

Elections

The position of Chair was conferred upon by the incumbent, **Ken MacKay**, thorough acclamation. The position of Vice-Chair was elected in favour of **Gordon Harris**.



Committees

It was determined that a committee restructuring occur to include a financial oversight committee. An Ad Hoc committee was formed to develop draft terms of reference for review and committee assignment at the January meeting. Membership includes the Chair, Vice Chair and two members at large.

Train 4 Plant Expansion

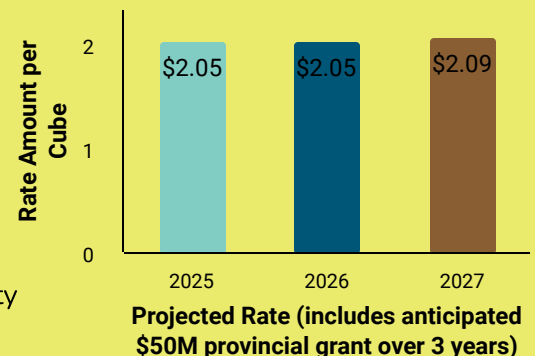


The need for a plant expansion was first identified in 2012 to support anticipated regional residential and industrial growth (in the last decade, the region has experienced an 18% population growth) and to provide operational redundancy for emergency situations. In 2021 it was identified that by introducing membrane technology in the treatment of the influent and in expediting the upgrade by 4 years, we could process water of a quality that could be sold for the development of hydrogen at the new net-zero hydrogen energy complex in Edmonton scheduled to open in 2025. This revenue-generating opportunity can provide the organization with on-going funds that could support the RMR needs of our ageing system, without requiring significant rate increases which would otherwise be necessary. It is anticipated that the sale of processed water can begin in 2026. The Train 4 Plant Expansion project is at 70% design and is currently estimated to cost \$166M. It is tentatively scheduled for completion in December 2025. A Train 4 FAQ will be posted to the website in January 2024.

2024 Budget and Projected Rates

The 2024 operating and capital budgets, \$36.477M and \$84.55M respectively, including a rate of \$1.85, were approved. While this maintains our borrowing debt below the maximum 200%, we will be working on receiving a Ministerial Order in 2024 to go over our borrowing limit as it will be needed in 2025, regardless of if we receive any provincial grants for the plant expansion. We anticipate that our debt borrowing will maximize at 228%, if we receive the anticipated \$50M in grant funding; our borrowing should then drop below the 200% in 2026 and beyond.

While Administration has delayed 3 recommended FTE positions, included in the budget is the exception of 1 transmission line operator that was identified as an extreme vulnerability for the organization. Other necessary increases in the operating budget included IT server requirements and operational costs related to increased electricity costs and for required resources such as fuel and chemicals. Also included in the budget approval was one-time funding to hire an external engineering consultant to support the development of a Utility Master Plan that will incorporate the start of an asset management plan and inform the rate model for more accurate future projections.



The capital budget for 2024 is significantly reduced to prioritize the plant expansion, with some necessary work designated for the transmission line and pump stations.

2024 Meeting Dates

January 26, 2024

March 22, 2024

May 15- 17, 2024 (strategic workshop)

June 14, 2024

September 13, 2024 (budget/rate approval)

November 15, 2024 (organizational meeting)

