



REGULAR COUNCIL MEETING AGENDA

Monday, September 26, 2022, 6:00 p.m.

3rd Floor - Council Chambers

315 Jespersen Ave

Spruce Grove, AB T7X 3E8

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REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Consent Agenda - September 26, 2022

DIVISION: Corporate Services

SUMMARY:

All matters of business contained in the Consent Agenda are routine in nature and are voted on collectively. A particular matter of business may be removed from the Consent Agenda for debate or a separate vote. Each matter of business contained in the Consent Agenda has a corresponding agenda report and the approved recommendation is recorded separately in the minutes.

PROPOSED MOTION:

THAT the recommendations contained in the following reports be approved:

- Item 4.1 Minutes - September 12, 2022 Regular Council Meeting
- Item 11.4 Council Contingency Reallocation - McLaughlin Nelson Homestead

BACKGROUND / ANALYSIS:

n/a

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a



REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Minutes - September 12, 2022 Regular Council Meeting

DIVISION: Corporate Services

SUMMARY:

The minutes of the previous regular council meeting and committee of the whole meeting are placed on the agenda for approval.

PROPOSED MOTION:

THAT the September 12, 2022 Regular Council Meeting minutes are approved as presented.

BACKGROUND / ANALYSIS:

n/a

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a

DRAFT



THE CITY OF SPRUCE GROVE

Minutes of the Regular Meeting of Council

September 12, 2022, 6:00 p.m.

3rd Floor - Council Chambers

315 Jespersen Ave

Spruce Grove, AB T7X 3E8

Members Present:

Mayor Acker
Councillor Gillett (attended virtually)
Councillor Houston (attended virtually)
Councillor MacDonald
Councillor Oldham
Councillor Stevenson

Members Absent:

Councillor Carter (Parental Leave)

Also in Attendance:

Dean Screpnek, City Manager
Corey Levasseur, General Manager of Planning and Infrastructure
Deborah Comfort, Acting General Manager of Community and Protective Services
Wendy Boje, General Manager of Corporate Services
Anthony Lemphers, Chief Financial Officer
Dave Walker, Director of Economic and Business Development
Amanda Doucette, Supervisor of Communications
Emily Strach, Manager Corporate Planning
David Towle, Senior Municipal Planner
Lindsay O'Mara, City Clerk
Jacci Hager, Recording Secretary

1. **CALL TO ORDER**

Mayor Acker called the meeting to order at 6 p.m. and acknowledged that City Council meets on the traditional land of Treaty 6 territory.

Mayor Acker proclaimed September 13 - 19, 2022 as Terry Fox Week in the City of Spruce Grove.

2. **AGENDA**

Resolution: RCM-191-22

Moved by: Councillor Oldham

THAT the agenda be adopted, as amended.

The following addition was made to the agenda:

City Manager Closed Session - Regional Transit Update - Item 15.1.

Unanimously Carried

3. **CONSENT AGENDA**

3.1 **Consent Agenda - September 12, 2022**

Resolution: RCM-192-22

Moved by: Councillor Stevenson

THAT the recommendations contained in the following reports be approved:

Item 4.1 Minutes - August 22, 2022 Regular Council Meeting

Item 10.2 C-1218-22 - Non-Profit Community Organization Exemption Bylaw Amendment - First Reading

Item 10.3 C-1219-22 - Land Use Bylaw Amendment - Redistricting - 15 Westwind Drive - First Reading

Unanimously Carried

4. MINUTES

4.1 Minutes - August 22, 2022 Regular Council Meeting

The following motion was approved on the consent agenda:

THAT the August 22, 2022 Regular Council Meeting minutes be approved as presented.

5. PUBLIC HEARINGS

5.1 C-1216-22 - Land Use Bylaw Amendment - Redistricting and Text Amendment - Fenwyck Mixed Use - Public Hearing

Mayor Acker called the Public Hearing to order at 6:05 p.m. on Bylaw C-1216-22 - Land Use Bylaw Amendment - Redistricting and Text Amendment - Fenwyck Mixed Use.

There were no written or verbal submissions received.

Mayor Acker declared the Public Hearing closed at 6:12 p.m.

6. PUBLIC QUESTION AND ANSWER PERIOD

Ralph Shaner, of Spruce Grove, attended Council to ask if Council would be open to considering making amendments to the current fire pit regulations.

Mayor Acker provided that Administration has been directed to review the community standard bylaws, that could include such issues as fire smoke and nuisances.

Administration provided that there is proposed to be public engagement as part of the process.

Mayor Acker thanked Ralph Shaner for the questions.

7. COUNCIL PRESENTATIONS

There were no Council Presentations on the agenda.

8. DELEGATIONS

8.1 Public Delegations - Public Budget Submissions

Victor Moroz, City Centre Business Association; Barb Scully, Tri Community Adult Learning Association; Douglas Taylor, Men's Sheds for Health; David Ibsen, Family and Community Twining Society; and Dianne Meili, Skydancer Indigenous Cultural Society; presented their public budget submissions to Council.

Council thanked everyone for their presentations.

Mayor Acker called a recess at 7:46 p.m.

Mayor Acker reconvened the meeting at 7:53 p.m.

Councillor Gillett left the meeting at 7:53 p.m.

8.2 Council Delegation - Spruce Grove Public Library Board - 2023 Budget Presentation

Wing Witharana, Board Trustee, and Leanne Myggland-Carter, Library Director of the Spruce Grove Public Library, presented the Spruce Grove Public Library's activities and 2023 budget to Council.

Council thanked Wing Witharana and Leanne Myggland-Carter for the presentation.

8.3 Council Delegation - Economic Development Advisory Committee - Signage for Major Development Projects

Stuart Houston, Chair of the Economic Development Advisory Committee, presented the Committee's recommendation to amend the Land Use Bylaw to allow freestanding billboard-scale signage for major development projects in Spruce Grove to Council.

Council thanked Stuart Houston for the presentation.

Resolution: RCM-193-22

Moved by: Councillor Houston

THAT a review be undertaken by Administration of the signage allowed for high visibility major developments under the Land Use Bylaw with a view to permitting freestanding billboard-scale signage at major development sites and that Administration report back to Council with recommendations by October 24, 2022.

Unanimously Carried

9. ADMINISTRATIVE UPDATES

There were no Administrative Updates on the agenda.

10. **BYLAWS**

10.1 C-1216-22 - Land Use Bylaw Amendment - Redistricting and Text Amendment - Fenwyck Mixed Use - Second and Third Reading

Resolution: RCM-194-22

Moved by: Councillor Stevenson

THAT second reading be given to Bylaw C-1216-22 - Land Use Bylaw Amendment - Redistricting and Text Amendment - Fenwyck Mixed Use.

Unanimously Carried

Resolution: RCM-195-22

Moved by: Councillor MacDonald

THAT third reading be given to Bylaw C-1216-22 - Land Use Bylaw Amendment - Redistricting and Text Amendment - Fenwyck Mixed Use.

Unanimously Carried

10.2 C-1218-22 - Non-Profit Community Organization Exemption Bylaw Amendment - First, Second, and Third Reading

The following motion was approved on the consent agenda:

THAT first reading be given to Bylaw C-1218-22 - Non-Profit Community Organization Exemption Bylaw Amendment.

Resolution: RCM-196-22

Moved by: Councillor Oldham

THAT second reading be given to Bylaw C-1218-22 - Non-Profit Community Organization Exemption Bylaw Amendment.

Unanimously Carried

Resolution: RCM-197-22

Moved by: Councillor MacDonald

THAT unanimous consent be given for consideration of third reading to Bylaw C-1218-22 - Non-Profit Community Organization Exemption Bylaw Amendment.

Unanimously Carried

Resolution: RCM-198-22

Moved by: Councillor Stevenson

THAT third reading be given to Bylaw C-1218-22 - Non-Profit Community Organization Exemption Bylaw Amendment.

Unanimously Carried

10.3 C-1219-22 - Land Use Bylaw Amendment - Redistricting - 15 Westwind Drive - First Reading

The following motion was approved on the consent agenda:

THAT first reading be given to Bylaw C-1219-22 - Land Use Bylaw Amendment - Redistricting - 15 Westwind Drive.

11. BUSINESS ITEMS

11.1 CP-1039-22 - Proclamation Policy

Resolution: RCM-199-22

Moved by: Councillor Stevenson

THAT CP-1039-22 - Proclamation Policy be approved.

Amendment:

Resolution: RCM-200-22

Moved by: Councillor Stevenson

THAT CP-1039-22 - Proclamation Policy be amended to add the following Standing Proclamation to section 4.1:

International Day of Persons with Disabilities - December 3.

Unanimously Carried

Resolution: RCM-199-22 As amended

Moved by: Councillor Stevenson

THAT CP-1036-22 - Proclamation Policy be approved, as amended.

Unanimously Carried

12. COUNCILLOR REPORTS

There were no Councillor Reports on the agenda.

13. INFORMATION ITEMS

There were no Information Items on the agenda.

14. NOTICES OF MOTION

There were Notices of Motions provided.

15. CLOSED SESSION

Resolution: RCM-201-22

Moved by: Councillor MacDonald

THAT Council go into Closed Session at 9:01 p.m. under the following sections of the *Freedom of Information and Protection of Privacy Act*:

Item 15.1 Regional Transit Update

Section 21; disclosure harmful to intergovernmental relations

Section 25; disclosure harmful to economic and other interests of a public body

Unanimously Carried

15.1 Regional Transit Update

The following persons were also in Closed Session to provide information or administrative support for item 15.1 Regional Transit Update:

Dean Screpnek, Corey Levasseur, Wendy Boje, Anthony Lemphers, and Bill Sabey.

15.2 Return to Open Session - September 12, 2022

Resolution: RCM-202-22

Moved by: Councillor Oldham

THAT Council return to Open Session at 10 p.m.

Unanimously Carried

16. BUSINESS ARISING FROM CLOSED SESSION

There was no Business Arising from Closed Session.

17. **ADJOURNMENT**

Resolution: RCM-203-22

Moved by: Councillor MacDonald

THAT the Regular Meeting adjourn at 10:01 p.m.

Unanimously Carried

Jeff Acker, Mayor

Jacci Hager, Recording Secretary

Date Signed

DRAFT



REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: C-1162-21 - Land Use Bylaw Text Amendment - City Centre Districting Updates - Public Hearing

DIVISION: Planning & Infrastructure

SUMMARY:

A public hearing is required to hear from anyone who may be affected by Bylaw C-1162-21.

Bylaw C-1162-21, a proposed amendment to the Land Use Bylaw for making changes for implementing the City Centre Area Redevelopment Plan (Bylaw C-1074-19), is being brought forward for consideration by Council. The proposed bylaw provides land use, development regulation, and Land Use Bylaw Map updates to support achieving the City Centre Area Redevelopment Plan's redevelopment intent. This bylaw has been amended from first reading to provide clarity on the proposed design regulations in response to public comment.

Administration supports this bylaw.

PROPOSED MOTION:

A motion is not required.

BACKGROUND / ANALYSIS:

The City Centre Area Redevelopment Plan was passed by City Council on April 27, 2020, and this proposed Land Use Bylaw amendment is required to ensure consistency between these documents.

For additional background information, please consult the Request for Decision for this bylaw's second reading included in the September 26, 2022, Council Meeting agenda package.

OPTIONS / ALTERNATIVES:

Bylaw C-1162-21 is being presented for consideration by Council for second reading later on this same Council agenda. Should Council feel they need further information to make a decision, they may choose to adjourn the public hearing for continuance at a later date. If Council chooses this option, second reading of this bylaw will be re-scheduled.

CONSULTATION / ENGAGEMENT:

Notification of this public hearing was advertised in the September 9 and 16, 2022 editions of the Spruce Grove Examiner as per the requirements of the *Municipal Government Act*. Additionally, notice was mailed directly to landowners within the boundary of the subject lands and it was also published on the City's website.

IMPLEMENTATION / COMMUNICATION:

If approved, the Land Use Bylaw will be updated for any amendments from Bylaw C-1162-21 and be published on the City's website.

IMPACTS:

Approval of this bylaw will update the existing district mapping and regulations for consistency with the City Centre Area Redevelopment Plan.

FINANCIAL IMPLICATIONS:

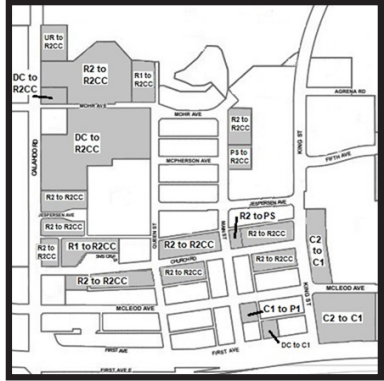
n/a

NOTICE OF PUBLIC HEARING

BYLAW C-1162-21 LAND USE BYLAW AMENDMENT – CITY CENTRE LAND USE BYLAW UPDATES.

It is City Council's intention to hold a public hearing as part of their consideration of Bylaw C-1162-21, an amendment to the City's Land Use Bylaw, to update land use regulations and the land use map for consistency with the City Centre Area Redevelopment Plan.

This amendment proposes to: comprehensively change the C1 – City Centre Commercial District regulations; create a new CCR2 – City Centre High Density Residential District regulation; identify an 'overlay area' and development design guidelines in the PS – Public Service Institutional District and the R1 – Mixed Low to Medium Density Residential District; and, adjust the Land Use District Map within the City Centre Area Redevelopment Plan's boundary. The map shows the location of the City Centre and the proposed changes to the Land Use District Map.



REPRESENTATION

If you or someone you represent is affected by the proposed bylaw, you may address Council at the public hearing by attending the meeting in-person or by participating virtually. The Public Hearing is to be held:

Monday, September 26, 2022 at 6:00 p.m.

In-Person: Those wishing to address Council in person may attend:
Council Chambers, City Hall 315 Jespersen Ave.

Virtual: The Public Hearing may be viewed online at: www.sprucegrove.org/LiveCouncil

Residents can either verbally speak or submit a question or statement to Council by email until the Public Hearing is closed. To arrange to verbally speak you must pre-register with the City Clerk by Monday, Sept. 26, 2022 at 12 p.m. by email cityclerk@sprucegrove.org or by calling 587-336-0387. To provide an emailed question or statement you may email it to cityclerk@sprucegrove.org until the Public Hearing is closed. Persons who wish to address Council in-person are not required to register to speak. Speakers will be limited to 5 minutes and permitted to speak only once.

To provide an emailed question or statement to be read out during the hearing you may email it to cityclerk@sprucegrove.org until the Public Hearing is closed. Only one email per person is permitted.

Written submissions will be received by the City Clerk by mail at City Hall, 315 Jespersen Avenue, Spruce Grove, AB, T7X 3E8, or by email to cityclerk@sprucegrove.org, until noon on Wednesday, Sept. 21, 2022. These must be signed, dated, and contain your civic address. Written submissions received by this date/time will be included as part of the council meeting agenda package.

Copies of this proposed bylaw is available upon request from the Planning and Development Department at 414 King Street, or by calling or emailing the case planner as noted below.

QUESTIONS?

Please call or email Mark Puczko, Manager of Planning,
at 780-962-7634 ext. 249 or mpuczko@sprucegrove.org

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Land Use Bylaw Amendment

City Centre Updates

- Public Hearing

City of Spruce Grove

Bylaw C-1162-21

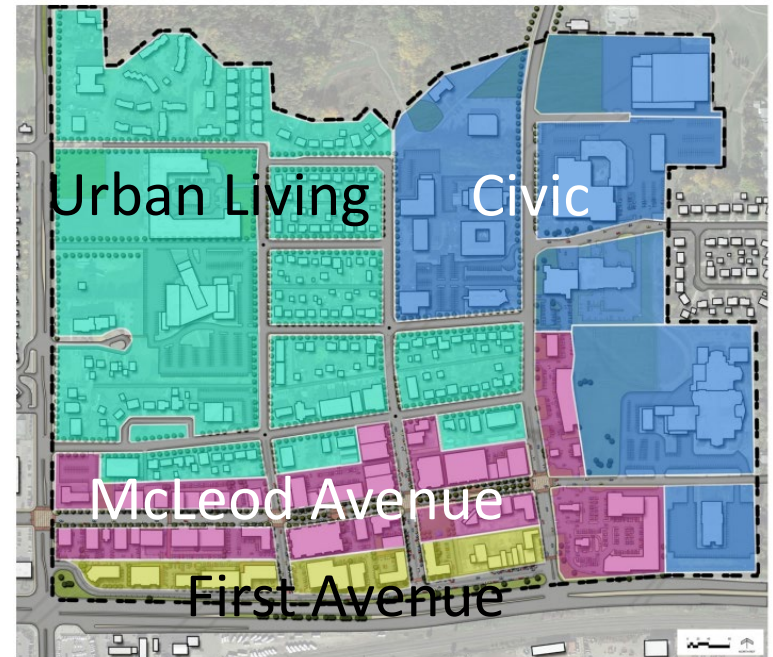
September 26, 2022



Background - City Centre ARP

- » City Centre Area Redevelopment Plan passed on April 27, 2020.
- » Bylaw C-1162-21 is required to implement the ARP's land use policy.
- » ARP redevelopment initiatives:
 - » Mixed Use Development Pattern,
 - » Mainstreet & McLeod Avenue 'High-Street' Revitalization,
 - » Diverse & Dense Housing Options,
 - » Urban Design Guidelines to improve buildings.
- » 'Precincts' were established for major land use areas.

Figure 4 Planning Precincts & Land Use





Commercial Precincts

- » **First Avenue Precinct:** an ‘attractive local business services street’.
- » **McLeod Avenue Precinct:** a ‘high street’ with a vertical mixed-use opportunity.
- » The ARP’s policies are being implemented by **changes to the C1 – City Centre Commercial District.**



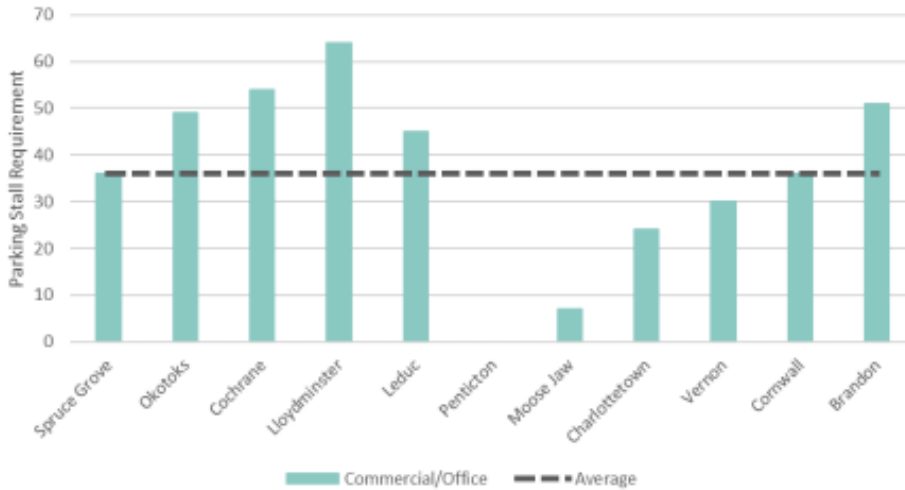


CCBA Consultation



- » **On-Site Parking Standards are too stringent.**
- » The City Centre Parking Management Plan recommended no Land Use Bylaw changes as the existing parking standard is consistent with other municipalities, and that the calculated parking demand rate exceeds the existing Bylaw requirement.
- » Administration agreed to future consultation and study on this matter with the CCBA.

Figure 2-6: Commercial/Office Parking Requirements (Sample Calculation)



As shown in Figure 2-6, Okotoks, Cochrane, Lloydminster, Leduc, and Brandon requires more parking than the existing Spruce Grove Bylaw, and the average is equal to Spruce Grove's parking requirement. Penitcton and Moose Jaw's requirements are very low compared to other municipalities. A zero to near zero parking requirement for commercial and office land uses within Spruce Grove is not anticipated to be feasible.

Based on the above information, in combination with the fact that the existing parking demand rate for commercial and office land uses exceeds the Bylaw requirement, no changes to the existing commercial/office rates are recommended.

Further on-site reductions can still be considered as per the Land Use Bylaw, such as non-residential car share, mixed use developments, and cash in lieu.





CCBA Consultation



» Allow private Parking Facilities as a public parking option.

» Private stand-alone parking facilities were retained in the C1 -District.

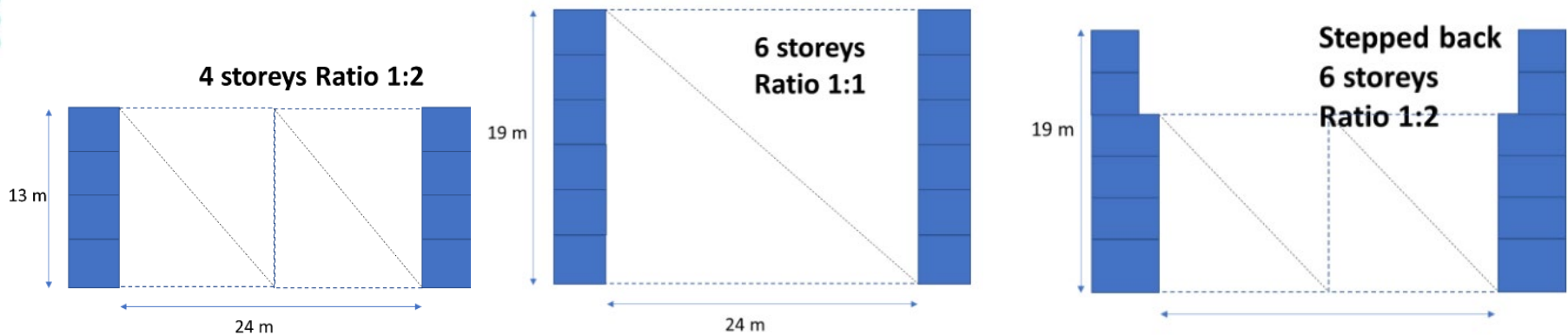
» Concerns about height and parking for six-storey buildings on McLeod Avenue.

» Six-storey buildings were retained as a discretionary use option supported by:

» An Enclosure Ratio Study that showed McLeod Avenue is suitable for greater building height, and that this design would support the area's pedestrian-oriented vision.

» Taller mixed-use buildings would allow for increased residential density to support local business activity and help in achieving the City Centre's residential density target of 100 dwelling units per net residential hectare.

» On-site parking is managed by being scalable to any increase in building size.





Urban Living Precinct



» *an Urban Living experience through densification.*

- » Residential lands shall work toward a density target of 100 du/nrha.
- » Encourages a range of housing forms for different income levels, age groups, households and lifestyles.
- » Development shall contribute positively to a high-quality urban form and pedestrian environment by use of design guidelines.





Urban Living Precinct



- » The ARP's Urban Living Precinct policies are being implemented by:
 - » A new **City Centre High Density Residential District** for Area 1.
 - » **R1 District is retained with new Design Guidelines** by an 'overlay area' for Area 2.





Civic Precinct

- » a *convergence of government & community institutional uses.*
- » new Design Guidelines added by 'overlay' on the Land Use Map.
- » The existing districting here continues the civic, institutional and recreational use pattern while providing opportunities for expansion.





Urban Design Policy

- » ARP directed upgrading of the City Centre built form.
- » Design Regulations for future redevelopment are established for the entire City Centre area.
- » Design Guidelines for City Centre consider:
 - » Height, setbacks and step backs
 - » Building facades, articulation, and form
 - » Site design,
 - » Parking location and access, and
 - » Signs in commercial areas.





Changes to Bylaw C-1162-21



» a change to the Bylaw has been made from its First Reading to clarify on Design Regulations.

1.4 By adding the following bolded text within PART 6 – GENERAL REGULATIONS; Section 30 Design and Appearance of Buildings:

(5) The following regulations on design and appearance ~~of Buildings~~ shall apply to all **new Buildings development** on lands districted PS – Public Service Institutional District within the City Centre Overlay Area as depicted on the Land Use Map, ~~being~~ Schedule A.

(iv) Brick, natural wood, wood composites, stucco, or glass shall be used for a Building as its fundamental cladding with these materials being compatible and complementary to adjacent Buildings.

(v) Vinyl siding shall not be used as a cladding material.

(6) The following **regulations on** design and appearance ~~of Buildings regulations~~ shall apply to all **new Buildings development** on lands districted R1 – Low to Medium Density Residential District lands within the City Centre Overlay Area on the Land Use District Map Schedule A.

~~(iv)~~ (ii) Brick, natural wood, wood composites, stucco, or glass shall be used for a new Building as its fundamental cladding with these materials being compatible and complementary to adjacent Buildings.

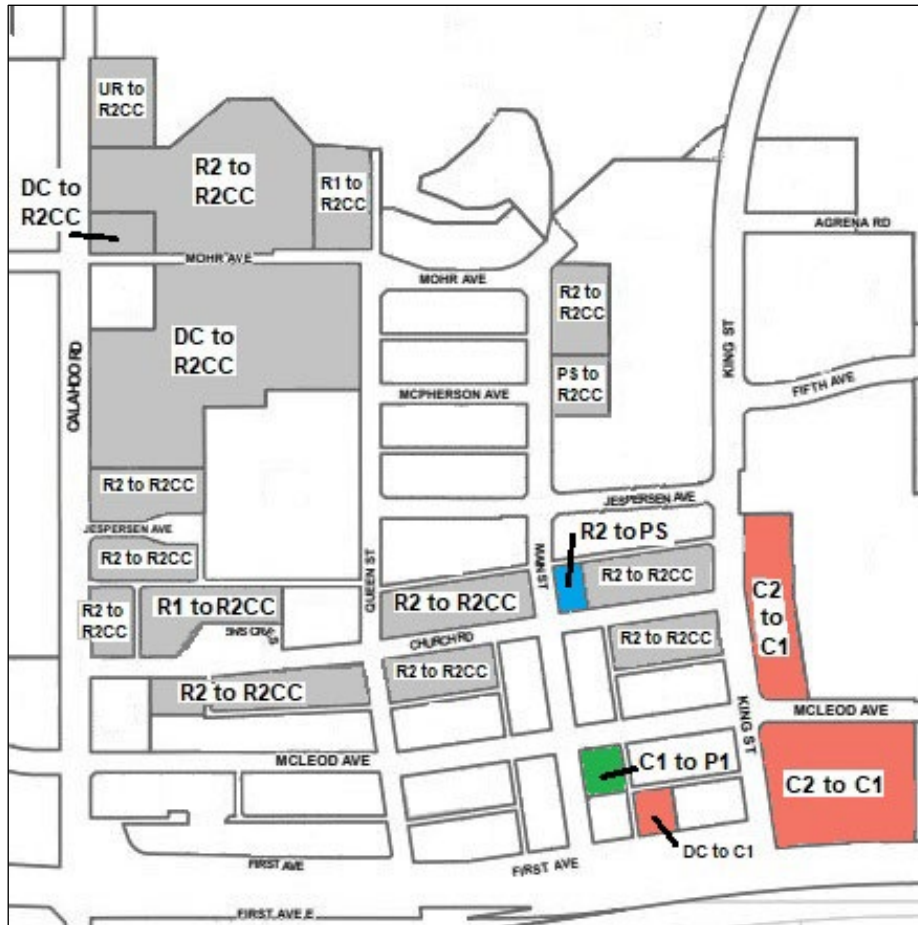
~~(v)~~ (iii) Vinyl siding shall be used as a acceptable cladding material.





Existing City Centre Districting

» **Land Use District Map is updated** to reflect changes required to support the new Districting where required.



Questions?



Commercial District Updates

- » The existing C-1 District regulation are updated to capture the ARP policy direction.
- » Its purpose is updated, but it is similar to the existing District in form and intent.
- » Permitted and Discretionary Uses are updated for First Avenue and McLeod Avenue.
 - » Clarity has been added to the mixed-use opportunity within commercial areas.
 - » 'active uses' are prioritised on the ground floor, and these vary slightly between First Avenue and McLeod Avenue.
- » Building design guidelines are added.





Area 1 - High Density Residential

- » The existing R2 District areas are **updated to capture the ARP policy direction.**
- » A new **R2CC – City Centre High Density Residential District** is proposed.
 - » It's purpose is for **higher density residential development that contribute positively to a high-quality urban form and pedestrian environment, and**
 - » **supports achieving a density target of 100 dwelling units per net residential hectare over the City Centre.**
- » **Multi-Unit Dwellings (i.e. Apartments) with a minimum density of 140 dwelling units per net hectare** identified to achieve the density target.
- » **Discretion on density is provided for isolated sites** where less than 800 m².
- » **Street interface and building design guidelines** are added to ensure a high-quality urban form and pedestrian environment.





Area 2 - Low Density Residential

- » The existing R1 District is being maintained.
- » Design Guidelines for new or redeveloped buildings will apply.
- » A City Centre 'Overlay Area' has been added to identifies that the Design Guidelines are applicable.





Institutional Updates

- » The existing Public Service districted lands are being maintained.
- » An 'Overlay Area' will identify where Design Guidelines are applicable.
- » **Developments shall contribute positively to a high-quality urban form and pedestrian environment by use of design guidelines.**





Design Guidelines



- » Building Design Guidelines are established and applicable to redevelopment.
- » The guidelines emphasize high-quality urban form and the pedestrian environment, including:
 - » Building width maximums,
 - » Defined entrances and façade requirements,
 - » Design criteria for mixed-use buildings,
 - » Building material standards, and
 - » Area Specific commercial Sign requirements.





