

THE WAY WE FINANCE

2015 UTILITIES BUDGET

As Approved at
November 26, 2014

TRANSFORMING | **EDMONTON**

BRINGING OUR CITY VISION TO LIFE



Utilities

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Utilities

Introduction

The City of Edmonton operates two public utilities: Drainage Services (Sanitary and Stormwater) and Waste Management Services. The Utilities report through Utility Committee to City Council.

These public utilities function under a full-cost recovery model, without subsidy from property tax.

The Utilities operate under their respective Council approved Fiscal Policies. The Approved Budgets for the Utilities reflect the strategic directions and initiatives identified in the 2015-2018 Business Plans presented to the Utility Committee on July 3, 2014. These include:

Drainage Services:

1. Healthy living and environmental stewardship
2. Citizens well served
3. Supporting and enhancing growth and development
4. Sustainable infrastructure
5. Fiscal responsibility
6. Organizational excellence

Waste Management Services:

1. Deliver efficient environmentally sound collection services
2. Process waste to recover resources and increase landfill diversion rates for both residential and non-residential waste
3. Provide responsive services that meet the changing needs of our customers
4. Maintain our leadership status by focusing on innovation and attracting green businesses
5. Engage the citizens of Edmonton to facilitate their full participation in waste reduction, reuse and recycling

The 2015 Budgets are intended to improve the results of the various financial indicators defined under each Utility's Fiscal Policy.

The financial impact to the typical residential customer is as follows:

Impacts on Typical Residential Customer	2014 Actual Typical Monthly Fee	2015 Approved Typical Monthly Fee	Requested Monthly Increase	Annual Increase
Waste Management	\$37.34	\$40.69	\$3.35	\$40.20
Drainage Services				
Sanitary	\$21.79	\$22.29	\$0.50	\$6.00
Stormwater	\$9.24	\$9.74	\$0.50	\$6.00
Total	\$31.03	\$32.03	\$1.00	\$12.00
Rate Impact to Typical Customer			\$4.35	\$52.20

The following captures the major reasons for the approved rate changes:

Major Reasons for Rate Changes	Waste Management	Drainage Services	
		Sanitary	Stormwater
Operations & Maintenance	\$2.52	\$0.44	(\$0.06)
Biosolids Disposal	-	\$0.76	-
Capital Impacts	\$1.39	\$0.70	\$0.27
Rate of Return	\$0.14	(\$1.44)	\$0.29
Local Access Fee	-	\$0.04	-
2015 Deficit	(\$0.70)	-	-
Total Change	\$3.35	\$0.50	\$0.50



PUBLIC UTILITIES

Drainage Services (Sanitary and Stormwater)

Planning and Biosolids Disposal
Operations
Development Services
Strategic Services / Program Support
Design and Construction

Waste Management Services

Collection Services
Processing and Disposal Services

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Branch — Drainage Services

Introduction

Drainage Services provides high quality and reliable services to Edmonton residents through the Drainage Utility. The Utility is operated as a public utility under a full cost recovery model without subsidy from property tax. Drainage Services also operates an in-house design and construction service primarily focused on drainage infrastructure.

Vision: Excellence and innovation in wastewater, stormwater and biosolids management through customer service, environmental stewardship, and fiscal responsibility.

Mission: We protect public health and the environment by managing wastewater, stormwater and biosolids through environmentally and financially sustainable practices for the City of Edmonton, the North Saskatchewan River system, and our regional partners.



Sanitary

Through a network of over 3,200km of sanitary and combined sewers, the Sanitary system conveys wastewater from approximately 245,000 customers to the Gold Bar Wastewater Treatment Plant for final treatment. The resulting bio-solids from the treatment process are returned to the Sanitary system for storage at the Cloverbar Lagoons and eventual beneficial disposal.

Stormwater

The Stormwater system conveys and treats rainfall runoff from approximately 245,000 customers. Increased requirements and expectations are pushing the Stormwater system to achieve higher levels of water quality through over 150 lakes and wetlands before the runoff is released into creeks and the North Saskatchewan River.

Highlights for 2015 include:

- **Implementation of Biosolids Management Strategy**

The Utility Committee received Drainage Services' 2015-2018 Business Plan at the July 3, 2014 Committee meeting which included the proposed implementation plan for the Biosolids Management Strategy. The 120% disposal target rate will be maintained throughout the 2015-2018 Business Plan period with the primary methods of disposal being the Compost Facility, the Nutrigold Program, and beneficial reuse options in non agricultural uses. The Strategy includes an increase in the biosolids disposal rate from a target of 93% of annual generation in 2012 to 120% in 2015. A disposal target rate of 96% is forecast to be met by the end of 2014. Full implementation of the Strategy will result in maintaining 120% disposal of generated biosolids annually from 2015 allowing for the continuous reduction of biosolids lagoon inventory.

- **Sewer Asset Renewal**

As sewer systems age it is important for Drainage Services to systematically investigate and manage the conditions of these assets, including timely repair and replacement to ensure minimal service disruptions to citizens. There has been an increasing trend of emergency repairs: in 2009, the emergency repair expenditures was \$6 million; in 2013, it was \$9.1 million. This demonstrates that a more proactive approach to managing Drainage assets is necessary. In 2015, the Drainage Utility will put in place the plans necessary for a proactive asset management strategy that will focus on rehabilitation of aging infrastructure.



Branch — Drainage Services

- **Flood Mitigation Program**

The Drainage Utility is budgeted to spend over \$29 million in 2015 as part of the Flood Mitigation Program that began in 2006. Currently 13 neighbourhoods have been completed since the inception of the program with another 6 to be completed by the end of 2015. The Flood Mitigation Program has been expanded to include remedial measures to reduce flood risk in the affected areas. Budget for the Expanded Flood Mitigation Program and long-term construction plans have been included in the 10-year Pro-forma. Designs for the highest priority projects commenced in 2014. A comprehensive proactive city-wide flood mitigation plan is being developed.

- **Increase in Capital Delivery Capacity**

The Drainage Utility capital program is forecast to grow from approximately \$130 million annually in 2014 to \$200 million annually within the next 10 years. This is as a result of the need to undertake significant Flood Mitigation works, and continue a growing asset rehabilitation program. There is also additional emphasis on achieving the Flood Mitigation works in a timely and practical manner. To deliver this volume of annual capital works requires the need to address a number of challenges:

- **SCHEDULE** – A typical project requires three to four years to complete depending on the time required for land acquisition and the nature of public consultation.
- **COMPETENCY and CAPACITY** – The delivery of this size of program requires a specialized workforce. It will take some time to develop the necessary capacity and competency to deliver the program effectively and efficiently, while at the same time dealing with the projected retirement of experienced resources.
- **COSTS** - The economic outlook report from the City's Chief Economist indicated that Edmonton will continue to have healthy growth in the next few years. The initiation of several large projects such as the Northwest Upgrader and the Quest carbon capture project in the market may inflate project costs, as the costs of materials and contractor/consulting services may increase due to a higher demand and the possibility of insufficient supply. In addition, this may also make it challenging to attract new talent as the demand for specialized positions and skilled labour increases. Trying to grow the Drainage Utility capital program too quickly could contribute to a more rapid escalation in materials costs and demands for skilled labour.
- **DELIVERY** - To meet the demand of delivering the program in a short time, an effective process needs to be developed. This requires collaboration with industry to explore the best ways to deliver the program which may require experimenting with new processes. A good example is the Neighbourhood Renewal Program. It is a well-run program that took a few years of collaboration with the industry and associated stakeholders to determine the best process (e.g. multi-year contracts with cost indexes). City Council approving long term sustainable funding for the Neighbourhood Renewal Program was key to enabling the contracting industry to build capacity in manpower and equipment over a period of time without driving unit costs up. The Drainage Utility will build on this experience in delivering the forecast Drainage Utility capital program.

As part of the 2015 Drainage Utility budget, additional resources (personnel and equipment) are proposed to increase the organizational capacity. Additional resources may potentially be required in 2016 and later budgets, including needs for Corporate Services support functions to grow the overall City capacity.

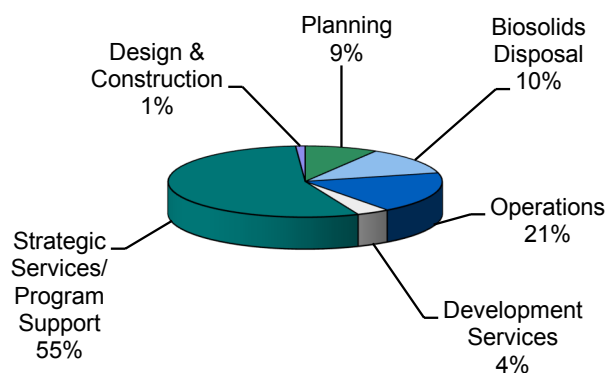
Drainage Services

Approved 2015 Budget – Summary by Program Area

(\$000)

	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue & Transfers					
Rate Revenue	\$ 133,061	\$ 148,783	\$ 156,400	\$ 7,617	5.1
Program Revenue	8,422	8,784	9,342	558	6.4
Design & Construction Revenue	5,055	4,850	1,455	(3,395)	(70.0)
Total Revenue & Transfers	146,538	162,417	167,197	4,780	2.9
Expenditure & Transfers					
Planning	6,645	7,679	10,978	3,299	43.0
Biosolids Disposal	13,903	12,278	15,936	3,658	29.8
Operations	23,760	24,983	23,830	(1,153)	(4.6)
Development Services	8,836	10,235	4,952	(5,283)	(51.6)
Strategic Services/Program Support	53,710	62,112	70,311	8,199	13.2
Design & Construction	5,058	4,622	1,428	(3,194)	(69.1)
Total Expenditure & Transfers	111,912	121,909	127,435	5,526	4.5
Net Income (Loss)	\$ 34,626	\$ 40,508	\$ 39,762	\$ (746)	(1.8)
Full-time Equivalents	684.9	690.9	725.9	35.0	5.1

