

North Red Deer River Water Services Commission



Regular Meeting Agenda

Date:	March 23, 2026	Time:	9:00am
Location:	COUNCIL CHAMBERS LACOMBE, AB		
Invitees:	<p>Members: John Ireland, Lacombe County – Chair Clayton Nelson, Town of Ponoka – Vice-Chair Jim Sands, Town of Blackfalds – Director Kim Proud, City of Lacombe – Director Mark Matejka, Ponoka County – Director</p> <p>Others: Jordan Thompson, NRDRWSC CAO Councillor Cheryl Littlechild, Ermineskin Cree Nation Councillor Craig Makinaw, Ermineskin Cree Nation Kim Isaak, CAO, Town of Blackfalds Matthew Goudy, CAO, City of Lacombe Tim Timmons, County Manager, Lacombe County Sandra Lund, CAO, Town of Ponoka Peter Hall, CAO, Ponoka County Preston Weran, Director of Infrastructure and Planning Services, Town of Blackfalds Michael Minchin, Director of Corporate Services, Lacombe County Doug Halldorson, Director of Operations, City of Lacombe Jeff Edgington, Manager of Operations, Town of Ponoka Acting Manager, Phil Bevans, City of Lacombe Manager Chris Huston, City of Lacombe Foreman Angela Smith, City of Lacombe</p> <p>Guests: Albert Frootman, MPA, RPP, MCIP, Prinicipal, Localis Michelle Tetreault, BA, Localis</p>		
Recorded by:	Iwa Post – NRDRWSC Executive Assistant		
1. Call to Order by Chair			
2. Adoption of Agenda			
3. Reports:			
3.1 Waterline Extension Project Management Report (Localis)			
4. New Business / Emergent Items:			
4.1 Remuneration and Mileage Allowance Policy (Tabled from Feb. 17, 2026)			

4.2 Waterline Extension Project – General Engineering Services, Grant Compliance, Audit Services

4.3 Bylaw 1 Restructure and First Readings: Governance, Operations, and Terms of Service

4.4 Membership Agreement 2.0 - Draft

5. In Camera

5.1 In-Camera Attachments for 4.2 Waterline Extension Project (ATIA 19)

6. Next Meeting Date:

April 27, 2026, in Council Chambers, City of Lacombe, at 9:00am

7. Adjournment



PROJECT MANAGEMENT TEAM REPORT TO COMMISSION

Report Date:	March 16 2026	Report Period:	Feb 2026 – Mar 2026
Report to:	North Red Deer River Water Services Commission	From:	Project Management Team
Contact:	Jordan Thompson, NRDRWSC CAO	Overall Project Status:	●
Project:	NRDRWSC Waterline Expansion Project	Project duration:	Nov 2024 – Dec 2030 (62 months including Warranty)
Project Status indicators:	On time: ● Needs attention and follow ups: ● Behind Schedule: ●		



Executive Summary

The Waterline Expansion Project continues to advance in alignment with the approved Project Plan. Procurement activities remain on schedule. Background studies are progressing. Desktop reviews have been provided by AARES (vegetation and wildlife assessment), Lifeways (historical resources assessment), and Canadian Resource Valuation Group (alignment review with appraisal considerations).

An interim membership agreement with Ermineskin Cree Nation has been reached; execution of the agreement is expected to occur imminently.

A new proposed membership agreement and governance bylaws have been finalized, to be considered for first reading/member consultation at the March 23rd Commission Board meeting.

The engineering services contract and auditor services contract are being brought forward to the March 23rd Board meeting.



The next Onboarding Committee meeting is also scheduled for March 23. Next steps and finalization of the onboarding/orientation process will be discussed.

Next Technical Committee meeting to be held on April 15.

Key Activities Completed in the reporting period:

<p>Contract Signing/Agreements:</p> <p>Negotiation</p> <ul style="list-style-type: none"> • General Engineering Services • Auditor <p>Engagement</p> <ul style="list-style-type: none"> • TEC – Cashflow projections/ROW discussions • Onboarding Committee • Interim membership agreement <p>Financial</p> <ul style="list-style-type: none"> • Engaged with auditor to establish payment for project invoicing <p>Background Studies</p> <ul style="list-style-type: none"> • Consultant work continues 	<p>Asset Register:</p> <ul style="list-style-type: none"> • Work continues on integrated database <p>New Member Buy-in:</p> <ul style="list-style-type: none"> • Communication with TEC <p>Governance and Administration:</p> <ul style="list-style-type: none"> • Onboarding committee discussions • Interim membership agreement approved and signed • New membership agreement and governance bylaws being refined for presentation to Board March 23 <p>Annual Report Development</p> <ul style="list-style-type: none"> • initiated
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Project Deliverables Status

Deliverable Category	Status	Comments
Phase 2 – MoU & GoA Funding Agreement	●	MoU complete GoA Updated Funding Agreement subject to project tendering (Q3) Cash flow projections submitted to TEC November 2025, and updated February 2026
Phase 2 – Asset Management	●	Updated costing for existing Commission assets Altalis and Abadata Enhanced cadastral mapping Draft crossing list Line list created
Phase 2 – System Integration	●	Utility Coordination Committee to be established Planning registration with Utility Safety Partners to be completed
Phase 2 – System Integration	●	RAM being updated regularly RACI – monitoring ENVISION – propose session for Technical Committee and/or Commission Board
Phase 3 - Agreements	●	Interim ECN membership agreement concluded



PROJECT MANAGEMENT TEAM REPORT TO COMMISSION

		Membership and Supply Agreements, bylaw updates in progress CRD Water Supply Agreement pending
Phase 4 – Project Start-up	●	Committees formed Design engineer contract in negotiation Stakeholder engagement in progress
Phase 4 – Procurement Activities (RFPs)	●	Auditor and Engineering contracts to be brought to March 23 rd , 2026 Commission Board meeting
Engagement	●	Onboarding Committee meetings held
Phase 5 – Design & Documentation	●	Early works (including ECN metering station) discussed October 2025; on hold; design to be addressed during detailed design
Phase 6 – Tender & Award	●	Exploring options for posting of tender to maximize industry exposure
Phase 7 – Construction & Commissioning	●	Q4 2026
Phase 8 - Closeout	●	Q4 2027/Q1 2028
Early Works	●	Behind schedule - delays linked to contract negotiation time.



Issues and Risks

Risk / Issue	Impact	Mitigation	Status
Extra time needed to negotiate contracts	Medium	Allocate additional internal resources	Resolved
Year End Reporting – items not grant eligible	Medium	Confirm items with project auditors monthly prior to submitting invoices	Active
Spending on detailed design, construction procurement prior to member onboarding	High	Sign ECN membership agreement in March Additional engagement with existing members regarding bylaw updates	Resolved
Metering Station	Low	Ongoing collaboration	Active



PROJECT MANAGEMENT TEAM REPORT TO COMMISSION

Overall Risk Outlook ●: *Stable-monitored monthly through Risk Register.*



PROJECT MANAGEMENT TEAM REPORT TO COMMISSION

Schedule		
Detail	Date	Status
Onboarding Committee	March 23, 2026	On track; final steps to fulfill MoU requirements to be discussed
Technical Committee	April 15, 2026	Pending
NRDRWSC Board meeting	March 23, 2026	Confirmed Present proposed new Membership Agreement and governance bylaws for consultation
Utility Coordinating Committee	April 2, 2026	Pending



What's Next

Planned Activities for March

Phase 3 Tasks

- Continue to work with lawyer on bylaw and membership updates
- Sign Interim ECN Membership Agreement
- Gain preliminary approval/first reading of new membership agreement and governance bylaws March 23 Board Meeting

Phase 4 Tasks

- Establish Utility Coordinating Committee
- Organize the Land Acquisitions Team
- Commencement of regulatory approvals

Finance

- Prepare year-end reports
- Submit grant claims to TEC
- Provide documentation to auditor

Next Steps

- Continue to implement CAO direction from September Board Meeting (additional scope of work)
 - Asset register
 - Rate review background
- Project branding with ECN
- Detailed design

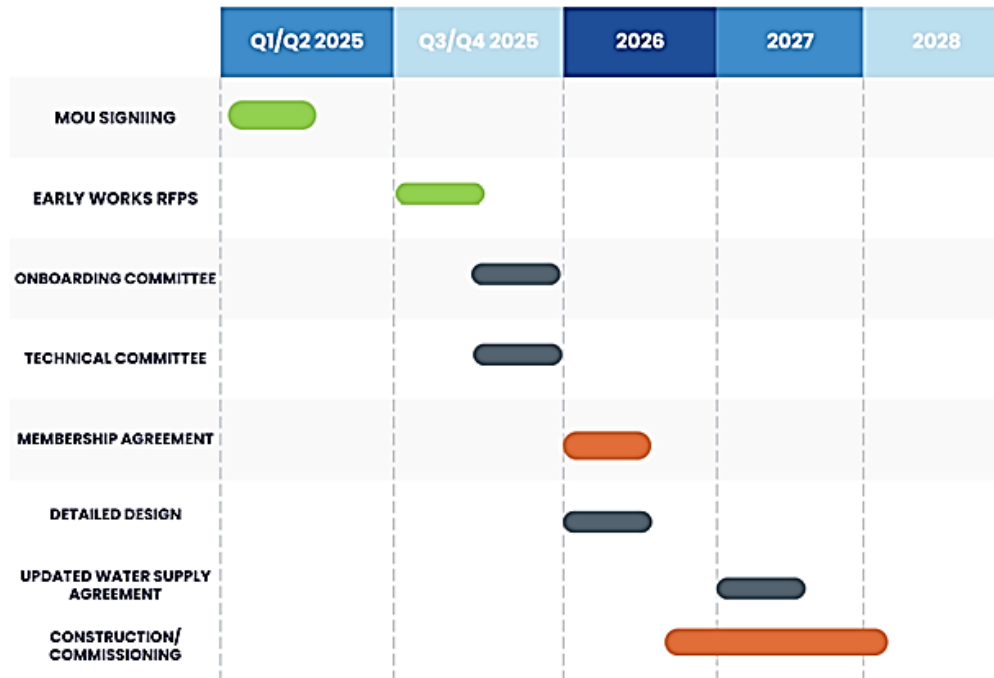


PROJECT MANAGEMENT TEAM REPORT TO COMMISSION

Request for Client Action



Project Plan Milestone Overview





PROJECT MANAGEMENT TEAM REPORT TO COMMISSION

Summary Statement

The Waterline Expansion Project remains on track, with procurement and governance activities progressing. Focus areas for the next month include background study startup, contract finalization, member agreement and bylaw drafting and stakeholder consultation. Continued risk monitoring and financial planning remain priorities.



MEMBERSHIP AGREEMENT AND BYLAW CONSULTATION PROCESS

March 16, 2026

CONSULTATION PROCESS



March 23

- Endorsement of proposed membership agreement for consultation process to commence
- First Reading of Governance, Operations, Terms of Service by-laws

April/May, 2026

- PMT, CAO, Commission Chair and Brownlee Law to facilitate individual member consultation meetings
- Provide overview on new agreement and bylaws
- Update NRDRWSC governance documents consistent with best practices

CONSULTATION PROCESS



June 2026

- PMT and Brownlee Law to present to member councils proposed final drafts as required

July/August

- Member councils to pass motions confirming acceptance of new agreement and bylaws

Sept 21, 2026

- Updated membership agreement and bylaws tabled for second and third reading
- September – documentation updated on NRDRWSC website

Request For Decision

Remuneration and Mileage Allowance Policy

Date: February 17, 2026

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To seek the Boards direction to either update or rescind the [Remuneration and Mileage Allowance Policy](#) (the Policy).

ACTION/RECOMMENDATION:

THAT the Commission direct Administration to rescind the Remuneration and Mileage Allowance Policy effective January 1, 2027.

ISSUE ANALYSIS:

At the February 17th, 2026 meeting, the Board tabled this item for consideration at the March 23, 2026 meeting.

Background

Administration is undertaking a review of legacy Commission policies, as several have not been revisited since the inception of the North Red Deer River Water Services Commission (NRDRWSC). The [Remuneration and Mileage Policy](#) was approved in 2009. The Policy applies to the Chair and Directors of the Commission but does not explicitly define remuneration rates.

Current practice has established the following amounts:

- Director meeting allowance: \$150 per meeting
- Chair meeting allowance: \$350 per meeting
- Mileage reimbursement: \$0.72 per kilometre

The 2026 Operating Budget allocates 0.1% (or \$7,394) of its operating budget to Board expenses.

The administration of remuneration differs per member municipality. In some cases, payments from the NRDRWSC are issued directly to individual Directors. In other cases, payments are issued to the member municipality. This reflects the fact that member municipalities have differing council remuneration policies with respect to participation on external boards and commissions. Where payments are made directly to individuals, the Commission prepares T4 slips.

Earlier this year, Administration received feedback from the CAOs of the three member municipalities whose Directors presently receive remuneration directly from the Commission. All indicated they are satisfied with the status quo and do not have concerns with how remuneration is currently administered. Administration's recommendation to change the approach by rescinding the policy (detailed below) reflects the view that member municipalities should determine compensation for their elected officials, rather than the Commission.

Issue

The Commission's revenues are derived almost entirely from water sales to its member municipalities. Director remuneration is virtually entirely funded by the same municipalities whose elected officials sit on the Board. This creates a circular flow of funds and places the Commission in the position of determining a portion of compensation for elected officials, a role that is already held by the member municipalities themselves.

***[Recommended]* Option 1: Rescind the Remuneration and Mileage Allowance Policy**

Rescinding the policy would clarify that remuneration decisions rest solely with the member municipalities, in accordance with their own council remuneration policies.

