

AGENDA
Sheep River Regional Utility Corp
Board of Directors Meeting



May 15, 2025

1:00 pm

Foothills County Administration Office

309 Macleod Trail South – High River

	Pages
1. CALL TO ORDER	
2. ADDITIONS TO THE AGENDA	
3. ADOPTION OF THE AGENDA	
4. ACCEPTANCE OF MINUTES FROM PREVIOUS MEETING	
4.1 SRRUC Meeting Minutes - April 17, 2025	2
5. ACCOUNTS PAYABLE	
5.1 Accounts for Approval - April 17, 2025	4
5.2 Accounts for Approval - May 13, 2025	
The May 13, 2025 Accounts for Approval listing will be circulated prior to the meeting.	
6. BUSINESS	
6.1 Operations Update	
6.2 Monthly Water Usage Reports	
6.2.1 Treated vs Raw - March 2025	5
6.2.2 Treated vs Raw - April 2025	6
6.3 Financial Statements - First Quarter 2025	7
6.4 Water Works Advisory Committee - Dissolution	
6.5 Water Works Advisory Committee - Request for Community Member on SRRUC Board	
6.6 Colts Crossing Area Structure Plan - Correspondence from MPE Engineering	20
7. ROUND TABLE	
8. NEXT MEETING	
The next meeting is tentatively scheduled for either July 17, 2025 or September 18, 2025.	
9. ADJOURNMENT	

SHEEP RIVER REGIONAL UTILITY CORP
BOARD OF DIRECTORS MEETING MINUTES

April 17, 2025
1:00 pm
VIA VIDEOCONFERENCE



Directors: Foothills County Director (Chair) Delilah Miller, Diamond Valley
 Director Cindy Holladay

Absent: Diamond Valley Director Heather Thomson

Staff: SRRUC CEO Harry Riva Cambrin, SRRUC Treasurer Reginald
 Hammond, SRRUC Recording Secretary Krista Conrad,
 Manager of Utilities Doug Haase

1. CALL TO ORDER

The Sheep River Utility Corp meeting of April 17, 2025 was called to order at 1:01 p.m.

3. ADOPTION OF THE AGENDA

Resolution 26
Moved By: Barry Crane

That the Agenda for the April 17, 2025 Sheep River Utility Corp meeting be approved as presented.

Carried

4. ACCEPTANCE OF MINUTES FROM PREVIOUS MEETING

4.1 SRRUC Meeting Minutes - March 27, 2025

Resolution 27
Moved By: Cindy Holladay

That the minutes from the March 27, 2025 Sheep River Utility Corp meeting be accepted as presented.

Carried

5. BUSINESS

5.1 2024 Sheep River Regional Utility Corporation - Financial Statements and Audit

M. Lutz of Avail LLP was in attendance to present the 2024 Sheep River Regional Utility Corporation financial statements and audit.

Resolution 28
Moved By: Barry Crane

That, in accordance with Section 197 of the Municipal Government Act, the Sheep River Regional Utility Corp. move into a Closed Meeting at 1:12 p.m. to discuss the 2024 Sheep River Regional Utility Corporation financial statements and audit as per Sections 25 of the Freedom of Information and Protection of Privacy Act (FOIP). SRRUC Directors D. Miller, B. Crane, H. Thomson, and C. Holladay, SRRUC Treasurer R.

Hammond, SRRUC CEO H. Riva Cambrin, Foothills County Manager of Utilities D. Haase, Foothills County Utilities Forman C. Lyons, and SRRUC Recording Secretary K. Conrad attended the closed session of the meeting.

Carried

Resolution 29
Moved By: Barry Crane

That the Sheep River Regional Utility Corp return to its open meeting at 1:15 p.m.

Carried

Resolution 30
Moved By: Cindy Holladay

That the 2024 Sheep River Regional Utility Corporation financial statements and audit be accepted as presented.

Carried

5.2 Colts Crossing - Town of Diamond Valley 21-01ASP, Bylaw 2025-102 - Request for Approval

H. Riva Cambrin provided an overview of the proposed Colts Crossing Area Structure Plan from the Town of Diamond Valley and its proposed demand for water, indicating it does not exceed the capacity of the system. He recommended MPE Engineering review the ASP to determine whether any capital expenditures would need to be undertaken to accommodate the proposed development.

It was determined the Colts Crossing Area Structure Plan proposal will be submitted to MPE Engineering for review.

