

Commission Manager

Report Period: **January 26, 2026 to Feb 18, 2026**

LEGISLATIVE / GOVERNANCE

Projects	Date In Progress	Date Outstanding	Date Completed
<p>Bylaw/Policy Review: I have been reviewing and reading several of our policies and bylaws. During the retreat, I commented that I have found many deficiencies/gaps, overly reactionary clauses and outdated terms. The Board will need to set up a process to undertake a comprehensive review and updating of these important documents.</p> <p>Key bylaws and policies:</p> <ul style="list-style-type: none"> • CEO Bylaw • Procedural (Administrative) Bylaw (possible aggregation of multiple bylaws) • Electronic meetings (required under the MGA) • Emergency/Water Restrictions bylaw/policy • Membership Addition/Withdrawal Bylaw (revisions) • Procurement Bylaw • Code of Conduct Bylaw (currently a policy) • Reserves/Amortization policies <p>Project progress:</p> <ul style="list-style-type: none"> • Disposition of Assets – Feb Meeting • Administrative Bylaw – Feb Meeting 	Ongoing		
<p>Ft Sask. Issue: Attended an administrative meeting with Ft. Sask, AECOM and AE. The focus of discussion was to determine a reasonable methodology for determination of capacity and timing for the construction of an additional river crossing utilizing the existing 400 mm Strathcona/CRNWSC pipeline. The calculated construction timing is approximately 10 years into the future and will be reviewed based on actual data. AE will be further reviewing the model and will report back to the Committee mid-august, wherein the meeting will also include representatives from Strathcona County to discuss the principles to establishing the rate to be charged for water flowing through this pipe (to be charged by Strathcona County).</p> <p>Project progress:</p> <ul style="list-style-type: none"> • Sub-Committee created and meeting held Feb 09. • CEO to develop costs with and without CoFS for Sub/Committee/Board review • CEO met with CoFS to develop rate methodology 	Ongoing		
<p>JSB Update: (In Camera).</p> <p>Project progress:</p> <ul style="list-style-type: none"> • The 2024 rate/true-up submitted on January 30, 2026, per Order. • No further correspondence from AUC. 	Ongoing		

ADMINISTRATIVE			
Projects	Date In Progress	Date Outstanding	Date Completed
<p>Commission Opportunities: As the Board is aware, at the retreat it was explained that there are some possible opportunities for the CRNWSC to possibly expand their customer base. There have been enquiries received relating to capacity and the ability to provide water for industrial customers.</p> <p>Project progress:</p> <ul style="list-style-type: none"> The Commission Manager has had several discussions with Sturgeon County, AE and the project pertaining to system capacity and design of Hwy 643 loop. 	Ongoing		
<p>Bear Land Services: Apparently, BEAR Land Services was contracted by the Commission to clean up areas where our pipe was constructed but did not have an accompanying R/W. One issue which I have had to spend considerable time on is the Pembina service. There is considerable confusion as to ownership of the service itself, as there is some work being undertaken and requests for crossing have been crossing my desk for approval.</p> <p>Project progress:</p> <ul style="list-style-type: none"> Leak #2 land permissions approved. 2026 budget has line item to acquire land for access to pipe as project. 	Ongoing		
<p>Water Demand Measures: At the EPCOR and RWCG meeting, one item discussed was the concerns regarding an impending drought. The February EPCOR incident had also provided valuable insights as to what measures are in place for a drastic reduction or cessation of water supply from EPCOR. The RWCG group is jointly developing protocols which will be intended to be adopted by the Commission, members and customers such that all will be working from the same protocols.</p> <p>Project progress:</p> <ul style="list-style-type: none"> EPCOR to schedule meeting on January 28, 2026 to discuss protocols. Meeting canceled, no further progress. 			
<p>Crossing Agreements: The Crossing Agreement process for the Commission in a very time consuming process, including engineering reviews, and there have been a number of crossing/proximity agreements being required as a result of work occurring within the area.</p> <p>Project progress:</p> <ul style="list-style-type: none"> Nothing to report. 			
FINANCIAL			
Projects	Date In Progress	Date Outstanding	Date Completed
<p>2026 Operating and Capital Budget: The 2026 Budgets were presented to the Board for approval.</p> <p>Project progress:</p> <ul style="list-style-type: none"> Completed. 			April 04/2025
TRAINING			

