

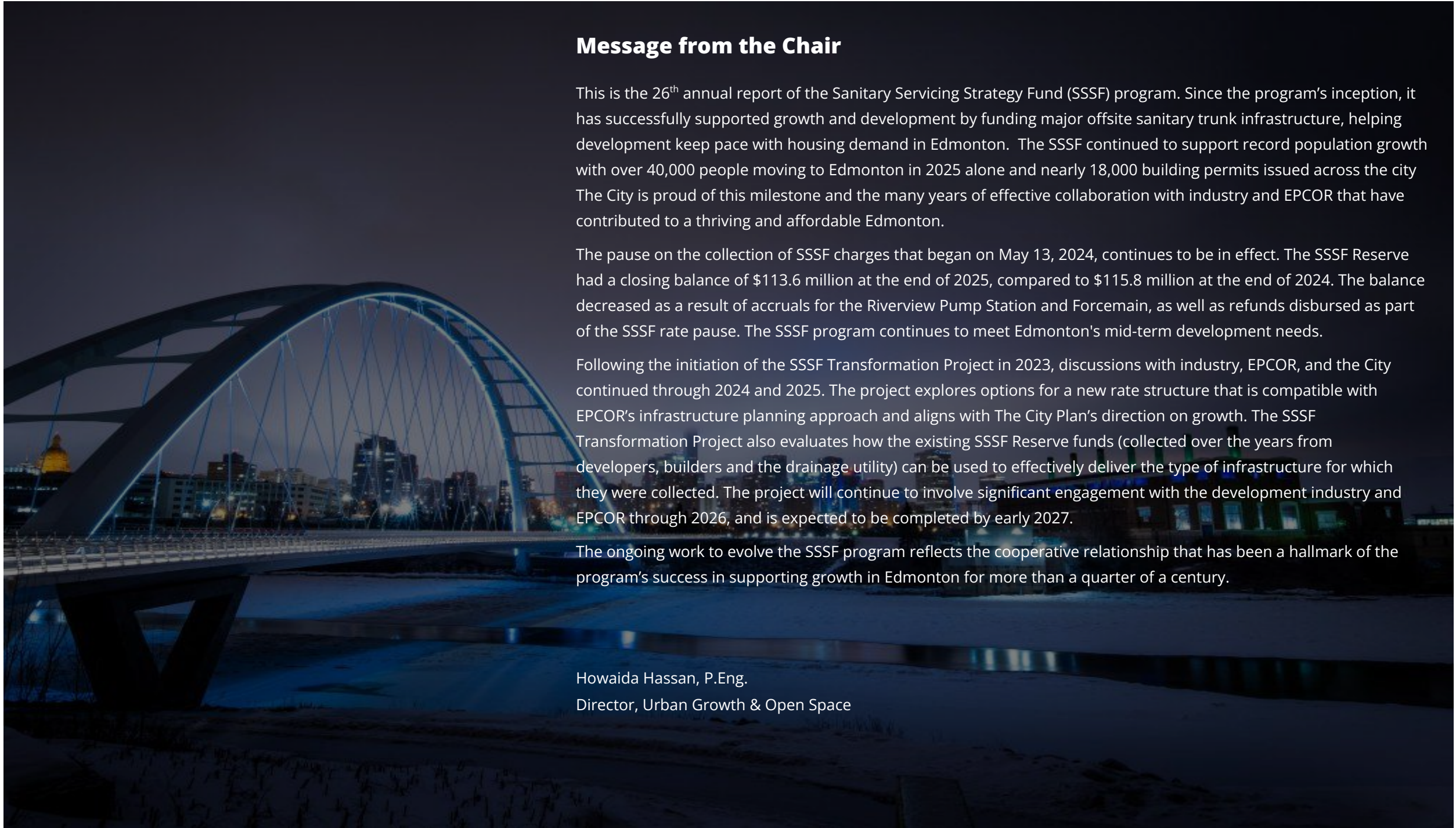


Planning & Environmental
Services

Edmonton

**Sanitary Servicing
Strategy Fund
2025 Annual Report**

July 2026



Message from the Chair

This is the 26th annual report of the Sanitary Servicing Strategy Fund (SSSF) program. Since the program’s inception, it has successfully supported growth and development by funding major offsite sanitary trunk infrastructure, helping development keep pace with housing demand in Edmonton. The SSSF continued to support record population growth with over 40,000 people moving to Edmonton in 2025 alone and nearly 18,000 building permits issued across the city. The City is proud of this milestone and the many years of effective collaboration with industry and EPCOR that have contributed to a thriving and affordable Edmonton.

The pause on the collection of SSSF charges that began on May 13, 2024, continues to be in effect. The SSSF Reserve had a closing balance of \$113.6 million at the end of 2025, compared to \$115.8 million at the end of 2024. The balance decreased as a result of accruals for the Riverview Pump Station and Forcemain, as well as refunds disbursed as part of the SSSF rate pause. The SSSF program continues to meet Edmonton's mid-term development needs.

Following the initiation of the SSSF Transformation Project in 2023, discussions with industry, EPCOR, and the City continued through 2024 and 2025. The project explores options for a new rate structure that is compatible with EPCOR's infrastructure planning approach and aligns with The City Plan’s direction on growth. The SSSF Transformation Project also evaluates how the existing SSSF Reserve funds (collected over the years from developers, builders and the drainage utility) can be used to effectively deliver the type of infrastructure for which they were collected. The project will continue to involve significant engagement with the development industry and EPCOR through 2026, and is expected to be completed by early 2027.