8. ADJOURNMENT

Resolution 31
Moved By: Barry Crane

That the April 17, 2025 Sheep River Utility Corp meeting be adjourned at 1:27 p.m.

Carried

SRRUC Chair

SRRUC CEO

**Sheep River Regional Utilities Corporation
Accounts for Approval
Payment Run dated April 17, 2025**

Cheque				
<u>No.</u>	<u>Payable to:</u>		<u>Invoice Amt</u>	<u>Cheque Amt</u>
1208	Union Alarm Company Ltd.			\$437.85
	inv. CA20252285 Labour to attend site & clean motion detector of spider webs and spider causing false alarms		437.85	
		TOTAL Cheques		\$437.85
<u>EFT No.</u>	<u>Payable to:</u>			
EFT124	KaizenLAB Inc.			\$2,096.01
	inv. INV0101262 Feb 27/25 MCPA in water, Oxyhalides in water, sample handling, container supply & disposal fee		249.46	
	inv. INV0101429 Feb 27/25 1,4 Dioxane in water, Diquat/Paraquat in water, NDMA (regular)		1,485.12	
	inv. INV0101631 Apr 2/25 CCME Petroleum Hydrocarbons in water: BTEX/F1-F2, Cyanide in water, Dissolved Metals in water, Polycyclic Aromatic Hydrocarbons in water, Routine Water Potability Analysis, Total Kjeldahl Nitrogen in water, Total Organic carbon in water		361.43	
EFT125	MPE Engineering Ltd.			\$1,223.25
	inv. 2065-006-02-09 Sheep River Direct Intake Design-General Engineering		1,223.25	
EFT126	Stantec Consulting Ltd.			\$14,370.90
	inv. 1982182 Turner Valley Reservoir Site & Source Water Program-Groundwater		14,370.90	
EFT127	Town of Diamond Valley			\$9,033.84
	inv. 2025247 March 2025 Shared Operating Costs		9,033.84	
		TOTAL EFT's		\$26,724.00
		TOTAL Payments		\$27,161.85



Sheep River Regional Utility Corporation

Treated Daily Demand vs Raw Water Diversion

Year/Month/Day	Diamond Valley West Treated (m3/day)	Diamond Valley East Treated (m3/day)	Diamond Valley Total (m3/day)	Millarville Crossing Treated (m3/day)	Total Treated Water To Distribution (m3/day)	Raw Storage Water Used WTP (m3/day)	Process Loss (m3/day) Treated - Raw Used	Diamond Valley TW5A, CW8 Into Raw Water Reservoir (m3/day)	Diamond Valley VW5 Into Raw Water Reservoir (m3/day)	Stilling Basin Into Raw Water Reservoir (m3/day)	Total Into Raw Water Reservoir (m3/day)	Raw Water Storage Percentage
2025-03-01	631	1017	1648	4.33	1652	2130	478	0	1054	777	1831	93.8
2025-03-02	649	1016	1665	6.63	1672	2275	603	0	1054	779	1833	94.2
2025-03-03	604	1003	1607	6.99	1614	1878	264	0	1055	808	1863	94.0
2025-03-04	592	975	1568	7.56	1575	2034	459	0	1054	820	1874	94.4
2025-03-05	636	971	1607	7.40	1614	2114	500	0	1054	820	1874	94.7
2025-03-06	593	979	1572	5.79	1578	2072	494	0	1055	838	1893	94.7
2025-03-07	622	991	1613	6.16	1619	2195	576	0	1054	842	1896	94.8
2025-03-08	604	995	1599	6.22	1605	2099	494	0	1028	840	1868	94.8
2025-03-09	654	994	1648	6.09	1654	1932	278	0	970	840	1810	94.6
2025-03-10	593	1001	1594	7.46	1601	2175	574	0	968	841	1809	94.5
2025-03-11	629	996	1625	7.37	1632	2108	476	0	970	840	1810	94.5
2025-03-12	654	987	1641	7.10	1648	2085	437	0	970	845	1815	94.6
2025-03-13	618	990	1608	6.60	1615	2026	411	0	970	825	1795	94.5
2025-03-14	635	981	1616	6.76	1623	2240	617	0	970	821	1791	94.3
2025-03-15	606	1105	1711	4.40	1715	2141	426	0	971	822	1793	94.3
2025-03-16	652	1333	1985	7.04	1992	2244	252	0	989	821	1810	94.1
2025-03-17	604	1416	2020	8.66	2029	2821	792	0	987	881	1868	93.9
2025-03-18	635	1407	2042	7.15	2049	2421	372	0	987	906	1893	93.6
2025-03-19	625	1423	2048	6.09	2054	2428	374	0	987	907	1894	93.1
2025-03-20	616	1432	2048	8.36	2056	2945	889	0	983	906	1889	92.9
2025-03-21	641	1427	2068	6.21	2074	2389	315	0	970	908	1878	92.4
2025-03-22	633	1444	2077	6.13	2083	2596	513	0	969	907	1876	91.9
2025-03-23	654	1440	2094	8.91	2103	2697	594	0	971	907	1878	91.7
2025-03-24	637	1447	2084	8.08	2092	2607	515	0	927	969	1896	91.3
2025-03-25	630	1435	2065	7.75	2073	2492	419	59	923	992	1974	90.6
2025-03-26	654	1374	2028	8.86	2037	2761	724	125	936	1011	2072	91.0
2025-03-27	644	1359	2003	7.86	2011	2532	521	141	930	1073	2144	90.8
2025-03-28	631	1341	1972	8.25	1980	2302	322	152	932	1120	2204	90.7
2025-03-29	612	1341	1953	8.15	1961	2198	237	157	931	1120	2208	90.9
2025-03-30	647	1336	1983	7.48	1990	2273	283	160	930	1122	2212	90.9
2025-03-31	625	1357	1982	7.40	1989	2084	95	159	930	1121	2210	91.0
Min	592	971	1568	4.33	1575	1878		0	923	777	1791	90.6
Avg	628	1204	1831	7.07	1838	2300	461	31	983	904	1918	93.1
Max	654	1447	2094	8.91	2103	2945		160	1055	1122	2212	94.8
Total m3	19458	37314	56771	219.25	56991	71294	14303	953	30479	28027	59459	