Expenditures by Program Area



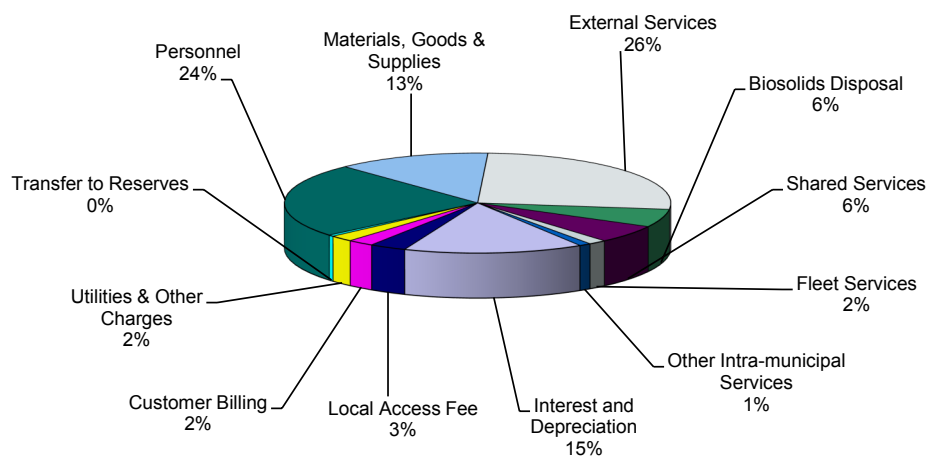
Drainage Services

Approved 2015 Budget – Summary by Category

(\$000)

	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue & Transfers					
Rate Revenue	\$ 133,061	\$ 148,783	\$ 156,400	\$ 7,617	5.1
Program Revenue	8,422	8,784	9,342	558	6.4
Design & Construction Revenue	5,055	4,850	1,455	(3,395)	(70.0)
Total Revenue & Transfers	146,538	162,417	167,197	4,780	2.9
Expenditure & Transfers					
Personnel	60,924	68,573	66,136	(2,437)	(3.6)
Materials, Goods & Supplies	23,274	29,591	35,551	5,960	20.1
External Services	61,690	58,217	72,092	13,875	23.8
Biosolids Disposal	13,903	12,278	15,936	3,658	29.8
Shared Services	12,013	13,390	15,926	2,536	18.9
Fleet Services	4,512	4,729	4,151	(578)	(12.2)
Other Intra-municipal Services	10,223	2,760	2,726	(34)	(1.2)
Interest and Depreciation	31,917	39,147	41,280	2,133	5.4
Local Access Fee	7,836	8,206	8,443	237	2.9
Customer Billing	5,660	5,828	6,096	268	4.6
Utilities & Other Charges	2,801	4,610	5,460	850	18.4
Transfer to Reserves	1,300	1,300	1,300	-	-
Subtotal	236,053	248,629	275,097	26,468	10.6
Intra-municipal Recoveries	(124,141)	(126,720)	(147,662)	(20,942)	16.5
Total Expenditure & Transfers	111,912	121,909	127,435	5,526	4.5
Net Income (Loss)	\$ 34,626	\$ 40,508	\$ 39,762	\$ (746)	(1.8)
Full-time Equivalents	684.9	690.9	725.9	35.0	5.1

Expenditures by Category



Drainage Services

Budget Changes for 2015 (\$000)

Revenue & Transfers - Changes

Rate Revenues \$ 7,617

The increase to the monthly user fee charged on the utility bill will generate about \$5,387 in additional rate revenue with the remaining \$2,230 coming from projected customer growth.

Program Revenues \$ 558

The change is primarily due to an increase in expected volume of services in 2015 and a small increase in interest revenue from a higher forecasted cash balance in 2015 relative to 2014.

Drainage Design & Construction Revenues \$ (3,395)

The decrease reflects a reduction in external project volume as more focus will be placed on meeting Drainage Services 2015 capital plan and future capital needs.

Expenditures & Transfers - Changes

Personnel \$ (2,437)

The decrease is primarily attributed to Design and Construction \$(2,119) for an adjustment to the internal vacancy rate to reflect historical difficulties in hiring skilled workers and a movement to job rate and changes to benefits to align with actual spending. It is offset with an increase to FTE's in Design & Construction.

The remaining decrease is related to Drainage Services and is attributed to an adjustment to the internal vacancy rate and a movement to job rate and changes to benefits to align with actual spending. It is offset with an increase to FTE's in 2015.

Please see section 12.0 and 12.1 in the Drainage Services Utilities 2015 Utility Rate Filing for more information on the FTE increase.

Material, Goods and Supplies \$ 5,960

The increase reflects an increase of \$5,945 in materials related to higher project volume for Design & Construction in 2015.

External Services \$13,875

The increase is primarily due to an increase of \$11,383 in external services related to higher project volume for Design & Construction in 2015, \$1,700 in additional consulting required for planning for the City-wide Flood Mitigation Program and capacity planning.

Biosolids Disposal \$ 3,658

The additional costs for biosolids disposal are in accordance with the Biosolids Management Strategy. Specifically for 2015, the increased cost represents a target volume increase from 96% to 120% of annual production.

Shared Services \$ 2,536

The increase is primarily due to a reclassification of Fleet Services to a cost recovery operation from an enterprise operation, which is offset by the decrease under Fleet Services, as well as an increase in Building Maintenance & Custodial and Central Management charges due to their full transition to the Shared Services Model resulting in a full allocation of overhead costs in 2015.

Fleet Services \$ (578)

The decrease is primarily attributed to a change in allocation methodology for Fleet Services with its reclassification to a cost recovery operation from an enterprise operation.

Drainage Services

Budget Changes for 2015 (\$000)

Other Intra-municipal Services \$ (34)

A minor decrease in the number of services anticipated in 2015.

Interest and Depreciation \$ 2,133

The increase is due to a \$1,440 increase in depreciation from additional capital assets put into service, higher financing charges of \$640 to fund the 2015 capital plan and \$53 in higher depreciation charges on equipment usage based on an increase in project volume.

Local Access Fee \$ 237

The Local Access Fee is calculated based on 8% of Rate Revenue, therefore as the total amount of Rate Revenue increases, so does the amount of Local Access Fee to be paid to the City of Edmonton.

Customer Billing \$ 268

The proposed 2015 Budget reflects an increase based on proposed amounts from EPCOR for customer billing and meter reading costs.

Utilities & Other Charges \$ 850

The increase is primarily attributed to higher equipment replacement needs for the Drainage Design & Construction equipment reserve in 2015. It is offset with a decrease from lower insurance premium costs relating to external project volume and a minor reduction in utility rates.

Intra-municipal Recoveries \$ (20,942)

The increase reflects an increase in internal project volume recoveries to Design & Construction of \$20,505 related to an increase in the Drainage Services capital plan in 2015.

Full-time Equivalents - Changes

The 2015 FTE change reflects new staffing requirements to manage the increased workload and planning requirements resulting from an increase in the Drainage Services capital plan in 2015 and beyond. This results in an increase of 35.0 FTE's for Drainage Services.

Also, during 2014, a re-organization occurred within Drainage Services to better align employees within certain departmental areas to gain long-term efficiencies in providing services to ratepayers. Please see section 12.0 and 12.1 in the Drainage Services Utility 2015 Utility Rate Filing for more information. The table below shows the results of the Drainage Service reorganization and the additional FTE request for 2015:

	FTE Count	Re-Org	FTE Count	Full	Full
	2014 Budget	2014 Actuals	Adjusted	FTE Request	Compliment
				2015 Budget	2015 Budget
Drainage Planning	40.0	23.0	63.0	-	63.0
Operations	194.9	(3.0)	191.9	21.0	212.9
Development Services	84.0	(42.0)	42.0	3.0	45.0
Strategic Services/Program Management	7.0	27.0	34.0	3.0	37.0
Drainage Design and Construction	365.0	(5.0)	360.0	8.0	368.0
	690.9	-	690.9	35.0	725.9

The 2014 FTE counts reflected in the 'Approved 2015 Budget -Program Summary' for each department reflect the FTE counts prior to the 2014 reorganization. The 2015 FTE count reflects the 2014 reorganization and the 2015 FTE requests.

Drainage Services

Pro-Forma Income Statement (\$000)

	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
Revenues					
Rate Revenue	\$ 156,400	\$ 163,825	\$ 171,198	\$ 178,983	\$ 186,694
Program Revenue	7,975	8,104	8,228	8,350	8,474
Interest Income	1,367	1,157	890	902	833
Design & Construction Revenue	1,455	1,500	1,548	1,598	1,652
Total Revenues	167,197	174,586	181,864	189,833	197,653
Expenses					
Operating & Maintenance	38,454	39,455	40,339	41,174	41,861
Biosolids Disposal	15,936	16,612	16,880	17,154	16,467
Shared Services	15,927	16,321	16,464	16,610	16,757
Interest	20,419	22,930	26,342	30,574	34,373
Depreciation	20,860	21,939	23,445	25,173	26,833
Local Access Fees	8,443	8,764	9,075	9,412	9,735
Customer Billing Service	6,096	6,216	6,309	6,404	6,500
Transfer to Reserves	1,300	1,300	1,300	1,300	1,300
Total Expenses (Note 1)	127,435	133,538	140,154	147,801	153,826
Net Income (Loss)	\$ 39,762	\$ 41,049	\$ 41,710	\$ 42,032	\$ 43,827
Opening Retained Earnings	\$ 2,216,950	\$ 2,337,588	\$ 2,456,707	\$ 2,568,091	\$ 2,677,675
Net income (loss)	39,762	41,049	41,710	42,032	43,827
Net Change in Contributed Assets	80,876	78,070	69,674	67,553	73,064
Ending Retained Earnings	\$ 2,337,588	\$ 2,456,707	\$ 2,568,091	\$ 2,677,675	\$ 2,794,566

Note 1 - Design & Construction costs are recovered through the Drainage Services Utility and flow through to the Capital Plan as well as Other City Department and External Projects. Design & Construction capital expenses for Drainage Services were removed on consolidation

The 2019 Forecast was extrapolated based on the 2015 - 2018 Drainage Services Business Plan, report CR_942 as presented to Utility Committee on July 3, 2015.