PS Design Guidelines



PART 6 – GENERAL REGULATIONS, Section 30 Design and Appearance of Buildings:

- » The following regulations on design and appearance of Buildings shall apply to all development on lands districted PS – Public Service Institutional District within the City Centre Overlay Area
- » **Sites and Buildings shall contribute to a high-quality urban form by:**
 - **Front and Side Yard Setbacks may be varied** at the discretion of the Development Officer where providing space for pedestrian access or an outdoor public space such as a small courtyard or patio.
 - **Buildings entrance shall be provided that face the Street-front and be a clearly identifiable feature**, universally accessible and utilize architectural elements such as paving materials, lighting, signage and canopies.
 - **Buildings shall be accentuated to address Street-fronts at the corners of prominent Street intersections** by use of building massing and architectural features.
 - **Roof line variation shall be encouraged.**
 - **Vehicular access to parking areas shall be from an alley**, and where no alley exists access may be from an adjacent Street on the side that would best limit potential pedestrian conflicts.
 - Loading and waste storage areas shall be located at the rear of Buildings and shall be screened from view.
- » **Building facades and exterior design shall adhere to the following:**
 - **Architectural features shall be used to differentiate Building faces** while allowing architectural compatibility with an adjacent Building by use of similar and complementary forms, materials, and scale
 - A Building wall visible from an adjacent Alley and/or on-site parking area shall be designed to **improve the rear Building aesthetic.**
 - **All blank walls of a Building shall be treated with cladding complementary to the overall Building**, to add interest and texture of the wall and building, or with mural artwork where appropriate.
 - **When? Applicable to new development only. Existing development is exempt from a DP unless structural alterations are proposed.**





R1 - Design Guidelines



- » **Design and appearance of Buildings regulations shall apply to all development** on lands districted R1 – Low to Medium Density Residential District lands within the City Centre Overlay
- » **Sites and Buildings shall contribute to a high-quality urban form by:**
 - **Height of a new Buildings shall be compatible with neighbouring buildings**, and corner Buildings may be taller than adjacent buildings to define a primary entrance to a Street block.
 - **Roof line variation shall be encouraged.**
- » **Building Facades and exterior design elements shall adhere to the following:**
 - **Building design shall be architecturally compatible** with other structures by using complementary forms, materials, and scale.
 - Architectural features shall be used to differentiate one face of a building from another.
 - **Variations in architectural detailing (e.g., materials, colours, etc.) shall be used** to create individual unit identity while maintaining overall Building design consistency.
 - **Brick, wood, or glass shall be used for a new Building as its fundamental cladding** with these materials being compatible and complementary to adjacent Buildings.
 - **Vinyl siding is not an acceptable cladding material.**
- » **When? Applicable to new development only. Existing development is exempt from a DP unless structural alterations are proposed**





High Density Example



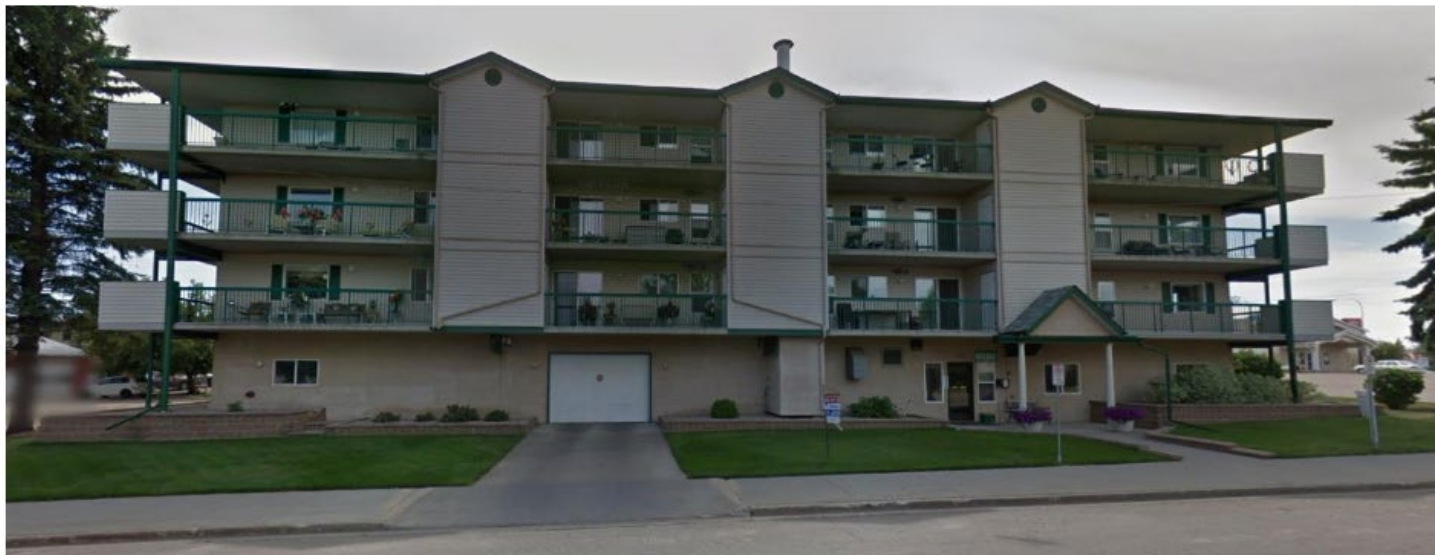
2. Abor Green Apartment: Spruce Grove

Description:

- Multi-family residential
- Ground-level parking garage

Density: 189 Units/Ha

- Area: 0.19 Ha
- Units: 36





High Density Example



Density Samples:

1. Victoria Crossing: Griesbach, Edmonton

Description: Mixed Used Development

- Ground-level retail
- Three-storey residential
- Underground parking

Density: 161.5 Units/Ha

- Area: 0.26 Ha
- Units: 42



Public Hearing Submission C-1162-21 - City Centre Districting Updates - Viau-Learning

We the residents and homeowners Object to the Proposal Bylaw C-1162-21

I have been a resident of Spruce Grove for over 30 years at 104 Jespersen Ave, Plan 3055 Block 16 Lot 14
I would like to thank you for the opportunity to voice my concerns.

The current zoning R2 has caused us to experience a huge value reduction on home value. The developers are only interested in the land, leaving a huge \$ gap.

What we learned in the past few years is this rezoning has sold us out to developers and this is not good for any home owner. The restrictions in place have taken away our control of developing or selling your home.

Expropriation of my property is a huge concern to me, I plan on living here for another 20 years and have my own development plans.

The huge amount of noise pollution created by more density.

Traffic concerns ect.

There needs to be a guarantee in place that the home will receive replacement value plus land value.

I hope the city has a contingency plan in place to compensate home owners for the significant losses suffered from this plan.

I am unable to attend due to medical reasons but would appreciate further communication on this matter.

Sincerely

Cheryl Viau-Learning

City Centre Public Hearing September 26th

FACTS Submission

On September 12th the FACTS (Family and Community Twining Society) made a presentation to Spruce Grove's Council to hire Young People ages 15-30 to work on [Urban Agriculture and Heritage Projects](#). Part of the Action Plan is to:

Have community conversations about Agriculture and Heritage

Consider employing Homeless People 15-30

Identify Agricultural and Heritage resources and develop policies. (See City of Lacombe and Town of Cochrane).

Include Agricultural and Heritage Planning and Policies in the MDP

The public hearing on Bylaw C-1162-21 which had its first reading on August 22nd, is an opportunity to take action to postpone City Centre Redistricting until Heritage implications are considered ([A copy of the report to Council and the bylaw can be found at this link](#)).

- Check the link to the Bylaw, which is 18 pages long.
- Also, check the link to the 3 page Request for a Decision Document.
- [Letter sent to owners about the Public Hearing. This is a good summary of the process. Come out and have your say or just listen and be there to support your view.](#)

The Pandemic has changed our view of Community and the Future. We value family and community cooperation more. We have spent more time walking in our neighbourhood. We have talked to our neighbours out doors. Also we have not used Columbus Park but other City Centre venues for markets and festivals. From our

neighbourhood conversations and our Heritage Tour, there is support for Heritage Preservation and rebranding Spruce Grove as a City in the Country with the City Centre becoming a Heritage District alongside High Density Living. See [Rurban Living and Heritage](#). We could start tomorrow with a \$1,500 Internship.

Based on the above discussions and proposals, we recommend **that this Public Hearing be postponed until Heritage Preservation is considered or the amendments defeated**. From an initial overview of the 3 page document, the First Avenue Precinct goal could fit into a City Centre Heritage District similar to the City of Lacombe and the Town of Cochrane. We need changes to the Residential Precinct to include more unique houses in the r1 district and maintain current districting in most of the other areas until Heritage Districting is considered. At the Public Hearing we hope to address the proposed changes (See [Letter sent to owners about the public hearing](#)). The High Street Urban Living Concept is incompatible with City in the Country rebranding and Urban Agriculture (See [Rurban Living and Heritage](#)). We recommend that the City Centre Area Redevelopment Plan (CCARP) be revised to reflect Heritage Preservation, the Strategic Plan and MDP revisions.

Written Presentation by David Ibsen, 510 Queen Street, Spruce Grove T7X 2J5.

September 21, 2022





REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Council Delegation - TransAlta Tri Leisure Centre - 2021 Annual Report and 2023 Budget Presentation

DIVISION: Community & Protective Services

SUMMARY:

Lenny Richer, General Manager of the TransAlta Tri Leisure Centre (TLC), will provide an update to Council on the 2023 Operational and Capital Budget for the TLC as well as update Council on the activities in 2021.

PROPOSED MOTION:

A motion is not required.

BACKGROUND/ANALYSIS:

In the Memorandum of Agreement between the City of Spruce Grove, Town of Stony Plain, and Parkland County (the three owners), Article 4.2(h) outlines that it is the responsibility of the Tri Municipal Leisure Facility Corporation to submit an annual report of the Corporation for each fiscal year of the operation of the facility.

The Memorandum of Agreement for the operations of the TLC specifies the three owners must approve the annual operational budget for the TLC. The Chief Administrative Officers from the owner municipalities each received the formal budget request from the TLC and included the recommended budget amount in their respective Corporate Plans. The information provided in this presentation by the General Manager of the facility will outline to Council the TLC's 2023 budget.

OPTIONS / ALTERNATIVES:

Council could direct that adjustments be made to the overall budget request.

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:Operating

The TLC is requesting a total municipal operating contribution from the three owners for the 2023 budget of \$2,152,658.

- The City's share of this requested contribution is 51.8%, or \$1,115,077. This represents an increase from 2022 budget of \$126,488 (2022 budget - \$1,995,537 x 49.54% = \$988,589).
- The contribution share is prorated on the population of the three municipalities, and the increase in percentage contributed by the City of Spruce Grove is a result of updating the population following the 2021 federal census.

Capital

For the 2023 budget, the TLC is requesting an increased total municipal capital contribution. It has separately identified a lifecycle capital contribution of \$355,950 as well as a \$646,750 requested infrastructure capital contribution (which includes \$190,000 for pool improvements in support of the Parkland Pirates Aquatic Club), which increased the total municipal capital contribution request by an additional \$190,000 to \$1,002,700 for the 2023 budget.

- The City's share of this requested capital contribution for 2023 would be 51.8%, or \$519,399 (2022 budget - \$364,875 x 49.54% = \$180,759).
- This is higher than the \$466,844 that was anticipated for 2023 when Council approved the revised 2022 Long Term Capital Plan in June 2022.



ANNUAL REPORT

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1.

WELCOME

TO THE TRANSALTA TRI-LEISURE CENTRE

VISION

The TLC is the premier recreation provider for the communities it serves.

MISSION

We bring community together to inspire quality life experiences and healthy, active living.

CORE VALUES

Our values guide our behaviors and define what we stand for: Integrity, Respect, Our People, Health & Wellness, Leadership, Our Environment.

2021 HIGHLIGHTS

Despite being closed for five weeks during our busiest time of year, and operating around changing restrictions for most of the rest of the year, there were also some highlights:

- We offered fitness and activity programs in creative ways including outside, on Zoom, masked, and distanced.
- We welcomed many new members (and many of our old members too!) back to the facility in late 2021.
- Both fall and winter program registrations were back to 2019 levels.
- The staff at the TLC worked hard all year to provide healthy, active living opportunities for the residents of our communities.

OPERATING THROUGH UNCERTAIN TIMES

- MID-DECEMBER 2020 to MARCH 2021
Closed
- MAY 2021
Closed again
- JUNE 2021
Re-opened with restrictions
- JULY 2021
All restrictions (except masking) lifted
- SEPT 2021
Restrictions Exemption Program begins

The past two years have been extremely challenging for the TLC Board of Directors, the TLC staff and our entire TLC community as we navigated the ever-changing regulations and restrictions during the pandemic. 2022 brings with it a sense of optimism that the TLC will again be overflowing with energy, activity and smiles.

I am a firm believer that sport and recreation is about so much more than just exercise and activity. Involvement in sport and recreation is about building life skills such as communication, dedication, problem solving, relationship building and so

much more. The TLC looks forward to the year ahead and we want our facility to play an important role in our region's mental and physical recovery as we all look forward to things returning to normal.

As we reflect on the past year in this annual report, I want to say thank you to the TLC staff for their flexibility and willingness to adapt to ongoing changes to ensure we could continue operations in a safe manner. I also want to acknowledge our outgoing Board members who assisted in making difficult decisions as we tried to do the best we could for our facility.



Jerry George, *Board Chair*

2.

MESSAGE FROM THE BOARD CHAIR

“The TLC looks forward to the year ahead and we want our facility to play an important role in our region's mental and physical recovery as we all look forward to things returning to normal.”



3.

BOARD OF DIRECTORS

2021

JERRY GEORGE

VICE-CHAIR,
PUBLIC REPRESENTATIVE
Town of Stony Plain

RICHARD VRIEND

PUBLIC REPRESENTATIVE
Parkland County

REID MACDONALD

PUBLIC REPRESENTATIVE
City of Spruce Grove

DARRELL HOLLANDS

ELECTED OFFICIAL
Parkland County

DANIEL BEATON

CHAIR,
PUBLIC REPRESENTATIVE
City of Spruce Grove

MICHELLE GRUHLKE

ELECTED OFFICIAL
City of Spruce Grove

TODD HAIST

PUBLIC REPRESENTATIVE
Town of Stony Plain

JUDY BENNETT

ELECTED OFFICIAL
Town of Stony Plain

BRENDA BUCHKO

PUBLIC REPRESENTATIVE
Parkland County

“The year ahead provides reason for optimism, and a return to a more typical way of life is on the horizon.”



4.

MESSAGE FROM THE GENERAL MANAGER

This past year continued to be extremely challenging for all of us in many aspects of our day-to-day lives. Constant changes to provincial restrictions and mandates required adaptability, patience and understanding. This was no different when it came to the operations of the TLC and the ways in which our patrons and visitors accessed and utilized our programs and services. From limits on the types of programs and services we were able to offer to implementation of the Restrictions Exemption Program, change was constant from beginning to end.

Despite the challenges, 2021 saw the completion of a number of capital upgrades including a facility-wide lighting retrofit to LED, replacement of the arena ammonia ice plant chiller and upgrades to the Children and Youth Services desk, to name a few.

I am extremely thankful for our tremendous team who overcame all the challenges they faced without missing a beat. I am also thankful for the patience and understanding shown by our patrons and visitors throughout the year even during the toughest of times. Finally, I am thankful for the tremendous guidance and support shown by our Board of Directors, as well as the Councils and Administration of our municipal owners.

The year ahead provides reason for optimism, and a return to providing a wider array of programs and services, as well as the many tournaments and special events that keep the facility buzzing with energy and excitement! *See you in 2022!*

Lenny Richer, *General Manager*



“ The TLC is our summer home and we love to feel like a part of the community of Spruce Grove ”

—Eli Wilson



5.

SPONSOR PROFILE

ELI WILSON GOALTENDING CAMPS

Eli Wilson's relationship with the TransAlta Tri Leisure Centre began many years ago and has developed into the hosting of all of his Edmonton-area goaltending camps here at the TLC. His series of camps caters to all levels, from the youngest goaltenders, all the way up to elite hockey prospects.

With over 20 years as a full-time goaltending coach, Eli is known

worldwide as one of the leading minds in goaltending development. His no-nonsense approach to coaching has resonated worldwide, and he has worked with over 30 goaltenders in the NHL, many of them since their minor hockey days.

In 2019 Eli became a sponsor of the Leisure Ice area, entering a formal partnership with the aim to build his camps while also supporting the Tri-

Region community. The Eli Wilson Goaltending Leisure Ice provides a place for future goalies (and players) to learn to skate and grow to love the sport of hockey.

Visit Eli's website at eliwilsongoaltending.com to view his Christmas and summer goaltending camps, or to find out more about the goaltending legend.

6. PROGRAM STATS

WELLNESS | ADULT FITNESS

	2020	2021
Registered Programs Offered	132	27
Registered Program Participants	726	229
Drop-in Programs Offered	14	16
Drop-in Participants	4824	2223
Program Revenue	\$36,752	\$32,339
Personal Training & Nutrition Revenue	\$16,448	\$17,223

DROP-IN SPORTS OFFERED:



HIGHLIGHTS 2021

MY PATH ATHLETE DEVELOPMENT



Offering new MY Path Athlete Development programming on Monday, Wednesday, and Thursdays from 1:00–2:30 PM, introducing participants aged 6–15 years to age-appropriate movements, sports, and skill development.



ONLINE CLASSES

January–May 2021 online classes ran for both drop-in and registered classes.



HYBRID ONLINE & IN-PERSON CLASSES

Offered hybrid of online and in-person fitness classes as we opened the facility in June 2021. Drop-in and registered classes were all in-person as of September 2021.

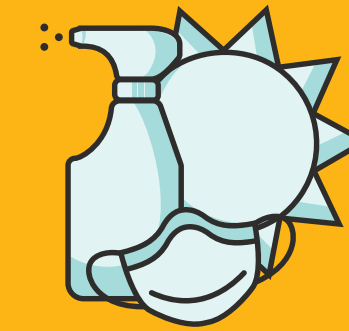
6.

PROGRAM STATS

WELLNESS | CHILDREN & YOUTH

	2020	2021
Programs Offered	88	56
Program Participants	461	789
Child-Minding Participants	1095	0
Program Revenue	\$148,458	\$170,657
Child Minding Revenue (2021 Play Centre Bookings)	\$9,572	\$539

HIGHLIGHTS 2021



TLC SUMMER CAMPS

Successfully provided Summer Day Camps within AHS requirements: Enhanced cleaning procedures, pre-screening and distancing or modified activities.

\$10,000

TLC Summer Camps received **\$10,000 in funding** from Canadian Tire Jumpstart, giving flexibility to run summer programs within the AHS requirements.

\$12,383

TLC Summer Camps received **\$12,383 in funding** from Canada Summer Jobs for three positions, supporting young adults in employment and skill development.



REP PROGRAM

Adjusted to the implementation of the REP by offering new ways for Preschool, Home School PE, and Program sign in and out procedures to remove barriers to participation and allow all kids the opportunity to continue programming.

\$11,590

TLC PRESCHOOL

TLC Preschool received **\$11,590.00 in funding** in 2021 to offset costs for licensed child care programs to operate with reduced registration and increased costs associated with AHS requirements.

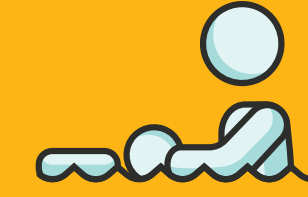
[back to cover >>](#)

6. PROGRAM STATS

AQUATICS

	2020	2021
Registered Programs Offered	685	692
Registered Program Participants	2848	3340
Drop-in Programs Offered	308	291
Drop-in Participants	9065	7239
Program Revenue	\$292,875	\$320,626

HIGHLIGHTS 2021



PRIVATE SWIM LESSONS

Worked within restrictions to run private swim lessons when regular lessons couldn't run.



ANNUAL CLEANING

Completed annual shutdown cleaning during an unanticipated closure in May 2021.



STAFF RECALL

All staff were recalled by the end of June.



RESTRICTIONS LIFTED

July and August, restrictions lifted (except for masking) and lessons returned to near-normal.



FULL PUBLIC SWIMS

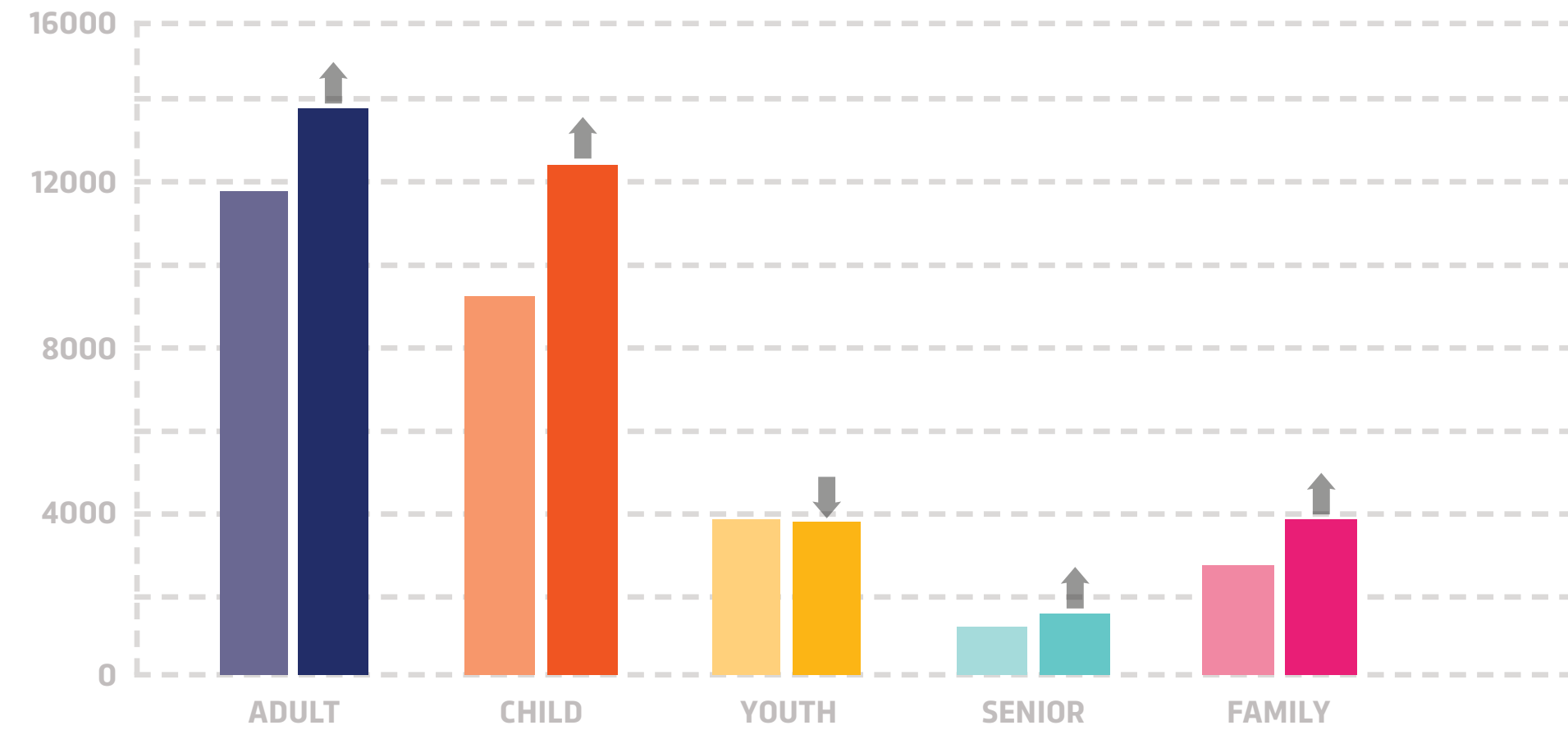
Public swim times were very full all summer.



REP IMPLEMENTED

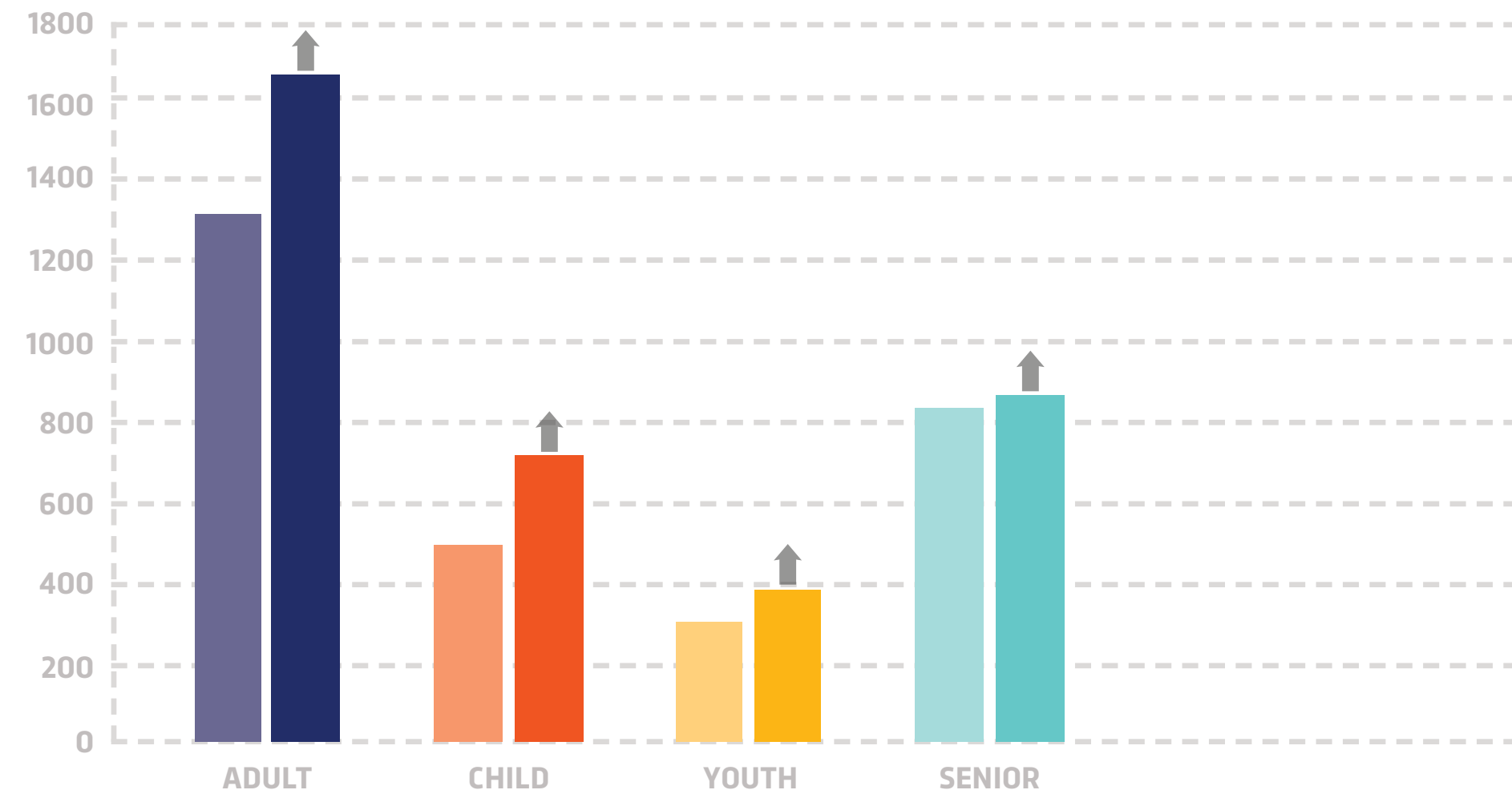
REP was implemented in September, which kept public swim numbers at a more manageable level.

DAILY ADMISSIONS



	2020	2021
Adult	11,596	13,488
Child	9,482	12,656
Youth	3,883	3,870
Senior	1,260	1,432
Family	2,680	3,870
TOTAL	28,901	35,316

MEMBERS & PASS HOLDERS (AT DEC 31, 2021)



	2020	2021
Adult	1,347	1,682
Child	484	715
Youth	308	388
Senior	827	856
TOTAL	2,963	3,641

TLC USAGE

7.

DAILY ADMISSIONS AND PASS HOLDERS

TOTAL MEMBER SCANS 2021

72,339



8. BOARD MEMBER PROFILE



JERRY GEORGE
TLC BOARD CHAIR

HOW LONG HAVE YOU LIVED IN THE REGION?

Outside of a couple of years away I have lived in Stony Plain for most of my life, almost 50 years!

WHAT ARE SOME OF YOUR FAVOURITE ACTIVITIES TO DO AT THE TLC?

I have spent hours and hours coaching hockey, ringette and lacrosse at the TLC and my favorite time is seeing the smiling, sweaty faces of kids playing sports they love. Now that my kids are a bit older I enjoy running on the track or swimming lengths in the pool.

WHY DID YOU DECIDE TO BECOME A TLC BOARD MEMBER?

20+ years ago I was on a committee that started looking at twinning the Stony Plain Arena. Over time that smaller project became a bigger plan for the region, which led to the facility we know as the TLC today. Having been involved in sport my entire life and playing a role in the original idea of the TLC made me want to get involved on the Board. I believe that sport and recreation play a huge role in developing life skills in our youth and I wanted to be a part of that.

WHAT HAVE YOU ENJOYED MOST DURING YOUR TIME ON THE BOARD?

I enjoy the people. Even though everyone on the Board comes from different professional background we all have the best interest of the facility in mind. The past two years has obviously had significant challenges but we always have a willingness to talk things through and come up with the best plan given the circumstances moving forward.

WHAT WERE YOU MOST LOOKING FORWARD TO GETTING BACK TO IN 2021 AS THINGS (SLOWLY) RETURNED TO NORMAL?

I was looking forward to seeing activities happening in every corner of the TLC. I was excited to see sweat and smiles on children, teens, adults and seniors as we all get back to activity or whatever else brings people through the doors.

WHAT PERSONALLY, OR AS A BOARD MEMBER, DID YOU LEARN THIS YEAR?

I learned that you are never going to please everyone but that you have to believe that the decisions you are making are in the best interests of the facility and our region.

WHAT DO YOU HOPE THE FUTURE WILL BRING FOR THE TLC?

I hope that people realize that the eTLC can play a vital role in both their physical and mental recovery from the pandemic. I hope the future sees a return of memberships and a full re-building, and I also think there is an opportunity to build stronger relationships with our municipal partners as they look to increase the recreation facility capacities in region.

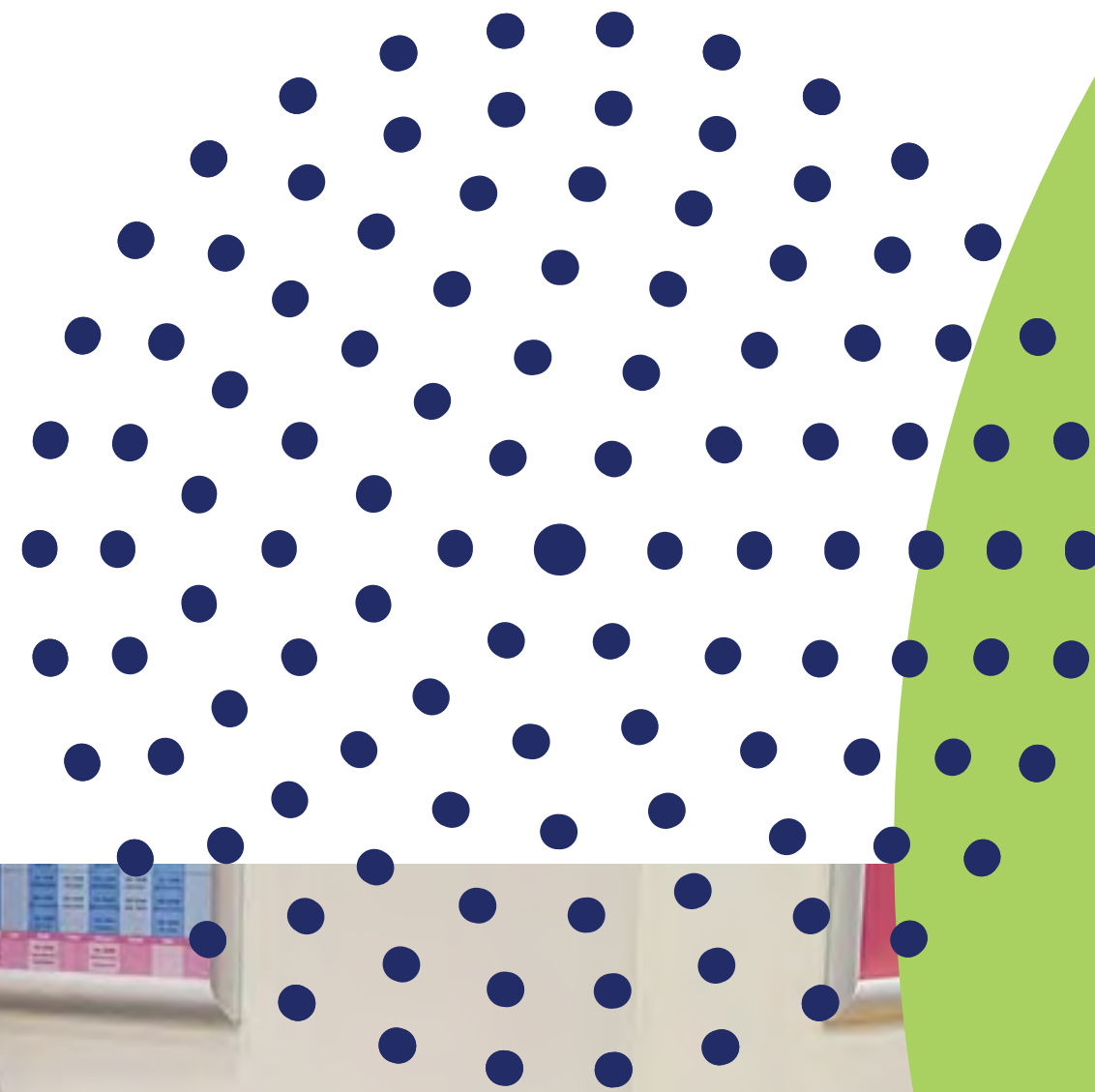
“ I believe that sport and recreation play a huge role in developing life skills in our youth and I wanted to be part of that ”

9.

STAFF PROFILE

GWEN GABEL

SHIFT LEAD, CUSTOMER EXPERIENCE



WHERE IN THE REGION DO YOU LIVE AND HOW LONG HAVE YOU LIVED THERE?

My first 22 years I lived in the Town of Stony Plain. Since then I've been a resident of Parkland County.

HOW LONG HAVE YOU WORKED AT THE TLC?

I started in July 2003 (19 years).

HAVE YOU ALWAYS HAD THE SAME ROLE OR HAS IT EVOLVED OVER THE YEARS?

My first position here was a CSR (now a CER) and am currently a Part-Time Shift Lead.

WHAT IS YOUR FAVOURITE THING ABOUT YOUR JOB?

First off I work with a great team! The TLC has treated me awesomely these past 19 years and I also love customer service. I enjoy building relationships with our guests and co-workers. When I worked full time at the Town of Stony Plain and part time at the TLC, I always said the TLC was my "fun" job.

WHAT WAS THE MOST CHALLENGING THING ABOUT WORKING AT THE TLC THIS YEAR?

