

MEMORANDUM

DATE: June 16, 2026
TO: Jeremy Huet, P.Eng., Director of Operations and James Cameron, P.Eng., Manager of Engineering – Town of Okotoks
CC: Kris Nelson, RPP, MCIP – Urban Systems
FROM: Leigh Chmilar, P.Eng. - Urban Systems
FILE: 1306.0120.02/12
SUBJECT: Foothills Okotoks Regional Water Project – Okotoks' Capacity and Cost Allocation Summary Memorandum – REV 2

1.0 PURPOSE

The Town of Okotoks (Okotoks) and Foothills County (Foothills), collectively known as “the Partners”, are collaborating to complete a sub-regional water servicing project to ultimately provide treated water for the Town and areas of the County. To allow for future flexibility in how servicing in the greater sub-region is provided, the sub-regional system was staged, with Stage 1 being to bring raw water from the confluence of the Bow and Highwood Rivers to provide to maximize the existing Okotoks' Water Treatment Plant (WTP) capacity.

The following summarizes the Stage 1 components of the project:

- Horizontal collector well – type intake at the confluence of the Bow and Highwood River.
- Intake pump station.
- 25 km of raw water pipeline (ranging in size from 350 to 600mm), from the intake to Okotoks' WTP and to the Aldersyde raw water reservoir in Foothills County.
- Raw water storage reservoir for Okotoks, located in Foothills County.
- Midline booster station, located at the Raw Water Storage Reservoir site.
- Okotoks' WTP Tie-ins.

Stage 1 is being implemented in two Phases. Phase 1 is underway, and Phase 2 will include:

- Adding a second cell to the Raw Water Reservoir.
- Adding pumping capacity to the Intake Pump Station and Midline Pump Station.

This memorandum summarizes:

- Okotoks' share of the phased and ultimate capacity of Stage 1 (Phases 1 and 2),
- the phased and total program costs (estimates at completion), and Okotoks' net share, and
- the allocated benefit to growth for the Town of Okotoks to support their Offsite Levy Bylaw update.

2.0 OKOTOKS' DEMANDS BASIS

Table 1 summarizes the per-capita demands and peaking factor used to determine the Okotoks population equivalents that benefit from the capacity of the infrastructure. These were established at the outset of the project and remain relevant. The sizing of all infrastructure (except the raw water reservoir) is based on maximum day demands (MDD) so the peaking factor must be used to determine the population equivalents. The raw water reservoir sizing is based on 3 months of average day demand storage for the 25-year design period.

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Table 1- Okotoks Design Basis

Design Basis Parameter	Value	Units
Okotoks Per Capita Demand basis	256	L/c/d
Okotoks Peaking Factor	1.5	MDD:ADD

3.0 STAGE 1 CAPACITY & ALLOCATION

Figure 1 summarizes ownership between the Partners of the components.