COMMISSION STRATEGIC PLAN

<p>Strategic Plan: A Strategic Plan is the Board's Vision and Priorities for next 3 years and beyond. It is a critical document for the Commission Manager to prepare plans and budgets.</p> <p>Project progress:</p> <ul style="list-style-type: none"> • Upon adoption of Strategic Plan, the work on the priorities plan matrix is completed. • Nothing new to report. No substantial progress due to AUC focus. • The Board may wish to consider reviewing the Strategic Plan and undertaking a tour of CRN facilities. 	<p>Ongoing</p>		
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Signature:
Gene Sobolewski

Commission Board Meeting: Feb 18, 2026

COMPILATION ENGAGEMENT REPORT

To the Board of Capital Region Northeast Water Services Commission

On the basis of information provided by management, we have compiled the balance sheet of Capital Region Northeast Water Services Commission as at January 31, 2026, and the statement of income and retained earnings for the period then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information (the "financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Edmonton, Alberta

Givens LLP
Chartered Professional Accountants

Table of contents

Balance Sheet	3
Profit and Loss	5
Profit and Loss Comparison	7
Budget vs. Actuals.....	9
A/R Aging Summary	11
A/P Aging Summary	12

Balance Sheet

As of January 31, 2026

	Total
ASSETS	
Current Assets	
Cash and Cash Equivalent	
1060 Royal Bank- Chequing	2,150,441.35
1080 ATB Public Sector Savings **0900	400,796.80
Total Cash and Cash Equivalent	2,551,238.15
Accounts Receivable (A/R)	
1200 Accounts Receivable	2,509,611.24
Total Accounts Receivable (A/R)	2,509,611.24
1202 Accounts Receivable - Southside SL	1,046,451.84
1205 Allowance for Doubtful Accounts	-1,000.00
1320 Prepaid Expenses	18,090.35
1355 Accrued Interest on Investments	459,284.53
1515 Inventory	
1520 Hypresscon Enclosure Kit Contents	48,481.83
1525 Repair Transition Kit Contents	24,166.00
Total 1515 Inventory	72,647.83
Total Current Assets	6,656,323.94
Non-current Assets	
Property, plant and equipment	
1806 Online Station Communication Tower	300,783.51
1820 Pre 96 & Engineering Structures	53,533,517.71
1825 Accum. Amort -Pre 96 & Eng Struct	-18,394,311.41
1830 Waterline upgrade	1,383,265.85
1840 Machinery & Equipment	1,533,159.11
1845 Accum. Amort.-Machinery & Equipment	-1,063,518.08
1860 Land	2,625,816.88
Total Property, plant and equipment	39,918,713.57
1351 ATB Term/GIC Investment	17,262,101.63
Total Non Current Assets	57,180,815.20
Total Assets	\$63,837,139.14

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable (A/P)

2100 Accounts Payable	757,662.17
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Total Accounts Payable (A/P)	757,662.17
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Credit Card

2350 RBC Visa Busines***6433	1,034.29
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Total Credit Card	1,034.29
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2101 Accrued Accounts Payable	13,758.61
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2105 Accrued Debenture interest	70,296.68
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	Total
2230 Payroll liabilities	0.00
2232 Federal Taxes	4,833.74
2235 Vacation Pay	11,454.00
Total 2230 Payroll liabilities	16,287.74
2315 GST/HST Payable (unfiled)	-12,523.37
2320 GST/HST Suspense (filed)	-100,309.71
2325 GST Adjustments	113,375.38
Total Current Liabilities	859,581.79
Non-current Liabilities	
2630 Debenture Debt	0.00
2635 Debenture 4001647	2,772,372.78
2645 Debenture 4001564	3,721,405.44
Total 2630 Debenture Debt	6,493,778.22
Total Non-current Liabilities	6,493,778.22
Total Liabilities	7,353,360.01
Equity	
3010 Equity - Fixed Assets	33,977,289.88
Restricted Surplus	
3015 Rate Stabilization Reserve	6,200,065.48
3017 WL Infrastructure Failure Reserve	200,000.00
3020 Capital Reserve	12,227,734.39
Total Restricted Surplus	18,627,799.87
Retained Earnings	3,839,629.23
Profit for the year	39,060.15
Total Equity	56,483,779.13
Total Liabilities and Equity	\$63,837,139.14