Appointed Directors would continue to serve on the Board in their governance role as representatives of their respective municipalities without direct compensation from the Commission– the same approach taken by the North Red Deer Regional Wastewater Services Commission. This approach removes administrative complexity and eliminates inconsistent payment practices.

***[Alternative]* Option 2: Approve the revised Remuneration Policy.**

If the Board wishes to retain a remuneration policy, Administration recommends the following changes:

- Moving the policy to a modern template
- All remuneration payments be issued to the member municipality rather than directly to individual Directors
- Meeting allowances be indexed to inflation rather than fixed amounts
- Maintain the mileage allowance at CRA prescribed per-kilometre rates
- The requirement for annual policy review be removed, as this has not been occurring in practice
- The new policy take effect January 1st, 2027

This approach maintains a formal remuneration framework while improving consistency, administrative clarity, and alignment with municipal governance practices.

***[Alternative]* Option 3: Direct Administration to return to a future meeting with a revised Remuneration and Mileage Allowance Policy that retains the current practice of allowing member municipalities to designate whether remuneration is paid to the Director or to the municipality.**

ALTERNATIVES:

- A. ***[Recommendation]*** THAT the Commission rescinds the Remuneration and Mileage Allowance Policy Effective January 1, 2027.

OR

- B. ***[Alternative]*** THAT the Commission adopts the revised Remuneration Policy 4 (2026).

OR

- C. *[Alternative]* THAT the Commission direct Administration to return to a future meeting with a revised Remuneration and Mileage Allowance Policy that retains the current practice of allowing member municipalities to designate whether remuneration is paid to the Director or to the municipality

ATTACHMENTS:

- DRAFT Remuneration Policy 4 (2026)



POLICY

REMUNERATION POLICY

Policy Number:	4 (2026)
Policy Review:	Every 5 Years or upon Legislative Change
Reference(s):	

1. PURPOSE OF POLICY

- 1.1. The purpose of this policy is to establish a clear, consistent, and transparent framework for compensating member municipalities for the participation of their appointed Directors and alternates in the governance of the North Red Deer River Water Services Commission.

2. POLICY STATEMENT

- 2.1. The Commission shall provide remuneration to each member municipality in recognition of their Director’s participation in Board and Committee meetings.
- 2.2. Remuneration shall be calculated on a per-meeting stipend basis tied to the attendance of the municipality’s appointed Director or alternate.
- 2.3. For the 2026 fiscal year, the Commission established the following meeting allowance amounts as the stipend baseline to be reviewed and adjusted beginning with the 2027 Operating Budget in accordance with this policy:
 - 2.3.1. Director meeting allowance: \$150 per meeting
 - 2.3.2. Chair meeting allowance: \$350 per meeting
- 2.4. Beginning with the 2027 Operating Budget, Administration shall include a recommended adjustment to the stipend amounts within the Commission’s proposed annual budget. The recommended adjustment shall target an increase equal to the average Alberta Consumer Price Index for the twelve-month period from July 1 to June 30. The Board may approve, modify, or decline the recommended adjustment by resolution.
- 2.5. The Commission shall reimburse member municipalities for eligible travel and meal expenses incurred by their Director or alternate while conducting Commission business. Mileage and meal reimbursement rates shall align with current Canada Revenue Agency guidelines.
- 2.6. All stipends and expense reimbursements shall be paid to the member municipality represented by the Director or alternate. The member municipality is responsible for compensating its elected officials or staff in accordance with its own remuneration policies. The Commission shall not provide remuneration or expense reimbursement directly to individual Directors.
- 2.7. This Policy applies to the Commission, and the Member communities of the Commission.
- 2.8. This Policy comes into effect January 1, 2027, upon approval of the Board of Directors.



POLICY

3. DEFINITIONS AND ABBREVIATIONS

Definitions outlined in Bylaw 1 apply to this Policy. Policy-specific definitions are listed below.

- 3.1. **Alberta Consumer Price Index (ACPI)** – is an indicator of changes in consumer prices experienced and is obtained by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers.

4. ROLES AND RESPONSIBILITIES

4.1. Board of Directors

- 4.1.1. Approve this Policy.
- 4.1.2. Comply with this Policy.

4.2. Manager/CAO

- 4.2.1. Ensure Commission Administration compliance with this Policy.
- 4.2.2. Comply with this Policy.

5. END OF POLICY

Signature of Chair

Signature of Manager

Date

Date

POLICY RECORD

Approval and Amendment History

Date of Board Meeting	Description

Review History

Date of Policy Owner's Review	Description/Action Taken or Required
February 17, 2026	

Request For Decision

Waterline Extension Project – General Engineering Services,
Grant Compliance Audit Services

Date: March 23, 2026

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

To recommend providers for General Engineering Services and Grant Compliance Audit Services for the waterline extension project.

ACTION/RECOMMENDATION:

THAT the Commission authorizes Administration to enter into a General Engineering Services Contract with Stantec Consulting Ltd. for the waterline extension project.

AND

THAT the Commission authorizes Administration to enter into a Grant Compliance Audit Services Contract with Metrix Group LLP for the waterline extension project.

ISSUE ANALYSIS:

Background

Through Capital Budget approvals between 2023-2025 the Board has authorized \$39M for the Waterline Extension Project, funded by the Province of Alberta. At its meeting on [September 15th, 2025](#), the Board resolved:

THAT the Commission authorizes the Chief Administrative Officer (CAO) and his delegates (the Project Management Team) to proceed with the waterline extension pre-design activities, regulatory approvals studies and early works proposed.

THAT the Commission authorize the following components of the Waterline Extension Project as required elements to ensure the well-managed implementation of the system extension, and to prepare for the inclusion of ECN as an imminent Commission member:

- 1. Waterline Design, Construction and Regulatory Approvals*
- 2. System Resilience and Continuity Planning for all current and new members,*
- 3. the Project Procurement and Financial Controls Framework,*
- 4. the System Expansion Financial Impact and Rate Review*
- 5. the System Expansion Asset Inventory and Valuation Update, and*
- 6. Project Data Management and Integrity.*

Procurement for the project is delegated to the PMT, and overseen by the CAO in alignment with the [City of Lacombe's procurement policy](#), applied with due consideration for the Commissions' governance structure. In practice, this means most contracts will be

authorized by the CAO within approved budgets and the grant agreement. However, due to their material significance, the following items will be brought back to the Board for approval:

- General engineering services (design and construction supervision)
- Grant compliance audit services
- Metering station construction
- Waterline extension construction

At its [November 17, 2025](#) meeting, the Board resolved:

THAT the Commission authorizes Administration to proceed to final contract negotiations with the top-ranked proponents for General Engineering Services and Grant Compliance Audit Services, and that final agreements be brought back to the Board for approval prior to execution.

Administration now seeks authorization to enter into a **General Engineering Services** contract with Stantec Consulting Ltd. Administration also seeks authorization to enter into a **Grant Compliance Audit Services Contract** with Metrix for the waterline extension project.

Procurement Evaluation Methodology

To date eight Requests for Proposals (RFPs) were issued as an open and competitive procurement on the Alberta Purchasing Connection website. All proposals received were evaluated in accordance with the following methodology:

	Criteria	Description
Stage 1 – Compliance Check	Ensured that all bids or proposals met the mandatory administrative and legal requirements.	Verified submission deadlines, required documents, signatures, and formats.
Stage 2 – Qualitative Evaluation	Evaluated the quality and technical merit of each submission against pre-set criteria.	Assessed bidders’ understanding of requirements, methodology, technical approach, and innovation. Reviewed experience, qualifications, staffing, and capacity to deliver.
Stage 3 – Clarification Meeting	Provided an opportunity to seek clarification on aspects of a bidder’s proposal.	Held meetings or written exchanges with shortlisted bidders to clarify ambiguities or inconsistencies in their submissions.
Stage 4 – Reference Checks	Validated bidders’ past performance and reliability through independent verification.	Contacted references provided by bidders to confirm previous work quality, timelines, and professionalism.

Stage 5 – Financial Review	Evaluated financial proposals to ensure completeness of the scope of work, realism, and value.	Reviewed detailed pricing, cost breakdowns, and financial stability of bidders. Compared bids for competitiveness.
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Procurement Status Summary

The table below summarizes all RFPs issued to date.

RFPs	Views	Queries	Proposals Received	Award Status
General Engineering Services	41	9	2	Recommended for award to Stantec Consulting.
Grant Compliance Audit Services	17	2	1	Recommended for award to Metrix
Vegetation & Wildlife Assessment	54	7	10	Applied Aquatic Research Ltd.
Geomatics and Legal Survey Services	30	4	8	Geo Verra Inc.
Professional Appraisal Services	8	6	2	Canadian Resource Valuation Group Inc.
Land Assembly & ROW Acquisition Services	17	6	7	Land Solutions In.
Historical Resource Assessment Services	18	4	3	Lifeways of Canada
General Field Services	24	1	2	CBO Earthworks, Pidherney's

General Engineering Services:

Description:

The North Red Deer River Water Services Commission (NRDRWSC) sought a qualified engineering services provider to provide and deliver engineering services for the regional waterline expansion project, covering design, permitting, and construction oversight. The service involve coordination with the Project Management Team, environmental compliance, land and utility coordination, detailed design, and integration with existing systems. The project includes a contractor-led Environmental Management Plan and comprehensive tendering support. During construction, the Engineer will provide inspection, progress monitoring, and contract administration. Post-construction services include commissioning, record drawings, warranty support, and final acceptance, with a strong focus on safety, stakeholder coordination, and environmental protection.

RFP Period: October 6th, 2025, to 2:00:00 PM October 27th, 2025.

Number of submissions: 2 - Both were deemed to be complete submissions, compliant with the terms of the RFP. Clarification meetings were held with the submitting proponents and Industry professionals were contacted regarding their past experiences with each proponent.

Stage 2 Qualitative Criteria:

	Weight
Experience & Corporate Profile	25%
Direct Experience on NRDRWSC Projects	10%
Methodology & Schedule	30%
Project Team & Resource Allocation	20%
Fee	15%

The recommended proposal is considered to represent the best overall value, balancing technical quality, experience, engagement approach, and fee realism.

Further, the terms of the RFP allow the PMT to negotiate reasonable refinements to scope, schedule, deliverables, and payment milestones, provided such refinements do not materially change the RFP intent or create an unfair advantage.

The PMT subsequently negotiated the details of the proposed contract with Stantec, identifying efficiencies and ensuring best value for money.

Based on the highest total combined score and successful reference checks, Administration recommends that the contract for General Engineering Services be awarded to **Stantec Consulting Ltd.**

- Total Recommended Contract Value: Based on the proposal submitted and the specifics of the contract negotiated, approximately \$2.5 million.
- Contract Term: through to commissioning and warranty close-out.

Next step: Contract award.

Grant Compliance Auditor Services:

Description:

The Commission sought a qualified audit firm to perform independent financial compliance reviews and related assurance services in accordance with applicable public sector accounting standards, funding agreements, and regulatory obligations. The audit scope includes grant expenditures, internal controls, and project financial reporting to ensure transparency, accountability, and value for money.

RFP Period: October 9th, 2025, to 2:00:00 PM October 23rd, 2025.

Number of submissions: 1

Stage 2 Qualitative Criteria:

	Weight
Project Understanding & Audit Plan	35%
Team Qualifications & Relevant Experience	35%
Fees & Budget	30%

The recommended proposal is considered to represent the best overall value, balancing technical quality, experience, engagement approach, and fee realism.

Further, the terms of the RFP allow the PMT to negotiate reasonable refinements to scope, schedule, deliverables, and payment milestones, provided such refinements do not materially change the RFP intent or create an unfair advantage.

The PMT subsequently negotiated the details of the proposed contract with Metrix.

Based on the highest total combined score and successful reference checks, Administration recommends that the contract for Grant Compliance Audit Services be awarded to **Metrix**.

- Total Recommended Contract Value: Based on the proposal submitted and the specifics of the contract negotiated, approximately \$150k.
- Contract Term: through to final acceptance of grant reporting at project close-out.

Next step: Contract award.

ALTERNATIVES:

1. ***[Recommended]*** THAT the Commission authorizes Administration to enter into a General Engineering Services Contract with Stantec Consulting Ltd. for the waterline extension project.

AND

2. ***[Recommended]*** THAT the Commission authorizes Administration to enter into A Grant Compliance Audit Services Contract with Metrix Group LLP for the waterline extension project.

OR

3. ***[Alternative]*** THAT the Commission directs Administration how it wishes to proceed.

ATTACHMENTS:

- (IN CAMERA) General Engineering Services Contract
- (IN CAMERA) Grant Compliance Auditor Services Contract

Request For Decision

Bylaw 1 Restructure and First Readings: Governance, Operations, and Terms of Service

Date: March 23, 2026

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

Present the restructured Bylaws for first reading and member review.

ACTION/RECOMMENDATION:

THAT the Board gives first reading to Bylaw 101: Governance.

AND

THAT the Board gives first reading to Bylaw 102: Operations.

AND

THAT the Board gives first reading to Bylaw 103: Terms of Service.

AND

THAT the Board directs Administration to circulate the proposed Bylaw 101, 102, and 103 to Member CAOs for review and comment.

***Note on amending Bylaw 1:** An amendment to Bylaw 1 may be passed by the Board upon a three-quarters majority of the Directors of the Board (4 of 5 required to pass). Written notice of a proposed amendment to the Bylaw shall be provided to each Director and each Member not less than thirty (30) days in advance of the meeting at which the amendment is to be considered.*

ISSUE ANALYSIS:

At its February 17th, 2026 meeting, the Board resolved:

THAT the Commission direct Administration to prepare and provide to the Directors and Members the revised bylaws (Governance, Operational and Terms of Service) to replace Bylaw 1 for feedback and consideration by September 2026.