The most challenging thing this past year was when we introduced the REP. I was astonished how it divided people, our guests and our staff. People either really appreciated the program or were totally against it. And we heard from both sides—loud and clear!

“The TLC has treated me awesomely these last 19 years.”

WHAT WAS ONE THING THAT HAPPENED THIS YEAR THAT YOU ENJOYED OR APPRECIATED ABOUT WORKING AT THE TLC?

I appreciated how the Board, administration and all staff members did their utmost to keep staff and guests safe during COVID. I know some tough decisions had to be made but they were done in the best interest of all involved.

10. STAFF SERVICE AWARDS

Congrats to our colleagues for making the Tri Leisure Centre their work-home for many years. We appreciate your efforts!

**5
YEAR**

ALEXANDRA CHRISTMAN
Fitness

HOLLY HEMMINGER
Customer Experience

MARGARET BOISVERT
Operations

DARREN YAKIMISHYN
Fitness

KALY BUDZINSKI
Aquatics

MITCHELL KRASSILOWSKY
Aquatics

DYLAN BAKER
Aquatics

KRISTEN LETCH
Aquatics

SHAYNA ENGELKING
Aquatics

HEATHER SCHRAM
Customer Experience

MACKENZIE NORDLI
Aquatics

**10
YEAR**

JEN TELFER
Wellness

JESSICA DUHEME
Fitness

LEEANN DIRK
Finance

TARA GADICA
Customer Experience

**15
YEAR**

DONNA MCKEAN
Aquatics

KATIE LUCIER
Operations

ROMAN GUTTER
Operations

11.

SPECIAL PROFILE

STEPHANIE LABBÉ

HOMECOMING



At the Tokyo Olympics held in 2021, Stephanie Labbé and the Canadian Women's National Soccer Team successfully bested all of the most talented teams in the world to bring home a gold medal—the first for Canadian women's soccer.

A big part of that win was due to Stephanie's excellence as the team's goalkeeper.

Five years ago Stephanie became the TLC's Wellness Ambassador. Her achievements in sport and her Olympic bronze and gold medals are inspirational, but that is not the only aspect of Stephanie that make her an amazing ambassador and role model. Stephanie is also inspirational in her

authenticity and willingness to share her own experiences and skills with the young athletes in our community. She has taken the time over the past five years of partnership with the TLC to facilitate goalkeeping camps, a workshop on the mental challenges inherent in sport, and even scheduled a Zoom call for Tri-Region youth athletes last spring all the way from Sweden in order to share her journey to Tokyo and how she had stayed fit and mentally and physically strong during COVID-19.

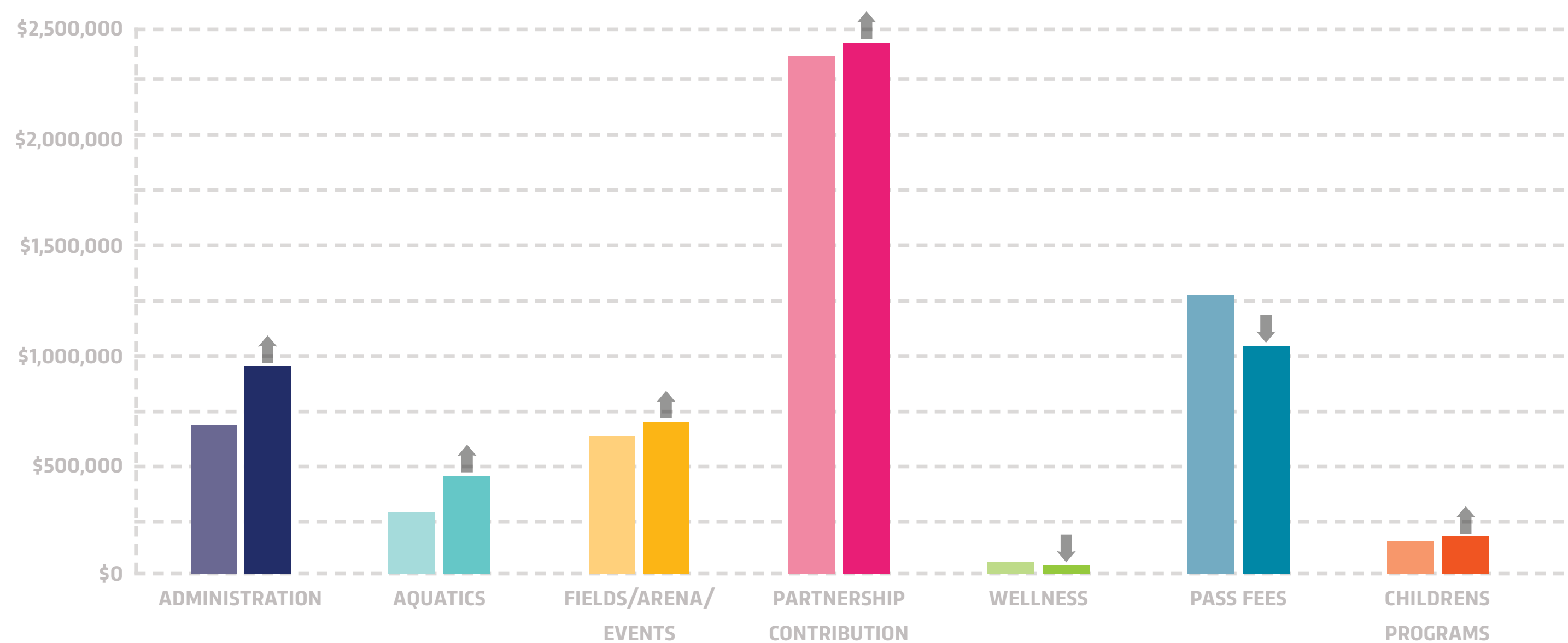
Olympians like Stephanie start in the arenas, the pools, and the fieldhouses of places like the TLC. We are incredibly proud of our commitment to youth sport here in this facility,

as well as our mission to provide spaces for families and community members to get active and keep themselves healthy. 2021 has once again highlighted how important these spaces and facilities are for a community like ours, as well as the opportunities they provide for our youth to become the next Stephanie Labbé—Olympic Gold Medalist!

We're extremely proud of all Stephanie's hard work along her journey, and so honoured to have had her as a wellness ambassador over these last years. Way to go Stephanie!

12. FINANCIAL SUMMARY

OPERATING REVENUE



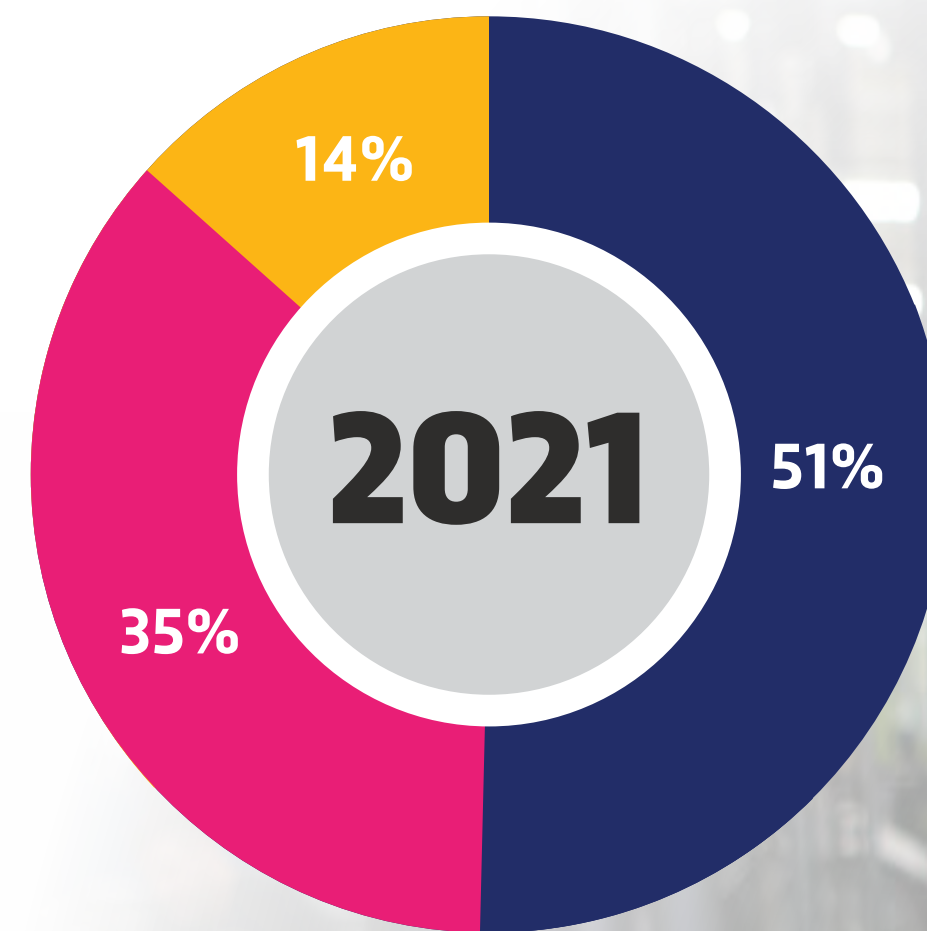
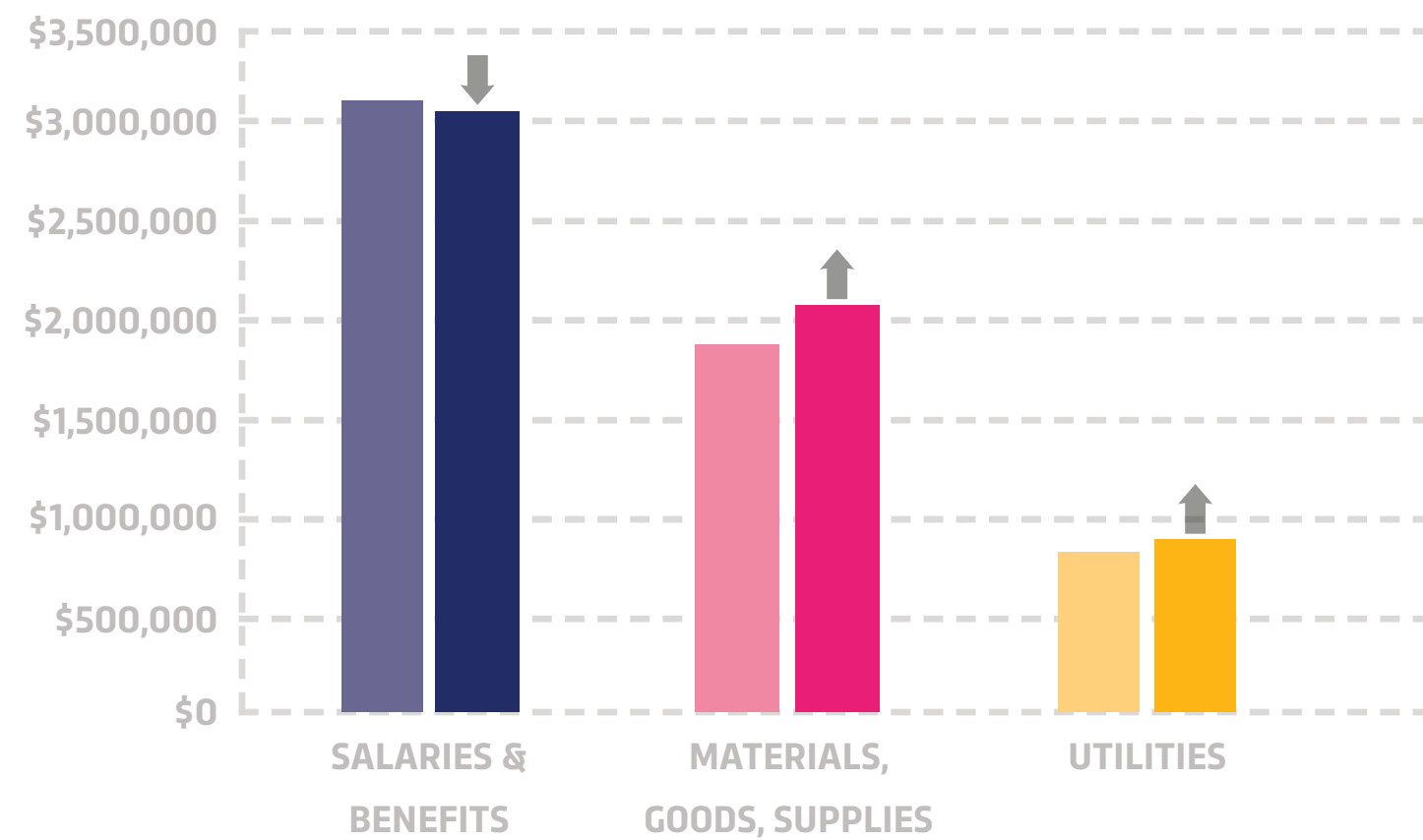
	2020	2021
Administration	\$720,792	\$935,034
Aquatics	\$292,875	\$433,827
Fields/Arena/Events	\$627,213	\$723,942
Partnership Contribution	\$2,357,282	\$2,381,942
Wellness	\$53,199	\$49,562
Pass Fees	\$1,256,389	\$1,046,828
Children's Programs	\$158,030	\$171,196
TOTAL	\$5,465,780	\$5,742,331

12. FINANCIAL SUMMARY

OPERATING EXPENSES

	2020	2021
Salaries & Benefits	\$3,163,361	\$3,076,828
Materials, Goods, Supplies	\$1,882,833	\$2,060,827
Utilities	\$779,955	\$851,982
TOTAL	\$5,826,149	\$5,989,637

* Excludes depreciation.



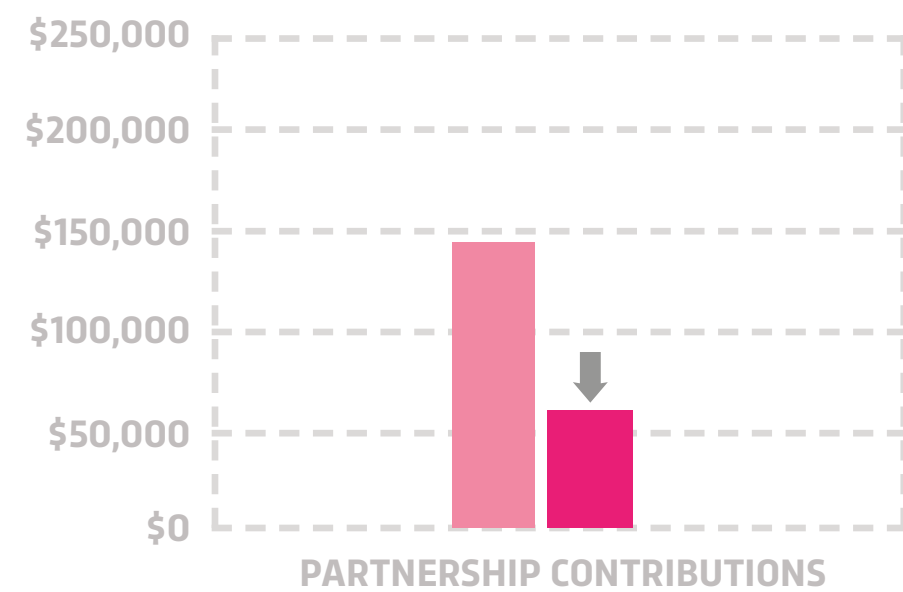
- Salaries & Benefits
- Materials, Goods, Supplies
- Utilities

12. FINANCIAL SUMMARY

CAPITAL REVENUE & CAPITAL PURCHASES

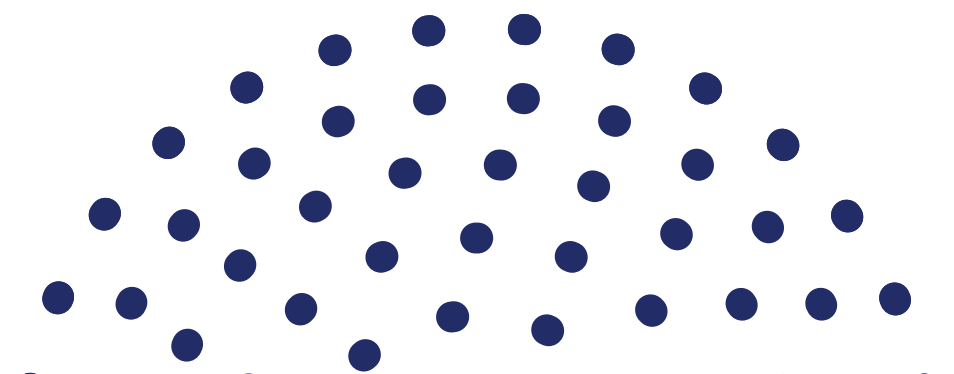
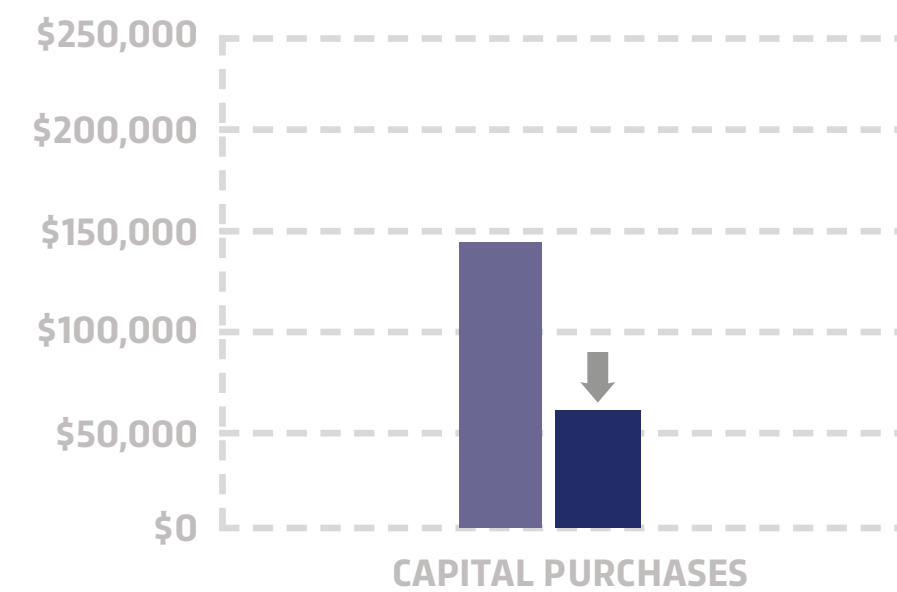
CAPITAL REVENUE

	2020	2021
Partnership Contributions	\$142,665	\$59,506



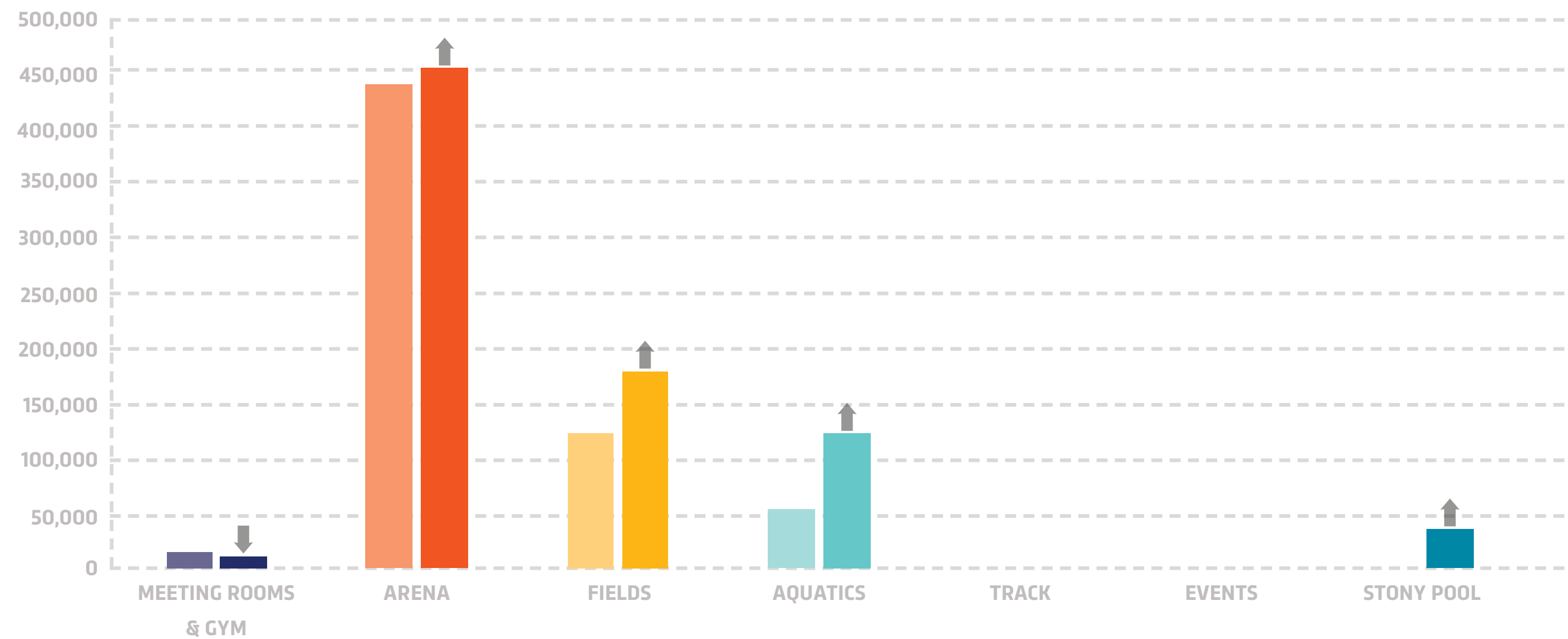
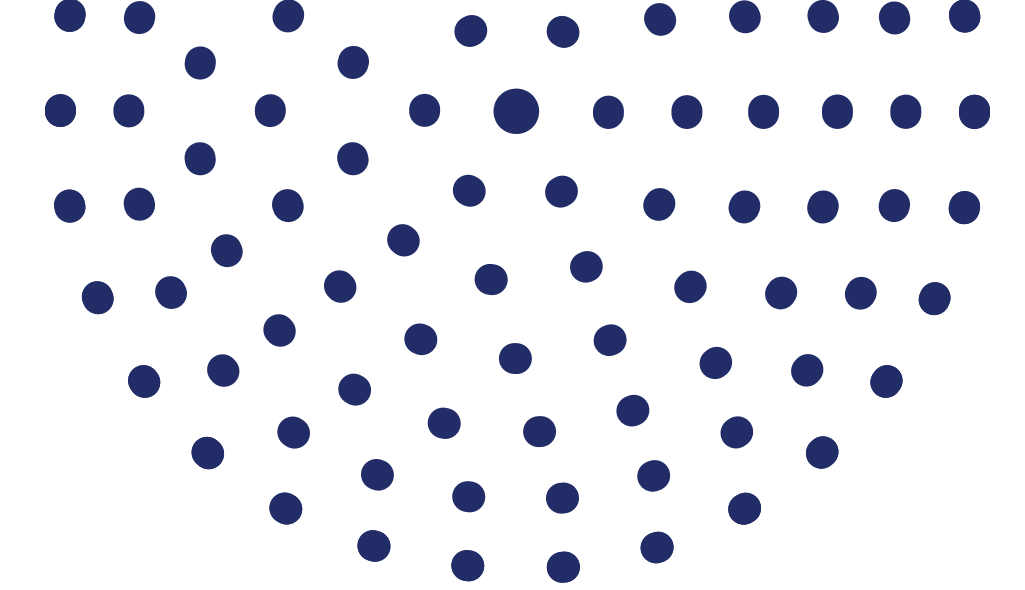
CAPITAL PURCHASES

	2020	2021
Capital Purchases	\$142,665	\$59,506



12. FINANCIAL SUMMARY

FACILITY RENTAL REVENUE



	2020	2021
Meeting Rooms & Gym	\$13,123	\$7,289
Arena	\$435,364	\$450,400
Fields	\$125,754	\$180,491
Aquatics	\$52,972	\$85,762
Track	—	—
Events	—	—
Stony Pool	closed	\$35,622
TOTAL	\$627,213	\$759,564

13. CORPORATE SPONSORSHIP

We are so grateful to have wonderful relationships with some amazing local companies. They have chosen to support our community by becoming a Tri Leisure sponsor and we are so grateful for their support and collaboration!

NAMING SPONSOR:



North Central

14.

REPORT OF THE INDEPENDENT AUDITOR

ON THE FINANCIAL SUMMARY

OPINION

The financial summary is derived from the audited financial statements of the TransAlta Tri Leisure Centre (the "Centre") for the year ended December 31, 2021.

In our opinion, the accompanying financial summary is a fair summary of the audited financial statements

FINANCIAL SUMMARY

The financial summary does not contain all the disclosures required by Canadian public sector accounting standards.

Reading the financial summary and the auditor's report thereon, therefore, is not a substitute for reading the Centre's audited financial statements and the auditor's report thereon.

The financial summary and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 10, 2022.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL SUMMARY

Management is responsible for the preparation of the financial summary.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the financial summary is a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.



MNP LLP

Leduc, Alberta,
June 28, 2022



* Full financial reports are available on our website at trileisure.com.



TransAlta Tri Leisure Centre

 @trileisure

 /trileisurecentre

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221 Jennifer Heil Way,
Spruce Grove, AB, T7X 4J5

A circular graphic with a dark blue background and white text. The top part features the TransAlta logo, which includes a stylized human figure with arms raised, surrounded by the text 'SPRUCE GROVE • STONY PLAIN • PARKLAND'. To the right of the logo, the text 'TransAlta Tri Leisure Centre' is written in a white, sans-serif font. Below this, the text '2023 Budget' is written in a larger, bold, white, sans-serif font.

SPRUCE GROVE • STONY PLAIN • PARKLAND
TransAlta
Tri Leisure Centre
2023 Budget

Budget Overview

- ∞ TLC PEAK Priorities
- ∞ 2023 Key Objectives
- ∞ Detailed Budget
 - ∞ Revenues
 - ∞ Expenses
- ∞ Cost Recovery
- ∞ Capital and Infrastructure
- ∞ Breakdown of Municipal Contribution
 - ∞ Operating
 - ∞ Capital
 - ∞ Infrastructure
- ∞ Summary





Peak Priorities

Personnel
Engaging Stakeholders
Asset Management
Key Service Levels



2023 Objectives

Employee Engagement, Safety, Development and Recognition

- Internal Staff Satisfaction Survey
- Health and Safety Advisor
- Scholarship Program

Customer Experience, Safety & Stakeholder Engagement

- Expanded self-serve & online opportunities
- Locker Retrofit – Phase 2
- Enhanced security cameras

Building Enhancements & Upgrades

- Evaporative Condenser and Cooling Tower
- Facility Audit
- Preschool Room Upgrade – Phase 2
- Program Space flooring and furniture
- Pool Headwall and Starting Blocks

Operating Overview

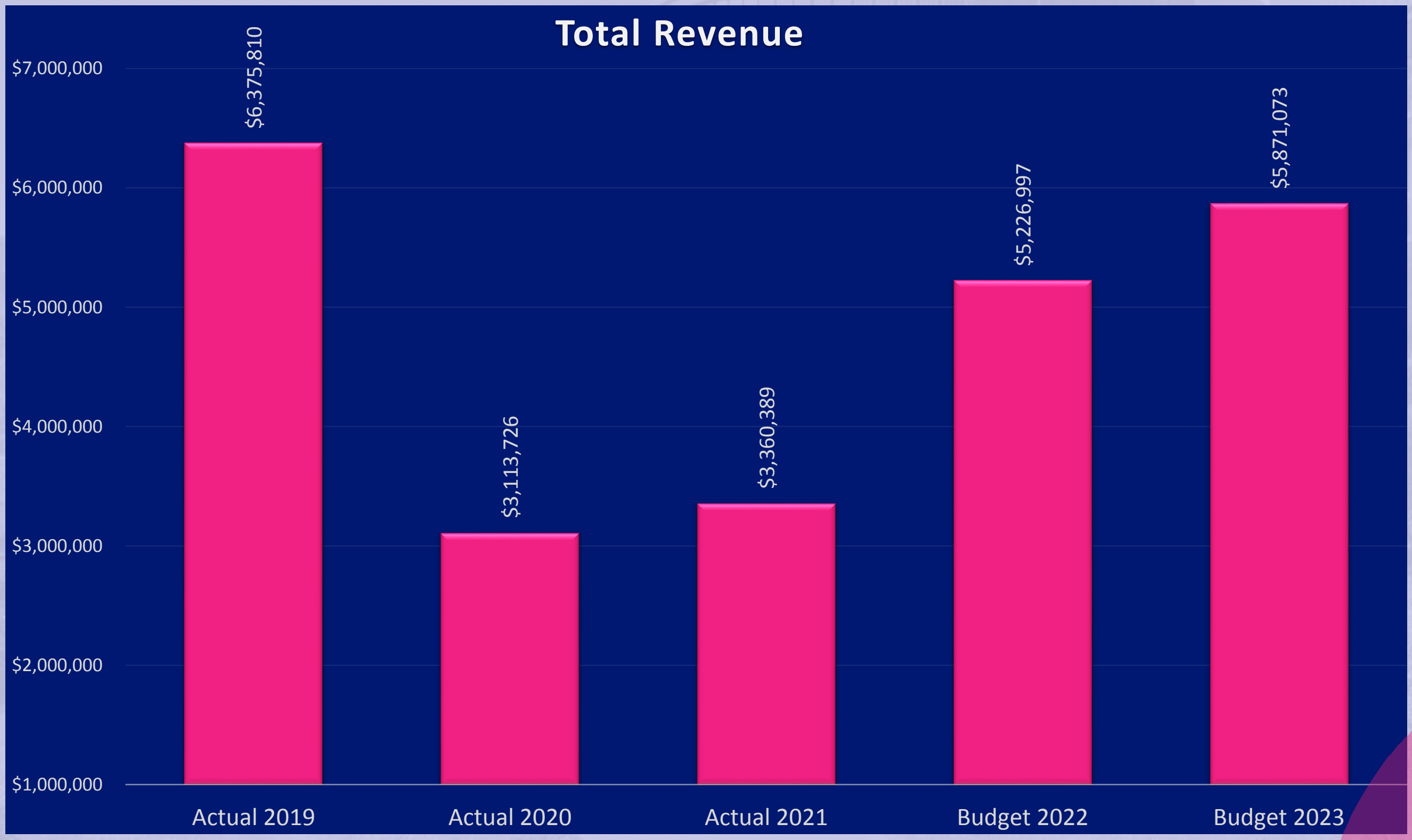
- Revenues - \$5,871,073
- Operating Expense (less depreciation) - \$8,023,732
- Operational Cost Recovery – 73.17%



2023 Revenues

Earned Revenues	Approved 2022 Budget	Draft 2023 Budget
Memberships, Passes and Admissions	2,302,849	2,751,485
Programs and Services	1,079,760	1,180,300
Facility Rentals and Events	996,800	1,073,800
Administration (miscellaneous)	847,588	865,488
Total Revenues (excluding municipal operating contribution)	5,226,997	5,871,073

5 Year Revenue Comparison



2023 Expenses (excluding depreciation)

Expenses	Approved 2022 Budget	Draft 2023 Budget
Salaries and Benefits	4,034,265	4,684,287
Materials, Goods, Supplies	2,226,269	2,276,765
Utilities	962,000	1,062,680
Total Expenses	7,222,534	8,023,732

5 Year Expense Comparison



Cost Recovery **2023** – 73.17%

YEAR	BUDGETED COST RECOVERY	ACTUAL COST RECOVERY
2019	78.73%	77.95%
2020	77.87%	54.51%
2021	74.48%	56.10%
2022	72.37%	
2023	73.17%	

Capital Budget Funding Request

2023 Request = \$355,950

- Skid Steer
- Concourse Soft Seating
- Gravel Spreader
- Ice Edger
- Pool Access Stairs
- Annual Fitness Equipment Replacement
- Enhanced security cameras



Infrastructure Funding Request

2023 Request = \$646,750

- Facility Audit
- Locker Retrofit – Phase 2
- Preschool Program Space Upgrades – Phase 2
- Multi-purpose room (new) flooring and amenities
- Parking lot maintenance
- Pool pumps (rebuild)
- Pool Headwall and starting blocks

Municipal Contribution Summary

Municipal Contribution	Approved Budget 2022	Draft Budget 2023
Operating	1,995,537	2,152,658
Capital/lifecycle	0	355,950
Infrastructure	364,875	646,750
Total Municipal Contribution	2,360,412	3,155,358



2023 Budget Summary



- ∞ **Internally generated revenues**
have increased by **10.29%**
- ∞ **Expenses have increased by 8.92%**
- ∞ **Municipal operating contribution**
increased by **7.87%**
- ∞ **Operating cost recovery of 73.17%**



TransAlta
Tri Leisure Centre

Thank You!



REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: C-1162-21 - Land Use Bylaw Text Amendment - City Centre Districting Updates - Second and Third Reading

DIVISION: Planning & Infrastructure

SUMMARY:

Bylaw C-1162-21, a proposed Land Use Bylaw amendment for implementing the City Centre Area Redevelopment Plan (Bylaw C-1074-19), is being brought forward for consideration by Council. The proposed bylaw addresses the City Centre Area Redevelopment Plan's four Precincts by providing use and development regulation updates to support achieving the Plan's redevelopment intent. This amendment also adjusts the existing land use districts in the city centre on the Land Use Bylaw Map to reflect the revised districting proposed by this bylaw. This bylaw has been amended by Administration from first reading to provide clarity on the proposed design guidelines regulations in response to received public comment.

Administration supports this bylaw.

PROPOSED MOTION:

THAT second reading be given to Bylaw C-1162-21 - Land Use Bylaw Amendment - City Centre Updates, as amended.

THAT third reading be given to Bylaw C-1162-21 - Land Use Bylaw Amendment - City Centre Updates.

BACKGROUND / ANALYSIS:

The City Centre Area Redevelopment Plan (CCARP) was passed by City Council on April 27, 2020, and this proposed Land Use Bylaw amendment is required to implement the Area

Redevelopment Plan's intent and for ensuring consistency between these documents. The CCARP established four land use precincts to direct future development towards its major redevelopment initiatives that included a mixed-use development pattern, the revitalization of Main Street and McLeod Avenue to form a 'High-Street', the allowance of diverse and dense residential housing options, and to institute urban design guidelines for future development.

The city centre's First Avenue Precinct and McLeod Avenue Precinct are commercially focused areas, and this amendment proposes updates to the existing C1 - City Centre Commercial District for implementing the CCARP's policy direction. The First Avenue Precinct intends an 'attractive local business services street' while the similar McLeod Avenue Precinct intends a 'high street' with a vertical mixed-use opportunity. The proposed regulations direct that retail and commercial uses are maintained prominent at street level, that auto-oriented uses and surface parking fronting city streets is prohibited, and adds design guidelines to support future development contributing to a high-quality urban form and pedestrian environment.

The CCARP's Urban Living Precinct intends an 'urban living experience' through densification, and that these residential lands work toward a density target of 100 dwelling units per net residential hectare within the City Centre boundary. A new R2CC - City Centre High Density Residential District replaces the existing R2 District to address the CCARP's Area 1 for Medium to High Density Residential. The city centre's existing R1 - Low Density Residential District will be retained for regulating low density residential housing areas.

Design guidelines are proposed for redevelopment in all CCARP Precincts to emphasize high quality urban form and pedestrian environment. These vary by Precinct but include matters such as building width maximums; defined entrances and façade requirements; design criteria for mixed-use buildings; building material standards; and area-specific commercial sign requirements. The CCARP's Civic Precinct, and the retained R1 districted lands for low-density residential areas, also have design guidelines and an 'overlay area' has been added to the land use district map to define their applicability for redevelopment. This bylaw has been amended by Administration from first reading to provide clarity on the proposed design guidelines regulations in response to received public comment (See attached "red line" for changes).

This amendment also adjusts the existing city centre land use districts on the Land Use Bylaw Map to reflect the revised districting as proposed by this bylaw.

Administration supports this amendment as part of the implementation of the City Centre Area Redevelopment Plan.

OPTIONS / ALTERNATIVES:

This bylaw is being brought forward for consideration of second and third reading. Based on information provided at the public hearing, discussion and consideration of changes to the

bylaw may be made. Alternatively, Council may defeat the motion for second reading and choose to defeat this bylaw.

CONSULTATION / ENGAGEMENT:

A statutory public hearing, advertised per the requirements of the *Municipal Government Act*, will be held prior to consideration of second reading. Advertising of the public hearing was placed in the Spruce Grove Examiner on September 9 and September 16 2022, per the requirements of the *Municipal Government Act*. Administration presented the proposed amendment to the City Centre Business Association on June 29, 2022, and held an Open House on July 6, 2022, to inform and discuss the amendment process. This amendment application was circulated to relevant City departments for their comments.

IMPLEMENTATION / COMMUNICATION:

If approved, the Land Use Bylaw will be updated for the amendments provided in Bylaw C-1162-21 and be published on the City's website.

IMPACTS:

Approval of this bylaw will update the existing district mapping and regulations for consistency with the City Centre Area Redevelopment Plan.

FINANCIAL IMPLICATIONS:

n/a

THE CITY OF SPRUCE GROVE

BYLAW C-1162-21

LAND USE BYLAW AMENDMENT – CITY CENTRE UPDATES

WHEREAS, pursuant to the *Municipal Government Act*, RSA 2000 cM-26, a municipality shall pass a land use bylaw and may amend the land use bylaw;

AND WHEREAS, the City of Spruce Grove wishes to amend Bylaw C-824-12, the Land Use Bylaw;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled, hereby enacts as follows:

1. Bylaw C-824-12 is amended as follows:
 - 1.1 By deleting in its entirety PART 11 – LAND USE DISTRICT REGULATIONS, Section 123 C1 – City Centre Commercial District and replacing with **Bylaw C-1162-21 – Schedule A**.
 - 1.2 By adding in PART 11 – LAND USE DISTRICT REGULATIONS, a new Section 116A R2CC – City Centre High Density Residential District per **Bylaw C-1162-21 – Schedule B**.
 - 1.3 By adding the following bolded text within PART 2 – INTERPRETATION AND DEFINITIONS; Section 7 Definitions; (1):

LIVE-WORK UNIT

A form of Mixed-Used Development consisting of a Building that provides a residential dwelling above or behind a flexible ground floor commercial space to be used by the dwelling's occupant for their business. The Building may be of an attached or detached form, and the Dwelling will typically have a separate Street entrance.

- 1.4 By adding the following bolded text within PART 6 – GENERAL REGULATIONS; Section 30 Design and Appearance of Buildings:
 - (5) **The following regulations on design and appearance shall apply to all new Buildings on lands districted PS – Public Service Institutional District within the City Centre Overlay Area as depicted on the Land Use Map Schedule A.**

- (a) **Sites and Buildings shall contribute to a high-quality urban form by:**
- (i) **Front and Side Yard Setbacks may be varied at the discretion of the Development Officer where providing space for pedestrian access or an outdoor public space such as a small courtyard or patio.**
 - (ii) **Building's entrance shall be provided that face the Street-front and be a clearly identifiable feature, universally accessible and utilize architectural elements such as paving materials, lighting, signage and canopies.**
 - (iii) **Buildings shall be accentuated to address Street-fronts at the corners of prominent Street intersections by use of building massing and architectural features.**
 - (iv) **Roof line variation shall be encouraged.**
 - (v) **Vehicular access to parking areas shall be from an alley, and where no alley exists access may be from an adjacent Street on the side that would best limit potential pedestrian conflicts.**
 - (vi) **Loading and waste storage areas shall be located at the rear of Buildings and shall be screened from view.**
- (b) **Building facades and exterior design shall adhere to the following:**
- (i) **Architectural features shall be used to differentiate Building faces while allowing that each face remains architecturally compatible with an adjacent Building by use of similar and complementary forms, materials, and scale.**
 - (ii) **A Building wall visible from an adjacent Alley and/or on-site parking area shall be designed to improve the rear Building aesthetic.**

- (iii) All blank walls of a Building shall be treated with cladding complementary to the overall Building, to add interest and texture of the wall and building, or with mural artwork where appropriate.
 - (iv) Brick, natural wood, wood composites, stucco, or glass shall be used for a Building as its fundamental cladding with these materials being compatible and complementary to adjacent Buildings.
 - (v) Vinyl siding shall not be used as a cladding material.
- (6) The following regulations on design and appearance shall apply to all new Buildings on lands districted R1 – Low to Medium Density Residential District lands within the City Centre Overlay Area on the Land Use District Map Schedule A.
 - (a) Sites and Buildings shall contribute to a high-quality urban form by:
 - (i) The Height of new Building shall be compatible with a neighbouring building.
 - (ii) Building design shall be architecturally compatible with other structures by using complementary forms, materials, and scale.
 - (iii) Roof line variation shall be encouraged.
 - (b) Building Facades and exterior design elements shall adhere to the following:
 - (i) Architectural features shall be used to differentiate one face of a building from another.
 - (ii) Brick, natural wood, wood composites, stucco, or glass shall be used for a Building as its fundamental cladding with these materials being compatible and complementary to adjacent Buildings.
 - (iii) Vinyl siding shall not be used as a cladding material.

1.5 By adding the following bolded text within PART 11 – LAND USE DISTRICT REGULATIONS; Section 115 R1 – Mixed Low to Medium Density Residential District; (3) Additional Regulations:

(e) Developments within the City Centre Overlay identified on PART 11 – LAND USE DISTRICT REGULATIONS; Section 114 Land Use District Map; (1), with the Map being Schedule A, shall adhere to the requirements in PART 6 – GENERAL REGULATIONS; Section 30 Design and Appearance of Buildings.

1.6 By adding the following bolded text within PART 11 – LAND USE DISTRICT REGULATIONS; Section 128 PS – Public Service Institutional District; (3) Additional Regulations:

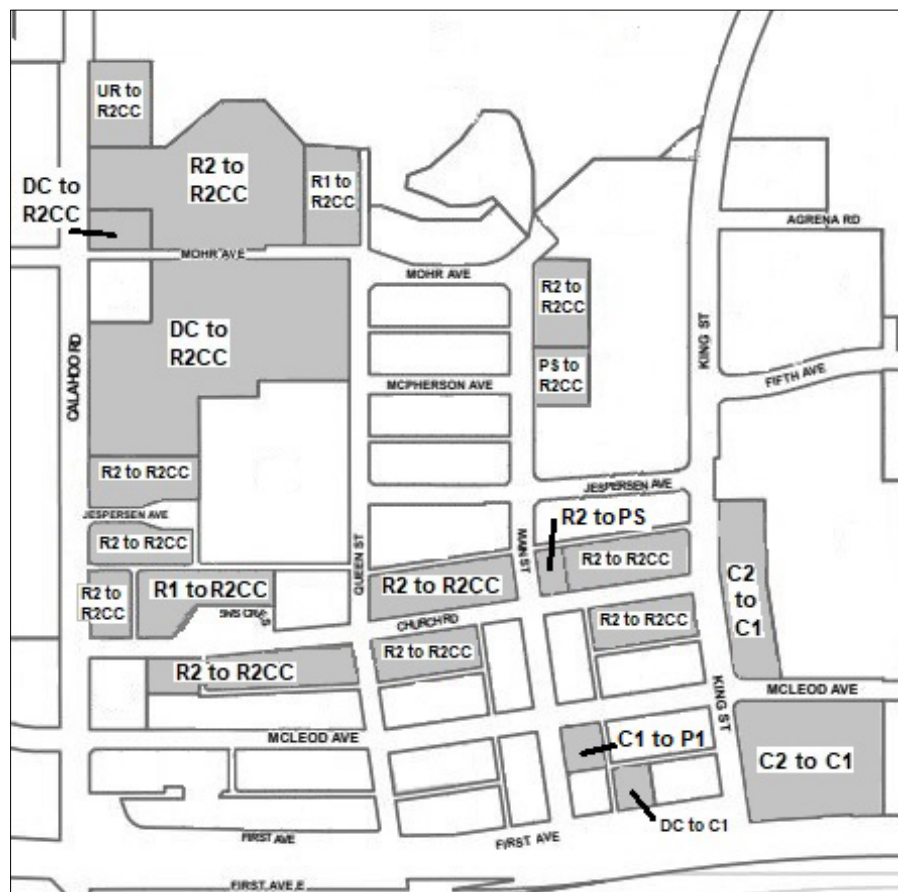
(b) Developments within the City Centre Overlay as identified on the PART 11 – LAND USE DISTRICT REGULATIONS, Section 114 Land Use District Map; (1), with the Map being Schedule A, shall adhere to the requirements in PART 6 – GENERAL REGULATIONS; Section 30 Design and Appearance of Buildings.

1.7 By amending PART 11 – LAND USE DISTRICT REGULATIONS, Section 114 Land Use District Map; (1), with the Map being Schedule A, the following:

(a) To redistricted land use districts per the following schedule and figure:

District Adjustment	Legal Parcels
UR - Urban Reserve District to R2CC - City Centre High Density Residential District	Lot F, Plan 2289MC
R2 - Mixed Medium to High Density Residential District to R2CC - City Centre High Density Residential District	CDE 1620073; CDE 7722027; CDE 0521873; Part of SW 3-53-27-4; Lots 12-17, Block 16, Plan 3055MC; Lots 8, 9 & 11, Block 15, Plan 3055MC; CDE 1321150; CDE 9423983; Lots 1-9, Block 4, Plan 5193KS; Lots 4-10, Block 1, Plan 171HW; CDE 0940230; Lot 1A, Block 1, Plan 0425794; Lots 3-10, Block 13, Plan 6442KS; Lots 13-26, Block 8, Plan 2387AR; Lots 19-26, Block 7, Plan 2387AR; Lot 17A, Block 7, Plan 0526625; CDE 9122713
R1 - Mixed Low to Medium Density Residential District to R2CC - City Centre High Density Residential District	Lot G, Plan 4957TR; Lots 2-7, Block 15, Plan 3055MC; Lot 1A, Block 15, Plan 1995NY;

PS - Public Service Institutional District to R2CC - City Centre High Density Residential District	Lot 5, Block 17, Plan 7923004
R2 - Mixed Medium to High Density Residential District to PS - Public Service Institutional District	Lots 1-2, Block 13, Plan 6442KS
C1 - City Centre Commercial District to P1 - Parks and Recreation District	Lots 7-12, Block 6, Plan 2387AR
C2 - Vehicle Oriented Commercial District to C1 - City Centre Commercial District	Lot 6, Plan 6328RS; Lots 9, Plan 739TR; Lot 10-11, Plan 7620579; Lot 2, Plan 9925992; Lot 1, Plan 736TR
DC - Direct Control to R2CC - City Centre High Density Residential District	Part of SW 3-53-27-4; CDE 0924093; Parcel B, Plan 2626KS
DC - Direct Control to C1 - City Centre Commercial District	Lots 36-40, Block 6, Plan 2387AR



- (b) to add the following bolded text and shaded box in the Map's legend: **Overlay - City Centre** , and shading on the Map that represents the overlay's applicable area as shown on the figure below:



2. This amending bylaw shall be consolidated into Bylaw C-824-12.
3. This bylaw shall come into force and effect when it receives third reading and is duly signed.

First Reading Carried 22 August 2022

Second Reading Carried [Click here to enter a date.](#)

Third Reading Carried [Click here to enter a date.](#)

Date Signed

Mayor

City Clerk

Bylaw C-1162-21 – Schedule A

SECTION 123 C1 – CITY CENTRE COMMERCIAL DISTRICT

(1) GENERAL PURPOSE

This District is to provide continuous narrow storefronts for diverse retail and commercial development in the City Centre that encourage street-level pedestrian activity and provide opportunity for above ground-floor residential development. All District sites and buildings shall contribute to a high-quality urban form and pedestrian environment distinguished by varied façades, elevated architectural design, and consistent signage.

(2) PERMITTED AND DISCRETIONARY USES

- (a) Uses identified in this District as applicable to McLeod Avenue or First Avenue sub-areas shall use the boundaries defined in the figure below:



(b) First Avenue Sub-Area

(i) Permitted Uses	(ii) Discretionary Uses
<ul style="list-style-type: none"> • Eating and Drinking Establishment • Health Service • Park • Personal Service Establishment • Professional and Office Service • Retail Sales 	<ul style="list-style-type: none"> • Accessory Building • Accessory Use • Alcohol Sales, Major • Alcohol Sales, Minor • Cannabis Sales • Child Care Facility* • Commercial School, Non-Industrial* • Food Truck • Hotel* • Parking Facility, Public • Public Utility Building • Recreation Establishment, Indoor*

(c) McLeod Avenue Sub-Area

(i) Permitted Uses	(ii) Discretionary Uses
<ul style="list-style-type: none"> • Eating and Drinking Establishment • Live-Work Dwelling • Multi-Unit Dwelling* • Park • Personal Service Establishment • Professional and Office Service* • Retail Sales 	<ul style="list-style-type: none"> • Accessory Building • Accessory Use • Alcohol Sales, Minor • Cannabis Sales • Child Care Facility* • Commercial School, Non-Industrial* • Government Service* • Health Service* • Food Truck • Hotel* • Parking Facility • Private Clubs* • Public Libraries and Cultural Exhibits* • Public Utility Building • Recreation Establishment, Indoor*

(d) A Permitted or Discretionary Uses with an asterisk (*) shall not occupy the ground-floor of a Building unless:

- (i) the Site has a Front Yard abutting McLeod Avenue; and,
- (ii) the Site is west of Queen Street; and,
- (iii) the use is not a Multi-Unit Dwelling.

(e) Live-Work Dwellings shall be located on McLeod Avenue west of Queen Street.

(f) Commercial Schools shall not use or store heavy or industrial vehicles.

(g) Cannabis Sales is a prohibited use on all Sites in the District between Queen Street and King Street, as shown in the following map:



- (h) Lots 1 through 30 and 34 through 40, Block 6, Plan 2387 AR, and Lots 31 through 33, Block 6, Plan 6238 MC shall be subject to environmental review for possible soil contamination that will inform any concern or need of Site remediation for a proposed Use prior to rendering a decision on a Development Permit.

(3) DEVELOPMENT REGULATIONS

- (a) Development Regulations identified specific to McLeod Avenue or First Avenue Sub-Areas shall use the boundaries defined above in Section 2 (a) of this District.
- (b) Regulations contained in Part 6 General Regulations, Part 7 Special Regulations, Part 8 Parking Regulations, Part 9 Landscaping Regulations, and Part 10 Sign Regulations and the following regulations shall apply to all development in this District.
- (c) Site Standards:

	Site Standard
(i) Site Area (Minimum):	183.0 m ²
(ii) Site Width (Minimum):	6.0 m
(iii) Site Depth (Minimum):	30.0 m
(iv) Front Yard Setback:	Buildings shall be built to the property line, excepting that a Live-Work Dwelling shall be a minimum 3.0 m
(v) Side Yard Setback:	Buildings shall be built to the property line
(vi) Rear Yard Setback (Minimum):	6.0 m or ½ the Building Height.
(vii) Building Height (Maximum):	Four (4) Storeys, not to exceed 14.0 m (excluding roof top gardens); or, Six (6) Storeys, not exceeding 21.0 m on the east side of King Street between Highway 16A and Jespersen Avenue.
(viii) Gross Leasable Area (Maximum):	465 m ² for a single ground-floor use.
(ix) Site Coverage (Maximum):	95%
(x) Façade Height (Maximum):	8.0 m

- (xi) Notwithstanding Section 123.3(c) (vii), Building Height up to six (6) Storeys, not to exceed 25.0 m, may be considered at the discretion of the Development Officer with the consideration of transitions with adjacent Building designs and heights, adjacent uses, streetscape and the proposed Building design.
- (xii) Notwithstanding Section 123.3(c) (viii), Gross Leasable Area for ground-floor Retail uses abutting McLeod Avenue, between Queen Street and King Street, may include wrap-around units to accommodate larger individual tenant areas.
- (xiii) A Multi-Unit Dwelling shall:
- a. Have a separate access to the Street;
 - b. Not have Dwelling unit on the same floor as a non-Residential use; and,
 - c. Provide an Amenity Area of 7.5 m² per Dwelling unit.

(xiv) A Live-Work Dwelling shall have:

- a. a main floor elevation a minimum 1.0 m above the adjacent Street for privacy and “eyes on the street”; and,
- b. Individual Dwellings shall have entrances that are spaced appropriately and be combined with steps, terraces, or stoops.

(4) ADDITIONAL REGULATIONS

- (a) Additional Regulations identified specific to McLeod Avenue or First Avenue Sub-Areas shall use the boundaries defined in Section 2 (a) of this District.
- (b) Outdoor Storage shall be prohibited.
- (c) Garbage, recycling, and other containment areas shall be in a Rear Yard.
- (d) Off-Street Loading shall not be located within a Front Yard or any Yard adjacent to a Street.
- (e) Access to on-site vehicular Parking Stalls shall be from an Alley, and where there is no available Alley the access shall be from the adjacent Street utilizing the minimum vehicle crossing width design feasible over pedestrian areas.
- (f) A Parking Facility shall be Hard Surfaced with asphalt for all Parking Stalls and internal vehicle circulation areas (i.e. aisles), and shall provide a minimum 1.0 m Landscaped area abutting a Street(s) to the satisfaction of the Development Officer.
- (g) Buildings shall contribute to high-quality urban form and pedestrian environment by:
 - (i) Building widths shall not exceed 15.3 m abutting Main Street, First Avenue, and McLeod Avenue between King Street and Queen Street; excepting that, this regulation may be voided for Mixed-Use Development where the Building is divided into increments of no more than 7.6 m in width by use of Façade articulation and/or using alterations in design and materials at the discretion of the Development Officer.
 - (ii) Buildings with individual commercial Units shall be defined clearly by articulated entrances that face the adjacent Street, are universally-accessible, and are clearly visible.
 - (iii) Building design shall address and emphasize Street intersections using massing, height, and interesting architectural features, and shall be strongly emphasized on corner parcels abutting the prominent intersections of McLeod Avenue with Main Street and McLeod Avenue with Queen Street.
 - (iv) A Street-level Storey of a Building shall have a floor to ceiling height minimum of 3.6 m and a maximum of 4.5 m.
 - (v) Height of a new Building shall be compatible with an adjacent Building with taller buildings being encouraged on corners that are entrance points to primary blocks.

- (vi) A Building step-back of a minimum 3.0 m shall be provided from the façade of the storey beneath commencing at a height of three-storeys, and it may contribute to required Amenity Area where it is functionable space.
 - (vii) Notwithstanding Section 123 3. (c) (iv) and (v), a Site abutting McLeod Avenue between Queen Street and King Street, or when abutting Main Street, may provide a maximum 2.0 m Setback to encourage outdoor seating or provide outdoor amenity space; and, where a sidewalk is less than two (2) metres in width to accommodate accessibility features.
 - (viii) New development adjacent to Lot 10, Block 6, Plan 2387 AR (Columbus Park) shall provide an active pedestrian entrance and frontage onto this space.
 - (ix) Lobbies for residential or non-ground-floor commercial in mixed-use Buildings shall not have a street frontage exceeding 6.0 m.
- (h) Building Façades and exterior design shall adhere to the following:
- (i) Façades of multi-tenant buildings shall be organized to provide a strong and consistent rhythm and unified exterior to the streetscape that avoid flat, undifferentiated patterns.
 - (ii) Architectural details shall be used to differentiate one face of a Building or sub-units from another, and the design shall be architecturally compatible with the adjacent Buildings or sub-units by variation in roof lines and the use of similar and complementary forms, materials, and scale.
 - (iii) Building design shall include forms of architectural detailing or features supporting a modern architectural character for McLeod Avenue and include elements such as cornices, parapets, pilasters, window fenestration, window features, and entrances.
 - (iv) Architectural details such as recesses, overhangs, signage, lighting, planters, banners, and canopies shall be utilized to create articulation and visual interest on building façades.
 - (v) Building facades adjacent to a Street, walkway, Sidewalk or Alley shall provide windows that offer views of the entire Street, walkway, Sidewalk or Alley in the first and second Storeys.
 - (vi) A minimum of 60% of a Building façade, and Building sides adjacent to a Street, shall be glazed at Street-level using windows and doors, etc., for new developments or upon the renovation of existing Building exteriors.
 - (vii) Window covering materials (paper, paint, tint, films, coating, wood or metal panels, etc.) shall not cover more than 20% of a storefront window except where provincial or federal regulations require opaque glazing in which case alternate methods that promote visual interest along Streets,

sidewalks and walkways may be used to the satisfaction of the Development Officer.

- (viii) Highly reflective glass shall be prohibited at Street-level.
 - (ix) All Building walls shall use materials consistent with the overall Building to provide visual interest and texture or, where appropriate, may be treated with mural artwork at the discretion of the Development Officer.
 - (x) A Canopy shall be provided on a Street-level Building façade per the following:
 - a. Overhead elements should be provided over portions of the adjacent sidewalk for pedestrian weather protection and these should be individualized for each storefront.
 - b. A Canopy shall be designed to match the main structural elements of the Street-level facade and overall design of the storefront.
 - c. A Canopy shall not extend across multiple storefronts and/or multiple buildings and should fit the width and shape of any storefront or window openings that it covers.
 - d. Dome or retractable canopies are not appropriate and shall be prohibited on McLeod Avenue.
- (i) Signs shall be in accordance with Land Use Bylaw Part 10, except that:
- (i) Signs in the City Centre shall adhere to the following General Design Guidelines:
 - a. Building and tenant Signs shall be organized as distinct architectural elements, reinforcing rhythm and character of the building façades.
 - b. Building signage shall be in scale and integrated with the design of the building façades.
 - c. Buildings with multiple units shall use clearly delineated and consistent Sign design.
 - d. Buildings on corner lots shall have Signs that address both adjacent Streets.
 - e. Building signage shall reflect the character of the building function to assist in orientation and character.
 - f. Signage shall be pedestrian-oriented, using framing/structural materials consistent with the associated building and/or with the adjacent public realm streetscape elements.
 - g. Single occupancy buildings shall have a maximum of one (1) corporate identification Sign per Building or view plane.

(ii) Signage on McLeod Avenue shall be consistent with the area's character and adhere to the following:

- a. Projecting Signs for all Street-level units shall:
 - i. use high-quality brackets coloured black or silver and mounted perpendicular to the Building; and,
 - ii. be wall mounted a minimum 2.7 m to a maximum 3.3 m height except for Live-Work Dwellings where the height shall be measured from the horizontal plane of the business.
- b. Fascia Sign surface area shall not exceed 20% of a Street-level Building wall area.
- c. A Fascia Sign using internally illuminated fluorescent boxes, or similar designs, shall not be permitted except for single commercial unit located on the east side of King Street between First Avenue and Jespersen Avenue.
- d. A Fascia Sign at Street-level shall use appropriately legible font sizes on the eastside of King Street between First Avenue and Jespersen Avenue.
- e. A Window Sign shall be a maximum 40% window coverage on the east side of King Street between First Avenue and Jespersen Avenue.
- f. An A-Board Sign shall have a maximum area of 1.0 m² and a maximum height of 1.3 m, and shall have a minimum 1.0 m of unobstructed sidewalk space for pedestrians .
- g. Building walls shall not be painted for signs or advertisements.
- h. A Freestanding Sign is not permitted.
- i. A Roof-mounted Sign is not permitted.
- j. A Canopy Sign shall not include product advertisements.

(iii) Signage on First Avenue shall be consistent with the area's character and adhere to the following:

- a. A Fascia Sign shall not exceed 20% of a Building façade's total area per Storey.
- b. A Fascia Sign at Street-level shall use appropriately legible font sizes.
- c. A Freestanding Sign shall have a maximum height of 7.5 m.

- d. A Window Sign shall be limited to not more than 40% of the window display area.
- e. A Wall Sign for onsite Uses shall be permitted on walls perpendicular to, but not fronting, First Avenue.
- f. A Neon Sign shall be permitted on First Avenue where the design and size is satisfactory to the Development Officer.
- g. An A-Board Sign shall maintain a minimum 1.0 m of unobstructed sidewalk space between the pedestrian realm and the building facade.

Bylaw C-1162-21 – Schedule B

SECTION 116A R2CC – CITY CENTRE HIGH DENSITY RESIDENTIAL DISTRICT

(1) GENERAL PURPOSE

The purpose of this District is to accommodate higher density residential development within the City Centre Overlay Area that contributes positively to a high-quality urban form and pedestrian environment, and supports achieving an overall City Centre density target of 100 dwelling units per net residential hectare.

(a) Permitted and Discretionary Uses:

(i) Permitted Uses	(ii) Discretionary Uses
<ul style="list-style-type: none"> • Multi-Unit Dwellings 	<ul style="list-style-type: none"> • Accessory Buildings • Assisted Living Facility • Designated Assisted Living Facility • Funeral Homes, Existing • Public Utility Building • Row Housing, Stacked • Sales Centre • Special Care Facility

(2) DEVELOPMENT REGULATIONS

(a) In addition to the Regulations contained in Part 6 General Regulations, Part 7 Special Regulations, Part 8 Parking Regulations, Part 9 Landscaping Regulations, and Part 10 Sign Regulations, the following regulations shall apply to all Development in this District.

(b) Site Standards

		Site Standard	
(i)	Site Area:	• Minimum	• 800 m ²
(ii)	Site Width:	• Minimum • Maximum	• 15 m • 40 m
(iii)	Site Depth:	• Minimum	• 30 m
(iv)	Front Yard Setback:	• Minimum	• 3.0 m
(v)	Side Yard Setback:	• Buildings two (2) Storeys or less • Buildings exceeding two (2) Storeys and/or abutting a Street	• 2.0 m • 3.0 m

(vi)	Rear Yard Setback:	<ul style="list-style-type: none"> • Minimum • Minimum, Corner Site 	<ul style="list-style-type: none"> • 3.0 m • 4.5 m
(vii)	Height:	<ul style="list-style-type: none"> • Minimum of two (2) storeys; and • Maximum of six (6) storeys not exceeding 20.0 m 	
(viii)	Density:	<ul style="list-style-type: none"> • Minimum of 140 Dwellings per hectare 	
(ix)	Site Coverage:	<ul style="list-style-type: none"> • Maximum 	<ul style="list-style-type: none"> • 85%

(3) ADDITIONAL REGULATIONS

- (a) The Development Officer may exercise discretion in considering Multi-Unit Dwellings density, which would isolate another Site within this District that is less than 800 m² having regard to the location, age, and nature of the Use or Uses on the Site that would be isolated, and how it may impact achieving the City Centre's overall density target of 100 dwelling units per net residential hectare.
- (b) Notwithstanding maximum Site Coverage (2)(b)(ix), the Development Officer may vary regulations to increase maximum Site Coverage for development using underground parking facilities, agreed parking reductions, smaller unit sizes to support affordability, or additional indoor Amenity Areas and facilities that comply with the density provisions of this District. Any application for a development proposed to exceed Site Coverage shall be a Discretionary Use development.
- (c) Assisted Living and Designated Assisted Living developments shall provide 10% of the site area in the form of outdoor amenity area, which in the case of Designated Assisted Living it may be fenced for security purposes.
- (d) Notwithstanding the Front Yard and Side Yard requirements in (2)(b), in the case of corner sites, the Development Officer shall determine the Setback for the additional Front Yard or Street Side Yard in accordance with Section 29 of this Bylaw and take into account the context of the Site and orientation of other developments and buildings on Adjacent Sites, the block face, and within the neighbourhood.
- (e) A common Amenity Area totaling 7.5 m² per unit shall be provided for new Multi-Unit Dwellings that may consist of a single, distinct area or be divided into multiple areas. The Amenity Area shall include outdoor open space that provides adequate area for unstructured passive or active recreation to the satisfaction of the Development Officer, as well as two or more of the following:
- (i) Playground equipment;
 - (ii) Benches, picnic tables, or other seating;
 - (iii) A gazebo or other shelter;

- (iv) A Patio;
- (v) Courtyards;
- (vi) Gardens; or
- (vii) Other recreational or amenity uses that would meet the needs of the residents for the specific Development under consideration.

(f) Loading and waste storage areas shall be located at the rear of all buildings and shall be screened from view from adjacent properties and pedestrian areas.

(4) ADDITIONAL REGULATIONS FOR STREET INTERFACE AND BUILDINGS

(a) Street Interface

- (i) The Height of a new Building shall be compatible with neighbouring buildings, and a corner Building is encouraged to define a primary entrance point to a Street block.
- (ii) Roof line variation shall be encouraged.
- (iii) Buildings shall be accentuated to address the intersection and the streetfronts at the corners of significant Street intersections by use of building massing and architectural features.
- (iv) A Multi-Unit Dwelling shall not exceed 40 m of continuous Building frontage.
- (v) A Multi-Unit Dwelling shall provide sidewalk connections to ensure accessibility between the street and laneways/alleys.