The ongoing work to evolve the SSSF program reflects the cooperative relationship that has been a hallmark of the program’s success in supporting growth in Edmonton for more than a quarter of a century.

Howaida Hassan, P.Eng.
Director, Urban Growth & Open Space



TABLE OF CONTENTS

Message from the Chair	1
Executive Summary	3
1.0 Planning & Construction Activities in 2025	4
1.1 Planning Projects	4
1.2 Construction Projects	5
2.0 SSSF Oversight and Sub-Committees	7
3.0 Three-Year Construction Plan	8
4.0 Fund Balance	9
4.1 Statement of Fund Activities & Balance	10
4.2 Three-Year Cash Flow Projection	14

List of Tables

Table 1 – SSSF Oversight Committee Members	7
Table 2 – Planning & Management Committee Members	8
Table 3 – Finance & Audit Committee Members	8
Table 4 – Three Year Proposed Construction Projects Summary	8
Table 5 – Statement of Fund Activities and Balance	10
Table 6 – SSTC Rates	15
Table 7 – EA Rates	15
Table 8 – Three-Year Revenue and Expenditure Projection	16

List of Figures

Figure 1a – NEST NC2/NC3, Undercut Excavation	5
Figure 1b – The Riverview Pump Station	5
Figure 2 – SSSF Major Sanitary Trunk Map	6
Figure 3 – SSSF Governance Structure	7
Figure 4 – SSSF 2025 Revenue Breakdown	11
Figure 5 – SSSF Historical Revenue Breakdown	12
Figure 6 – Yearly Revenue & Expenditures	13

Executive Summary

The Sanitary Servicing Strategy Fund (SSSF) is a program managed by the City of Edmonton that pays for the deepest and largest sanitary sewer infrastructure in Edmonton. For 26 years, the fund has played a crucial role in supporting growth by funding the construction of major sanitary trunks in Edmonton. The program has primarily been funded through fees paid by developers and builders, with some contributions from the sanitary utility (initially from the City, then EPCOR after the transfer of drainage services in 2017). It is overseen by an Oversight Committee consisting of representatives from the City, the development industry and EPCOR. This representation ensures the committee is well-equipped to make informed recommendations to City Council. As the regulator of the wastewater utility, City Council has ultimate decision-making authority.

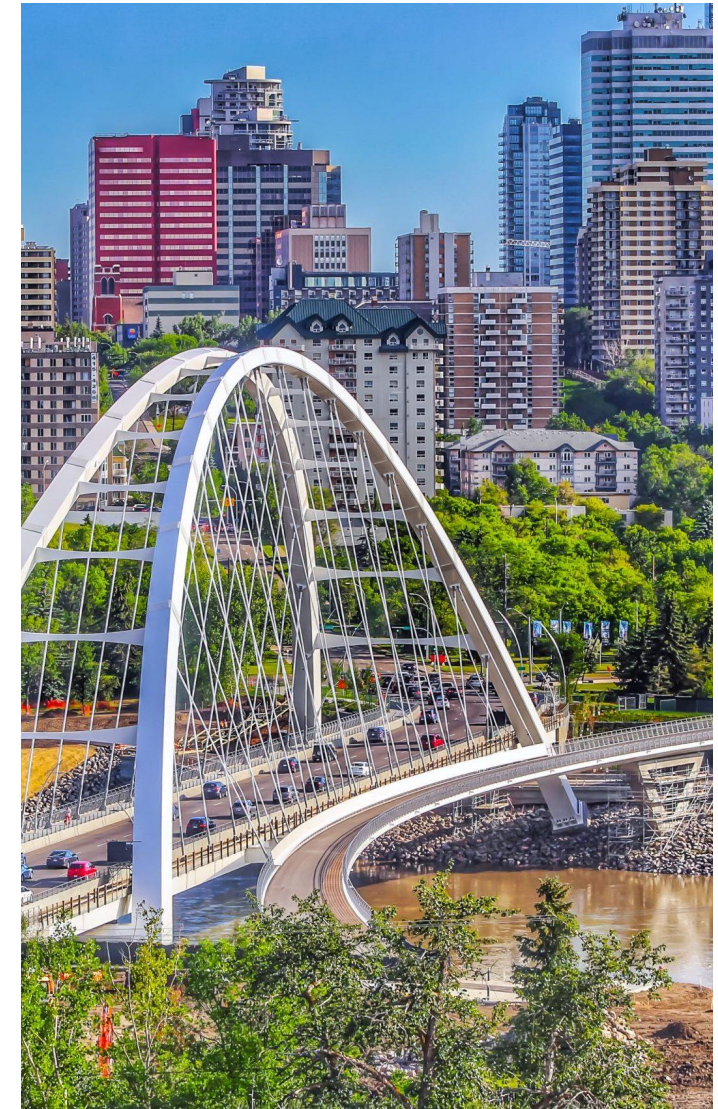
Since the inception of the program in 1998, the fund has been successful in its mandate to support growth and facilitate new development in Edmonton. To date, the SSSF has funded the construction of over 43 km of sanitary trunks at a cost of \$371 million. This report provides details about the planning and construction activities completed in 2025, including construction of the following projects:

- The NC2/NC3 tunnel in north Edmonton (project close out)
- The Riverview Pump Station and Force Main

The Riverview pump station and force main project entered the design phase and began construction in Q3 of 2025. This project replaces the previously planned SW5, SW6 and SW7 segments, which included a complex river crossing. This change to the SSSF network plan was approved by City Council in February, 2023.