This restructuring approach was presented to the Board by the Commission's legal counsel, Richard Jones, at the February 17 meeting. The draft bylaws are now ready for consideration. **A summary of the proposed bylaws is attached, and a representative from Brownlee will provide an overview.**

Governance Bylaw

Purpose: Establishes the governance framework for the Commission, including Board composition, powers, decision-making authority, financial governance, membership admission and withdrawal, and procedures for meetings and administration.

Key elements:

- Defines the Commission's objects and mandate
- Establishes Board structure (one Director per Member with optional alternates)
- Sets fiduciary duties and conflict of interest requirements for Directors
- Defines Board powers including strategic planning, budgets, rates, and CAO appointment
- Establishes super-majority requirements for major decisions (debt, membership changes, asset disposal, disestablishment)
- Establishes financial governance framework, including budgets and capital planning
- Defines processes for admitting new Members, withdrawal, removal, and Commission disestablishment

Operations Bylaw

Overall role: Establishes the operational framework for managing and protecting Commission infrastructure and regulating activities affecting the system.

Key elements

- Establishes the CAO as the authority responsible for administering the bylaw
- Allows issuance of permits for work affecting Commission infrastructure or rights-of-way
- Incorporates Engineering Standards governing construction and technical requirements
- Enables the Commission to require security, insurance, and compliance conditions
- Establishes inspection and enforcement powers
- Allows emergency action to protect infrastructure and recover costs

Terms of Service Bylaw

Purpose: Establishes the terms and conditions under which the Commission supplies wholesale water services to Members.

Key elements:

- Defines the contractual framework for water service delivery
- Establishes requirements for applications for service and system connections
- Defines service responsibilities at the transfer point
- Establishes water allocation and capacity management rules
- Defines the Commission's cost-of-service rate model
- Establishes billing rules and minimum annual charges
- Sets Member responsibilities for system maintenance, cross-connection control, and metering
- Establishes enforcement mechanisms, including service reduction or disconnection
- Provides arbitration procedures for disputes

Summary

Under this approach, service terms that currently appear within individual membership agreements and apply to all Members would instead be established within Commission bylaws. This change is intended to improve clarity, transparency, and public accessibility by placing shared service terms in publicly adopted bylaws rather than duplicating them across multiple agreements. It also ensures the Board collectively determines the core terms and conditions of membership.

Administration recommends the Board give first reading to each of these bylaws and to direct Administration to circulate the Bylaws to Member CAOs for review and comment.

To support this review, Administration will coordinate opportunities for Member CAOs to participate in a question and answer session with the Commission's legal counsel. These sessions will provide an opportunity to receive feedback, clarify the intent of the proposed bylaws, and address any questions.

Administration's intent is to conduct these discussions over the spring and summer in order to incorporate feedback and meet the Board's September deadline for consideration of the revised bylaws.

ALTERNATIVES:

1. **[Recommended]** THAT the Board gives first reading to Bylaw 101: Governance.

AND

2. **[Recommended]** THAT the Board gives first reading to Bylaw 102: Operations.

AND

3. **[Recommended]** THAT the Board gives first reading to Bylaw 103: Terms of Service.

AND

4. **[Recommended]** THAT the Board directs Administration to circulate the proposed Bylaw 101, 102, and 103 to Member CAOs for review and comment.

OR

5. **[Alternative]** THAT the Board Direct Administration how it wishes to proceed.

ATTACHMENTS:

- Appendix A: Summary of Proposed Bylaws
- Bylaw 101 Governance
- Bylaw 102 Operations
- Bylaw 103 Terms of Services

Appendix A: Summary of Proposed Bylaws

Topic	Original Bylaw 1	Proposed Governance Bylaw	Proposed Operations Bylaw	Proposed Terms of Service Bylaw	Key Change
Overall Structure	Single bylaw combining governance, operations, and service provisions.	Establishes the governance framework for the Commission	Establishes operational controls for infrastructure and rights-of-way (<i>Recitals; s.3-9</i>).	Establishes terms and conditions for water service delivery to Members (<i>structure and application provisions, s.1-4</i>).	Separates governance, operations, and service rules into three specialized bylaws for clarity and easier future amendments.
Governance Framework	Governance provisions embedded within a broader bylaw.	Defines Board composition, fiduciary duties, powers, meeting procedures, and CAO authority (<i>s.4 Board; s.5 Duties; s.6 Powers; s.7-10 Meetings; s.11 CAO</i>).	Not applicable.	Not applicable.	Governance rules are consolidated into a dedicated bylaw, improving clarity and accountability.
Board Authority	Board authority described but less structured.	Establishes explicit Board responsibilities including strategy, budgets, rates, CAO appointment, and oversight (<i>s.6.1; s.14 Financial Governance; s.11 CAO</i>).	Operational authority delegated to CAO (<i>s.3.1-3.3</i>).	Service decisions implemented through Board-approved frameworks (<i>rate setting and service structure provisions, s.5-7, s.8-10</i>).	Clarifies governance role (Board) and administration role (CAO).
Membership Governance	Membership provisions included within Bylaw 1 but less detailed.	Defines admission, withdrawal, removal, financial settlement, and disestablishment processes (<i>s.15 Admission; s.16 Withdrawal and Removal; s.18 Disestablishment</i>).	Not applicable.	Applies to all Members receiving service under standardized terms. (<i>application and eligibility provisions, s.5-6</i>).	Membership governance rules expanded and clarified.
Operational Control of Infrastructure	Limited operational detail regarding infrastructure protection.	Not applicable.	Establishes permits, inspections, enforcement powers, and engineering standards to protect infrastructure (<i>s.5 Permits; s.6 Engineering Standards; s.7-9 Security, Enforcement, Emergencies</i>).	Defines responsibilities at transfer points and interaction with the system. (<i>service responsibility and connection provisions, s.6-7</i>)	Introduces a clear operational regulatory framework for the Commission's infrastructure.
Engineering Standards	Referenced but not clearly integrated into an operational regulatory system.	Not applicable.	Incorporates engineering standards and allows permit conditions and security requirements (<i>s.2.3 Definition; s.6</i>).	Requires compliance with engineering standards for service connections and system use. (<i>connection and compliance provisions, s.6-7</i>).	Engineering standards formally integrated into operational and service bylaws.
Water Service Framework	Basic provisions governing service delivery.	Establishes the Commission's mandate to provide water services (<i>s.3 Objects</i>).	Supports service delivery by regulating activities affecting the system (<i>s.4 Service Area</i>).	Establishes detailed rules for water service applications, supply, allocation, and member obligations (<i>service delivery, allocation, and capacity provisions, s.5-8</i>)	Service delivery framework significantly expanded and clarified.
Rates and Cost Recovery	Addressed but less formalized.	Board responsible for approving rates and financial plans (<i>s.6.1(c); s.14 Financial Governance</i>).	Not applicable.	Establishes cost-of-service rate methodology and billing rules (<i>rate setting, billing, and financial provisions, s.8-10</i>).	Utility-style rate model formalized in bylaw.
Enforcement	Limited enforcement mechanisms in the bylaw itself.	Governance oversight and compliance responsibilities defined (<i>s.5 Duties</i>).	Provides inspection powers, compliance orders, and permit enforcement (<i>s.8 Enforcement; s.9 Emergencies</i>).	Allows service reduction or disconnection for non-compliance (<i>enforcement and remedy provisions, s.10-11</i>).	Stronger enforcement tools across operational and service areas.
Relationship to Agreements	Service terms often contained within individual membership agreements.	Governance matters governed by bylaw, not agreements (<i>s.20.2 No Contractual Rights; s.20.3 Paramountcy</i>).	Operational rules governed by bylaw and prevail over agreements (<i>s.11.2-11.3</i>).	Establishes standardized service terms that apply to all Members (<i>application and general provisions, s.3-4; enforcement and precedence provisions, s.10-11</i>).	Moves shared service terms from individual agreements into public bylaws, ensuring consistency and transparency.

NORTH RED DEER RIVER WATER SERVICES COMMISSION

BYLAW 101 – GOVERNANCE BYLAW

BEING A BYLAW OF THE NORTH RED DEER RIVER WATER SERVICES COMMISSION IN THE PROVINCE OF ALBERTA FOR THE PROVISION OF A GOVERNANCE FRAMEWORK

- A.** Pursuant to section 602.09(1) of the *Municipal Government Act*, the North Red Deer River Water Services Commission is required to pass bylaws respecting, among other things:
1. the administration of the commission;
 2. the process for changing the directors of the board and the chair of the commission, and for setting the terms of office of the board and the chair;
 3. the process for adding or removing members of the commission;
 4. the disposal of assets by the Commission; and
 5. the process for the disestablishment of the commission, including the treatment of assets and liabilities on disestablishment.
- B.** The North Red Deer River Water Services Commission is establishing this Bylaw to set out a clear, transparent, and accountable governance framework for the commission.

The board of the North Red Deer River Water Services Commission enacts as follows:

1. SHORT TITLE

- 1.1. This Bylaw shall be cited as the "Governance Bylaw".

2. DEFINITIONS

In this Bylaw,

- 2.1. "**Act**" means Municipal Government Act, RSA 2000, c M-26, as amended from time to time, and any successor or replacement legislation.
- 2.2. "**Board**" or "**Board of Directors**" means the governing board of the Commission.
- 2.3. "**Chair**" means the chair of the Board.
- 2.4. "**Commission**" means the North Red Deer Water Services Commission.
- 2.5. "**Chief Administrative Officer**" or "**CAO**" means the senior administrative officer appointed by the Board to carry out the powers, duties and functions of the position of the CAO.
- 2.6. "**Council**" means the council or governing body of the Commission.
- 2.7. "**Director**" means a Member of the Board appointed by a Member.
- 2.8. "**Meeting**" means a meeting of the Board of Directors, including the annual organization meeting.
- 2.9. "**Member**" means a municipal authority, First Nation or Métis Settlement that is a member of the Commission.

- 2.10. **"Person"** means an individual, sole proprietorship, corporation partnership, joint venture, co-operative, society, or other entity.
- 2.11. **"Quorum of the Board"** means a majority of a Directors of the Board.
- 2.12. **"System"** means all water works, infrastructure, assets and lands that are owned, leased, licensed, controlled, or operated by or on behalf of the Commission for the purpose of providing Water Services.
- 2.13. **"Vice-Chair"** means the Vice-Chair of the Board.
- 2.14. **"Water Services"** means the services provided by the Commission for the delivery of potable water to a Member.

3. OBJECTS

- 3.1. The objects of the Commission are:
 - a. to provide wholesale water services to its Members; and
 - b. to provide Water Services on such terms and conditions as the Commission may determine.

4. BOARD OF DIRECTORS

- 4.1. **Composition:** Each Member shall appoint (1) Director by resolution of its Council.
- 4.2. **Alternate Director:** Each Member may appoint one (1) alternative Director, who may act in the absence of a Director.
- 4.3. **Eligibility:** Each Director must be an elected official or an officer of the appointing Member.
- 4.4. **Removal:** A Director may be removed from the Board for cause with three-quarters (3/4) vote of all Directors, excluding the affected Director. Cause Includes:
 - a. unethical or criminal conduct;
 - b. breach of fiduciary duty;
 - c. conduct that is materially detrimental to the reputation, integrity or effective operation of the Commission; or
 - d. the Director has missed three (3) consecutive Meetings without receiving authorization from the Board for such absence.
- 4.5. **Manner of Appointment or Replacement:** A Member shall appoint or replace a Director by providing written notice to the Commission, signed by an authorized elected official or officer of the Member. Subject to section 4.3, the appointment or replacement takes effect at 12:01 a.m. on the first business day following receipt of such notice by the Commission, unless a later effective date is specified in the notice.
- 4.6. **Director Orientation:** The Board shall ensure that newly appointed directors receive an orientation regarding the governance framework, fiduciary duties, and the operations of the Commission.

5. DUTIES OF THE BOARD

- 5.1. **Fiduciary Duty:** Every Director shall act honestly, in good faith, and in the best interest of the Commission and shall exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
- 5.2. **Independence:** Directors shall not act as delegates or mandated representatives of their appointing Members and shall not be bound by directions from any council or governing body when acting as Directors.
- 5.3. **Conflict of Interest:** Directors shall be subject to and comply with the pecuniary interest and conflict of interest provisions of the Act as applied to councillors, and the appointing Member shall be treated as the Director's employer for the purpose of applying those provisions, to the extent possible.

6. POWERS AND RESPONSIBILITIES

- 6.1. **Governance Role:** The Board is responsible for the governance, administration, and strategic oversight of the Commission, which shall include, but not be limited to:
 - a. approving strategic plans;
 - b. approving budgets (operating and capital) and financial plans;
 - c. approving rates, fees, and capital programs;
 - d. appointing, evaluating and, if necessary, removing the CAO;
 - e. establishing policy(s) for employing, disciplining, or terminating employees and fixing the conditions of remuneration, employee benefits, hours of work, and any other relevant matter respecting employees, as it deems fit;
 - f. establishing policy(s) for entering contracts with any Person respecting the provision of any service or commodity necessary for the efficient operation of the Commission;
 - g. risk management and compliance; and
 - h. accountability to all Members.
- 6.2. **Super-Majority Matters:** The following matters require approval by at least three-quarters (3/4) of all Directors:
 - a. incurring long-term debt or making a borrowing that will cause the Commission to exceed its debt limit;
 - b. admission, removal, or withdrawal of Members;
 - c. disposal of assets material to the Commission's operation;
 - d. amendments to this Bylaw; and
 - e. disestablishment of the Commission.
- 6.3. **Board Committees:** The Board may establish standing or ad hoc committees and may prescribe their mandates, composition, and reporting requirements by resolution. Any committee established by the Board acts in an advisory capacity unless otherwise expressly authorized by the Board.