(b) Building Design

- (i) District character shall be a high-quality environment distinguished by its organized, but varied façades with prominent detailing and signage.
- (ii) Building design shall be architecturally compatible with other structures by using complementary forms, materials, and scale.
- (iii) Architectural features shall be used to differentiate one face of a Building from another.
- (iv) All at-grade residential units are encouraged and shall have visual privacy from any public or internal sidewalks without the need for high or non-transparent privacy fences or walls that detract from the active street edge, or alternatively

entrances may be raised to 2.0 m above grade.

- (v) Building step-backs where usable may contribute to required Amenity Area.
- (vi) Balconies shall be integral to the overall form and design of Multi-Unit Dwellings and shall not project beyond a property line.
- (vii) Variations in the setback of individual units up to 1.0 m shall be employed to provide building articulation and emphasize individual unit identity.
- (viii) Variations in architectural detailing (e.g., materials, colours, etc.) shall be used to create individual unit identity while maintaining overall Building design consistency.
- (ix) New buildings shall use brick, wood, or glass as their fundamental cladding with such materials being compatible and complementary to adjacent Buildings.
- (x) Vinyl siding is not an acceptable cladding material.

(5) ADDITIONAL DEVELOPMENT REGULATIONS FOR PARKING

- (a) Parking shall be in accordance with Land Use Bylaw Part 8, except that:
 - (i) Parking access for vehicles, either surface or structured, shall be permitted at either the rear or side of buildings, and/or may be internalized.
 - (ii) Vehicular access to parking areas shall be from an alley, and where no alley exists access may be from an adjacent Street on the side that would best limit potential pedestrian conflicts.
 - (iii) Visitor parking may be accommodated with surface stalls accessed from a rear lane.

THE CITY OF SPRUCE GROVE

BYLAW C-1162-21

LAND USE BYLAW AMENDMENT – CITY CENTRE UPDATES

WHEREAS, pursuant to the *Municipal Government Act*, RSA 2000 cM-26, a municipality shall pass a land use bylaw and may amend the land use bylaw;

AND WHEREAS, the City of Spruce Grove wishes to amend Bylaw C-824-12, the Land Use Bylaw;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled, hereby enacts as follows:

1. Bylaw C-824-12 is amended as follows:

- 1.1 By deleting in its entirety PART 11 – LAND USE DISTRICT REGULATIONS, Section 123 C1 – City Centre Commercial District and replacing with **Bylaw C-1162-21 – Schedule A**.
- 1.2 By adding in PART 11 – LAND USE DISTRICT REGULATIONS, a new Section 116A R2CC – City Centre High Density Residential District per **Bylaw C-1162-21 – Schedule B**.
- 1.3 By adding the following bolded text within PART 2 – INTERPRETATION AND DEFINITIONS; Section 7 Definitions; (1):

LIVE-WORK UNIT

A form of Mixed-Used Development consisting of a Building that provides a residential dwelling above or behind a flexible ground floor commercial space to be used by the dwelling’s occupant for their business. The Building may be of an attached or detached form, and the Dwelling will typically have a separate Street entrance.

- 1.4 By adding the following bolded text within PART 6 – GENERAL REGULATIONS; Section 30 Design and Appearance of Buildings:

(5) The following regulations on design and appearance ~~of Buildings~~ shall apply to all new Buildings development on lands districted PS – Public Service Institutional District within the City Centre Overlay Area as depicted on the Land Use Map, ~~being~~ Schedule A.

- (a) Sites and Buildings shall contribute to a high-quality urban form by:**

 - (i) Front and Side Yard Setbacks may be varied at the discretion of the Development Officer where providing space for pedestrian access or an outdoor public space such as a small courtyard or patio.**
 - (ii) Building's entrance shall be provided that face the Street-front and be a clearly identifiable feature, universally accessible and utilize architectural elements such as paving materials, lighting, signage and canopies.**
 - (iii) Buildings shall be accentuated to address Street-fronts at the corners of prominent Street intersections by use of building massing and architectural features.**
 - (iv) Roof line variation shall be encouraged.**
 - (v) Vehicular access to parking areas shall be from an alley, and where no alley exists access may be from an adjacent Street on the side that would best limit potential pedestrian conflicts.**
 - (vi) Loading and waste storage areas shall be located at the rear of Buildings and shall be screened from view.**

- (b) Building facades and exterior design shall adhere to the following:**

 - (i) Architectural features shall be used to differentiate Building faces while allowing that each face remains architecturally compatible with an adjacent Building by use of similar and complementary forms, materials, and scale.**
 - (ii) A Building wall visible from an adjacent Alley and/or on-site parking area shall be designed to improve the rear Building aesthetic.**

(iii) All blank walls of a Building shall be treated with cladding complementary to the overall Building, to add interest and texture of the wall and building, or with mural artwork where appropriate.

(iv) Brick, natural wood, wood composites, stucco, or glass shall be used for a Building as its fundamental cladding with these materials being compatible and complementary to adjacent Buildings.

(v) Vinyl siding shall not be used as a cladding material.

(6) The following regulations on design and appearance ~~of Buildings~~ regulations shall apply to all new Buildings ~~development~~ on lands districted R1 – Low to Medium Density Residential District lands within the City Centre Overlay Area on the Land Use District Map Schedule A.

(a) Sites and Buildings shall contribute to a high-quality urban form by:

(i) The Height of ~~a new Buildings~~ shall be compatible with a neighbouring buildings, and corner Buildings may be taller than adjacent buildings to define a primary entrance point to a Street block.

(ii) Building design shall be architecturally compatible with other structures by using complementary forms, materials, and scale.

~~(ii) Variations up to 2.0 m in the Setback of a Building shall be employed to provide articulation and emphasize individual unit identity.~~

(iii) Roof line variation shall be encouraged.

(b) Building Facades and exterior design elements shall adhere to the following:

~~(i) District character shall be a high-quality environment distinguished by organized, varied façades with prominent detailing and signage.~~

~~(ii)(i) Building design shall be architecturally compatible with other structures by using complementary forms, materials, and scale.~~

~~(iii)(i) Architectural features shall be used to differentiate one face of a building from another.~~

~~Variations in architectural detailing (e.g., materials, colours, etc.) shall be used to create individual unit identity while maintaining overall Building design consistency.~~

~~(iv)(ii) Brick, natural wood, wood composites, stucco, or glass shall be used for a new Building as its fundamental cladding with these materials being compatible and complementary to adjacent Buildings.~~

~~(v)(iii) Vinyl siding shall is not be used as a an acceptable cladding material.~~

- 1.5 By adding the following bolded text within PART 11 – LAND USE DISTRICT REGULATIONS; Section 115 R1 – Mixed Low to Medium Density Residential District; (3) Additional Regulations:

(e) Developments within the City Centre Overlay identified on PART 11 – LAND USE DISTRICT REGULATIONS; Section 114 Land Use District Map; (1), with the Map being Schedule A, shall adhere to the requirements in PART 6 – GENERAL REGULATIONS; Section 30 Design and Appearance of Buildings.

- 1.6 By adding the following bolded text within PART 11 – LAND USE DISTRICT REGULATIONS; Section 128 PS – Public Service Institutional District; (3) Additional Regulations:

(b) Developments within the City Centre Overlay as identified on the PART 11 – LAND USE DISTRICT REGULATIONS, Section 114 Land Use District Map; (1), with the Map being Schedule A, shall adhere to the requirements in PART 6 – GENERAL REGULATIONS; Section 30 Design and Appearance of Buildings.

- 1.7 By amending PART 11 – LAND USE DISTRICT REGULATIONS, Section 114 Land Use District Map; (1), with the Map being Schedule A, the following:

City Centre Land Use Bylaw Updates Bylaw C-1162-21

PUBLIC PARTICIPATION SUMMARY REPORT

Events:

- 1) Stakeholder Consultations – City Centre Business Association
- 2) Community Consultation – Open House

September 2022

INTRODUCTION

The City of Spruce Grove is proposing through Bylaw C-1162-21 an amendment to the Land Use Bylaw to update regulations for implementing the direction provided by the City Centre Area Redevelopment Plan Bylaw C-1074-19.



FIGURE: The City Centre Area Redevelopment Plan is bounded by Calahoo road on the west, King Street on the east, Highway 16A on the south, and Heritage Grove Park on the north.

AMENDMENT OBJECTIVES

The objectives of this proposed Bylaw amendment are:

- to ensure that future development is consistent with the directions in the City Centre Area Redevelopment Plan.
- to update the land use regulations in the City Centre area by providing:
 - revised regulations for the C1 – City Centre Commercial District,
 - a new residential district for High Density residential uses, and,
 - defining development design guidelines for all City Centre areas.
- to revise the land use district map to reflect the proposed changes to area districting.

ENGAGEMENT OVERVIEW

The amendments for the City Centre Land Use Bylaw update have been developed in a two phased process with public consultation opportunity being provided to share the results of the intended changes as developed by City Administration. Consultation #1 was with the City Centre business association, as the representatives for downtown business community, and Consultation #2 was an open event for sharing the proposal with all Spruce Grove residents.

The public participation program informs the community and stakeholder as to the intended changes required to implement the City Centre Area Redevelopment Plan. It allows for the ability to ask questions, provide input, and it also supports the public hearing for Bylaw C-1162-21 for City Council's consideration.

WHO

Who was engaged?

- General Public
- City Centre Business Association (CCBA)

HOW

How were people engaged?

- Stakeholder Group Meeting (CCBA)
- Open House Meeting for the General Public
- Public Drop-In

PROJECT COMMUNICATIONS

The following communication methods were used to raise awareness about the project and to share information and receive input on this amendment:

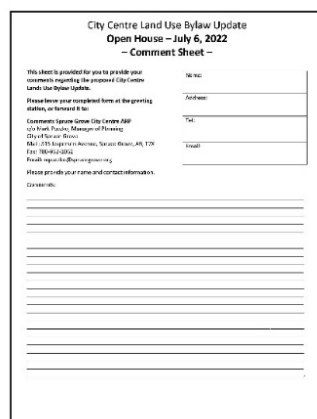
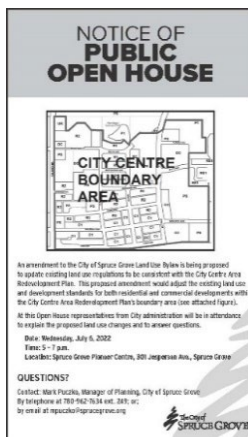
STAKEHOLDER CONSULTATION

City administration reached out and met with the City Centre Business Association as the representatives of the city centre business community, and provided a copy of proposed Bylaw C-1162-21 was provided to the group. A presentation was made on the amendment at their June 29, 2022 Board meeting, and had a ‘question & answer’ session.



PUBLIC OPEN HOUSE

The City notified all citizens of Spruce Grove of this event by advertisements published on June 24th and June 30th, 2022, in The Spruce Grove Examiner, and the notice was also placed on the City’s Website.



WHAT WE HEARD

The consultation for this Land Use Bylaw Amendment was undertaken through a meeting with local city centre business association, as the stakeholder's representative, and through a public open house to advise and provide information. The event was to provide information as to the proposed draft amendment and receive feedback. The Bylaw as developed by City administration based on interpretation of the policies of the City Centre Area Redevelopment Plan that were then translated into the Bylaw's proposed regulation changes

Event #1 - Stakeholder Consultations

The following is a summary of the input received with the City Centre Business Association Board, on the proposed Bylaw on June 29, 2022. City Administration presented a high-level review of the City Centre ARP and the policies that had been approved. After the presentation City administration received and responded to questions from those at the meeting, with the understanding that the Boards would present their formal comments in a letter to the City.

COMMENTS and QUESTIONS & ANSWERS

Formal CCBA comments were received by letter on July 13, 2022, and a summary of their questions from the City's August 18, 2022, response letter to them is provided below.

Stakeholder Comment: Current LUB Commercial Parking Standards are too stringent

Response: Planning has confirmed via a scan of local municipalities that our existing 'downtown' parking standards are consistent with those of smaller local municipalities (i.e. other than the City of Edmonton). This scan confirmed the review that was provided by Bunt Engineering in the City Centre Parking Management Plan.

Our proposed approach is to send a response letter to CCBA prior to Public Hearing outlining the above review and indicated that the Planning Department will commit to a undertaking a detailed internal review of the Commercial Parking Standard, and that the CCBA would be consulted as part of this review. We would suggest a timeline of 6-8 months to complete.

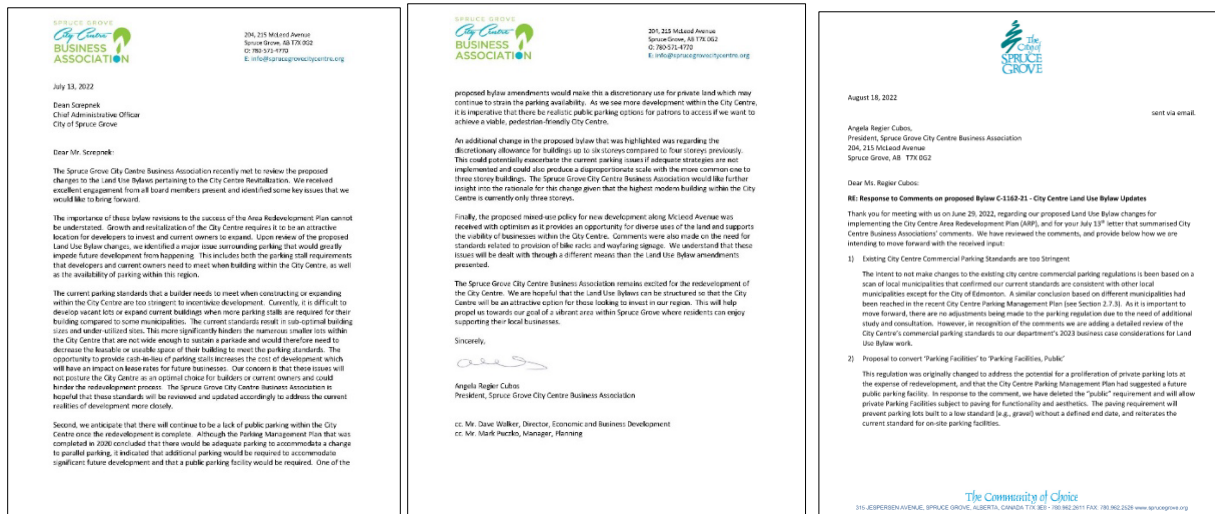
Stakeholder Comment: Proposed Regulation change converting stand-alone Parking Facilities to Parking Facilities, Public.

Response: Planning has reviewed this matter and can agree to keep the ability for private Parking Facilities in the City Centre. This regulation was originally changed to address the potential for a proliferation of private parking lots in lieu of new development, and that it was understood through the Parking Management Plan study that a public parking facility was a likely future possibility. It was discussed internally that this private parking facility option be provided subject to the inclusion of a development standard requiring parking lot paving as an aesthetic and functional requirement for this type of development. This agreement was confirmed in our response letter to the CCBA.

Stakeholder Comment: Scale and Parking for Buildings up to 6-storeys in height

Response: Planning included this discretionary possibility for 6-Storey buildings in the City Centre to allow some possibility for a potential satisfactory project that could merit approval based on its consideration of: transitions with adjacent buildings design and heights, adjacent uses, the streetscape, and the proposed building design.

Considering the strong parameters around the City’s discretionary review, and the benefits that might be gained to the urban experience character and residential uplift in residential density, Planning prefers to keep this regulation. Planning supports this regulation as an additional measure in the spirit of the City Centre ARP, and this direction was confirmed in the City’s response letter to the CCBA.



Event #2 – Public Open House

Project Stakeholders	Confirmed Participants	Attendees
0	0	8

The following is a summary of the input received from the public Open House to inform on the proposed Bylaw held on July 6, 2022. City Administration presented a review of the City Centre ARP and the approved policies that required this Bylaw’s proposed updates to the Land Use Bylaw. After the presentation City administration received and responded to questions from those at the meeting as summarized below:

COMMENTS and QUESTIONS & ANSWERS

The following questions, answers, and comments from administration’s notes from Event #2 – Public Open House, and no comments were received after the Open House.

Q. What are the changes to parking and access from First Avenue?

A. The street parking levels on First Avenue is not affected by this amendment. As to access, the City Centre ARP defined a future with no new vehicle accesses to be created from First Avenue, so as

redevelopment happens the City will not be approving front vehicle access to parking areas to preserve a pedestrian friendly environment.

Q. Existing Businesses on McLeod Buildings on Main Street includes a day care / accountant, and what happens if these move?

A. Existing uses may continue, and if new and different uses are proposed in the future these will have to confirm to the updated Bylaw.

Q. In Area 1 – Residential – can an existing house stay a Single Family Dwelling until is planned to be redeveloped?

A. The City Centre ARP defined Area 1 for medium to high density residential development, and it is expected that over time existing housing transition to a higher density. An existing house can stay as it is, but if redeveloped it will have to follow the requirements of the new City Centre High Density District.

Q. What happens if there is a fire to an existing Single Family Dwelling in Area 1 that is going to higher density residential?

A. If a house is 75% destroyed by fire it would be required to transition to the District's new regulations on use and development, but if it is less than 75% destroyed it may be rebuilt per the rules for non-conforming uses in the *Municipal Government Act*.

Q. Will the new zoning translate to higher property value?

A. The effect of the land use changes on land values is not known, but in general the residential uses are staying the same in Area 2, (low density) and allowing for an increase in density in Area 1. Anecdotally, an increase in land density can increase value, but it is not currently known what affect this amendment will have on land values.

Q. For infill in the existing R1 areas, what specific regulations need to be followed?

A. The regulations for the existing R1 District areas (i.e. ARP Area 2), have only changed to add design guidelines that established a minimum standard for new buildings.

Q. Can infill be done in the R1 District?

A. Yes. The R1 District has only changed to add some design guidelines, and therefore all previous opportunity for infill development may occur as was previously allowed.

Q. Who maintains the architectural regulations on architectural finishing?

A. The design guidelines being established in the City Centre area will be reviewed by the City's Development Officers in consideration of new development permits.

Q. Is the still angle parking on Main Street?

A. Angle parking on Main Street has been largely maintained, but there is a one block stretch on the east side of Main Street, north of McLeod Avenue, that will be parallel parking.

Q. Is there designate handicapped parking on the public roadway?

A. The designation of handicapped parking on public roadways is possible, but to date this determination has not been defined.

Q. Is there going to be more Public Parking for better walkability?

A. As the area redevelops and becomes used more there will be a necessity to manage the use and supply of city centre parking. The City studied downtown parking through a City Centre Parking Management Plan, and this study indicated that the City will have to manage parking to ensure its effectiveness, and this management includes in the long-term a need to identify and look to develop up to 150 additional stalls in the core area upon full redevelopment.

Other Public input

The proposed amendment has been advertised open for questions or comments from the general public outside of our formal engagement opportunities. The City has received some additional comments from this process including:

Q. How do the design guidelines overlay areas being proposed affect existing properties? If we want to build a new garage do the new design guidelines have to be followed?

A. The overlays identify that the new design guidelines are applicable in the PS and R1 Districts. The design guidelines in these areas apply to new development (i.e. redevelopment), and not maintenance or alterations currently allowed for existing development. That is, they only affect all new structures. If a garage is a new and separate structure it would have to follow the design guidelines.

Q. Does all development have to use only brick, wood, or glass?

A. New development is required to follow the new design guidelines, and the primary cladding materials required are brick, wood, and glass. We do agree that this palette of material could be expanded, and we have adjusted the proposed Bylaw to expand this list.

NEXT STEPS

PUBLIC HEARING – Decision Making

After making the necessary minor edits and adjustments, the final proposed Bylaw C-1162-21 will be presented, and a Public Hearing will be held, prior to Council's decision on the matter.

Enclosure Ratio Study

McLeod Avenue

August 2022

Introduction

This study utilises the urban design principle of Enclosure Ratio to inform on how considerations on Building Height may support development on McLeod Avenue in achieving pedestrian orientation as intended by the City Centre Area Redevelopment Plan.

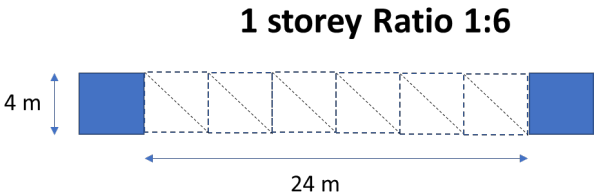
Enclosure Ratio

Enclosure refers to the extent to which vertical edge elements (e.g. buildings, walls, trees or other items) work to frame a street. In urban design this matter is examined as a ratio between the height of existing vertical edge elements and the available street width to understand to what extent a space would be comfortable for people. Considering enclosure ratios in streetscaping is an important principle for ensuring the creation of places that pedestrians want to occupy.

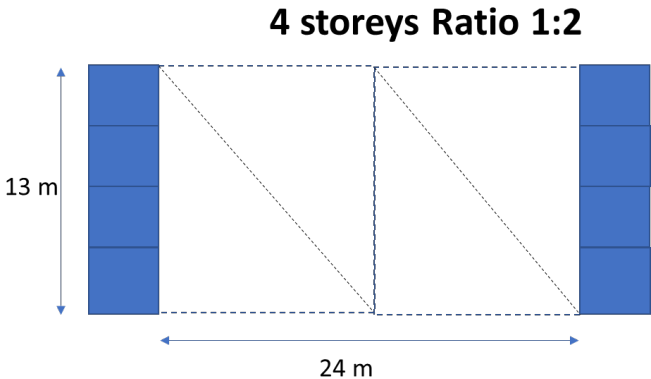
Urban Design Principle of Enclosure Ratio

An Enclosure Ratio compares Building Height to Street Width. Ideal ratios for a human scale street are 1:1, 1:2, or 1:3. An enclosure ratio greater than 1:4 is car-oriented, which is more uncomfortable for pedestrians. McLeod Avenue has a street width of 24 metres, and the following enclosure ratios have been determined for one, four, and six storey buildings.

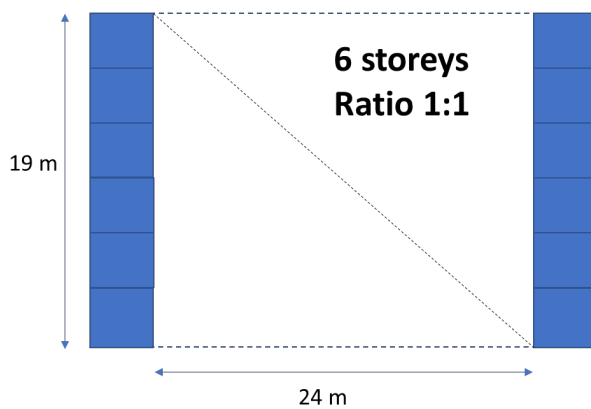
- **Single Storey development:** At 4 m in height, the McLeod Avenue enclosure ratio is 1:6.



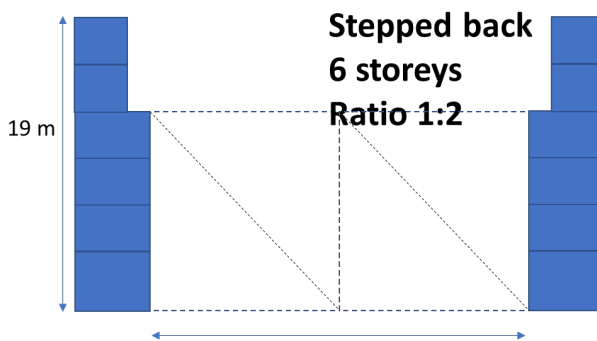
- **Four-Storey development:** At 13 m in height, the McLeod Avenue enclosure ratio is 1:2.



- **Six-Storey Building:** At 19 m in height, the McLeod Avenue enclosure ratio is 1:1. This height would represent a space that supports pedestrian enclosure.



- **Building Step-Backs:** Design features like building step-backs can also be used to fine-tune enclosure parameters to create appropriate enclosure areas.



Summary

This study considered enclosure ratios for McLeod Avenue’s 24 metre road width for buildings up to six-storeys in height. A six-storey building to a maximum height of 19 m would have an enclosure ratio of 1:1, or 1:2 if step-backs are applied, and both possibilities would provide a comfortable space for pedestrians.

In conclusion, a six-storey building possibility on McLeod Avenue would achieve an enclosure ratio supportive of pedestrian oriented development consistent with the vision expressed in the City Centre Area Redevelopment Plan. The use of taller mixed-use buildings would also allow for increased residential density that would provide more nearby residents to support city centre commercial uses and also contribute to the City Centre area achieving a density target of 100 dwelling units per net hectare as required by the Edmonton Metropolitan Region Growth Plan.



Land Use Bylaw Amendment

City Centre Updates

- Second and Third Reading

City of Spruce Grove

Bylaw C-1162-21

September 26, 2022





Amendment Overview



- » Bylaw C-1162-21 is required to implement City Centre Area Redevelopment Plan's policy.
- » **McLeod Avenue Precinct** and **First Avenue Precinct** are updated by revisions to the **C1 – City Centre Commercial District**.



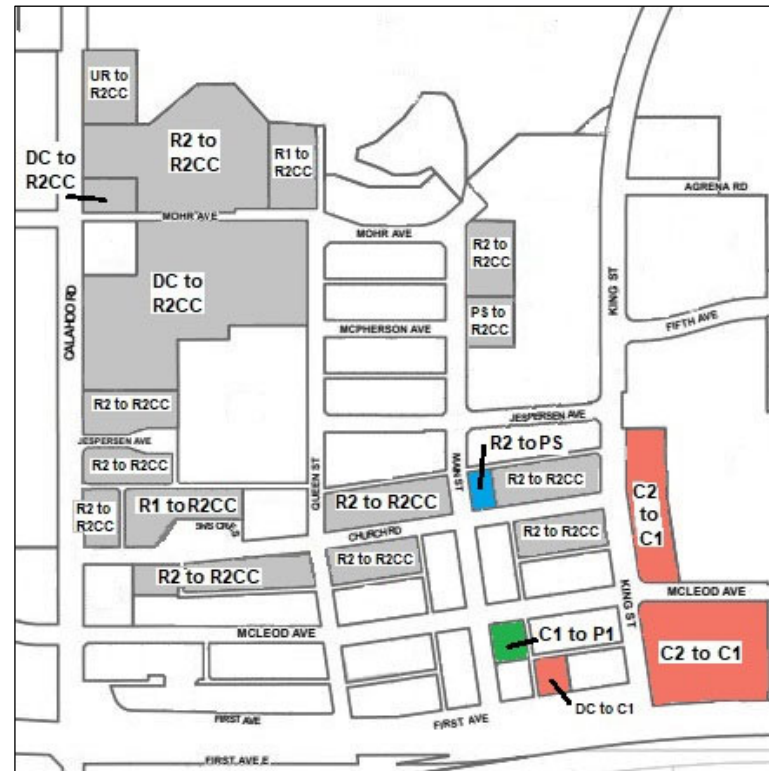


- » A new **CCR2 - City Centre High Density Residential District** has been created for the Urban Living Precinct 'Area 1'.
- » **R1 District is retained** for the Urban Living Precinct 'Area 2'.
- » **New Design Regulations are added to all City Centre Precincts** and include an 'overlay' for the R1 and PS Districts.





- » **Bylaw C-1162-21 has changed from First Reading to clarify the proposed Design Regulations.**
- » **Land Use District Map updates** changes are made to support the new Districting.



Questions?





REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: C-1212-22 - Land Use Bylaw Amendment - Redistricting - Westwind Stage 3 - Third Reading

DIVISION: Planning & Infrastructure

SUMMARY:

Bylaw C-1212-22, a proposed Land Use Bylaw amendment for redistricting approximately 1.4 ha of land from UR - Urban Reserve District to R1 - Mixed Low to Medium Density Residential District, to R2 - Mixed Medium to High Density District, and to P1 - Parks and Recreation District is being brought forward for consideration by Council.

For third reading, Administration has brought forward an amendment to Bylaw C-1212-22 reducing the amendment area from 2.0 ha to 1.4 ha in order to resolve transportation and engineering issues, while allowing flexibility for connectivity with future stages to the east.

The proposed redistricting is consistent with the Pioneer Lands Area Structure Plan as amended, and will enable the development of Stage 3 located along Westwind Drive in the Westwind neighbourhood. A development agreement has now been completed for Westwind Stage 3.

Administration supports this Bylaw.

PROPOSED MOTION:

THAT third reading be given to Bylaw C-1212-22 - Land Use Bylaw Amendment - Westwind Stage 3, as amended.

BACKGROUND / ANALYSIS:

The proposed bylaw will redistrict approximately 1.4 ha of Lot 9, Block 1, Plan 102 7111, and portion of Lot 4, Plan 4743RS. The area is currently districted UR - Urban Reserve District and 1.21 ha is proposed to be redistricted to R1 - Mixed Low to Medium Density Residential District, 0.12 ha is proposed to be redistricted to R2 - Mixed Medium to High Density Residential District, and 0.07 ha is proposed to be redistricted to P1 - Parks and Recreation District. The proposed redistricting will enable the subdivision and development of approximately 24 low to medium density residential lots, 8 medium to high density residential lots, and one municipal reserve parcel located along Westwind Drive.

Municipal Development Plan

Your Bright Future: Municipal Development Plan, 2010-2020 (MDP) is the City's primary statutory plan. The proposed residential redistricting is consistent with the policies of the MDP and Figure 8 Future Land Use that identify the subject site for residential land use.

Pioneer Lands Area Structure Plan

The amendment area is within the Pioneer Lands Area Structure Plan (Bylaw C-686-08), as amended by Bylaw C-1185-22, and the proposed redistricting is consistent with its policies and Land Use Concept that identify it for "Low to Medium Density Residential", "Medium to High Density Residential", and "Parks and Open Space" land uses.

Land Use Bylaw

The subject land is currently districted UR - Urban Reserve, and redesignation of the land is required for subdivision and development to occur. The proposed R1 District will support the development of approximately 24 low to medium density residential lots. The proposed R2 District will support the development of approximately 8 medium density row housing lots. The proposed P1 District will support the development of a Municipal Reserve parcel providing a multi-use trail connectivity to the Transit Station and Civic Centre site.

Development Agreement

As per Corporate Policy 7,005, a development agreement has been completed and signed and this bylaw can be considered for third reading.

OPTIONS / ALTERNATIVES:

This bylaw is being brought forward for consideration of third reading. Council may approve the bylaw as recommended, or alternatively, may defeat the motion for third reading and choose to defeat this bylaw.

CONSULTATION / ENGAGEMENT:

A statutory public hearing was held on August 22, 2022, prior to consideration of second reading. Advertising of the public hearing was placed in the Spruce Grove Examiner on August 5 and August 12, 2022, per the requirements of the *Municipal Government Act*. Additionally, a notice was mailed directly to landowners within 30m of the subject lands and also published on the City's website.

IMPLEMENTATION / COMMUNICATION:

If approved, the Land Use Bylaw map will be updated per Bylaw C-1212-22 and be published on the City's website.

IMPACTS:

Approval of this bylaw will enable the development of Stage 3 in the Westwind Neighbourhood.

