



CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

BOARD MEETING

9:00 am, Sept 28, 2026

Boardroom Chambers, City of Ft Saskatchewan

AGENDA

- 1) Call to Order
- 2) Adoption of Agenda
- 3) Adoption of Minutes
 - a) June 29, 2026 Board Meeting
 - b) August 26, 2026, Special Board Meeting
- 4) Delegation
 - a) Brownlee LLP – AUC Update
- 5) Engineer Report (NONE)
- 6) Board or Sub-Committee Reports
 - a) Strathcona/Ft Saskatchewan Withdrawals Sub-Committee Report
 - b) Remuneration Sub-Committee update
- 7) New Business
 - a) Special Board Meeting – Ratify Motion
 - b) PCCP Pipe Replacement Study – W4L Agreement (Executive session – at request of Minister)
 - c) Rate Stabilization – Policy arising from May 25 meeting discussion
 - d) RWCG
 - a. 2025 True-Up Settlement Agreement
 - b. Water Flow Procedure
 - e) JSB/AUC – Separate Water Service/Meter Chamber (Executive Session)
 - f) Operating and Capital Budget – 1st Draft
- 8) Commission Manager Report
- 9) Givens LLP Report – July and August 2026
- 10) Correspondence / Information



CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

11) Next Meeting Dates:

- i) Monday, October 26, 2026 at _____
- ii) Monday, November 23, 2026 at _____

12) Closed Session: **ATIA s19, s 20, s26, s28, & s32**

- a. 7(b)(e).
- b. AUC/JSB Update

13) Adjournment



**CAPITAL REGION NORTHEAST WATER SERVICES
REGULAR BOARD MEETING
MINUTES**

Monday, June 29, 2026, at 9:00am
Redwater Town Office, Redwater, Alberta

IN ATTENDANCE

(VM)Mayor Dave McRae, Town of Redwater – Chair
(VM)Councillor Timothy Larson, Town of Bon Accord - Deputy Chair
(VM)Councillor Alanna Hnatiw, Sturgeon County
(VM)Councillor Patrick Noyen, City of Fort Saskatchewan
(VM)Councillor Robert Simonowits, Town of Gibbons
(VM)Councillor Bill Tonita, Strathcona County Alternate
Mr. Eugene Sobolewski, CEO CRNWSC
Mrs. Tara Sobolewski, Executive Clerk CRNWSC
Councillor Kristen Toms, Sturgeon County Alternate
Jeff Hutton, City of Fort Saskatchewan
Ken Van Buul, CAO Town of Redwater
Jeff Yanew, Utilities Sturgeon County
Brian Kelly, City of Fort Saskatchewan
*VM- Voting Member

1) CALL TO ORDER

The meeting was called to order at 9:05am

2) ACCEPTANCE OF AGENDA

26-06-001 MOVED by Director Tonita that the agenda be adopted as presented.

CARRIED

3) APPROVAL OF MINUTES

26-06-002 MOVED by Director Hnatiw that the minutes of the regular board meeting
on May 25, 2026 be adopted as amended:

- Jeff Yanew instead of Ganew

CARRIED

4) DELEGATION

a) Brownlee- AUC Update

26-06-003 MOVED by Director Larson that the Board move into closed session at
10:04am.

CARRIED

26-06-004 MOVED by Director Larson that the Board return to open session at
10:35am.

CARRIED



10:35am - meeting recessed

10:45am - meeting resumed

5) ENGINEER REPORT (NONE)

6) BOARD OR SUBCOMMITTEE REPORTS

a) Strathcona/Ft Saskatchewan Withdrawals Sub-Committee Report

- a. Short Presentation – Jeff Hutton City of Ft Saskatchewan
- b. Hutton Letter – Preferred Methodology
- c. 2027 Estimated – Calculations

26-06-005

MOVED by Director Noyen that the CRNWSC establish a customer class for Fort Saskatchewan where rates will be developed based on the June 19, 2026 letter from Jeff Hutton, subject to any limitations as a result from the resolution of AUC matter proceedings 29831 and 30595, as follows:

-Operation and Maintenance Costs:

- Option A: methodology (by pipe then by allocation)

-Capital Costs:

- Option A: Methodology (by pipe then by allocation)

CARRIED

b) Remuneration Sub-Committee update

26-06-006

MOVED by Director Hnatiw that the Board expend a budget of up to \$20,000 towards a Third Party CEO Job Evaluation Job description development.

7) NEW BUSINESS

a) Blaskovits – Crossing Agreement Fee Waiver – Affirming Motion

26-06-007

MOVED by Director Noyen that the Board affirm and approve the approval to authorize the Commission Manager to waive the fees of \$1,500 for the Blaskovits Crossing Agreement for permission to construct a fence within their yard boundary and replace the existing boundary fence with chain link by means of utilizing only hand-held, non-mechanical tools to effect the ground disturbance to a maximum depth of 3 feet (0.91 m).

CARRIED

b) Disposal of Assets Bylaw Amendments – No comments received yet

26-06-008 MOVED by Director Noyen that the Board amend the proposed Bylaw 2026- as proposed recommended.

For- Larson, McRae, Simonowits, Hnatiw, Tonita
Against- Noyen

CARRIED

26-06-009 MOVED by Director Larson that the Board give Bylaw 2026-002, the Disposal of the Commissions Assets Bylaw reading and adoption.

For – Larson, McRae, Simonowits, Hnatiw, Tonita
Against – Noyen

CARRIED

26-06-010 MOVED by Director Tonita that the Board rescind Bylaw 2023-001, the previous Disposal of the Commissions Assets Bylaw.

CARRIED

c) July Workshop

- a. USL Workshop Recommendation – Affirming Motion of CEO appointment of USL as facilitator
- b. Anticipated Schedule – Strat Plan, separate interviews
- c. Meeting for Administrative Bylaw

26-06-011 MOVED by Director Hnatiw that the Board affirm the acceptance of the proposal from Urban Systems in the amount of \$38,000 (plus GST) to review and update the Strategic Plan, work jointly with Alberta Counsel to review and finalize the Administrative Bylaw and direct the Commission Manager to commence the preparatory work required to be completed prior to the July 27, 2026 workshop in Bon Accord. The project is to be funded through account 5605 – Contracted Services.

CARRIED

d) JSB/AUC update:

- a. New AUC Compliance Schedule
- b. WSA/Standby Agreements – update and preliminary work for ingoing
- c. IC (if required) further Board discussion of response

8) COMMISSION MANAGERS REPORT

26-06-012 MOVED by Director Simonowits that the board accept the Commission Manager’s report for information.

CARRIED

9) GIVENS LLP REPORT - MAY 2026



26-06-013 MOVED by Director Larson that the board accept Given's LLP report for information.

CARRIED

26-06-014 MOVED by Director Hnatiw that the board direct administration to develop a summary of financial needs and ATIA supports for CRN and offer an EOI to members for administrative support for each individual matter.

CARRIED

10) CORRESPONDENCE/INFORMATION

11) NEXT MEETING DATES:

- i) Monday, July 27, 2026 in Bon Accord Town Office
- ii) Monday, August 17, 2026 at the City of Fort Saskatchewan
- iii) Monday September 28, 2026 at the City of Fort Saskatchewan

12) MOVE TO CLOSED SESSION: ATIA s19, s 20, s26, s28, & s32

- a) Possible Delegation and 7 d(c)

26-05-015 MOVED by Director Larson that the Board move into closed session at 11:33am.

CARRIED

26-05-016 MOVED by Director Hnatiw that the Board return to open session at 11:51am.

CARRIED

13) Adjournment- 12:00pm

These minutes were approved this ____ day of _____, 2026

Chair

Commission Manager



**CAPITAL REGION NORTHEAST WATER SERVICES
BOARD MEETING
MINUTES**

Wednesday, August 26, 2026, at 4:30pm
Virtual Meeting

IN ATTENDANCE VIA VIRTUAL (VM)Mayor Dave McRae, Town of Redwater – Chair
(VM)Councillor Kristen Toms, Sturgeon County Alternate
(VM)Councillor Timothy Larson, Town of Bon Accord - Deputy Chair
(VM)Councillor Patrick Noyen, City of Fort Saskatchewan
(VM)Councillor Robert Simonowits, Town of Gibbons
(VM)Councillor Katie Berghofer, Strathcona County
Mr. Eugene Sobolewski, CEO CRNWSC

*VM- Voting Member

1) CALL TO ORDER The meeting was called to order at 4:32pm

2) ACCEPTANCE OF AGENDA

26-08-001 MOVED by Director Berghofer that the agenda be adopted as presented.

CARRIED

3) NEW BUSINESS

26-08-002 MOVED by Director Noyen that the Board Approve Chair David McRae and Vice-Chair Timothy Larson as the negotiating sub-committee to meet with representatives of the JSB water commission to establish a mutual five-year water supply agreement and to nominate Director Simonowits as an alternate in the event either of the primary delegates are unable to attend.

CARRIED

4) Adjournment- 4:40pm

These minutes were approved this ____ day of _____, 2026

Chair

Commission Manager



Request for Decision (RFD)

Meeting Date: Monday, September 28, 2026

Agenda Item: 7a

Topic: Affirmation Motion

Presented By: Commission Manager

Recommendation:

1. That the Board resolution to appoint Chair Dave McRae and Vice Chair Timothy Larson as the negotiating sub-committee to meet with representatives of the JSB water commission to establish a mutual five-year water supply agreement and to appoint Robert Simonowits as an alternate in the event either of the primary delegates are unable to attend a meeting of the JSB Negotiation Sub-committee meeting be affirmed.
-

Background:

A special meeting of the Board was held virtually on August 26 to appoint members to the JSB Negotiation Sub-Committee for the purpose of negotiating a 5 year WSA between CRN and JSB.

The current CRN Administrative bylaw does not have provision for a virtual meeting therefore the resolution passed at the meeting is required to be affirmed at a regular meeting of the Board.

Discussion (benefits/disadvantages):

Any resolution passed at a virtual meeting may be at risk of being challenged as not being valid for reason that a virtual meeting must be held in accordance with the MGA s.199(4). Since the bylaw does not have a specific provision for meetings to be held virtually, any resolutions arising must/should be affirmed at the next regular meeting of the Board to be properly actioned.

Alternatives:

None

Financial Implications:

None

Legislation:

Municipal Government Act (MGA) s. 602.1 and 199(4).

Intergovernmental:

N/A

Strategic Alignment:

N/A



Request for Decision (RFD)

Enclosure(s):

Attachments 1.

Signature of the Commission Manager:



Request for Decision (RFD)

Meeting Date: Monday, September 28, 2026
Topic: Rate Stabilization Policy Development
Presented By: Commission Manager

Agenda Item: 7c

Recommendation:

1. That the Board direct the Commission Manager to develop a Rate Stabilization policy based on a maximum value of \$500,000 and held within the Operating Reserve.

Background:

At the Board meeting in May, the Board discussed the development of a rate stabilization policy to assist in offsetting dramatic increases in the water rate charged by the EPCOR and the RWCG. In 2024 through to 2026, the RWCG had built their Balancing fund to be in excess of \$11 million and chose to reduce this fund to about \$5 million annually. To achieve this, the interim rate charged by the RWCG by EPCOR was lower than the actual rate calculated by EPCOR, as follows:

- 1) In 2024, the RWCG/EPCOR rate was \$0.90/m³ and the settlement is expected to reduce the fund balance by \$2.8 million (originally estimated \$4.0 million).
- 2) In 2025, the RWCG/EPCOR rate was \$1.00/m³ and the settlement is expected to reduce the fund balance by \$1.1 million (however is likely to be less with interest added).
- 3) In 2026, the RWCG/EPCOR rate was \$1.00/m³ and the settlement is expected to reduce the fund balance by \$1.5 million, as the predicted hot/dry weather did not materialize.

In discussions, the Board agreed in the principle that to offset the large increases, a self-supporting stabilization fund could be established. For instance, a differential of \$0.05/m³ using a total consumption of 7.0 million m³, the difference from the 2026 rate would be \$350,000. A difference of \$500,000 would be about \$0.071.

The Commission manager presented that at the RWCG technical meeting held on May 07, 2026, EPCOR made a presentation whereby at the moment, they are predicting their 2027 rate to increase to between \$1.10 to \$1.12 per m³. Early Budget estimates tend to be rather conservative in nature and we have noted that the actual rate (True-up) tends to be lower than original estimates by 3¢ to 4¢ per m³. While it is not known at this time, it is very likely that the RWCG will not hold the rate to \$1.00/m³. For 2027, the discussion at the RWCG was that the rate may increase to \$1.03/m³, dependant on the Balancing fund total. For 2027, the Commission manager budgeted \$1.05/ m³.



Request for Decision (RFD)

The CRN had a previous policy where the total of the balancing fund exceeded \$6.2 million, which was seen as grossly excessive. In 2025, the Board transferred this balance to the Capital Reserve.

A rate stabilization fund is meant to reduce the impact of a large rate increase projected within a single year. They are generally included in a budget and applied as a reserve transfer at the close of a year to offset the full impact of a rate increase.

For example, using Attachment 7d-1 2025 Settlement Agreement, if there was not a Balance Fund, CRN would owe \$468,600 to RWCG/EPCOR. With a rate stabilization fund in place, this amount would be paid from that amount. Of course, the CRN would have firstly budgeted a rate to compliment or somewhat mitigate a large payment such as this. As another example, the 2027 draft budget increases the rate to \$1.05/m³. If the RWCG adopts an interim rate of \$1.07/m³, CRN could use the rate stabilization fund to subsidize the impact of the rate and directly transfer the difference of \$140,000 from the Reserve into revenue to hold our rate internally to \$1.05/m³. The caveat is that the rate stabilization fund would be a priority replenishment from either surplus funds or a budgeted transfer the following year.

A policy can be drafted to establish the rate stabilization fund to a maximum of \$500,000 to be held within the Capital Reserve, as the reserve already has the provision of withdrawal of funds by a Board resolution for any reason deemed required by the Board.

Discussion (benefits/disadvantages):

There are advantages to having a rate stabilization fund providing the Board wishes to mitigate projected water rate increases over a period of time. In the past, it appears the CRN followed the RWCG and relied on the Balancing Fund to mitigate rate increases, however with projected increases in 2027, the Board may consider flattening the increase trend for members and/or customers.

Alternatives:

The Board can choose status quo and not adopt a rate stabilization policy.

Financial Implications:

A rate stabilization fund is a subsidy provided by the CRN to members and customers to reduce the impact of a rate increase which would be required to be replenished back into the fund as the Board deems necessary.



Request for Decision (RFD)

Legislation:

Intergovernmental:

N/A

Strategic Alignment:

The project aligns with the Board strategy of supplying water at an affordable rate.

Enclosure(s):

Signature of the Commission Manager:

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by several loops and a final 'M' shape, ending with a period. The signature is written over a horizontal line.



Request for Decision (RFD)

Meeting Date: Monday, September 28, 2026

Agenda Item: 7d

Topic: RWCG Issues

Presented By: Commission Manager

Recommendation:

1. That the Board accept the 2024 RWCG/EWSI Final Settlement Agreement for information and direct the Chair and CEO to affix their signatures to the 2024 Final Settlement Agreement between RWCG and EWSI.
 2. That the Board affirm that the goal of CRN is for the management and supply of water to members and customers pursuant to the EPCOR WSA. Further, any recommended peak flow multiplier reductions from the RWCG will be forwarded to the members and customers as information for their action, if they choose.
-

Background:

The RWCG Inc.: Is the trustee corporation with the specific purpose of being the water License holder on behalf of the members, including CRN. In 2023, the RWCG Members Agreement was amended with the principle change that the allocation provisions were eliminated in favour of an overall license withdrawal threshold of 80% before entering into a withdrawal increase with the Alberta Environment and EPCOR (See Attachment 7d-1).

Regional Water Customer Group: A voluntary and informal association of water service commissions, urban and rural municipalities who receive wholesale water services from EWSI. The current membership comprised of the City of St. Albert, the Capital Region Parkland Water Services Commission, the Capital Region Northeast Water Services Commission, the Capital Region Southwest Water Services Commission, Strathcona County, Sturgeon County, and the Town of Morinville. In 1993, the RWCG was recognized as a distinct customer class in receiving wholesale water from EPCOR. Each year, the RWCG negotiates and secures a rate from EPCOR (EWSI) and provides flow data to EPCOR. Strathcona County is the appointed as the RWCG and provides management, technical and advisory services to the RWCG (see Attachment 7d-3).

1.0 2024 EPCOR True-up

Attachment 7d-2 provides the 2024 True-up between EPCOR and the RWCG has been completed and as projected, the RWCG owes an additional \$2,794,373 to EPCOR, with the CRN share being \$468,551, as shown in Figure 1.0 below. These costs will be paid from the RWCG Balancing fund and is presented as information for the Board. The True-up was comprehensively reviewed by RWCG and Raftelis. The 2024 rate was \$0.90/m³ and the True-up rate was calculated at \$0.9733/m³.



Request for Decision (RFD)

The agreement is required to be signed and requires a motion for the Board Chair and CEO to sign the agreement (Attachment 7d-2).

EPCOR Water Services Inc.
Cost of Service by Customer
2024

		City of St. Albert	Capital Region Northeast	Capital Region Parkland	Capital Region Southwest	Strathcona County	Sturgeon County	Town of Morinville	Total RWCG
2024									
Consumption (m3)		5,699,684	6,158,705	6,074,636	6,936,316	10,126,077	434,009	1,306,196	36,729,625
Interim to Final Rate Adjustment									
Final Rate (\$ per m ³)		\$ 0.9733	\$ 0.9733	\$ 0.9733	\$ 0.9733	\$ 0.9733	\$ 0.9733	\$ 0.9733	\$ 0.9733
Interim Rate (\$ per m ³)		\$ 0.9000	\$ 0.9000	\$ 0.9000	\$ 0.9000	\$ 0.9000	\$ 0.9000	\$ 0.9000	\$ 0.9000
Difference (\$ per m ³)		0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733
SBRF Receivable (Payable)		417,054	451,433	445,271	508,579	742,241	31,813	95,891	2,662,281
2023 COS Solar Farm Adjustment*		(15,288)	(16,546)	(16,322)	(16,643)	(27,208)	(1,186)	(3,515)	(98,691)
Accrued Interest									
2024 Interest Charges	6.30%	12,647	13,690	13,503	15,423	22,508	965	2,906	81,643
2025 Interest Charges (to December 31, 2025)	4.45%	16,456	19,977	19,704	22,506	32,846	1,406	4,243	119,140
Balance December 31, 2025 (Payable)		\$ 432,869	\$ 468,551	\$ 462,155	\$ 527,864	\$ 770,387	\$ 33,019	\$ 99,527	\$ 2,794,373

*2023 COS solar farm export credit adjustment has been included as part of this 2024 settlement. The 2023 solar export credit adjustment was calculated while responding to 2024 information request, see EWSI-RWCG-20

Per AUC Rule 23

Interest will be calculated at a rate equal to the Bank of Canada's Policy Interest Rate plus 1.34%, subject to any previously approved Commission procedure for awarding interest. (Based on V39079 at bankofcanada.ca)

Date	Number of Days	Policy Rate	Policy Rate + 1.75%	Weighted Average Rate
01-Jan-24				
06-Jun-24	157	5.00%	6.75%	
25-Jul-24	49	4.75%	6.50%	
05-Sep-24	42	4.50%	6.25%	
24-Oct-24	49	4.25%	6.00%	
12-Dec-24	49	3.75%	5.50%	
01-Jan-25	20	3.25%	5.00%	
	366			6.30%
01-Jan-25				
30-Jan-25	29	3.25%	5.00%	
13-Mar-25	42	3.00%	4.75%	
18-Sep-25	189	2.75%	4.50%	
30-Oct-25	42	2.50%	4.25%	
01-Jan-26	63	2.25%	4.00%	
	365			4.45%

Figure 1.0 – EWSI/RWCG Summary

- The true-up utilizes the Base-Extra Capacity methodology as per the AWWA M1 manual and jointly developed between the RWCG and EPCOR. A key component of this method is to calculate the value of extra capacity, which is derived from RWCG the 5 day max day period. Actual costs of operations/treatment are functionalized and distributed between the various customer classes. Basically, the higher the 5 day, the greater the extra capacity. In the true-up, CRN represents about 16.5% of the RWCG consumption and about 16.8% of the total cost.

CRN is in a unique position in this matter, as it receives water directly from EPCOR (1980) and Strathcona County (1970) from the design of the system. In 2025 and 2026 as a result of the equine centre requiring fire flow, approximately 30% of the CRN's total consumption is now being supplied by the southside pipe. As a result, there has always been a bit of a disconnect between the total CRN consumption and the reported RWCG CRN consumption because the RWCG only report EPCOR volumes at the NSMV.

In the EPCOR True-up, the SSMV flow is part of Strathcona County's total.