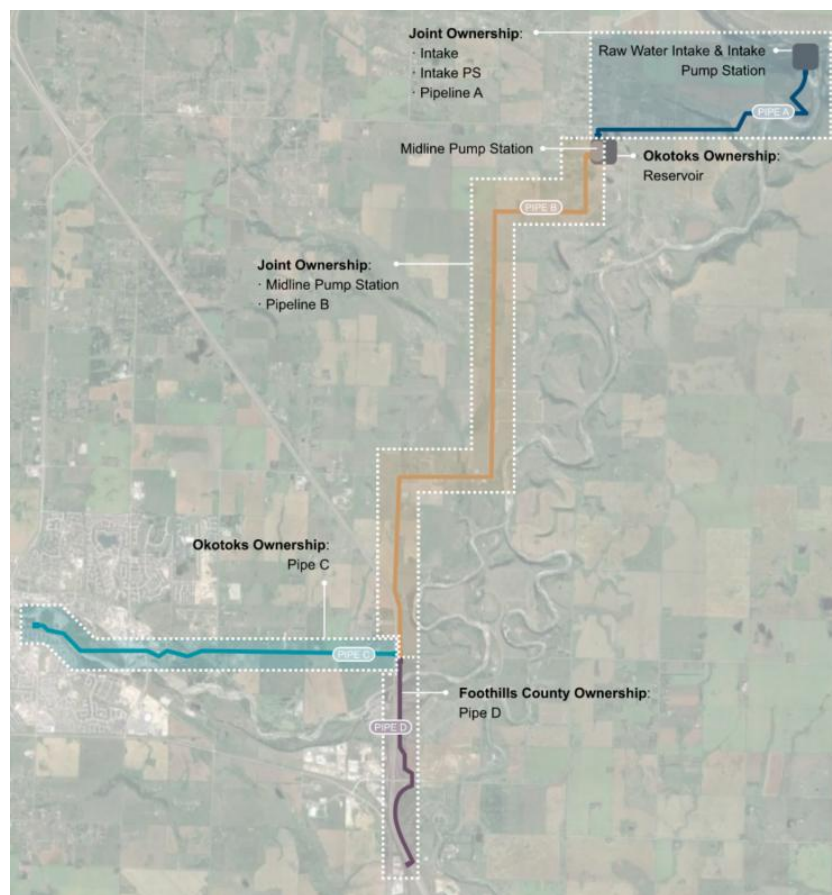


Figure 1 – Sub-regional Stage 1 Component Ownership

3.1 ORIGINAL CAPACITY & ALLOCATION

The previous update to the water Off-Site Levy (OSL) was completed in 2020 and was based on concept-level design estimates. In 2021, the Town advanced preliminary design and regulatory approvals. Through preliminary design, grant applications were targeted to secure external funding.

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The design originally planned for capacity for Okotoks for 25 years, resulting in a design population of 24,500 people, based on growth of 980 people/year. The original planned capacity was subsequently increased to meet regional grant eligibility requirements. Other regional partners have not become formal partners in this system so the additional regional oversize benefit has been apportioned and assigned to Okotoks based upon Okotoks' component ownership. The additional population benefit of this oversize is reflected in Section 3.2.

3.2 OKOTOKS' CAPACITY ALLOCATION

Table 2 summarizes Okotoks' allocated capacity from the total system.

Table 2 - Okotoks' Capacity Allocation and Benefitting Population

Component	Phase 1		Phase 2		Stage 1 Total	
	Okotoks Share (MDD - L/s)	Benefitting Population	Okotoks Share (MDD - L/s)	Benefitting Population	Okotoks Share (MDD - L/s)	Benefitting Population
Intake	165	37,013	0	-	165	37,013
Intake Pump Station	58	13,050	107	23,963	165	37,013
Pipe A	165	37,013	0	-	165	37,013
Midline Pump Station	93	20,880	96	21,600	189	42,480
Raw Water Reservoir - Volume	296,619 m ³	12,874	297,500 m ³	12,912	594,119 m ³	25,786
Pipe B	189	42,480	0	-	189	42,480
Pipe C & WTP Tie-ins	189 ¹	42,480	0	-	189	42,480

1. Governed by Okotoks' Pipe B Allocation.

Note for Pipe C:

Pipe C was oversized prior to construction to align with upstream infrastructure and to allow for operational flexibility / resiliency in the future because the cost increase for material supply and install was marginal and added significant value. The total capacity of Pipe C is based on:

- The technical capacity of the oversized pipeline is 223 L/s, based on upstream pumping and conveyance pressures (Midline PS and Pipe B). However, flow available from Pipe B to Pipe C for Okotoks is limited to 189 L/s, governed by the Partners' Agreement.
- From the original design basis, the oversizing represents 114 L/s (223 L/s – 109 L/s). Given the upstream limitations, 189 L/s of Pipe C is allocated to growth at this time (i.e., full capacity will be allocated once the upstream limitations are removed). As such, 34 L/s (223 L/s - 189 L/s) of the oversizing is allocated to the Town's Water Utility at this time. This equates to 30% (34 L/s / 114 L/s) of the oversizing costs being allocated to the Town's Water Utility.
- Therefore, the Pipe C capacity benefitting growth = 189 L/s.
- Pipe C & WTP-Tie-in total costs are \$19,018,697.27, with \$1,142,668.23 being attributed to the oversizing (see Section 4.0). Therefore, the Utility will cover 30% (\$342,800.47), with the rest being attributed to growth (\$19,018,697.27 - \$342,800.47).