In 2023, in response to the changing context of development patterns and EPCOR's adaptive approach to sanitary infrastructure planning, City Administration initiated the SSSF Transformation Project. The goal is to determine the optimal future funding approach that will align with the City's Municipal Development Plan and EPCOR's planning approach. This work may result in changes to the development charges for future developments. The project also assesses options for effectively using existing SSSF funds currently held in reserve. The SSSF Transformation Project continued through 2025 and is expected to be completed by Q1 of 2027. Additional details for this project can be found in Section 1.1 of this report.

In light of minimal short-term SSSF construction requirements and the magnitude of funds in the SSSF reserve account, the Oversight Committee decided to pause the collection of SSSF fees, effective May 13, 2024. This included both the Sanitary Sewer Trunk Charge (SSTC) and Expansion Assessment (EA) charge. This pause continued through 2025 and will be re-evaluated based on the results of the SSSF Transformation Project. The fund's closing balance at the end of 2025 was \$113.6 million, a decrease from the 2024 year-end balance of \$115.8 million. In 2025, \$7.5M of revenue was collected, composed mainly of fees assessed before the effective date of the pause. The SSSF Committees will continue to advance the SSSF Transformation project and monitor the fund to ensure that the program is able to achieve its intended objectives.



1.0 Planning & Construction Activities in 2025

The following section outlines the planning and construction activities that were completed or underway in 2025.

1.1 Planning Projects

SSSF Transformation Project

The SSSF Transformation Project was initiated in 2023 by the SSSF Oversight Committee and is being administered by the City. The project explores opportunities to align the SSSF financing structure with Edmonton’s Municipal Development Plan (The City Plan) and EPCOR’s Sanitary Integrated Resource Plan (SanIRP) planning approach. The SSSF project aims to identify a rate structure that suits the infrastructure planning approach and to determine the optimal use of the current SSSF Reserve balance. The project involves significant engagement via the project’s Advisory Committee with EPCOR and the development industry as represented by BILD Edmonton Metro (formerly the Urban Development Institute - Edmonton Region and the Canadian Home Builders Association) and the Infill Development in Edmonton Association (IDEA). To help administer this project, the City hired an external consultant (Mooreview Management Consulting) using SSSF funds, as approved by the SSSF Oversight Committee.

The SSSF Transformation Project continued through 2025, including several workshops with the project’s Advisory Committee. By the end of 2025, a jurisdictional scan of several other municipalities’ wastewater levy programs had been completed and guiding principles and evaluation criteria had been developed. Furthermore, several options for the future rate structure and use of existing funds have been identified and explored. The goal for 2026 is to make recommendations for a future SSSF program and the use of existing funds. Project closure is expected by Q1 2027 with a report advanced to the Utility Committee of City Council.



The project’s aim is to identify a future funding model and optimal use of the current SSSF Reserve balance.

1.2 Construction Projects

NEST NC2/NC3 will connect the existing NC1 and NL1 trunk sections and will facilitate growth in north Edmonton.

North Edmonton Sanitary Trunk (NEST) - Stage NC2/NC3

The NEST NC2/NC3 tunnel was designed to facilitate growth in north Edmonton and improve the existing NEST system. The construction of NC2 & NC3 is a two-phase project. Phase 1 was completed in 2017. Phase 2 was completed and put into service as of 2023. Auxiliary works, including completion of an existing pump station’s decommissioning and carrying out surface restorations were continued in 2024, with minor remaining works completed in 2025.



Figure 1a: NEST NC2/NC3, Undercut Excavation

The location of all the projects under construction are depicted in Figure 2. SSSF Major Sanitary Trunk Map.

Riverview Pump Station and Force Main

The Riverview pump station and force main is located in southwest Edmonton along 18 Avenue NW between 184 Street NW and 186 Street NW. The project will provide sanitary conveyance to support growth in the future Riverview neighbourhoods. The proposed 450 mm diameter force main will be ~950 m in length. The force main will discharge to the Edgemont Lift Station in the West Edmonton Sanitary Sewer (WESS) basin. This infrastructure replaces previously planned segments in the South Edmonton Sanitary Sewer (SESS) basin, including a complex river crossing. Construction began in 2025 with completion expected in 2027.

