beaumont until 2043 but could only meet peak day demands until 2028 without increasing pressure. If EPCOR provides higher

pressures, the second fill line may not be required until 2038. This needs to be reconfirmed once EPCOR modifies their system when the Nisku Booster Station is operational as they would typically reduce their pressure once the booster station is online.

City of Camrose Servicing

Administration received a draft copy of the Water for Life Grant application for a Feasibility Study (attached) that is to be submitted before November 30, 2024. The application is being reviewed by the applicants (CRSWSC, City of Camrose, City of Wetaskiwin, and Wetaskiwin County) and is expected to be submitted by November 15, 2024. The application explains the scope of the proposed feasibility study which includes:

- analysis of the existing water treatment facilities
- assessment of a regional water supply from the Commission
- assessment of impacts to existing storage and distribution systems
- capital costs and life cycle costs for each option

2025 Water Master Plan

Administration has started preparing the Request for Proposals for the Commission's 2025 Water Master Plan which is expected to go out this winter. The successful Consultant will prepare the master plan as well as provide services as the Commission's Engineer for day-to-day work consultations.

EPCOR Amending Agreement

The EPCOR Amending Agreement that the Board approved at the September 19, 2024 Board meeting has now been fully executed.

Tipping Policy

It was noted recently that there is a discrepancy in Policy — 4 Remuneration and Expenses where Section 12 Gratuities states that tipping is set to a maximum of 18%, while Sections 10d Taxi and 18d Hosting/Business Meals both state a maximum of 15% for tipping. At the Board Meeting on January 18, 2024, motion 10-24 was passed to change Section 12 allow gratuities of up to 18%. It is recommended Sections 10b and 18d are updated to reflect 18% for consistency throughout the policy.

Emergency Planning

The CRSWSC is in the process of developing an Emergency Response Plan for the Beaumont transmission line. This would include purchasing repair parts, developing relationships with contractors that can perform the repair, and exploring alternate backups to reduce the downtime during the repair.

Pricing for the emergent Beaumont repair material, including 3 repair clamps and 2 lengths of pipe, have been sourced and we are in the process of acquiring them. Further repair materials for other areas of the Commission, such as lightning rods and other equipment to protect the stations from electrical surges, will be procured in 2025, subject to budget approval.

Millet Line Repair

Since the repairs on the Millet line in February, standing water had been observed accumulating near a ditch throughout the summer. Water samples taken from the standing water tested negative for chlorine. The ponding increased over time despite no significant precipitation. Upon inspection, the team found water leaking near the ARV (Air Release Valve) assembly. They suspected the leak was close to the control valve (cc) and began troubleshooting.

As the week progressed, the ponding worsened, and emergency locates were requested. The team believed the leak was near the cc and contacted CB Max, an underground contractor, for assistance. After meeting on-site, CB Max agreed to start repairs the following day.

On Friday, CB Max began excavation with a mini excavator and vac truck. They soon realized that the leak was not coming from the cc but further down the line, at an electrofusion tapping tee on the 600mm transmission pipeline.

As the pipeline was shut down to prevent water flow to Millet, the team retrieved necessary parts from the City of Leduc's Robinson reservoir to attempt the repair. Water haulers were contacted to maintain water supply to Millet during the pipeline shutdown.

On Saturday, CB Max continued the repair. The damaged section of pipe was cut and replaced by late evening, with further adjustments required on Sunday. By the end of the day, water service was successfully restored to both Millet and Robinson, resolving the issue. During the repair ~288m³ of water was hauled to the Town of Millet.

EPCOR Line Repair

In September, the EPCOR repair team at Ellerslie Road & Calgary Trail sent notice that they were planning to install a flow stop on the downstream main to support main break repairs and minimize any impact on the 750 STL supply to the CRSWSC. A notice was sent out to Board Members describing the work (attached). The flow stop is now installed, and other repairs continue. Due to the ongoing repairs and other EPCOR projects, low-pressure issues are occurring in Edmonton's Southwest neighborhoods during peak hours. EPCOR has requested that CRSWSC reduce water draw during morning and evening peaks to help stabilize supply until mid-November.