- 6.4. **Officers:** The Board may appoint officers to assist with the governance and operation of the Commission.
- 6.5. **Delegation:** The Board may, at its sole unfettered discretion, delegate any of its powers, duties or responsibilities under this or any other bylaw or enactment to a Board committee or the CAO unless the Act or a Bylaw provides otherwise.

7. OFFICERS OF THE BOARD

- 7.1. **Election:** The Board of Directors shall annually elect, from among the Directors, the Chair and Vice-Chair, at the annual organizational meeting.
- 7.2. **Role of Chair:** The Chair shall preside at Meetings and represent the Commission externally. In the absence or incapacity of the Chair, the Vice-Chair shall assume and perform all duties and powers of the Chair.
- 7.3. **Voting:** Each Director has one (1) vote. In the event of a tie, the motion is defeated.
- 7.4. **Terms:** The term of office of the Chair and Vice-Chair shall be one (1) year, expiring at the following annual organizational meeting. There shall be no term limits.
- 7.5. **Removal:** During their term of office, a Chair or Vice-Chair may be removed from office by a vote of the Board of Directors, excluding the affected Director.

8. MEETINGS AND PROCEDURE

- 8.1. **Meetings:** The Board shall meet at least two (2) times in each calendar year on dates determined by the Board, and at such other times as the Chair directs or a majority of the Members request.
- 8.2. **Notice to Directors:** Notice of all Meetings shall be provided to each Director and to each Member's most senior administrative officer, or to such other Person as a Member may designate, not less than forty-eight (48) hours before the time fixed for the holding of such Meeting.
- 8.3. **Public Notice:** The Public is deemed to have received sufficient notice of a Meeting if the notice is posted on the Commission or any Member's website or through any other means which is likely to bring the Meeting to the attention of the public.
- 8.4. **Electronic Means:** Meetings may be conducted via electronic means that allow all participants to communicate effectively with each other without being physically present. Any person participating by electronic means is deemed to be present at the Meeting. "Electronic means" includes video conferencing, teleconferencing, internet-based platforms, or any other technology that permits simultaneous or asynchronous communication or exchange of information between participants. The identity of Directors attending the Meeting shall be confirmed by visual or oral means, in a manner satisfactory to the Chair.
- 8.5. **Quorum:** A Quorum of the Board shall be present at all Meetings.
- 8.6. **Special Meetings:** Notwithstanding Section 8.2, a special Meeting of the Board may be held on shorter notice if notice of the Meeting is sent to at least one Director appointed by each Member and a majority of all Directors waive the notice requirement. The Chair:
 - a. may call a special meeting; and

- b. shall call a special meeting upon receipt of written request by at least three (3) Directors.

9. ANNUAL AND ORGANIZATION MEETING

- 9.1. **Coordination of Meetings:** The annual meeting and organizational meeting of the Board may be held in conjunction with, preceding, or following a Meeting of the Board.
- 9.2. **Timing of Annual Meeting:** The annual Meeting of the Board must be held no later than April 30th of each year.
- 9.3. **Annual Meeting Business:** The following matters shall be addressed at the annual Meeting:
 - ~~a. the Chair shall report on the activities of the Commission during the preceding year;~~
 - b. the CAO shall present the financial statements of the Commission; and
 - c. the auditor shall report on the results of the audit of the Commission's financial statements, records and affairs.

10. BOARD MEETING PROCEDURES

- 10.1. **Agenda:** The CAO, in consultation with the Chair, shall establish the agenda for any Meeting of the Board. A Director may place an item on the agenda by submitting a written request to the CAO at least twenty-four (24) hours before the Meeting. The Board may add or delete items from the agenda.
- 10.2. **Order of Business:** The order of business at any Meeting may include the following, as applicable:
 - a. call to order;
 - b. adoption of agenda;
 - c. adoption of minutes;
 - d. delegations/presentations;
 - e. business arising out of minutes;
 - f. correspondence;
 - g. reports;
 - h. new business;
 - i. closed session;
 - j. establishment of the next Meeting date; and
 - k. adjournment.
- 10.3. **Call to Order:** If a Quorum is present within fifteen (15) minutes of the scheduled start time of a Meeting, the Chair shall call the Meeting to order, or in the absence of the Chair, the Vice-Chair shall do so. If neither the Chair nor the Vice-Chair is present within fifteen (15) minutes after the scheduled start time and a quorum of the Board is present, the CAO shall call the Meeting to order. The Directors present shall appoint

one of their number to act as Chair for that Meeting, who shall preside until the arrival of the Chair or Vice-Chair or until the Meeting is adjourned.

- 10.4. **Conduct of Meetings:** Meetings shall be conducted in accordance with this Bylaw and, where not inconsistent, Robert's Rules of Order.
- 10.5. **Minutes:** The Board of Directors shall record and preserve minutes for its meetings.
- 10.6. **Motions:** Motions of the Board do not require a seconder. The Chair shall proclaim whether a motion has carried, carried unanimously, or been defeated.

11. ADMINISTRATION AND MANAGEMENT

- 11.1. **Chief Administrative Officer:** The position of CAO is hereby established as the senior administrative officer of the Commission.
- 11.2. **Appointment:** The Board shall, by resolution, appoint an individual to the position of CAO and shall, by written agreement establish the terms and conditions of the CAO's appointment, including duties, performance expectations, and restrictions, if any.
- 11.3. **Role and Accountability of CAO:** The CAO is responsible for the overall management and administration of the Commission's affairs and operations and serves as the principal advisor to the Board. The CAO is solely accountable to, and reports directly to, the Board.
- 11.4. **Authority and Delegation:** Subject to this Bylaw and the terms of the written appointment agreement, the CAO may exercise all powers and perform all duties necessary for the effective administration of the Commission. The CAO may delegate any duty or responsibility, except those expressly prohibited in the written agreement appointing the CAO.
- 11.5. **Operational, Oversight and Advisory Functions:** Without Limiting the generality of the foregoing, the CAO shall:
 - a. oversee and coordinate the review of operational, technical, and administrative matters within the Commission's mandate, including applications, agreements and requests affecting the Commission's infrastructure and services;
 - b. obtain, review and verify information from Commission employees, contractors, consultants, Members, and other government and regulatory authorities as necessary to fulfill the Commission's mandate; and
 - c. provide reports, analysis, and recommendations to the Board to support informed decision-making in accordance with this Bylaw and any Board policies.

12. GENERAL ADMINISTRATION

- 12.1. **Signing Authority:** The Chair or Vice-Chair, together with the CAO are authorized to execute any cheques, promissory notes, bills of exchange, contracts, agreements, and other instruments on behalf of the Commission.
- 12.2. **Reimbursement:** Directors shall receive for attending any Board meeting or for carrying out any of the Director's responsibilities, meeting fees and expenses including travel expenses as permitted by the rates and fees set out in the Commission's policies.

13. AUDITOR

- 13.1. **Appointment of Auditor:** The Board shall appoint an auditor of the Commission who shall report to the Board on the annual financial statements of the Commission and on its financial procedures and activities.
- 13.2. **Appointment at Annual Meeting:** The Board shall appoint the auditor at the Annual Meeting of the Board for the ensuing year. The appointment shall automatically renew each year unless the Board revokes the appointment and appoints another auditor.

14. FINANCIAL GOVERNANCE

- 14.1. **Financial Year:** The financial year of the Commission is the calendar year.
- 14.2. **Financial Planning and Budgets:** The Board shall adopt, prior to the end of each financial year, a rolling financial plan for the forthcoming three (3) financial years, together with a five (5) capital forecast, setting out, at a minimum, the following:
 - a. assumptions respecting anticipated demand for services by Members for the next financial year and the subsequent two (2) financial years;
 - b. estimated operating expenses of the Commission for each year of the next three years, including those related to the operation, administration and management of the System;
 - c. estimated revenue requirements to meet the capital and operating expenses of the Commission, including proposed rates, fees and charges to be levied;
 - d. capital projects planned and anticipated to be completed during the next five (5) financial years, including timing, estimated costs, funding sources, and financial impacts; and
 - e. Governance-related financial obligations of the Commission, including Director remuneration and expenses, as determined by the Board.
- 14.3. **Preparation and Review Process:** The Board shall consider and adopt the financial plan and budgets in accordance with the following process:
 - a. The CAO shall prepare and submit to the Board a draft of the proposed financial plan and budgets, including the capital forecast.
 - b. The Board may make any amendments to the draft financial plan and budgets and shall distribute the drafts or, where amended, the amended drafts to the Members for review and written comment prior to adoption.
- 14.4. **Member Input:** Any Member may submit written comments or questions to the Board in relation to the proposed financial plan and budgets within a reasonable timeframe established by the Board. For greater certainty, the right to comment under this section does not confer any right of approval or governance on the Member.
- 14.5. **Interim Budget Authority:** If the operating and capital budgets for the forthcoming financial year are not approved before the end of the calendar year, the Board shall approve an interim operating budget, based on the previous financial year's budget, rates, fees and charges, prior to December 31 of that year. Such interim approval shall apply only to operating expenses and shall not authorize new capital expenditures or commitments.

- 14.6. **Amendments:** The Board may consider and approve amendments to the financial plan and budgets during any financial year. Any such amendments shall be approved at a regular or special Meeting of the Board.
- 14.7. **Statutory Reporting:** The Commission must submit its financial information return and audited financial statements to the Minister of Municipal Affairs and each Member by May 1st of the year following the year for which the return and statements have been prepared, or by such other date and in such form as may be required under the Act or permitted by the Minister of Municipal Affairs.

15. ADMISSION AS A MEMBER

- 15.1. **Admission:** A municipal authority, First Nation, or Métis Settlement may be added as a Member by a resolution passed by a super-majority of the Board, provided that the Board is satisfied that sufficient system capacity exists or can be made available, and that the applicant agrees to such financial, operational, and contractual terms as the Board reasonably determines for admission as a Member.
- 15.2. **Temporary Conditions of Admission:** A resolution admitting a Member under section 15.1 may impose conditions limiting the application of the Governance Bylaw to that Member for an interim period as the Board considers appropriate in the circumstances. Such conditions may:
- a. notwithstanding Article 4, restrict the Member' ability to appoint Directors;
 - b. notwithstanding Article 16, provide additional grounds or procedure for removal of the Member from the Commission;
 - c. notwithstanding Article 8, limit the Member' ability to participate in, receive notice of, or requisition meetings; and
 - d. impose any other restrictions the Board considers appropriate for the orderly admission of Member.
- 15.3. **Membership Contribution:** As a condition of admission, a new member shall be required to make a financial contribution to the Commission in an amount and form determined by the Board, which may include one or more of the following components, as applicable:
- a. a one-time membership fee;
 - b. the reasonable capital costs incurred or to be incurred by the Commission to connect the new Member to the System;
 - c. a contribution to the capital costs of the existing System, calculated on a fair and equitable basis, having regard to factors that may include system capacity, projected water demand, historical capital investment, remaining useful life of assets, and principles of cost-of-service or utility rate-setting, generally accepted in the water utility industry;
 - d. compensation reflecting the reasonable costs, risks, and efforts incurred by the Members establishing the Commission and in planning, developing, financing, and placing the System into operation; and
 - e. such security or other financial assurances as the Board considers appropriate.

- 15.4. **Use of Contribution:** Any contribution received shall be allocated to one or more reserve funds or applied in such manner as the Board directs, consistent with the long-term financial sustainability of the Commission.

16. MEMBER WITHDRAWAL AND REMOVAL

- 16.1. **Voluntary Withdrawal:** A Member may withdraw from the Commission by providing not less than two (2) years' written notice to the Commission. Withdrawal is subject to the Member satisfying all obligations under this Bylaw and any agreements with the Commission incurred prior to the effective date of withdrawal.
- 16.2. **Continuing Obligations:** A withdrawing Member remains liable, until the effective date of withdrawal, for its proportionate share of:
- a. all operating costs, debt service, and contractual commitments of the Commission; and
 - b. any capital costs, guarantees or other financial obligations approved by the Board prior to the notice of withdrawal.
- 16.3. **Exit Financial Settlement:** After receipt of a notice of withdrawal, the Board shall determine the withdrawing Member's final financial settlement, which may include:
- a. outstanding operating or capital contributions;
 - b. the Member's proportionate share of any unfunded liabilities and committed capital projects; and
 - c. such other amounts as are reasonably required to ensure that their withdrawal does not result in financial detriment to the Commission or the remaining Members.
- 16.4. **Determination Costs:** The withdrawing Member shall be responsible for all reasonable costs incurred by the Commission in determining the exit financial settlement, including the costs of accounting, financial, engineering, legal, or other advisors. Unless the Commission requires the withdrawing Member to pay such costs in advance, the costs shall form part of the exit financial settlement.
- 16.5. **Payment of Settlement:** The withdrawing Member shall pay the exit financial settlement upon the effective date of withdrawal or as agreed upon with the Board.
- 16.6. **No Entitlement to Assets or Capacity:** Except as expressly approved by the Board, a withdrawing Member is not entitled to any repayment, compensation or interest in Commission infrastructure, assets, reserves or system capacity by reason of its withdrawal.
- 16.7. **Settlement Proceeds:** Any proceeds received by the Commission under Section 16.4 shall be set aside in a reserve account as directed by the Board.
- 16.8. **Removal for Cause:** The Board may remove a Member from the Commission by resolution passed by a super-majority, excluding the Directors appointed by the affected Member, if the Board determines that the Member has:
- a. materially breached this Bylaw or an agreement with the Commission and failed to remedy the breach within a reasonable time after receiving written notice;
 - b. persistently failed to meet its financial obligations to the Commission, other than amounts subject to a bona fide dispute; or

- c. acted in a manner that is materially detrimental to the viability, governance, or reputation of the Commission.
- 16.9. **Effect of Removal:** A Member removed under this section shall be deemed to have withdrawn from the Commission and remains subject to the financial and other obligations applicable to a withdrawing Member under this Bylaw.
- 16.10. **Board Discretion:** Nothing in this section limits the authority of the Board to negotiate alternative withdrawal or settlement arrangements where the Board determines such arrangements are in the best interests of the Commission.