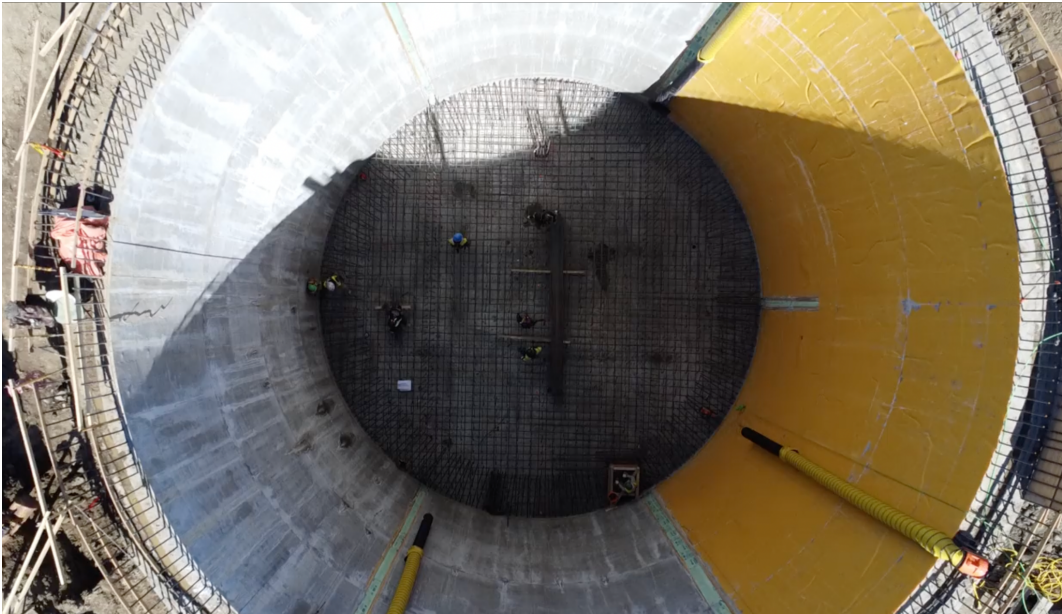


Figure 1b: The Riverview Pump Station

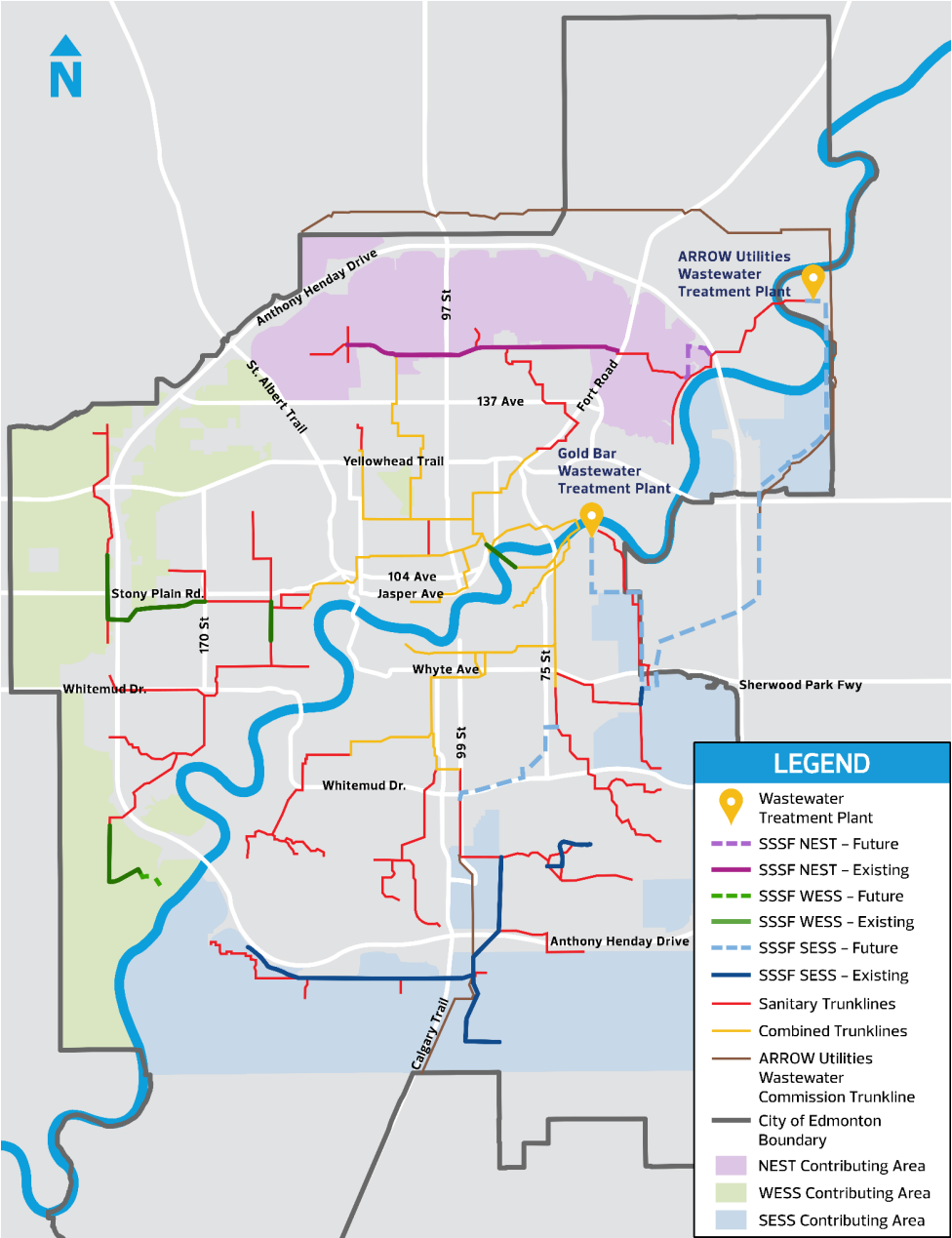


Figure 2: SSSF Sanitary Trunk Map (as of December 31, 2025)

Notes:

1. Two potential alignments for the SESS system and associated wastewater treatment plant destinations are indicated as directed by City Council in May 2021.

2.0 SSSF Oversight and Sub-Committees

City Administration is authorized to manage and steward the SSSF program as delegated by City Council. The SSSF program is governed through a structure that consists of the SSSF Oversight Committee and two sub-committees as shown in Figure 4.