Profit and Loss

January 2026

	Total
INCOME	
4010 City of Fort Sask. Water Sales	284,772.70
4020 Sturgeon County Water Sales	86,832.40
4025 Town of Bon Accord Water Sales	13,359.48
4030 Town of Gibbons Water Sales	28,067.38
4035 Town of Redwater Water Sales	21,716.42
4040 Hwy 28/63 Regional Water Serv	46,872.93
4050 John S. Batiuk Regional Water Comm	173,790.72
Total Income	655,412.03
COST OF GOODS SOLD	
5510 Water Purchase - Strathcona	137,996.02
5520 Water Purchase - EPCOR	359,154.50
Total Cost of Goods Sold	497,150.52
GROSS PROFIT	158,261.51
EXPENSES	
5605 Contracted Services	607.50
5610 Bookkeeping services/ Audits	2,289.00
5615 Legal Fees	16,379.50
5625 Business Fees & Licenses	508.03
5635 Operating Contract	34,234.66
5641 Office Expenses	376.55
5645 Honorarium / Per Diem	3,365.96
5646 Catering & Venue Rentals	212.82
5665 Engineering	4,761.18
5685 Insurance	1,944.13
5690 Bank Charges and processing fees	39.00
5695 Debenture Interest	21,546.00
5699 TELUS	
5700 Telus 472-6266	98.75
5705 Telus 998-0171	180.54
5710 Telus 998-3738	116.25
5715 Telus 998-2026	113.25
Total 5699 TELUS	508.79
5729 ENMAX	
5730 ENMAX - Power NW26-54-23-W4	265.64
5735 ENMAX - Power SE18-56-21-W4	76.10
5740 ENMAX - Power NW 09-55-22-4	5,804.81
Total 5729 ENMAX	6,146.55
5769 DIRECT ENERGY	
5771 Direct Energy NW 26-54-23-W4	168.86
Total 5769 DIRECT ENERGY	168.86
5774 Bell Mobility 587-341-3673	237.40
5776 Records Mgmt Supplies & Storage Fee	118.72
5784 Travel & Subsistance	731.90

	Total
Payroll Expenses	
5820 Wages and Salaries	15,261.14
5824 Taxes (CPP & EI- employer portion)	1,203.90
5830 Employee benefits	187.95
Total Payroll Expenses	16,652.99
5660 Amortization Expense	63,262.75
Total Expenses	174,092.29
OTHER INCOME	
4439 Interest Income	
4440 Interest on bank acct- Chequing	4,767.96
4445 Interest on bank acct- Savings	1,300.04
4450 Interest on Investments	48,822.93
Total 4439 Interest Income	54,890.93
Total Other Income	54,890.93
PROFIT	\$39,060.15

Profit and Loss Comparison

January 2026

		Total
	Jan. 2026	Jan. 2025 (PY)
INCOME		
4010 City of Fort Sask. Water Sales	284,772.70	277,382.61
4020 Sturgeon County Water Sales	86,832.40	88,658.19
4025 Town of Bon Accord Water Sales	13,359.48	13,989.14
4030 Town of Gibbons Water Sales	28,067.38	30,236.89
4035 Town of Redwater Water Sales	21,716.42	26,212.94
4040 Hwy 28/63 Regional Water Serv	46,872.93	45,989.31
4050 John S. Batiuk Regional Water Comm	173,790.72	223,036.79
Total Income	655,412.03	705,505.87
COST OF GOODS SOLD		
5510 Water Purchase - Strathcona	137,996.02	5,450.72
5520 Water Purchase - EPCOR	359,154.50	484,817.10
Total Cost of Goods Sold	497,150.52	490,267.82
GROSS PROFIT	158,261.51	215,238.05
EXPENSES		
5605 Contracted Services	607.50	1,727.50
5610 Bookkeeping services/ Audits	2,289.00	6,870.00
5615 Legal Fees	16,379.50	795.00
5625 Business Fees & Licenses	508.03	1,296.75
5635 Operating Contract	34,234.66	30,837.00
5640 Courier & Postage		124.00
5641 Office Expenses	376.55	1,665.09
5645 Honorarium / Per Diem	3,365.96	4,585.00
5646 Catering & Venue Rentals	212.82	208.93
5665 Engineering	4,761.18	3,902.58
5685 Insurance	1,944.13	1,839.67
5690 Bank Charges and processing fees	39.00	38.93
5695 Debenture Interest	21,546.00	23,139.83
5699 TELUS		
5700 Telus 472-6266	98.75	98.75
5705 Telus 998-0171	180.54	180.54
5710 Telus 998-3738	116.25	116.25
5715 Telus 998-2026	113.25	113.25
Total 5699 TELUS	508.79	508.79
5729 ENMAX		
5730 ENMAX - Power NW26-54-23-W4	265.64	154.14
5735 ENMAX - Power SE18-56-21-W4	76.10	106.11
5740 ENMAX - Power NW 09-55-22-4	5,804.81	5,761.69
Total 5729 ENMAX	6,146.55	6,021.94
5769 DIRECT ENERGY		
5771 Direct Energy NW 26-54-23-W4	168.86	454.63
Total 5769 DIRECT ENERGY	168.86	454.63