17. DISPOSAL OF ASSETS

- 17.1. **Board Approval Required:** The Commission will only dispose of material assets if a super-majority of the Board approves of such disposal, or in the event of the disestablishment of the Commission.

18. DISESTABLISHMENT OF THE COMMISSION

- 18.1. **Authority and Threshold:** The Commission may be disestablished only with the approval of $\frac{3}{4}$ of the Members, expressed by a special majority resolution of the Board and confirmed by resolutions of the councils or governing bodies of each Member.
- 18.2. **Preconditions to Disestablishment:** Before approving disestablishment, the Board shall be satisfied:
 - a. all outstanding contractual, financial, and regulatory obligations of the Commission have been identified;
 - b. the implications of disestablishment for Members and regulators have been reasonably assessed;
 - c. a written disestablishment plan has been prepared and approved in accordance with this section.
- 18.3. **Disestablishment Plan:** The disestablishment plan shall address, at a minimum:
 - a. the winding up of the Commission's affairs;
 - b. the treatment and disposition of all assets, including infrastructure, licenses, utility rights of way, and easements;
 - c. the satisfaction or assumption of all liabilities, including debt, guarantees, employee obligations and contractual commitments;
 - d. compliance with any grant, funding, or regulatory requirements, including repayment or transfer obligations; and
 - e. the proposed allocation of any remaining assets or surplus.
- 18.4. **Liquidation and Distribution of Assets:** After all liabilities and obligations are satisfied, any remaining assets or proceeds shall be distributed among the Members in a manner approved by the Board and set out in the disestablishment plan, which may take into account one or more of the following factors:
 - a. historical capital contributions;
 - b. water usage or capacity allocation over a defined historical period;

- c. outstanding financial obligations assumed by a Member as part of the disestablishment plan; and
- d. Such other considerations as the Board determines appropriate.

19. AMENDMENTS

- 19.1. **Notice of Proposed Amendment:** Written notice of a proposed amendment to this Bylaw shall be provided to each Director and each Member at least thirty (30) days prior to the Meeting at which the amendment is to be considered.
- 19.2. **Consideration and Passage:** This Bylaw and any amendment to this Bylaw may be considered and passed by the Board at a Meeting for which notice has been provided in accordance with section 19.1.
- 19.3. **Approval Threshold:** An amendment to this Bylaw must be approved by a resolution passed by a special majority of the Directors.

20. GENERAL

- 20.1. **Severability:** If any provision of this Bylaw is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions.
- 20.2. **No Contractual Rights:** This Bylaw is intended to govern the internal governance of the Commission only and does not create or confer any contractual, proprietary, or other legal rights in favour of any person.
- 20.3. **Paramountcy:** In the event of a conflict between this Bylaw and any policy, agreement, or resolution of the Commission, this Bylaw prevails, subject to the Municipal Government Act.
- 20.4. **Bylaw Governs:** This Bylaw, including section 20.3, shall apply to all policies, agreements and resolutions which affect the governance framework of the Commission.
- 20.5. **Non-Derogation:** Nothing in this Bylaw shall be interpreted so as to abrogate or derogate from the Treaty and Aboriginal rights of a First Nation recognized and affirmed by s. 35 of the Constitution Act, 1982.

21. REPEAL OF BYLAW

- 21.1. Upon the coming into force of this Bylaw, Bylaw 1 is repealed.

22. EFFECTIVE DATE

- 22.1. This Bylaw shall come into effect upon its signing by the Chair and CAO.

INTRODUCED AND GIVEN FIRST READING this ____ day of _____, 2026

READ AND GIVEN SECOND READING this ____ day of _____, 2026

READ AND GIVEN THIRD AND FINAL READING this ____ day of _____, 2026

CHAIR

CAO

NORTH RED DEER RIVER WATER SERVICES COMMISSION

BYLAW 102 – OPERATIONS BYLAW

BEING A BYLAW OF THE NORTH RED DEER RIVER WATER SERVICES COMMISSION IN THE PROVINCE OF ALBERTA FOR THE PROVISION OF ADMINISTRATION AND OPERATIONS.

RECITALS:

- A. Pursuant to section 602.09(1) of the *Municipal Government Act*, the North Red Deer River Water Services Commission is required to pass bylaws respecting the provision of the Commission's services.
- B. The North Red Deer River Water Services Commission is establishing this Bylaw to set out an operational framework to regulate its activities and protect, operate, and administer its infrastructure used to provide water services.

The board of the North Red Deer River Water Services Commission enacts as follows:

1. SHORT TITLE

- 1.1. This Bylaw shall be cited as the "Operations Bylaw".

2. DEFINITIONS

- 2.1. "**Act**" means Municipal Government Act, RSA 2000, c M-26, as amended from time to time, and any successor or replacement legislation.
- 2.2. "**Commission**" means the North Red Deer River Water Services Commission.
- 2.3. "**Engineering Standards**" means the applicable standards, guidelines, specifications, and best practices generally accepted within the water and municipal infrastructure industry, having regard to the nature of the Works and the activity being undertaken.
- 2.4. "**Lands**" means any lands owned or occupied by the Commission.
- 2.5. "**Permit**" means a written authorization issued under this Bylaw.
- 2.6. "**Right-Of-Way**" means those lands owned, leased, rented, used or otherwise designated to the Commission for the construction, operation or maintenance of the Commission's infrastructure.
- 2.7. "**Service Area**" means the geographic area within which the Commission provides Water Services, including the boundaries of its Members and outside the boundaries of its Members, with the approval of the municipal authority within whose boundaries the services are to be provided.
- 2.8. "**Works**" means any structure, device, contrivance, conveyance or thing used or to be used by the Commission and includes, without limitation, any pipeline, pump, meter, building, station, control system and other works in any way used in or in relation to the providing of Water Services by the Commission.

Any other capitalized term used in this Bylaw has the meaning assigned to that term in the Governance Bylaw, as amended from time to time.

3. ADMINISTRATION

- 3.1. **Operational Authority:** The CAO is responsible for administering and enforcing this Bylaw.
- 3.2. **Powers:** The CAO may issue Permits, impose conditions, require security, conduct inspections, and issue compliance orders as necessary to carry out this Bylaw.
- 3.3. **Delegation:** The CAO may delegate any power, duty, or function under this Bylaw to an employee, contractor or agent of the Commission, subject to any limitations imposed by the CAO. A delegation under this section does not relieve the CAO of responsibility for exercising the delegated power, duty, or function.

4. PROVISION OF WATER SERVICES

- 4.1. **Service Area:** The Commission may provide Water Services within the Service Area.

5. PERMITS AND APPROVALS

- 5.1. **Permit Requirement:** No Person shall enter, access, cross, excavate, construct, install, repair, maintain, alter, or otherwise conduct any activity on, over, under any Right-of-Way or Works, or interfere with any Right-of-Way or Works, except in accordance with a Permit issued under this Bylaw or pursuant to the right-of-way agreement between the Commission and the registered landowner.
- 5.2. **Applications:** An application for a Permit shall be made in the form required by the CAO and shall include such information, plans, specifications, and supporting documentation as the CAO reasonably requires to assess the proposed activity.
- 5.3. **Permit Conditions:** A Permit may include conditions respecting, without limitation:
 - a. construction, excavation, crossing, access, and restoration methods;
 - b. inspection, supervision, and safety requirements;
 - c. timing, sequencing, and coordination of work;
 - d. compliance with the Engineering Standards;
 - e. security, insurance, and indemnification;
 - f. temporary workspace, access construction or improvements within the Right-of-Way; and
 - g. any other condition reasonably related to the protection of the Works, the activity authorized by the Permit, or the administration of this Bylaw.
- 5.4. **Application Fee:** An application for a Permit may be subject to the payment of an application fee in the amount and manner established by the Commission from time to time.
- 5.5. **Application Lapse:** Where an applicant fails to provide all information, plans, specifications, or documentation reasonably required by the CAO to assess a Permit application within sixty (60) days after the date of application, the application shall be deemed to have lapsed and may be closed without further notice, unless the CAO

grants an extension in writing. A lapsed application does not prejudice the submission of a new application, which shall be subject to the requirements in effect at the time of re-application.

- 5.6. **No Property Rights:** A Permit does not confer any interest in land or create any proprietary or contractual rights beyond its express terms. A Permit does not limit the Commission's right to alter, relocate, or remove the Works, and does not create any right to the continued provision of services.

6. ENGINEERING STANDARDS

- 6.1. **Incorporation by Reference:** The Engineering Standards are incorporated by reference and form part of this Bylaw, as amended from time to time.
- 6.2. **Precedence:** In the event of any conflict or inconsistency between the Engineering Standards and the terms of a Permit, the Engineering Standards shall prevail unless the CAO has expressly authorized a deviation in writing.

7. SECURITY

- 7.1. **Security Requirement:** At any time and from time to time, the CAO may require security, in a form and amount determined by the CAO, to ensure compliance with this Bylaw or any Permit.

8. INSPECTION AND ENFORCEMENT

- 8.1. **Inspections:** The CAO may inspect lands and works to verify compliance.
- 8.2. **Compliance Orders:** Where a contravention is identified, the CAO may issue a written order requiring corrective action within a specified time period.
- 8.3. **Suspension or Revocation:** A Permit may be suspended or revoked if non-compliance occurs or if continuation of the activity poses a risk to the Works. Except in an emergency, notice and an opportunity to respond shall be provided.

9. EMERGENCIES

- 9.1. **Emergency Authority:** Where an emergency poses an immediate risk to the Works, the CAO may take any action necessary to protect the Works.
- 9.2. **Cost Recovery:** Where the CAO takes action under section 9.1, the Commission may recover from any Person who caused or contributed the emergency all costs of the Commission, including but not limited to labour, equipment, materials, internal administrative costs and professional fees (including legal fees) and any costs incurred in restoring or protecting the Works or affected lands. Costs recoverable under this section constitute a debt owing to the Commission.
- 9.3. **Emergency Access:** Notwithstanding any other provision of this Bylaw, a utility company may proceed with excavation without first obtaining a Permit where an emergency exists, and immediate action is required to restore or maintain essential public services. The CAO shall be notified as soon as practicable of the emergency and the work undertaken, and a Permit shall be applied for and obtained as soon as reasonably possible thereafter.

10. AMENDMENTS

- 10.1. **Notice of Proposed Amendment:** Written notice of a proposed amendment to this Bylaw shall be provided to each Director and each Member at least thirty (30) days prior to the Meeting at which the amendment is to be considered.
- 10.2. **Consideration and Passage:** This Bylaw and any amendment to this Bylaw may be considered and passed by the Board at a Meeting for which notice has been provided in accordance with section 10.1.
- 10.3. **Approval Threshold:** An amendment to this Bylaw must be approved by a resolution passed by a majority of all Directors.

11. GENERAL

- 11.1. **Severability:** If any provision of this Bylaw is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions.
- 11.2. **Paramourcy:** In the event of a conflict or inconsistency between this Bylaw and any policy, agreement, or resolution of the Commission relating to operational matters, this Bylaw prevails.
- 11.3. **Bylaw Governs:** This Bylaw, including section 11.2, shall apply to all policies, agreements and resolutions of the Commission which affect the Commission’s operational framework to regulate its activities and protect, operate, and administer its infrastructure used to provide water services.

12. EFFECTIVE DATE

- 12.1. This Bylaw shall come into effect upon its signing by the Chair and CAO

INTRODUCED AND GIVEN FIRST READING this ____ day of _____, 2026.

READ AND GIVEN SECOND READING this ____ day of _____, 2026.

READ AND GIVEN THIRD AND FINAL READING this ____ day of _____, 2026.

CHAIR

CAO

NORTH RED DEER RIVER WATER SERVICES COMMISSION

BYLAW 103 – TERMS OF SERVICE BYLAW

BEING A BYLAW OF THE NORTH RED DEER RIVER WATER SERVICES COMMISSION IN THE PROVINCE OF ALBERTA FOR THE PROVISION OF TERMS AND SERVICES.

RECITALS:

- A. Pursuant to section 602.09(1) of the *Municipal Government Act*, the North Red Deer River Water Services Commission is required to pass bylaws respecting, among other things:
1. Provision of the Commission's services; and
 2. Fees to be charged by the Commission for services provided to its customers or to any class of its customers.
- B. The North Red Deer River Water Services Commission hereby establishes the terms and conditions under which the Commission provides potable water services through its transmission system to its customers, which are the members of the Commission.

The Board of the North Red Deer River Water Services Commission enacts as follows:

1. SHORT TITLE

- 1.1. This Bylaw shall be cited as the "Terms of Service Bylaw".

2. DEFINITIONS

In this Bylaw,

- 2.1. "**Act**" means the Municipal Government Act, RSA 2000, c M-26, as amended from time to time, and any successor or replacement legislation.
- 2.2. "**Agreement**" means a written agreement between the Commission and a Member or non-member Person, municipality, regional services commission, utility, or other public or private body, pursuant to which the Commission provides Water Service.
- 2.3. "**Application**" means a written application as provided for by this Bylaw.
- 2.4. "**Commission**" means the North Red Deer River Water Services Commission.
- 2.5. "**Cost of Service**" means the method of calculating water services rates utilizing the principles set out in the American Water Works Association manuals of practice dealing with utility rates and charges, as revised and updated from time to time, and in accordance with the findings and directives of the Alberta Utilities Commission, such approach being commonly referred to as the "utility rate model".
- 2.6. "**Engineering Standards**" means the applicable standards, guidelines, specifications, and best practices generally accepted within the water and municipal infrastructure industry, having regard to the nature of the Works and the activity being undertaken.