FINANCIAL IMPLICATIONS:

n/a

THE CITY OF SPRUCE GROVE

BYLAW C-1212-22

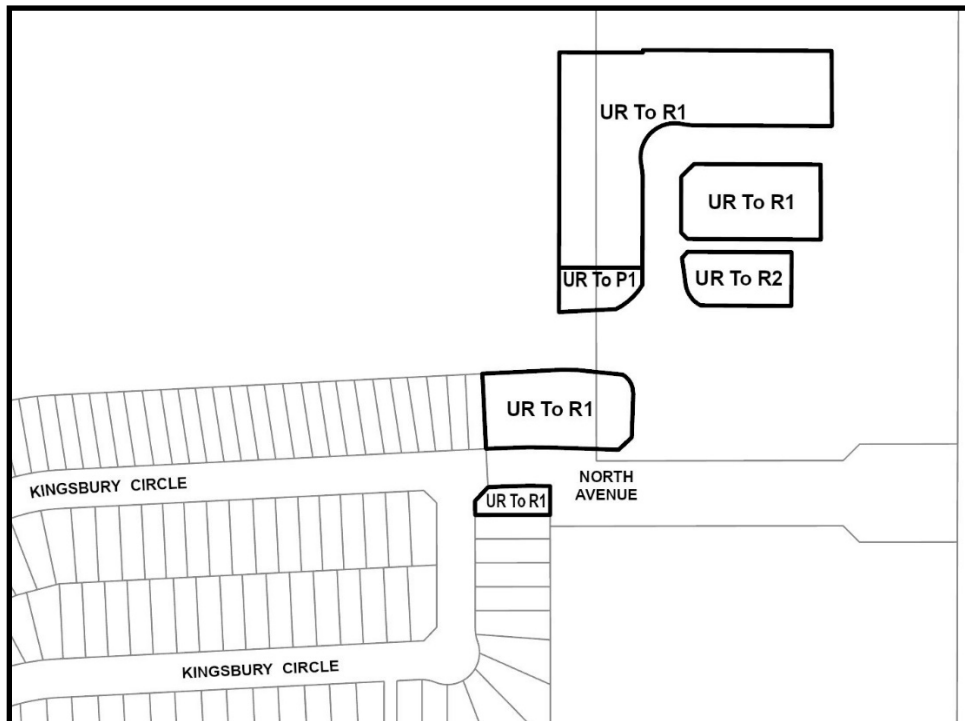
LAND USE BYLAW AMENDMENT – WESTWIND STAGE 3

WHEREAS, pursuant to the *Municipal Government Act*, RSA 2000 cM-26, a municipality shall pass a land use bylaw and may amend the land use bylaw;

AND WHEREAS, the City of Spruce Grove wishes to amend Bylaw C-824-12, the Land Use Bylaw;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled, hereby enacts as follows:

1. Bylaw C-824-12, Schedule A: City of Spruce Grove Land Use Bylaw Map, is amended as follows:
 - 1.1 To redistrict portion of Lot 9, Block 1, Plan 102 7111, and portion of Lot 4, Plan 4743RS from UR - Urban Reserve District to R1 - Mixed Low to Medium Density Residential District and R2 – Mixed Medium to High Density Residential and P1 – Parks and Recreation District, as shown on the map below:



2. This amending bylaw shall be consolidated into Bylaw C-824-12.
3. This bylaw shall come into force and effect when it receives third reading and is duly signed.

First Reading Carried 18 July 2022

Second Reading Carried 22 August 2022

Third Reading Carried [Click here to enter a date.](#)

Date Signed

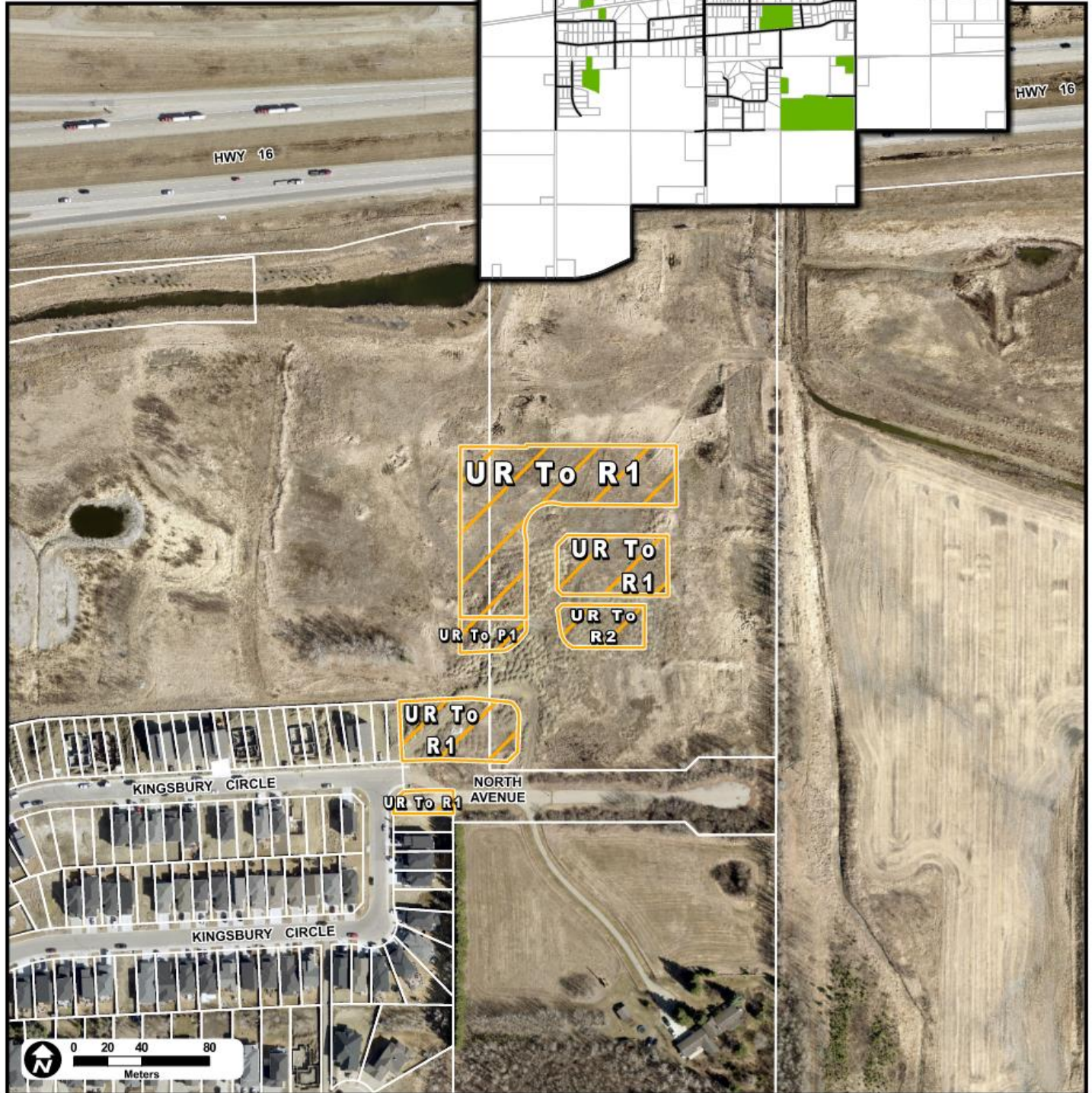
Mayor

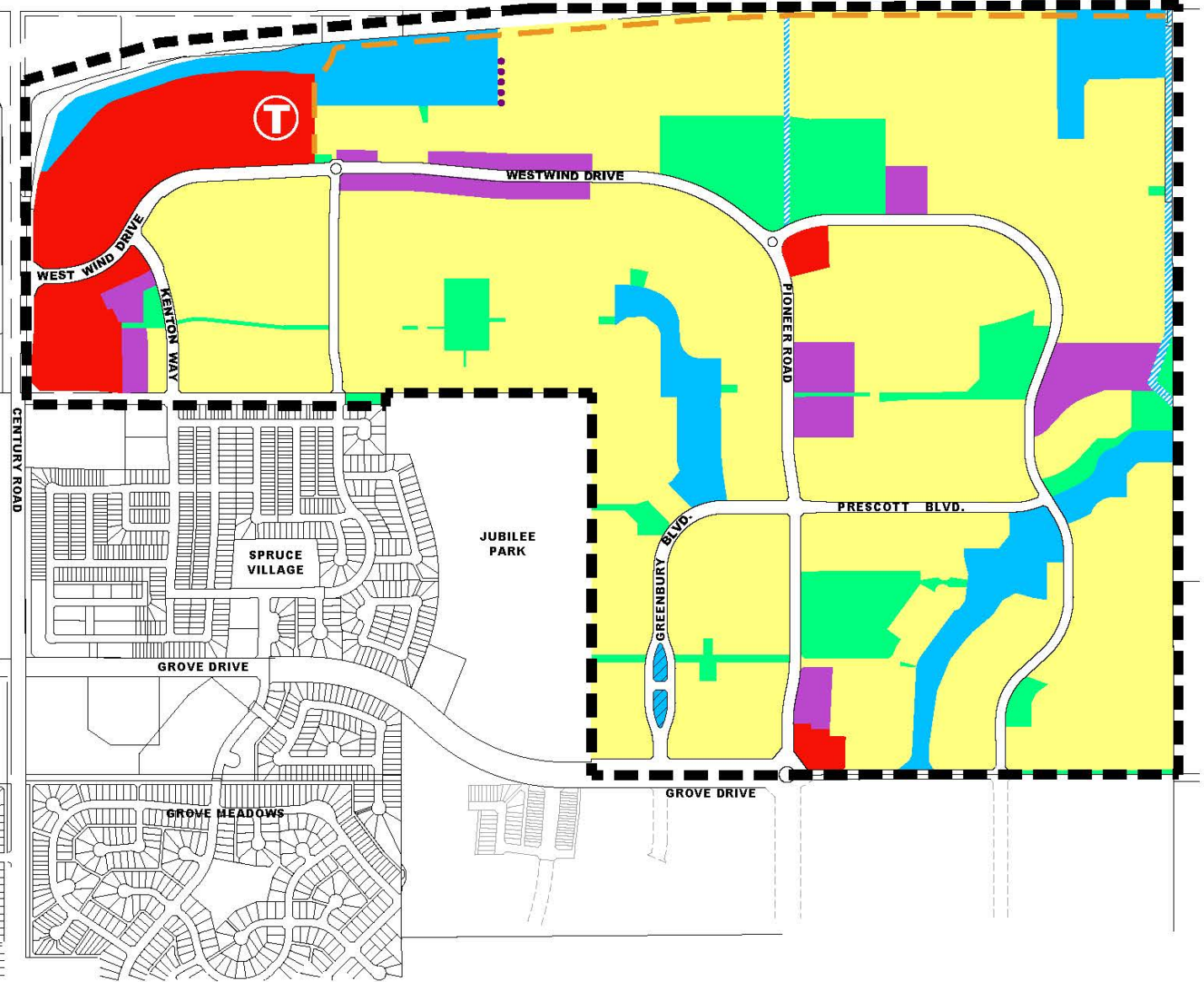
City Clerk

Location Aerial

C-1212-22

Proposed Redistricting
Westwind 3





LEGEND

- Commercial
- Medium to High Density Residential
- Low to Medium Density Residential
- Storm Management Facility
- Park/Open Space
- Berm
- Median PUL
- Public Utility Lot (PUL)
- ASP Boundary
- Berm
- T Transit Station
- Storm Management Facility Street Frontage



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 ibigroup.com


PIONEER LANDS AREA STRUCTURE PLAN AMENDMENT

Proposed Development Concept

Exhibit 2

DATE: June 9, 2022
 DESIGNED BY: GS
 DRAWN BY: GS, MR
 CHECKED BY: SS
 SCALE: NTS
 JOB NUMBER: 39404



A large, stylized teal graphic on the left side of the page, consisting of several overlapping, curved, brushstroke-like shapes that resemble a stylized letter 'S' or a series of waves.

Bylaw C-1212-22

Land Use Bylaw

Amendment - Redistricting

Westwind Stage 3

Third Reading

City of Spruce Grove

Council Meeting

Bylaw C-1212-22

September 26, 2022



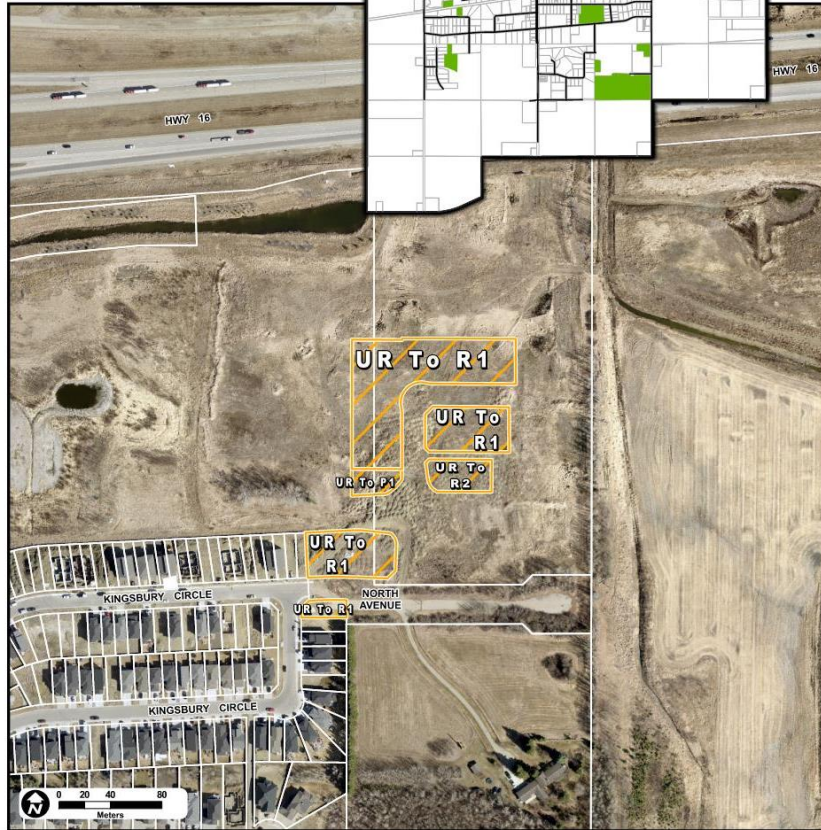
Location



Location Aerial

C-1212-22

Proposed Redistricting
Westwind 3



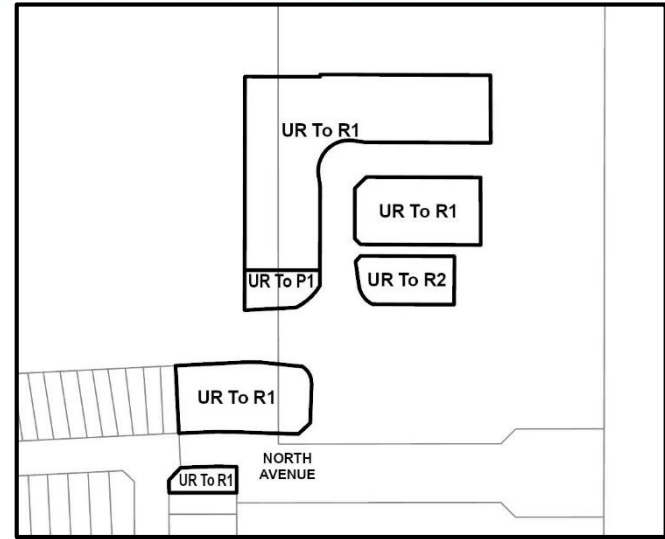
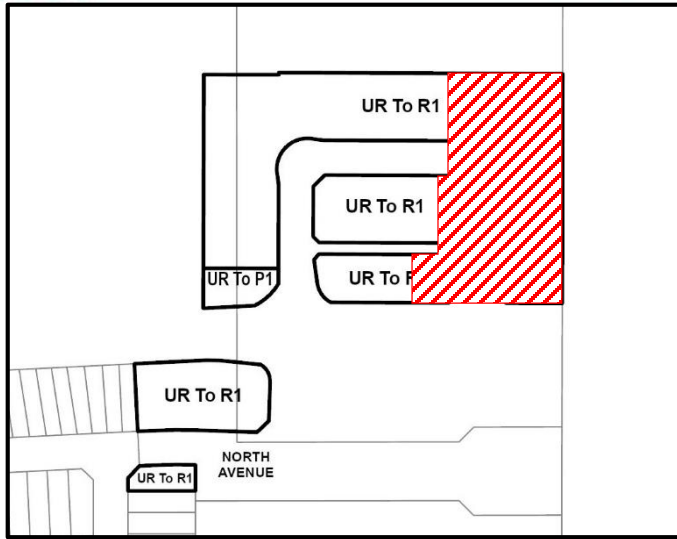
» Westwind Stage 3

» Intended Land Use:

- Residential
- Parks and Open Space



Proposed Bylaw Amendment



2nd Reading Amendment Area: 2.0 ha

Proposed Amendment

From: UR – Urban Reserve

To: R1 (1.75 ha), R2 (0.18 ha)

and

P1 (0.07 ha)

Revised Amendment Area: 1.4 ha

Revised Amendment

From: UR – Urban Reserve

To: R1 (1.21 ha), R2 (0.12 ha)

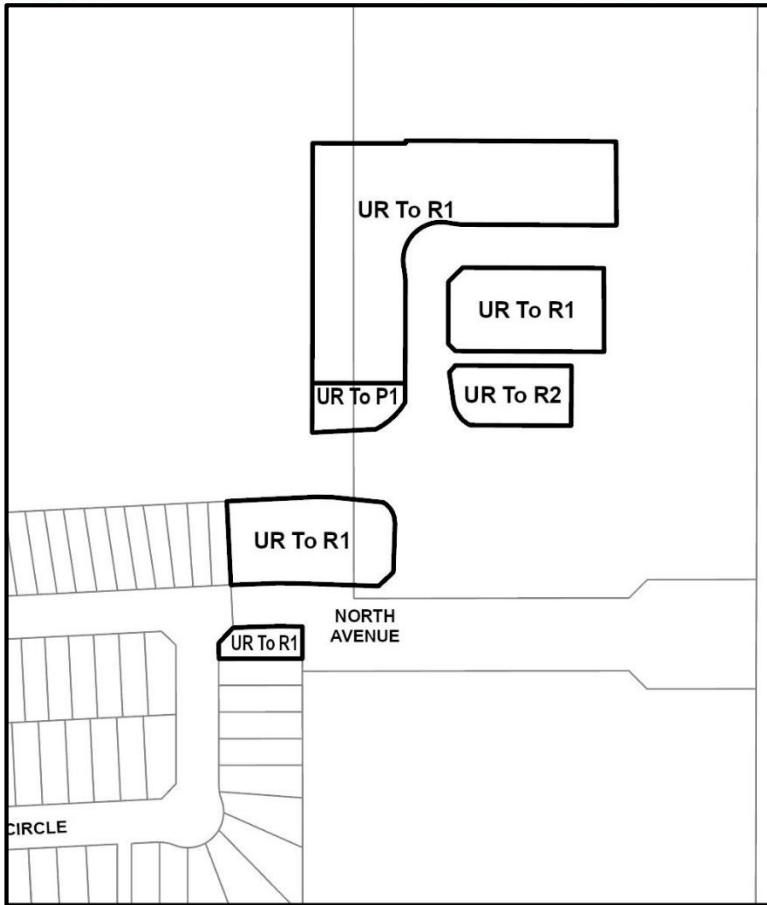
and

P1 (0.07 ha)





Proposed Amendment



Legal Description:

Lot 9, Block 1, Plan 102 7111

Amendment Area: 1.4 ha

Proposed amendment

From: UR – Urban Reserve

To: R1 – Mixed Low to Medium Density Residential District; and

R2 – Mixed Low to Medium Density Residential; and

P1 – Parks and Recreation District



Questions & Comments





REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: C-1213-22 - Land Use Bylaw Amendment - Redistricting and DC.14 Westwind Direct Control District - Third Reading

DIVISION: Planning & Infrastructure

SUMMARY:

Bylaw C-1213-22, a proposed Land Use Bylaw amendment adding a Direct Control District and redistricting approximately 0.21 ha of land from UR - Urban Reserve District to DC.14 Westwind Direct Control District, is being brought forward for consideration by Council.

For third reading, Administration has brought forward an amendment to the Bylaw reducing the amendment area from 0.5 ha to 0.21 ha to align with the reduced area of Stage 3, north of Westwind Drive.

The proposed redistricting will allow the development of approximately 8 Row Housing residential units with Secondary Suites. A development agreement has now been completed for Westwind Stage 3 which includes the Direct Control District.

Administration supports this Bylaw.

PROPOSED MOTION:

THAT third reading be given to Bylaw C-1213-22 - Land Use Bylaw Amendment - DC.14 Westwind Direct Control District, as amended.

BACKGROUND / ANALYSIS:

IBI Group on behalf of Cantiro Communities, has applied to create a new direct control district and redistrict approximately 0.21 ha of Lot 4, Plan 4743RS from UR - Urban Reserve District to

DC.14 - Westwind Direct Control District. The subject site is located along Westwind Drive within the proposed Westwind neighbourhood.

If approved, the proposed redistricting will enable the development of 8 Row Housing residential lots with Secondary Suites. In addition to the parking requirements for Row Housing, each unit shall provide, at a minimum, one additional stall to satisfy the requirement for additional parking to support a Secondary Suite. Home occupation as an accessory use would not be permitted in units with a Secondary Suite.

Municipal Development Plan

Your Bright Future: Municipal Development Plan, 2010-2020 (MDP) is the City's primary statutory plan. The proposed amendment is consistent with the land use policies of the MDP and with Figure 8 Future Land Use. The amendment is also supported by Policy 5.1.2.3 and 5.2.2.1, which support increasing residential densities while providing a variety of housing types to create diverse streetscapes in neighbourhoods and increase diversity of housing stock.

Pioneer Lands Area Structure Plan

The amendment area is within the Pioneer Lands Area Structure Plan (Bylaw C-686-08) as amended, and the proposed redistricting is consistent with its policies and Land Use Concept that identify it for "Medium to High Density Residential" land use.

Land Use Bylaw

The current R1 District does not permit the development of Secondary Suites in uses other than a Single Detached Dwelling. The proposed redistricting to Direct Control is required to permit the development of Secondary Suites in row housing units and to ensure provision of additional parking stalls to mitigate any offsite parking impacts. The proposed development is serviced by a lane to provide access and services such as garbage collection and will not impact any on-street parking capacity.

Development Agreement

As per Corporate Policy 7,005, a development agreement has been completed and signed and this bylaw can be considered for third reading.

OPTIONS / ALTERNATIVES:

This bylaw is being brought forward for consideration of third reading. Council may approve the bylaw as recommended, or alternatively, may defeat the motion for third reading and choose to defeat this bylaw.

CONSULTATION / ENGAGEMENT:

A statutory public hearing was held on August 22, 2022, prior to consideration of second reading. Advertising of the public hearing was placed in the Spruce Grove Examiner on August 5

and August 12, 2022, per the requirements of the *Municipal Government Act*. Additionally, a notice was mailed directly to landowners within 30m of the subject lands and also published on the City's website.

IMPLEMENTATION / COMMUNICATION:

If approved, the Land Use Bylaw map will be updated per Bylaw C-1213-22 and be published on the City's website.

IMPACTS:

Approval of this bylaw will enable the development of 8 row housing units with Secondary Suites in Stage 3 of the Westwind neighbourhood.

FINANCIAL IMPLICATIONS:

n/a

THE CITY OF SPRUCE GROVE

BYLAW C-1213-22

LAND USE BYLAW AMENDMENT – DC.14 WESTWIND DIRECT CONTROL DISTRICT

WHEREAS, pursuant to the *Municipal Government Act*, RSA 2000 cM-26, a municipality shall pass a land use bylaw and may amend the land use bylaw;

AND WHEREAS, the City of Spruce Grove wishes to amend Bylaw C-824-12, the Land Use Bylaw;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled, hereby enacts as follows:

1. Bylaw C-824-12 is amended as follows:
 - 1.1 The document entitled “SECTION 154 DC.14 – WESTWIND DIRECT CONTROL DISTRICT”, attached hereto as Schedule “1” to this bylaw, is hereby adopted.
2. Bylaw C-824-12, Schedule A City of Spruce Grove Land Use Bylaw Map, is amended as follows:
 - 2.1 To redistrict portion of Lot 4, Plan 4743RS from UR - Urban Reserve District to DC.14 – Westwind Direct Control District, as shown on the map below:



3. This amending bylaw shall be consolidated into Bylaw C-824-12.
4. This bylaw shall come into force and effect when it receives third reading and is duly signed.

First Reading Carried 18 July 2022

Second Reading Carried 22 August 2022

Third Reading Carried [Click here to enter a date.](#)

Date Signed

Mayor

City Clerk

Schedule “1”

SECTION 154 DC.14 – WESTWIND DIRECT CONTROL DISTRICT

(1) GENERAL PURPOSE

The purpose of this District is to allow Row Housing, Street Oriented with Secondary Suites, while maintaining the low-rise built form character of the Neighbourhood.

Permitted Uses	Discretionary Uses
<ul style="list-style-type: none"> • Accessory Building • Row Housing, Street Oriented • Secondary Suite 	<ul style="list-style-type: none"> • Home Occupation • Show Home • Sales Centre

(2) DEVELOPMENT REGULATIONS

In addition to the Regulations contained in Part 6 General Regulations, Part 7 Special Regulations, Part 8 Parking Regulations, Part 9 Landscaping Regulations, and Part 10 Sign Regulations, the following regulations shall apply to all Development in this District.

	Site Standard	
Site Width (Minimum):	<ul style="list-style-type: none"> • Row Housing, Street Oriented (internal unit) • Row Housing, Street Oriented (end unit) 	<ul style="list-style-type: none"> • 5.5 m • 6.7 m
Site Depth (Minimum):	<ul style="list-style-type: none"> • Row Housing, Street Oriented 	<ul style="list-style-type: none"> • 30.0 m
Front Yard Setback (Minimum):	<ul style="list-style-type: none"> • Principal Building 	<ul style="list-style-type: none"> • 3.0 m
Side Yard Setback (Minimum):	<ul style="list-style-type: none"> • Row Housing, Street Oriented • Row Housing, Street Oriented Abutting a Street 	<ul style="list-style-type: none"> • 1.2 m • 3.0 m
Rear Yard Setback (Minimum):	<ul style="list-style-type: none"> • Garage as an Accessory Building accessed from an Alley (setback excluding any corner cuts) • Principal Building 	<ul style="list-style-type: none"> • 6.0 m • 14.0 m
Height (Maximum):	<ul style="list-style-type: none"> • Three storeys not exceeding 12.0 m 	
Density:	<ul style="list-style-type: none"> • 40 units per net hectare (minimum) 	
Site Coverage (Maximum):	<ul style="list-style-type: none"> • 50% for end units; 57% for internal Dwelling units with no Side Yard. In cases where the garage is not an integral part of the principal dwelling, the Dwelling shall not exceed 40% coverage with the total site coverage at 57% 	

	Site Standard
Amenity Area (Minimum):	<ul style="list-style-type: none"> • 7.5 m² per Dwelling for Row Housing for private outdoor Amenity Area

(3) ADDITIONAL REGULATIONS

- (a) Notwithstanding the Front Yard and Side Yard requirements in (2), in the case of corner sites, the Development Officer shall determine the Setback for the additional Front Yard or Street Side Yard in accordance with Section 29 of this Bylaw and take into account the context of the Site and orientation of other Developments and Buildings on Adjacent Sites, the block face, and within the neighbourhood.

- (b) Row Housing, Street Oriented shall be developed:
 - (i) On its own block face;
 - (ii) With each dwelling individually defined through a combination of architectural features that may include variations in the rooflines, projection or recession of the facade, porches or entrance features, building materials, or other treatments;
 - (iii) With the facades of a principal building abutting the front lot line and flanking side lot line on corner sites, using consistent building materials and architectural features; and
 - (iv) Cross lot drainage easements may be required for surface drainage and roof leader drainage to accommodate center units.

- (c) Garage as an Accessory Building shall be constructed at the same time as the Principal Building.

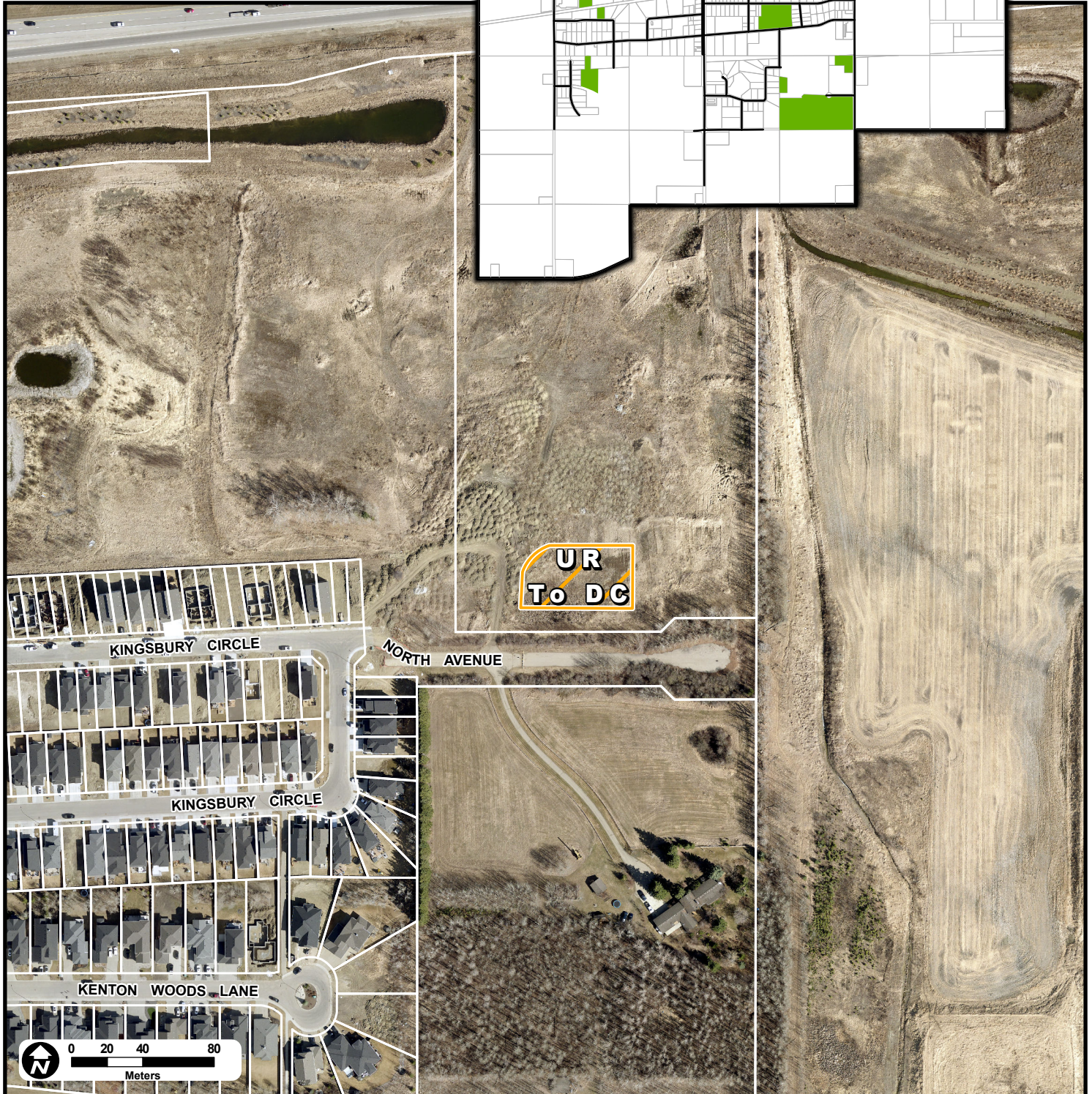
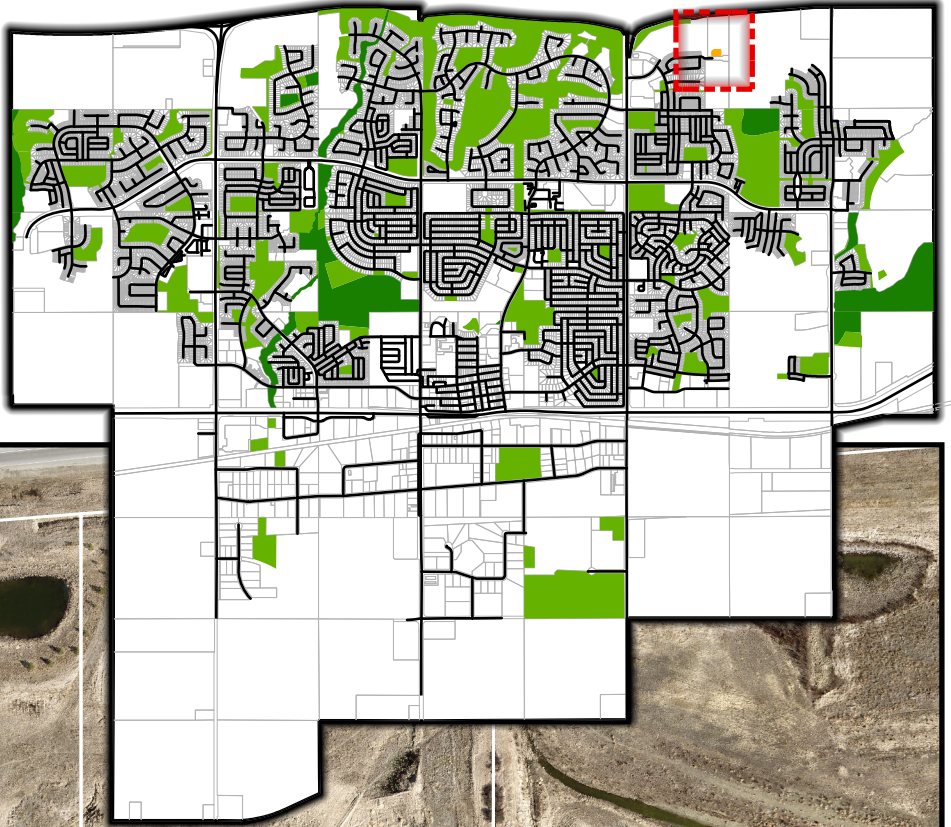
(4) ISSUANCE OF DEVELOPMENT PERMIT

- (i) Council shall delegate authority to a Development Officer to make decisions on Development Permit Applications pursuant to this Direct Control District.