		Total
	Jan. 2026	Jan. 2025 (PY)
5774 Bell Mobility 587-341-3673	237.40	238.03
5776 Records Mgmt Supplies & Storage Fee	118.72	
5784 Travel & Subsistence	731.90	1,867.74
Payroll Expenses		
5820 Wages and Salaries	15,261.14	12,653.82
5824 Taxes (CPP & EI- employer portion)	1,203.90	
5830 Employee benefits	187.95	
Total Payroll Expenses	16,652.99	12,653.82
5660 Amortization Expense	63,262.75	63,262.75
Total Expenses	174,092.29	162,037.98
OTHER INCOME		
4439 Interest Income		
4440 Interest on bank acct- Chequing	4,767.96	5,518.77
4445 Interest on bank acct- Savings	1,300.04	1,955.24
4450 Interest on Investments	48,822.93	60,890.25
Total 4439 Interest Income	54,890.93	68,364.26
Total Other Income	54,890.93	68,364.26
PROFIT	\$39,060.15	\$121,564.33

Budget vs. Actuals

January 2026

			Total
	Actual	Budget	over Budget
INCOME			
4010 City of Fort Sask. Water Sales	284,772.70	316,058.89	-31,286.19
4020 Sturgeon County Water Sales	86,832.40	91,305.90	-4,473.50
4025 Town of Bon Accord Water Sales	13,359.48	14,827.45	-1,467.97
4030 Town of Gibbons Water Sales	28,067.38	30,435.30	-2,367.92
4035 Town of Redwater Water Sales	21,716.42	24,192.16	-2,475.74
4040 Hwy 28/63 Regional Water Serv	46,872.93	52,286.29	-5,413.36
4050 John S. Batiuk Regional Water Comm	173,790.72	201,894.00	-28,103.28
4060 Crossing Agreements		1,500.00	-1,500.00
Total Income	655,412.03	732,499.99	-77,087.96
COST OF GOODS SOLD			
5510 Water Purchase - Strathcona	137,996.02	13,750.00	124,246.02
5520 Water Purchase - EPCOR	359,154.50	537,500.00	-178,345.50
Total Cost of Goods Sold	497,150.52	551,250.00	-54,099.48
GROSS PROFIT	158,261.51	181,249.99	-22,988.48
EXPENSES			
5605 Contracted Services	607.50	45,833.33	-45,225.83
5606 Cathodic Protection		833.33	-833.33
5607 Website Contract/Maintenance		125.00	-125.00
5610 Bookkeeping services/ Audits	2,289.00	3,583.33	-1,294.33
5615 Legal Fees	16,379.50	16,666.67	-287.17
5625 Business Fees & Licenses	508.03	416.67	91.36
5635 Operating Contract	34,234.66	32,000.00	2,234.66
5640 Courier & Postage		41.67	-41.67
5641 Office Expenses	376.55	291.67	84.88
5645 Honorarium / Per Diem	3,365.96	2,500.00	865.96
5646 Catering & Venue Rentals	212.82	166.67	46.15
5647 Training & Conferences		3,333.33	-3,333.33
5665 Engineering	4,761.18	21,666.67	-16,905.49
5675 Utility Safety Partners AB 1 Call		416.67	-416.67
5685 Insurance	1,944.13	1,833.33	110.80
5690 Bank Charges and processing fees	39.00	45.83	-6.83
5692 QuickBooks Payments Fees		20.83	-20.83
Total 5690 Bank Charges and processing fees	39.00	66.66	-27.66
5695 Debenture Interest	21,546.00	21,225.67	320.33
5699 TELUS		0.00	0.00
5700 Telus 472-6266	98.75	100.00	-1.25
5705 Telus 998-0171	180.54	183.33	-2.79
5710 Telus 998-3738	116.25	116.67	-0.42
5715 Telus 998-2026	113.25	116.67	-3.42
Total 5699 TELUS	508.79	516.67	-7.88