Request for Decision (RFD)

2.0 RWCG Recommendations for flow Reductions

- a) Strathcona County provides an annual draw to CRN based on formula which uses previous year consumption values, which does not include flow from the SSMV from Strathcona County in the south pipe. The result is that in previous years, the CRN regulated the NSMV flow to the requested RWCG draw rate and then made further adjustments when the RWCG recommended reduced the peak multiplier. Figure 2.0 below, shows the actual billing rate from EPCOR against the actual total consumption

CRNWSC Water Consumption						
	a+c+e	a	b	c	d	e
2024	Total Meter Purchased m3	EPCOR Billing m3	Total RWCG True Up m3	South MV m3	Sturgeon Svcs (before NSMV) m3	Strathcona County
Total m3	6,414,577	6,203,203	6,158,705	224,272	15,713	-12,899
Total \$	5,794,260	5,582,887	5,542,835	224,272	14,142	-12,899
	\$ 0.903	\$ 0.900	\$ 0.900	\$ 1.000	\$ 0.900	\$ 1.000
2024 ADD	17,574.2	16,995.1	16,873.2			
ADD RWCG "Recommended"			16,032.0			

	a+c+e	a	a-d	c	d	e
2025	Total Meter Purchased m3	EPCOR Billing m3	Total RWCG True Up m3	South MV m3	Sturgeon Svcs (before NSMV) m3	Strathcona County
Total m3	6,493,422	5,881,578	5,864,785	629,640	16,793	-17,796
Total \$	6,498,473	5,880,009	5,864,785	637,587	16,793	-19,123
	\$ 1.001	\$ 1.000	\$ 1.000	\$ 1.013	\$ 1.000	\$ 1.075
2025 ADD	17,790.2	16,113.9	16,067.9			
ADD RWCG "Recommended"			16,152.0			

flow by CRN in 2024.

Figure 2.0 EWSI/RWCG/CRN Comparison

The issue is that JSB is on record to state they will not be tolerant of a flow reduction as recommended by the RWCG. The CRN is not able to manage current draws through the Northside pipe with the recommended draw rates suggested by the RWCG, as they do not represent typical CRN annual flows, with growth, and 97% of total flow through the NSMV.

- b) The AUC and JSB have each questioned the legitimacy of the past practice of CRN rigidly enforcing the RWCG recommended annual draw rate and peak reduction multipliers, particularly when these peak reductions are not imposed by EPCOR. The peak multiplier reductions tend to have an effect of a temporary activation of Water Demand Management strategies for the CRN members and customers to satisfy the rate. The purpose of the recommended reductions is to assist in the reduction of overall costs to the RWCG membership group. Please refer to Attachment 7d-3(4).



Request for Decision (RFD)

The Board has reviewed the CRN vision and mission to equivocally state that the purpose of the CRN is to supply water as required to our customers within the EPCOR WSA. The CRN does not have any real jurisdiction to direct customers to reduce water consumption when EPCOR has not provided notification of a flow reduction.

The recommendation is that the Board affirm that the goal of CRN is for the management and supply of water to members and customers pursuant to the EPCOR WSA. Further, that any recommended peak flow multiplier reductions from the RWCG will be forwarded to the members and customers as information for their action, if they choose.

Discussion (benefits/disadvantages):

The CRN enjoys the overall benefits of the lower costs in the true-up to EPCOR (as approximately 17% of the total RWCG annual consumption. However the Board has been quite clear that the CRN is firstly a water supply utility. Prior to 2026, CRN rigidly enforced the RWCG annual draw rate and their recommendations to reduce the peak multiplier at Online Reservoir and the Ft. Sask meters (not supplied by Online). Customers and members were advised of the reductions being in place and were advised to reduce consumption accordingly.

The RWCG may object to the CRN Board formally acknowledging a change in policy.

Alternatives:

The Board can choose previous status quo, which may affect the draw rates (ADD and peak) of our customers, especially during peak periods identified by the RWCG. CRN may incur a liability if there is not jurisdiction to order flow reductions outside of the EPCOR WSA.

Financial Implications:

An analysis is required to be undertaken to determine any financial impacts to the CRN.

Legislation:



Request for Decision (RFD)

Intergovernmental:

N/A

Strategic Alignment:

The project aligns with the Board strategy of supplying water at an affordable rate.

Enclosure(s):

3 Attachments

Signature of the Commission Manager:

A handwritten signature in blue ink, consisting of a large loop followed by several smaller loops, ending with a period. The signature is written over a horizontal line.

THIS AGREEMENT made as of the 18th day of September, 2023

AMONG:

CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

AND

CAPITAL REGION PARKLAND WATER SERVICES COMMISSION

AND

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

AND

CITY OF ST. ALBERT

AND

STRATHCONA COUNTY

AND

STURGEON COUNTY

AND

TOWN OF MORINVILLE

(collectively the "Members")

AND

REGIONAL WATER CUSTOMERS GROUP INC.

(the "Trustee Corporation")

AMENDED AND RESTATED MEMBERSHIP AND TRUST AGREEMENT

WHEREAS:

- A. The Members entered into a Membership and Trust Agreement dated May 20, 2014 (the "Prior Agreement");
- B. The Members desire to participate in the acquisition, management and usage of the License;
- C. The Members have agreed to acquire, own, operate, manage, lease and sell the License pursuant to the terms of this Agreement;
- D. The parties hereto have deemed it expedient and advisable to enter into this Agreement for the purpose of establishing their respective rights and obligations in relation to the Project;
- E. The Trustee Corporation is the legal owner of the License;
- F. The Trustee Corporation has agreed to hold legal title to the License as bare trustee on behalf of the Members pursuant to the terms of this Agreement;
- G. Due to easier calculations, the Members have agreed to contribute to the costs pertaining to the Project, in accordance with each Member's Proportionate Cost Responsibility; and
- H. Each Member has agreed that the Members' entitlement to the supply of water in accordance with the License shall not be subject to restriction or proportional allocation except as set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree each with the other as follows:

ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Agreement, the following terms shall have the meanings herein specified:

- (a) **"Board of Directors"** means a duly constituted meeting of the entirety of the Board of Directors;
- (b) **"Defaulting Member"** has the meaning as described thereto in Section 14.2;
- (c) **"Director"** means a duly appointed director of the Trustee Corporation;
- (d) **"Effective Date"** is the date of the incorporation of the Trustee Corporation;
- (e) **"Event of Default"** means any of the events or circumstances provided for in Section 14;
- (f) **"Existing or Planned Future Customer(s)"** means a municipality, government authority, corporation, partnership, syndicate, joint venture, co-operative, association, individual, or other entity of any kind whatsoever to whom a Member supplies water to as of the date of this Agreement, or plans to supply in the future, as definitively enumerated for each respective Member in Schedule "B";
- (g) **"License"** means that water diversion licenses that have been, or will be issued by the Province of Alberta, to permit the extraction of water from the North Saskatchewan River for the general usage of its Members, including but not limited to the following:
 - (i) License No. 00351924-00-00, as issued as of the Effective Date October 19, 2020, with priority number of 2014-06-03-0001; and
 - (ii) Preliminary Certificate 00567643-00-00, as issued on October 19, 2020 with priority number 2014-06-03-0002;
- (h) **"Member(s)"** means the City of St. Albert, Capital Region Northeast Water Services Commission, Sturgeon County, Capital Region Parkland Water Services Commission, Capital Region Southwest Water Services Commission, Town of Morinville and Strathcona County initially, and any other person who becomes a party to this agreement pursuant to the terms of this Agreement or otherwise, collectively or individually where the context of this Agreement so requires;
- (i) **"New Customer(s)"** means a municipality, government authority, corporation, partnership, syndicate, joint venture, co-operative, association, individual, or other entity of any kind whatsoever to whom a Member does not supply water to as of the date of this Agreement;
- (j) **"Non-Defaulting Member"** has that meaning as described thereto in Section 14.2;
- (k) **"Project"** means the Members causing:
 - (i) the incorporation of the Trustee Corporation;
 - (ii) the joint control of the Trustee Corporation;
 - (iii) the sharing of the License in equal and undivided proportions;
 - (iv) the sharing of costs pertaining to the Project and holding of the License in accordance with each Member's Proportionate Cost Responsibility;
- (l) **"Proportionate Cost Responsibility"** means each Members' obligation to contribute to all expenses of the Project which shall be determined by multiplying the cost to be apportioned to each Member by that fraction, having as its numerator, that volume of water supplied to that Member for the preceding calendar year and as its denominator, the aggregate volume of water supplied to all Members for the preceding calendar year;

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- (m) **"Special Resolution"** means a resolution passed:
 - (i) at a meeting of the Members with a vote of not less than 75 % of those Members who vote on the resolution; or
 - (ii) a resolution consented to in writing by all of the Members who would have been entitled at a meeting to vote on the resolution in person;
- (n) **"Threshold Water Usage"** means when the aggregate amount of water supplied to the Members in a calendar year exceeds eighty (80%) percent of the total amount of water permitted to be diverted under the License.

The parties hereby confirm and ratify the matters contained and referred to in the Preamble to this Agreement and agree that same is expressly incorporated into and form part of this Agreement.

ARTICLE 2 - PURPOSE

- 2.1 This Agreement replaces and supersedes in its entirety the Prior Agreement between the Members and the Trustee Corporation.
- 2.2 The Members hereby enter into and form a joint venture for the limited purpose and scope set forth in this Agreement.
- 2.3 The sole purpose of the Project is for the Trustee Corporation to acquire and hold the License for the benefit of each Member.

ARTICLE 3 - ACQUISITION OF LICENSE

- 3.1 For the purpose of registered ownership of the License, the Project, together with any improvements or business carried on in conjunction therewith, the parties have caused to be incorporated the Trustee Corporation. Save and except for as otherwise agreed to, the Trustee Corporation shall not carry on, nor be permitted to carry on, any business of any nature or kind whatsoever in its own right, and shall be restricted in all of its activities to the performance of its function as nominee as herein set forth.
- 3.2 The parties hereto agree that the Trustee Corporation shall hold and continue to hold the License and the Project in its name as legal, bare trustee only and the Members shall carry on all of their dealings with regard to the Project through the operation of the Trustee Corporation in accordance with the terms of this Agreement. The Trustee Corporation shall carry on business relative to only the Project and only in accordance with this Agreement and shall hold no assets other than for the beneficial ownership of the Members.
- 3.3 The parties hereto acknowledge that the Trustee Corporation shall hereafter have no beneficial right, title, claim or interest whatsoever in the Project or License or any assets or property used in connection therewith, and that all assets and property comprised or used in connection with the Project or License shall be obtained and held by or on behalf of the Members in equal proportions.
- 3.4 The Trustee Corporation hereby accepts its appointment and declares that it shall hold and continue to hold the Project as bare trustee for the Members in accordance with the terms of this Agreement. Without limiting the obligations of the Trustee Corporation as set forth in this Agreement, the following provisions shall apply:

- (a) the Trustee Corporation shall perform such activities and enter into such agreements and instruments in connection with the Project as the Members, in accordance with the terms of this Agreement, shall direct from time to time;
- (b) the Trustee Corporation shall:
 - (i) at all times comply with the provisions of this Agreement and follow the directions of the Members;
 - (ii) act solely on the directions of the Members and no other person; and

- (iii) not acquire or hold any property, incur any liability, undertake any obligation or perform any activity except on the directions of the Members, and in connection with the Project;

ARTICLE 4 - DIVERSION OF WATER

4.1 The Members acknowledge and agree that upon the execution of this Agreement their respective interest in the Project and in any and all agreements relating to the Project are undivided and equally apportioned between them.

4.2 Prior to meeting or exceeding the Threshold Water Usage, the Trustee Corporation shall permit each Member to divert as much water as the Member requires to satisfy its own water usage demands and the water usage demands of

- (a) its Existing or Planned Future Customers; and
- (b) any New Customers desiring the supply of water from the Member,

provided that no Member shall be permitted to supply water to a New Customer that is an Existing or Planned Future Customer of another Member unless it receives the prior written consent of that Member.

4.3 Upon meeting or exceeding the Threshold Water Usage,

- (a) the Members shall negotiate in good faith the proportionate allocation of the remaining volume of water permitted to be diverted under the License; and
- (b) the Trustee Corporation shall permit each Member to divert water in accordance with the proportionate allocation negotiated by the Members.

4.4 In the event that the Members are unable to agree to the proportionate allocation of the remaining volume of water under Section 4.3(a) of this Agreement, the Members shall refer the matter to the Dispute Resolution Procedure attached hereto as Schedule "A" for determination.

ARTICLE 5 - CONTRIBUTION

5.1 It is the intent of the Members that all costs associated with the acquisition and maintenance including, without limitation, all regulatory fees and professional fees incurred by the Trustee Corporation, are to be satisfied by each Member in accordance with their respective Proportionate Cost Responsibility.

ARTICLE 6 - EXPENSES OF PROJECT AND LIABILITY OF MEMBERS

6.1 All costs and expenses incurred in the Project shall be borne by each Member in proportion to its Proportionate Cost Responsibility at the time such cost, loss or expense is incurred.

6.2 Any cost or liability which may be incurred by any Member in connection with the Project or any portion thereof shall be borne by each Member in proportion to its Proportionate Cost Responsibility at the time such liability was incurred, provided that if such liability is incurred by such Member either:

- (a) as a result of anything done by him without the prior authorization or subsequent sanction of the other Members; or
- (b) as a result of his fraudulent or gross negligence;

then such liability shall be borne solely by that Member.

6.3 Except as otherwise provided in this Agreement or in the event of an emergency or an event of *force majeure*, if any Member shall at any time incur, make payment of or discharge any debt or other obligation in connection with the Project that is properly and rightfully the obligation of the Project, then each Member shall make contribution in respect thereof in proportion to its Proportionate Cost Responsibility at the time such debt or other obligation was incurred; provided that if such debt or other obligation was incurred by any Member as a result of anything done by him in breach

of this Agreement or without the prior authorization or subsequent sanction of the other Members, then the other Members shall not be required to make such contribution.

ARTICLE 7 - FINANCING

7.1 Payment of Fees

Each Member agrees that each of them shall be responsible for their respective payment of dues or such other amounts to the Trustee Corporation, such as is set forth in the Bylaws.

7.2 Non-Payment Constitutes Event of Default

In the event that a Member does not pay all or a portion of those amounts that it is obligated to pay to the Trustee Corporation as set forth in the Bylaws (a "Defaulting Member"), this shall constitute an event of default ("Event of Default").

7.3 Default Loan

In addition to any other rights of the Non-Defaulting Members herein provided for, any Non-Defaulting Member may elect to make and, if so, is hereby irrevocably authorized by the Defaulting Member to make such contribution on behalf of the Defaulting Member (hereinafter in this Article referred to as the "Default Loan"). The amount of the Defaulting Loan shall constitute a debt owed by the Defaulting Member to the Non-Defaulting Member who has made the Default Loan, in which event the Defaulting Member shall pay or cause to be paid to such Non-Defaulting Member who has made the Default Loan:

- (a) the amount of the Default Loan; and
- (b) the reasonable costs of the Non-Defaulting Member relating to obtaining monies to make the Default Loan; and
- (c) interest on the amount of the Default Loan outstanding from time to time calculated and payable monthly on the first day of each and every calendar month at a rate equal to the Prime Rate at the time the Default Loan is made plus six (6%) percent per annum.

ARTICLE 8 - ADDITIONAL CAPITAL CONTRIBUTIONS BY MEMBERS

8.1 The Members acknowledge and agree that additional funds may need to be required to be contributed by the Members for the Project. Such funds shall be contributed by each Member in proportion to its Proportionate Cost Responsibility at that time and in accordance with Article 6 herein.

8.2 A formal written request for additional funds shall be delivered by the Trustee Corporation to each Member. Each Member shall advance the monies so requested within thirty (30) days of the receipt of the written request for additional funds.

ARTICLE 9 - BANKING

9.1 The Members agree that the banking for the Project shall be done in such chartered bank or other financial institution as from time to time shall be determined by the Members, and such bank account shall be maintained under the style and firm name of the Trustee Corporation or such other name as the Members shall agree, and the Members shall deliver such necessary banking resolutions as may be required. Two (2) designated persons, or any two (2) of the Directors of the Trustee Corporation pursuant to an on-going appointment, may be appointed by the Members from time to time to draw cheques on behalf of the Members and shall sign, endorse and accept on their behalf any bills, notes, cheques, drafts, or any other instruments respecting the operation of such account. All monies received from time to time on account of the affairs herein contemplated shall be immediately paid into the account in the same draft, cheques, bills or cash in which they are received, and as monies are required for the payment of obligations arising in respect of the Project, the same shall be made by cheque drawn on the account, in accordance with the provisions of this Agreement.

ARTICLE 10 - MANAGEMENT AND MEETINGS OF THE MEMBERS

10.1 Subject to Article 10 hereof, the overall management and control of the affairs of the Project shall be vested in the Board of Directors.

10.2 Notwithstanding any bylaws of the Trustee Corporation to the contrary, the Members shall each be entitled to appoint one Director to the Board of Directors.

10.3 Each Member shall advise the Trustee Corporation who each Director shall be from time to time.

10.4 Only that Member that appointed its Director may cause that Director to be removed or replaced.

ARTICLE 11 - FUNDAMENTAL DECISIONS

11.1 Notwithstanding Article 10 hereof, the Board of Directors shall not authorize the Trustee Corporation to do any of the following without a Special Resolution:

- (a) enter into any contract outside of the Trustee Corporation's ordinary course of business of the Project;
- (b) provide additional services besides those services that are the Project;
- (c) amend the terms of the License;
- (d) cancel the License;
- (e) transfer the License;
- (f) temporarily assign the License;
- (g) permit any other person other than the Members to be a Member of the Trustee Corporation;
- (h) change the Articles of the Trustee Corporation;

11.2 If at any meeting of the Members, any matter set is considered and the matter is neither approved nor adjourned for further consideration, in either case by the Members at such meeting, then notwithstanding any intermediate acts or negotiations any Member shall be entitled to refer the dispute, and, to the extent that it is necessary or reasonable in all of the circumstances, any related question or dispute, to be resolved pursuant to the Dispute Resolution Procedure attached hereto as Schedule "A".

ARTICLE 12 - USE OF REVENUE, AUDIT AND BOOKS OF ACCOUNT

12.1 The Board of Directors shall appoint an accountant or manager to maintain or cause to be maintained full books of account and correct entries of all receipts and expenditures involved in the Project and the Trustee Corporation, such books of account to be maintained in accordance with the accounting standards determined by and satisfactory to the Members, provided that such accounts shall at all times be the property of the Members and shall at all times be open for the inspection of the Members or any of them. Such books of account shall be in the possession of the accountant or manager who is engaged, who shall be entitled to compensation for maintaining such books of account. All costs incurred pursuant to this Article shall be a cost of the Project.

ARTICLE 13 - SALE, TRANSFER OR MORTGAGE

13.1 No person shall be entitled to become a Member pursuant to this Agreement unless it first enters into a written agreement with the Members and the Trustee Corporation pursuant to which that person undertakes to assume all of the obligations arising out of this Agreement and to be bound by the terms hereof.

13.2 Except as expressly permitted herein, no Member shall sell, assign, transfer, mortgage, charge or otherwise encumber or suffer any third party to sell, assign, transfer, mortgage, charge or otherwise encumber or contract to do so or permit any of the foregoing, whether voluntarily or by operation of law, all or any part of its interest in the License without the written consent of the other Members and any attempt to do so shall be void. The giving of such consent in any one or more instances shall not limit or waive the need for such consent in any other or subsequent instances.

ARTICLE 14 - EVENTS OF DEFAULT

14.1 Any of the following events shall constitute an event of default hereunder with respect to the Member in question:

- (a) if a Member shall file a petition in bankruptcy or for re-organization or for any arrangement pursuant to any applicable bankruptcy law or under any similar law, now or hereafter in effect, or shall be adjudicated a bankrupt, or shall make an assignment for the benefit of its creditors, or shall commit any act of bankruptcy which has not been rectified within, five (5) business days after notice thereof, or shall be dissolved;
- (b) if a petition or answer shall be filed proposing the adjudication of a Member as a bankrupt or its re-organization pursuant to any applicable bankruptcy law or any similar law, now or hereafter in effect, and
 - (i) such Member shall consent to the filing thereof; or
 - (ii) such petition or answer shall not be discharged or denied within thirty (30) days after the filing thereof;
- (c) if a Member shall default in any other obligation concerning:
 - (i) the License;
 - (ii) any water supply agreement between one or more of the Members;
 - (iii) any applicable environmental law, which default may either adversely impact the License or the right to divert water by any Member;
- (d) if a Member shall default in providing any funds within such time limits as set out in this Agreement, including, without limitation, a default pursuant to Section 7 hereof;
- (e) if a Member shall fail to execute and deliver without lawful excuse any deed or other instrument which may be desirable or necessary to accomplish any purpose of this Agreement within fifteen (15) days of a request in writing;
- (f) if a Member shall fail in any other material respect to observe, perform or comply with any agreement, condition or obligation required by this Agreement to be observed, performed or complied with by such Member, and such failure shall continue for a period of thirty (30) days after notice of such failure and a demand for performance, observance or compliance shall have been given by any of the other Members; provided, however, that if the nature of such failure is such that it cannot be cured by a payment of money and cannot be cured within a period of thirty (30) days, such Member shall have such additional time as may be necessary as long as the curing of such default is commenced promptly and is prosecuted with due diligence to completion.

14.2 Any Member that has not committed an Event of Default (hereinafter in this Article referred to as the "Non-Defaulting Member") shall have the right, but shall not be obliged, to perform, comply or observe any obligation or covenant in question on behalf of the Member in default (hereinafter in this Article referred to as the "Defaulting Member") as provided for in this Agreement.

14.3 The provision in this Agreement of certain remedies which are available after the occurrence of an Event of Default is not intended to be exclusive, and the remedies contained in this Agreement are intended to be cumulative and in addition to any other remedies which may at the time be available at law or equity. Without limiting the generality of the foregoing, in the event that a Member shall at any time commit an Event of Default then the Non-Defaulting Members shall be entitled to specific performance or an order restraining and enjoining such Event of Default, as the case may be, and the Defaulting Member shall not plead in defence thereto that there would be an adequate remedy at law, it being recognized and agreed that the injury and damage resulting from an Event of Default would be impossible to measure monetarily.