- 2.7. **"Meter"** means a device, together with all associated equipment and appurtenances, approved by the Commission and installed in accordance with the Commission's Engineering Standards, that is used to measure and record the volume and, where applicable, the rate of water supplied by the Commission to a Member.
- 2.8. **"System"** means, collectively, all Works and related infrastructure owned, leased, controlled, operated, or maintained by or on behalf of the Commission for the purposes of supplying, transmitting, storing, treating, measuring, regulating, and delivering Water Services, as such Works are defined in the Operations Bylaw, together with all associated facilities, equipment, appurtenances, control systems, rights-of-way, easements, and improvements forming part of the Commission's water supply system, whether existing now or constructed or acquired in the future.
- 2.9. **"Transfer Point"** means the physical location, as approved by the Commission, at which Water Services are delivered by the Commission and at which custody, control, and responsibility for the water and related infrastructure are transferred from the Commission to a Member. A Transfer Point may include meters, valves, fittings, control devices, and related appurtenances, and shall be established, modified, or relocated only in accordance with this Bylaw, the Commission's Engineering Standards, and the applicable Agreement.

Any other capitalized term used in this Bylaw has the meaning assigned to that term in the Governance Bylaw or Operations Bylaw, as amended from time to time.

3. BYLAW APPLICATION

- 3.1. This Bylaw applies to all Members and to all Agreements, including retroactively to all Agreements in existence at the date this Bylaws comes into force.

4. APPLICATIONS FOR WATER SERVICES

- 4.1. **Written Application Required:** An application for new Water Services, increased capacity, or modification to a Transfer Point shall be made in writing.
- 4.2. **Application Fee:** The application fee for Water Services shall be paid at the time of application as determined by the Commission.
- 4.3. **Completeness and Review of Application:** Upon receipt of an application, the CAO shall review it to determine whether it is complete and contains sufficient information to enable the Commission to consider it. The CAO may require the applicant to provide additional information, plans, studies, reports, or materials that the CAO considers necessary for proper evaluation.

An application shall not be forwarded to the Commission for consideration until it has been deemed complete by the CAO. An application is deemed complete on the date that the application fee and all required information have been received to the satisfaction of the CAO.

Upon deeming an application complete, the CAO shall prepare a report and recommendation for the Commission in accordance with this Bylaw.

- 4.4. **Decision by Commission:** The Commission may approve, approve with conditions, or refuse an application, acting reasonably and having regard to:

- a. the available capacity, condition, integrity, reliability, and long-term performance of the System;
 - b. water availability, including licensed allocations, contractual supply arrangements, and operational constraints;
 - c. the engineering and operational feasibility of providing the requested Water service;
 - d. the financial impacts on the Commission, including capital, operating, maintenance, and lifecycle costs;
 - e. the impacts of the proposed service on Members, and levels of service; and
 - f. any other factor that, in the opinion of the CAO, acting reasonably, may make it impractical, uneconomical, or contrary to the sustainable operation of the System to provide the requested Water service.
- 4.5. **Approval:** The Commission may approve an application where the applicant has satisfied the requirements of this Bylaw, any other applicable bylaw of the Commission, and the Commission's Engineering Standards.
- 4.6. **Conditions of Approval:** Where an application is approved, the Commission may impose such conditions as it considers appropriate, including but not limited to conditions respecting construction, connection, capacity, security, inspection, restoration, timing, cost recovery, and compliance with the Commission's Engineering Standards.
- The CAO is authorized to administer and enforce the conditions imposed by the Commission.
- 4.7. **Refusal and Suspension:** Notwithstanding Sections 4.4 and 4.5, the CAO may refuse to accept, may suspend consideration of, or may revoke an application or approval where:
- a. the application contains false, misleading, or materially incomplete information;
 - b. the applicant commences work prior to obtaining all required approvals; or
 - c. the applicant's actions threaten or may threaten damage to the System or water supply.
- 4.8. **Reasons for Decision:** Where the CAO refuses an application or approves an application subject to conditions or revokes an approval, the CAO shall provide written reasons for its decision, setting out the principal grounds on which the decision is based. The CAO shall provide the written reasons for the decision to the applicant on behalf of the Commission.
- 4.9. **Reinstatement:** The CAO shall not reinstate a refused, suspended, or revoked application unless the reasons for the refusal, suspension, or revocation have been remedied to the satisfaction of the CAO.
- 4.10. **Inspections:** The CAO may carry out inspections at any reasonable time to verify compliance with this Bylaw, any approval, the conditions of approval imposed by the Commission, and the Commission's Engineering Standards.

- 4.11. **Non-Payment:** Where payment for an approved application is made by a non-negotiable instrument or is otherwise not honoured, the CAO may provide written notice to the applicant specifying the amount owing and the reason the payment was not accepted or honoured. The applicant shall have seven (7) calendar days from the date of such notice to cure the default by tendering payment in a form acceptable to the Commission. If the default is not cured within that period, the approval shall be null and void, and the applicant shall be required to submit a new application in accordance with this Bylaw. A voided approval does not entitle the applicant to a refund of any application fee paid.
- 4.12. **Other Approvals:** An approval by the Commission does not relieve an applicant or owner from the obligation to obtain any other permit, licence, or approval required under this Bylaw, any other bylaw of the Commission, or any enactment or authority having jurisdiction.
- 4.13. **Security for Performance:** As a condition of approval, continued service, or reconnection, the Commission may require a Member to provide financial security in a form and amount acceptable to the Commission, including a letter of credit, security deposit, or other assurance, to secure payment of rates, fees, costs, or performance of obligations under this Bylaw, an Agreement, or approval.

5. PROVISION OF WATER SERVICES

- 5.1. **Agreement Required:** The Commission shall have no obligation to supply Water Services to any Member unless and until an Agreement has been duly executed between the Commission and that Member. The Commission shall supply Water Services only in accordance with the terms and conditions of that Agreement and the Commission's bylaws.

In the event of any conflict or inconsistency between an Agreement and the Commission's bylaws, the Commission's bylaws shall prevail to the extent of the conflict.

- 5.2. **Transfer Point:** The Commission's responsibility for Water Services ends at the Transfer Point specified in the Agreement. Water service beyond the Transfer Point is the sole responsibility of the Member.
- 5.3. **Water Quality Beyond Transfer Point:** The Commission makes no representation or warranty regarding water quality, pressure, or suitability for use beyond the Transfer Point. The Member is solely responsible for water quality, storage, treatment, pressure, and compliance with applicable standards within its own system.
- 5.4. **No Guarantee of Service:** Water Services are provided on a commercially-reasonable efforts basis. The Commission does not guarantee uninterrupted service, specific pressure, flow, quality or volume. Water quality is dependent on the quality of water supplied to the Commission by the City of Red Deer. The Commission shall not be liable to any Member for any interruption, reduction, or failure of service, including any variation in water quality attributable to the source supply, except to the extent that such interruption, reduction, or failure results from the Commission's failure to exercise commercially reasonable efforts in the provision of the Water Services.
- 5.5. **No Fire Protection / No Distribution Services:** The Commission provides bulk water supply services for municipal (urban water supply) purposes only and does not provide municipal distribution services or connections. Without limiting the foregoing,

the Commission shall not be responsible for providing water for fire protection, which remains the responsibility of each Member within its own distribution system.

6. WATER VOLUMES AND ALLOCATION

6.1. **Obligations to Supply:** Subject to constraints beyond the reasonable control of the Commission, including force majeure and system emergencies (Section 15.1), the limits of applicable water licences, approvals, and contractual arrangements with upstream suppliers, the Commission shall use commercially reasonable efforts to meet the ongoing water supply needs of its Members. The Commission shall undertake capital planning, arrange appropriate capital financing, and increase the capacity of the System, as reasonably required and permitted, to support the supply of water to Members.

6.2. **Maximum Annual Allocations:** The following Members shall be entitled to the following minimum annual allocations:

Member	Maximum Annual Allocation (measured in m ³)
Town of Blackfalds	1,903,000
City of Lacombe	4,862,000
Town of Ponoka	2,097,000
Lacombe County	400,000
Ponoka County	400,000
Total	9,662,000

The maximum annual allocations for other Members shall be determined by the water supply agreement between the Commission and such Member.

6.3. **Condition Precedent to Supply:** Notwithstanding the foregoing, the Commission has no obligation to supply water or provide Water Services to any Member unless and until the Member has:

- a. fully completed its water distribution system to the satisfaction of the Commission; and
- b. obtained and remains in compliance with all applicable licences, permits, approvals, inspections, and certifications required by law or by the Commission.

6.4. **Forecasts:** In the fall or fourth quarter of each year, each Member shall provide to the Commission an estimate of the volume of water that each anticipates needing from the System in the following year, together with forecasts of water volumes for the second and third ensuing years. All forecasts are provided for planning purposes only and do not constitute a guarantee of supply.

6.5. **Capacity and Supply Constraints:** Where the capacity of the system or the availability of water is insufficient to meet the requirements of the Members, the

Members shall co-operate with the Commission in reducing their respective water demands and implement reasonable water conservation measures. If, in the opinion of the Commission, water rationing or other demand management measures are required, the Commission may direct the allocation and use of available capacity, and the Members agree to co-operate to ensure that equivalent and proportionate conservation measures are applied among all Members, having regard to their respective service areas and operational requirements. Subject to the foregoing, and unless otherwise determined by the Commission acting reasonably, available capacity shall be allocated proportionately among the Members based on the previous year's volumes, until such time as the Commission is able to meet the full requirements of the Members.

- 6.6. **Annual Volume Allocation:** Further to Section 6.4, the annual minimum and maximum volumes (allocations) attributed to each Member shall be set based on the annual forecasts submitted to the CAO and approved by the Board. Where a Member fails to provide a forecast within the required timeframe, the CAO may, acting reasonably, estimate that Member's annual volumes for the purposes of determining its allocation.

The Commission shall undertake to provide capacity within the system to supply the volume of water annually requested by each Member up to the volumes approved by the Board. The Commission may at its discretion, provide to a Member volumes of water exceeding the maximum daily or annual volumes.

- 6.7. **Peak Flow:** The maximum peak flow to any Member shall not exceed 360 litres per capita per day (360 l/c/d). For the purposes of determining maximum peak flow, the population of the service area of a Member shall be established using the most recent federal or municipal census.

7. RATES AND CHARGES

- 7.1. **Cost of Service:** Rates shall be established using a Cost of Service methodology.
- 7.2. **Single Volumetric Rate:** The rate for Water Services supplied by the System to Members shall be established as a single volumetric rate per cubic metre (m^3) of water supplied. The rate shall be designed to recover the Commission's Net Revenue Requirements, as approved by the Board as part of the Commission's annual Financial Plan and budget.

The volumetric rate shall be calculated by dividing the approved Net Revenue Requirements by the total estimated volume of water to be supplied by the System during the applicable period, as determined by the Commission. The Board may adjust rates from time to time to address variances between estimated and actual water volumes or revenues, to ensure ongoing financial sustainability and full cost recovery.

- 7.3. **Net Revenue Requirements:** For the purposes of rate calculation, the Commission's costs (the "Net Revenue Requirements") include, without limitation:
- costs related to the governance and administration of the Commission, including the operations of the Board and administrative functions;
 - costs related to the operation, maintenance, and repair of the System, including all associated labour, materials, and supplies;

- c. costs related to the supply of treated water, including all associated labour, materials, and supplies;
 - d. transfers to operating reserves, being restrictions of surplus for operating purposes;
 - e. costs for capital purposes, including debt servicing, acquisition or replacement of capital assets, and transfers to capital reserves, being restrictions of surplus for capital purposes.
- 7.4. **Financial Plan and Budgets:** The Commission shall set out in the annual Financial Plan and Budgets, the fees and rates to be levied on Members for Water Services provided by the Commission and shall adopt such fees and rates by Bylaw.
- 7.5. **Minimum Fees and Rates:** The aggregate annual service fees and rates for Water Services charged by the Commission to the Members shall not be less than the estimated aggregate amount required to cover all annual costs, non-cash expenses and other commitments of the Commission, less any grants, transfers from reserves, interests, rents and other revenue.
- 7.6. **Billing:** The Commission shall invoice each Member, based on metered volumes delivered to the Member's Transfer Point multiplied by the Rate, together with any amounts owing to the Commission. The Member shall pay to the invoice within thirty (30) days from the date of the invoice. Overdue amounts shall bear interest at a rate of prime (Royal Bank of Canada) plus two percent per annum, calculated and compounded monthly. Partial payments shall be applied first to interest and then the oldest outstanding principal amount.
- 7.7. **Minimum Annual Volume:** Notwithstanding the actual volume of water supplied and billed under Section 7.6, each Member shall be responsible for payment of a minimum annual charge equal to ninety percent (90%) of the minimum volume of water requested by that Member pursuant to Section 6.3, multiplied by the applicable volumetric rate. This minimum annual charge is intended to support cost recovery and system capacity planning and shall apply regardless of actual consumption.
- 7.8. **No Water Requested:** If a Member does not request water from the Commission during the fiscal year, that Member shall nevertheless be responsible for a minimum annual payment to the Commission sufficient to cover the Member's proportionate share of the Commission's capital and operating budget calculated based on the average of the Member's annual water requests during the immediately preceding three (3) fiscal years, or, where the Member has requested water in fewer than three (3) fiscal years, during such shorter period.
- 7.9. **Additional Contributions:** Notwithstanding Sections 7.2, 7.6, 7.7 and 7.8, the Commission may, through its annual Financial Plan and Budget adopted by Bylaw, require one or more Members, including low-volume or non-consuming Members, to make direct cash contributions to the Commission where necessary to ensure recovery of the Commission's Net Revenue Requirements and fair and equitable allocation of costs among Members.