			Total
	Actual	Budget	over Budget
5729 ENMAX		0.00	0.00
5730 ENMAX - Power NW26-54-23-W4	265.64	150.00	115.64
5735 ENMAX - Power SE18-56-21-W4	76.10	91.67	-15.57
5740 ENMAX - Power NW 09-55-22-4	5,804.81	6,008.33	-203.52
Total 5729 ENMAX	6,146.55	6,250.00	-103.45
5769 DIRECT ENERGY		0.00	0.00
5771 Direct Energy NW 26-54-23-W4	168.86	233.33	-64.47
Total 5769 DIRECT ENERGY	168.86	233.33	-64.47
5774 Bell Mobility 587-341-3673	237.40	250.00	-12.60
5776 Records Mgmt Supplies & Storage Fee	118.72	125.00	-6.28
5780 Misc Expenses		83.33	-83.33
5784 Travel & Subsistance	731.90	2,500.00	-1,768.10
5795 RWCG Plan & Consulting Fees		91.67	-91.67
5815 WCB		233.33	-233.33
Payroll Expenses		0.00	0.00
5820 Wages and Salaries	15,261.14	16,666.67	-1,405.53
5824 Taxes (CPP & EI- employer portion)	1,203.90	833.33	370.57
5830 Employee benefits	187.95	125.00	62.95
Total Payroll Expenses	16,652.99	17,625.00	-972.01
Total Expenses	110,829.54	178,909.00	-68,079.46
NET OPERATING INCOME	47,431.97	2,340.99	45,090.98
OTHER INCOME			
4075 WOLF Project - Eng and Commission		17,916.67	-17,916.67
4439 Interest Income		0.00	0.00
4440 Interest on bank acct- Chequing	4,767.96	5,833.33	-1,065.37
4445 Interest on bank acct- Savings	1,300.04	2,666.67	-1,366.63
4450 Interest on Investments	48,822.93	65,000.00	-16,177.07
Total 4439 Interest Income	54,890.93	73,500.00	-18,609.07
Total Other Income	54,890.93	91,416.67	-36,525.74
OTHER EXPENSES			
5660 Amortization Expense	63,262.75	0.00	63,262.75
Total Other Expenses	63,262.75	0.00	63,262.75
NET OTHER INCOME	-8,371.82	91,416.67	-99,788.49
NET INCOME	\$39,060.15	\$93,757.66	\$ -54,697.51

A/R Aging Summary

As of January 31, 2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
City of Fort Saskatchewan	284,772.70		304,878.16	0.01		589,650.87
Highway 28/63 Regional Water Services Commission	46,872.93					46,872.93
John S. Batiuk Regional Water Commission	173,790.72		23,269.45	56,182.83	1,378,864.78	1,632,107.78
McElhanney					1,500.00	1,500.00
Sturgeon County	86,832.40					86,832.40
Town of Bon Accord	13,359.48		16,105.38			29,464.86
Town of Gibbons	28,067.38		33,761.98			61,829.36
Town of Redwater	21,716.42		26,073.01		13,563.61	61,353.04
TOTAL	\$655,412.03	\$0.00	\$404,087.98	\$56,182.84	\$1,393,928.39	\$2,509,611.24

A/P Aging Summary

As of January 31, 2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Associated Engineering	4,999.24					4,999.24
Bear Land Services		636.38				636.38
Bell Mobility	249.28					249.28
Brownlee LLP Barristers & Solicitors		17,198.48				17,198.48
Direct Energy Regulated Services	177.30					177.30
Enmax	6,453.88					6,453.88
EPCOR Water Services	359,154.50					359,154.50
Eugene Sobolewski	432.48					432.48
GoDaddy		70.17				70.17
KANA Environmental Consulting	35,946.39					35,946.39
RMA Insurance Ltd.					-18.54	-18.54
Strathcona County.		137,996.02				137,996.02
Sureway Construction Management Ltd.		193,832.36				193,832.36
TELUS		534.23				534.23
TOTAL	\$407,413.07	\$350,267.64	\$0.00	\$0.00	\$ -18.54	\$757,662.17

Notes to Compiled Financial Information

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the Balance Sheet and the Income statement of Capital Region Northeast Water Services Commission is the historical cost basis and reflects cash transactions with the addition of:

- Investments recorded at cost;
 - Inventory valued at cost;
 - Property, plant and equipment is recorded at cost and amortized at established tax rates;
 - Accounts payable and accrued liabilities;
 - Revenues are recognized when products are invoiced;
 - Purchases are recognized when services are received.
-