Commission Facility Locates

Commission operators completed 610 Utility Safety Partner locates in 2024 on Commission facilities, as compared to 628 in 2023 at this time.

WEFTEC Training Update

Members of the CRSWSC Board of Directors and Administration who attended WEFTEC 2024 shared their collective insights and highlighted key takeaways from the conference. Overall, attendees agreed that WEFTEC 2024 offered significant educational value and the importance of staying informed about industry trends and advancements.

Professional Development Opportunities

Attachment xi.

- 49-24** **Motion:** It was **Moved** by Mayor Doug Peel 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

- 50-24** **Motion:** It was **Moved** by Councillor Rick Smith that the Capital Region Southwest Water Services Commission Board of Directors. authorize an update to sections 10b and 18d of the Remuneration and Expenses Policy to reflect the 18% maximum gratuity specified in section 12 of the policy for consistency.

Motion Carried Unanimously

B. Treasurer's Report

Recommendation:

- 1) It is recommended that the CRSWSC Board of Directors receive this report as information.

2024 Financial Update

The financial reports have been prepared up to October 31st, 2024. After ten months of operations, there should be approximately 83% of the budget spent/earned. Management expenses are under budget with 59% of the budget spent and operating expenses are over budget for the year with 90% of the budget spent. Overall, the Commission is slightly over budget with total expenses incurred of 88% of the budget.

Water sales and purchases

- Water sales are over budget with 91% of the budget earned due to higher than projected consumption.
- To date the Commission has recorded a line loss of 2.87%.

Revenue Variances

- Interest earned exceeds the budget for the year due to interest earned on investments and bank deposits. Bank balances will continue to decline as spending on the Nisku Booster Station & Beaumont Piping Upgrades project continues throughout 2024.

Expenditure Variances

- Management and Operating contracts are on budget with 83% of the budget spent.
- Debenture interest and principal payments are made in June and December, therefore only the June payment has been recorded to date.
- Legal fees, engineering fees and other professional fees have had little activity due to the focus on the Nisku Booster Station.
- Audit fees will be booked in Q4 during the interim audit of the Commission's financials. The 2024 audit year is the final year of the contract, and an RFP will be completed in 2025 for audit services.



- Seminars & Conferences fees are under budget with 43% of the budget spent to date. However not all expenses from the WEFTEC conference have been accounted for.
- Line Maintenance is over budget with 144% of the budget used to date due to the emergency repairs for the Millet line including the transmission pipeline emergency repair on Rollview road.
- Materials and Supplies are slightly under budget at 75% of the budget spent.
- Power is under budget at 61% as the budget includes use for when the Nisku Booster Station is operational.
- There are a few additional line items under budget due to the timing of when work is completed, and expenditures occur.

Capital Expenditures

Capital expenditures are below budget with 65% of the budget spent due to timing of capital projects.

- Air Release Manhole Rehab – 0% of budget used as investigating options for installation. Going forward project is currently on hold.
- Nisku Booster Station & Beaumont Piping Upgrades – construction is ongoing and is scheduled for completion by the end of 2024.
- Highway 21 Booster Pump Station Repairs – this project will be over budget due to the purchase of a new motor and replacement of radios and antennas at the station.
- North Reservoir PRV Replacement – A 12" Singer Valve has been purchased and installed at the North Reservoir.
- SCADA Upgrade – this is scheduled for work to be completed in the fall/new year based on the vendors availability.

Water for Life Grant

On October 3rd, Administration was made aware that we could apply for the remainder of the Water for Life Grant, provided the commission had incurred enough eligible costs relating to the construction of the booster station.

The application along with the required backup was sent to the Province on October 17th and the grant funds were received on November 7th.

