



**City of Lloydminster  
Request for Decision (RFD)**

**Subject Matter: 2026 – 2030 Wholesale Customer Potable Water Rate for Alberta Central East Water Corporation and Saskatchewan Water Corporation**

**Department: Operations**

Presented By: Karen Dela Rosa

**Council Meeting Date: December 15, 2025**

**Recommendation:**

That Council approve and establish the 2026 to 2030 Wholesale Customer Potable Water Rate for Alberta Central East Water Corporation and Saskatchewan Water Corporation as outlined in the following table:

<b>Year</b>	<b>Rate (\$/m3)</b>
2026	\$ 1.75
2027	\$ 1.98
2028	\$ 2.24
2029	\$ 2.53
2030	\$ 2.86

**Issue:** The City of Lloydminster supplies potable water to Alberta Central East Corporation (ACE) and SaskWater Corporation (SaskWater) under rates that expire at the end of 2025.

**Background:** The City of Lloydminster (City), as approved by Council, entered into wholesale customer potable water supply agreements with Alberta Central East Water Corporation (ACE) and Saskatchewan Water Corporation (SaskWater).

Administration has completed a comprehensive review to determine the cost of providing potable water to its wholesale customers. The review considered operating and overhead costs, capital infrastructure upgrades required in the next five (5) years, and profit margin. Costs were prorated based on the wholesale customer's utilization of the system. Findings from the analysis indicate that a 13% annual rate increase over the next five years is required to recover the full cost of providing potable water to ACE and Saskwater.

The proposed rate reflects an increase which is primarily driven by substantial increases in capital expenditures. The City recently completed its Water Treatment Assessment (i.e. Water Master Plan) which identified approximately \$22.84M in capital projects required over the next five (5) years to replace aging infrastructure at the Water Treatment Plant. The projects focus solely on replacing existing 1980's infrastructure and do not expand the system's capacity. These investments are necessary to maintain a reliable potable water supply. ACE and Saskwater are only responsible for the capital cost calculated from their consumption. The proposed rates bring the ACE and SaskWater rates in alignment with what City residents are currently paying.

Historical and the proposed five (5) year wholesale customer potable water rates are outlined in the following table:

**Wholesale Customer Potable Water Rates**

Year	Rate (\$/m3)	Change (from prior year)
2021 (past)	\$ 1.28	----
2022 (current)	\$ 1.29	1%
2023	\$ 1.41	9%
2024	\$ 1.48	5%
2025	\$ 1.55	5%
2026	\$ 1.75	13%
2027	\$ 1.98	13%
2028	\$ 2.24	13%
2029	\$ 2.53	13%
2030	\$ 2.86	13%

Administration engaged ACE and SaskWater in multiple discussions to ensure the basis and calculation of the proposed 2026–2030 wholesale potable water rates were clearly understood.

**Options:**

1. That Council approve and establish the 2026 to 2030 Wholesale Customer Potable Water Rate for Alberta Central East Water Corporation and Saskatchewan Water Corporation as outlined in the following table:

Year	Rate (\$/m3)
2026	\$ 1.75
2027	\$ 1.98
2028	\$ 2.24
2029	\$ 2.53
2030	\$ 2.86

2. That Council not approve and establish the 2026 to 2030 Wholesale Customer Potable Water Rate for Alberta Central East Water Corporation and Saskatchewan Water Corporation as outlined in the following table:

Year	Rate (\$/m3)
2026	\$ 1.75
2027	\$ 1.98
2028	\$ 2.24
2029	\$ 2.53
2030	\$ 2.86

3. That Council request further information and that the item be brought forward to a future Regular Council Meeting for decision.

**Alignment with Strategic Plan:** This item is in alignment with the following strategic area: Governance Excellence. Increased revenue will provide funding for future operational costs and capital projects to sustain the City’s infrastructure.

Providing water to the City’s Regional Partners strengthens our relationship and provides more opportunities for us to work collaboratively on services that serve the region as a whole.

**Legal Review:** N/A



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**Governance Implications:** N/A

**Budget/Financial Implications:** The proposed 2026 to 2030 wholesale customer potable water rate is anticipated to generate additional revenue to the City of Lloydminster.

**Environmental Implications:** N/A

**Report Approval Details**

Document Title:	2026 - 2030 Wholesale Customer Water Rates for Alberta Central East Water Corporation and Saskatchewan Water Corporation.docx
Attachments:	
Final Approval Date:	Dec 8, 2025

This report and all of its attachments were approved and signed as outlined below:

Don Stang

Shannon Rowan

Dion Pollard