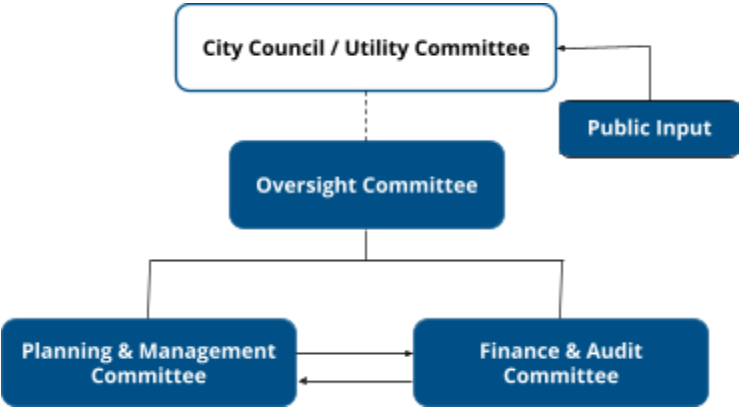


Figure 3: SSSF Governance Structure

SSSF Oversight Committee

The Oversight Committee acts as a strategic decision-making body and ensures the appropriate management of the fund. In 2025, the Oversight Committee consisted of the following members:

Members	Role	Organization
Howaida Hassan (Chair)	Director, Urban Growth & Open Space	City of Edmonton
Sarah Wilmot	General Supervisor, Urban Growth	City of Edmonton
Bonnie Bryks	Finance Director, Financial & Corporate Services	City of Edmonton
Susan Ancel	Senior Principal Water Strategic Initiatives	EPCOR
Don Hawkes	Director, Project Management and Engineering	EPCOR
Craig Bonneville	Director, One Water Planning	EPCOR
Mike Kohl	Development Industry Representative	BILD
David Kinders	Development Industry Representative	BILD
Susan Keating	Development Industry Representative	BILD
Mustapha Makhdoom	SSSF Program Manager	City of Edmonton

Table 1: SSSF Oversight Committee Members

The SSSF Oversight Committee had one virtual meeting in 2025. The following major decisions were made by the Oversight Committee:

- Approved budget adjustment for SSSF Transformation project.
- Approved, with some conditions, the use of up to \$34M from the SSSF reserve fund for the Riverview pump station and force main.

Planning & Management Committee

The purpose of this committee is to review technical and planning matters and provide recommendations to the Oversight Committee for decision. In 2025 the Planning & Management Committee was composed of the following members:

Members	Role	Organization
Sarah Wilmot (Chair)	General Supervisor, Urban Growth	City of Edmonton
Jason Cunha	Director, Future Growth Area Servicing Study	City of Edmonton
Alfredo Suarez	Senior Manager, Pipe Strategies	EPCOR
Don Hawkes	Director, Project Management and Engineering	EPCOR
Otto Hedges	Development Industry Representative	BILD
Ryan Thomas	Development Industry Representative	BILD
Mustapha Makhdoom	SSSF Program Manager	City of Edmonton

Table 2: Planning & Management Committee Members

Finance & Audit Committee

This committee acts in an advisory capacity and provides supervision and transparency to the financial management of the SSSF program. The Finance & Audit Committee is composed of the following members:

Members	Role	Organization
Mike Kohl (Chair)	Development Industry Representative	BILD
Bonnie Bryks	Finance Director, Financial & Corporate Services	City of Edmonton
Yisun Hong	Finance Manager, Financial & Corporate Services	City of Edmonton
Paul Gauthier	Senior Manager, Capital Drainage Services	EPCOR
Don Hawkes	Director, Project Management and Engineering	EPCOR
Mustapha Makhdoom	SSSF Program Manager	City of Edmonton

Table 3: Finance & Audit Committee Members

3.0 Three-Year Construction Plan

Table 4 summarizes the proposed SSSF construction projects for the next three years (2026-2028). The Riverview pump station and force main project is the only major SSSF construction approved for the duration of the three-year outlook. The locations of the project are shown in Figure 3.

Project	Start Date	Anticipated Completion Date	Expected Budget (Million) as of Dec 31, 2025
Riverview Pump Station & Force Main System	2025	2027	\$34.00

Table 4: Three Year Proposed Construction Projects Summary

As of the end of 2025, the Riverview pump station and force main are the only approved SSSF construction projects for the duration of the three-year outlook.

4.0 Fund Balance

The SSSF is currently in good financial health.

At the end of 2025, the SSSF balance was \$113.6 million, a decrease from the 2024 year end balance of \$115.8 million. The majority of this decrease is due to accruals on the Riverview Pump Station project, the pause on the collection of SSSF charges, and the issuance of refunds for projects that were eligible for refunds based on the original pause conditions.¹

Expenses were lower than previous years and less than budgeted; actual expenses were \$9.7 million in 2025, which was \$6.6 million lower than the budget of \$16.3 million. This is primarily due to a later than forecasted start date for the Riverview Pump Station project.

Revenues were \$7.5 million in 2025, \$4.0 million higher than the original forecast of \$3.5 million, primarily because of Expansion Assessment revenues that were collected from a backlog of projects that pre-dated the pause of SSSF charges. As a result, the interest on the reserve balance also came in higher than expected. Refunds issued for eligible projects from the rate pause are accounted for as negative revenues rather than expenditures.

Overall, the fund had a net cash flow in 2025 of -\$2.2 million, primarily as a result of refunds on fees rather than capital project expenditures. The original forecast was for a net cash flow of -\$12.8 million. Financial details can be found in Table 5.



¹ Minor Development Permits that paid SSTC between May 13, 2024 and the date the eServices website was updated to reflect the fee collection pause and any servicing agreement that was signed between May 13, 2024 and May 27, 2024 and has paid Expansion Assessment were eligible for refunds.

4.1 Statement of Fund Activities & Balance

The Statement of Fund Activities and Balance for 2025 is shown in Table 5. In addition, Figure 5 shows each revenue component of the total 2025 revenue. Figure 6 depicts the historical SSSF revenue breakdown by revenue type and Figure 7 shows the historical SSSF revenue and expenditures.