Drainage Services

Pro-Forma Balance Sheet (\$000)

	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
Financial Assets					
Cash	\$ 75,343	\$ 62,054	\$ 62,648	\$ 59,285	\$ 56,975
Other Current Assets	27,937	27,937	27,937	27,937	27,937
Total Assets	103,280	89,991	90,585	87,222	84,912
Liabilities					
Liabilities	25,791	25,791	25,791	25,791	25,791
Long-term Debt	535,642	606,490	705,604	778,756	889,756
Total liabilities	561,433	632,281	731,395	804,547	915,547
Net Financial Assets (Net Debt)	(458,153)	(542,290)	(640,810)	(717,325)	(830,635)
Non-Financial Assets					
Contributed Tangible Capital Assets	1,820,658	1,897,857	1,968,112	2,035,654	2,108,149
Non-Contributed Tangible Capital Assets	975,083	1,101,140	1,240,789	1,359,346	1,517,053
Total Non-Financial Assets	2,795,741	2,998,997	3,208,901	3,395,000	3,625,202
Retained Earnings	\$ 2,337,588	\$ 2,456,707	\$ 2,568,091	\$ 2,677,675	\$ 2,794,566

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Drainage Services

Approved 2015 Budget – Program Summary (\$000)

Program Name - Planning and Biosolids Disposal

Link to 10-Year Strategic Goals



Results to be Achieved

Ensure that Edmonton has a drainage system that supports the City's plan for livability, growth, and environmental and financial sustainability by effectively planning and managing the growth, renewal and enhancement of the Sanitary and Stormwater systems and coordinating the development and implementation of the Drainage Services capital program.

Cost Drivers

Major cost drivers are the volume of dry tonnes of biosolids disposed of and planning required for future City of Edmonton Drainage Capital needs and asset renewals.

Service Standards

Follow Council strategic directions, develop and implement a drainage system that meets drainage design and construction standards and the requirements of the Drainage Master Plan, and adhere to regulatory compliance to maintain an Approval to Operate as well the Drainage Bylaw.

Resources (\$000)

	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 2,961	\$ 2,375	\$ 2,860	\$ 3,736
Expenditure & Transfers	26,160	18,288	20,771	28,746
Subtotal	(23,199)	(15,913)	(17,911)	(25,010)
Intra-municipal Recoveries	5,612	815	814	1,832
Net Income (Loss)	\$ (17,587)	\$ (15,098)	\$ (17,097)	\$ (23,178)
Management		1.0	1.0	1.0
Professional/Technical/Union Exempt		21.0	21.0	30.0
Union		18.0	18.0	32.0
Temporary		-	-	-
Full - Time Equivalents		40.0	40.0	63.0

For more information on the change in FTE's, please see the 'Full Time Equivalents - Changes' under the 'Budget Changes for 2015'.

2014 Services

- Biosolids disposal met and exceeded target of 96% as of August YTD.
- Implemented the Drainage Neighbourhood Renewal, Flood Prevention, and Combined Sewer Overflow programs.
- Monitored the efficiency of the current Drainage system and planned accordingly to maintain system service levels.
- Investigated options for future Drainage system expansion with other City Departments to spur municipal development.
- Developed the Drainage Master Plan 2015-2024 - Aspirational Plan
- Initiated the renewal for Approval to Operate.

Changes in Services for 2015

- Increase biosolids disposal to 120% of annual generation.
- Continue to implement the Drainage Neighbourhood Renewal and Combined Sewer Overflow programs.
- Implementation of the Expanded Flood Mitigation program
- Development of the Drainage Master Plan action plan
- Initiate studies for the Sewer Asset Renewal and City Wide Flood Mitigation programs

Drainage Services

Approved 2015 Budget – Program Summary (\$000)

Program Name - Operations

Link to 10-Year Strategic Goals



Results to be Achieved

Provides preventative maintenance of the drainage infrastructure system as well as responding to customer service inquiries. This work ensures a reliable system, public health, environmental protection and customer satisfaction.

Cost Drivers

Major cost drivers are operations and maintenance of aging Drainage infrastructure and customer related inquiries due to weather related events

Service Standards

Provide preventative maintenance of the collection system, sewer, manholes, catch basins, and pump stations throughout the City to ensure the system is operating safely and efficiently to ensure public confidence. Provide inspection and maintenance of lakes and wetlands, dry ponds, sewer outfalls and main trunklines to ensure adherence to environmental standards.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 1,685	\$ 803	\$ 1,021	\$ 1,022
Expenditure & Transfers	24,818	25,385	25,779	24,825
Subtotal	(23,133)	(24,582)	(24,758)	(23,803)
Intra-municipal Recoveries	1,058	784	796	995
Net Income (Loss)	<u>\$ (22,075)</u>	<u>\$ (23,798)</u>	<u>\$ (23,962)</u>	<u>\$ (22,808)</u>
Management		1.0	1.0	1.0
Professional/Technical/Union Exempt		6.0	6.0	7.0
Union		171.0	174.0	191.0
Temporary		13.9	13.9	13.9
Full - Time Equivalents		<u>191.9</u>	<u>194.9</u>	<u>212.9</u>

For more information on the change in FTE's, please see the 'Full Time Equivalents - Changes' under the 'Budget Changes for 2015'.

2014 Services

- Responded effectively to customer service inquiries during warm periods of summer dealing with sewer odour concerns and algae on stormwater lakes.
- Maintained and operated over 75 pumpstations throughout the City.
- Completed over 3,900 outfall, 1,432 stormwater management facilities and 395 trunkline inspections as of August YTD.
- Limited wastewater mainline blockages to 1.46 per 100 km of sewer pipe maintained as of August YTD.
- Responded to over 14,300 customer service inquiries through 311 calls as of August YTD.
- Responded to 5 pumpstation failures with alternate bypass pumping/sewage collection.

Changes in Services for 2015

- Prioritize preventative maintenance through the implementation of the Sewer Video Inspection Program
- Improve the assessment rating for drainage infrastructure for better planning opportunities.
- Expansion of the Kennedale facility to accommodate increased staffing and vehicles.
- Optimize operations efficiency through new equipment and IT innovation.
- Continue to improve on key performance measures: number of system blockages and customer service.

Drainage Services

Approved 2015 Budget – Program Summary (\$000)

Program Name - Development Services

Link to 10-Year Strategic Goals



Results to be Achieved

Works corporately with the public, development and consulting industries, utilities and regulatory bodies to provide sustainable drainage servicing to all developments, monitors compliance of regulatory requirements to provide excellent public service and be a steward for environmental protection.

Cost Drivers

Major cost drivers are the volume of inspections, permits and Sanitary & Stormwater work orders on residential, commercial and industrial development within the City.

Service Standards

Provide timely approval of services to spur municipal development, implement effective lot grading and flood proofing programs to ensure public confidence, complete sewer/water service connections, and performing regulatory compliance inspections.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 3,224	\$ 2,444	\$ 2,727	\$ 2,822
Expenditure & Transfers	10,528	10,969	11,503	5,075
Subtotal	(7,304)	(8,525)	(8,776)	(2,253)
Intra-municipal Recoveries	1,692	1,252	1,268	123
Net Income (Loss)	\$ (5,612)	\$ (7,273)	\$ (7,508)	\$ (2,130)
Management		1.0	1.0	1.0
Professional/Technical/Union Exempt		15.0	15.0	4.0
Union		64.0	66.0	38.0
Temporary		2.0	2.0	2.0
Full - Time Equivalents		82.0	84.0	45.0

For more information on the change in FTE's, please see the 'Full Time Equivalents - Changes' under the 'Budget Changes for 2015'.

2014 Services

- Performed over 9,388 lot grading inspections and 1,986 industrial, commercial and institutional sewer bylaw compliance inspections as of August YTD.
- Processed 289 water, sanitary and/or storm service connection work orders as of August YTD.
- 200 Homeowners were reimbursed for backwater valve installation with an approximate value of \$240,000 (as of August YTD).
- Facilitated the coordination for the financing and construction of 2 Local Improvement Projects valued at \$14.5 million.

Changes in Services for 2015

- Work toward a more integrated and efficient working process between Development Services and Drainage Operations.
- Manage increasing demand for services while improving delivery of services.

Drainage Services

Approved 2015 Budget – Program Summary (\$000)

Program Name - Strategic Services / Program Support

Link to 10-Year Strategic Goals



Results to be Achieved

Provide administrative support for Drainage Services and recommendations to the Utility Committee/City Council to provide opportunities for greater operational efficiencies and address utility rate issues as required. Provide overall governance and support to the branch to ensure achievement of each section's goals. Support being provided covers areas on Business Planning, Workforce Development, Procurement, Asset & Facilities Planning, Information & Systems and Occupational Health & Safety.

Cost Drivers

Major cost drivers are for planning required for future Drainage Services work force development, information system, asset, facilities and capacity needs as well as establishing and tracking internal performance measures, training and occupational health & safety needs.

Service Standards

Ensure that all sections in Drainage Services are adequately supported to meet their service levels. Continue to investigate opportunities to improve operational efficiencies within the Branch as well as ensure public satisfaction and promote customer rate fairness and equity.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 133,613	\$ 136,558	\$ 150,959	\$ 158,162
Expenditure & Transfers	54,641	59,502	63,602	72,166
Subtotal	78,972	77,056	87,357	85,996
Intra-municipal Recoveries	931	1,389	1,490	1,855
Net Income (Loss)	\$ 79,903	\$ 78,445	\$ 88,847	\$ 87,851
Management		1.0	1.0	2.0
Professional/Technical/Union Exempt		2.0	2.0	4.0
Union		3.0	4.0	31.0
Temporary		-	-	-
Full - Time Equivalents		6.0	7.0	37.0

For more information on the change in FTE's, please see the 'Full Time Equivalents - Changes' under the 'Budget Changes for 2015'.

2014 Services

- Provide reports/analysis to Utility Committee and City Council as requested.
- Ensure Drainage Services is aligned to the goals and vision of the Department and the City organization.
- Updated the Utility Fiscal Policy.
- Initiated the Implementation of the Performance Measure Pilot Workshop.
- Coordinated the leasing and move of Drainage Construction to Edmiston Facility
- 70 private developments recorded as of August YTD.
- Initiated the Workforce Competency Model Pilot.
- Lost time days decreased by 40% versus 2013

Changes in Services for 2015

- Continuous implementation and development of branch wide performance measures.
- Develop efficient space planning across all drainage facilities
- Deployment of the Managing Engineering Drawings Project
- Full implementation of the Workforce Competency Model and Knowledge Transfer Program
- Develop and implement a new Collision Reduction Strategy

Drainage Services

Approved 2015 Budget – Program Summary (\$000)

Program Name - Design & Construction

Link to 10-Year Strategic Goals



Results to be Achieved

The primary responsibility of Design and Construction is to design and construct sanitary and stormwater drainage infrastructure in support of the Drainage Services Utility. It also provides underground infrastructure design, construction, and project management services to other City of Edmonton departments and external clients.

Cost Drivers

Cost drivers are the amounts within 2015-18 Drainage Services capital plan, the number and size of projects, market conditions and capacity.