14.4 Without limiting the generality of Section 14.3 hereof, the Non-Defaulting Member may additionally exercise those remedies that it may have against the Defaulting Member pursuant to any agreement or relationships in place between the Defaulting Member and the Non-Defaulting Members.

14.5 Subject to the terms of this Agreement, if an Event of Default shall have occurred and be continuing, the Defaulting Member, for so long as the Event of Default continues and remains uncured, shall not be entitled to have its representatives vote in respect of any question considered by the Project nor have its directors on the board of directors of the Trustee Corporation vote in respect of any question considered by such board, which question, in either case, shall be decided by the representatives of the Non-Defaulting Member, but such representatives of the Defaulting Member will continue to be entitled to receive notice of and attend meetings. If an Event of Default shall have occurred and be continuing then, for so long as the Event of Default continues, a quorum of the representatives shall be deemed to exist so long as a majority of the board of directors who are appointed by Non-Defaulting Members are present.

14.6 Upon the occurrence of an Event of Default, the Non-Defaulting Members may do any one or more of the following:

- (a) pursue any remedy available to them in law or in equity, it being acknowledged that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default;
- (b) pursue any remedy available to them in any other agreement in place between the Defaulting Member and either the Trustee Corporation or a Non-Defaulting Member, as the case may be;
- (c) take such actions in their own names or in the name of the Defaulting Member or the Trustee Corporation, as may reasonably be required, to cure the default, the costs of which shall be deemed to be a debt owing by the Defaulting Member to the party (whether it be the Trustee Corporation or one or more Non-Defaulting Member);
- (d) waive the default provided, however, that any waiver of a particular default shall not operate as a waiver of any subsequent or continuing default;
- (e) terminate the Defaulting Member's membership of the Trustee Corporation. In the event that such a termination occurs, the Defaulting Member's entitlement to divert water pursuant to the License shall also terminate.

ARTICLE 15 - PROHIBITIONS AGAINST ENCUMBRANCES AND PARTITION

15.1 The Members agree that no mortgage, lien, or other encumbrance shall be placed upon the License, any membership in the Trustee Corporation or against the Trustee Corporation itself except in accordance with Section 13.2 of this Agreement.

15.2 The parties hereto agree that in order not to impair the operation of the License, the Members shall not be at liberty to pledge, mortgage, encumber, charge, assign, hypothecate, or deal in any manner with their interest in the License, except as provided in this Agreement, without the consent in writing of the other Members.

15.3 No Member shall have the right to partition, nor shall it make any application to or permit any Court or other authority having jurisdiction over the matter, nor commence nor prosecute any action for partition and sale and the other Members shall, in addition to all other rights and remedies in law and in equity, be entitled to a decree or Order restraining and enjoining such application, petition, action or proceeding, and the offending Member shall not plead in defence thereto that there would be an adequate remedy at law; it being recognized and agreed that the injury and damage resulting from such breach would be impossible to measure monetarily, and each Member hereby expressly waives any statute, law, rule or regulation which may provide it with rights to partition.

ARTICLE 16 - NOTICES AND OBLIGATIONS

16.1 Each Member shall cause all notices which may in any way affect:

- (a) the obligations and responsibilities of the Members; or
- (b) the License;

to be directed or forwarded to the other parties. The Members shall determine what steps to take in connection with any proceedings set out in any notice. The decision of the majority of the committee of representatives of the Members shall govern, subject to the terms of this Agreement. Each Member may also take whatever steps it may deem necessary or advisable to protect its own interest.

ARTICLE 17 - TERM

17.1 This Agreement shall terminate upon:

- (a) the unanimous consent of the Members; or
- (b) the beneficial ownership of the License becoming vested in one Member;
- (c) the termination of the License;

provided that the provisions of this Agreement shall survive its expiration to the extent necessary to give effect thereto.

ARTICLE 18 - FORCE MAJEURE

18.1 If any of the Members shall fail to meet its obligations hereunder within the time prescribed, and such failure shall be caused or materially contributed to by *force majeure*, such failure shall be deemed not to be a breach of the obligations of such Member hereunder and the time for the performance of such obligations shall be extended accordingly (to a maximum of one hundred and eighty (180) days). For the purposes of this Agreement, *force majeure* shall mean any acts of God, strikes, lockouts or other industrial disturbances, acts of the Queen's enemies, sabotage, war, blockades, insurrections, riots, epidemics, lightning, earthquakes, floods, storms, fires, washouts, nuclear and radiation activity or fallout, arrests, and restraints of rulers and people, civil disturbances, explosions, breakage of or accident to machinery, inability to obtain materials or equipment, any legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means, any act, omission or event whether of the kind herein enumerated or otherwise not within the control of such Member, and which by the exercise of due diligence such Member could not have prevented, but lack of funds on the part of such Member shall be deemed not to be a *force majeure*.

ARTICLE 19 - GENERAL

19.1 Notices

- (a) Whether or not so stipulated herein, all notices, communication, requests and statements (the "Notice") required or permitted hereunder shall be in writing.
- (b) Any Notice required or permitted hereunder shall be sent to the intended recipient at its address as follows:
 - (i) City of St. Albert
5 St Anne Street
St. Albert, Alberta
T8N 3Z9
Attention: Senior Manager and/ or Manager of Utilities
E-mail: rlfebvre@stalbert.ca and/ or bbrost@stalbert.ca
 - (ii) Capital Region Northeast Water Services Commission
P.O. Box 3438
Sherwood Park, Alberta
T8H 2T3
Attention: Commission Manager
Fax: (780) 464-0557
E-mail: CRNWSC-MGR@outlook.com

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- (iii) Sturgeon County
9613 – 100 Street
Morinville, Alberta
T8R 1L9
Attention: Chief Operations Manager
Fax: (780) 939-3003
E-mail: smacdougall@sturgeoncounty.ca
- (iv) Capital Region Parkland Water Services Commission
c/o Town of Stony Plain
4905-51 Avenue
Stony Plain, Alberta
TT9E 4C4
Attention: Manager
E-mail: akhan@stonyplain.com
- (v) Capital Region Southwest Water Services Commission
c/o The City of Leduc
1 Alexandra Park
Leduc, Alberta
T9E 4C4
Attention: Commission Manager
Fax: (780) 980-7127
E-mail: solson@leduc.ca
- (vi) Town of Morinville
10125 – 100 Avenue
Morinville, Alberta
T8R 1L6
Attention: General Manager
Fax: (780) 939-5633
E-mail: Sharlene.Edwards@morinville.ca
- (vii) Strathcona County
2001 Sherwood Drive
Sherwood Park, Alberta
T8A 3W7
Attention: Manager
Fax: (780) 464-0557
E-mail: Tammy.Lockhart@strathcona.ca
- (viii) Regional Water Customers Group Inc.
c/o Strathcona County
Sherwood Park, Alberta
T8A 3W7
Attention: Manager
Fax: (780) 464-0557
E-mail: Tammy.Lockhart@strathcona.ca

or to such other address as each Member and the Trustee Corporation may from time to time direct in writing.

- (c) Notice shall be served by one of the following means:
 - (i) by delivering it to the address specified in (a) during normal business hours. Notice delivered in this manner shall be deemed received when actually delivered;
 - (ii) by fax or email to the Member on whom it is to be served. Notice delivered in this manner shall be deemed received on the earlier of:

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- (A) if transmitted before 3:00 p.m. on a Business Day, on that Business Day; or
- (B) if transmitted after 3:00 p.m. on a Business Day, on the next Business Day after the date of transmission; or
- (iii) by mailing via first class registered post, postage prepaid, to the Member to whom it is served. Notice so served shall be deemed to be received five (5) days after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received.

19.2 Governing Law

This Agreement shall be construed and governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the parties irrevocably attorn to the exclusive jurisdiction of the Courts of the Province of Alberta.

19.3 Time of Essence

Time shall be of the essence of this Agreement.

19.4 Headings

The headings, captions, paragraph numbers, sub-paragraph numbers, article numbers and indices appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit, construct or enlarge the scope or meaning of this Agreement or any provisions hereof.

19.5 No Authority

Except as may from time to time be expressly stated in writing by all Members or as otherwise stated in this Agreement, no Member has authority to assume or create any obligation whatsoever, expressed or implied, on behalf of or in the name of the other Members, nor to bind the other Members in any manner whatsoever.

19.6 Agreement Entire Relationship

This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and the parties acknowledge and agree that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Agreement save as expressly set out in this Agreement.

19.7 Further Assurances

Each of the parties do hereby agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.

19.8 Amendments

This Agreement may not be altered or amended in any of its provisions, except where any such changes are reduced to writing and executed by the parties.

19.9 Waiver

No consent or waiver, express or implied, by any Member to or of any breach or default by any Member in the performance of another Member of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such Member hereunder. Failure on the part of any Member to complain of any act or failure to act of another Member or to declare another Member in default, irrespective of how long such failure continues, shall not constitute a waiver by such Member of its rights hereunder.

19.10 Counterparts

This Agreement may be executed and delivered in any number of counterparts, by facsimile copy, by electronic or digital signature or by other written acknowledgement of consent and agreement to be legally bound by its terms. Each counterpart when executed and delivered will be considered an original but all counterparts taken together constitute one and the same instrument.

19.11 Statutory Reference

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto and promulgated thereunder with all amendments made thereto and in force from time to time and any final judicial decisions interpreting the same, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

19.12 Unenforceability

If any term, covenant or condition of this Agreement or the application thereof to any Member or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a Member or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest permitted by law.

19.13 Remedies Generally

Mention in this Agreement of any particular remedy of a Member in respect of a default by another Member does not preclude the other Members from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Agreement. No remedy shall be exclusive or dependent upon any other remedy, but a Member may from time to time exercise any one of more of such remedies generally or in combination, such remedies being cumulative and not alternative.

19.14 Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof.

19.15 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of each of the Members.

19.16 Assignment

No Member shall assign its interest in this Agreement, or any part hereof, in any manner whatsoever without having first received written unanimous consent from the other Members.

19.17 Requests for Consent

All Members shall provide any decision with regard to a request for consent in a timely manner.

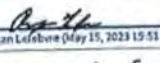
19.18 Construction

This Agreement shall be interpreted according to its fair construction and shall not be construed as against any Member hereto.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective the day and year first above written.

CITY OF ST. ALBERT

Per: 
Brian Brost (May 15, 2023 15:24 MDT)
 Name: Brian Brost
 Title: Manager of Utilities

Per: 
Regan Lefebvre (May 15, 2023 15:53 MDT)
 Name: Regan Lefebvre
 Title: Senior Manager of Utilities

STURGEON COUNTY

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

STRATHCONA COUNTY

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

CAPITAL REGION PARKLAND WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

TOWN OF MORINVILLE

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

REGIONAL WATER CUSTOMERS GROUP INC.

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective the day and year first above written.

CITY OF ST. ALBERT

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

Per: [Signature]
 Name: LYLE CLARKE
 Title: Commission Manager
 Per: [Signature]
 Name: Rob Olsen
 Title: Chairman

STURGEON COUNTY

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION PARKLAND WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

TOWN OF MORINVILLE

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

STRATHCONA COUNTY

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

REGIONAL WATER CUSTOMERS GROUP INC.

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective the day and year first above written.

CITY OF ST. ALBERT

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

STURGEON COUNTY

Per: Jeffrey YanevName: Jeffrey YanevTitle: Manager, utility + waste mgmt
services

Per: _____

Name: _____

Title: _____

CAPITAL REGION SOUTHWEST WATER
SERVICES COMMISSION

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

STRATHCONA COUNTY

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

CAPITAL REGION NORTHEAST WATER
SERVICES COMMISSION

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

CAPITAL REGION PARKLAND WATER
SERVICES COMMISSION

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

TOWN OF MORINVILLE

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

REGIONAL WATER CUSTOMERS GROUP INC.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective the day and year first above written.

CITY OF ST. ALBERT

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

STURGEON COUNTY

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

STRATHCONA COUNTY

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION PARKLAND WATER SERVICES COMMISSION

Per: _____
 Name: Amir Khan
 Title: Commission Manager
 Per: _____
 Name: _____
 Title: _____

TOWN OF MORINVILLE

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

REGIONAL WATER CUSTOMERS GROUP INC.

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective the day and year first above written.

CITY OF ST. ALBERT

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

STURGEON COUNTY

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Per: _____

Name: Shawn Olson

Title: Manager CRSWSC

Per: _____

Name: _____

Title: _____

STRATHCONA COUNTY

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

CAPITAL REGION PARKLAND WATER SERVICES COMMISSION

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

TOWN OF MORINVILLE

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

REGIONAL WATER CUSTOMERS GROUP INC.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

- 13 -

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective the day and year first above written,

CITY OF ST. ALBERT

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

STURGEON COUNTY

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

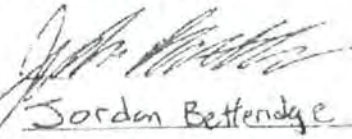
CAPITAL REGION PARKLAND WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

TOWN OF MORINVILLE

Per: 
 Name: Jordan Bettendge
 Title: acting General Manager
 Per: _____
 Name: _____
 Title: _____

STRATHCONA COUNTY

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

REGIONAL WATER CUSTOMERS GROUP INC.

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

- 13 -

CITY OF ST. ALBERT

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION NORTHEAST WATER
SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

STURGEON COUNTY

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION PARKLAND WATER
SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

CAPITAL REGION SOUTHWEST WATER
SERVICES COMMISSION

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

TOWN OF MORINVILLE

Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

STRATHCONA COUNTY

Per: Jacqueline Roblin
 Name: Jacqueline Roblin, Manager
 Title: Legislative Services and Contract Management
 Per: Jason Casault
 Name: Jason Casault
 Title: Director, Utilities

REGIONAL WATER CUSTOMERS GROUP INC.

Per: Tammy Lockhart
 Name: Tammy Lockhart
 Title: Manager
 Per: _____
 Name: _____
 Title: _____

STRATHCONA COUNTY APPROVED		
REQ'D	INITIAL	DATE
Manager	RL	Sept 8/23
Director	PC	Aug 30, 23
Leg. Services	TD	Sept 13/23
Finance		
Assoc. Commissioner		
Treasurer		

OTH -UTL-1715

SCHEDULE "A"

DISPUTE RESOLUTION PROCEDURE

1. Definitions

In this Schedule, in addition to terms defined elsewhere in the Agreement, the following words and phrases have the following meanings:

- (a) "Arbitrator" means the person appointed to act as such to resolve any Dispute;
- (b) "Arbitration" means a process whereby each of the Parties, with or without legal counsel, agrees to jointly engage and meet with an Arbitrator who will render a binding decision in respect of any Disputes;
- (c) "Disclosed Information" means the information disclosed by a Party for the purpose of settlement, negotiation, Mediation or Arbitration;
- (d) "Mediation" means a process whereby a Representative of each Party, with or without legal counsel, agrees to jointly engage the services and meet with a Mediator to participate in a mediation, conciliation or similar dispute resolution process;
- (e) "Mediator" means the person appointed to facilitate the resolution of a Dispute between the Parties;
- (f) "Representative" means an individual who has no direct operational responsibility for the matters comprising the Dispute, who holds a senior position with a Party and who has full authority to settle a Dispute.

2. Principles of Dispute Resolution

Each Member acknowledges and agrees that:

- (a) in any business relationship a difference of opinion or interpretation or a divergence of interest may arise;
- (b) Each Member is committed to resolving any disputes in a non-adversarial, informal and cost efficient manner;
- (c) the following process shall apply in respect of Disputes which are either referred to, or are required by the terms of this Agreement to be resolved in accordance with, the Dispute Resolution Procedure; and
- (d) the Parties shall make all reasonable efforts to resolve all Disputes by negotiation and agree to provide, without prejudice, open and timely disclosure of relevant facts, information and documents to facilitate these negotiations as further contemplated within this Schedule.

3. Dispute Process

In the event of any Dispute, the Parties agree that they shall undertake a process to promote the resolution of a Dispute in the following order:

- (a) first, by negotiation;
- (b) second, by way of Mediation; and
- (c) third, if agreed to mutually by the Members, by Arbitration.

A - 2

Negotiation, Mediation or Arbitration shall refer to, take into account, and apply the intentions and principles stated by the Parties within the Agreement.

4. Negotiation

A Member shall give written notice ("Dispute Notice") to the other Members and the Trustee Corporation of a Dispute and outline in reasonable detail the relevant information concerning the Dispute. Within seven (7) days following receipt of the Dispute Notice, each Member shall each appoint a Representative, who shall meet and attempt to resolve the Dispute through discussion and negotiation. If the Dispute is not resolved within thirty (30) days of the appointment of a Representative by each Member, the negotiation shall be deemed to have failed.

5. Mediation

- (a) If the Representatives cannot resolve the Dispute through negotiation within such thirty (30) day period, then the Dispute shall be referred to Mediation.
- (b) In such event, either Member shall be entitled to provide the other Members with a written notice ("Mediation Notice") specifying:
 - (i) the subject matters remaining in Dispute, and the details of the matters in Dispute that are to be mediated; and
 - (ii) the nomination of an individual to act as the Mediator.
- (c) The Members shall, within thirty (30) days of the Mediation Notice, jointly nominate or agree upon a Mediator.
- (d) Where a Mediator is appointed, the Members shall submit in writing their Dispute to the Mediator, and afford to the Mediator access to all records, documents and information the Mediator may reasonably request. The Members shall meet with the Mediator at such reasonable times as may be required and shall, through the intervention of the Mediator, negotiate in good faith to resolve their dispute. All proceedings involving a Mediator are agreed to be without prejudice, and the cost of the Mediator shall be shared equally between the Parties.
- (e) In the event that
 - (i) the Members do not agree on the appointment of a Mediator with thirty (30) days of the Mediation Notice;
 - (ii) the Mediation is not completed within thirty (30) days after the appointment of the Mediator; or
 - (iii) the Dispute has not been resolved within sixty (60) days from the date of receipt of the Dispute Notice;

any Member may by notice to the others, withdraw from the Mediation process and in such event the Dispute shall be deemed to have failed to be resolved by Mediation.

6. Arbitration:

- (a) If Mediation fails to resolve the Dispute, the Dispute shall be submitted to binding Arbitration. Any of the Members may provide the other Members with written notice ("Arbitration Notice") specifying:

A - 3

- (i) the subject matters remaining in Dispute and the details of the matters in Dispute that are to be arbitrated; and
 - (ii) the nomination of an individual to act as the Arbitrator.
- (b) Within fourteen (14) days following receipt of the Arbitration Notice, the other Members shall, by written notice, advise as to which matters stated in the Arbitration Notice each accepts and with which matters each disagrees and shall also advise whether each agrees with the resolution of the disputed items by Arbitration, and whether each agrees with the Arbitrator selected by the initiating Member or provide the name of one Arbitrator selected by that other Member. Should the Members fail to agree to resolve any disputed items by Arbitration, this Dispute Resolution Process shall come to an end.
- (c) Subject to agreement of the Members to resolve any disputed items by Arbitration as contemplated above the Members shall, within thirty (30) days of the Arbitration Notice, jointly nominate or agree upon an Arbitrator.
- (d) Should the Members fail to agree on a single arbitrator within the fourteen (14) day period referred to above, then any Member may apply to a Justice of the Court of Queen's Bench of Alberta to have the arbitrator appointed.
- (e) The terms of reference for Arbitration shall be those areas of dispute referred to in the Arbitration Notice, and the receiving Member's response thereto.
- (f) The Arbitrator shall conduct the Arbitration in accordance with the commercial arbitration rules (the "Rules") established from time to time by the ADR Institute of Canada Inc., unless the Parties agree to modify the same pursuant to any arbitration agreement. The Arbitration Act (Alberta) shall apply to all Arbitrations but if there is a conflict between the Rules and the provisions of the Act, the Rules shall prevail. Notwithstanding the foregoing, any such Arbitration shall be conducted in the English language.
- (g) The Arbitrator shall proceed to hear and render a written decision concerning any Dispute within:
 - (i) forty-five (45) days, if the subject matter of the Dispute is less than \$250,000.00; or
 - (ii) ninety (90) days, if the subject matter of the Dispute is greater than \$250,000.00.
- (h) The Arbitrator has the right to award solicitor-client costs against an unsuccessful Member and to award interest but does not have the right to award punitive, consequential or other exemplary damages.
- (i) The Arbitrator's decision is final and binding but is subject to appeal or review by any court of proper jurisdiction only with respect to an allegation of fraud.
- (j) Judgment upon any award (an "Award") rendered in any such Arbitration may be entered in any court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the Award and an enforcement order, as the laws of such jurisdiction may require or allow.
- (k) The Members acknowledge and agree that, where a Dispute involves a Claim for injunctive relief, a Member may refer such matter to Arbitration in accordance with this Schedule or apply to the appropriate court for relief.

7. Participation

The Parties and their Representatives will participate in good faith in the negotiation, Mediation and, if applicable, Arbitration processes and provide such assistance and Disclosed Information as may be reasonably necessary.

8. **Location**

The place for Mediation and Arbitration shall be within the City of Edmonton, or such other location as the Parties may agree.

9. **Selection of Mediator and Arbitrator**

Without restricting any of the foregoing, if the Parties are unable to agree upon the appointment of a single Mediator or Arbitrator, respectively, within ten (10) days after receipt of the Mediation Notice or Arbitration Notice, as the case may be, either of the Parties may request that a single Mediator or Arbitrator, as the case may be, of suitable training, experience and independence, and who in respect of the subject matter of the Dispute has a reasonable practical understanding, be recommended for appointment by the executive director or other individual fulfilling that role for the ADR Institute of Canada, Inc. The executive director shall be requested to make this determination within five (5) days of receipt of the request.