A final claim is still required once the booster station is completed.

Revolving Line of Credit

As of October 31st, the commission has not utilized the line of credit. On October 8th, Administration withdrew \$1.2M of investments that had matured rather than reinvesting the funds as the proposed investment return was similar to the interest rate on the line of credit. This withdrawal along with the grant funds will provide the commission with additional flexibility to reduce the amount of potential draws into the line of credit.

Regional Water Customers Group

Administration received the executed Final Settlement Agreement between the RWCG and EPCOR Water Services Inc. The final settlement equates to a refund to the balancing fund in the amount of \$2.7M.

At the November 1st, 2024 meeting, it was decided that further measures are required to draw down the balancing fund within the acceptable maximum. The RWCG voted to reduce the rate paid to EPCOR for 2025 to \$1.00/m³, which will result in a \$0.07/m³ underpayment from EPCOR's forecasted rate of \$1.07/m³. This strategy is being implemented to reduce the balancing fund while maintaining a balance to be used in the future. This is reflected in the 2025 interim budget. This strategy is being implemented only for 2025; therefore the 2026 & 2027 water purchase rates are projected back at EPCOR's projected rates.

CRSWSC



Capital Region Southwest
Water Services Commission

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	Actual 2024	Budget 2024	Variance	Budget % Spent
Revenue				
Water Sales	9,343,705	10,283,860	940,155	91%
Water Flat Rate Debenture Proceeds	78,252	93,903	15,651	83%
Interest Earned	356,256	50,000	306,256	713%
Total Revenue	9,778,213	10,427,763	649,550	94%
Expenses				
Management Expenses				
Management Contract	120,000	144,000	24,000	83%
Debenture payments	46,951	93,903	46,952	50%
Legal Fees	683	20,000	19,318	3%
Other Professional Fees	3,661	20,500	16,839	18%
Honorarium	11,280	16,200	4,920	70%
Audit Fees	1,263	15,500	14,238	8%
Office Supplies	215	3,600	3,385	6%
Mileage	2,565	4,000	1,435	64%
Bank Charges & Interest	267	500	233	53%
Total Management Expenses	186,885	318,203	131,318	59%
Operating Expenses				
Water Purchases	5,279,234	5,818,126	538,892	91%
Operating Contract	296,667	356,000	59,333	83%
Seminars & Conferences	37,361	86,650	49,289	43%
Line Maintenance	333,203	232,060	101,143	144%
Power	61,019	100,000	38,981	61%
Engineering Fees	8,790	40,000	31,210	22%
Instrumentation & Mechanical	39,859	45,000	5,141	89%
Insurance	28,694	35,000	6,306	82%
Facility Maintenance	5,830	16,000	10,170	36%
Regular & Annual Meeting Expenses	7,658	16,000	8,342	48%
Cathodic Protection	316	6,000	5,684	5%
Materials & Supplies	9,721	13,000	3,279	75%
Computer Maintenance & Supplies	1,446	28,000	26,554	5%
Easement Leases	2,146	5,000	2,854	43%
Gas	6,527	10,000	3,473	65%
Telephone	4,754	6,000	1,246	79%
Other Communication / Maintenance Costs	1,573	2,500	927	63%
Total Operating Expenses	6,124,797	6,815,336	690,539	90%
Total Expenses	6,311,681	7,133,539	821,858	88%
Net of Revenue over Expenses	3,466,531	3,294,224	172,307	105%
Net Interfund Transfers				
Drawn from Accumulated Surplus	-	-	-	0%
Transfer to Operating Reserves	-	65,431	65,431	100%
Transfer from Operating Reserves	-	238,709	238,709	100%
Transfer to Capital Reserves	-	3,467,502	3,467,502	100%
Total Interfund Transfers	-	3,294,224	3,294,224	
Net Surplus (Deficit)	3,466,531	-	3,466,531	