Service Standards

Design and construction of new sanitary and stormwater drainage infrastructure. Rehabilitation and replacement of existing drainage infrastructure systems. Project management, design and construction services to internal and external clients.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 5,055	\$ 5,900	\$ 4,850	\$ 1,455
Expenditure & Transfers	118,179	113,305	126,974	144,285
Subtotal	(113,124)	(107,405)	(122,124)	(142,830)
Intra-municipal Recoveries	113,121	107,904	122,352	142,857
Net Income (Loss)	\$ (3)	\$ 499	\$ 228	\$ 27
Management		4.0	5.0	4.0
Professional/Technical/Union Exempt		28.7	34.0	37.0
Union		332.3	326.0	327.0
Temporary		-	-	-
Full - Time Equivalents		365.0	365.0	368.0

For more information on the change in FTE's, please see the 'Full Time Equivalents - Changes' under the 'Budget Changes for 2015'.

2014 Services

- Expansion: construct new infrastructure to support drainage infrastructure system growth.
 - Flood Prevention: implement projects to reduce flood risk.
 - Neighbourhood Renewal: renew existing drainage infrastructure.
 - Environmental Protection: install infrastructure to enhance environmental protection.
 - Other: external work.
- **Infrastructure includes pipes, tunnels, storm water management facilities and pump stations.

Changes in Services for 2015

- Pursue more integrated services delivery model with Drainage Services.
- Anticipate project requirements for Expanded Flood Mitigation program.
- Develop branchwide capacity plan to meet the long term needs of the Drainage Services capital program.
- As approved by Executive Committee on June 17, 2014, Design & Construction is now included as part of the Drainage Service utilities. For further information please see section 11.0 of the Drainage Services Utilities 2015 Utility Rate Filing.

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Drainage Services

Approved 4-Year Capital Budget (2015-2018)

	Major Project Class	Project #	Actual		Forecast	Total	4 Year Capital Plan				Total
			2012	2013	2014	2012 - 2014	2015	2016	2017	2018	2015 - 2018
Renewal & Upgrading	Non-Contributed										
	Drainage Neighbourhood Renewal		33,815	22,683	27,871	84,369	29,634	32,872	41,293	35,976	139,775
	Drainage Neighbourhood Renewal Coordination	CM-23-9510	33,618	22,165	27,185	82,968	28,862	29,159	28,180	22,470	108,670
	Service Connection Renewal	CM-23-9512	12	4	-	16	515	1,061	1,093	1,126	3,794
	Sewer Upgrading	CM-23-9703	185	514	686	1,385	258	2,652	12,020	12,381	27,310
	Downtown storm drainage servicing										
	Drainage System Rehabilitation		28,571	34,826	29,987	93,384	36,989	43,616	41,711	28,489	150,806
	Mill Woods Double Barrel Replacement	08-31-9202	11,578	9,434	9,021	30,033	10,300	7,426	-	-	17,726
	Structures Rehabilitation	CM-23-9503	4,802	6,281	8,611	19,694	5,368	6,060	7,334	7,554	26,317
	Sewer Rehabilitation	CM-23-9504	12,170	18,794	11,946	42,910	4,944	5,092	5,245	5,402	20,684
	Groat Road Trunk Sewer Rehabilitation	15-23-9515	-	-	-	-	2,060	8,487	8,742	-	19,289
	High Priority Repair	CM-31-9520	-	-	-	-	11,845	12,200	12,566	12,943	49,555
	Optimization of 30 Avenue storm trunk overflow	15-31-9525	-	-	-	-	309	2,122	5,311	-	7,741
	Creek Erosion Protection	CM-31-9604	21	317	409	747	2,163	2,228	2,513	2,589	9,493
	Drainage Facilities Upgrading		1,446	3,283	10,307	15,036	-	-	-	-	-
	Drainage Storage for Emerg Pumping Equip	07-23-5418	17	-	-	17	-	-	-	-	-
	Facilities, Equip. & System Removal- SAN	12-23-6100	1,427	3,016	3,041	7,484	-	-	-	-	-
	Residuals Disposal Facility	12-23-5422	2	267	7,266	7,535	-	-	-	-	-
	Flood Mitigation		6,710	7,879	18,489	33,078	29,198	30,750	29,222	34,955	124,125
	Neighbourhood Flood Prevention Projects	CM-31-9511	3,203	4,479	17,831	25,513	9,703	13,932	10,509	9,512	43,655
	Overland Drainage	12-31-9517	919	1,431	381	2,731	-	-	-	-	-
	Opportunistic Flood Prevention Project	12-31-9518	11	1,714	247	1,972	-	-	-	-	-
	Expanded Neighbourhood Flood Prevention Program	CM-31-9611	-	-	-	-	14,140	16,818	18,713	25,443	75,114
	Opportunistic Flood Prevention Project	CM-23-9612	-	-	-	-	5,356	-	-	-	5,356
	Morris Pond	03-31-9613	2,577	255	30	2,862	-	-	-	-	-
Environmental	Environmental Quality Enhancement		1,575	3,368	16,901	21,844	6,586	7,688	9,591	7,236	31,101
	Wetlands - Kennedale and Pytlow	07-31-4304	71	23	7	101	-	-	-	-	-
	Fat, Oil and Grease Facility	19-23-6112	-	-	-	-	-	-	-	-	-
	Quenelle Basin Low Flow Diversion	09-31-9615	-	35	25	60	-	-	-	-	-
	LID Capital Demonstration Projects	CM-31-9616	1,504	1,516	2,566	5,586	155	212	219	225	810
	Mill Creek End of Pipe Treatment Facility	13-31-9617	-	-	250	250	2,296	2,633	3,696	2,334	10,959
	Quesnell Basin Loading Reduction	15-31-9618	-	-	-	-	-	-	-	-	-
	Environmental & Collection System Monitoring	CM-31-9620	-	1,214	-	1,214	438	451	399	411	1,698
	Enhanced Biosolids Dewatering Upgrade	13-23-9621	-	580	14,053	14,633	-	-	-	-	-
	Biosolids Facilities Renewal	CM-23-9623	-	-	-	-	2,153	2,801	2,229	1,171	8,353
	City Wide Odour Control Program	CM-23-9630	-	-	-	-	1,545	1,591	1,639	1,238	6,014
	River for Life	CM-31-9640	-	-	-	-	-	-	1,410	1,857	3,267
	Combined Sewer Overflow Strategy		12,149	7,554	11,798	31,501	5,150	3,713	4,917	4,502	18,282
	Opportunistic Sewer Separation	CM-23-2160	5,275	4,468	8,375	18,118	-	530	4,917	4,502	9,950
	WESS W12	04-23-9302	5,631	2,170	1,638	9,439	-	-	-	-	-
	Combined Sewer Overflow Control Projects	CM-23-9702	1,243	917	1,785	3,945	5,150	3,183	-	-	8,333
Growth	Drainage System Expansion		5,807	19,170	29,023	54,000	19,953	18,584	20,356	23,077	81,971
	Drainage Construction and Equipment	CM-31-6130	-	-	-	-	5,037	3,008	3,147	9,212	20,404
	Drainage Facility Upgrading	CM-31-6140	-	-	-	-	3,605	3,713	1,639	1,688	10,646
	Kennedale Accommodation	15-31-6142	-	-	-	-	5,150	5,305	-	-	10,455
	Drainage IT Assets	CM-31-6200	-	-	-	-	2,951	2,652	2,732	2,814	11,149
	Servicing for Downtown Intensification	15-23-9415	-	-	-	-	515	1,061	9,835	6,190	17,601
	Interconnection Control Program	CM-23-9435	-	-	-	-	1,030	1,061	1,093	1,126	4,309
	Review/Inspect Developer Built Sewers	CM-23-9470	-	-	-	-	1,666	1,784	1,911	2,047	7,408
	Construction Facility & Equipment	09-23-9607	1,489	3,927	-	5,416	-	-	-	-	-
	System Expansion Projects	12-23-9619	4,318	15,243	29,023	48,584	-	-	-	-	-
Growth	Contributed										
	Sanitary Servicing Strategy	CM-23-9210	22,338	20,280	22,336	64,954	23,008	24,558	22,310	22,759	92,635
	Drainage System Expansion		16	249	322	587	20,546	23,286	26,662	17,769	88,263
	Downtown Stormwater Drainage Servicing (CRL Initial Phase)	14-31-4102	-	-	-	-	9,010	13,525	14,423	7,415	44,374
	Local Improvement	CM-23-9420	-	-	-	-	7,210	5,305	7,649	5,628	25,791
	Service Connection Expansion	CM-23-9430	-	-	-	-	3,296	3,395	3,497	3,602	13,789
Creek Erosion Protection	CM-31-9604	16	249	322	587	1,030	1,061	1,093	1,125	4,309	
	Total Capital		112,427	119,292	167,033	398,752	171,065	185,067	196,063	174,763	726,958

Drainage Services

Approved 4-Year Capital Budget (2015-2018) and Forecast (2019-2024)