↑
Cells will highlight red if volume is if above
3000 m3 per day for DV.

20.06%
Loss

Full Level
End of Month
Average Month Volume

186,403
169,627
173,625

100.00%
91.0%



Sheep River Regional Utility Corporation

Treated Daily Demand vs Raw Water Diversion

Year/Month/Day	Diamond Valley West Treated (m3/day)	Diamond Valley East Treated (m3/day)	Diamond Valley Total (m3/day)	Millarville Crossing Treated (m3/day)	Total Treated Water To Distribution (m3/day)	Raw Storage Water Used WTP (m3/day)	Process Loss (m3/day) Treated - Raw Used	Diamond Valley TW5A, CW8 Into Raw Water Reservoir (m3/day)	Diamond Valley VW5 Into Raw Water Reservoir (m3/day)	Stilling Basin Into Raw Water Reservoir (m3/day)	Total Into Raw Water Reservoir (m3/day)	Raw Water Storage Percentage
2024-04-01	644	1277	1921	7.06	1928	2012	84	161	931	1121	2213	90.9
2024-04-02	617	1370	1987	7.57	1995	2585	590	163	930	1121	2214	91.3
2024-04-03	608	1368	1976	7.64	1984	2147	163	162	930	1121	2213	91.2
2024-04-04	603	1406	2009	8.02	2017	2223	206	170	898	1121	2189	91.0
2024-04-05	595	1433	2028	6.54	2035	2690	655	166	862	1121	2149	90.8
2024-04-06	659	1432	2091	5.19	2096	2542	446	166	861	1121	2148	90.8
2024-04-07	608	1431	2039	9.71	2049	2541	492	166	862	1122	2150	90.3
2024-04-08	648	1404	2052	7.53	2060	2366	306	229	897	1089	2215	90.6
2024-04-09	639	1400	2039	8.81	2048	2369	321	253	904	1078	2235	90.3
2024-04-10	621	1388	2009	8.18	2017	2040	23	249	905	1079	2233	89.7
2024-04-11	592	1410	2002	6.83	2009	2107	98	248	904	1078	2230	89.8
2024-04-12	654	1393	2047	4.05	2051	2677	626	250	905	1078	2233	90.3
2024-04-13	654	1380	2034	7.51	2042	2047	5	256	872	1070	2198	90.1
2024-04-14	632	1399	2031	8.72	2040	2354	314	250	760	1009	2019	89.7
2024-04-15	608	1390	1998	8.43	2006	2285	279	245	776	1036	2057	89.6
2024-04-16	593	1373	1966	7.67	1974	2636	662	255	799	1035	2089	88.9
2024-04-17	639	1369	2008	7.41	2015	2104	89	264	819	1035	2118	88.9
2024-04-18	637	1363	2000	7.41	2007	2535	528	259	818	1100	2177	87.9
2024-04-19	674	1355	2029	7.02	2036	2414	378	266	819	1111	2196	88.6
2024-04-20	633	1351	1984	8.94	1993	2108	115	272	818	1106	2196	87.4
2024-04-21	600	1344	1944	5.18	1949	3234	1285	266	818	1237	2321	88.1
2024-04-22	617	1344	1961	6.81	1968	2760	792	274	818	1293	2385	88.2
2024-04-23	602	1342	1944	5.41	1949	2672	723	275	818	1294	2387	87.8
2024-04-24	645	1353	1998	7.68	2006	2464	458	271	818	1292	2381	88.0
2024-04-25	649	1358	2007	9.36	2016	2873	857	271	818	1089	2178	87.5
2024-04-26	649	1360	2009	5.88	2015	2553	538	271	818	1294	2383	88.1
2024-04-27	661	1365	2026	5.66	2032	2432	400	266	854	1294	2414	88.2
2024-04-28	594	1377	1971	6.84	1978	2233	255	266	862	1323	2451	88.0
2024-04-29	618	1343	1961	7.42	1968	2164	196	267	862	1320	2449	88.7
2024-04-30	632	1352	1984	7.35	1991	2413	422	263	862	1331	2456	88.9
Min	592	1277	1921	4.05	1928	2012		161	760	1009	2019	87.4
Avg	628	1374	2002	7.26	2009	2419	410	238	854	1151	2243	89.3
Max	674	1433	2091	9.71	2096	3234		275	931	1331	2456	91.3
Total m3	18826	41230	60056	217.82	60274	72580	12306	7140	25618	34519	67277	