Location Aerial

C-1213-22

Proposed Redistricting
Westwind 3

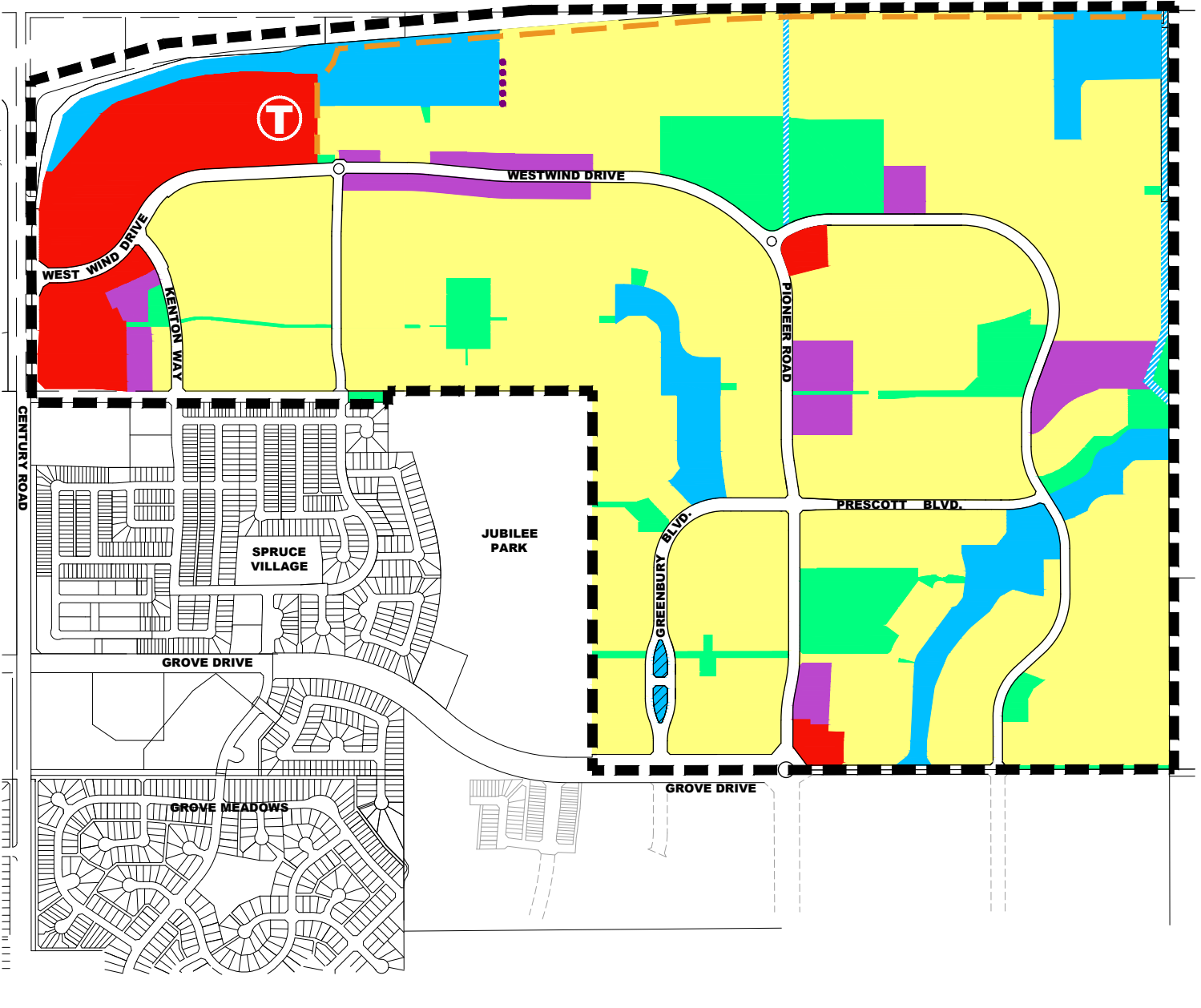


"Development Concept as amended per Bylaw C-1185-22"














MICHAEL REYES

Thursday, June 9, 2022 9:59:10 AM

J:\117659_Gmbr\PLUS 9 Drawings\99\planning\current\ASP\Site\Site 2022-06-07.dwg



LEGEND

- | | | | | | | | |
|---|------------------------------------|---|--------------------------|---|---------------------------|---|-----------------|
|  | Commercial |  | Park/Open Space |  | ASP Boundary |  | Berm |
|  | Medium to High Density Residential |  | Berm |  | Median PUL |  | Transit Station |
|  | Low to Medium Density Residential |  | Public Utility Lot (PUL) |  | Storm Management Facility |  | Street Frontage |
|  | Storm Management Facility | | | | | | |




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 Edmonton AB T5J 2B3 Canada
 tel 780 428 4000 fax 780 426 3256
 ibigroup.com

PIONEER LANDS AREA STRUCTURE PLAN AMENDMENT

Proposed Development Concept
 Exhibit 2 Page 142 of 314

DATE: June 9, 2022
 DESIGNED BY: GS
 DRAWN BY: GS, MR
 CHECKED BY: SS
 SCALE: NTS
 JOB NUMBER: 39404



A large, stylized teal graphic on the left side of the page, consisting of several overlapping, curved, brushstroke-like shapes that resemble a stylized letter 'S' or a series of connected curves.

Bylaw C-1213-22

Land Use Bylaw Amendment - Redistricting DC.14 Westwind Direct Control District

• Third Reading

City of Spruce Grove
Council Meeting
Bylaw C-1213-22
September 26, 2022



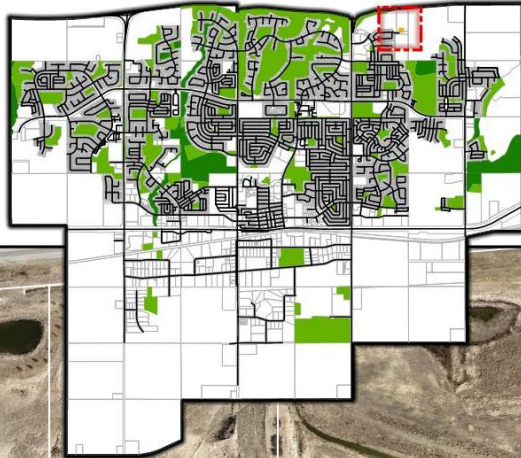
Location



Location Aerial

C-1213-22

Proposed Redistricting
Westwind 3

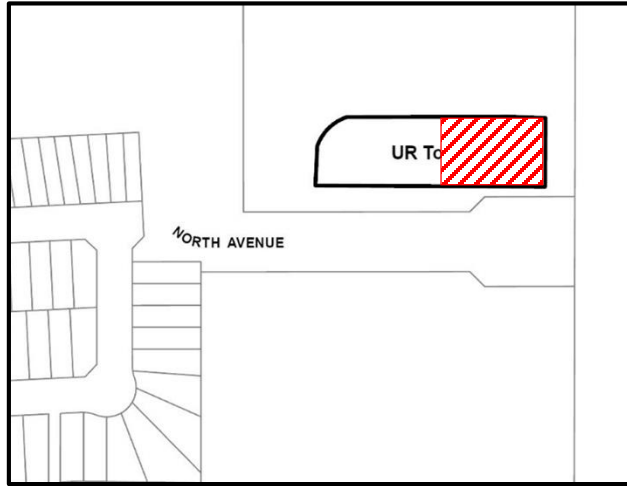


» DC.14 Westwind Direct Control District

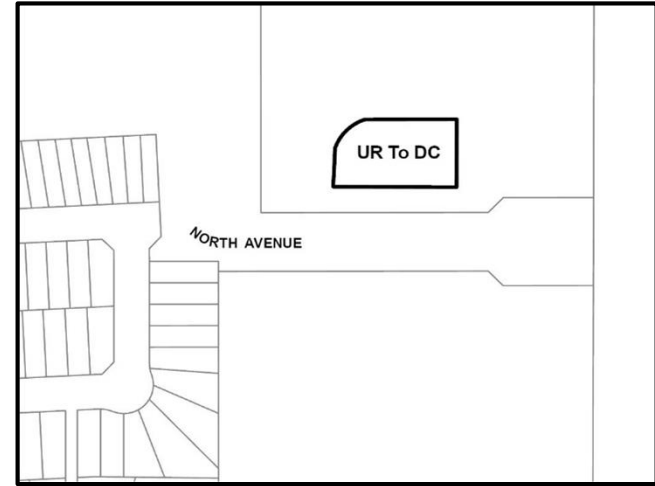
- » Intended Land Use:
 - Residential



Proposed Bylaw Amendment



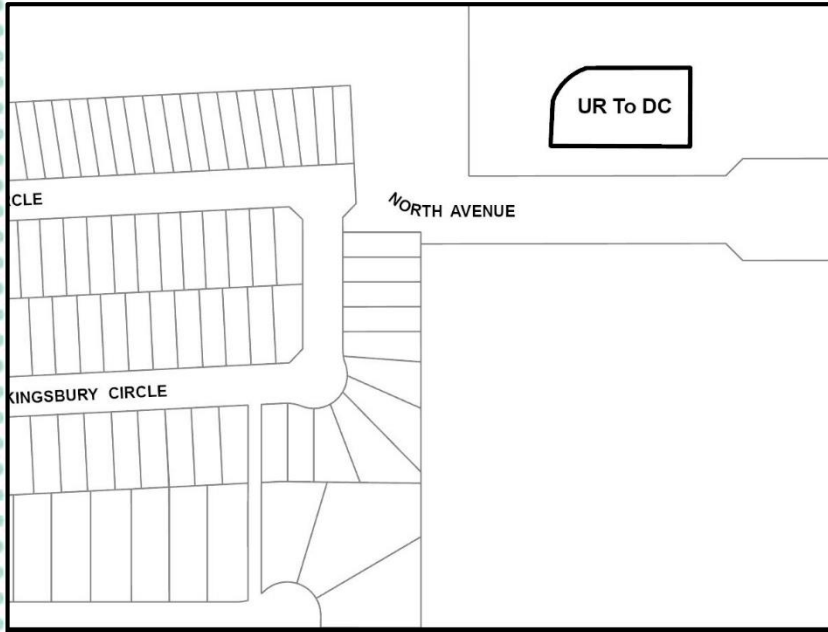
2nd Reading Amendment
Area: 0.5 ha



Revised Amendment
Area: 0.21 ha



Proposed Amendment



Legal Description:

Lot 4, Plan 4743RS

Amendment Area: 0.21 ha

Proposed amendment

From: UR – Urban Reserve

To: DC.14 Westwind Direct Control District



Questions & Comments





REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Shaping our Community - Municipal Development Plan Update

DIVISION: Planning & Infrastructure

SUMMARY:

This presentation provides an update on the process to date and next steps for the Municipal Development Plan (MDP) project.

PROPOSED MOTION:

A motion is not required

BACKGROUND / ANALYSIS:

The Project Team kicked off in June 2022. Activities to date include:

- Background research (ongoing)
- Municipal Development Plan approach
- Draft Public Engagement Plan
- Project branding strategy
- Connect website initiation
- Technical Advisory Committee initiation

The next steps in the project include:

- Phase 1 public engagement (October 2022)
- Preparation for Phase 2 Public engagement (Q1 2023)
- Establishment of a Community Panel
- Continuing research and development of tools to support the process

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

This update is being shared with Council prior to the official launch of the project and the first round of Public Engagement.

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a



Municipal Development Plan Project Update

Spruce Grove

What we were



What we are



What will we be?



Spruce Grove

Imagine the possibilities . . .

A community-driven future

Shaping the city we want to be



Creating the Shape of our City,
Spruce Grove's Municipal Development Plan



A Municipal Development Plan (MDP)

IS:

- Community's vision
- Decision making guide
- Foundation for policy and zoning
- Careful consideration of up-to-date knowledge and sound analysis in view of future aspirations
- Flexible and changeable

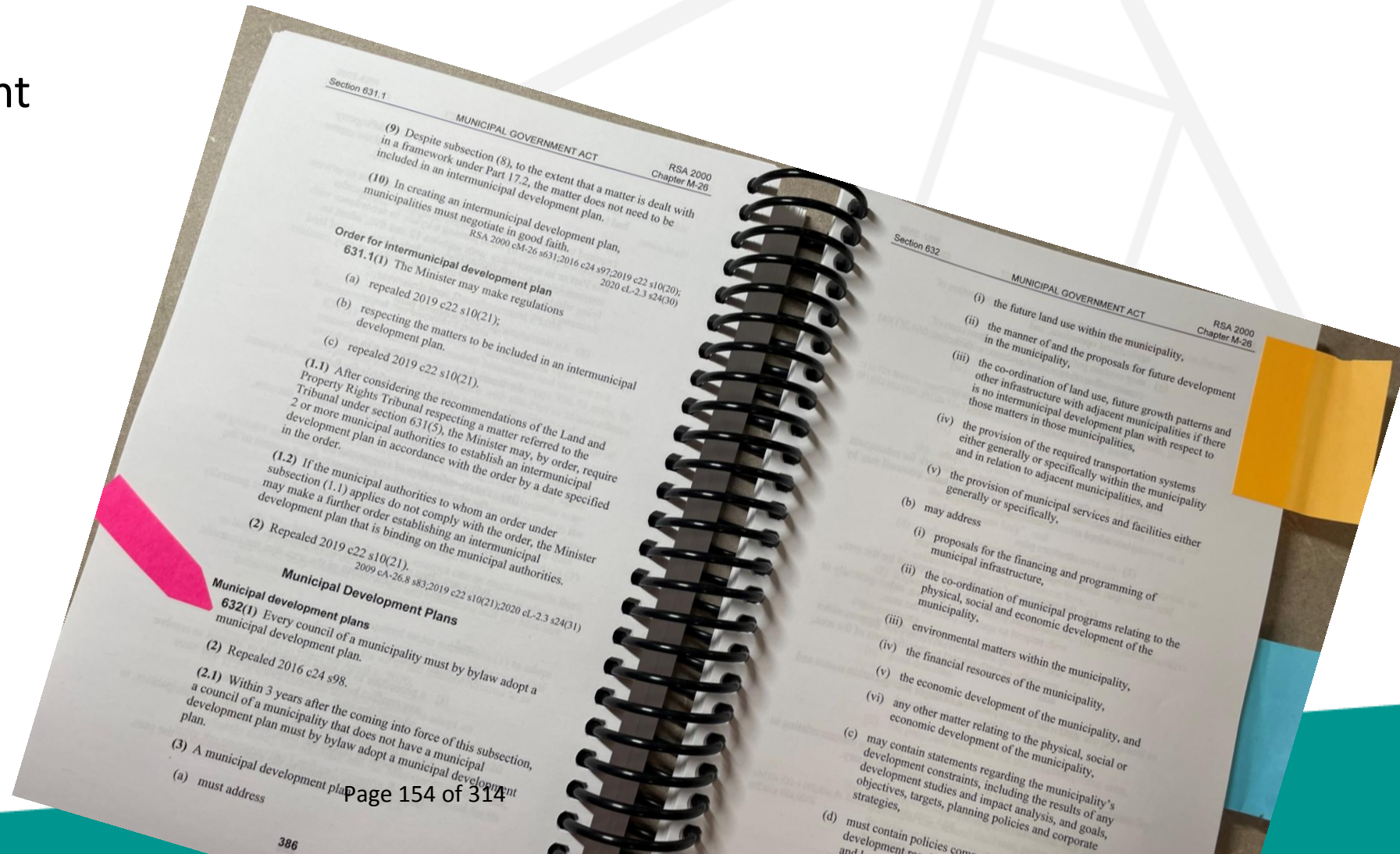
IS NOT:

- Stand-alone Action plan
- Zoning/Districting or a Land Use Bylaw
- Rigid and unchanging
- The only planning tool used by the City
- Specific in scope



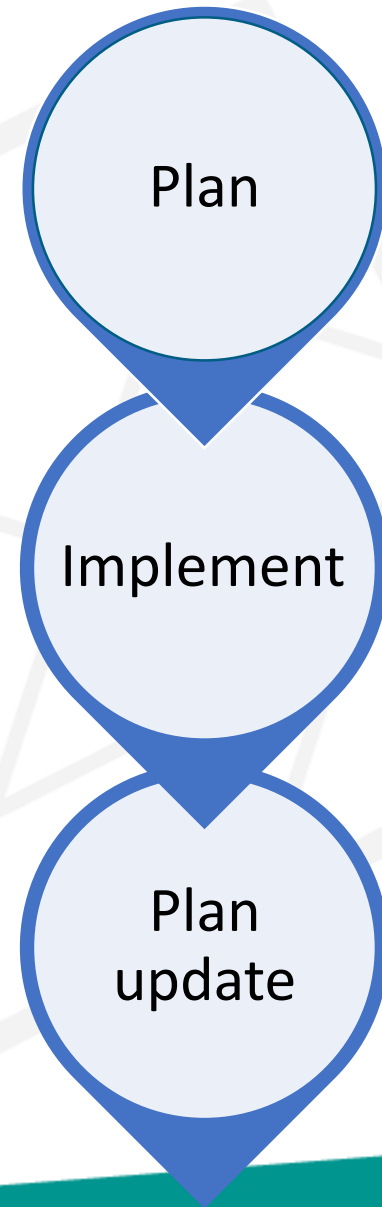
Why MUST we have an MDP

The Municipal Government Act says we have to!



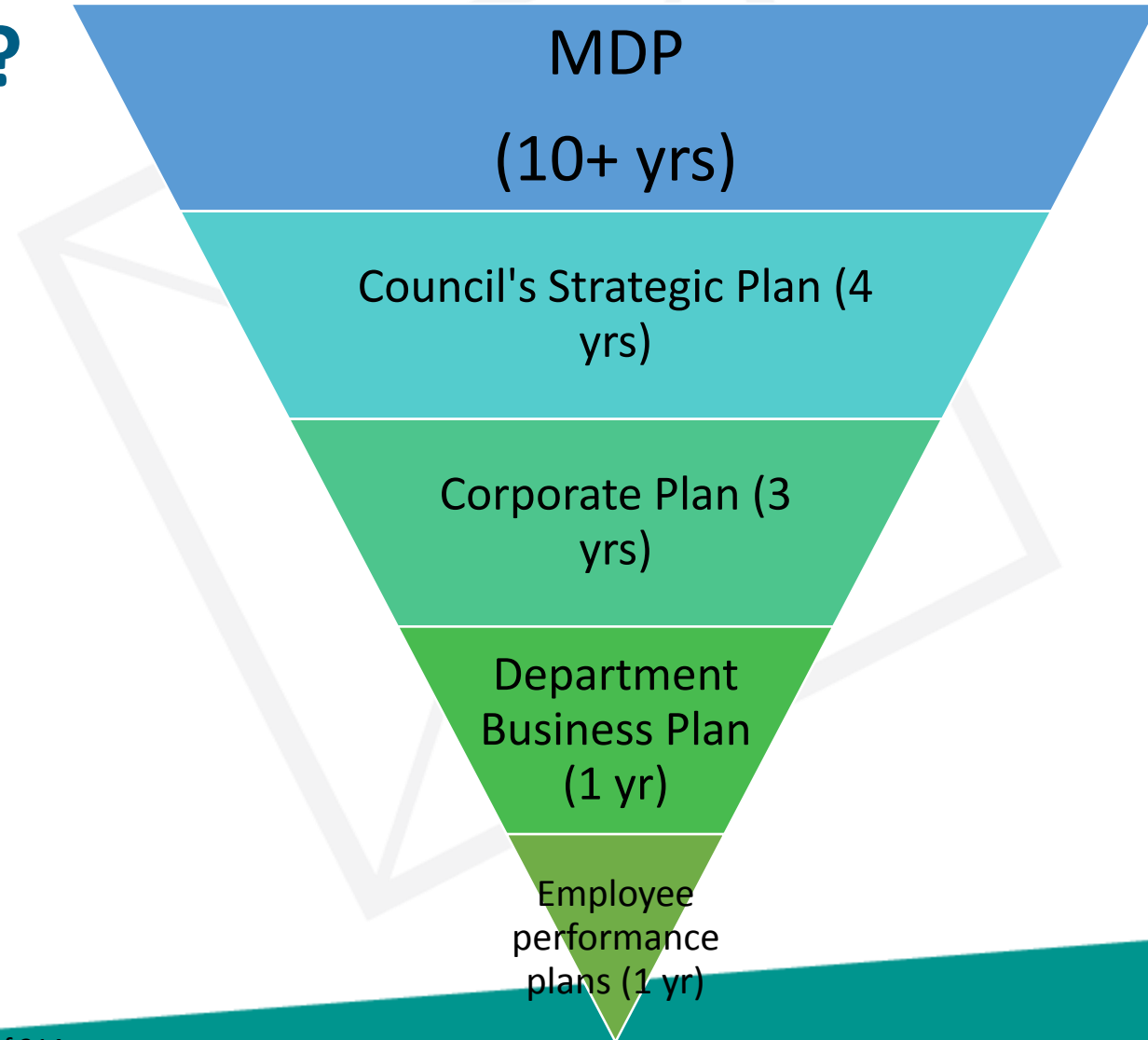
Why SHOULD we have an MDP?

- Key part of ongoing comprehensive community planning, sets and refines direction
- Collective direction for the future based on community's vision
- Allows integration of land use, movement, servicing, community facilities, and all aspects of the City
- Guidance for growth, development, capital planning, and prioritization



Why SHOULD we have an MDP?

- Council and Administration responsible to the MDP - the community's plan
- Planning & Development is the steward of the MDP and its policies
 - Governance (Long-range planning)
 - Functional (Current planning)



How are we shaping our community?

- Assembled core team
- Developed approach
- Defined outcome



The Team

Key Project Team:

- Internal staff - Planning & Development, Engineering and Communications
- Two Senior Advisors - Greg Hofmann, RPP and Beth Sanders, RPP
- Project Manager - Vicki Dodge, RPP
- Specialty consultants/contractors

Advisory bodies:

- Technical Advisory Committee
- Community Panel



The Approach

- Research and engagement run parallel
- Integrated and comprehensive
- Transportation Plan integration
- Based on community values
- Guided by population growth
- Strong Communications involvement
- Three-part engagement: Values, Choices, Choosing
- Regular, timely Council updates



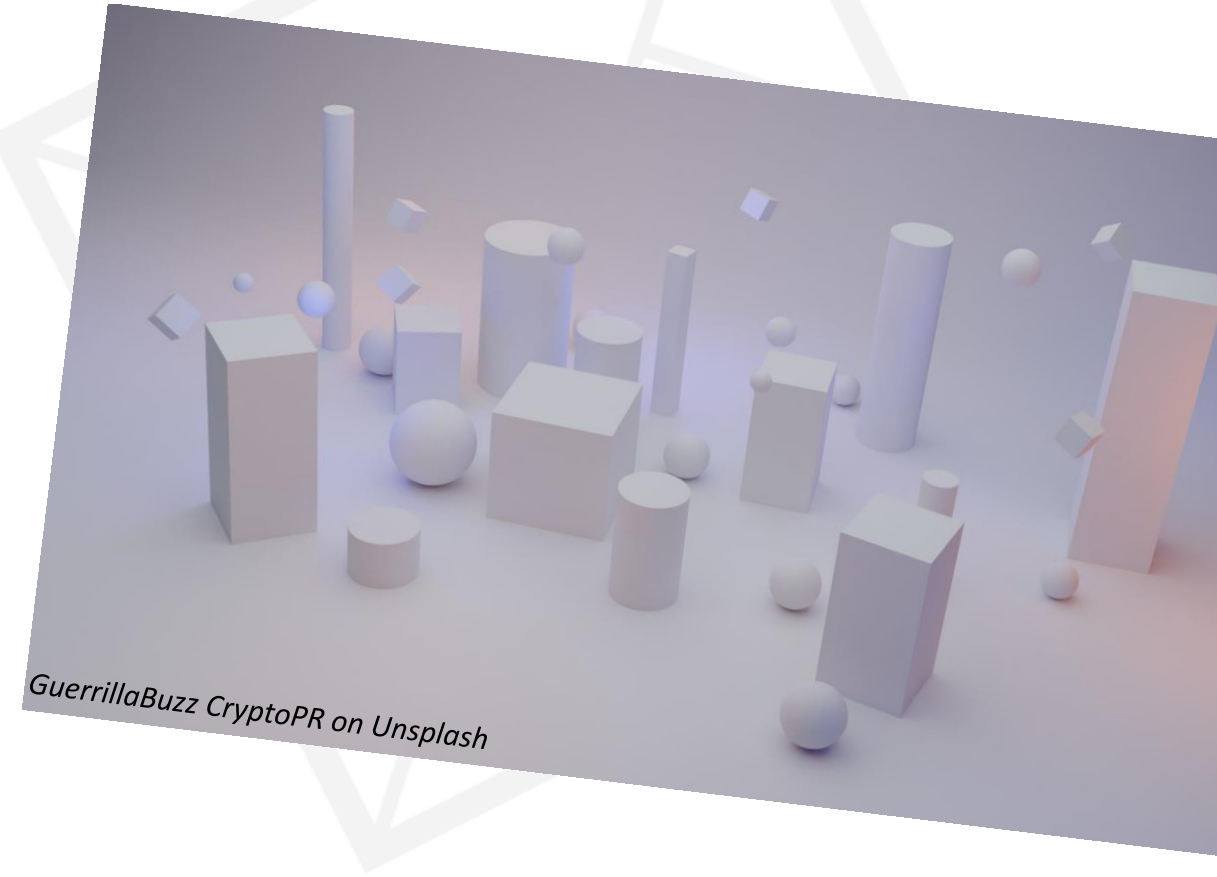
THINK

outside
the
box



The Outcome – The Shape of our City

- Integrated and comprehensive - allows for proactive approach to growth
- A usable comprehensive plan setting the stage for effective, ongoing community planning
- Flexible and responsive to change
- Created in-house to respond directly to the community's vision and values



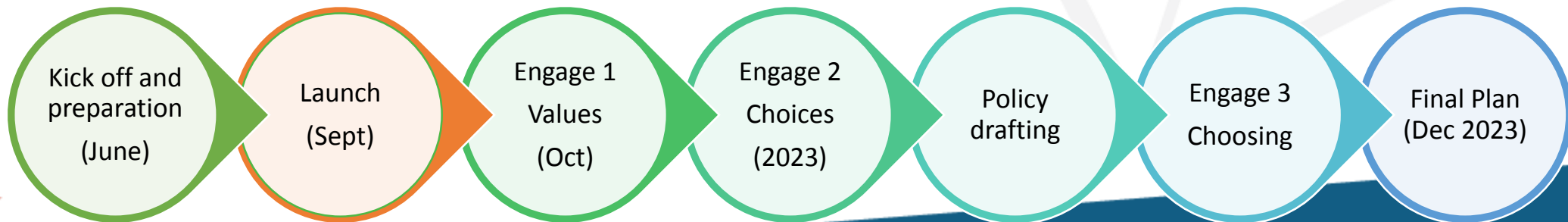
How are we shaping our community?

Underway:

- Project Branding
- Connect website
- Background research on plan approach, current situation, issues
- Public Engagement Plan
- Preparing for Phase 1 Engagement
- Establish internal Technical Advisory Committee

Next steps:

- Phase 1 Engagement (October)
- Preparing for Phase 2 Engagement
- Ongoing research
- Establish Community Panel



Questions?





REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Utility Rate Model Updates

DIVISION: Corporate Services

SUMMARY:

To provide Council with information regarding the proposed utility rates that are recommended from the Utility Fiscal Review work. Updated rates will be included in the 2023-25 Corporate Plan and in the 2023 Fees and Charges Bylaw for Council approval.

PROPOSED MOTION:

A motion is not required.

BACKGROUND / ANALYSIS:

In early 2022, the City of Spruce Grove engaged CORVUS Business Advisors to complete a review of its utility rates for its water, sanitary sewer, stormwater, and solid waste utility services.

The intent of the review was to provide a recommendation to the City for utility rates that would ensure the funding of current operations as well as future infrastructure renewal.

The work involved the creation of detailed utility rate models for water, sanitary sewer, and solid waste, as well as an updating of the stormwater utility rate model.

One-year rate approval

While 10 years of recommended rates are provided, Council will be asked to approve only the first year (2023) rates. Council will have the opportunity each year, with rate reviews and updates, to approve future rate changes.

Separation of water and sanitary sewer rates

The City currently has a combined water and sanitary sewer rate, which is set at \$6.331 per m³ for 2022. To increase transparency and accountability of the separate utilities and align with leading practices, this review has developed separate recommended rates for water and sanitary sewer utilities.

Long-term Debt

In years when the respective utility reserve contains insufficient reserve funds to finance the rehabilitation and/or replacement of assets, debt will be required to finance these capital expenditures.

It should be noted that future utility rates will generate repayment of these debts, including all interest that accrues on the debt.

This debt, and the associated impact on the City's debt limit, will be considered in the draft Long Term Capital Plan that will be brought to Council during this fall's Corporate Planning process.

Solid Waste Utility – status quo

The Solid Waste utility rates are currently \$25.25 for the 120L cart and \$28.50 for the 240L cart. Council is planning to discuss solid waste service levels at the September 26, 2022 Council meeting. The Solid Waste Collection contract will be retendered in spring 2023 and will reflect the service levels that Council directs. As the impacts of that tender will not be known until later spring 2023, it is recommended that the current solid waste utility rates be maintained until the next utility rate update in 2023.

Reserves

The utility rates are set so that each utility is self-sustaining into the future. This fiscal stewardship approach leads to each utility establishing a positive reserve balance to be used to fund the necessary future replacement of assets outside the 10-year time horizon of the rate model.