8. ACCESS AND RIGHTS-OF-WAY

- 8.1. **Access to Roads and Rights-of-Way:** The Commission and its Members recognize that the Commission requires reasonable and timely access to public road

allowances, easements and rights-of-way for the construction, installation, maintenance, repair, and operation of the System or Transfer Point(s). Where access, easements or rights-of-way over, upon, or under land owned or controlled by a Member are required, the Commission and the Member shall work collaboratively and in good faith to establish the necessary access, temporary working space, and rights to use and occupy on reasonable terms and without undue delay.

- 8.2. **Right of Access:** The Commission, its officers, employees, contractors, agents, and other representatives, shall have the right to enter a Member's land and property at all reasonable times, or at any time during an emergency, for the purpose of inspecting, installing, maintaining, repairing, replacing, testing, monitoring, reading or removing the Commission's System and for any other purpose incidental to the provision of Water Services. A Member shall not prevent or hinder the Commission's entry to the Member's premises for any such purpose. Without limiting the generality of the foregoing, the Commission has the right to enter a Member's premises to:
- a. install, inspect, test, repair or remove the System or any portion;
 - b. perform any necessary maintenance to the System or any portion;
 - c. investigate or respond to a Member complaint or inquiry; or
 - d. conduct an unannounced inspection where the Commission has reasonable grounds to believe that unlawful use of Water Services or interference with the System has occurred or is occurring.
- 8.3. **Notification of Entry:** The Commission will make reasonable efforts to notify the Member in advance of entering a Member's property or to notify any other person who is at the premises and appears to have authority to permit entry, except:
- a. in the case of an emergency or unannounced inspection;
 - b. where entry is permitted by order of a court or other authority having jurisdiction; or
 - c. where otherwise legally empowered to enter.
- 8.4. **No-Access Charge:** The Commission may impose a no-access fee sufficient to cover the Commission's reasonable out-of-pocket and administrative costs (including full-indemnity legal fees), if entry is prevented, delayed, or hindered by the Member, whether by not providing access at a scheduled time or for any other cause.

9. MEMBER RESPONSIBILITIES

- 9.1. **Proper Use of System:** A Member shall not use, operate or permit the operation of its water system in any manner that interferes with, disrupts, damages, or adversely affects, or may be reasonably expected to interfere with, disrupt, damage, or adversely affect, the System, the Commission's operations, or any other Member's use of the System. Where, in the opinion of the CAO, such interference, disruption, or adverse effect exists or may occur, the Member shall, upon request of the CAO, promptly take all actions required to correct or mitigate the condition, at the Member's sole cost and expense.
- 9.2. **Maintenance of Member System:** Each Member shall, at its sole cost and expense, maintain its water distribution system and all infrastructure downstream of the Transfer Point in a safe, sound, and serviceable condition and in compliance with all

applicable statutes, regulations, codes, standards, and directives, including without limitation those governing potable water quality, public health, cross-connection control, and pressure management. A Member shall promptly repair or remediate any condition within its system that poses or may reasonably pose a risk to the Commission's System, the Transfer Point, or the quality or integrity of water delivered by the Commission.

9.3. **Cross-Connection Control:** No Member shall install, permit, maintain, or use any cross connection, device, piping, or condition that may:

- a. cause or allow drinking water in any part of the System to become contaminated or polluted in any way; or
- b. adversely affect the System's capacity, pressure, flow rate, or operational capacity.

All backflow prevention devices required by the Commission or under application legislation shall be installed, maintained, tested, and certified at the Member's expense and in accordance with Commission requirements.

9.4. **Authorized Use and Metering:** No Member shall use, or permit the use of, water obtained from the System:

- a. except as authorized by the Commission;
- b. to a confined feeding operation;
- c. for injection into any geological subsurface structure or formation;
- d. in a manner that may impede or diminish the delivery of Water Services to other Members; or
- e. unless the water has first passed through a Meter approved by the Commission.

The Member shall not tamper with, bypass, damage, or interfere with any Meter or related equipment.

9.5. **Access, Structures, and Vegetation Management:** A Member shall ensure that no temporary or permanent structure, excavation, fill, landscaping, fence, tree, vegetation, or other obstruction located on lands owned or controlled by the Member interferes with:

- a. The Commission's reasonable access to the System; or
- b. Compliance with applicable statutes, regulations, standards, or codes.

The Commission may require the removal, relocation, or modification of any such obstruction at the Member's expense.

9.6. **Compliance with Laws and Commission Requirements:** A Member shall comply with all applicable statutes, regulations, bylaws, codes, standards, Commission policies, and written directives relating to the use of the System and receipt of Water Services.

9.7. **Duty to Notify:** A Member shall promptly notify the Commission of any condition, damage, leak, contamination risk, malfunction, or unauthorized use affecting the

System and shall take reasonable steps to mitigate harm until the Commission can respond.

- 9.8. **Costs and Indemnity for Non-Compliance:** Any costs incurred by the Commission as a result of a Member's breach of this Bylaw, including inspection, investigation, remediation, repair, enforcement, and legal costs, may be recovered from the Member as a debt owing to the Commission.

10. METERS

- 10.1. **Ownership and Control:** The Commission shall supply, install, seal, and control one or more Meters for the purpose of measuring the volume of water delivered to a Member. All Meters and associated metering equipment remain the sole property of the Commission, at all times, regardless of whether the Member has paid or reimbursed all or any part of the Commission's costs of supply and installation.
- 10.2. **Location and Access:** Each Member shall provide a suitable location for Meter installation in accordance with the Commission's requirements. Where the Meter is located at the Transfer Point, the Member shall ensure safe, unobstructed access to the Meter, at all reasonable times, for reading, inspection, testing, maintenance, replacement, or removal. Where the Meter is located downstream of the Transfer Point, within the Member's system or infrastructure, the Member shall ensure that the Commission has safe, unobstructed access, at all reasonable times, to the Meter and to all Member infrastructure between the Transfer Point and the Meter location, for the purposes of reading, inspection, testing, maintenance, replacement, or removal of the Meter, and for verifying the integrity and condition of the intervening infrastructure as it relates to the Commission's measurement and delivery obligations.
- 10.3. **Inspection, Reading and Testing:** The Commission may read, inspect, remove, replace, or test any Meter at any reasonable time.
- 10.4. **Testing at Request of Member:** At the written request of a Member, the Commission shall arrange for a Meter test to be conducted by a qualified person. Fees for such testing shall be paid in advance in accordance with the fees set by the Commission. A Meter shall be deemed accurate if it records between 97% and 103% of actual consumption. Where a Meter is found to be inaccurate outside that range, the Commission shall refund the testing fee and make reasonable billing adjustments. In no case shall the billing adjustment extend further back than six (6) months prior to the date on which the Member's written request for testing was received by the Commission, regardless of when the inaccuracy may have commenced.
- 10.5. **Commission-Initiated Testing:** The Commission may test or inspect a Meter on its own initiative at any time, in which case no testing fee is payable by the Member.
- 10.6. **Overbilling / Underbilling Due to Meter Inaccuracy:** Where the inaccuracy results in an overbilling, the Commission shall apply the adjustment as a credit against the Member's next invoice or invoices until the credit is exhausted, or, at the Commission's discretion, issue a refund. Where the inaccuracy results in an underbilling, the Commission shall invoice the Member for the shortfall, which shall be payable in accordance with section 7.6. In either case, the period of adjustment shall not exceed twelve (12) months prior to the date on which the inaccuracy was identified, regardless of the duration over which the inaccuracy may have occurred.

- 10.7. **Meter Interference or Failure:** Where a Meter fails to accurately record water volumes due to interference, damage, bypassing, tampering, or any act or omission not attributable to the Commission, the Commission may estimate the volume of water supplied using reasonable methods, and the Member shall pay for the estimated consumption. Any such interference, damage, bypassing, or tampering constitutes a breach of this Bylaw. Without limiting any other remedy available to the Commission, the Commission may recover all investigation, repair, and enforcement costs from the Member pursuant to section 9.8, and may suspend, reduce or disconnect Water Services in accordance with section 12.
- 10.8. **Non-Standard Metering:** Where a Member requests metering beyond the Commission's standard configuration, the request must be made in writing and approved by the Commission. All capital, installation, operating, and lifecycle costs shall be borne by the Member. Such metering equipment becomes Commission property and shall be prepaid no later than twenty (20) days prior to installation.

11. CHANGES TO TRANSFER POINT OR SYSTEM

- 11.1. **Changes to Transfer Point:** A Member shall provide reasonable prior written notice of any proposed change to a Transfer Point, including relocation, resizing, modification, or alteration. No change shall be undertaken without the prior written approval of the Commission.
- 11.2. **Commission Approval:** The Commission may approve, approve with conditions, or refuse a requested change, acting reasonably and having regard to system capacity, operational impacts, engineering feasibility, water availability, and cost implications.
- 11.3. **Costs:** Where the Commission determines that modifications, extensions, upgrades, or additions to the System are required as a result of:
- a. a requested change to a Transfer Point; or
 - b. any material change in water demand, peak flow, or use of Water Services.
- The full cost of such work shall be borne by the Member, unless otherwise expressly provided in an Agreement.
- 11.4. **Unauthorized Changes:** Any unauthorized modification to a Transfer Point or connection to the System constitutes a breach of this Bylaw and may result in suspension or disconnection of Water Services, cost recovery, and enforcement action.

12. SERVICE DISCONNECTION, RECONNECTION, AND REDUCTION

- 12.1. **Voluntary Disconnection:** At the written request of a Member, and **subject to a minimum of ninety (90) days' prior written notice**, the Commission may temporarily disconnect Water Services. All costs associated with restoration of service, disconnection, idle service, and subsequent reconnection shall be paid by the Member in accordance with the fees set by the commission.
- 12.2. **Notice of Breach:** Where the Commission determines that a Member has breached this Bylaw or an Agreement, the Commission may issue written notice describing the breach and specifying a reasonable period within which the breach must be remedied.

- 12.3. **Recovery of Enforcement Costs:** Regardless of whether the breach is cured, the Commission may recover from the Member all reasonable costs (including full indemnity legal fees and internal administrative costs) incurred in connection with inspection, investigation, testing, monitoring, enforcement, and administration arising from the breach, in accordance with this Bylaw and the fees set by the Commission.
- 12.4. **Reduction of Service:** The Commission may, upon fourteen (14) days' written notice, reduce Water Services to volumes sufficient to meet minimum health and safety requirements as determined by the Commission where:
- a. a breach has not been remedied within the notice period prescribed under section 12.2;
 - b. undisputed amounts owing remain unpaid for one (1) month; or
 - c. the Member has remained in breach of this Bylaw or an Agreement for one (1) month.

If the breach is remedied before expiry of the notice period, Water Services shall not be reduced and, if remedied after the expiry of the notice period, Water Services shall be restored within a reasonable time upon the Member's payment of all costs associated with the reduction and restoration of service.

- 12.5. **Temporary Disconnection:** The Commission may disconnect Water Services upon at least fourteen (14) days' written notice where:
- a. undisputed amounts owing remain unpaid for four (4) months;
 - b. a breach of this Bylaw or an Agreement continues or recurs over four (4) months;
 - c. the Member has failed to comply following a reduction of service;
 - d. disconnection is required by law;
 - e. disconnection is necessary for routine operational or system integrity purposes; or
 - f. a circumstance arises that, in the reasonable opinion of the Commission, necessitates temporary disconnection.
- 12.6. **Reconnection Following Disconnection:** Water Services shall not be restored until the breach has been remedied to the satisfaction of the Commission, all applicable inspections have been completed, and all fees and costs associated with the disconnection and reconnection have been paid. Restoration is not automatic and remains subject to operational constraints.
- 12.7. **Immediate Disconnection Without Notice:** Notwithstanding any other provision of this Bylaw or an Agreement, the Commission may immediately withhold, reduce, or disconnect Water Services without prior notice where, in the opinion of the Commission acting reasonably, such action is necessary to:
- a. protect life, health, or public safety;
 - b. preserve the integrity, pressure, flow, capacity, or water quality of the System;
 - c. address theft of Water Services, tampering with a Meter or Transfer Point, or unauthorized connections; and

- d. respond to unsafe, defective, or non-compliant Member systems.

The Commission shall provide written notice of the reasons for disconnection within a reasonable time after the disconnection occurs.

- 12.8. **Permanent Disconnection:** Where Water Services remain disconnected for a continuous period of twelve (12) months, the service shall be deemed permanently disconnected. Any subsequent request for Water Services shall be treated as a new application, and all costs associated with a new application and the establishment of a new Transfer Point shall apply.
- 12.9. **Cumulative Breaches:** For the purposes of this section, a Member shall be deemed to have remained in breach where the Member has committed **two or more separate breaches**, whether of the same or different provisions of this Bylaw or an Agreement, **within any consecutive four (4) month period**, and has failed to remedy each such breach within the time specified by the Commission. Continuous repetition of the same breach is not required.
- 12.10. **No Liability:** The Commission shall not be liable for any loss, damage, or claim arising from the reduction, disconnection, or restoration of Water Services carried out in accordance with this Bylaw.

13. DISPUTE RESOLUTION

- 13.1. **Arbitration:** Subject to the jurisdiction of the Alberta Utilities Commission, if any dispute arises between the Commission and a Member regarding the interpretation of, subject matter of, or in any way related to this Bylaw or any Agreement, which cannot be resolved by negotiation between the parties, such dispute shall be resolved by arbitration pursuant to the *Arbitration Act* (Alberta).
- 13.2. **Arbitration Costs:** The cost of each Arbitration shall be borne equally by the parties or as otherwise directed by the Arbitrator.
- 13.3. **Scope of Arbitration:** The Arbitrator shall not alter, amend or otherwise change the terms of this Bylaw or any Water Services Agreement.