↑
Cells will highlight red if volume is if above
3000 m3/ per day for DV.

16.96%
Loss

Full Level
End of Month
Average Month Volume

186,403
165,712
166,495

100.00%
88.9%

Sheep River Regional Utilities Corporation
Unaudited Statement of Operating Revenues and Expenses
For the month-ending March 31, 2025

Revenues	2025 Budget	2025 Actual	Balance Remaining	% Left
Fixed rate requisitions	\$ 175,972	\$ 44,649	\$ 131,323	75%
Variable water requisitions	728,050	184,713	543,337	75%
Interest income	31,000	-	31,000	100%
Other income	26,000	-	26,000	100%
	\$ 961,022	\$ 229,362	\$ 731,660	76.13%
Expenses				
Wages and benefits	244,000	20,709	223,291	92%
Amortization	228,944	-	228,944	100%
Groundwater monitoring & testing	50,000	17,436	32,564	65%
Utilities expense	132,000	26,529	105,471	80%
Administrative fee	36,000	3,000	33,000	92%
Insurance	20,000	-	20,000	100%
Work contracted	62,000	5,326	56,674	91%
Telephone	6,000	840	5,160	86%
Engineering fees	150,000	5,428	144,572	96%
Computer services	6,000	1,038	4,962	83%
Operating supplies/Small tools & supplies	60,000	8,355	51,645	86%
Postage	600	-	600	100%
Conferences, memberships, training	5,000	252	4,748	95%
Fuel expense	6,000	-	6,000	100%
Office supplies	5,000	-	5,000	100%
WTP maintenance & repair	30,000	16,627	13,373	45%
Meals & mileage	200	-	200	0%
Audit	5,500	4,240	1,260	23%
Advertising	1,000	-	1,000	100%
Bank charges	1,250	42	1,208	97%
	\$ 1,049,494	\$ 109,822	\$ 939,672	89.54%
EXCESS OF REVENUES (EXPENSES) FOR THE YEAR	\$ (88,472)	\$ 119,540	\$ (208,012)	
Add back in amortization	228,944	-	228,944	100%
Capital purchases	(26,000)	(20,559)	(5,441)	21%
Transfer to capital reserve	(114,472)	-	(114,472)	100%
	\$ -	\$ 98,981	\$ (93,540)	

SHEEP RIVER REGIONAL UTILITY CORPORATION

FINANCIAL STATEMENTS

For the quarter ended March 31, 2025

SHEEP RIVER REGIONAL UTILITY CORPORATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2025