10. **Costs**

Subject to clause 6(h) of this Schedule, in the case of an Arbitration the Parties shall bear their respective costs incurred in connection with the negotiation, Mediation and, if applicable, Arbitration except that the Parties shall equally share the fees and expenses of the Mediator and Arbitrator and the cost of the facilities required for Mediation and Arbitration.

11. **Disclosed Information**

All Disclosed Information shall be treated as confidential and neither its delivery nor disclosure shall represent any waiver of privilege by a Party disclosing such Disclosed Information. Subject only to the rules of discovery, each Party agrees not to disclose the Disclosed Information to any other Person or for any other purpose. Such Disclosed Information cannot be used in any subsequent proceedings without the consent of the Party who has made the disclosure. The Parties agree that any Representative, Mediator and, if applicable, Arbitrator shall not be subpoenaed or otherwise compelled as a witness in any proceedings for the purpose of testifying with respect to the nature or substance of any dispute resolution process that may arise in relation to any matter that is a subject of this Agreement. Nothing in this Dispute Resolution Procedure shall require a Party to disclose information that is subject to confidentiality provisions with third parties.

SCHEDULE "B"
EXISTING OR PLANNED FUTURE CUSTOMERS

(Existing Customers are identified in black text, Planned Future Customers are identified in red text)

CAPITAL REGION NORTHEAST WATER SERVICES COMMISSION	
▪	City of Fort Saskatchewan
▪	Strathcona County
▪	Sturgeon County
▪	Town of Gibbons
▪	Town of Bon Accord
▪	Town of Redwater
▪	Highway 28/63 Water Services Commission
○	Hamlet of Opal
○	Hamlet of Egremont
○	Hamlet of Thorhild
○	Hamlet of Abee
○	Hamlet of Newbrook
○	Long Lake Provincial Park
○	Hamlet of Radway
○	Village of Waskatenau
○	Hamlet of Warspite
○	Town of Smoky Lake
○	Hamlet of Bellis
○	Village of Vilna
○	Hamlet of Spedden
○	Hamlet of Ashmont
○	Hamlet of Lottie Lake
○	Garner Lake Provincial Park
▪	John S. Batiuk Regional Water Services Commission
○	Town of Bruderheim
○	Town of Lamont
○	Hamlet of St. Michael
○	Village of Chipman
○	Hamlet of Hilliard
○	Village of Andrew
○	Town of Mundare
○	Town of Vegreville
▪	Alberta Central East (ACE) Water Corp.
○	Hamlet of Willingdon
○	Hamlet of Hairy Hill
○	Town of Two Hills
○	Hamlet of Beauvallon
○	Village of Myrnam
○	Hamlet of Derwent
○	Hamlet of Lavoy
○	Hamlet of Ranfurly
○	Village of Innisfree
○	Village of Mannville
○	Town of Vermilion
○	Hamlet of Duvernay

CAPITAL REGION PARKLAND WATER SERVICES COMMISSION

- City of Spruce Grove
- Town of Stony Plain
- Parkland County
- West Inter Lake District (WILD) Water Services Commission
 - Hamlet of Wabamun
 - Paul First Nation
 - Parkland County
 - Summer Village of Lakeview
 - Summer Village of Kapasiwin
 - Wabamun Provincial Park
 - Summer Village of Silver Sands
 - Summer Village of South View
 - Summer Village of Seba Beach
 - Summer Village of Betula Beach
 - Bulk Water Stations
 - Hamlet of Wabamun
 - Summer Village of Silver Sands
 - Summer Village of Seba Beach
 - Alexis First Nation
 - Lac Ste. Anne County
 - Alberta Beach
 - Summer Village of Val Quentin
 - Summer Village of Sunset Point
 - Summer Village of Castle Island
 - Summer Village of Yellowstone
 - Summer Village of Ross Haven
 - Bulk Stations
 - Alberta Beach
 - Summer Village of West Cove
 - Summer Village of Ross Haven
 - Town of Onoway
 - Alexander First Nation
 - Summer Village of Sandy Beach
 - Summer Village of Sunrise Beach
 - Hamlet of Gunn
 - Bulk Stations
 - Heatherdown
 - Summer Village of Sandy Beach

CAPITAL REGION SOUTHWEST WATER SERVICES COMMISSION

- Leduc County
 - Edmonton International Airport
 - Hamlet of New Sarepta
 - Hamlet of Looma
 - Hamlet of Rolly View
 - Hamlet of Kavanagh
- City of Beaumont
- City of Leduc
- Town of Calmar

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▪ Village of Hay Lakes ▪ Camrose County ○ Hamlet of Armenia ▪ Town of Millet ▪ Miquelon Lake Provincial Park ▪ City of Camrose
CITY OF ST. ALBERT
STRATHCONA COUNTY
▪ Hamlet of Ardrossan ▪ Hamlet of Josephburg ▪ Hamlet of Antler Lake ▪ Half Moon Lake ▪ Fultonvale ▪ Hamlet of South Cooking Lake ▪ Hamlet of Collingwood Cove ▪ Bremner ▪ Hamlet of Ardrossan East ▪ Hillshire ▪ Cambrian ▪ Matheson Meadows ▪ Bulk Customers ○ CRNWSC ▪ Hamlet of Sherwood Park ▪ City of Fort Saskatchewan ▪ Northern Bear ▪ Point Aux Pins Water Co-op ▪ Four Way Water Supply ▪ Akenside Water Fund ▪ Josephburg Water Co-Op ▪ Highway 14 Regional Water Services Commission ○ Hamlet of Antler Lake ○ Hamlet of South Cooking Lake ○ Town of Tofield ○ Village of Ryley ○ Town of Viking ○ Beaver County ○ Village of Bruce ○ Hamlet of Round Hill ○ Hamlet of Kingman ○ Hamlet of Kinsella
STURGEON COUNTY
▪ Hamlet of Villeneuve ▪ Hamlet of Riviere Qui Barre ▪ Hamlet of Alcomdale

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- Hamlet of Summerbrook
- Hamlet of Cardiff
- Alexander First Nation
- Hamlet of Sturgeon Valley
- DND Lancaster Park
- Namao
- Alexander First Nation New Industrial Park
- CFB Edmonton Emergency Bypass Connection
- Morinville Hutterite Colony
- Villeneuve Airport Connection
- Rural Connections/Subdivisions
 - Legal South
 - Legal West
 - Northern Lights
 - ProNorth Industrial
 - Alcomdale Transmission
 - Fort Augustus
 - Hu Haven / Riverside
 - Casa Vista
 - Hewitt Estates / Sturgeon View Estates
 - Landing Hill
- Sturgeon Industrial Park
 - Bunge
 - Industrial Park Commercial Customers
- Alberta Industrial Heartland
 - NRW Sturgeon Refinery
 - Pembina
 - Evonik
 - Nutrien
 - Wolf Mid-Stream

TOWN OF MORINVILLE

- Town of Legal
- Sturgeon County



Industry Industrie
Canada Canada

Certificate of Incorporation

Canada Not-for-profit Corporations Act

Certificat de constitution

Loi canadienne sur les organisations à but non lucratif

Regional Water Customers Group Inc.

Corporate name / Dénomination de l'organisation

889277-6

Corporation number / Numéro de l'organisation

I HEREBY CERTIFY that the above-named corporation, the articles of incorporation of which are attached, is incorporated under the *Canada Not-for-profit Corporations Act*.

JE CERTIFIE que l'organisation susmentionnée, dont les statuts constitutifs sont joints, est constituée en vertu de la *Loi canadienne sur les organisations à but non lucratif*.

Virginie Ethier

Virginie Ethier

Director / Directeur

2014-05-20

Date of Incorporation (YYYY-MM-DD)
Date de constitution (AAAA-MM-JJ)

Canada

116
eAier# 116



Industry
Canada

Industrie
Canada

2014-05-21

Corporation Information Sheet

Canada Not-for-profit Corporations Act (NFP Act)

Fiche de renseignements concernant l'organisation

*Loi canadienne sur les organisations à but non lucratif
(Loi BNL)*

Regional Water Customers Group Inc.

Corporation Number	889277-6	Numéro d'organisation
Corporation Key Required for changes online	11376359	Clé de société Requise pour mettre les renseignements à jour en ligne
Anniversary Date Required to file annual return	05-20 (mm-dd/mm-jj)	Date anniversaire Requise pour le dépôt du rapport annuel
Annual Return Filing Period Starting in 2015	05-20 to/au 07-19 (mm-dd/mm-jj)	Période pour déposer le rapport annuel Débutant en 2015

Reporting Obligations

A corporation can be dissolved if it defaults in filing a document required by the NFP Act. To understand the corporation's reporting obligations, consult the pamphlet "Your Reporting Obligations under the *Canada Not-for-profit Corporations Act*" enclosed or available on our website.

Corporate Name

Where a name has been approved, be aware that the corporation assumes full responsibility for any risk of confusion with trade names and trademarks (including those set out in the NUANS Name Search Report). The corporation may be required to change its name in the event that representations are made to Corporations Canada and it is established that confusion is likely to occur. Also note that any name granted is subject to the laws of the jurisdiction where the corporation carries on its activities. For additional information about protecting corporate names, consult our website.

Obligations de déclaration

Une organisation peut être dissoute si elle omet de déposer un document requis par la Loi BNL. Pour connaître les obligations de déclaration de l'organisation, veuillez consulter « Vos obligations de déclaration en vertu de la *Loi canadienne sur les organisations à but non lucratif* » ci-joint ou disponible dans notre site Web.

Dénomination

Dans les cas où Corporations Canada a approuvé une dénomination, il faut savoir que l'organisation assume toute responsabilité de risque de confusion avec toutes dénominations commerciales, marques de commerce existantes (y compris celles qui sont citées dans le Rapport NUANS de recherche de dénominations). L'organisation devra peut-être changer sa dénomination advenant le cas où des représentations soient faites auprès de Corporations Canada établissant qu'il existe une probabilité de confusion. Il faut aussi noter que toute dénomination octroyée est assujettie aux lois de la province ou du territoire où l'organisation mène ses activités. Pour obtenir des renseignements supplémentaires concernant la protection d'une dénomination, consulter notre site Web.



LICENCE TO DIVERT WATER PROVINCE OF ALBERTA

WATER ACT, RSA 2000, c.W-3, as amended

LICENCE NO.: 00351924-00-00

FILE NO.: 00351924

PRIORITY NO.: 2014-06-03-001

EFFECTIVE DATE: October 19, 2020

EXPIRY DATE: October 18, 2045

SOURCE OF WATER: North Saskatchewan River

POINT(S) OF DIVERSION: SE 32-052-24-W4M and SE 09-052-25-W4M through the works of EPCOR

POINT OF USE: Regional Water Customers Group Members and their Customers as described in 00351924-R001

LICENSEE: Regional Water Customers Group Inc.

Pursuant to the *Water Act*, RSA 2000, c.W-3, as amended, a licence is issued to the Licensee to:

operate a works and to divert up to 60 000 000 cubic metres of water per year from the source of water at the point(s) of diversion for the purpose(s) of municipal

subject to the attached terms and conditions.

Designated Director under the Act: _____

Muhammad Aziz, P.Eng.

Date Signed: October 19, 2020

Licence No. 00351924-00-00

File No. 00351924

Page 1 of 4

PART 1: DEFINITIONS

- 1.0 All definitions from the Act and the Regulations apply except where expressly defined in this licence.
- 1.1 In all parts of this licence:
- (a) "Act" means the Water Act, RSA 2000, c.W-3, as amended;
 - (b) "Application" means the written submissions to the Director in respect of application number 001-00351924 and any subsequent applications for amendments of Licence No 00351924-00-00;
 - (c) "Director" means an employee of the Government of Alberta designated as a Director under the Act;
 - (d) "Point of Diversion" means the place in which water is diverted by the Licensee for the licenced purpose, specified in 3.0;
 - (e) "Point of Use" means the place in which the diverted water is used by the Licensee for the licenced purpose, specified in 3.0;
 - (f) "Regulations" means the regulations, as amended, enacted under the authority of the Act;
 - (g) "Water Use Reporting System" means the Alberta Environment and Parks secure internet website for submitting measuring and monitoring results electronically to the Director;
 - (h) "Municipal" means for the purpose(s) of municipal, industrial, commercial, and, any other water uses within the scope of the original purpose(s) the Regional Water Customers Inc. considers appropriate; and;
 - (i) "North Saskatchewan River Basin" means the geographical boundaries of that land of the Province from which surface water flows to the North Saskatchewan River and its tributaries.

PART 2: GENERAL

- 2.0 The Licensee shall immediately report to the Director by telephone any contravention of the terms and conditions of this licence at 1-780-422-4505.
- 2.1 The terms and conditions of this licence are severable. If any term or condition of this licence is held invalid, the application of such term or condition to other circumstances and the remainder of this licence shall not be affected thereby.
- 2.2 The Licensee shall not deposit or cause to be deposited any substance in, on, or around the source of water that has, or may have, the potential to adversely affect the source of water.

Licence No. 00351924-00-00

File No. 00351924

Page 2 of 4

- 2.3 Unless otherwise specified in writing by the Director, the Licensee shall submit an application to the Director for the decommissioning of the works within six months after permanently ceasing operation of the works or diversion of the water.
- 2.4 The licensee shall comply with the terms and conditions of the Water Use Reporting System User Consent.

PART 3: DIVERSION OF WATER

- 3.0 This licence is appurtenant to the following:
- (a) the Point(s) of Diversion in SE 32-52-24-W4M and SE 09-52-25-W4M through the works of EPCOR
 - (b) the Point(s) of Use as described in 00351924-R001 as specified in Table 3-1;
 - (c) the works as described in 00351924-R001, as specified in Table 3-1.

TABLE 3-1: REPORTS AND PLANS

TITLE	DEPARTMENT REFERENCE NUMBER
<i>September 29, 2020 Associated Environmental Technical Memorandum Regional Water Customers Group Request for a water license Subject: Additional Information Response for Water Act application 001-00351924</i>	00351924-R001
<i>Letter dated July 5, 2018 from Tammy Lockhart, Strathcona County and Regional Water Customers Group Inc. to Environment and Parks</i>	00351924-R002
<i>Letter dated January 21, 2014 from Stephen Stanley, EPCOR Water Services Inc. to Regional Water Customers Group. Re: RWCG Diversion Licensing Application</i>	00351924-R003

- 3.1 The works used to divert, convey and use the water to the point of use authorized by this licence shall include, at a minimum, all of the following:
- (a) the pipelines as described in 00351924-R001, as specified in Table 3-1;
and
 - (b) water supply lines, pumps, reservoirs, tanks, and any other works associated with the pipelines.
- 3.2 The Licensee shall undertake the diversion in accordance with the plans and reports as specified in Table 3-1.
- 3.3 The Licensee shall divert water only for the purpose(s) specified in this licence.

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- 3.4 The Licensee shall divert water only from the source of water specified in this licence.
- 3.5 The Licensee shall divert water only from the Point(s) of Diversion.
- 3.6 The Licensee shall divert the water only to the Point(s) of Use.
- 3.7 The Licensee shall not supply water outside of the North Saskatchewan River Basin.
- 3.8 The Licensee shall not divert more than 60 000 000 cubic metres of water in a calendar year.

PART 4: MONITORING AND REPORTING

- 4.0 Unless otherwise authorized in writing by the Director, the Licensee shall measure the total number of cubic metres of water diverted from the source of water, on a monthly basis, while water is being diverted.
- 4.1 The Licensee shall:
 - (a) record all of the following information:
 - (i) the place, date and time of all monitoring, measuring and sampling;
 - (ii) the results obtained pursuant to:
 - (A) 4.0 and 4.1(a)(i);
 - (iii) the name of the individual who conducted the monitoring, measuring and sampling stipulated in 4.1 (a); and
 - (b) retain the information in (a) for a minimum of ten years after being collected.
- 4.2 The Licensee shall report to the Director the results of the recording in 4.1(a)(ii)(A) using the "Water Use Reporting System" and any other information required in writing by the Director.
- 4.3 The Licensee shall submit the report required in 4.2 on or before the end of the month following the month in which the information is based upon was collected.
- 4.4 The Licensee shall retain the information in 4.1 for a minimum of ten years after being collected.
- 4.5 At least once every ten years, the Licensee shall conduct an assessment of ongoing and future diversion volume needs:
 - (a) If the development(s) does not proceed in accordance with the manner and schedule described in the plans and reports filed in the department records, or

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- (b) In accordance with a written request by the Director.
- 4.6 The Licensee shall prepare a report on the results of the assessment in 4.5.
- 4.7 The Licensee shall submit the report required in 4.6 to the Director by December 31, 2030 respectively, unless otherwise authorized in writing by the Director.
- 4.8 The Director reserves the right to amend this licence to reduce the maximum allowable diversion volume if, upon receipt of the report required pursuant to condition 4.6, the Director is of the opinion that the Licensee has not demonstrated a need for the licensed maximum diversion volume, and a reduced total allowable annual diversion would more appropriately reflect the steady-state requirements for the development(s).
- 4.9 This licence is based on knowledge available at the time of issue, and therefore the Director reserves the right to amend this licence by:
- (a) reducing the quantity of water diversion;
 - (b) requiring the Licensee to modify monitoring systems and the annual water monitoring information; and
 - (c) requiring the Licensee to evaluate off-stream storage or alternative sources of water supply;
- if, in the Director's opinion, an adverse effect has occurred, is occurring or may occur due to the diversion of water under this licence on:
- (d) the aquatic environment in North Saskatchewan River;
 - (e) other water users including household users, licensees and traditional agriculture users;
 - (f) instream flow needs;
 - (g) instream objectives; or
- Any other matters applicable to the license that in the opinion of the Director are relevant including any water guideline, water conservation objectives and water management plan.
- 4.10 The Director may amend this licence, pursuant to condition 4.7, in consideration of the contribution of this licence to regional cumulative effects, upon a minimum of 12 months written notice to the Licensee.

October 19, 2020

Date Signed



Designated Director under the Act
Muhammad Aziz, P.Eng.

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FINAL SETTLEMENT AGREEMENT

THIS FINAL SETTLEMENT AGREEMENT made this 15th day of July, 2026.

BETWEEN:

The Regional Water Customers Group (on behalf of Strathcona County, the City of St. Albert, the Town of Morinville, the Capital Region Northeast Water Services Commission, the Capital Region Parkland Water Services Commission, the Capital Region Southwest Water Services Commission, and Sturgeon County

(hereinafter referred to as the "RWCG" or a "Party")

-and-

EPCOR Water Services Inc.

(hereinafter referred to as "EWSI" or a "Party")

Whereas:

- A. The RWCG is an association of wholesale water customers comprised of the City of St. Albert, the Capital Region Parkland Water Services Commission, the Capital Region Northeast Water Services Commission, the Capital Region Southwest Water Services Commission, Strathcona County, Sturgeon County, and the Town of Morinville;
- B. EWSI provides wholesale water services to the RWCG, the Department of National Defense 3rd Canadian Division Support Base Edmonton ("DND") and Enoch Community Development Corporation ("Enoch"), pursuant to water supply agreements with each RWCG member, DND and Enoch which provide for rates to be calculated on a cost of service basis;
- C. The Parties and the City of Edmonton agreed upon the allocation and methodology related to the determination of the cost of service, the terms of which agreement are reflected in the 2012 Cost of Service Memorandum of Understanding dated October 10, 2014 ("COS Memorandum");
- D. In the Final Settlement Agreement for 2012 to 2014, dated December 2015, the Parties further agreed that the methodologies and underlying assumptions in the 2012, 2013 and 2014 cost models will be used to determine costs and rates for the years 2015 to 2019;
- E. The RWCG filed an application with the Alberta Utilities Commission (Proceeding 29614) seeking an Order directing EWSI to explain its calculation of the water rates for 2024 and confirming that 2024 rates have been set in accordance with the terms of the Water Supply Agreement, effective May 12, 2018, between EWSI and each member of the RWCG;

- F. With the exception of any cost implications that may arise in relation to changes to the treatment of the kīsikāw pīsim solar farm under the Cost of Service Methodology, which shall be handled in the manner set out in paragraph 2 of this Final Settlement Agreement, the Parties have agreed upon the revenue requirements related to the services provided by EWSI to the RWCG for the year 2024. The terms of the agreement are contained herein (the "Final Settlement Agreement"). The revenue requirement is as reflected in the cost model for the year 2024, and is attached as Appendix "A" to this Final Settlement Agreement.

NOW THEREFORE the Parties, in consideration of the mutual covenants contained in this Final Settlement Agreement, agree as follows:

1. The final settlement agreement between the Parties, dated August 26, 2024, with respect to the rates charged by EWSI to the RWCG for water service during the year 2022 (the "2022 Agreement"), settled rates subject to "any cost implications for 2022 that may arise from any changes to the treatment of the kīsikāw pīsim solar farm under the Cost of Service Methodology" (paragraph 1 of the 2022 Agreement). In that respect, Parties agreed to deal with any cost implications through an adjustment in a final settlement agreement between the Parties concerning 2023.

The final settlement agreement between the Parties, dated October 27, 2025, with respect to the rates charged by EWSI to the RWCG for water service during the year 2023 (the "2023 Agreement"), noted that changes to the treatment of the kīsikāw pīsim solar farm under the Cost of Service Methodology remained outstanding at that time, such that an adjustment to 2022 could not be dealt with in the 2023 Agreement (paragraph 1 of the 2023 Agreement). The Parties therefore agreed that any cost implications that may arise from any changes to the treatment of the kīsikāw pīsim solar farm under the Cost of Service Methodology would instead be dealt with in a final settlement agreement between the Parties concerning 2024.