	Major Project Class	4 Year Capital Plan				Forecast						Total 2015-2024
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Renewal & Upgrading	Non-Contributed											
	Drainage Neighbourhood Renewal	29,634	32,872	41,293	35,976	51,588	53,135	60,879	62,705	64,586	66,524	499,192
	Drainage Neighbourhood Renewal Coordination	28,862	29,159	28,180	22,470	31,300	32,239	33,207	34,203	35,229	36,286	311,134
	Service Connection Renewal	515	1,061	1,093	1,126	1,739	1,791	1,845	1,900	1,957	2,016	15,042
	Sewer Upgrading	258	2,652	12,020	12,381	18,548	19,105	25,827	26,602	27,400	28,222	173,016
	Drainage System Rehabilitation	36,989	43,616	41,711	28,489	29,343	30,224	31,131	32,382	33,679	35,025	342,589
	Mill Woods Double Barrel Replacement	10,300	7,426	-	-	-	-	-	-	-	-	17,726
	Structures Rehabilitation	5,368	6,060	7,334	7,554	7,781	8,014	8,255	8,819	9,410	10,028	78,625
	Sewer Rehabilitation	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263	6,451	56,677
	Groat Road Trunk Sewer Rehabilitation	2,060	8,487	8,742	-	-	-	-	-	-	-	19,289
	High Priority Repair	11,845	12,200	12,566	12,943	13,332	13,732	14,144	14,568	15,005	15,455	135,790
	Optimization of 30 Avenue storm trunk overflow	309	2,122	5,311	-	-	-	-	-	-	-	7,741
	Creek Erosion Protection	2,163	2,228	2,513	2,589	2,666	2,746	2,829	2,914	3,001	3,091	26,740
	Flood Mitigation	29,198	30,750	29,222	34,955	51,174	48,508	58,803	64,006	51,421	50,863	448,901
	Neighbourhood Flood Prevention Projects	9,703	13,932	10,509	9,512	10,526	-	-	-	-	-	54,181
	Expanded Neighbourhood Flood Prevention	14,140	16,818	18,713	25,443	28,133	26,777	32,975	64,006	51,421	50,863	329,290
Opportunistic Flood Prevention Project	5,356	-	-	-	12,514	21,732	25,827	-	-	-	65,429	
Environmental	Environmental Quality Enhancement	6,586	7,688	9,591	7,236	25,388	28,836	21,215	16,088	16,571	17,068	156,267
	Fat, Oil and Grease Facility	-	-	-	-	6,956	7,164	-	-	-	-	14,120
	LID Capital Demonstration Projects	155	212	219	225	348	358	369	380	391	403	3,060
	Mill Creek End of Pipe Treatment Facility	2,296	2,633	3,696	2,334	-	-	-	-	-	-	10,959
	Quesnelle Basin Loading Reduction	-	-	-	-	232	537	3,136	-	-	-	3,905
	Environmental & Collection System Monitoring	438	451	399	411	464	478	492	507	522	538	4,698
	Biosolids Facilities Renewal	2,153	2,801	2,229	1,171	3,768	6,269	2,767	317	326	336	22,136
	City Wide Odour Control Program	1,545	1,591	1,639	1,238	1,275	1,313	1,353	1,393	1,435	1,478	14,262
	River for Life	-	-	1,410	1,857	12,346	12,717	13,098	13,491	13,896	14,313	83,127
	Combined Sewer Overflow Strategy	5,150	3,713	4,917	4,502	4,637	4,776	4,919	5,067	5,219	5,376	48,277
Opportunistic Sewer Separation	-	530	4,917	4,502	4,637	4,776	4,919	5,067	5,219	5,376	39,944	
Combined Sewer Overflow Control Projects	5,150	3,183	-	-	-	-	-	-	-	-	8,333	
Growth	Drainage System Expansion	19,953	18,584	20,356	23,077	19,541	20,774	15,527	15,859	19,817	16,932	190,420
	Drainage Construction and Equipment	5,037	3,008	3,147	9,212	12,404	13,141	7,619	7,664	11,325	8,131	80,688
	Drainage Facility Upgrading	3,605	3,713	1,639	1,688	927	1,194	1,230	1,267	1,305	1,344	17,912
	Kennedale Accommodation	5,150	5,305	-	-	-	-	-	-	-	-	10,455
	Drainage IT Assets	2,951	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	29,895
	Servicing for Downtown Intensification	515	1,061	9,835	6,190	-	-	-	-	-	-	17,601
	Interconnection Control Program	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	11,808
	Review/Inspect Developer Built Sewers	1,666	1,784	1,911	2,047	2,152	2,260	2,374	2,494	2,620	2,754	22,062
Contributed												
Growth	Sanitary Servicing Strategy	23,008	24,558	22,310	22,759	25,504	26,269	27,057	27,869	28,705	29,566	257,605
	Drainage System Expansion	20,546	23,286	26,662	17,769	14,143	12,180	16,234	14,187	17,223	58,057	220,288
	Downtown Stormwater Drainage Servicing (CRL Int	9,010	13,525	14,423	7,415	-	-	-	-	-	43,005	87,379
	Local Improvement	7,210	5,305	7,649	5,628	8,115	5,970	8,609	6,334	9,133	6,720	70,672
	Sevice Connection Expansion	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175	4,301	37,785
	Creek Erosion Protection	1,030	1,061	1,093	1,125	2,319	2,388	3,689	3,800	3,914	4,032	24,452
Total Capital		171,065	185,067	196,063	174,763	221,318	224,703	235,766	238,163	237,221	279,411	2,163,539

Drainage Services

Financial Indicators

	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
Financial Indicators (\$000)					
1 Typical Customer Rate Impacts					
Sanitary					
Typical Residential Monthly Billing Increase	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Impact of Customer Rate	2.3%	2.2%	2.2%	2.1%	2.1%
Stormwater					
Typical Residential Monthly Billing Increase	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Impact of Customer Rate	5.4%	5.1%	4.9%	4.7%	4.4%
Combined					
Typical Residential Monthly Billing Increase	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Impact of Customer Rate	3.2%	3.1%	3.0%	2.9%	2.9%
Typical Single Family Sanitary Monthly Unit Rate	\$ 22.29	\$ 22.79	\$ 23.29	\$ 23.79	\$ 24.29
Typical Single Family Stormwater Monthly Unit Rate	\$ 9.74	\$ 10.24	\$ 10.74	\$ 11.24	\$ 11.74
Typical Single Family Combined Monthly Unit Rate	\$ 32.03	\$ 33.03	\$ 34.03	\$ 35.03	\$ 36.03
Target	Stable, consistent rate increases				
2 Rates Sufficient to Meet Expenses					
Sanitary Net Income (loss)	\$ 17,973	\$ 18,610	\$ 19,423	\$ 20,430	\$ 22,257
Stormwater Net Income (loss)	\$ 21,762	\$ 22,413	\$ 22,259	\$ 21,572	\$ 21,541
Target	Positive Net Income				
3 Cash Balance					
Target (Next Year's Capital Financed by Pay As You Go)	\$ 51,183	\$ 36,498	\$ 39,889	\$ 39,147	\$ 38,871
Uncommitted Cash Balance	\$ 57,834	\$ 44,519	\$ 45,085	\$ 41,692	\$ 39,353
Target	Cash position greater than the total Pay as You Go required				
4 Financing of Capital Investments					
Debt to Net Assets Ratio	56%	56%	58%	58%	60%
Target	Between 50% - 70%; balancing cash availability, interest rates and construction inflation				

Drainage Services — Sanitary Utility

Approved 2015 Budget – Sanitary Drainage Summary (\$000)

	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue & Transfers					
Rate Revenue	\$ 94,305	\$ 102,623	\$ 105,538	\$ 2,915	2.8
Program Revenue	7,321	7,239	7,899	660	9.1
Total Revenue & Transfers	101,626	109,862	113,437	3,575	3.3
Expenditure & Transfers					
Personnel	19,662	21,772	22,603	831	3.8
Materials, Goods & Supplies	2,452	2,646	2,410	(236)	(8.9)
External Services	4,279	4,446	5,883	1,437	32.3
Biosolids Disposal	13,903	12,278	15,936	3,658	29.8
Shared Services	5,262	5,411	6,252	841	15.5
Fleet Services	1,758	1,619	1,389	(230)	(14.2)
Other Intra-municipal Services	587	683	458	(225)	(32.9)
Interest and Depreciation	22,534	25,485	27,068	1,583	6.2
Local Access Fee	7,836	8,206	8,443	237	2.9
Customer Billing	4,582	4,746	4,900	154	3.2
Utilities & Other Charges	1,599	1,804	1,742	(62)	(3.4)
Transfer to Reserves	1,300	1,300	1,300	-	-
Subtotal	85,754	90,396	98,384	7,988	8.8
Intra-municipal Recoveries	(9,870)	(2,718)	(2,920)	(202)	7.4
Total Expenditure & Transfers	75,884	87,678	95,464	7,786	8.9
Net Income (Loss)	\$ 25,742	\$ 22,184	\$ 17,973	\$ (4,211)	(18.9)

Drainage Services — Stormwater Utility

Approved 2015 Budget – Stormwater Drainage Summary (\$000)

	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue & Transfers					
Rate Revenue	\$ 38,756	\$ 46,160	\$ 50,862	\$ 4,702	10.2
Program Revenue	1,101	1,545	1,443	(102)	(6.6)
Total Revenue & Transfers	39,857	47,705	52,305	4,600	9.6
Expenditure & Transfers					
Personnel	9,369	10,007	8,858	(1,149)	(11.5)
Materials, Goods & Supplies	1,345	1,302	1,553	251	19.3
External Services	1,618	2,409	3,464	1,055	43.8
Shared Services	1,976	2,319	2,679	360	15.5
Fleet Services	522	674	585	(89)	(13.2)
Other Intra-municipal Services	7,495	382	510	128	33.5
Interest and Depreciation	8,335	12,615	13,112	497	3.9
Customer Billing	1,078	1,082	1,196	114	10.5
Utilities & Other Charges	382	469	471	2	0.4
Subtotal	32,120	31,259	32,428	1,169	3.7
Intra-municipal Recoveries	(1,150)	(1,650)	(1,885)	(235)	14.2
Total Expenditure & Transfers	30,970	29,609	30,543	934	3.2
Net Income (Loss)	\$ 8,887	\$ 18,096	\$ 21,762	\$ 3,666	20.3

Drainage Services — Design and Construction

Approved 2015 Budget—Design and Construction (\$000)

	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenues					
Total Revenues	\$ 5,055	\$ 4,850	\$ 1,455	\$ (3,395)	(70.0)
Expenditures					
Personnel	31,893	36,794	34,675	(2,119)	(5.8)
Materials, Goods and Supplies	19,477	25,643	31,588	5,945	23.2
External Services	55,793	51,362	62,745	11,383	22.2
Shared Services	4,775	5,660	6,995	1,335	23.6
Fleet Services	2,232	2,436	2,177	(259)	(10.6)
Other Intra-municipal Services	2,141	1,695	1,758	63	3.7
Depreciation and Amortization	1,048	1,047	1,100	53	5.1
Utilities & Other Charges	820	2,337	3,247	910	38.9
Subtotal	118,179	126,974	144,285	17,311	13.6
Intra-municipal Recoveries	(113,121)	(122,352)	(142,857)	(20,505)	16.8
Total Expenditure & Transfers	5,058	4,622	1,428	(3,194)	(69.1)
Net Income (Loss)	\$ (3)	\$ 228	\$ 27	\$ (201)	(88.2)

Drainage Services

Approved 2015 Budget — User Fee Information

User Fee Changes

Fee Description	Approved Change (2014 - 2015)	Explanation
Fees charged for service calls for investigating and releasing of plugged sewer	Increase from \$295.50 to \$305.00	To increase rate to be more in line with actual cost to complete service.
Service Televising	Increase from \$120.00 to \$130.00	To increase rate to be more in line with actual cost to complete service.
Sanitary Sewer Trunk Charges and Expansion Assessment	Increase of 9.7% over 2014 rate	A motion was passed and unanimously approved by the SSSF Joint Committee in its June 18, 2014 meeting to increase the 2015 revenue rate by 9.7% to overcome the expected shortfall in the fund.