	2025	2024
	Unaudited	Audited
Financial assets		
Cash	\$ 1,219,717	\$ 1,133,355
Trade and other receivables (note 3)	92,144	101,339
	1,311,861	1,234,694
Liabilities		
Accounts payable and accrued liabilities	26,567	48,381
Due to shareholders (note 4)	4,572,935	4,572,935
	4,599,502	4,621,316
Net financial debt	(3,287,641)	(3,386,622)
Non-Financial Assets		
Prepaid expenses	18,399	18,399
Tangible capital assets (schedule 1)	8,530,002	8,509,443
	8,548,401	8,527,842
Accumulated Surplus (note 5 and schedule 2)	\$ 5,260,760	\$ 5,141,220

The accompanying notes are an integral part of these financial statements.

SHEEP RIVER REGIONAL UTILITY CORPORATION
STATEMENT OF OPERATIONS
For the quarter ended March 31, 2025

	BUDGET (unaudited)	2025 Unaudited	2024 Audited
Revenues			
Water requisition	\$ 904,022	\$ 229,362	\$ 892,973
Interest and other	57,000	-	57,422
Total Revenues	<u>961,022</u>	<u>229,362</u>	<u>950,395</u>
Expenses			
Contracted and general services	366,100	53,349	212,991
Salaries, Wages and Benefits	244,000	20,709	236,864
Materials, goods and utilities	209,200	35,722	135,253
Bank Charges and short-term interest	1,250	42	652
Amortization of tangible assets	228,944	-	230,064
Total Expenses	<u>1,049,494</u>	<u>109,822</u>	<u>815,824</u>
Excess (deficiency) of revenue over expenses	(88,472)	119,540	134,571
Accumulated operating surplus, beginning of year	<u>5,141,220</u>	<u>5,141,220</u>	<u>5,006,649</u>
Accumulated Surplus, end of year	<u><u>5,052,748</u></u>	<u><u>\$ 5,260,760</u></u>	<u><u>\$ 5,141,220</u></u>

The accompanying notes are an integral part of these financial statements.

SHEEP RIVER REGIONAL UTILITY CORPORATION
STATEMENT OF CHANGE IN NET FINANCIAL DEBT
For the quarter ended March 31, 2025

	BUDGET (Unaudited)	2025 Unaudited	2024 Audited
Excess (deficiency) of revenue over expenses	\$ (88,472)	\$ 119,540	\$ 134,571
Acquisition of tangible capital assets	\$ (26,000)	(20,559)	\$ (11,200)
Amortization of tangible capital assets	228,944	-	230,064
	<u>202,944</u>	<u>(20,559)</u>	<u>218,864</u>
Net change in prepaid expense	<u>-</u>	<u>-</u>	<u>(2,183)</u>
Change in net financial debt	114,472	98,981	351,252
Net financial debt, beginning of year	(3,386,622)	(3,386,622)	(3,737,874)
Net financial debt, end of year	<u>\$ (3,272,150)</u>	<u>\$ (3,287,641)</u>	<u>\$ (3,386,622)</u>

The accompanying notes are an integral part of these financial statements.

SHEEP RIVER REGIONAL UTILITY CORPORATION
STATEMENT OF CASH FLOWS
For the quarter ended March 31, 2025

	2025	2024
	Unaudited	Audited
Operating transactions		
Excess (deficiency) of revenue over expenses	\$ 119,540	\$ 134,571
Adjustment for items which do not effect cash		
Amortization of tangible capital assets	-	230,064
	119,540	364,635
 Net Change in non-cash working capital items		
Trade and other receivables	9,195	37,641
Prepaid expenses	-	(2,183)
Accounts payable and accrued liabilities	(21,814)	(1,226)
Cash provided by operating transactions	106,921	398,867
 Capital transactions		
Acquisition of tangible capital assets	(20,559)	(11,200)
 Increase in cash	86,362	387,667
 Cash, beginning of year	1,133,355	745,688
 Cash, end of year	\$ 1,219,717	\$ 1,133,355

The accompanying notes are an integral part of these financial statements.

SHEEP RIVER REGIONAL UTILITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the quarter ended March 31, 2025

1. Nature of operations

Sheep River Regional Utility Corporation (the "company") was incorporated under the Business Corporations Act of Alberta on June 30, 2013. It operates under a Ministerial Order pursuant to section 250 of the Municipal Governments Act of Alberta. The company was incorporated for the purpose of operating the supply, treatment and transmission of drinking water to the respective municipalities.