Changes to the treatment of the kīsikāw pīsim solar farm under the Cost of Service Methodology remain outstanding at this time such that an adjustment to 2022 and the following years cannot be dealt with in this Final Settlement Agreement. Accordingly, the Parties agree that any cost implications for 2022, 2023 and 2024 that may arise from any changes to the treatment of the kīsikāw pīsim solar farm under the Cost of Service Methodology will instead be dealt with in a final settlement agreement between the Parties concerning 2025.

2. Subject to any cost implications for 2024 that may arise from any changes to the treatment of the kīsikāw pīsim solar farm under the Cost of Service Methodology, which the Parties have agreed will be dealt with through an adjustment in a final settlement agreement between the Parties concerning 2025, the Parties agree that:
 - a. the revenue requirement shown in the cost model for the year 2024 attached as Appendix "A" is the correct and agreed upon revenue requirement;
 - b. the revenue requirement for 2024 of \$36,250,516 will be settled at the rate derived within the cost model (\$0.9733); and

- c. interest on amounts owing pursuant to this Final Settlement Agreement shall be payable in the sum and amount as set out in Appendix "B", attached.
3. The Parties agree that except as set out in the immediately preceding paragraph of this Final Settlement Agreement, and Appendix "B" attached, and as described in paragraph 4 herein there shall not be any other interest charge or penalty for late payment of amounts owing as at December 31, 2025 for water service provided by EWSI to the RWCG or its members for the year 2024.
4. The Parties acknowledge that there is an Underpayment, including interest calculated to December 31, 2025, in the amount of \$2,794,373 (the Underpayment) in respect of wholesale water services provided by EWSI for the year 2024. The parties further agree that the underpayment amount of \$2,794,373 includes a credit to the RWCG related to 2023 solar farm export credit adjustment of (\$100,076). Further, the Parties agree that EWSI will collect the Underpayment from the RWCG members by way of a lump sum payment from Strathcona County.
5. Each member's portion of the Underpayment is set out in Appendix "B". Execution of the Final Settlement Agreement constitutes an acknowledgement of each member's portion of the Underpayment. For greater certainty, the following list sets each member's portion of the Underpayment:
 - (i) City of St. Albert: \$432,869;
 - (ii) Capital Region Parkland Water Services Commission: \$462,155;
 - (iii) Capital Region Northeast Water Services Commission: \$468,551;
 - (iv) Capital Region Southwest Water Services Commission: \$527,864;
 - (v) Strathcona County: \$770,387;
 - (vi) Sturgeon County: \$33,019; and
 - (vii) Town of Morinville: \$99,527;

In addition to collecting the Underpayment, as set out above, EWSI will also collect the following amounts from other wholesale customers:

- (viii) DND shall be charged \$21,379; and
- (ix) Enoch Community Development Corporation shall be charged \$17,827.

The Parties acknowledge that DND and the Enoch are not parties to this Final Settlement Agreement. EWSI will make its own arrangements with each of these former members of the RWCG for the respective collection.

6. Subject to the adjustment noted in paragraph 2, the Parties agree that this Final Settlement Agreement represents a full and final settlement of all issues and disputes with respect to the rates charged by EWSI to the RWCG for water service during the year 2024 and further, that subject to paragraphs 2, 4 and 5, when the amount of the Underpayment is collected by EWSI from the RWCG, the Parties acknowledge and agree that such amount is in full and final satisfaction of any and all costs, debts, sums of money or claims of any type or kind whatsoever, in any way arising from or related to the provision of wholesale water service by EWSI to each member of the RWCG, as set out in paragraph 5, for the year 2024.
7. Except as provided within paragraphs 1 and 2 regarding cost implications that may arise with respect to the kīsikāw pīsim solar farm, this Final Settlement Agreement shall only apply to the year 2024.
8. The Parties agree that where applicable, the methodologies and underlying assumptions in the 2024 cost model will be used to determine costs and rates for the year 2025.
9. The Parties agree that the allocation and methodology in the 2012 Cost of Service Memorandum of Understanding shall apply effective January 1, 2015 and shall remain in effect for the earlier of five years or until EWSI makes a major operational change that has a material effect on the cost of service. For greater clarity, the Parties agree that the allocation and methodology in the 2012 Cost of Service Memorandum of Understanding supersedes the directions arising from AUC decisions 2011-281, 2012-102 and 2012-208 and the subsequent agreements made related to the rates for 2008-2011.
10. The Parties agree that the RWCG shall withdraw its application filed with the Alberta Utilities Commission in Proceeding 29614 on or before December 31, 2026.
11. This Final Settlement Agreement shall not be interpreted or construed as to constitute approval of the costs, allocations and methodologies contained in the "HDR COSM 2024 – Final" June 2026 cost model save as expressly agreed herein.
12. This Final Settlement Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.
13. This Final Settlement Agreement, including its Appendices, constitutes the entire agreement between the Parties pertaining to this subject matter, and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties; and there are no warranties, representations, conditions, acknowledgements or other agreements whether direct or collateral, express or implied, that form part of this Final Settlement Agreement except as specifically set forth herein.
14. No change or modification of this Final Settlement Agreement shall be valid or effective against a party unless it is in writing and signed by the duly authorized representative of that party.

15. A waiver by or on behalf of a Party of a breach of any term of this Final Settlement Agreement shall not be binding upon that Party unless it is in writing and executed by its duly authorized representative, and such a waiver shall not release the Party in breach from strict compliance with that or any other term in any other instance.
16. This Final Settlement Agreement shall be governed by the laws of the Province of Alberta and the parties agree to exclusively attorn to the courts of the Province of Alberta to resolve any disputes that may arise under or pursuant to this Final Settlement Agreement, save and except where the matter is required to be resolved by the AUC.
17. Except as expressly agreed to in this Final Settlement Agreement, the terms and parameters in this Final Settlement Agreement do not form a precedent or otherwise bind any party as to positions they may take or proposals they may advance in future proceedings, and does not preclude or prejudice the rights of Parties to pursue any issues of concern to them in any proceeding in respect of 2025 or future years.
18. This Final Settlement Agreement may be executed by the Parties in counterpart, and may be delivered by fax or email, and when so executed shall be deemed to be an original and when taken together shall constitute one and the same agreement binding upon each of the parties.

IN WITNESS WHEREOF the parties have executed this Final Settlement Agreement effective on the date above written notwithstanding the actual date or dates of execution.

STRATHCONA COUNTY

CITY OF ST. ALBERT

Per:

Per:

Name: Jacqueline Roblin

Name: _____

Title: Manager, Legislative Services

Title: _____

Per:

Name: Kevin Cole

Title: Deputy Chief Administrative Officer,
Infrastructure & Planning Services

TOWN OF MORINVILLE

Per:

Name: _____

Title: _____

STURGEON COUNTY

Per:

Name: _____

Title: _____

CAPITAL REGION NORTHEAST WATER
SERVICES COMMISSION

Per:

Name: _____

Title: _____

CAPITAL REGION PARKLAND WATER
SERVICES COMMISSION

Per:

Name: _____

Title: _____

CAPITAL REGION SOUTHWEST WATER
SERVICES COMMISSION

Per:

Name: _____

Title: _____

EPCOR WATER SERVICES INC.

Per:

Name: _____

Title: _____

SCHEDULE "A"

SERVICES

This schedule sets out the relationship between and services provided by Strathcona County for RWCG, with respect to matters concerning delivery of water and related Services as required from the Wholesale Water Supplier.

1. Strathcona County will act as primary contact and administrative liaison with the Wholesale Water Supplier on behalf of RWCG, including but not necessarily limited to coordination of administrative, legal, financial and the Services affecting water supply contract performance and water services provided to RWCG. All legal, financial and other costs incurred by or on behalf of the RWCG (excluding the Services) shall be pre-approved by the RWCG and billed by Strathcona to the individual RWCG Members on a water volumetric proportional basis or deducted directly from any refund of water costs payable to the individual RWCG Members from the Balancing Fund.
2. Strathcona County will act as technical liaison for RWCG with the Wholesale Water Supplier, on various operational and planning issues including water quality, system capacity, capital development and upgrading, and day to day operations of the respective water systems.
3. Strathcona County will monitor the daily production and draw rates from the Wholesale Water Supplier's treatment plants and reservoirs. Strathcona will assess and monitor In-City Demand versus RWCG Demand to most effectively manage RWCG peak day and high five day (H5D) draw rates. The wholesale water supply system is designed to meet a H5D Demand, and that factor is also used to allocate extra capacity supply costs to "in-City" and RWCG customers.
4. Strathcona County will monitor and review RWCG Demand and reservoir levels on a daily (periodic) basis to make recommendations to the RWCG on whether there is the need or ability to divert or limit water draw within the water supply area of one RWCG Member to offset or mitigate water draw within the water supply area of another RWCG Member. Strathcona County will liaise with RWCG operators on a cooperative basis in an attempt to best manage the RWCG draw rates from the Wholesale Water Supplier.
5. Strathcona County will monitor the Wholesale Water Supplier 10 day water supply and Demand forecasts, and maintenance activities affecting delivery to the RWCG to determine their capability to meet RWCG water Demand and need for employing proactive Demand Management measures.
6. Strathcona County will monitor RWCG reservoir levels and water Demand, and prepare forecasts of the rolling five-day Demand and expected reservoir levels. Strathcona County will communicate the forecasts to RWCG and to the Wholesale Water Supplier to keep all parties apprised on the status of RWCG reservoir levels to facilitate water Demand Management practices.
7. Strathcona County will monitor Wholesale Water Supplier plant production and reservoir status and assess RWCG daily volumes as a proportion of daily draw and H5D Demand. The H5D Demand is based on plant production and net change in reservoir capacity and is monitored to manage RWCG Demand in relation to "In City" Demand.
8. Strathcona County will canvass and consult with RWCG in preparation for five-year volume forecasts as required annually pursuant to the water supply agreements for submission to the Wholesale Water Supplier. Strathcona County will monitor and report to RWCG on comparison of monthly actual to forecast volumes. Strathcona County will monitor and communicate daily

volumes as reported by SCADA systems of RWCG Members or by telephone to the Wholesale Water Supplier.

9. Strathcona County will assist the Wholesale Water Supplier in monitoring, review and reporting on the capacity and deliverability of the Wholesale Water Supplier and RWCG system transmission, storage and distribution facilities. Strathcona will assist the Wholesale Water Supplier in assessing and identifying capabilities and limitations in supply through hydraulic modeling as undertaken by the Wholesale Water Supplier for the respective utility systems.
10. Strathcona County will provide technical and other types of assistance as may be requested by the RWCG towards matters of concern to the individual RWCG Members or to water systems/customers served and/or supplied by individual RWCG Members.
11. Strathcona County will facilitate review and comment on Wholesale Water Supplier capital plans and report to and consult with the RWCG on technical and financial impacts.
12. Strathcona County will direct the annual review of Wholesale Water Supplier financial records and accounts to determine the actual costs and recoveries to be allocated to the RWCG in accordance with then current rate making methodology. Strathcona County will consult with the RWCG as to financial and volume forecasts as provided by the Wholesale Water Supplier and coordinate delivery of professional Services as necessary to review, examine and make recommendations to the RWCG on proposed changes to rates and treatment of amounts accruing to or retained within the Balancing Fund.
13. Strathcona County will act as a liaison between the RWCG and the Wholesale Water Supplier in exchanging information and reporting on various legal, regulatory and technical matters as required.
14. Strathcona County will provide technical assistance as requested or required by the RWCG in the collection of technical information and providing a multi-jurisdictional response on issues of concern.
15. Strathcona County will consult with the RWCG and liaise with Alberta Environment and other government agencies as required, on RWCG concerns and positions with respect to policy, practices and regulations affecting RWCG operations.
16. Strathcona County will provide technical assistance as requested or required by the RWCG in the development of a Regional Water Emergency Response Plan.
17. Strathcona County will coordinate and provide technical assistance in preparation and review of communication documents prior to release.
18. Strathcona County will facilitate communication and distribution of notifications to the RWCG and the Wholesale Water Supplier of implementation of Condition A, B and C, pursuant to provisions of the Demand Management protocol as developed and approved by the RWCG from time to time.

SCHEDULE "B"

FEES

\$1,000.00 honorarium per RWCG Member per year.



Request for Decision (RFD)

Meeting Date: Monday, September 28, 2026

Agenda Item: 7f

Topic: Draft 2027 Operating Budget

Presented By: Commission Manager

Recommendation:

1. That the Board accept the budget report for information with changes.
 2. That the Board approve a deferral of \$100,000 from the intended Capital budget reserve transfer to contract the services of an experienced municipal accountant to modify the GL codes pursuant to the AUC rulings, develop a budget methodology to include future financial planning, the rate setting, TCA and capital planning for use by January 01, 2027 within the existing Quickbooks framework and general classifications established in the draft budget.
-

Background:

The draft Operating Budget for the 2027 fiscal year looks completely different than previous in terms of layout. The AUC and JSB were very hard on the CRN for not having adequate records, as our methodology had not really changed since 1970 and 1983. It is now structured to meet the requirements of the AUC and JSB, which is a good improvement.

In the budget itself, where these changes come into effect January 01, 2027, there are 4 key sections, which are then split into categories and sub-categories:

1. Income (Revenues) - then by GL, in ascending order. All revenues are now included, there is not any segregation as per our accounting software.
2. Expenses
 - 2-1 Water Purchase Expenses
 - 2-2 Admin Expenses – then by GL (in ascending order), then by category and then by sub-category.
 - 2-3 Operating Expenses - then by GL (in ascending order), then by category and then by sub-category.
 - 2-4 Capital Expenses - then by GL (in ascending order), then by category and then by sub-category.

These changes were necessary to remove the ambiguity of costs, the proper allocation of costs and the overall functionalization of costs. Additional time and efforts will now be required, particularly the CEO and operators as they will now have to record and log operating time to the following expenses:

- Northside pipeline
- Southside Pipeline
- Online Reservoir
- Online Control
- Zone 3
- Zone 4



Request for Decision (RFD)

Budget Highlights:

Comparison:	Projected Final 2026	Proposed 2027
EPCOR Rate:	\$1.00	\$1.05
S.C. Rate	\$1.00	\$1.05 to \$1.15
Income:	\$9,813,270 - Expecting \$336,000 from JSB True-up - Earned additional \$5,000 from Crossing Agreements - Approx. \$380,000 less in projected water sales (83% from Ft Sask and JSB) - Use of 2024 Surplus: \$400,000 - Expected investment returns: \$591,000	\$10,865,363 - Expecting \$540,000 from 2025 and 2023 JSB True-up which is an offsetting revenue - Projected net increase in net water sales of 1.2% due to revenue offsets \$220,000 anticipated 2026 surplus - Stronger investment returns: \$616,000 which will be invested back into GIC
Expenses:	\$9,813,270 - Water Purchase: \$6,538,370 - Lower water purchase (\$76,640) \$326,000 to locate leak#2, could not repair \$80,000 projected to install piezo pipe (leak #2) - Earned additional \$5,000 from Crossing Agreements - Expected to only expend \$75,000 for study (instead of \$215,000) - Increases in WCB costs \$100,000 to properly set up the accounting system for Jan 01, 2027 \$786,000 to Capital Reserve (\$350,000 + \$336,000) \$600,000 to PCCP Inspection (2025 and 2026) - Transfer to Reserve \$230,350	\$10,865,363 - Overall 9.2% increase in expenses from 2026 - Water Purchase: \$7,019,320 - Projected increase in water purchase of 7.4% due to Meta and small growth - Administrative (gross) budget increase of 1.5% 0.5 FTE Muni Accountant - Legal fees for WSA and AUC true-ups - Operating (gross) budget increase of 5.3% 35% of Manager directed to Operating - Online building and general mtce \$100,000 to PCCP - Capital \$1,066,000 to reserves (\$450,000 + \$616,000) - Transfer to Reserve \$26,400
Difference:	\$0	\$0
Proposed Rate:	\$1.417	\$1.372 (CRN) \$1.356 (JSB)

The budget covers the following:

- 1) EPCOR rate is estimated to increase to \$1.05. Strathcona County is charging the EPCOR rate to the CRN until the new meter vault is operational, estimated in September. After that time, flow is expected to reduce and the rate will increase to \$0.15/m³ after that.
- 2) The budget anticipates that JSB have paid their outstanding 2025 and 2023 amounts.
- 3) The budget shows the JSB cost share in accordance with the AUC rulings. This may change slightly with the Compliance ruling expected in November. The JSB costs are shown as their actual share of the pipe, as per general rulings by the AUC with exception to their share of pipe capacity, which is shown as calculated on the basis of the actual capacity as opposed to the AUC rulings for the 2023 to 2025 true-ups based on the previous WSA.



Request for Decision (RFD)

- 4) The draft budget contemplates the optional interim rates calculated for the City of Fort Saskatchewan pursuant to their June 19, 2026 letter to the Board Chair, of which the methodology is a true-up rather than budget. CRN will work with the City Administration to choose the shared net revenue rate of \$1.372.
- 5) The Feasibility Study has been awarded and expecting \$140,000 to be spent in 2027. It is a progress payment reimbursement, so it is an "in and out" expense element in the budget.
- 6) The construction of the SSMV will likely require additional work to be undertaken at the 400 mm southpipe as a flushpoint (hydrant). In addition, it is expected that some minor upgrades and equipment replacements will be required at Online.
- 7) As a result of further re-calculations of the capital budget, the transfer to the capital reserve remains at \$450,000.
- 8) Approximately \$616,000 will be recognized interest from two maturing GIC's in 2027, which are intended to be re-invested in GIC's.
- 9) There is an increase budgeted for the Manager, which is still to be finalized. The Executive Clerk is increased by 2% (Cola = 2.72%).
- 10) The Commission Manager is expected to undertake 35% of duties relating to operating/engineering expenses.
- 11) An 0.5 FTE Municipal Accountant will be required. Givens will be released.
- 12) Land, Engineering and other operating costs are now segregated into the new format.
- 13) With the new SSMV, it is expected that incidental work will be required to ensure the south pipe remains
- 14) chlorinated. May have to install a flush point (hydrant).
- 15) Travel to WCW Conference in Edmonton.

Preliminary Rate Highlights:

Overall rate reduction of \$0.05/m³.

Calculated Rates with Revenues shared, JSB per AUC True-up Methodology:

2027 All Rate/AUC Rate to JSB (uniform rate/AUC JSB)	2027 Total Costs	City of Fort Saskatchewan	Sturgeon County	Town of Gibbons	Town of Bon Accord	Town of Redwater	Hwy 28/63 Thorild	John S Batuk Vegreville		EWSI	Strathcona County
		40.50%	12.14%	3.91%	1.97%	3.18%	6.74%	31.54%	100.0%	76.99%	22.66%
	2026 proj m3	2,610,253	782,126	251,935	126,924	204,971	434,582	2,032,950	6,443,742	4,961,210	1,459,865
	2027 m3	2,650,000	1,131,000	260,000	140,000	215,000	450,000	2,100,000	6,946,000	5,853,802	1,092,198
	Adj. Rate:	\$ 1.372	\$ 1.372	\$ 1.372	\$ 1.372	\$ 1.372	\$ 1.372	\$ 1.3560	4,410,792	\$ 1.0500	\$ 1.050
\$ 9,494,000	Total Cost:	\$ 3,634,483	\$ 1,551,170	\$ 356,591	\$ 192,010	\$ 294,873	\$ 617,176	\$ 2,847,696	\$ 9,494,000	\$ 5,853,802	\$ 1,149,643
	34.11%	\$ 1.385	\$ 1.385	\$ 1.385	\$ 1.385	\$ 1.385	\$ 1.385	\$ 1.3254			\$ 1.1500
		\$ 3,669,700	\$ 1,566,200	\$ 360,046	\$ 193,871	\$ 297,730	\$ 623,157	\$ 2,783,296	\$ 9,494,000		\$ 15,870
	Est'd 2026 Paid	\$ 3,605,997.02	\$ 1,095,670.83	\$ 348,894.42	\$ 175,644.98	\$ 283,524.40	\$ 600,555.92	\$ 2,294,858.13	\$ 8,405,146	\$ 3,717,289.83	\$ 1,085,817.01
42.56% and 34.11%	Difference	\$35,217	\$15,030	\$3,455	\$1,860	\$2,857	\$5,980	-\$64,400	\$ -		

Calculated Rates per Ft. Sask rate class and JSB AUC True-up Methodology:



Request for Decision (RFD)

2027 Ft Sask Rate Class/AUC Rate to JSB (uniform rate/AUC JSB)	2027 Total Costs	City of Fort Saskatchewan	Sturgeon County	Town of Gibbons	Town of Bon Accord	Town of Redwater	Hwy 28/63 Thorhild	John S Batiuk Vegreville		EWSI	Strathcona County
		40.50%	12.15%	3.91%	1.97%	3.18%	6.74%	31.54%	100.0%	76.96%	22.65%
	2026 proj m3	2,610,253	783,196	251,935	126,924	204,971	434,582	2,032,950	6,444,812	4,961,210	1,459,865
		38.2%	16.3%	3.7%	2.0%	3.1%	6.5%	30.2%			
	2027 m3	2,650,000	1,131,000	260,000	140,000	215,000	450,000	2,100,000	6,946,000	5,853,802	1,092,198
	Adj. Rate:	\$ 1,531	\$ 1,179	\$ 1,179	\$ 1,179	\$ 1,179	\$ 1,179	\$ 1,356	4,411,862	\$ 1,050	\$ 1,149,643
	Total Cost:	\$ 4,057,096	\$ 1,333,513	\$ 306,555	\$ 165,068	\$ 253,497	\$ 530,575	\$ 2,847,696	\$ 9,494,000	\$ 5,853,802	\$ 1,1500
		\$ 4,057,096	\$ 1,333,513	\$ 306,555	\$ 165,068	\$ 253,497	\$ 530,575	\$ 2,847,696			
	34.11%	\$ 1,531	\$ 1,208	\$ 1,208	\$ 1,208	\$ 1,208	\$ 1,208	\$ 1,3254			
		\$ 4,057,096	\$ 1,366,680	\$ 314,179	\$ 169,174	\$ 259,802	\$ 543,772	\$ 2,783,296	\$ 9,494,000		
	Est'd 2026 Paid	\$ 3,605,997.02	\$ 1,095,670.83	\$ 348,894.42	\$ 175,644.98	\$ 283,524.40	\$ 600,555.92	\$ 2,294,858.13	\$ 8,405,146	\$ 3,717,289.83	\$ 1,085,817.01
	Difference	\$0	\$33,168	\$7,625	\$4,106	\$6,305	\$13,197	-\$64,400	\$ -		

Discussion (benefits/disadvantages):

The draft budget is prepared to provide the Board with initial numbers based on to-date water flows (August), estimated capital and projects identified to-date (there could be others), JSB implications of the AUC rulings and reserve account balances.