Table 5 – Statement of Fund Activities and Balance (ending December 31, 2025)				
Description	2024 Actual	2025 Actual	2025 Target	2025 Variance Actual vs. Target
REVENUES (\$)				
Sanitary Sewer Trunk Charges (SSTC)				
• Single/Duplex Revenue	4,437,793	(21,091)	0	(21,091)
• Multi Unit Revenue	3,379,049	(117,806)	0	(117,806)
• Commercial/Industrial/Institutional Revenue	1,115,105	101,662	0	101,662
Expansion Assessment	2,385,168	3,411,883	0	3,411,883
Interest	5,822,875	4,113,906	3,494,138	619,768
Internal Recovery	179,628	0	0	0
Total Revenue (\$)	17,319,618	7,488,555	3,494,138	3,994,417
EXPENDITURES (\$)				
NEST NC2 & NC3	89,904	5,743	0	5,743
Riverview PS and force main	0	9,681,884	16,300,000	(6,618,116)
SSSF Transformation Project	173,315	46,155	0	46,155
Total Expenditures (\$)	4,936,853	9,733,782	16,300,000	(6,566,218)
Opening Balance	103,416,912	115,799,677	115,799,677	0
Excess/(Deficit) of Revenues over Expenditures	12,382,765	(2,245,227)	(12,805,862)	10,560,635
Ending Balance (\$)	115,799,677	113,554,450	102,993,815	10,560,635

REVENUE

Total revenue in 2025 was \$7.5 million compared to \$17.3 million collected in 2024.

- Total Revenue-*
\$7.5M
- *SSTC Revenue-*
-\$37,000
 - *EA Revenue-*
\$3.4M
 - *Interest - \$4.1M*

- **Sanitary Sewer Trunk Charge (SSTC)** – In 2025, SSTC revenues amounted to -\$37,000. The 2025 SSTC revenue was \$9.0 million lower than the \$8.9 million SSTC revenue collected in 2024. This is due to refunds issued to eligible projects (based on the pause in SSTC fee collection) and the ongoing pause in fee collection.

Single-detached/duplex developments contributed to a deficit of -\$21,000 in 2025, compared to \$4.5 million in revenue in 2024. Likewise, multi-unit residential developments revenues were -\$118,000, compared to \$3.5 million in 2024. The remaining SSTC revenue, \$102,000, was collected from commercial, industrial, and institutional development. This is \$1.0 million lower than in 2024. This revenue was a result of the time between Development Permit application intake to Building Permit issuance (start of construction).

- **Expansion Assessment (EA)** - For 2025, the total EA collected was \$3.4 million, which is \$1.0 million higher than the amount collected in 2024 (i.e., about 43% higher). EA revenue increased due to a backlog of agreements that were signed prior to the rate pause.
- **Interest Earned** – Total interest earned during 2025 was \$4.1 million, which is \$1.7 million lower than the amount collected in 2024. This decrease in the rate of return is due to a lower interest rate and smaller reserve fund balance compared to 2024.

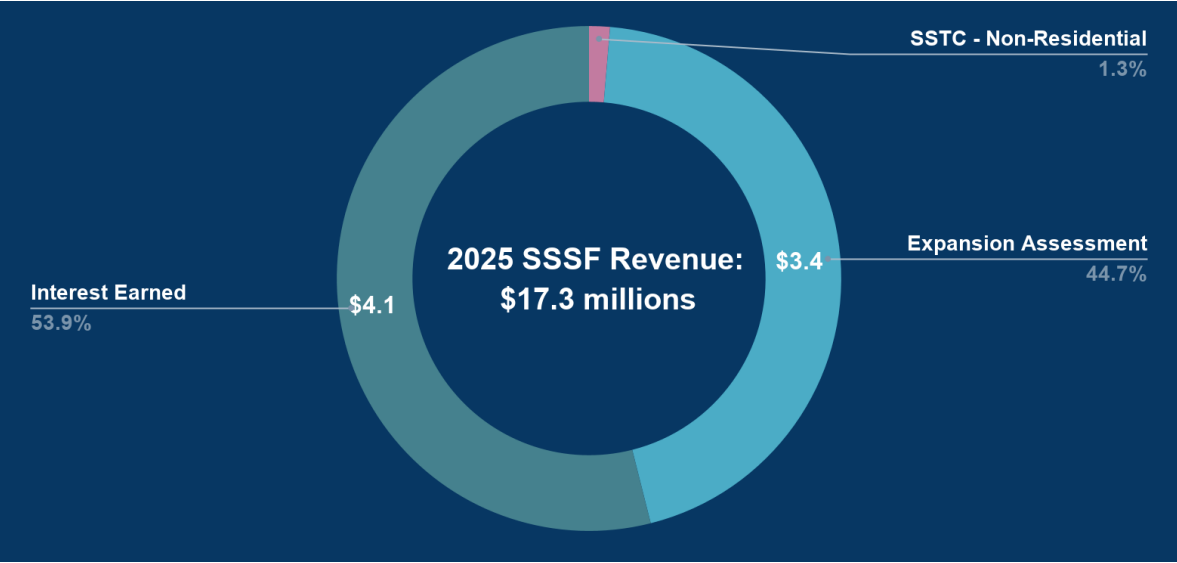


Figure 4: SSSF 2025 Revenue Breakdown (\$ millions)