14. AMENDMENTS

- 14.1. **Notice of Proposed Amendment:** Written notice of a proposed amendment to this Bylaw shall be provided to each Director and each Member at least thirty (30) days prior to the Meeting at which the amendment is to be considered.
- 14.2. **Consideration and Passage:** Any amendment to this Bylaw may be considered and passed by the Board at a Meeting for which notice has been provided in accordance with section 14.1.
- 14.3. **Approval Threshold:** An amendment to this Bylaw must be approved by a resolution passed by a majority of all Directors.

15. GENERAL

- 15.1. **Force Majeure and System Emergencies:** The Commission shall not be liable for any failure, interruption, reduction, or suspension of Water Services where such failure, interruption, reduction, or suspension results from causes beyond the reasonable control of the Commission, including but not limited to drought, source

water contamination, regulatory restrictions, mechanical failure, power outages, acts of God, labour disruptions, upstream supplier failures, or emergency measures required to protect public health, safety, or the integrity of the System.

During such events, the Commission may take any action it considers reasonably necessary to manage available water supply, protect the System, and prioritize essential uses.

- 15.2. **No Property Rights:** The provision of Water Services, the execution of an Agreement, capital contribution, or the continued receipt of Water Services does not create or confer upon any Member any easement, licence, interest in land, proprietary right, or prescriptive right in or to the System or any lands owned or controlled by the Commission. No right to Water Services or the System shall vest by reason of historical use, long-term supply, prior practices, or reliance.
- 15.3. **Waiver:** No past practice, representation, accommodation, or failure to enforce by the Commission shall be construed as a waiver of the Commission's rights or as creating any obligation inconsistent with this Bylaw. This Bylaw governs notwithstanding any prior course of conduct.
- 15.4. **Cumulative and Discretionary Remedies:** The remedies available to the Commission under this Bylaw or an Agreement are cumulative and discretionary. The exercise of one remedy does not preclude the exercise of any other remedy, and the Commission is not obligated to apply remedies in any particular order.
- 15.5. **Paramountcy:** In the event of a conflict between this Bylaw and any policy, agreement, or resolution of the Commission regarding terms of service, this Bylaw prevails.
- 15.6. **Bylaw Governs:** This Bylaw, including section 15.5, shall apply to all policies, agreements and resolutions of the Commission which effect the terms and conditions under which the Commission provides potable water services through its transmission system.
- 15.7. **Severability:** If any provision of this Bylaw is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions.

16. EFFECTIVE DATE

16.1. This Bylaw shall come into effect upon its signing by the Chairperson and CAO.

INTRODUCED AND GIVEN FIRST READING this ____ day of _____, 2026.

READ AND GIVEN SECOND READING this ____ day of _____, 2026.

READ AND GIVEN THIRD AND FINAL READING this ____ day of _____, 2026.

CHAIR

CAO

Request For Decision

Membership Agreement 2.0 - DRAFT

Date: March 23, 2026

Prepared by: Jordan Thompson, CAO

Presented by: Jordan Thompson, CAO



PURPOSE:

Administration seeks approval from the Board to circulate the draft Membership Agreement 2.0 to Member CAOs for review and comment.

ACTION/RECOMMENDATION:

THAT the Board direct Administration to circulate the draft Membership Agreement 2.0 to Member CAOs for review and comment.

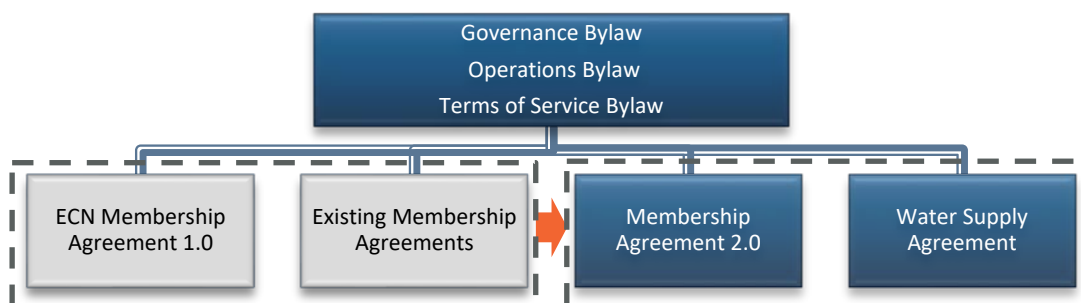
ISSUE ANALYSIS:

At its February 17, 2026 meeting, the Board resolved:

*THAT the Commission direct Administration to prepare and provide to the Directors and Members the **revised membership agreements for existing member** consideration by September 2026.*

The proposed new membership agreement, referred to as Membership Agreement 2.0, is intended to replace ECN's initial membership agreement (approved by the Board on February 17, 2026) once the required preconditions, including completion of construction, have been satisfied. It is also intended to replace the existing membership agreements currently in place with all Members.

Membership Agreement 2.0 is designed to align with the proposed restructuring of Bylaw 1 into three separate bylaws: Governance, Operations, and Terms of Service. This restructuring approach was presented to the Board by the Commission's legal counsel, Richard Jones, at the February 17 meeting. The revised bylaws and Membership Agreement 2.0 are intended to operate together and should be read as complementary documents.



Under this approach, service terms that currently appear within individual membership agreements and apply to all Members would instead be established within Commission bylaws. This change is intended to improve clarity, transparency, and public accessibility by placing shared service terms in publicly adopted bylaws rather than duplicating them

across multiple agreements. It also ensures the Board collectively determines the core terms and conditions of membership.

Administration is seeking direction from the Board to circulate the draft Membership Agreement 2.0 to Member CAOs for review and comment.

To support this review, Administration will coordinate opportunities for Member CAOs to participate in a question and answer session with the Commission's legal counsel. These sessions will provide an opportunity to receive feedback, clarify the intent of the proposed agreement, and address any questions.

Administration's intent is to conduct these discussions over the spring and summer in order to incorporate feedback and meet the Board's September deadline for consideration of the revised agreements.

ALTERNATIVES:

1. ***[Recommended]*** THAT the Board direct Administration to circulate the draft Membership Agreement 2.0 to Member CAOs for review and comment.

OR

2. ***[Alternative]*** THAT the Board direct Administration to return the Membership Agreement 2.0 to a future meeting for consideration.

OR

3. ***[Alternative]*** THAT the Board direct Administration how is wished to proceed.

ATTACHMENTS:

- Membership Agreement 2.0 DRAFT

North Red Deer River Water Services Commission Membership Agreement

THIS AGREEMENT is made effective this ** day of ** 2026 ("Effective Date")

BETWEEN:

**

("Member")

- and -

NORTH RED DEER RIVER WATER SERVICES COMMISSION
("Commission")

RECITALS:

- A. The Member is a municipality.
- B. The Member has satisfied the condition precedent to membership to the satisfaction of the Commission.

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual agreements and conditions herein contained, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 **Defined Terms:** In this Agreement, unless the context otherwise requires, the following terms have the meanings set out below:

- (a) "Act" means the *Municipal Government Act*, RSA 2000, c M-26, as amended from time to time.
- (b) "Agreement" means this agreement, including the recitals, which form part of this Agreement.
- (c) "Bylaws" means the Bylaws of the Commission as amended or restated from time to time.
- (d) "Business Day" means any day Monday to Friday, excluding Saturdays, Sundays, statutory holidays, and civic holidays in Alberta, during the hours of 8:00 am and 4:30 pm (Mountain Time).
- (e) "CAO" means the chief administrative officer or the commission manager of the Commission, as the case may be.
- (f) "Director(s)" refers to the individual(s) appointed as Director(s) of the Commission according to the Bylaws.
- (g) "Member" means a First Nation or municipality that is a party to this Agreement.

(h) “Observer” means an individual appointed by a Member in accordance with this Agreement to attend meetings of the Board in a non-director, non-voting capacity, subject to the confidentiality and other obligations set out in this Agreement.

1.2 **Other Definitions:** Words and phrases used in this Agreement and not defined herein have the same meaning assigned to them respectively in the Bylaws.

1.3 **Conflict:** This agreement should be read in conjunction with the Bylaws. In case of any conflict between the provisions of this Agreement and the Bylaws, the Bylaws govern unless expressly stated otherwise in the Bylaws.

ARTICLE 2 – MEMBERSHIP

2.1 **Membership Admission:** Subject to the condition precedent in Section 2.2, the Commission admits the Member as a member of the Commission, subject to the provisions of the Act, the Bylaws and this Agreement. The Member accepts membership on the terms and conditions set out herein, the Act, and the Bylaws.

2.2 **Condition Precedent:** This Agreement shall have no force or effect unless the Member was a member on January 1, 2026.

ARTICLE 3– TERM AND TERMINATION

3.1 **Term:** All covenants and agreements contained herein became effective and binding upon the parties as of the later of the Effective Date or the date of the satisfaction or waiver of the conditions precedent set out in Section 2.2, and this Agreement shall remain in full force and effect until terminated in accordance with its terms.

3.2 **Termination:** This Agreement may be terminated in accordance with the Bylaws.

Upon termination, the Member shall have no ownership of, interest in, or claim to any of the Commission's assets, including, but not limited to, licences and statutory approvals. Additionally, the Member is not entitled to the return of any financial contributions made pursuant to this Agreement.

ARTICLE 4 – CONDUCT OF THE BUSINESS AND AFFAIRS OF THE COMMISSION

4.1 **Appointment of Director:** Upon the Member or the Member's designated entity entering into a water supply agreement with the Commission, the Member shall have the right to appoint one (1) Director and one (1) alternate Director in accordance with the Bylaws.

4.4 **Director's Obligations:** The Member understands and acknowledges that:

- (a) the Directors shall manage or supervise the management of the business and affairs of the Commission in accordance with the Act and the Bylaws;
- (b) the Directors shall act honestly and in good faith with a view to the best interest of the Commission;
- (c) the Directors shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (d) the Directors shall act in accordance with and be governed by the Act and the Bylaws.

ARTICLE 5–WATER SERVICES

- 5.1 **Water Services:** The Commission shall have no obligation to supply water services to the Member unless and until a water supply agreement has been duly executed between the Commission and the Member or its designated entity. The Commission shall supply water services only in accordance with the terms and conditions of that water supply agreement and the Commission's bylaws.

ARTICLE 6 – MEMBER OBLIGATIONS

- 6.1 **Water Supply Agreement:** The Member shall apply to the Commission for a water supply agreement on terms acceptable to both parties, acting reasonably and in accordance with this Agreement. The water supply agreement shall govern the terms and conditions under which the Commission will deliver potable water (water service) to the Member, including service level(s), connection point(s), rates and charges, operational requirements, and risk allocation.
- 6.2 **Bylaws:** The Member shall be bound by the Bylaws, as amended from time to time.

ARTICLE 7– GENERAL PROVISIONS

- 7.1 **Notices:** Unless otherwise specified, all notices, communications, requests and statements (“Notice”) required or permitted hereunder shall be in writing and delivered personally or by courier, sent by registered mail or electronic means to the party as follows:

Member:

[** Member Name]
[**Address]

Attention: **
Email: **

Commission:

North Red Deer River Water Services Commission
5432 56 Avenue
Lacombe, Alberta T4L 1E9

Attention: CAO
Email: CAO@nrdrwsc.ca

or to such other address as each party may direct in writing from time to time.

Any Notice:

- (a) delivered personally or by courier on a Business Day will be deemed to have been given on that Business Day;
- (b) sent by registered mail will be deemed to have been given on the fifth Business Day after the date of mailing; or

- (c) transmitted by electronic means will be deemed to have been given when sent, provided the sending party does not receive a message that the Notice could not be delivered to the recipient.
- 7.2 **Governing Law:** This Agreement shall be construed and governed by the laws of the Province of Alberta and the applicable laws of Canada, and the parties hereto irrevocably attorn to the exclusive jurisdiction of the Courts of the Province of Alberta.
- 7.3 **Time of Essence:** Time shall be of the essence.
- 7.4 **Extensions:** Any period of time set out in this Agreement may be extended with the written consent of both parties.
- 7.5 **Relationship Between Parties:** Nothing in this Agreement shall be deemed or construed as creating a principal and agent relationship, a partnership, or a joint venture between the parties.
- 7.6 **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, representations and warranties between the parties with respect to the subject matter hereof.
- 7.7 **Amendments:** This Agreement may only be amended by a written agreement executed by the parties and approved by a resolution of the Commission's board.
- 7.8 **Counterparts:** This Agreement may be executed and delivered in any number of counterparts, each of which, when so executed and delivered, shall be deemed to be an original, and such counterparts shall constitute the one and same instrument.
- 7.9 **Severability:** If any provision of this Agreement is or becomes illegal, invalid, or unenforceable, the remaining provisions shall not be affected, and the illegal or invalid provisions shall be severed from this Agreement.
- 7.10 **No Assignment:** No party may assign its rights or obligations under this Agreement.
- 7.11 **Independent Legal Advice:** Each party acknowledges and confirms that, prior to executing this Agreement, it has obtained independent legal advice with respect to the nature, contents, and binding legal effect of this Agreement, including the rights, obligations, and liabilities arising hereunder and the Bylaws. Each party further acknowledges that it understands this Agreement to be a legally binding agreement enforceable in accordance with its terms and that it is executing this Agreement voluntarily and without duress.

IN WITNESS WHEREOF the parties have hereunto executed this Agreement under their respective corporate seals and by the hands of their proper officers duly authorized in that regard effective as of the day and year first above written notwithstanding the actual date or dates of execution hereof.

Per: _____

Per: _____

NORTH RED DEER RIVER WATER SERVICES COMMISSION

Per: _____
Chair

Per: _____
CAO