Statement of Financial Position to October 31, 2024

Financial Assets

Bank	\$	1,913,456
Accounts Receivable	\$	1,034,575
Accrued Receivables	\$	-
Investment Interest Receivable	\$	70,706
GST Receivable	\$	51,776
Short Term Investments	\$	7,792,602
Total Financial Assets	\$	10,863,114

Liabilities

Trade Accounts Payable	\$	2,291,353
Accrued Accounts Payable	\$	-
Accrued Interest on Debentures	\$	1,315
Deferred Revenue - Gov't Grant	\$	300,000
Debenture 4000845 - 2010	\$	588,577
Debenture 4002395 - 2018	\$	105,605
Total Liabilities	\$	3,286,850

Net-Financial Assets	\$	7,576,263
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Non-Financial Assets

Land	\$	208,298
Machinery & Equipment	\$	405,377
Accum. Depreciation - Mach & Equip	\$	(357,095)
Engineering Structures	\$	25,935,158
Work in Progress - Buildings	\$	14,843
Work in Progress - Equipment	\$	-
Work in Progress - Eng Structure	\$	20,416
Accum. Depreciation - Eng Stru	\$	(5,355,389)
Work in Progress - Nisku Booster Station	\$	18,802,915
Total Non-Financial Assets	\$	39,674,522

Accumulated Surplus

Rate Stabilization Op Reserve	\$	165,939
Emergency & Operations - Op Res	\$	200,000
General Reserves - Op Reserve	\$	1,074,794
Equipment - Cap Reserve	\$	1,912,701
Future Water Capacity - Cap Reserve	\$	9,201,721
Total Reserves for Future Use	\$	12,555,155
Unrestricted Surplus	\$	2,367,438
Investment - remeasurement gains/losses		
Equity in Fixed Assets	\$	28,861,661
Current Earnings (Net surplus (deficit) + add back debenture principle)	\$	3,466,531
Total Accumulated Surplus	\$	47,250,785

Capital Projects Summary

2017.002 Air Release Manhole Rehab	
2024 Budget	171,700
2024 Expenditures	-
Budget Remaining	171,700
2021.001 Nisku Booster Station & Beaumont Piping Upgrade	
2024 Budget	15,273,180
2024 Expenditures	(10,085,212)
Budget Remaining	5,187,968
2023.001 Highway 21 Booster Pump Station Repairs	
2024 Budget	9,700
2024 Expenditures	(14,843)
Budget Remaining	(5,143)
2024.001 North Reservoir PRV Replacement	
2024 Budget	25,000
2024 Expenditures	(20,416)
Budget Remaining	4,584
2024.002 SCADA upgrade	
2024 Budget	200,000
2024 Expenditures	-
Budget Remaining	200,000
2024 Total Capital Budget	15,679,580
2024 Total Capital Expenditures	(10,120,471)
Budget Remaining	5,559,109
Budget Spent	65%

51-24

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

Motion Carried Unanimously

C. 2025 Interim Budget Report

Recommendations:

- 1) It is recommended that the CRSWSC Board of Directors adopt the 2025 Interim Operating & Capital Budget as presented, with total revenues and transfers from reserves of \$10,995,565 and total expenditures and transfers to reserves of \$10,995,565.
- 2) It is recommended that the CRSWSC Board of Directors accept in principle the 2026-2027 forecasted Operating & Capital Budget.

Proposed 2025 Interim Budget Highlights

Operating

Water Sales & Purchases:

- Water Sales – proposed water sales rate at \$1.69/m³ for 2025.
- Water Purchases - purchase rate for 2025 from EPCOR has been decreased to \$1.00/m³ as per the November 1st, Regional Water Customers Group meeting.

The Regional Water Customer Group (RWCG) voted for an interim rate of \$1.00/m³ for 2025. EPCOR projected the rate to be approximately \$1.07/m³. This strategy is being utilized 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 2025 interim budget as water purchases have been set to \$1.00/m³. This will only be for 2025 as the 2026 & 2027 purchase rates are forecasted back at EPCOR's projected rate increases. The additional one-time dollars, as a result of the 2025 voted rate and EPCOR's projected rate, will be transferred to the Future Water Capacity reserve.