The Town of Turner Valley and the Town of Black Diamond amalgamated with an effective date of January 1, 2023. The newly amalgamated Town of Diamond Valley is the new shareholder of Sheep River Regional Utility Corporation.

The shareholders of the company are the Town of Diamond Valley, Foothills County, and the Village of Longview.

The company is exempt from income taxation under Section 149 of the Canada Income Tax Act.

2 Significant accounting policies

The financial statements are prepared in accordance with Canadian public sector accounting standards and reflect the assets, liabilities, revenues and expenses, and change in the financial position of the company. Significant aspects of the accounting policies adopted by the company are as follows:

(a) Revenue recognition

Variable and fixed water revenues are recognized as revenue in the period in which the service is delivered or in which the transactions or events occurred that gave rise to the revenue.

(b) Valuation of financial assets and liabilities

The company's financial assets and financial liabilities are measured as follows:

Financial statement component	Measurement
Cash	Cost and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Due to shareholders	Cost

(c) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) Budget amounts

The budget amounts presented on the statement of operations are taken from the company's annual budget. Certain budget amounts have been reclassified to conform with the current year's financial statement presentation.

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Debt for the year.

2 Significant accounting policies continued

(f) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Buildings	13-48
Engineering structures	38-73
Equipment	10

Full annual amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(g) Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the company to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the company reviews the carrying amount of the liability. The company recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The company continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

The company adopted PS3280 asset retirement obligation and did not identify any asset retirement obligations as a result of this standard.

SHEEP RIVER REGIONAL UTILITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the quarter ended March 31, 2025

3 Trade and other receivables

The accounts receivable is made up of the following:

	2025	2024
	Unaudited	Audited
Trade receivables	\$ 77,153	\$ 91,794
GST receivable	\$14,991	9,545
	92,144	101,339

4. Due to Shareholders

	2025	2024
	Unaudited	Audited
Town of Diamond Valley	\$ 4,115,642	\$ 4,115,642
Foothills County	\$ 457,293	\$ 457,293
	4,572,935	4,572,935

5. Accumulated surplus

Accumulated surplus consists of internally restricted and unrestricted amounts, equity in tangible capital assets, and share capital as follows:

	2025	2024
	Unaudited	Audited
Unrestricted surplus	411,933	\$ 312,952
Internally restricted surplus (reserves) (note 6)	\$ 891,740	891,740
Equity in tangible capital assets (note 7)	3,957,067	3,936,508
Share capital (note 8)	20	20
	\$ 5,260,760	\$ 5,141,220

6. Reserves

	2025	2024
	Unaudited	Audited
Capital expenditures	891,740	\$ 891,740

SHEEP RIVER REGIONAL UTILITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the quarter ended March 31, 2025

7. Equity in tangible capital assets

	2025	2024
	Unaudited	Audited
Tangible capital assets	\$ 10,449,475	\$ 10,428,916
Accumulated amortization	\$ (1,919,473)	(1,919,473)
Due to shareholders	\$ (4,572,935)	(4,572,935)
	<u>\$ 3,957,067</u>	<u>\$ 3,936,508</u>

8. Share Capital

Authorized

Unlimited Class A Common Voting Shares
Unlimited Class B Common Voting Shares
Unlimited Class C Common Voting Shares
Unlimited Class D Common Non-Voting Shares
Unlimited Class E Common Non-Voting Shares
Unlimited Class F Common Non-Voting Shares
Unlimited Class G Preferred Non-Voting Shares
Unlimited Class H Preferred Non-Voting Shares
Unlimited Class I Preferred Non-Voting Shares

Issued

		2025	2024
		Unaudited	Audited
100	Class B - Village of Longview	\$ 10	\$ 10
90	Class A - Town of Diamond Valley	9	9
10	Class A - Foothills County	1	1
		<u>\$ 20</u>	<u>\$ 20</u>

SHEEP RIVER REGIONAL UTILITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the quarter ended March 31, 2025

9 Budget amounts

The 2025 budget was approved by the company and has been reported in the financial statements for information purposes only. The budget amounts have not been audited, reviewed, or otherwise verified

	Budgeted deficit per financial statements	\$ (88,472)
Less:	Capital expenditures	-26,000
	Transfer to reserves	-114,472
Add:	Amortization	228,944
Equals:	Balanced budget	<u>\$ -</u>

10 Economic dependence

Substantially all of the revenues derived by the company are from shareholders. As a result, the company is economically dependent on its shareholders in order to generate operating cash flow and for the continued viability of the business.