Bylaws Requiring Approval

Bylaw #	Description
Bylaw 16200	Drainage Bylaw 16610 (Amendment #1) - To set sanitary sewer and stormwater drainage rates to provide for the operation of the Drainage Utility in accordance with the Utility Fiscal Policy and to set sanitary sewer trunk charge rates that allow for the connection of a private drainage system to a sewer service that connects or will be connected to a sanitary or combined sewer.

Drainage Services

Approved 2015 Budget — User Fee Information

	2014 Fee	2015 Fee	\$ Increase	% Increase
Drainage Bylaw - Bylaw 16610				
Collection & Transmission - Fixed Rate				
16 mm	\$8.52	\$8.65	\$0.13	1.5%
20 mm	\$15.34	\$15.57	\$0.23	1.5%
25 mm	\$23.87	\$24.23	\$0.36	1.5%
40 mm	\$46.03	\$46.72	\$0.69	1.5%
50 mm	\$63.07	\$64.03	\$0.96	1.5%
75 mm	\$130.41	\$132.38	\$1.97	1.5%
100mm	\$242.91	\$246.59	\$3.68	1.5%
150mm	\$459.40	\$466.36	\$6.96	1.5%
200mm	\$733.00	\$744.09	\$11.09	1.5%
250mm	\$1,818.86	\$1,846.39	\$27.53	1.5%
300mm	\$1,818.86	\$1,846.39	\$27.53	1.5%
400mm	\$2,057.95	\$2,088.82	\$30.87	1.5%
500mm	\$2,216.52	\$2,249.76	\$33.25	1.5%
Collection & Transmission - Variable Rate				
Uniform	\$0.8604	\$0.8857	\$0.03	2.9%
Large Wholesale with Collection System	\$0.4812	\$0.4953	\$0.01	2.9%
Other				
Stormwater Drainage (per month per m ²)	\$0.032957	\$0.035274	\$0.002317	7.0%
Service calls for investigating and releasing of plugged sewer	\$295.50	\$305.00	\$9.50	3.2%
Service televising	\$120.00	\$130.00	\$10.00	8.3%
Hauled Wastewater				
per axle	\$17.00	\$17.00	\$0.00	0.0%
With Settleable solids > 100ml/L	Double	Double		
Application Fees				
Permit to Release	\$344.00	\$344.00	\$0.00	0.0%
Compliance Approval	\$344.00	\$344.00	\$0.00	0.0%
Records Search	\$107.00	\$107.00	\$0.00	0.0%
Application for Sewer Metering Approval	\$300.00	\$300.00	\$0.00	0.0%
Application for Utility Credit	\$300.00	\$300.00	\$0.00	0.0%
Application for Reduction in Stormwater Utility Intensity Development Factor	\$300.00	\$300.00	\$0.00	0.0%
Application for Large Wholesale Designation	\$300.00	\$300.00	\$0.00	0.0%
Lot Grading Inspection Fees				
Single Family Residential	\$135.00	\$135.00	\$0.00	0.0%
Semi-detached Residential (per unit)	\$135.00	\$135.00	\$0.00	0.0%
Multiple Family Residential	\$220+\$55/per unit	\$220+\$55/per unit	\$0.00	0.0%
Any other premises type (per hectare)	\$220.00	\$220.00	\$0.00	0.0%
Sanitary Sewer Trunk Charge				
Residential - 1-2 Dwellings	\$1,304.00	\$1,430.00	\$126.00	9.7%
Residential - Secondary/garage/garden Suites	\$577.00	\$633.00	\$56.00	9.7%
Residential - 3 or more Dwellings	\$931.00	\$1,021.00	\$90.00	9.7%
Commercial	\$6,520.00	\$7,152.00	\$632.00	9.7%
Industrial	\$6,520.00	\$7,152.00	\$632.00	9.7%
Institutional	\$6,520.00	\$7,152.00	\$632.00	9.7%
Expansion Assessment				
South Edmonton Sanitary Sewer (SESS)	\$18,620.00	\$20,426.00	\$1,806.00	9.7%
North Edmonton Sanitary Sewer (NEST)	\$18,620.00	\$20,426.00	\$1,806.00	9.7%
Terwillegar and University Farms (TUFS)	\$18,620.00	\$20,426.00	\$1,806.00	9.7%
West Edmonton Sanitary Sewer (WESS)	\$23,278.00	\$25,536.00	\$2,258.00	9.7%

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Branch — Waste Management Services

Introduction

Edmonton's Waste Management Services is recognized nationally and internationally as a leader in sustainable solid waste management. The focus of the Utility is to provide responsive waste management services to all customer groups through the delivery of an integrated waste management system. Within this system, the Utility manages:

- Collection of refuse and recyclables for approximately 350,000 single and multi-family homes;
- Assisted waste collection for 300 residents with mobility limitations;
- Services to the non-residential sector to promote waste reduction and recycling;
- Drop off services through three Eco Stations (a fourth will become operational at Kennedale in 2015);
- Twenty community recycling depots;
- Twelve annual community Big Bin events for large, bulky items;
- Newly relocated Reuse Centre for small items not acceptable in recycling programs;
- Reuse Area at Ambleside Eco Station and a planned second reuse area at the new Kennedale Eco Station to encourage the reuse of large items such as furniture, sporting goods, etc.;
- Waste disposal services at the Edmonton Waste Management Centre (EWMC), home to twelve specialized waste recycling and processing facilities including the world's first Waste to Biofuels Facility commissioned in late 2014;
- An applied Research and Development program;
- Hauling and landfilling of waste that cannot be recycled or composted; and
- Litter collection in business districts and adjacent areas servicing 1,550 litter receptacles on behalf of Capital City Clean Up.



The integrated waste management system is currently capable of diverting up to 60% of the residential waste stream from landfill and targets diversion of up to 90% in 2017 with full availability of the Waste to Biofuels Facility.

Vision: A customer-driven world leader in sustainable and innovative solid waste management.

Mission: Provide waste management services for the City of Edmonton with due regard to needs of customers, the preservation of natural resources, the protection of the environment and the financial capabilities of the City.

Highlights for 2015 include:

- Opening of the Kennedale Eco Station in North Edmonton;
- First year of full operation at the Waste to Biofuels Facility;
- Construction start of the Anaerobic Digestion Facility; and
- Full year operation of newly relocated and expanded Reuse Centre for reuse of small items.

Challenges the Utility will face in 2015 include:

- Volatility of expenses and revenues due to external market forces such as economy-driven escalation in costs of contracted services and materials and competition for waste disposal services.
- Difficult to project cost and revenue impacts of traffic delays related to the ongoing construction of Anthony Henday Drive in the area of the Edmonton Waste Management Centre access routes.

The Utility delivers regulated waste management services to the residential sector and unregulated waste management services to both the residential and non-residential sectors under two main areas of operation: Collection Services and Processing and Disposal Services. Regulated services are those funded in whole or in part by the utility rates approved by City Council, the regulating body for the Utility.

Branch — Waste Management Services

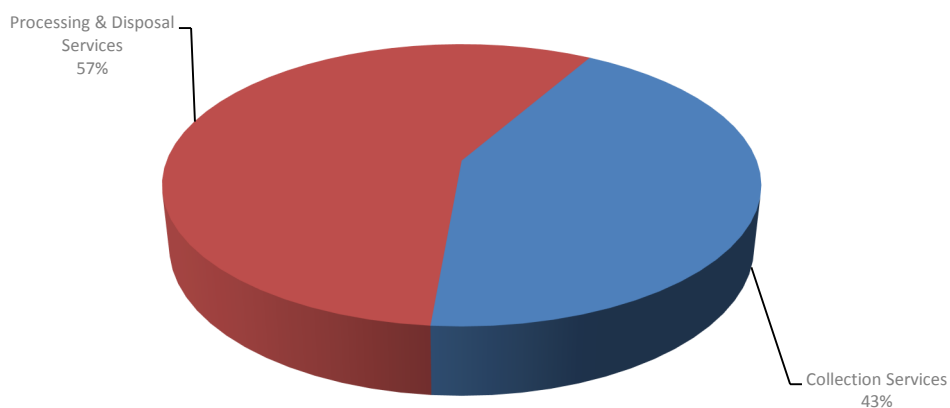
Approved 2015 Budget – Summary by Program Area

(\$000)

	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue					
Rate Revenue	\$ 122,402	\$ 131,345	\$ 146,173	\$ 14,828	11.3
Operations Revenue	22,838	26,968	23,125	(3,843)	(14.3)
Biofuels Grant	3,700	-	-	-	-
Total Revenue	148,940	158,313	169,298	10,985	6.9
Expenditure					
Collection Services	61,756	68,258	74,000	5,742	8.4
Processing & Disposal Services	85,673	89,566	97,860	8,294	9.3
Biofuels Grant	3,700	-	-	-	-
Total Expenditure	151,129	157,824	171,860	14,036	8.9
Net Income (Loss)	\$ (2,189)	\$ 489	\$ (2,562)	\$ (3,051)	

Full-time Equivalents	465.8	478.7	524.9	46.2
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Expenditures by Program Area



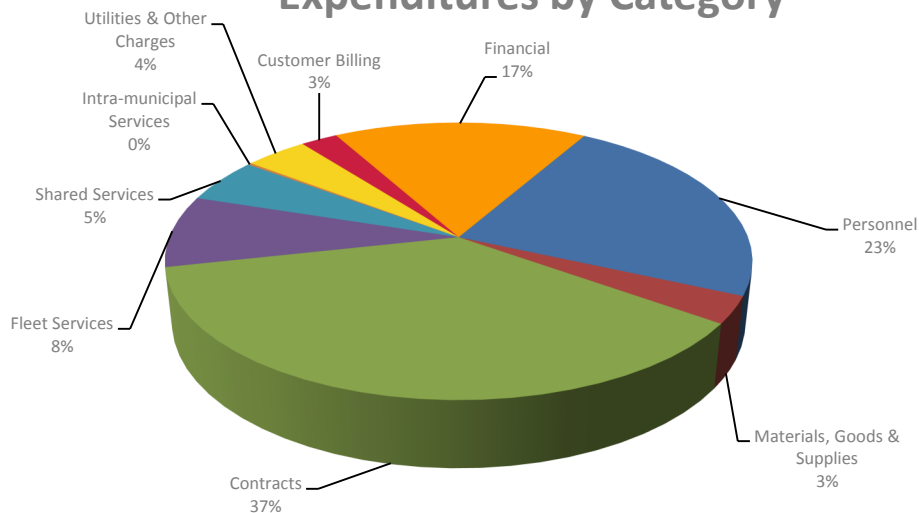
Branch — Waste Management Services

Approved 2015 Budget – Branch Summary (\$000)