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4.0 ESTIMATES AT COMPLETION AND OKOTOKS NET COST SUMMARY

The latest Phase 1 estimate-at-completion (EAC) was completed in August 2025. Some project components are still under construction, so appropriate contingencies are carried, reflecting the project status and outstanding unknowns. A summary of the Phase 1 and Phase 2 EAC (Total Stage 1) and Okotoks' net costs is in Table 3.

Table 3: FORW - Phase 1 EAC Summary

	Phase 1	Phase 2	Total
FORW Program EAC ¹	\$102,457,309.12	\$13,407,500.00	\$115,864,809.12
Foothills Share	(\$26,764,119.33)	(\$943,350.00)	(\$27,707,469.33)
AMWWP Grant	(\$30,189,414.00)	-	(\$30,189,414.00)
Okotoks' Net Costs	\$45,503,775.78	\$12,464,150.00	\$57,967,925.78

The following table breaks down Okotoks' share of the major components and the benefitting population. All the costs summarized in Table 4 are allocated to growth (see note 6 for clarification of the oversized portion covered by the Utility). The total benefitting population is calculated as a weighted average of Okotoks' total Stage 1 share.

Table 4 - FORW Okotoks' Phased and Ultimate Stage 1 Costs and Benefitting Population

FORW Program Projects	Phase 1 Okotoks Share (\$2025)	Phase 2 Okotoks Share (\$2026)	Total Stage 1 Okotoks Share	Okotoks' Total Benefitting Population
Intake & Intake Pump Station ¹	\$14,129,737.23	\$580,750.00	\$14,710,487.23	37,013
Pipe A	\$5,664,107.30	\$0.00	\$5,664,107.30	37,013
Midline Pump Station	\$10,000,669.54	\$1,450,400.00	\$11,451,069.54	42,480
Raw Water Reservoir ¹	\$14,636,941.28	\$10,433,000.00	\$25,069,941.28	25,786
Pipe B	\$12,243,037.16	\$0.00	\$12,243,037.16	42,480
Pipe C & WTP Tie-ins	\$18,675,896.80 ⁶	\$0.00	\$18,675,896.80	42,480
Pipe D - Foothills ONLY	\$0.00	\$0.00	\$0.00	-
Subtotal	\$75,350,389.31	\$12,464,150.00	\$87,814,539.31	
AMWWP Grant	(\$30,189,414.00)	N/A	(\$30,189,414.00)	
Okotoks' Net Cost	\$45,160,975.31	\$12,464,150.00	\$57,625,125.31	36,446⁵

- Includes land costs.
- The Phase 1 EACs are based on estimates at completion as of August 31, 2025. The EAC will be updated again upon major milestone completion, approximately July 2026. Phase 1 EACs includes all costs related to the project, including Owner's direct costs (land, legal fees, utility costs, etc.). Contingencies carried on the Phase 1 EAC are approximately \$5,679,079.00.
- The Phase 2 EAC is based on estimates at completion as of February 2026. All Phase 2 EAC's are Class A, based on detailed designs and 2026 pricing. Future professional fees are estimated, and contingencies are carried based on the level of design and considerations of remaining project risks.
- Okotoks' share is based on the Foothills-Okotoks Agreement.
- Weighted average (based on total Phase 1 and Phase 2 net cost)
- Total cost minus 30% oversizing (paid by Utility) = \$19,018,697.27 - \$342,800.47

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5.0 CLOSING AND AUTHORIZATION

This report, entitled “Foothills Okotoks Regional Water Project – System Design Capacity and Cost Allocation Memorandum – REV 2”, was prepared for The Town of Okotoks (Okotoks) by Urban Systems Ltd. The material in this report reflects the best judgment of Urban Systems Ltd. based on the information available at the time of preparation. Any use that a third party makes of this report, and any reliance on or decisions made based on its contents, is the sole responsibility of the third party. Urban Systems Ltd. shall bear no responsibility or duty in law for loss or damages, if any, suffered by a third party arising from reliance, decisions made, or actions taken based on this report without the express written authority of Urban Systems Ltd.

Sincerely,

URBAN SYSTEMS LTD.

Leigh Chmilar, P.Eng. (AB & BC)
FORW Program Manager

cc: Kris Nelson, RPP, MCIP – Urban Systems

/LNC
Enclosure

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