11 Financial instruments

The company's financial instruments consist of trade and other receivables and accounts payable and accrued liabilities. It is management's opinion that the company is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of these financial instruments approximates their fair value.

SHEEP RIVER REGIONAL UTILITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the quarter ended March 31, 2025
Unaudited

Schedule of tangible capital assets

Schedule 1

		Land	Buildings	Engineered Structures	Machinery & Equipment	2025	2024					
2025												
Cost:												
Balance, beginning of year	\$	386,841	\$	1,058,497	8,464,252	\$	519,326	\$	10,428,916	\$	10,417,716	
Acquisitions							20,559		20,559		11,200	
Balance, end of year		386,841		1,058,497	8,464,252		539,885		10,449,475		10,428,916	
Accumulated Amortization:												
Balance, beginning of year		-		271,478	1,330,554		317,441		1,919,473		1,689,409	
Amortization expense									-		230,064	
Balance, end of year		-		271,478	1,330,554		317,441		1,919,473		1,919,473	
Net book value	\$	386,841	\$	787,019	\$	7,133,698	\$	222,444	\$	8,530,002	\$	8,509,443

SHEEP RIVER REGIONAL UTILITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the quarter ended March 31, 2025
Unaudited

Schedule of changes in accumulated surplus

Schedule 2

	Unrestrcited	Internally restricted	Equity in tangible capital assets	Share capital	2025	2024
Balance, beginning of year	\$ 312,952	\$ 891,740	\$ 3,936,508	20	\$ 5,141,220	\$ 5,006,649
Excess of revenue over expenses	119,540	-	-	-	119,540	134,571
Annual amortization expense	-	-	-	-	-	-
Transfer reserves from operating						-
Purchase of capital assets	(20,559)		20,559			-
Change in accumulated surplus	98,981	-	20,559	-	119,540	134,571
Balance, End of Year	411,933	891,740	3,957,067	20	5,260,760	5,141,220

Sheep River Regional Utility Corporation
c/o Foothills County
309 Macleod Trail
P.O. Box 5605
High River, AB
T1V 1M7

May 8, 2025
File: N:\2065\001-07\L03-1.0

Attention: Harry Riva-Cambrin
SRRUC CEO

Dear Mr. Riva-Cambrin:

Re: 21-01ASP Colts Crossing – Bylaw 2025-102
Application for Area Structure Plan – External Circulation

Sheep River Regional Utility Corporation (SRRUC) has requested that MPE a division of Englobe (MPE) comment on the Application for Area Structure Plan (ASP) that was circulated by the Town of Diamond Valley, with respect to the SRRUC waterworks system as it applies to water supply, water licence capacity, and constraints on the system. A total of eighteen (18) documents were submitted. This review focused on the documents specifically related to water servicing as it pertains to the SRRUC raw water and treatment system.

Proposed Development Water Demands

Two of the documents submitted detailed projected water demands, including a *Preliminary Servicing Strategy*, April 25, 2022, and a *Preliminary Servicing Report Colts Crossing Rev2*, November 4, 2024, both prepared by Stantec as supporting documentation to the ASP application.

The following summarizes the projected water demands from those documents:

1. In the *Preliminary Servicing Report*, the following water criteria was noted:

Total Residential Population	4,305
Work Population	384 jobs
Residential Average Daily Water Demand	315 L/c/d
Average Day Demand	1,477 m ³ /d
Maximum Day Demand	3,250 m ³ /d
Peak Hour Demand	68.4 L/s

2. In *Preliminary Servicing Report Colts Crossing Rev2*, the following water criteria was noted:

Phases 1

Phase 1 Residential Population	1,128
Phase 1 Work Population	367 jobs
Residential Average Daily Water Demand	315 L/c/d
Phase 1 Average Day Demand	471 m ³ /d
Phase 1 Maximum Day Demand	1,036 m ³ /d
Phase 1 Peak Hour Demand	78 m ³ /hr (21.7 L/s)

Phases 2 to 5

Phase 2-5 Residential Population	3,566
Phase 2-5 Work Population	367 jobs
Residential Average Daily Water Demand	315 L/c/d
Phase 2-5 Average Day Demand	1,239 m ³ /d
Phase 2-5 Maximum Day Demand	2,726 m ³ /d
Phase 2-5 Peak Hour Demand	206 m ³ /hr (57.2 L/s)

The demands required to accommodate the projected development area, based on the above servicing report (Rev 2) are approximately:

- Average Day Demand 1,710 m³/d (471 m³/d + 1,239 m³/d)
- Maximum Day Demand 3,762 m³/d (1,036 m³/d + 2,726 m³/d)
- Peak Hour Demand 78.8 L/s (21.7 L/s + 57.2 L/s)

The following sections provide a review of the SRRUC raw water and water treatment system to determine if capacity is available for the proposed development.