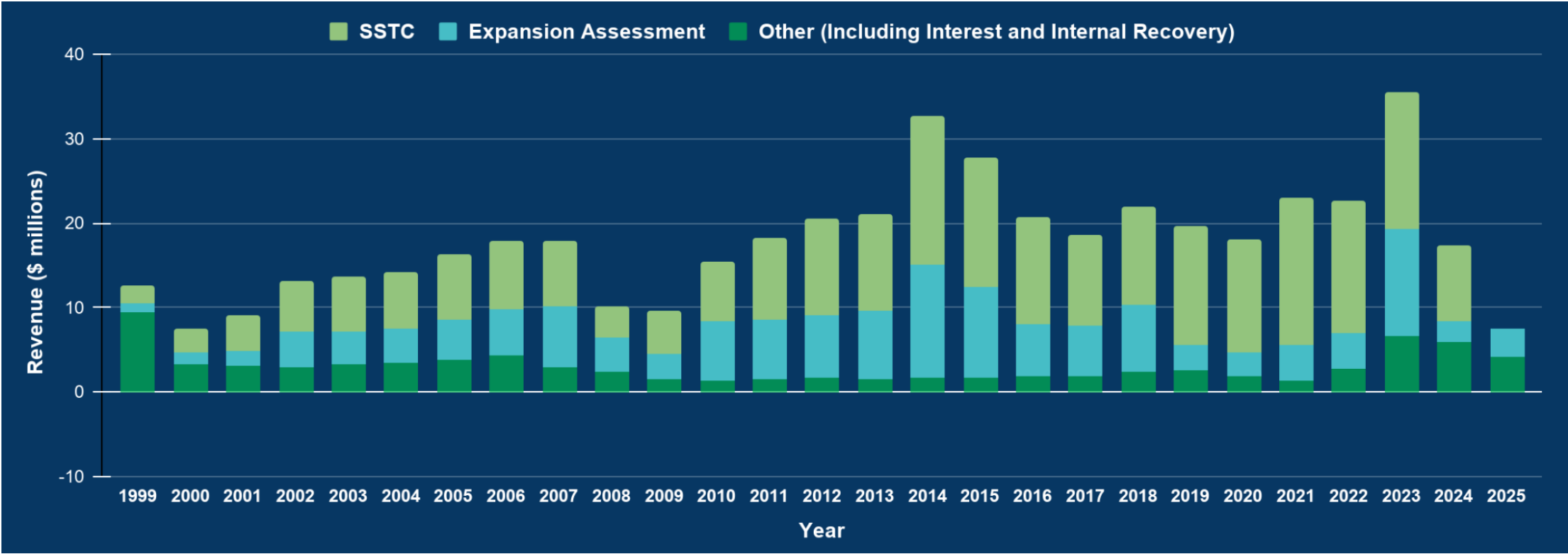


Figure 5: SSSF Historical Revenue Breakdown

EXPENDITURES

In 2025, the Riverview pump station and forcemain project accrued costs of \$9.7 million. The remaining expenses of approximately \$52,000 were related to the SSSF Transformation project and finalization of the NEST NC2 & NC3 work.

The Riverview pump station and force main commenced construction in Q3 2025 and is expected to be finished in 2027. The SSSF reserve balance exceeds the expected costs of the Riverview pump station and forcemain and as a result, the SSSF reserve balance is expected to continue to remain positive for at least the next three year projection period. The three-year expenditure projection can be found in Table 8.

Figure 7 displays the yearly revenue and expenditures of the fund since its inception. In 2025, revenues were lower than the expenditures due to the pause in fee collection.