An accountant with municipal experience is required to properly set up the budget, GL, Capital and 3yr Financial plans for the balance of 2026 to be ready on January 01, 2027. The Commission is in need of proper financial planning, particularly the budget, true-up, TCA and capital plans. Previously for the past 6 years or more, the CRN financials had functioned on a rather ad-hoc basis. The AUC rulings particularly highlighted the significance of the need to ensure that the financials are managed by an experienced municipal accountant, preferably someone used to smaller systems, which tend to be simpler in nature. In 2009, the CRN contracted Campbell and Associates to set up a utility-based rate model based similar to the EWSI. This system was very cumbersome to maintain and over time, only select parts of the model were ever used, which culminated in the 2022 True-up. Approximately 3 years prior to this period, it appears that the rate model had evolved to a cash method of rate setting, with a very simple budget format. There is not any mechanism to check the Commission Manager's budget work for errors, as currently Given's only uses the adopted budget, as per their contract specified by the Board. This is should no longer be an acceptable practice.

In 2024, the Board had instructed that the very simple system was to occur and even offered suggestions as to accounting practices and awarded a basic contract (Givens) as a check. This practice is not working well and the Commission needs to develop financial planning to a more detailed and efficient system to satisfy the new direction which has been laid out by the AUC. Members will benefit by the Board being able to lay out a relatively accurate 3 or 5 Operating financial plan and 25 yr Capital plan.

Alternatives:

None

Financial Implications:

This is a preliminary budget. It is more for information and discussion as it is anticipated the budget and rate to be used as a basis for the new model set by the new Board at a December meeting.

An accountant with municipal experience is required to properly set up the budget, GL, Capital and 3yr Financial plans. \$100,000 from the Capital reserve transfer would be diverted for this task.

Legislation:

Municipal Government Act (MGA) s. 602.09



Request for Decision (RFD)

Intergovernmental:

N/A

Strategic Alignment:

N/A

Enclosure(s):

Attachments 1.

Signature of the Commission Manager:

A handwritten signature in blue ink, consisting of a large loop followed by several smaller loops and a final dot, is written over a horizontal line.

PROPOSED 2027 BUDGET

					Budget	Budget Details				
INCOME										
1-	1	4010	City of Fort Sask. Water Sales		\$	4,057,096		\$	9,494,000	
1-	1	4020	Sturgeon County Water Sales		\$	1,333,513				
1-	1	4025	Town of Bon Accord Water Sales		\$	165,068		\$	9,494,000	
1-	1	4030	Town of Gibbons Water Sales		\$	306,555				
1-	1	4035	Town of Redwater Water Sales		\$	253,497				
1-	1	4040	Hwy 28/63 Regional Water Serv		\$	530,575				
1-	1	4050	John S. Batiuk Regional Water Comm		\$	2,847,696		\$	9,494,000	
1-	1	4055	Connector Charges							
1-	1	4060	Crossing Agreements		\$	18,000				
OTHER INCOME										
1-	1	4075	10	1 TEC - Study	\$	140,000				
			10	2 JSB - 2023 True-up Owed (AUC)	\$	8,000	\$	8,000	\$	540,000
			10	3 JSB - 2025 True-up Owed (AUC)	\$	532,000	\$	532,000		
			20	1 Transfer from Operating Reserve	\$	-				
			20	2 Transfer From Capital Reserve	\$	-				
			20	3 Transfer from Rate Stabilization Fund	\$	-				
1-	1	4440	Interest on Bank acct- Chequing		\$	47,776				
1-	1	4445	Interest on Bank acct- Savings		\$	9,546				
1-	1	4450	Interest on Investments		\$	616,000	\$	673,323		
1-	1	4460	Other Miscellaneous Revenue		\$	-				
1-	1	4470	Provincial Grant Revenue		\$	-				
1-	1	4480	20	Prior Year Surplus	\$	-				
1-	1	TOTAL INCOME:			\$	10,865,323			\$	755,323
EXPENSES										
2-	1	5510	Water Purchase - Strathcona ₉		\$	1,149,643				
2-	1	5510	Water Purchase - Strathcona ₃		\$	15,870				
2-	1	5520	Water Purchase - EWSI		\$	5,853,802				
2-			1	TOTAL Water Purchase Expense:	\$	7,019,315				
ADMINISTRATIVE										
2-	2	5605	10	Specialized Contracted Administrative Services	\$	30,000			Workshop Contracted	
2-	2	5607	Website Contract/Maintenance		\$	1,000				
2-	2	5610	Bookkeeping services/ Audits		\$	12,500				
2-	2	5615	Legal Fees		\$	275,000				
2-	2			JSB AUC			\$	75,000		
2-	2			JSB JSB WSA			\$	125,000		
2-	2			Member WSA			\$	40,000		
2-	2			Ft Sask/Strathcona Committee			\$	20,000		
2-	2			General			\$	15,000		
2-	2	5620	Bad Debts							
2-	2	5625	10	Business Fees & Licenses	\$	6,000				
2-	2	5625	20	Alberta First Call/Partners License Fee	\$	7,500				
2-	2	5636	Management Contract							
2-	2	5640	Courier & Postage		\$	250				
2-	2	5641	Office Expenses		\$	6,000				
2-	2	5645	Honorarum / Per Diem		\$	30,000				
2-	2	5646	Catering & Venue Rentals		\$	1,500				
2-	2	5647	Training & Conferences		\$	20,000			WCWWW/Others	
2-	2	5665	10	General Engineering	\$	187,500				
2-	2	5665	G	General Engineering Services			\$	30,000		
2-	2	5665	C	Crossing Agreements			\$	17,500		
2-	2	5665	20	Water Study (TEC Grant)			\$	140,000		
2-	2	5685	Insurance		\$	21,000				
2-	2	5690	Bank Charges and processing fees		\$	500				
2-	2	5692	Bank Charges and processing fees:QuickBooks Payments Fees		\$	500				
2-	2	5695	Debenture Interest		\$	239,025				
2-	2	5696	Debenture Principal		\$	405,726				
2-	2	5776	Records Mgmt Supplies & Storage Fee		\$	1,500				
2-	2	5780	Misc Expenses		\$	1,000				
2-	2	5784	Travel & Subsistance		\$	15,000				
2-	2	5795	RWCG Plan & Consulting Fees		\$	1,000				
2-	2	5805	Foreign Exchange Rate							
2-	2	5810	Interest and penalty-CRA							
2-	2	5815	WCB		\$	9,000				
2-	2	5820	10	Payroll Expenses:Wages and Salaries	\$	214,700				
				Gene					\$	180,000

2-	3	5930	10	2	Transfer to Operating Reserve - PCCP Pipe Inspection - 2027	\$	300,000	
2-			3		Sub-Total Operating Expenses:	\$	1,250,400	
CAPITAL								
2-	4	5605	10		Capital Project - Construction/Contrated Services	\$	-	
2-	4	5605	10	A	All - System wide			
2-	4	5605	10	N	Northside System			
2-	4	5605	10	S	Southside System			
2-	4	5605	10	OR	Online Reservoir			
2-	4	5605	10	OC	Online Control			
2-	4	5605	10	Z3	Zone 3			
2-	4	5605	10	Z4	Zone 4			
2-	4	5666	10		Engineering - Capital Design/Construction Services	\$	-	
2-	4	5666	10	A	All - System wide			
2-	4	5666	10	N	Northside System			
2-	4	5666	10	S	Southside System			
2-	4	5666	10	OR	Online Reservoir			
2-	4	5666	10	OC	Online Control			
2-	4	5666	10	Z3	Zone 3			
2-	4	5666	10	Z4	Zone 4			
2-	4	5920	10		Transfer to Capital Reserve	\$	450,000	
2-	4		10		Transfer Accrued Interest from GIC's to Capital Reserve	\$	616,000	
2-			4		Sub-Total Capital Expenses:	\$	1,066,000	
2-					Sub -TOTAL EXPENSES:	\$	10,838,916	
2-					Difference: Transfer to Reserve	\$	26,407	
2-					Sub -TOTAL EXPENSES:	\$	10,865,323	

Transfers To Reserves:		Amount	Existing Balance	Projected Balance Dec. 2027
Restricted (Operating Reserve):			\$ 406,971.38	
	Transfer from Operating 2027	-\$ 100,000		
	Transfer to PCCP Inspection 2025	\$ 300,000		
	Transfer to PCCP Inspection 2026	\$ 300,000		
	Transfer to PCCP Inspection 2027	\$ 300,000		
	Replenish Operating 2026	\$ 200,000		
	Transfer to Operating 2027	\$ 200,000		
	Interest 2026	\$ 9,546		
Projected New (Jan 2028) Balance:				\$ 1,616,518
Restricted (Future Capital Reserve):			\$ 17,262,101.63	
	Accrued Interest 20276	\$ 616,000		
	Transfer to Capital 2025	\$ -		
	Transfer to Capital 2026	\$ 350,000		
	Transfer to Capital 2027	\$ 450,000		
Projected New (Jan 2028) Balance:				\$ 18,678,102
Bank Account (Sept 23):			\$ 1,152,764.16	
	RBC Chequing (projected			
	Interest	\$ 47,776		
	JSB Deposit	\$ 540,000		
	2026 Surplus	\$ 230,348		
	2027 Surplus	\$ 26,407		
Projected New (Jan 2028) Balance:				\$ 1,997,295
Overdraft (\$1,000,000):		\$ -	\$ -	

Capital Region Northeast Water Services Commission

Budget vs. Actuals: Sept 23, 2026

January - December 2026 = 266 days

(July 31, 2026) 72.88%

27.12%

	Total			
	Actual	Budget	Projected	% of Budget
Income				
4010 City of Fort Sask. Water Sales	2,430,165.23	3,792,706.73	3,605,997.02	95.08%
4020 Sturgeon County Water Sales	758,751.33	1,095,670.83	1,078,476.15	98.43%
4025 Town of Bon Accord Water Sales	116,904.00	177,929.45	175,644.98	98.72%
4035 Town of Gibbons Water Sales	234,283.88	365,223.61	348,894.42	95.53%
4035 Town of Redwater Water Sales	188,935.38	290,305.95	283,524.40	97.66%
4040 Hwy 28/63 Regional Water Serv	415,199.25	627,435.43	600,555.92	95.72%
4050 John S. Batiuk Regional Water Comm	1,541,114.70	2,422,728.00	2,294,858.13	94.72%
4060 Crossing Agreements	21,000.00	18,000.00	23,000.00	127.78%
Total Income	\$ 5,706,353.77	\$ 8,790,000.00	8,410,951.01	95.69%
Cost of Goods Sold				
5510 Water Purchase - Strathcona	973,487.90	165,000.00	1,469,763.44	589.99%
5520 Water Purchase - EPCOR	3,270,611.00	6,450,000.00	5,068,603.89	50.71%
Total Cost of Goods Sold	\$ 4,244,098.90	6,615,000.00	6,538,367.33	98.84%
Gross Profit	\$ 1,462,254.87	2,175,000.00	1,872,583.69	86.10%
Expenses				
5605 Contracted Services	339,662.73	550,000.00	510,000.00	92.73%
				50607123.00%
5606 Cathodic Protection		10,000.00	10,000.00	100.00%
5607 Website Contract/Maintenance	165.00	1,500.00	1,500.00	100.00%
5610 Bookkeeping services/ Audits	34,101.00	43,000.00	42,000.00	97.67%
5615 Legal Fees	177,417.77	200,000.00	225,539.30	112.77%
5625 Business Fees & Licenses	5,104.86	5,000.00	6,000.00	120.00%
5635 Operating Contract	282,142.53	384,000.00	360,000.00	93.75%
5640 Courier & Postage	15.00	500.00	100.00	20.00%
5641 Office Expenses	5,252.42	3,500.00	6,000.00	171.43%
5645 Honorarium / Per Diem	21,370.76	30,000.00	27,500.00	91.67%
5646 Catering & Venue Rentals	987.58	2,000.00	1,500.00	75.00%
5647 Training & Conferences	33,035.00	40,000.00	42,000.00	105.00%
5665 Engineering	51,919.38	260,000.00	67,000.00	25.77%
5675 Utility Safety Partners AB 1 Call	9,360.75	5,000.00	12,000.00	240.00%
5685 Insurance	15,571.58	22,000.00	20,000.00	90.91%
5690 Bank Charges and processing fees	358.02	550.00	500.00	90.91%
5692 QuickBooks Payments Fees	437.50	250.00	600.00	240.00%
5695 Debenture Interest	169,600.74	254,708.00	254,708.00	100.00%
Debenture Principle		330,043.00	330,043.00	100.00%
5700 Telus 472-6266	790.00	1,200.00	1,004.27	83.69%
5705 Telus 998-0171	1,455.82	2,200.00	1,850.69	84.12%
5710 Telus 998-3738	930.00	1,400.00	1,182.25	84.45%
5715 Telus 998-2026	908.70	1,400.00	1,155.17	82.51%
5730 ENMAX - Power NW26-54-23-W4	1,527.01	1,800.00	1,941.19	107.84%
5735 ENMAX - Power SE18-56-21-W4	761.46	1,100.00	967.99	88.00%
5740 ENMAX - Power NW 09-55-22-4	49,165.54	72,100.00	62,500.85	86.69%
5771 Direct Energy NW 26-54-23-W4	1,004.94	2,800.00	1,277.51	45.63%
5774 Bell Mobility 587-341-3673	1,673.80	3,000.00	2,127.79	70.93%
5776 Records Mgmt Supplies & Storage Fee	1,068.48	1,500.00	1,358.29	90.55%

5780 Misc Expenses		1,000.00	0.00	0.00%
5784 Travel & Subsistence	8,987.90	30,000.00	12,000.00	40.00%
5795 RWCG Plan & Consulting Fees		1,100.00	1,000.00	90.91%
5815 WCB	4,846.91	2,800.00	6,161.55	220.06%
5824 Payroll Expenses			0.00	#DIV/0!
Taxes	0.00		0.00	#DIV/0!
Payroll Expenses		0.00	0.00	#DIV/0!
5820 Wages and Salaries	143,146.57	200,000.00	200,000.00	100.00%
5824 Taxes (CPP & EI- employer portion)	8,132.07	10,000.00	10,500.00	105.00%
5830 Employee benefits	2,803.89	1,500.00	3,600.00	240.00%
Total Expenses	\$ 1,373,705.71	2,476,951.00	1,819,546.62	73.46%

Sub Total Net Operating Income	\$ 88,549.16	-301,951.00	53,037.07	-29.33%
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Other Income

4075 Grant - Engineering Study		215,000.00	75,000.00	0.00%
JSB Owing Leak #2				
4440 Interest on bank acct- Chequing	37,582.45	70,000.00	47,776.05	53.69%
4445 Interest on bank acct- Savings	7,509.62	32,000.00	9,546.48	23.47%
4450 Interest on Investments	420,055.84	780,000.00	533,988.79	53.85%
Surplus Transfer from 2025		400,000.00	400,000.00	
JSB 2024 True-Up		348,273.00	336,000.00	
Total Other Income	\$ 465,147.91	1,845,273.00	1,402,311.32	25.21%

Other Expenses

Engineering Study			75,000.00	
	0.00	0.00	0.00	
Replenish Operating	0.00	200,000.00	200,000.00	
Contribution to Capital Reserve	0.00	450,000.00	350,000.00	Incl. 2025 + JSB
Contribution to PCCP Replacement (2025+2026)	0.00	300,000.00	600,000.00	Incl. 2025 + 2026
Total Other Expenses	\$ 0.00	950,000.00	1,225,000.00	0.00%

Net Other Income	\$ 465,147.91	895,273.00	177,311.32	51.96%
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Transfer to Reserves	\$ 553,697.07	593,322.00	230,348.38	93.32%
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Net Expenses: 0.00

Income:	9,813,262.33
Expenses:	9,582,913.95
	<u>230,348.38</u>

Commission Manager

Report Period: **June 24, 2026 to September 23, 2026**

LEGISLATIVE / GOVERNANCE

Projects	Date In Progress	Date Outstanding	Date Completed
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. Key bylaws and policies: • 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 Project progress: • Disposition of Assets v3 – Adopted • Administrative Bylaw v13 – Deferred for review to Workshop and then Sept. afternoon workshop.	Ongoing		
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). Project progress: • CoFS requested CRN to finalize rate methodology by resolution at June Board Meeting. • AUC True-up methodology rate omission of sharing revenues deemed problematic. Working with Ft Sask Admin to resolve.	Ongoing		
JSB Update: (In Camera). Project progress: • The 2nd Compliance Ruling Responses Completed. • JSB filed motion to strike responses from record, AUC denied request. • Waiting ruling on compliance. • Very Busy!	Ongoing		

ADMINISTRATIVE			
Projects	Date In Progress	Date Outstanding	Date Completed
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. Project progress: - The loop Hwy 643 loop construction underway. - CRN Legal developing Supply Agreement with Sturgeon County to supply water to Meta.	Ongoing		
Bear Land Services: Seeking input from Bear Land Services to take over the applications for crossing agreements due to time constraints. Project progress: Bear now managing Crossing Agreement Applications.	Ongoing		
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. Project progress: No further progress.			
FINANCIAL			
2027 Operating and Capital Budget: The first draft of the 2027 operating and capital budgets have been prepared in the new format. Project progress: For first review by Board.	Date In Progress	Date Outstanding	Date Completed
TRAINING			
WCW Conference in Regina: Tour of WTP for Regina and Moose Jaw, very difficult water to treat with modernized treatment facilities. - Tour of WTP for Regina and Moose Jaw, very difficult water to treat with modernized treatment facilities. - CRN Inspection and testing program of PCCP pipe verified as being recommendations. - SCADA master planning should be a function of overall master plan upgrades due to increasing obsolescence of electronic components. - CRN testing for metals in water supply is a good preventative measure. - CRN process of future valuing assets as a function of replacement cost was reinforced as valuable information for capital reserve planning.	Ongoing		
COMMISSION STRATEGIC PLAN			
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. Project progress: CEO working with facilitator in preparation for Workshops.	Ongoing		



Sept 23/2026

Signature:
Gene Sobolewski

[Handwritten signature in blue ink]

Commission Board Meeting: June 24, 2026

MANAGEMENT REPORT

To the Management 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 July 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

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Balance Sheet

As of July 31, 2026

	Total
ASSETS	
Current Assets	
Cash and Cash Equivalent	
1060 Royal Bank- Chequing	1,667,512.56
1080 ATB Public Sector Savings **0900	406,062.46
1090 Undeposited funds	1,500.00
Total Cash and Cash Equivalent	2,075,075.02
Accounts Receivable (A/R)	
1200 Accounts Receivable	2,672,436.14
Total Accounts Receivable (A/R)	2,672,436.14
1202 Accounts Receivable - Southside SL	1,048,402.00
1205 Allowance for Doubtful Accounts	-1,000.00
1320 Prepaid Expenses	6,017.39
1355 Accrued Interest on Investments	784,714.90
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	6,658,293.28
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	-18,758,674.51
1830 Waterline upgrade	1,272,767.36
1840 Machinery & Equipment	1,533,159.11
1845 Accum. Amort.-Machinery & Equipment	-1,093,465.47
1860 Land	2,625,816.88
Total Property, plant and equipment	39,413,904.59
1352 ATB Term/GIC Investment- Long term	17,262,101.63
Total Non Current Assets	56,676,006.22
Total Assets	\$63,334,299.50
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2100 Accounts Payable	560,296.59
Total Accounts Payable (A/P)	560,296.59
Credit Card	
2350 RBC Visa Busines***6433	3,846.40
Total Credit Card	3,846.40
2101 Accrued Accounts Payable	13,758.11
2105 Accrued Debenture interest	67,583.70
2230 Payroll liabilities	0.00