	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue					
Rate Revenue	\$ 122,402	\$ 131,345	\$ 146,173	\$ 14,828	11.3
Operations Revenue	22,838	26,968	23,125	(3,843)	(14.3)
Biofuels Grant	3,700	-	-	-	-
Total Revenue	148,940	158,313	169,298	10,985	6.9
Expenditure					
Personnel	36,719	40,299	43,390	3,091	7.7
Materials, Goods & Supplies	3,068	4,322	5,858	1,536	35.5
Contracts	59,577	61,393	68,308	6,915	11.3
Fleet Services	15,444	16,453	15,584	(869)	(5.3)
Shared Services	6,426	7,401	9,719	2,318	31.3
Intra-Municipal Services	1,222	277	417	140	50.5
Utilities	3,678	4,920	5,426	506	10.3
Other Expenses	1,356	2,057	2,143	86	4.2
Customer Billing Services	4,410	4,596	4,474	(122)	(2.7)
Financial	27,178	28,105	30,605	2,500	8.9
Biofuels Grant	3,700	-	-	-	-
Subtotal	162,778	169,823	185,924	16,101	9.5
Biosolids Processing Recovery	(9,001)	(9,950)	(11,993)	(2,043)	20.5
Litter Collection Recovery	(1,940)	(1,965)	(1,985)	(20)	1.0
City Dept Disposal Recovery	(708)	(84)	(86)	(2)	2.7
Total Intra-Municipal Recoveries	(11,649)	(11,999)	(14,064)	(2,065)	17.2
Total Expenditure	151,129	157,824	171,860	14,036	8.9
Net Income (Loss)	\$ (2,189)	\$ 489	\$ (2,562)	\$ (3,051)	

Full-time Equivalents 465.8 478.7 524.9 46.2

Expenditures by Category



Branch — Waste Management Services

Budget Changes for 2015 (\$000)

Revenue - Changes

Rate Revenue \$14,828

The increase to the monthly user fee charged on the utility bill will generate \$12,050 in additional rate revenue, with the remaining \$2,778 coming from an increased number of customers. Customer growth is based on the corporate population growth projection and analysis of the monthly billing records.

Operations Revenue \$(3,843)

The decrease is mainly due to a reduction in anticipated tip fee revenue (\$4,211) based on recent results. The main drivers of the reduced revenue are site access issues from construction on the Anthony Henday Drive and competition from both existing and recently established landfills and transfer stations. A reduction of (\$446) is partially due to lower variable third party rent and declining landfill gas generation and subsequent sale of Greenhouse Gas credits. Partially off-setting this is an increase of \$814 in customer growth for Commercial Collections.

Expenditure - Changes

Personnel \$3,091

The increase is primarily due to additional resources required for the commissioning of the Kennedale Eco-Station, to manage increased service demands resulting from customer growth, to support new processes and facilities at Edmonton Waste Management Centre as well as support and grow the revenue generating operations of the Utility. Movement toward job rate and changes in benefits accounts for other increases.

Material, Goods & Supplies \$1,536

The increase is due to an additional \$800 for parts required for the Refuse Derived Fuel Operations, and \$400 for parts required for the Organics and Nutri-Gold Operations in order to meet processing needs. Additional vehicle leases and inflationary increases contribute \$336 to the change.

Contracts \$6,915

Collection contract increases of \$1,117 for single and multi family residential refuse and recycling collection as a result of residential growth, tonnage volume increases, and contract rate adjustment. Contract costs for the Organics and Nutri-gold Operations are \$1,893 higher due to an increase in the volume of biosolids processing as well as an additional cost of \$1,088 to enhance the wood grinding operations. Also contributing to the increase are higher contract landfill and long haul transfers of \$2,000. Additional \$560 for cleaning and maintenance costs for the Integrated Processing and Transfer Facility are required as a result of operating the Refuse Derived Fuel equipment. The opening of the new Kennedale Eco-Station requires \$213 for collection contract costs.

Fleet Services \$(869)

The decrease is primarily due to a change in allocation methodology for Fleet Service, with its reclassification to a cost recovery operation from an enterprise operation.

Branch — Waste Management Services

Budget Changes for 2015

(\$000)

Expenditure - Changes

Shared Services \$2,318

An increase of \$794 is a result of the Waste Management Utility transitioning from a 90% to a 100% shared services allocation. The reclassification of Fleet Services to a cost recovery operation resulted in an increase in Shared Services allocation of \$594, which was more than offset by the decrease under Fleet Services. An increase in Building Maintenance, Central Management and Information Technology base to incorporate administrative costs and IT infrastructure costs account for an additional \$559. Higher Building Services and Communications costs due to growing operations, including the opening of the Kennedale Eco-Station \$315.

Intra-municipal Services \$140

The increase is partly due to the significant growth in new facilities and processes at the Edmonton Waste Management Centre, that has resulted in the requirement to develop a managed inventory operation. Also contributing to the increase are higher on-demand building maintenance and custodial costs.

Utilities & Other Expenses \$592

The increase reflects utility costs for the opening of the Kennedale Eco-Station.

Customer Billing Services \$(122)

The Waste Management Utility contracts with EPCOR to provide customer billing and collection services. A lower rate/site charged by EPCOR is the primary reason for the decrease in 2015 customer billing services.

Financial \$2,500

The increase is primarily due to higher depreciation resulting from new capital assets put into service.

Biosolids Processing Recovery \$(2,043)

Waste Management Utility processes and recycles biosolids (residuals from the wastewater treatment process) for Drainage Services. This increase to the recovery is a result of Drainage Services increasing processing for Biosolids to meet their long term environmental targets.

Branch — Waste Management Services

Budget Changes for 2015 (\$000)

Full-time Equivalents - Changes

	2015 Budget (Full Complement) # of FTE	2015 Utility Rate Filing Appendix
2014 Budgeted FTEs	478.7	
Service Needs:		
Kennedale Eco-Station Opening 2015	24.0	A1
Collection Services (growth)	7.7	A2 - A4
Edmonton Waste Management Centre Operators (Refuse Derived Fuel)	5.0	A5
Advanced Energy Research	1.0	A6
Construction & Demolition Facility Supervisor	1.0	A7
Purchasing Clerk	1.0	A8
Project Engineers & Engineering Technician	3.0	A9
Reuse Centre Operation Growth	1.0	A10
Community Relations and Marketing	1.5	A11
Billing Clerk	1.0	A12
Total Service Needs	46.2	
2015 Budgeted FTEs	524.9	

Branch — Waste Management Services

Approved 2015 Budget – Program Summary (\$000)

Program Name - Collection Services

Link to 10-Year Strategic Goals



Results to be Achieved

The Collection Services Program responds to the current and changing needs of customers through efficient and effective collection and drop-off services.

Cost Drivers

Variable volumes of waste and recycling impacted by seasonal weather conditions. Residential growth increasing service requirements and increased demand at Eco Stations & Community Recycling Depots.

Service Standards

The Waste Management Utility provides waste and recycling collection to residential and non-residential customers and operates convenient drop off facilities such as Eco Stations, Community Recycling Depots and Big Bin Events.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 61,756	\$ 61,993	\$ 68,258	\$ 74,000
Expenditure & Transfers	63,696	63,933	70,223	75,985
Subtotal	1,940	1,940	1,965	1,985
Intra-municipal Recoveries	(1,940)	(1,940)	(1,965)	(1,985)
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -
Management		2.0	1.0	2.0
Professional/Technical/Union Exempt		11.8	12.1	11.7
Union		218.6	222.4	255.5
Temporary		35.2	36.2	36.2
Full - Time Equivalents		267.6	271.7	305.4

2014 Services

- Weekly collection of residential refuse and recyclables for approximately 350,000 single and multifamily homes by both City of Edmonton staff and through contracted services.
- Assisted waste collection service for over 300 residents with mobility restrictions.
- 247,000 residents use 3 conveniently located Eco Stations and twelve Big Bin events annually.
- Twenty community recycling depots located throughout the city.
- Service existing non-residential customer base and promote new services.
- Implementation of engine management hybrid vehicle technology.
- Implementation of Radio Frequency ID and forkscale technology to multifamily and commercial services.

Changes in Services for 2015

- First year of operation of Kennedale Eco Station.

Branch — Waste Management Services

Approved 2015 Budget – Program Summary (\$000)

Program Name - Processing & Disposal Services

Link to 10-Year Strategic Goals



Results to be Achieved

The Processing and Disposal Section processes residential and non-residential waste streams to recover resources and minimize landfilling.

Cost Drivers

Variable volumes of recyclable materials and fluctuating commodity markets. High and seasonally variable volumes in organics program. Hauling and landfilling of unprocessed and residual waste is a high base cost of operations since closure of Clover Bar Landfill. Volumes of waste processed through the biofuels facility to aid in diversion from haul to landfill.

Service Standards

Waste Management Services provides effective processing and disposal services to manage the residential waste and recyclables delivered by the Utility's collection programs as well as materials delivered by citizens and commercial customers. Service is maintained seven days a week and the Utility recovers materials at the Edmonton Waste Management Centre to enable the Utility to achieve the goal of ramping up residential waste diversion to 90% in 2017.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 87,184	\$ 90,338	\$ 90,055	\$ 95,298
Expenditure & Transfers	99,081	99,391	99,600	109,939
Subtotal	11,897	9,053	9,545	14,641
Intra-municipal Recoveries	(9,708)	(9,053)	(10,034)	(12,079)
Net Income (Loss)	\$ (2,189)	\$ -	\$ 489	\$ (2,562)
Management		2.0	2.0	2.0
Professional/Technical/Union Exempt		21.2	22.9	27.3
Union		157.8	163.9	172.0
Temporary		17.2	18.2	18.2
Full - Time Equivalents		198.2	207.0	219.5

2014 Services

- 47,000 projected tonnes of residential recyclable material processed at the Materials Recovery Facility.
- 250,000 projected customer transactions at the Edmonton Waste Management Centre.
- Approximately 18,000 loads of waste material hauled to the contracted landfill in Ryley.
- 267,000 projected tonnes of material processed at the Integrated Processing and Transfer Facility.
- 108,000 projected tonnes of material processed at the Construction and Demolition Recycling Facility.
- Begin production of Refuse Derived Fuel in support of the Waste to Biofuels Facility.