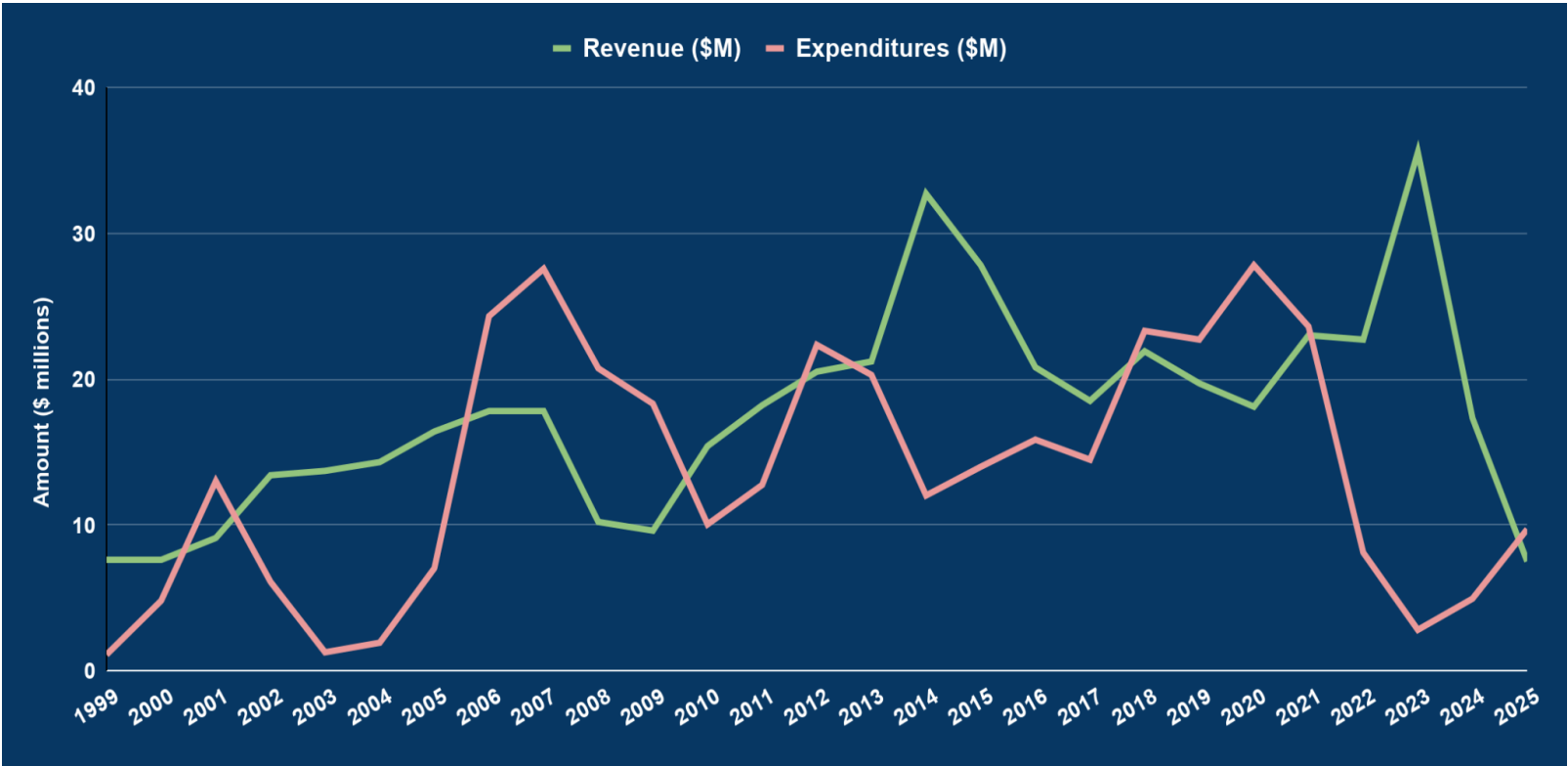


Figure 6: Yearly Revenue & Expenditures



4.2 Three-Year Cash Flow Projection

Table 8 shows the three-year revenue and expenditure (2026 - 2028) projections for the SSSF fund based on the current cash flow model.

Revenues

Balance for 2025 - The SSSF closing reserve balance as of December 31, 2025 was \$113.6 million.

Revenues and Expenditures for 2025 – These are based on actual values recorded.

Interest (2026 – 2028) – The interest rate was projected at 2.50%, 2.60% and 2.70% in 2026, 2027, and 2028 respectively.

Sanitary Sewer Trunk Charge (SSTC) – These charges are collected when an application is made for a development permit or sanitary service connection. This charge applies to all development in the developing and redeveloping areas of the city, and is payable by builders and is assessed per dwelling unit at time of development or building permit application. These rates have been paused as of May 13, 2024. The SSTC rates for 2025 and 2026 are shown in Table 6.

Expansion Assessment (EA) - This charge is an area-based assessment, assessed at the time of subdivision and collected from developers. The EA applies to areas of the city that did not have an approved Neighborhood Structure Plan (NSP) before January 1, 1999. The 2025 actual and 2026 recommended rates are shown in Table 7.

Table 6 - SSTC Rates

Type of Development	2025 Rates ¹	2026 Rates ¹
Single-detached/Duplex Residential	\$1,764/dwelling	\$1,764/dwelling
Secondary, garage & garden suite	\$781/dwelling	\$781/dwelling
Multi-unit residential	\$1,259/dwelling	\$1,259/dwelling
Commercial, Industrial & Institutional	\$8,818/ha	\$8,818/ha

Table 7 - EA Rates

Contributing Areas	2025 Rates ¹	2026 Rates ¹
North Edmonton Sanitary Trunk (NEST)	\$25,186/ha	\$25,186/ha
South Edmonton Sanitary Trunk (SESS)	\$25,186/ha	\$25,186/ha
West Edmonton Sanitary Sewer (WESS)	\$25,186/ha	\$25,186/ha

1. In May 2024, the SSSF Oversight Committee agreed to pause the collection of charges effective May 13, 2024. As such, while the SSTC and EA rates have remained the same, no charges are anticipated before the end of the SSSF Transformation project, which is anticipated to be completed in early 2027.

Expenditures

Estimated Construction Costs – Estimates for 2026 to 2028 were based on the segment costs provided as a result of recent planning studies and a 2 per cent annual inflation rate.

Table 8 - Three-Year Revenue and Expenditure Projection

	2025 (Actual)	2026	2027	2028
Opening Balance	115.8	113.6	97.0	95.5
Total Revenues ^{1,2}	7.5	2.8	2.5	2.5
Total Expenditures ^{1,3}	9.7	19.4	3.9	0.0
Closing Reserve Balance	\$113.6	\$97.0	\$95.5	\$98.0

	Total 2026 - 2028	2026	2027	2028
Planning Studies and Projects ⁴	0.05	0.05	0.00	0.00
Riverview Pump Station & Force Main System	23.31	19.37	3.94	0.00
Total	\$23.36	\$19.41	\$3.94	\$0.00

All values are in millions of dollars

- 1. The 2026 - 2028 forecast revenues are based on projections and assumptions made in 2026. Projected revenues reflect the pause in rate collection and revenues are primarily collected from interest.
- 2. No assumptions have been made about the future funding model, thus this projection does not include resuming the collection of SSSF fees.
- 3. The projected expenditures are subject to change. The projected expenditure shown is based on updated cost estimates submitted to the City for the Riverview pump station and force main in 2026.
- 4. \$50,000 in 2026 for planning studies and projects is projected to be entirely used to complete the SSSF Transformation project.

For more information, visit our website:

www.edmonton.ca/sssf

Inquiries may also be directed via email at:

sssf@edmonton.ca

Or by mail to:

The City of Edmonton
Edmonton Tower
700, 10111-104 Avenue NW
Edmonton, AB
T5J 0J4