	Total
2232 Federal Taxes	1,998.25
2235 Vacation Pay	14,583.68
Total 2230 Payroll liabilities	16,581.93
2315 GST/HST Payable (unfiled)	-58,364.04
2320 GST/HST Suspense (filed)	-100,309.71
2325 GST Adjustments	117,522.66
2650 Direct Deposit Payable	-6,320.62
Total Current Liabilities	614,595.02
Non-current Liabilities	
2630 Debenture Debt	0.00
2635 Debenture 4001647	2,689,457.14
2645 Debenture 4001564	3,611,221.32
Total 2630 Debenture Debt	6,300,678.46
Total Non-current Liabilities	6,300,678.46
Total Liabilities	6,915,273.48
Equity	
3010 Equity - Fixed Assets	34,851,137.05
Restricted Surplus	
3020 Capital Reserve	18,228,298.11
3025 Operating Reserve	399,501.76
Total Restricted Surplus	18,627,799.87
Retained Earnings	2,744,231.61
Profit for the year	195,857.49
Total Equity	56,419,026.02
Total Liabilities and Equity	\$63,334,299.50

Profit and Loss by Month

January - July, 2026

	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026	Total
INCOME								
4010 City of Fort Sask. Water Sales	284,772.70	260,153.10	276,402.21	322,498.66	326,008.41	299,300.13	350,926.44	2,120,061.65
4020 Sturgeon County Water Sales	86,832.40	76,632.91	93,578.72	87,010.87	105,244.19	104,575.64	99,963.85	653,838.58
4025 Town of Bon Accord Water Sales	13,359.48	12,656.95	13,268.84	14,849.54	16,026.57	15,387.77	17,304.16	102,853.31
4030 Town of Gibbons Water Sales	28,067.38	27,041.91	26,267.14	31,128.22	30,771.29	29,417.21	34,562.99	207,256.14
4035 Town of Redwater Water Sales	21,716.42	20,400.53	21,173.76	23,384.24	25,707.48	25,925.13	27,507.41	165,814.97
4040 Hwy 28/63 Regional Water Serv	46,872.93	43,000.49	44,323.41	48,738.32	57,544.08	58,314.60	65,427.77	364,221.60
4050 John S. Batiuk Regional Water Comm	173,790.72	170,121.06	174,465.60	201,394.68	212,747.94	197,457.12	226,256.94	1,356,234.06
4060 Crossing Agreements		1,500.00	1,500.00	4,500.00	1,500.00	3,000.00	6,000.00	18,000.00
Total Income	655,412.03	611,506.95	650,979.68	733,504.53	775,549.96	733,377.60	827,949.56	4,988,280.31
COST OF GOODS SOLD								
5510 Water Purchase - Strathcona	137,996.02	107,656.82	102,508.12	128,279.22	125,564.42	114,292.92	116,215.92	832,513.44
5520 Water Purchase - EPCOR	368,117.00	352,313.00	372,209.00	420,490.00	442,441.00	419,463.00	430,952.00	2,805,985.00
Total Cost of Goods Sold	506,113.02	459,969.82	474,717.12	548,769.22	568,005.42	533,755.92	547,167.92	3,638,498.44
GROSS PROFIT	149,299.01	151,537.13	176,262.56	184,735.31	207,544.54	199,621.68	280,781.64	1,349,781.87
EXPENSES								
5605 Contracted Services	607.50	15,681.62	300,890.36	700.00	655.00	-71,512.28	8,195.00	255,217.20
5607 Website Contract/Maintenance		165.00						165.00
5610 Bookkeeping services/ Audits	2,289.00	2,289.00	2,289.00	14,289.00	3,789.00	2,289.00	2,289.00	29,523.00
5615 Legal Fees	16,379.50	11,098.20	17,238.10	23,529.88	13,585.00	27,580.95	23,454.00	132,865.63
5625 Business Fees & Licenses	1,057.03	1,235.03	68.03	2,788.43	323.03	68.03	68.03	5,607.61
5635 Operating Contract	34,234.66	30,793.00	31,660.98	32,038.00	36,961.71	38,837.27	37,383.38	241,909.00
5640 Courier & Postage		15.00						15.00
5641 Office Expenses	309.72	544.96	779.83	1,374.82	507.28	560.86	645.07	4,722.54
5645 Honorarium / Per Diem	3,365.96	3,054.80	4,495.00	2,405.00	1,500.00	2,085.00		16,905.76
5646 Catering & Venue Rentals	212.82	217.02	110.98	49.75	40.51	184.56		815.64
5647 Training & Conferences						30,000.00	3,035.00	33,035.00
5665 Engineering		1,104.30	5,401.08		13,597.20	12,681.90	9,994.32	42,778.80
5675 Utility Safety Partners AB 1 Call						9,360.75		9,360.75
5685 Insurance	1,944.13	1,944.13	1,962.67	1,944.13	1,944.13	1,944.13	1,944.13	13,627.45
5690 Bank Charges and processing fees	39.02	51.00	39.00	39.00	39.00	39.00	39.00	285.02
5692 QuickBooks Payments Fees		43.75		87.50	43.75	87.50	87.50	350.00
Total 5690 Bank Charges and processing fees	39.02	94.75	39.00	126.50	82.75	126.50	126.50	635.02
5695 Debenture Interest	21,546.00	21,546.00	21,174.50	21,174.50	21,174.50	21,174.50	20,905.37	148,695.37
5699 TELUS								0.00
5700 Telus 472-6266	98.75	98.75	98.75	98.75	98.75	98.75	98.75	691.25
5705 Telus 998-0171	180.54	180.54	180.54	183.54	184.54	184.04	184.04	1,277.78
5710 Telus 998-3738	116.25	116.25	116.25	116.25	116.25	116.25	116.25	813.75
5715 Telus 998-2026	113.25	113.25	114.60	113.25	113.25	114.60	114.60	796.80
Total 5699 TELUS	508.79	508.79	510.14	511.79	512.79	513.64	513.64	3,579.58
5729 ENMAX								0.00
5730 ENMAX - Power NW26-54-23-W4	265.64	255.26	151.23	160.21	168.82	170.72	170.71	1,342.59
5735 ENMAX - Power SE18-56-21-W4	76.10	100.24	93.49	112.88	110.27	100.52	82.65	676.15
5740 ENMAX - Power NW 09-55-22-4	5,804.81	6,197.15	5,615.12	6,073.89	5,910.28	6,391.87	6,841.65	42,834.77
Total 5729 ENMAX	6,146.55	6,552.65	5,859.84	6,346.98	6,189.37	6,663.11	7,095.01	44,853.51

	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026	Total
5769 DIRECT ENERGY								0.00
5771 Direct Energy NW 26-54-23-W4	168.86	166.09	162.48	149.06	111.32	83.66	92.62	934.09
Total 5769 DIRECT ENERGY	168.86	166.09	162.48	149.06	111.32	83.66	92.62	934.09
5774 Bell Mobility 587-341-3673	237.40	237.40	237.40		237.40	237.40	243.40	1,430.40
5776 Records Mgmt Supplies & Storage Fee	118.72	118.72	118.72	118.72	118.72	118.72	118.72	831.04
5784 Travel & Subsistance	731.90	1,495.19	1,412.80	431.61	2,048.58	1,329.85	460.80	7,910.73
5815 WCB			1,211.72		1,211.73		2,423.46	4,846.91
Payroll Expenses								0.00
5820 Wages and Salaries	15,261.14	15,916.34	8,076.89	15,858.37	16,153.78	23,985.21	8,163.07	103,414.80
5824 Taxes (CPP & EI- employer portion)	1,203.90	1,228.78	623.61	1,224.10	1,247.23	1,580.90	371.94	7,480.46
5830 Employee benefits	187.95	187.95	290.98	373.34	373.34	270.31	476.37	2,160.24
Total Payroll Expenses	16,652.99	17,333.07	8,991.48	17,455.81	17,774.35	25,836.42	9,011.38	113,055.50
5660 Amortization Expense	63,262.75	63,262.75	63,262.75	63,262.75	63,262.75	63,262.75	63,262.75	442,839.25
Total Expenses	169,813.30	179,457.47	467,876.86	188,696.73	185,627.12	173,426.72	191,261.58	1,556,159.78
OTHER INCOME								
4439 Interest Income								0.00
4440 Interest on bank acct- Chequing	4,767.96	4,659.64	4,365.99	4,678.60	4,124.53	3,876.22	3,394.97	29,867.91
4445 Interest on bank acct- Savings	1,300.04	814.77	903.89	876.69	907.87	880.56	911.88	6,595.70
4450 Interest on Investments	48,822.93	49,030.77	54,284.05	52,532.97	54,284.05	52,532.97	54,284.05	365,771.79
Total 4439 Interest Income	54,890.93	54,505.18	59,553.93	58,088.26	59,316.45	57,289.75	58,590.90	402,235.40
Total Other Income	54,890.93	54,505.18	59,553.93	58,088.26	59,316.45	57,289.75	58,590.90	402,235.40
PROFIT	\$34,376.64	\$26,584.84	\$ -232,060.37	\$54,126.84	\$81,233.87	\$83,484.71	\$148,110.96	\$195,857.49

Profit and Loss Comparison

January - July, 2026

		Total
	Jan - Jul., 2026	Jan - Jul., 2025 (PY)
INCOME		
4010 City of Fort Sask. Water Sales	2,120,061.65	2,166,948.30
4020 Sturgeon County Water Sales	653,838.58	641,937.32
4025 Town of Bon Accord Water Sales	102,853.31	111,002.55
4030 Town of Gibbons Water Sales	207,256.14	229,724.12
4035 Town of Redwater Water Sales	165,814.97	193,702.96
4040 Hwy 28/63 Regional Water Serv	364,221.60	394,691.54
4050 John S. Batiuk Regional Water Comm	1,356,234.06	1,746,392.15
4060 Crossing Agreements	18,000.00	6,000.00
Services		0.00
Total Income	4,988,280.31	5,490,398.94
COST OF GOODS SOLD		
5510 Water Purchase - Strathcona	832,513.44	73,762.31
5520 Water Purchase - EPCOR	2,805,985.00	3,751,431.10
Total Cost of Goods Sold	3,638,498.44	3,825,193.41
GROSS PROFIT	1,349,781.87	1,665,205.53
EXPENSES		
5605 Contracted Services	255,217.20	61,527.08
5607 Website Contract/Maintenance	165.00	
5610 Bookkeeping services/ Audits	29,523.00	33,380.00
5615 Legal Fees	132,865.63	103,291.11
5625 Business Fees & Licenses	5,607.61	4,442.99
5635 Operating Contract	241,909.00	218,307.85
5640 Courier & Postage	15.00	374.00
5641 Office Expenses	4,722.54	4,450.04
5645 Honorarium / Per Diem	16,905.76	13,840.00
5646 Catering & Venue Rentals	815.64	807.31
5647 Training & Conferences	33,035.00	2,625.00
5665 Engineering	42,778.80	15,235.57
5666 Engineering - Smartball Inspection		992,826.12
5675 Utility Safety Partners AB 1 Call	9,360.75	
5685 Insurance	13,627.45	12,877.69
5690 Bank Charges and processing fees	285.02	294.88
5692 QuickBooks Payments Fees	350.00	
Total 5690 Bank Charges and processing fees	635.02	294.88
5695 Debenture Interest	148,695.37	158,186.26
5699 TELUS		
5700 Telus 472-6266	691.25	691.25
5705 Telus 998-0171	1,277.78	1,263.78
5710 Telus 998-3738	813.75	813.75
5715 Telus 998-2026	796.80	792.75
Total 5699 TELUS	3,579.58	3,561.53
5729 ENMAX		
5730 ENMAX - Power NW26-54-23-W4	1,342.59	1,033.91

	Total	
	Jan - Jul., 2026	Jan - Jul., 2025 (PY)
5735 ENMAX - Power SE18-56-21-W4	676.15	640.14
5740 ENMAX - Power NW 09-55-22-4	42,834.77	41,828.72
Total 5729 ENMAX	44,853.51	43,502.77
5769 DIRECT ENERGY		
5771 Direct Energy NW 26-54-23-W4	934.09	1,849.39
Total 5769 DIRECT ENERGY	934.09	1,849.39
5774 Bell Mobility 587-341-3673	1,430.40	1,725.44
5776 Records Mgmt Supplies & Storage Fee	831.04	959.54
5784 Travel & Subsistence	7,910.73	8,165.46
5815 WCB	4,846.91	1,526.29
5824 Payroll Expenses		
Taxes	0.00	
Total 5824 Payroll Expenses	0.00	
Payroll Expenses		
5820 Wages and Salaries	103,414.80	104,065.18
5824 Taxes (CPP & EI- employer portion)	7,480.46	5,890.05
5830 Employee benefits	2,160.24	872.94
Total Payroll Expenses	113,055.50	110,828.17
5660 Amortization Expense	442,839.25	442,839.25
Total Expenses	1,556,159.78	2,237,423.74
OTHER INCOME		
4439 Interest Income		
4440 Interest on bank acct- Chequing	29,867.91	41,203.09
4445 Interest on bank acct- Savings	6,595.70	17,793.51
4450 Interest on Investments	365,771.79	389,569.61
Total 4439 Interest Income	402,235.40	448,566.21
Total Other Income	402,235.40	448,566.21
PROFIT	\$195,857.49	\$ -123,652.00

Budget vs. Actuals

January - July, 2026

	Actual	Budget	Total over Budget
INCOME			
4010 City of Fort Sask. Water Sales	2,120,061.65	2,212,412.23	-92,350.58
4020 Sturgeon County Water Sales	653,838.58	639,141.30	14,697.28
4025 Town of Bon Accord Water Sales	102,853.31	103,792.15	-938.84
4030 Town of Gibbons Water Sales	207,256.14	213,047.10	-5,790.96
4035 Town of Redwater Water Sales	165,814.97	169,345.12	-3,530.15
4040 Hwy 28/63 Regional Water Serv	364,221.60	366,004.03	-1,782.43
4050 John S. Batiuk Regional Water Comm	1,356,234.06	1,413,258.00	-57,023.94
4060 Crossing Agreements	18,000.00	10,500.00	7,500.00
Total Income	4,988,280.31	5,127,499.93	-139,219.62
COST OF GOODS SOLD			
5510 Water Purchase - Strathcona	832,513.44	96,250.00	736,263.44
5520 Water Purchase - EPCOR	2,805,985.00	3,762,500.00	-956,515.00
Total Cost of Goods Sold	3,638,498.44	3,858,750.00	-220,251.56
GROSS PROFIT	1,349,781.87	1,268,749.93	81,031.94
EXPENSES			
5605 Contracted Services	255,217.20	320,833.31	-65,616.11
5606 Cathodic Protection		5,833.31	-5,833.31
5607 Website Contract/Maintenance	165.00	875.00	-710.00
5610 Bookkeeping services/ Audits	29,523.00	25,083.31	4,439.69
5615 Legal Fees	132,865.63	116,666.69	16,198.94
5625 Business Fees & Licenses	5,607.61	2,916.69	2,690.92
5635 Operating Contract	241,909.00	224,000.00	17,909.00
5640 Courier & Postage	15.00	291.69	-276.69
5641 Office Expenses	4,722.54	2,041.69	2,680.85
5645 Honorarium / Per Diem	16,905.76	17,500.00	-594.24
5646 Catering & Venue Rentals	815.64	1,166.69	-351.05
5647 Training & Conferences	33,035.00	23,333.31	9,701.69
5665 Engineering	42,778.80	151,666.69	-108,887.89
5675 Utility Safety Partners AB 1 Call	9,360.75	2,916.69	6,444.06
5685 Insurance	13,627.45	12,833.31	794.14
5690 Bank Charges and processing fees	285.02	320.81	-35.79
5692 QuickBooks Payments Fees	350.00	145.81	204.19
Total 5690 Bank Charges and processing fees	635.02	466.62	168.40
5695 Debenture Interest	148,695.37	148,579.69	115.68
5699 TELUS		0.00	0.00
5700 Telus 472-6266	691.25	700.00	-8.75
5705 Telus 998-0171	1,277.78	1,283.31	-5.53
5710 Telus 998-3738	813.75	816.69	-2.94
5715 Telus 998-2026	796.80	816.69	-19.89
Total 5699 TELUS	3,579.58	3,616.69	-37.11
5729 ENMAX		0.00	0.00
5730 ENMAX - Power NW26-54-23-W4	1,342.59	1,050.00	292.59
5735 ENMAX - Power SE18-56-21-W4	676.15	641.69	34.46

			Total
	Actual	Budget	over Budget
5740 ENMAX - Power NW 09-55-22-4	42,834.77	42,058.31	776.46
Total 5729 ENMAX	44,853.51	43,750.00	1,103.51
5769 DIRECT ENERGY		0.00	0.00
5771 Direct Energy NW 26-54-23-W4	934.09	1,633.31	-699.22
Total 5769 DIRECT ENERGY	934.09	1,633.31	-699.22
5774 Bell Mobility 587-341-3673	1,430.40	1,750.00	-319.60
5776 Records Mgmt Supplies & Storage Fee	831.04	875.00	-43.96
5780 Misc Expenses		583.31	-583.31
5784 Travel & Subsistence	7,910.73	17,500.00	-9,589.27
5795 RWCG Plan & Consulting Fees		641.69	-641.69
5815 WCB	4,846.91	1,633.31	3,213.60
5824 Payroll Expenses			
Taxes	0.00		0.00
Total 5824 Payroll Expenses	0.00		0.00
Payroll Expenses		0.00	0.00
5820 Wages and Salaries	103,414.80	116,666.69	-13,251.89
5824 Taxes (CPP & EI- employer portion)	7,480.46	5,833.31	1,647.15
5830 Employee benefits	2,160.24	875.00	1,285.24
Total Payroll Expenses	113,055.50	123,375.00	-10,319.50
Total Expenses	1,113,320.53	1,252,363.00	-139,042.47
NET OPERATING INCOME	236,461.34	16,386.93	220,074.41
OTHER INCOME			
4075 WOLF Project - Eng and Commission		125,416.69	-125,416.69
4439 Interest Income		0.00	0.00
4440 Interest on bank acct- Chequing	29,867.91	40,833.31	-10,965.40
4445 Interest on bank acct- Savings	6,595.70	18,666.69	-12,070.99
4450 Interest on Investments	365,771.79	455,000.00	-89,228.21
Total 4439 Interest Income	402,235.40	514,500.00	-112,264.60
Total Other Income	402,235.40	639,916.69	-237,681.29
OTHER EXPENSES			
5660 Amortization Expense	442,839.25	0.00	442,839.25
Total Other Expenses	442,839.25	0.00	442,839.25
NET OTHER INCOME	-40,603.85	639,916.69	-680,520.54
NET INCOME	\$195,857.49	\$656,303.62	\$ -460,446.13

A/R Aging Summary

As of July 31, 2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Aim Land Services	1,500.00					1,500.00
City of Fort Saskatchewan	350,926.44			0.01		350,926.45
Highway 28/63 Regional Water Services Commission	65,427.77		58,314.60			123,742.37
John S. Batiuk Regional Water Commission	226,256.94		284,549.93		1,458,317.06	1,969,123.93
McElhanney					1,500.00	1,500.00
Stantec Consulting	1,500.00					1,500.00
Sturgeon County	99,963.85					99,963.85
Town of Bon Accord	17,304.16		15,387.77			32,691.93
Town of Gibbons	34,562.99		29,417.21			63,980.20
Town of Redwater	27,507.41					27,507.41
TOTAL	\$824,949.56	\$0.00	\$387,669.51	\$0.01	\$1,459,817.06	\$2,672,436.14

A/P Aging Summary

As of July 31, 2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Bear Land Services			53.75			53.75
Direct Energy Regulated Services		97.26				97.26
Enmax		7,449.76				7,449.76
EPCOR Water Services	430,952.00					430,952.00
KANA Environmental Consulting	3,776.85					3,776.85
Strathcona County.	116,215.92					116,215.92
TELUS		539.32				539.32
WSB Workers Compensation Board	1,211.73					1,211.73
TOTAL	\$552,156.50	\$8,086.34	\$53.75	\$0.00	\$0.00	\$560,296.59

Notes to Compiled Financial Information**Period Ended July 31, 2026**

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:

- Accounts receivable less an allowance for doubtful accounts;
 - Investments recorded at cost;
 - Inventory valued at cost;
 - Property, plant and equipment is recorded at cost and amortized at established rates;
 - Accounts payable and accrued liabilities;
 - Revenues are recognized when services are complete and invoiced;
 - Purchases are recognized when services are received.
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MANAGEMENT REPORT

To the Management 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 August 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

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Balance Sheet

As of August 31, 2026

	Total
ASSETS	
Current Assets	
Cash and Cash Equivalent	
1060 Royal Bank- Chequing	1,593,918.43
1080 ATB Public Sector Savings **0900	406,971.38
Total Cash and Cash Equivalent	2,000,889.81
Accounts Receivable (A/R)	
1200 Accounts Receivable	2,833,168.55
Total Accounts Receivable (A/R)	2,833,168.55
1202 Accounts Receivable - Southside SL	1,048,402.00
1205 Allowance for Doubtful Accounts	-1,000.00
1320 Prepaid Expenses	4,027.01
1355 Accrued Interest on Investments	838,998.95
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	6,797,134.15
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	-18,816,573.43
1830 Waterline upgrade	1,272,767.36
1840 Machinery & Equipment	1,533,159.11
1845 Accum. Amort.-Machinery & Equipment	-1,098,829.30
1860 Land	2,625,816.88
Total Property, plant and equipment	39,350,641.84
1352 ATB Term/GIC Investment- Long term	17,262,101.63
Total Non Current Assets	56,612,743.47
Total Assets	\$63,409,877.62
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2100 Accounts Payable	706,699.89
Total Accounts Payable (A/P)	706,699.89
Credit Card	
2350 RBC Visa Busines***6433	344.08
Total Credit Card	344.08
2101 Accrued Accounts Payable	13,758.11
2105 Accrued Debenture interest	88,489.07
2230 Payroll liabilities	0.00
2232 Federal Taxes	3,262.94