Other Revenue:

- Interest Earned - budgeted conservatively in anticipation of cash balances being utilized to finish the construction of the Nisku Booster Station.
- Drawn from Operating reserves – as per the Board & Administration Training Policy unused Board & Administration (\$1.45K) budget can be carried forward into 2025. Additionally, \$50K has been allocated from Operating reserves to fund emergency repairs.

**Other Operating Expenses:**

- Management and Operational contracts are as per contractual agreements, 2027 is based on the extension option being executed.
- Audit Fees - based on the contractual amount. 2024 is the final year of the contract, administration will complete a request for proposal for audit services in 2025.
- Legal Fees – Reduced by 10K to better align with prior year actuals.
- Other Professional Fees – reduced by \$15K by removing the guest speaker budget for the AGM.
- Office Supplies – reduced by \$1.6K.
- Engineering Fees – decreased by \$5K to better align with historical spending.
- Seminars & Conferences –
 - Board Training – All WEFTEC costs have not been finalized. Once costs are in, any carry forward of unused 2024 budget will be included in the Final Budget Report
 - Administration – Administration utilized \$6,650 of the 2023 carry forward and \$8,550 of the 2024 budget, therefore the remaining \$1,450 from the 2024 budget will be carried forward into 2025.
- Transfer to Reserves
 - Operating – 2025 \$0.023/m³, 2026 - \$0.02/m³, 2027 – 0.02/m³
 - Capital – Equipment – 2025 \$0.03/m³, 2026 - \$0.03/m³, 2027 - \$0.03/m³
 - Future Water Capacity reserve – 2025 \$0.44/m³, 2026 \$0.37/m³, 2027 \$0.37/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. The following are new projects and additional budget requests over and above what was presented in the prior year budget.

2025 New Projects & Budget Additions

- Emergency Planning (2025-27) – This project is intended for the purchase of spare parts (\$100K) along with costs relating to a sea-can (\$20K) to store the spare parts. Additionally, 8 days of proactive hydrovac services (\$40K) are included in 2025.

- Camrose Feasibility Study – This project is contingent on the approval of the Water for Life Grant.
- Water Master Plan & Strategic Plan – additional \$30K in 2025 to align with expected cost.

Carry Forward projects

The following projects will be carried forward from the 2024 budget and will have the final totals included in the Final Budget that is presented on January 16, 2025.

- Air Release Manhole
- Nisku Booster Station & Beaumont Piping Upgrades
Scada Upgrade

52-24

Motion: It was **moved** by Deputy Mayor Clifford Heinz that the Capital Region Southwest Water Services Commission Board of Directors adopt the 2025 Interim Operating & Capital Budget as presented, with a \$5,000 increase as requested by the Board, resulting in total revenues and transfers from reserves of \$11,000,565, and total expenditures and transfers to reserves of the same amount.

Motion Carried Unanimously

53-24

Motion: It was **Moved** by Councillor Beverly Beckett that the Capital Region Southwest Water Services Commission Board of Directors accept in principle the 2026-2027 forecasted Operating & Capital Budget.

Motion Carried Unanimously

7. NEW BUSINESS

8. NEXT MEETING

The next meeting of the Capital Region Southwest Water Services Commission will be the Regular meeting, scheduled for January 16, 2025.

9. ADJOURNMENT

54-24

Motion: It was **Moved** by Councillor Krista Gardner to adjourn the meeting at 7:09pm.

Motion Carried Unanimously



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A handwritten signature in blue ink, appearing to read "Chris Brown", is written above a horizontal line.

CHAIRMAN

A handwritten signature in blue ink, appearing to read "J. L. ...", is written above a horizontal line.

MANAGER