SRRUC Raw Water System

The raw water system utilizes a series of groundwater wells under the influence of the Sheep River in addition to a Seasonal Direct Intake. Raw water is pumped from the source infrastructure to a raw water reservoir prior to being treated.

In total, the Town of Diamond Valley has seven water licences with a total annual diversion of approximately 1,470,000 m³/yr. In 2024, the total amount of water diverted through the SRRUC raw water infrastructure attributable to the Town's licences was approximately 697,000 m³. Note that the annual usage in the Town has varied historically over the years and there have been years where annual diversion rates have been up to approximately 823,000 m³/yr.

In addition to the annual diversion allotment, each well/intake is restricted by a maximum pumping rate. The actual pumping rates in each of the wells is impacted by the levels in the river as they are directly connected. Additionally, several of the licences have Instream Objectives (IOs) on them, resulting in the need to cease pumping altogether in times of low water flow/level in the Sheep River. As the pumping rates are affected by the river conditions, operationally the infrastructure is restricted based on river levels and drought conditions. Given these restrictions, the full annual allocation may be limited by the pumping infrastructure in any given year.

SRRUC Water Treatment System

In 2015, upgrades to the Water Treatment Plant located in the Town of Diamond Valley were completed. As per the *Water Treatment Plant and Mechanical Upgrades Preliminary Design Report*, December 20, 2012 the water treatment plant was to be upgraded to accommodate the demands in the following table. A portion of the capacity was allocated to the Town of Diamond Valley with the remaining portion allocated to Foothills County.

	Town of Diamond Valley	Foothills County
Total Population	7,989	915
Average Daily Water Demand	410 L/c/d	
Average Day Demand	3,275 m ³ /d	375 m ³ /d
Maximum Day Demand	6,550 m ³ /d	750 m ³ /d
Peak Hour Demand	152 L/s	17 L/s

Based on SRRUC's 2024 Annual report, an average day demand of 1,653 m³/d of potable water was distributed to the Town of Diamond Valley in 2024. Similar to the raw water, the volume of water produced does vary from year to year and demand may be higher in certain years than others for the Town. Given the average flow rate for 2024, the water treatment system would have capacity to treat approximately 1,622 m³/d (3,275 m³/d – 1,653 m³/d) at an average day flow rate.

Conclusion

Given the projected potable water demands for the proposed ASP area (Average Day Demand of 1,477 m³/d), this would result in the requirement of approximately 539,105 m³/yr of potable water. Raw water volumes in excess of the potable water needs would be anticipated to account for water treatment losses, such as backwash water.

Based on the available water licences, there is allocation for future development within the Town; however, the raw water infrastructure (wells/intake/pumps) are limited in the amount of raw water that is capable of being diverted through the physical infrastructure. Should this development proceed, it is recommended that SRRUC continue to review options to increase pumping capabilities in the wells/intake to maximize the diversion capability of the system. While the raw water reservoir provides for some raw water storage during drought years, consideration should be given as to whether the existing storage is sufficient to support an increased population during drought years.

Based on the above design conditions of the Water Treatment Plant, there would be capacity to accommodate this development. However, in this review, no consideration has been given to other developments and/or densification that may occur in the Town now or in the future.

Should this development proceed, it is recommended that SRRUC require that the projected water demands be submitted to SRRUC for review as each phase of the development proceeds to subdivision approval for evaluation, confirmation of available capacity and approval of available water allotment.

The review of submitted documents does not constitute approval of the developments preliminary design. Conformance with local municipal, provincial and other regulatory authorities remains the responsibility of the developer.

Closure

If clarification or more information is required, please do not hesitate to contact the undersigned at 403-219-6319.

Yours truly,

MPE a division of Englobe



Jill Hardy, P.Eng.
Project Manager

JH:vv