Changes in Services for 2015

- Generation of biofuel from residual waste.
- Less waste hauled to landfill due to diversion through Biosolids production.

Branch — Waste Management Services

Approved 2015-2018 Capital Budget and Forecast Plan (\$000)

Capital Projects	Approved Capital Budget					4 Year Capital Plan				
	2012 Actual	2013 Actual	2014 Budget	Approved 2014 Capital Budget Adjustment	Total Adjusted 2012-2014	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Total 2015-2018
Previously Approved Projects										
Collection Services										
Ambleside Eco Station	447	96	-		543	-	-	-	-	-
North East Eco-Station	270	1,312	11,544		13,126	2,000	-	-	-	2,000
Eco Stations Rehabilitation	-	538	1,762		2,300	-	-	-	-	-
Kennedale Facility	7,103	1,110	242		8,455	-	-	-	-	-
Waste Containers	1,141	2,126	1,572		4,839	-	-	-	-	-
Processing & Disposal										
Integrated Processing & Transfer Facility	4,809	328	1,237		6,374	-	-	-	-	-
Equipment Storage & Maintenance Facility Expansion	-	-	1,500		1,500	500	-	-	-	500
Grey's Paper Recycling Facility	20	172	8		200	-	-	-	-	-
Construction & Demolition Facility	340	-	-		340	-	-	-	-	-
Biofuels Research Facility	650	-	-		650	-	-	-	-	-
Anaerobic Digestion Facility	-	65	10,563		10,628	4,000	15,000	9,763	-	28,763
Waste to Biodiesel Demo Facility	-	-	5,708	(5,708)	-	-	-	-	-	-
Material Recovery Facility Renewal	-	70	900		970	1,000	1,010	-	-	2,010
Edmonton Waste Management Centre Facilities Upgrades	4,261	2,429	5,466		12,156	-	-	-	-	-
Edmonton Waste Management Centre Site Sustaining Projects	7,117	2,585	3,485		13,187	-	-	-	-	-
Vehicles and Equipment										
Waste Management Utility Vehicles and Equipment	4,507	1,546	7,829		13,882	-	-	-	-	-
Subtotal	30,665	12,377	51,816	(5,708)	89,150	7,500	16,010	9,763	-	33,273
Renewal and Growth Projects										
Collection Services										
Northwest Eco-Station	-	-	-		-	1,500	1,500	1,500	1,500	6,000
Waste Containers	-	-	-		-	2,650	2,200	2,450	2,655	9,955
Facilities and Infrastructure	-	-	-		-	400	850	725	1,350	3,325
Processing & Disposal										
Landfill Capping	-	-	-		-	1,535	1,519	958	1,392	5,404
Cure Site Land Use and Development	-	-	-		-	3,000	3,000	3,000	-	9,000
Arterial Roadway Assessment	-	-	-		-	500	500	500	500	2,000
Refuse Derived Fuel - Dryer	-	-	-		-	3,000	6,950	-	-	9,950
Integrated Processing & Transfer Facility Expansion	-	-	-		-	-	2,770	12,000	7,500	22,270
Facilities and Infrastructure	-	-	-		-	8,627	6,116	5,280	7,303	27,326
Vehicles and Equipment										
Waste Management Utility Vehicles and Equipment *	-	-	-		-	4,667	5,575	6,314	8,801	25,357
Subtotal	-	-	-	-	-	25,879	30,980	32,727	31,001	120,587
Total	30,665	12,377	51,816	(5,708)	89,150	33,379	46,990	42,490	31,001	153,860

* 2015 excludes \$7,311 replacement from Fleet Services

This table provides the capital expenditures included in the 10 year plan. The approved capital projects are progressing as planned with an adjustment approved in 2014. The adjustment cancelled the Waste to Biodiesel Demo Facility project due to inability to come to project agreement with the technology provider.

Some of the "Previously Approved Projects" are stand-alone and extend beyond the current 2012-2014 Approved Capital Budget as indicated in the table. Business cases for these projects have been previously approved.

Renewal Projects are ongoing rehabilitation and upgrades to existing assets. While ongoing in nature, these projects are approved every capital cycle to ensure that the strategies employed are still appropriate. Growth Projects are new capital needs for the Utility. The implementation plans may extend beyond the next 4-year budget cycle and the business cases reflect the full estimates of project costs.

Branch — Waste Management Services

Pro-Forma Income Statement (\$000)

	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
Revenues					
Rate Revenue	146,173	159,070	171,478	182,404	189,812
Operations Revenue	23,125	24,051	26,040	29,032	30,032
Total Revenues	169,298	183,121	197,518	211,436	219,844
Expenses					
Operating & Maintenance	141,126	153,165	155,414	163,364	164,869
Shared Services	9,719	10,108	10,259	10,413	10,569
Customer Billing Service	4,474	4,672	4,846	5,030	5,218
Depreciation	20,205	21,854	24,426	24,860	25,135
Interest	10,400	10,927	11,414	11,307	11,116
	185,924	200,726	206,359	214,974	216,907
Biosolids Processing Recovery	(11,993)	(12,720)	(12,934)	(13,148)	(12,401)
Litter Collection Recovery	(1,985)	(2,017)	(2,047)	(2,078)	(2,109)
City Dept Disposal Recovery	(86)	(87)	(89)	(90)	(91)
Net Expenses	171,860	185,902	191,289	199,658	202,306
Net Income	(2,562)	(2,782)	6,229	11,778	17,537
Opening Retained Earnings	44,851	45,160	48,349	62,917	74,689
Net income	(2,562)	(2,782)	6,229	11,778	17,537
Amortization of contributed capital	(602)	(602)	(865)	(1,125)	(1,125)
Government transfers for capital/partnerships	2,088	5,327	2,214	-	-
Vehicle equity transfer	1,385	1,245	6,990	1,119	373
Ending Retained Earnings	45,160	48,349	62,917	74,689	91,475

The 2019 Forecast was extrapolated based on the 2015 - 2018 Waste Management Utility Business Plan, report CR_1042 as presented to Utility Committee on July 3, 2014.

Branch — Waste Management Services

Pro-Forma Balance Sheet (\$000)

	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
Assets					
Cash	1,283	-	2,472	-	2,001
Other Current Assets	16,407	16,407	16,407	16,407	16,407
Total Assets	17,690	16,407	18,879	16,407	18,408
Liabilities					
Liabilities	15,687	15,685	15,686	15,686	15,685
Landfill closure and post-closure	14,883	14,291	13,690	13,080	12,458
Short-term Debt	2,288	6,177	6,980	7,958	6,681
Long-term Debt	240,547	258,559	270,449	261,972	265,976
Total Liabilities	273,405	294,712	306,805	298,696	300,800
Net Financial Assets (Net Debt)	(255,715)	(278,305)	(287,926)	(282,289)	(282,392)
Non-Financial Assets					
Contributed Tangible Capital Assets	12,619	17,344	18,693	17,568	16,443
Non-Contributed Tangible Capital Assets	288,256	309,310	332,150	339,410	357,424
Total Non-Financial Assets	300,875	326,654	350,843	356,978	373,867
Retained Earnings	45,160	48,349	62,917	74,689	91,475

Branch — Waste Management Services

Financial Indicators

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	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
1 Rates Sufficient to Meet Expenditures and Cash Flow					
Net Income	\$ (2,562)	\$ (2,782)	\$ 6,229	\$ 11,778	\$ 17,537
Target: Positive Net Income					
2 Cash Position					
Pay As You Go Requirement	3,947	6,581	16,975	17,339	17,063
Risks Allowance	2,700	2,100	1,700	1,300	1,250
Target Cash Position	6,647	8,681	18,675	18,639	18,313
Actual Cash Balance excluding Post Closure Reserve	(13,600)	(14,291)	(11,218)	(13,080)	(10,457)
Post Closure Reserve	14,883	14,291	13,690	13,080	12,458
Available Cash Flow	1,283	-	2,472	-	2,001
Actual Cash (excluding Post Closure Reserve) ≥ Target					
3 Typical Residential Customer Rate Impacts					
Single Family					
Monthly Billing Increase	\$ 3.35	\$ 2.75	\$ 2.50	\$ 2.00	\$ 1.00
Impact on Customer Rate	9.0%	6.8%	5.8%	4.4%	2.1%
Monthly Unit Rate	\$ 40.69	\$ 43.44	\$ 45.94	\$ 47.94	\$ 48.94
Multi-Family					
Monthly Billing Increase	\$ 2.18	\$ 1.79	\$ 1.62	\$ 1.30	\$ 0.65
Impact on Customer Rate	9.0%	6.8%	5.8%	4.4%	2.1%
Monthly Unit Rate	\$ 26.45	\$ 28.24	\$ 29.86	\$ 31.16	\$ 31.81
Target: Stable, Consistent Rate Increases					
4 Financing of Capital Investments					
Debt to Net Assets Ratio	83%	84%	81%	77%	74%
Target: Between 50% - 70%; Balancing Cash Availability, Construction Inflation and Interest					

Branch — Waste Management Services

Approved 2015 Budget - User Fee Information

Facility User Fees (Non-Regulated Rates)

Fee Description	Approved Change (2014 to 2015)	Explanation
Fees charged for waste processing and disposal at the Edmonton Waste Management Centre	<ul style="list-style-type: none">Shingles increase from \$40 to \$50 per tonneGreen wood increases from no charge to \$20 per tonneMattresses will have a surcharge of \$12 per mattress/boxspring (there is no charge for the first four mattresses/boxsprings)Commercial waste fee increase from \$85.00 to \$87.00 per tonneMixed Construction, Renovation and Demolition waste fee increase from \$65.00 to \$67.00 per tonne	<ul style="list-style-type: none">The cost of shingle reprocessing for recycling has increased. The proposed increase will return to cost recovery.Green wood is freshly cut trees and wood chips. Only a certain amount of green wood can be used in composting operations and incoming volumes are now exceeding needs.Mattresses and boxsprings are problematic in a weight-based transfer system as they are lightweight and bulky. Residents can still deliver up to four units with no surcharge.To cover inflationary increases in operational costs.To cover inflationary increases in operational costs.

Approved Bylaw

Bylaw #	Description
Waste Management Bylaw #16982	To amend current Bylaw #13777 for the monthly utility rate and for specific fees charged at the EWMC.