	Total
2235 Vacation Pay	14,667.04
Total 2230 Payroll liabilities	17,929.98
2315 GST/HST Payable (unfiled)	-63,587.80
2320 GST/HST Suspense (filed)	-100,309.71
2325 GST Adjustments	117,522.66
2650 Direct Deposit Payable	-6,125.29
Total Current Liabilities	774,720.99
Non-current Liabilities	
2630 Debenture Debt	0.00
2635 Debenture 4001647	2,689,457.14
2645 Debenture 4001564	3,611,221.32
Total 2630 Debenture Debt	6,300,678.46
Total Non-current Liabilities	6,300,678.46
Total Liabilities	7,075,399.45
Equity	
3010 Equity - Fixed Assets	34,851,137.05
Restricted Surplus	
3020 Capital Reserve	18,228,298.11
3025 Operating Reserve	399,501.76
Total Restricted Surplus	18,627,799.87
Retained Earnings	2,744,231.61
Profit for the year	111,309.64
Total Equity	56,334,478.17
Total Liabilities and Equity	\$63,409,877.62

Profit and Loss by Month

January - August, 2026

	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026	Aug. 2026	Total
INCOME									
4010 City of Fort Sask. Water Sales	284,772.70	260,153.10	276,402.21	322,498.66	326,008.41	299,300.13	350,926.44	310,103.58	2,430,165.23
4020 Sturgeon County Water Sales	86,832.40	76,632.91	93,578.72	87,010.87	105,244.19	104,575.64	99,963.85	104,912.75	758,751.33
4025 Town of Bon Accord Water Sales	13,359.48	12,656.95	13,268.84	14,849.54	16,026.57	15,387.77	17,304.16	14,050.69	116,904.00
4030 Town of Gibbons Water Sales	28,067.38	27,041.91	26,267.14	31,128.22	30,771.29	29,417.21	34,562.99	27,027.74	234,283.88
4035 Town of Redwater Water Sales	21,716.42	20,400.53	21,173.76	23,384.24	25,707.48	25,925.13	27,507.41	23,120.41	188,935.38
4040 Hwy 28/63 Regional Water Serv	46,872.93	43,000.49	44,323.41	48,738.32	57,544.08	58,314.60	65,427.77	50,977.65	415,199.25
4050 John S. Batiuk Regional Water Comm	173,790.72	170,121.06	174,465.60	201,394.68	212,747.94	197,457.12	226,256.94	184,880.64	1,541,114.70
4060 Crossing Agreements		1,500.00	1,500.00	4,500.00	1,500.00	3,000.00	6,000.00	3,000.00	21,000.00
Total Income	655,412.03	611,506.95	650,979.68	733,504.53	775,549.96	733,377.60	827,949.56	718,073.46	5,706,353.77
COST OF GOODS SOLD									
5510 Water Purchase - Strathcona	137,996.02	107,656.82	102,508.12	128,279.22	125,564.42	114,292.92	116,215.92	140,974.46	973,487.90
5520 Water Purchase - EPCOR	368,117.00	352,313.00	372,209.00	420,490.00	442,441.00	419,463.00	485,879.00	452,671.00	3,313,583.00
Total Cost of Goods Sold	506,113.02	459,969.82	474,717.12	548,769.22	568,005.42	533,755.92	602,094.92	593,645.46	4,287,070.90
GROSS PROFIT	149,299.01	151,537.13	176,262.56	184,735.31	207,544.54	199,621.68	225,854.64	124,428.00	1,419,282.87
EXPENSES									
5605 Contracted Services	607.50	15,681.62	300,890.36	700.00	655.00	-71,512.28	8,195.00	1,500.00	256,717.20
5607 Website Contract/Maintenance		165.00							165.00
5610 Bookkeeping services/ Audits	2,289.00	2,289.00	2,289.00	14,289.00	3,789.00	2,289.00	2,289.00	2,289.00	31,812.00
5615 Legal Fees	16,379.50	11,098.20	17,238.10	23,529.88	13,585.00	27,580.95	23,454.00	44,552.14	177,417.77
5625 Business Fees & Licenses	508.03	1,235.03	68.03	2,788.43	323.03	68.03	68.03	46.25	5,104.86
5635 Operating Contract	34,234.66	30,793.00	31,660.98	32,038.00	36,961.71	38,837.27	43,161.13	34,455.78	282,142.53
5640 Courier & Postage		15.00							15.00
5641 Office Expenses	309.72	544.96	779.83	1,374.82	507.28	560.86	645.07	264.89	4,987.43
5645 Honorarum / Per Diem	3,365.96	3,054.80	4,495.00	2,405.00	1,500.00	2,085.00		4,465.00	21,370.76
5646 Catering & Venue Rentals	212.82	217.02	110.98	49.75	40.51	184.56		171.94	987.58
5647 Training & Conferences						30,000.00	3,035.00		33,035.00
5665 Engineering		1,104.30	5,401.08		13,597.20	12,681.90	9,994.32	9,140.58	51,919.38
5675 Utility Safety Partners AB 1 Call						9,360.75			9,360.75
5685 Insurance	1,944.13	1,944.13	1,962.67	1,944.13	1,944.13	1,944.13	1,944.13	1,944.13	15,571.58
5690 Bank Charges and processing fees	39.02	51.00	39.00	39.00	39.00	39.00	39.00	39.00	324.02
5692 QuickBooks Payments Fees		43.75		87.50	43.75	87.50	87.50	87.50	437.50
Total 5690 Bank Charges and processing fees	39.02	94.75	39.00	126.50	82.75	126.50	126.50	126.50	761.52
5695 Debenture Interest	21,546.00	21,546.00	21,174.50	21,174.50	21,174.50	21,174.50	20,905.37	20,905.37	169,600.74
5699 TELUS									0.00
5700 Telus 472-6266	98.75	98.75	98.75	98.75	98.75	98.75	98.75	98.75	790.00
5705 Telus 998-0171	180.54	180.54	180.54	183.54	184.54	184.04	181.54	181.54	1,456.82
5710 Telus 998-3738	116.25	116.25	116.25	116.25	116.25	116.25	116.25	116.25	930.00
5715 Telus 998-2026	113.25	113.25	114.60	113.25	113.25	114.60	113.25	113.25	908.70
Total 5699 TELUS	508.79	508.79	510.14	511.79	512.79	513.64	509.79	509.79	4,085.52
5729 ENMAX									0.00
5730 ENMAX - Power NW26-54-23-W4	265.64	255.26	151.23	160.21	168.82	170.72	170.71	184.42	1,527.01
5735 ENMAX - Power SE18-56-21-W4	76.10	100.24	93.49	112.88	110.27	100.52	82.65	85.31	761.46
5740 ENMAX - Power NW 09-55-22-4	5,804.81	6,197.15	5,615.12	6,073.89	5,910.28	6,391.87	6,841.65	6,330.77	49,165.54
Total 5729 ENMAX	6,146.55	6,552.65	5,859.84	6,346.98	6,189.37	6,663.11	7,095.01	6,600.50	51,454.01

	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026	Aug. 2026	Total
5769 DIRECT ENERGY									0.00
5771 Direct Energy NW 26-54-23-W4	168.86	166.09	162.48	149.06	111.32	83.66	92.62	70.85	1,004.94
Total 5769 DIRECT ENERGY	168.86	166.09	162.48	149.06	111.32	83.66	92.62	70.85	1,004.94
5774 Bell Mobility 587-341-3673	237.40	237.40	237.40		237.40	237.40	243.40	243.40	1,673.80
5776 Records Mgmt Supplies & Storage Fee	118.72	118.72	118.72	118.72	118.72	118.72	118.72	118.72	949.76
5784 Travel & Subsistance	731.90	1,495.19	1,412.80	431.61	2,048.58	1,329.85	460.80	810.77	8,721.50
5815 WCB			1,211.72		1,211.73		2,423.46		4,846.91
Payroll Expenses									0.00
5820 Wages and Salaries	15,261.14	15,916.34	8,076.89	15,858.37	16,153.78	23,985.21	8,163.07	15,592.66	119,007.46
5824 Taxes (CPP & EI- employer portion)	1,203.90	1,228.78	623.61	1,224.10	1,247.23	1,580.90	371.94	324.87	7,805.33
5830 Employee benefits	187.95	187.95	290.98	373.34	373.34	270.31	476.37	373.34	2,533.58
Total Payroll Expenses	16,652.99	17,333.07	8,991.48	17,455.81	17,774.35	25,836.42	9,011.38	16,290.87	129,346.37
5660 Amortization Expense	63,262.75	63,262.75	63,262.75	63,262.75	63,262.75	63,262.75	63,262.75	63,262.75	506,102.00
Total Expenses	169,264.30	179,457.47	467,876.86	188,696.73	185,627.12	173,426.72	197,035.48	207,769.23	1,769,153.91
OTHER INCOME									
4439 Interest Income									0.00
4440 Interest on bank acct- Chequing	4,767.96	4,659.64	4,365.99	4,678.60	4,124.53	3,876.22	3,394.97	3,747.31	33,615.22
4445 Interest on bank acct- Savings	1,300.04	814.77	903.89	876.69	907.87	880.56	911.88	913.92	7,509.62
4450 Interest on Investments	48,822.93	49,030.77	54,284.05	52,532.97	54,284.05	52,532.97	54,284.05	54,284.05	420,055.84
Total 4439 Interest Income	54,890.93	54,505.18	59,553.93	58,088.26	59,316.45	57,289.75	58,590.90	58,945.28	461,180.68
Total Other Income	54,890.93	54,505.18	59,553.93	58,088.26	59,316.45	57,289.75	58,590.90	58,945.28	461,180.68
PROFIT	\$34,925.64	\$26,584.84	\$ -232,060.37	\$54,126.84	\$81,233.87	\$83,484.71	\$87,410.06	\$ -24,395.95	\$111,309.64

Profit and Loss Comparison

January - August, 2026

		Total
	Jan - Aug., 2026	Jan - Aug., 2025 (PY)
INCOME		
4010 City of Fort Sask. Water Sales	2,430,165.23	2,493,902.75
4020 Sturgeon County Water Sales	758,751.33	725,962.62
4025 Town of Bon Accord Water Sales	116,904.00	125,739.12
4030 Town of Gibbons Water Sales	234,283.88	261,971.96
4035 Town of Redwater Water Sales	188,935.38	230,841.63
4040 Hwy 28/63 Regional Water Serv	415,199.25	455,427.81
4050 John S. Batiuk Regional Water Comm	1,541,114.70	1,990,572.95
4060 Crossing Agreements Services	21,000.00	10,500.00 0.00
Total Income	5,706,353.77	6,294,918.84
COST OF GOODS SOLD		
5510 Water Purchase - Strathcona	973,487.90	82,583.43
5520 Water Purchase - EPCOR	3,313,583.00	4,274,647.10
Total Cost of Goods Sold	4,287,070.90	4,357,230.53
GROSS PROFIT	1,419,282.87	1,937,688.31
EXPENSES		
5605 Contracted Services	256,717.20	61,527.08
5607 Website Contract/Maintenance	165.00	
5610 Bookkeeping services/ Audits	31,812.00	35,540.00
5615 Legal Fees	177,417.77	148,619.77
5625 Business Fees & Licenses	5,104.86	4,485.68
5635 Operating Contract	282,142.53	248,980.85
5640 Courier & Postage	15.00	374.00
5641 Office Expenses	4,987.43	4,694.36
5645 Honorarium / Per Diem	21,370.76	18,205.00
5646 Catering & Venue Rentals	987.58	1,303.06
5647 Training & Conferences	33,035.00	5,675.00
5665 Engineering	51,919.38	16,823.17
5666 Engineering - Smartball Inspection		994,424.87
5675 Utility Safety Partners AB 1 Call	9,360.75	
5685 Insurance	15,571.58	14,717.36
5690 Bank Charges and processing fees	324.02	333.88
5692 QuickBooks Payments Fees	437.50	
Total 5690 Bank Charges and processing fees	761.52	333.88
5695 Debenture Interest	169,600.74	180,360.39
5699 TELUS		
5700 Telus 472-6266	790.00	790.00
5705 Telus 998-0171	1,456.82	1,444.32
5710 Telus 998-3738	930.00	930.00
5715 Telus 998-2026	908.70	906.00
Total 5699 TELUS	4,085.52	4,070.32
5729 ENMAX		
5730 ENMAX - Power NW26-54-23-W4	1,527.01	1,179.13

	Total	
	Jan - Aug., 2026	Jan - Aug., 2025 (PY)
5735 ENMAX - Power SE18-56-21-W4	761.46	719.70
5740 ENMAX - Power NW 09-55-22-4	49,165.54	47,833.40
Total 5729 ENMAX	51,454.01	49,732.23
5769 DIRECT ENERGY		
5771 Direct Energy NW 26-54-23-W4	1,004.94	1,914.19
Total 5769 DIRECT ENERGY	1,004.94	1,914.19
5774 Bell Mobility 587-341-3673	1,673.80	1,956.85
5776 Records Mgmt Supplies & Storage Fee	949.76	1,078.62
5784 Travel & Subsistence	8,721.50	8,615.66
5810 Interest and penalty-CRA		164.85
5815 WCB	4,846.91	1,526.29
Payroll Expenses		
5820 Wages and Salaries	119,007.46	127,072.81
5824 Taxes (CPP & EI- employer portion)	7,805.33	6,127.24
5830 Employee benefits	2,533.58	957.86
Total Payroll Expenses	129,346.37	134,157.91
5660 Amortization Expense	506,102.00	506,102.00
Total Expenses	1,769,153.91	2,445,383.39
OTHER INCOME		
4439 Interest Income		
4440 Interest on bank acct- Chequing	33,615.22	47,712.92
4445 Interest on bank acct- Savings	7,509.62	18,849.59
4450 Interest on Investments	420,055.84	445,676.91
Total 4439 Interest Income	461,180.68	512,239.42
Total Other Income	461,180.68	512,239.42
PROFIT	\$111,309.64	\$4,544.34

Budget vs. Actuals

January - August, 2026

	Actual	Budget	Total over Budget
INCOME			
4010 City of Fort Sask. Water Sales	2,430,165.23	2,528,471.12	-98,305.89
4020 Sturgeon County Water Sales	758,751.33	730,447.20	28,304.13
4025 Town of Bon Accord Water Sales	116,904.00	118,619.60	-1,715.60
4030 Town of Gibbons Water Sales	234,283.88	243,482.40	-9,198.52
4035 Town of Redwater Water Sales	188,935.38	193,537.28	-4,601.90
4040 Hwy 28/63 Regional Water Serv	415,199.25	418,290.32	-3,091.07
4050 John S. Batiuk Regional Water Comm	1,541,114.70	1,615,152.00	-74,037.30
4060 Crossing Agreements	21,000.00	12,000.00	9,000.00
Total Income	5,706,353.77	5,859,999.92	-153,646.15
COST OF GOODS SOLD			
5510 Water Purchase - Strathcona	973,487.90	110,000.00	863,487.90
5520 Water Purchase - EPCOR	3,313,583.00	4,300,000.00	-986,417.00
Total Cost of Goods Sold	4,287,070.90	4,410,000.00	-122,929.10
GROSS PROFIT	1,419,282.87	1,449,999.92	-30,717.05
EXPENSES			
5605 Contracted Services	256,717.20	366,666.64	-109,949.44
5606 Cathodic Protection		6,666.64	-6,666.64
5607 Website Contract/Maintenance	165.00	1,000.00	-835.00
5610 Bookkeeping services/ Audits	31,812.00	28,666.64	3,145.36
5615 Legal Fees	177,417.77	133,333.36	44,084.41
5625 Business Fees & Licenses	5,104.86	3,333.36	1,771.50
5635 Operating Contract	282,142.53	256,000.00	26,142.53
5640 Courier & Postage	15.00	333.36	-318.36
5641 Office Expenses	4,987.43	2,333.36	2,654.07
5645 Honorarium / Per Diem	21,370.76	20,000.00	1,370.76
5646 Catering & Venue Rentals	987.58	1,333.36	-345.78
5647 Training & Conferences	33,035.00	26,666.64	6,368.36
5665 Engineering	51,919.38	173,333.36	-121,413.98
5675 Utility Safety Partners AB 1 Call	9,360.75	3,333.36	6,027.39
5685 Insurance	15,571.58	14,666.64	904.94
5690 Bank Charges and processing fees	324.02	366.64	-42.62
5692 QuickBooks Payments Fees	437.50	166.64	270.86
Total 5690 Bank Charges and processing fees	761.52	533.28	228.24
5695 Debenture Interest	169,600.74	169,805.36	-204.62
5699 TELUS		0.00	0.00
5700 Telus 472-6266	790.00	800.00	-10.00
5705 Telus 998-0171	1,456.82	1,466.64	-9.82
5710 Telus 998-3738	930.00	933.36	-3.36
5715 Telus 998-2026	908.70	933.36	-24.66
Total 5699 TELUS	4,085.52	4,133.36	-47.84
5729 ENMAX		0.00	0.00
5730 ENMAX - Power NW26-54-23-W4	1,527.01	1,200.00	327.01
5735 ENMAX - Power SE18-56-21-W4	761.46	733.36	28.10

			Total
	Actual	Budget	over Budget
5740 ENMAX - Power NW 09-55-22-4	49,165.54	48,066.64	1,098.90
Total 5729 ENMAX	51,454.01	50,000.00	1,454.01
5769 DIRECT ENERGY		0.00	0.00
5771 Direct Energy NW 26-54-23-W4	1,004.94	1,866.64	-861.70
Total 5769 DIRECT ENERGY	1,004.94	1,866.64	-861.70
5774 Bell Mobility 587-341-3673	1,673.80	2,000.00	-326.20
5776 Records Mgmt Supplies & Storage Fee	949.76	1,000.00	-50.24
5780 Misc Expenses		666.64	-666.64
5784 Travel & Subsistence	8,721.50	20,000.00	-11,278.50
5795 RWCG Plan & Consulting Fees		733.36	-733.36
5815 WCB	4,846.91	1,866.64	2,980.27
Payroll Expenses		0.00	0.00
5820 Wages and Salaries	119,007.46	133,333.36	-14,325.90
5824 Taxes (CPP & EI- employer portion)	7,805.33	6,666.64	1,138.69
5830 Employee benefits	2,533.58	1,000.00	1,533.58
Total Payroll Expenses	129,346.37	141,000.00	-11,653.63
Total Expenses	1,263,051.91	1,431,272.00	-168,220.09
NET OPERATING INCOME	156,230.96	18,727.92	137,503.04
OTHER INCOME			
4075 WOLF Project - Eng and Commission		143,333.36	-143,333.36
4439 Interest Income		0.00	0.00
4440 Interest on bank acct- Chequing	33,615.22	46,666.64	-13,051.42
4445 Interest on bank acct- Savings	7,509.62	21,333.36	-13,823.74
4450 Interest on Investments	420,055.84	520,000.00	-99,944.16
Total 4439 Interest Income	461,180.68	588,000.00	-126,819.32
Total Other Income	461,180.68	731,333.36	-270,152.68
OTHER EXPENSES			
5660 Amortization Expense	506,102.00	0.00	506,102.00
Total Other Expenses	506,102.00	0.00	506,102.00
NET OTHER INCOME	-44,921.32	731,333.36	-776,254.68
NET INCOME	\$111,309.64	\$750,061.28	\$ -638,751.64

A/R Aging Summary

As of August 31, 2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Aim Land Services			1,500.00			1,500.00
City of Fort Saskatchewan	310,103.58		350,926.44		0.01	661,030.03
Highway 28/63 Regional Water Services Commission	50,977.65		65,427.77			116,405.42
John S. Batiuk Regional Water Commission	184,880.64			87,092.81	1,458,317.06	1,730,290.51
McElhanney					1,500.00	1,500.00
Stantec Consulting			1,500.00			1,500.00
Sturgeon County	104,912.75		99,963.85			204,876.60
Town of Bon Accord	14,050.69		17,304.16			31,354.85
Town of Gibbons	27,027.74		34,562.99			61,590.73
Town of Redwater	23,120.41					23,120.41
TOTAL	\$715,073.46	\$0.00	\$571,185.21	\$87,092.81	\$1,459,817.07	\$2,833,168.55

A/P Aging Summary

As of August 31, 2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Associated Engineering		9,597.61				9,597.61
Bear Land Services		1,575.00				1,575.00
Brownlee LLP Barristers & Solicitors		46,779.75				46,779.75
Direct Energy Regulated Services	74.39					74.39
Enmax	6,930.53					6,930.53
EPCOR Water Services	452,671.00					452,671.00
Eugene Sobolewski	328.08					328.08
KANA Environmental Consulting	36,178.57		9,843.49			46,022.06
Strathcona County.		140,974.46				140,974.46
TELUS	535.28					535.28
WSB Workers Compensation Board		1,211.73				1,211.73
TOTAL	\$496,717.85	\$200,138.55	\$9,843.49	\$0.00	\$0.00	\$706,699.89

Notes to Compiled Financial Information**Period Ended August 31, 2026**

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:

- Accounts receivable less an allowance for doubtful accounts;
 - Investments recorded at cost;
 - Inventory valued at cost;
 - Property, plant and equipment is recorded at cost and amortized at established rates;
 - Accounts payable and accrued liabilities;
 - Revenues are recognized when services are complete and invoiced;
 - Purchases are recognized when services are received.
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