Proposed Rates:

Utility	2022 rate	Proposed 2023 rate	Proposed Rate Change
Water	\$4.31 per m ³ <i>(restated to separate water and sanitary sewer rates)</i>	\$4.60 per m ³	\$0.29 per m ³
Sanitary sewer	\$2.02 per m ³ <i>(restated to separate water and sanitary sewer rates)</i>	\$2.02 per m ³	NIL
Stormwater			
Small customer (< 1" water service)	\$11.50	\$14.55	\$3.05
Large customer (>= 1" water service)	\$46.00	\$58.20	\$12.20
Solid waste			
120L cart	\$25.25	\$25.25	NIL
240L cart	\$28.50	\$28.50	NIL

Comparative Jurisdictions:

	2022 Rates									2023
	City of Edmonton	Town of Stony Plain	City of Spruce Grove	City of Fort Sask	City of St. Albert	Parkland County	City of Leduc	City of Beaumont	Strathcona County	City of Spruce Grove
RESIDENTIAL WATER										
Consumption Charge (/m3)	\$ 2.24	\$ 3.71	\$ 4.31	\$ 2.95	\$ 1.85	\$ 3.02	\$ 2.62	\$ 2.10	\$ 2.78	\$ 4.60
Fixed Charge	\$ -	\$ -	\$ -	\$ -	\$ 11.75	\$ 23.33	\$ 10.32	\$ -	\$ -	\$ -
Capacity Charge:										
16mm (5/8")	\$ 15.05	\$ -	\$ -	\$ 6.64	\$ -	\$ -	\$ -	\$ 15.25	\$ 5.36	\$ -
19mm/20mm (3/4")	\$ 22.58	\$ -	\$ -	\$ 9.56	\$ -	\$ -	\$ -	\$ 15.25	\$ 6.12	\$ -
25mm (1")	\$ 37.63	\$ -	\$ -	\$ 17.00	\$ -	\$ -	\$ -	\$ 24.27	\$ 7.01	\$ -
37mm/38mm/40mm (1 1/2")	\$ 75.27	\$ -	\$ -	\$ 38.25	\$ -	\$ -	\$ -	\$ 33.77	\$ 11.90	\$ -
50mm (2")	\$ 120.43	\$ -	\$ -	\$ 67.99	\$ -	\$ -	\$ -	\$ 39.02	\$ 15.30	\$ -
80mm (3")	\$ 225.80	\$ -	\$ -	\$ 152.99	\$ -	\$ -	\$ -	\$ 41.91	\$ 35.85	\$ -
100mm (4")	\$ 376.35	\$ -	\$ -	\$ 271.97	\$ -	\$ -	\$ -	\$ 53.51	\$ 55.13	\$ -
150mm (6")	\$ 752.69	\$ -	\$ -	\$ 611.94	\$ -	\$ -	\$ -	\$ -	\$ 96.10	\$ -
200mm (8")	\$ 1,204.30	\$ -	\$ -	\$ 1,087.90	\$ -	\$ -	\$ -	\$ -	\$ 171.10	\$ -
250mm (10")	\$ 1,731.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426.10	\$ -
300mm (12")	\$ 2,541.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESIDENTIAL SEWER										
Consumption Charge (/m3)	\$ 1.25	\$ 3.06	\$ 2.02	\$ 2.62	\$ 2.08	\$ 1.74	\$ 2.05	\$ 1.85	\$ 1.90	\$ 2.02
Fixed Charge	\$ -	\$ -	\$ -	\$ 5.60	\$ 13.76	\$ 23.76	\$ 8.50	\$ 9.64	\$ 14.88	\$ -
Capacity Charge:										
16mm (5/8")	\$ 10.65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19mm/20mm (3/4")	\$ 19.18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25mm (1")	\$ 29.83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37mm/38mm/40mm (1 1/2")	\$ 57.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50mm (2")	\$ 78.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80mm (3")	\$ 162.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100mm (4")	\$ 303.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150mm (6")	\$ 573.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
200mm (8")	\$ 915.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
250mm (10")	\$ 2,272.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300mm (12")	\$ 2,272.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STORMWATER										
Residential Stormwater	\$ 34.37	\$ 17.85	\$ 11.50	\$ 5.00	\$ 18.00	tax supported	\$ 5.00	\$ 6.48	\$ -	\$ 14.55
RESIDENTIAL SOLID WASTE										
Small Bin Pick-up (120L)	\$ 43.32	\$ 25.84	\$ 25.25	\$ 26.81	\$ 27.47	n/a	\$ 24.53	\$ 25.02	\$ 25.45	\$ 25.25
Large Bin Pick-up (240L)	\$ 48.32	\$ 25.84	\$ 28.50	\$ 26.81	\$ 32.62	n/a	\$ 24.53	\$ 25.02	\$ 25.45	\$ 28.50
	1	2	3	4	5	6	7	8	9	
Average Household Monthly Bill (5/8", 20m3, Large Bin)	\$ 178.14	\$ 179.13	\$ 166.60	\$ 155.45	\$ 154.73	\$ 142.29	\$ 141.75	\$ 135.39	\$ 139.29	\$ 175.45
Forecast 2023 Rate (3% Inflation)	\$ 183.49	\$ 184.51		\$ 160.11	\$ 159.37	\$ 146.56	\$ 146.00	\$ 139.45	\$ 143.47	\$ 175.45

OPTIONS / ALTERNATIVES:

Council can direct Administration to consider utility rates that are different from those that are recommended in the utility rate model reports.

CONSULTATION / ENGAGEMENT:

Finance, Engineering, and Public Works departments worked together to prepare the underlying information on which the utility rate model reporting was based.

IMPLEMENTATION / COMMUNICATION:

The proposed rate changes are intended to be included in the recommended 2023-25 Corporate Plan that Committee of the Whole will consider in November 2022. The rate changes would also be considered in the 2023 Fees and Charges Bylaw and to be approved by Council at the same time that the Corporate Plan is approved.

Approved changes would be messaged to residents on their December utility bills and would be implemented effective the January 2023 utility billing.

IMPACTS:

The estimated monthly impact to an average residential taxpayer, of these proposed rate changes, is based on the assumptions in the chart above (20 m³, small stormwater customer, large waste bin) is \$8.85.

FINANCIAL IMPLICATIONS:

These proposed rate changes support the move to fiscal sustainability, as they result in the utilities being funded equitably (i.e. user pay), transparent, and self-sustaining.



City of Spruce Grove: Water Utility Rate Review

Version 1.0 (FINAL)
July 15th, 2022

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This document has been prepared by CORVUS Business Advisors for the sole purpose and exclusive use of the **City of Spruce Grove**.

Document Information

Revision History

Version Number	Revision Date	Summary of Changes and Author
1	July 15 th , 2022	Final

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1 Introduction

The City of Spruce Grove (“the City”) provides water services to residents including: water storage, distribution of water through transmission and distribution lines, and fire protection offered through the local water distribution system. Treated water is purchased from the City of Edmonton through the Capital Region Parkland Water Services Commission (CRPWSC). Customers are billed monthly for water services based upon metered water consumed.

The City initiated this review to ensure water rates are current and reflect the full cost of service provision.

2 Scope of Review

This rate review is focused on metered water variable charges. This review did not assess other water charges such as bulk water charges, sustainability charges, meter rentals, service connection fees, penalties, water shutoffs, irrigation, etc.

3 Methodology

There are two generally accepted methods for determining the revenue requirements (and rates) for water utility systems. These methods are:

- 1) The Utility (Full Cost) Approach, and
- 2) The Cash Needs Approach.

Though each method provides for short and long-term water system program costs, the *utility (full cost) approach* generally results in greater rate stability. Under the *cash needs approach*, revenue requirements can fluctuate dramatically with cash demands that result from large capital expenditures. The *utility approach*, however, develops revenue requirements not based on what is being spent today but rather on the assets that are consumed in service delivery (i.e., depreciation) and through financial returns on system assets that will sustain the service in the future (i.e., return on the asset base). Depreciation and return represent non-cash provisions that, when placed in reserve, may be used to defray the impact of large capital expenditures or, alternatively, may be drawn upon to cover cash needs when decision makers wish to smooth the impact of rate increases over a number of years.

This study uses the *utility approach* to establish water revenue requirements and rates.

4 Assumptions

Assumptions that are utilized throughout this analysis include:

Assumption	Description
Review Period	Though rates are usually approved on an annual basis, this study examines rate requirements over a 10-year review period from 2023 to 2032, thereby providing the City with insight into potential future rate changes.
Inflation	Inflation of 3.0% per annum was applied to current costs to establish future costs.
Depreciation	Depreciation and amortization are calculated on a straight-line base over the economic life of each asset class. Depreciation and amortization are calculated starting in the year of construction completion using the half-year rule.
Return on Acquired Assets that are Debt Supported	All assets are classified as either “acquired assets” or “contributed assets”, depending on the asset’s nature of origin and financing. Acquired assets that are debt supported are provided a rate of return equivalent to the average interest requirements in a given year.
Return on Acquired Assets that are Equity Supported	All assets are classified as either “acquired assets” or “contributed assets”, depending on the asset’s nature of origin and financing. Acquired assets that are equity supported are provided a rate of return of 8.50% which approximates the cost of equity capital for utilities as determined by the Alberta Utility Commission (i.e., the AUC “Generic Rate of Return” or “Generic Cost of Capital”).
Return on Working Capital	Determination of average working capital requirements is based on 1½ months of operation and maintenance costs in a given year (i.e., the “one-eighth” rule). Return on working capital is 8.50% (i.e., the AUC “Generic Rate of Return” or “Generic Cost of Capital”).

5 Analysis of Revenue Requirement

Revenue requirements are the total costs of the water system that water rates must recover for the utility to be self-sustaining. Each element used to determine the City's water revenue requirements is described in the sections below.

5.1 Existing Water Infrastructure

The cost of existing water assets used in the provision of services (i.e., tangible capital assets) is included in the determination of revenue requirements. The City's water assets are categorized into several categories based on their expected life (i.e., 75-year assets, 50-year assets, 45-year assets, 40-year assets, 30-year assets, 20-year assets, and 10-year assets).¹

Water assets are also classified as either “acquired” assets or “contributed” assets depending on origin and nature of financing. Contributed assets are those that have been provided to the City through grants, local improvements (i.e., developer constructed and financed), third party contributions, and development levies. Acquired and contributed assets earn different rates of return, which is described more fully later in this section. This rate of return is used to make debt payments associated with creation of the infrastructure and to rehabilitate and replace assets when they reach the end of their economic life.

Table 1 summarizes the original and residual book value of assets currently in service. The City's water assets are, on average, at 38% of their economic life with 62% of life remaining. It is important that reserves be accumulated for future asset rehabilitation and reconstruction.

¹ A municipality's assets are usually categorized based on their type, such as: water distribution system, water transmission system, water reservoirs, pumping stations, water treatment, equipment, computers, and land. However, in some cases City assets within a given category have been assigned different asset life's, and so data synthesis and analysis using a different approach was required. Moving forward, it is recommended the City establish a singular asset life for each asset type.

Table 1: Net Book Value of Existing Water Assets ²

Description	Gross Cost	Accumulated Depreciation	Net Book Value	Remaining % of Asset
System Acquired Assets				
75 Year Assets	\$ -	\$ -	\$ -	0%
50 Year Assets	\$ 34,331,961	\$ 12,738,790	\$ 21,593,171	63%
45 Year Assets	\$ 9,558,306	\$ 8,090,581	\$ 1,467,726	15%
40 Year Assets	\$ 11,802,166	\$ 6,294,536	\$ 5,507,631	47%
30 Year Assets	\$ 18,050,960	\$ 3,286,656	\$ 14,764,303	82%
20 Year Assets	\$ 5,955,836	\$ 2,740,488	\$ 3,215,347	54%
10 Year Assets	\$ 64,046	\$ 22,707	\$ 41,339	65%
Total Acquired	\$ 79,763,275	\$ 33,173,759	\$ 46,589,517	58%
Contributed Assets				
50 Year Assets	\$ 12,326,477	\$ 4,688,679	\$ 7,637,799	62%
45 Year Assets	\$ 14,238,112	\$ 3,922,788	\$ 10,315,324	72%
40 Year Assets	\$ 9,744,045	\$ 3,248,499	\$ 6,495,545	67%
30 Year Assets	\$ 4,231,654	\$ 949,630	\$ 3,282,024	78%
20 Year Assets	\$ -	\$ -	\$ -	0%
10 Year Assets	\$ -	\$ -	\$ -	0%
Total Contributed	\$ 40,540,288	\$ 12,809,596	\$ 27,730,692	68%
Total All Assets	\$ 120,303,564	\$ 45,983,355	\$ 74,320,209	62%

5.2 New Water Infrastructure (Capital Plan)

Tables 2 and 3 provide details of the capital expenditures that are planned for the City's water system over 10 years.³ The City's capital plan totals \$93.94 million in future dollars, of which \$81.03 million is anticipated to be acquired and \$12.91 million is anticipated to be contributed.

These assets are placed into service in the year of construction completion. Similar to existing assets, when capital assets (that are acquired) are placed into service they earn a rate of return to repay any debt obligations that have arisen during their creation, and for the assets eventual rehabilitation and replacement.

² Land values (if any) are shown for information only. Land is not a depreciable asset.

³ The first 10 years of the capital plan are included, consistent with the 10-year outlook of this study.

Table 2: Capital Plan & Financing ⁴

Description	Inflation		3.00%		Allocation of Cost		System Acquired Financing		Contributed Financing		
	Current Cost	Year	Future Cost	System Acquired	Contributed	Debtentures	Reserves	Grants	Developers	Other	
Water Main 400mm - Ball Diamond & South of Hwy 16A	\$ 3,960,000	2025	\$ 4,327,199	\$ -	\$ 4,327,199	\$ -	\$ -	\$ -	\$ 4,327,199	\$ -	
Water Main 400mm - Diamond Ave in South Industrial	\$ 5,280,000	2025	\$ 5,769,599	\$ -	\$ 5,769,599	\$ -	\$ -	\$ -	\$ 5,769,599	\$ -	
Pressure Reducing Valves - 13	\$ 300,000	2025	\$ 327,818	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ 327,818	\$ -	
Pressure Reducing Valves - 14	\$ 300,000	2025	\$ 327,818	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ 327,818	\$ -	
Pressure Reducing Valves - 15	\$ 180,000	2025	\$ 196,691	\$ -	\$ 196,691	\$ -	\$ -	\$ -	\$ 196,691	\$ -	
Pressure Reducing Valves - 10	\$ 300,000	2025	\$ 327,818	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ 327,818	\$ -	
Pressure Reducing Valves - 6, 7, 8, 9	\$ 1,200,000	2023	\$ 1,236,000	\$ -	\$ 1,236,000	\$ -	\$ -	\$ -	\$ 1,236,000	\$ -	
Pressure Reducing Valves - 11, 12	\$ 360,000	2025	\$ 393,382	\$ -	\$ 393,382	\$ -	\$ -	\$ -	\$ 393,382	\$ -	
Industrial WM and Surface Rehab- Diamond Avenue and Century Road	\$ 2,782,900	2023	\$ 2,866,387	\$ 2,866,387	\$ -	\$ -	\$ 2,866,387	\$ -	\$ -	\$ -	
Industrial WM and Surface Rehab - Diamond Avenue to Water Reservoir	\$ 1,657,100	2023	\$ 1,706,813	\$ 1,706,813	\$ -	\$ -	\$ 1,706,813	\$ -	\$ -	\$ -	
Industrial WM and Surface Rehab - Madison Crescent	\$ 3,840,000	2024	\$ 4,073,856	\$ 4,073,856	\$ -	\$ 4,073,856	\$ -	\$ -	\$ -	\$ -	
Industrial WM and Surface Rehab - Alberta Avenue and Yellowhead Road	\$ 2,520,000	2026	\$ 2,836,282	\$ 2,836,282	\$ -	\$ 200,000	\$ 2,636,282	\$ -	\$ -	\$ -	
Industrial WM and Surface Rehab - Shep Street and South Avenue (Golden Spike Rd to 2021 limit)	\$ 3,180,000	2027	\$ 3,686,492	\$ 3,686,492	\$ -	\$ 925,000	\$ 2,761,492	\$ -	\$ -	\$ -	
Industrial WM and Surface Rehab - Diamond Avenue and Oswald Drive	\$ 4,440,000	2028	\$ 5,301,592	\$ 5,301,592	\$ -	\$ 3,300,000	\$ 2,001,592	\$ -	\$ -	\$ -	
Industrial WM and Surface Rehab - Oswald Drive	\$ 1,920,000	2029	\$ 2,361,358	\$ 2,361,358	\$ -	\$ 700,000	\$ 1,661,358	\$ -	\$ -	\$ -	
Support to City Center ARP - McLeod Avenue and Main Street	\$ 893,754	2022	\$ 893,754	\$ 893,754	\$ -	\$ -	\$ 893,754	\$ -	\$ -	\$ -	
Support to City Center ARP - Jespersen (King to Queen and 16A)	\$ 1,250,000	2022	\$ 1,250,000	\$ 1,250,000	\$ -	\$ 1,113,866	\$ 136,134	\$ -	\$ -	\$ -	
Support to City Center ARP - Calahoo (South Ave to First Ave)	\$ 750,000	2023	\$ 772,500	\$ 772,500	\$ -	\$ -	\$ 772,500	\$ -	\$ -	\$ -	
Support to City Center ARP - Lanes (South McLeod Ave to north of McLeod Ave)	\$ 530,000	2023	\$ 545,900	\$ 545,900	\$ -	\$ -	\$ 545,900	\$ -	\$ -	\$ -	
Support to City Center ARP - Lanes (north McLeod Ave from Queen Street for 200m)	\$ 300,000	2023	\$ 309,000	\$ 309,000	\$ -	\$ -	\$ 309,000	\$ -	\$ -	\$ -	
Support to City Center ARP - McLeod Avenue and Main Street	\$ 209,159	2023	\$ 215,433	\$ 215,433	\$ -	\$ -	\$ 215,433	\$ -	\$ -	\$ -	
Support to City Center ARP - Main Street (1st Avenue)	\$ 209,159	2023	\$ 215,433	\$ 215,433	\$ -	\$ -	\$ 215,433	\$ -	\$ -	\$ -	
Support to City Center ARP - Calahoo (First Ave to Mohr)	\$ 1,500,000	2023	\$ 1,545,000	\$ 1,545,000	\$ -	\$ -	\$ 1,545,000	\$ -	\$ -	\$ -	
Support to City Center ARP - Mohr Ave (from Queen to Calahoo)	\$ 873,840	2024	\$ 927,057	\$ 927,057	\$ -	\$ 500,000	\$ 427,057	\$ -	\$ -	\$ -	
Support to City Center ARP - Church Road (Queen to Calahoo via lane north of Andrews Crescent)	\$ 688,480	2024	\$ 730,408	\$ 730,408	\$ -	\$ -	\$ 730,408	\$ -	\$ -	\$ -	
Support to City Center ARP - Church Road (King to Queen)	\$ 635,520	2024	\$ 674,223	\$ 674,223	\$ -	\$ -	\$ 674,223	\$ -	\$ -	\$ -	
Support to City Center ARP - McPherson (Queen to Main)	\$ 635,520	2024	\$ 674,223	\$ 674,223	\$ -	\$ -	\$ 674,223	\$ -	\$ -	\$ -	
Support to City Center ARP - Main Street	\$ 476,640	2024	\$ 505,667	\$ 505,667	\$ -	\$ -	\$ 505,667	\$ -	\$ -	\$ -	
Support to City Center ARP - 1st Ave, Mohr and Lanes	\$ 2,279,000	2025	\$ 2,490,325	\$ 2,490,325	\$ -	\$ -	\$ 2,490,325	\$ -	\$ -	\$ -	
Support to City Center ARP - King Street	\$ 4,163,000	2026	\$ 4,685,493	\$ 4,685,493	\$ -	\$ 4,685,493	\$ -	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 232,000	2022	\$ 232,000	\$ 232,000	\$ -	\$ -	\$ 232,000	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,900	2023	\$ 319,197	\$ 319,197	\$ -	\$ -	\$ 319,197	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 310,000	2024	\$ 328,879	\$ 328,879	\$ -	\$ -	\$ 328,879	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,900	2025	\$ 338,636	\$ 338,636	\$ -	\$ -	\$ 338,636	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,900	2026	\$ 348,795	\$ 348,795	\$ -	\$ -	\$ 348,795	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,900	2027	\$ 359,259	\$ 359,259	\$ -	\$ -	\$ 359,259	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,900	2028	\$ 370,037	\$ 370,037	\$ -	\$ -	\$ 370,037	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,600	2029	\$ 380,769	\$ 380,769	\$ -	\$ -	\$ 380,769	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,700	2030	\$ 392,319	\$ 392,319	\$ -	\$ -	\$ 392,319	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,600	2031	\$ 403,958	\$ 403,958	\$ -	\$ -	\$ 403,958	\$ -	\$ -	\$ -	
Water Meter Replacement Program	\$ 309,500	2032	\$ 415,942	\$ 415,942	\$ -	\$ -	\$ 415,942	\$ -	\$ -	\$ -	

⁴ The analysis undertaken herein indicates that the water utility reserve will not be sufficient to fund capital projects to the extent identified in the City's current capital plan. As such, debenture funding has been used to finance additional projects. Note: the City is not bound to the financing plan shown here...its purpose is solely to determine rates. The City may change or move financing methods as desired to reflect changing circumstances. If/when financing methods change, they will be reflected in future rate updates.

City of Spruce Grove – Water Utility Rate Review

Water Rehabilitation Program - Grove Meadows Neighbourhood	\$ 3,643,000	2027	\$ 4,223,235	\$ 4,223,235	\$ -	\$ -	\$ 4,223,235	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 4,099,443	2028	\$ 4,894,949	\$ 4,894,949	\$ -	\$ -	\$ 4,894,949	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 4,432,399	2029	\$ 5,451,292	\$ 5,451,292	\$ -	\$ -	\$ 5,451,292	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 4,818,991	2030	\$ 6,104,554	\$ 6,104,554	\$ -	\$ -	\$ 6,104,554	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 5,236,511	2031	\$ 6,832,459	\$ 6,832,459	\$ -	\$ -	\$ 6,832,459	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 5,236,511	2032	\$ 7,037,433	\$ 7,037,433	\$ -	\$ -	\$ 7,037,433	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2022	\$ 188,400	\$ 188,400	\$ -	\$ -	\$ 188,400	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2023	\$ 194,052	\$ 194,052	\$ -	\$ -	\$ 194,052	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2024	\$ 199,874	\$ 199,874	\$ -	\$ -	\$ 199,874	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2025	\$ 205,870	\$ 205,870	\$ -	\$ -	\$ 205,870	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2026	\$ 212,046	\$ 212,046	\$ -	\$ -	\$ 212,046	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2027	\$ 218,407	\$ 218,407	\$ -	\$ -	\$ 218,407	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2028	\$ 224,959	\$ 224,959	\$ -	\$ -	\$ 224,959	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2029	\$ 231,708	\$ 231,708	\$ -	\$ -	\$ 231,708	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2030	\$ 238,659	\$ 238,659	\$ -	\$ -	\$ 238,659	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2031	\$ 245,819	\$ 245,819	\$ -	\$ -	\$ 245,819	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2032	\$ 253,194	\$ 253,194	\$ -	\$ -	\$ 253,194	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydro Vac Drying Pad Facility (Water 20%/Sewer 15%/Drainage 65%)	\$ 75,000	2022	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - Chev Equinox Meter Reader (Finance)	\$ 38,000	2027	\$ 44,052	\$ 44,052	\$ -	\$ -	\$ 44,052	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2012 Ford 1 ton chassis with attached body- Water 50%/Sewer 50%	\$ 39,665	2022	\$ 39,665	\$ 39,665	\$ -	\$ -	\$ 39,665	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2015 Ford 3/4 Ton 4x4 with tool boxes (Water 50%/Sewer 50%)	\$ 21,000	2025	\$ 22,947	\$ 22,947	\$ -	\$ -	\$ 22,947	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2016 Ford 3/4 Ton 4x4 with tool boxes (Water 50%/Sewer 50%)	\$ 21,750	2026	\$ 24,480	\$ 24,480	\$ -	\$ -	\$ 24,480	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - F150 with Tool Box (Water 50%/Sewer 50%)	\$ 19,500	2027	\$ 22,606	\$ 22,606	\$ -	\$ -	\$ 22,606	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 1 Ton Truck with Hydraulic Dump Box (Water 50%/Sewer 50%)	\$ 30,500	2027	\$ 35,358	\$ 35,358	\$ -	\$ -	\$ 35,358	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2015 F350 (Water 50%/Sewer 50%)	\$ 31,750	2025	\$ 34,694	\$ 34,694	\$ -	\$ -	\$ 34,694	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2020 Ford F150 (Water 50%/Sewer 50%)	\$ 21,250	2030	\$ 26,919	\$ 26,919	\$ -	\$ -	\$ 26,919	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2020 F450 4x2 Chassis CA (Water 50%/Sewer 50%)	\$ 31,500	2030	\$ 39,903	\$ 39,903	\$ -	\$ -	\$ 39,903	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Lifecycle Replacement Plan - 2014 5T Tandem Flusher (Water 10%/Sewer 60%/Drainage 30%)	\$ 60,500	2024	\$ 64,184	\$ 64,184	\$ -	\$ -	\$ 64,184	\$ -	\$ -	\$ -
Equipment Lifecycle Replacement Plan - Unit357Caterpillar450F Backhoe (Water 20%/Sewer 20%/Drainage 60%)	\$ 47,200	2024	\$ 50,074	\$ 50,074	\$ -	\$ -	\$ 50,074	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hypercon Pipe Diver Line Inspection	\$ 410,000	2024	\$ 434,969	\$ 434,969	\$ -	\$ -	\$ 434,969	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 81,330,841		\$ 93,935,073	\$ 81,028,748	\$ 12,906,325	\$ 15,498,215	\$ 65,530,533	\$ -	\$ 12,906,325	\$ -

Table 3: Summary of Capital Plan by Asset Class ⁵

Year	75 Year Assets	50 Year Assets	45 Year Assets	40 Year Assets	30 Year Assets	20 Year Assets	10 Year Assets	Grand Total
2023	\$ -	\$ 8,495,663	\$ -	\$ -	\$ 1,430,052	\$ -	\$ -	\$ 9,925,715
2024	\$ -	\$ 7,914,313	\$ -	\$ -	\$ 199,874	\$ -	\$ 549,227	\$ 8,663,414
2025	\$ -	\$ 12,925,759	\$ -	\$ -	\$ 1,779,397	\$ -	\$ 57,641	\$ 14,762,797
2026	\$ -	\$ 7,870,570	\$ -	\$ -	\$ 212,046	\$ -	\$ 24,480	\$ 8,107,096
2027	\$ -	\$ 8,268,986	\$ -	\$ -	\$ 218,407	\$ -	\$ 102,016	\$ 8,589,409
2028	\$ -	\$ 10,566,578	\$ -	\$ -	\$ 224,959	\$ -	\$ -	\$ 10,791,537
2029	\$ -	\$ 8,193,419	\$ -	\$ -	\$ 231,708	\$ -	\$ -	\$ 8,425,127
2030	\$ -	\$ 6,496,873	\$ -	\$ -	\$ 238,659	\$ -	\$ 66,822	\$ 6,802,354
2031	\$ -	\$ 7,236,417	\$ -	\$ -	\$ 245,819	\$ -	\$ -	\$ 7,482,236
2032	\$ -	\$ 7,453,375	\$ -	\$ -	\$ 253,194	\$ -	\$ -	\$ 7,706,569
Total	\$ -	\$ 85,421,953	\$ -	\$ -	\$ 5,034,115	\$ -	\$ 800,186	\$ 91,256,254
System Acquired Assets	\$ -	\$ 75,325,155	\$ -	\$ -	\$ 2,224,588	\$ -	\$ 800,186	\$ 78,349,929
Contributed Assets	\$ -	\$ 10,096,798	\$ -	\$ -	\$ 2,809,527	\$ -	\$ -	\$ 12,906,325
Total	\$ -	\$ 85,421,953	\$ -	\$ -	\$ 5,034,115	\$ -	\$ 800,186	\$ 91,256,254

⁵ The capital plan shown in *Table 3* totals \$91.26 million, which is less than the total reflected in *Table 2*. This is because *Table 2* includes 2022 capital items that are not included in the City's TCA balance.

5.3 Existing and Future Debt Payments

Revenue requirements (and rates) must provide for payments on existing and future debts as summarized in *Table 4*.

Table 4: Existing and Future Debts ⁶

Year	Existing Debt			Future Debt			Total Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 93,299	\$ 36,800	\$ 130,099	\$ 23,834	\$ 53,072	\$ 76,906	\$ 117,133	\$ 89,872	\$ 207,005
2024	\$ 95,064	\$ 35,035	\$ 130,099	\$ 24,989	\$ 51,917	\$ 76,906	\$ 120,053	\$ 86,952	\$ 207,005
2025	\$ 96,861	\$ 33,238	\$ 130,099	\$ 124,068	\$ 268,635	\$ 392,704	\$ 220,930	\$ 301,873	\$ 522,803
2026	\$ 98,693	\$ 31,406	\$ 130,099	\$ 130,082	\$ 262,621	\$ 392,704	\$ 228,775	\$ 294,028	\$ 522,803
2027	\$ 100,559	\$ 29,540	\$ 130,099	\$ 240,924	\$ 489,094	\$ 730,018	\$ 341,483	\$ 518,634	\$ 860,117
2028	\$ 102,460	\$ 27,639	\$ 130,099	\$ 272,395	\$ 521,488	\$ 793,884	\$ 374,856	\$ 549,127	\$ 923,983
2029	\$ 104,398	\$ 25,702	\$ 130,099	\$ 356,210	\$ 665,519	\$ 1,021,729	\$ 460,608	\$ 691,220	\$ 1,151,828
2030	\$ 106,372	\$ 23,728	\$ 130,099	\$ 388,455	\$ 681,605	\$ 1,070,060	\$ 494,827	\$ 705,332	\$ 1,200,159
2031	\$ 108,383	\$ 21,716	\$ 130,099	\$ 407,285	\$ 662,775	\$ 1,070,060	\$ 515,668	\$ 684,491	\$ 1,200,159
2032	\$ 110,432	\$ 19,667	\$ 130,099	\$ 427,028	\$ 643,032	\$ 1,070,060	\$ 537,460	\$ 662,699	\$ 1,200,159
Total	\$ 1,016,520	\$ 284,471	\$ 1,300,991	\$ 2,395,272	\$ 4,299,759	\$ 6,695,030	\$ 3,411,792	\$ 4,584,229	\$ 7,996,022

5.4 Operating and Maintenance Costs

Table 5 summarizes the operating and maintenance budget for 2023 (i.e., Year 1 of the review period). Total non-utility revenues are forecast at \$438,200, total operating and maintenance expenditures are forecast at \$11.30 million, and net expenditures (expenditures less non-utility revenues) are forecast at \$10.86 million.

⁶ The analysis undertaken herein indicates that the water utility reserve will not be sufficient to fund capital projects to the extent identified in the City’s current capital plan. As such, debenture funding has been used to finance additional projects and whose payments are reflected in Future Debt. Note: the City is not bound to the financing plan shown here...its purpose is solely to determine rates. The City may change or move financing methods as desired to reflect changing circumstances. If/when financing methods change, they will be reflected in future rate updates.

Table 5: Operating and Maintenance Revenues and Costs ⁷

Description	2023		
Non Utility Billing Revenues and Recoveries			
4231 - Permits and Inspections	\$ 48,450	1702 - DO NOT USE - Travel & Subsistence -	\$ 1,298
4911 - Sale of Watermeters	\$ 183,396	1702 - DO NOT USE - Travel & Subsistence -	\$ 9,100
4911 - Sale of Watermeters	\$ 204,354	1702 - DO NOT USE - Travel & Subsistence -	\$ 1,300
4241 - Returned Cheque Charges and NSF	\$ 2,000	1702 - DO NOT USE - Travel & Subsistence -	\$ 648
	\$ 438,200	3212 - Contracted and General Services	\$ 1,015
		3212 - Contracted and General Services	\$ 1,218
		3212 - Contracted and General Services	\$ 3,100
		3262 - DO NOT USE - Contracted Services	\$ 10,500
		3272 - DO NOT USE - Contracted Services-	\$ 50,000
		3272 - DO NOT USE - Contracted Services-	\$ 4,400
		3272 - DO NOT USE - Contracted Services-	\$ 7,000
		3272 - DO NOT USE - Contracted Services-	\$ 1,600
		3272 - DO NOT USE - Contracted Services-	\$ 82,000
		3302 - Purchase of Water	\$ 6,544,957
O&M Expenditures		5312 - Advertising	\$ 4,000
1102 - Full Time Salaries	\$ 455,281	5422 - DO NOT USE - Contracted Services a	\$ 35,000
1102 - Full Time Salaries	\$ 64,074	5442 - DO NOT USE - Contracted Services a	\$ 750
1102 - Full Time Salaries	\$ 40,403	5602 - Professional Fees	\$ 16,700
1102 - Full Time Salaries	\$ 65,423	5722 - Cellular Phones	\$ 7,385
1102 - Full Time Salaries	\$ 54,386	5722 - Cellular Phones	\$ 660
1102 - Full Time Salaries	\$ 112,513	5752 - Power	\$ 160,100
1112 - Full Time Overtime	\$ 4,825	5762 - Natural Gas	\$ 15,800
1112 - Full Time Overtime	\$ 15,409	5892 - DO NOT USE - Other Transactions	\$ 21,000
1112 - Full Time Overtime	\$ 3,936	8022 - Vehicle/Equipment Rental	\$ 21,250
1112 - Full Time Overtime	\$ 4,932	8122 - Materials Supplies	\$ 2,040
1112 - Full Time Overtime	\$ 3,117	8122 - Materials Supplies	\$ 2,000
1122 - Shift Premiums	\$ 103	8122 - Materials Supplies	\$ 30,000
1122 - Shift Premiums	\$ 9,270	8122 - Materials Supplies	\$ 2,150
1122 - Shift Premiums	\$ 401	8122 - Materials Supplies	\$ 9,000
1122 - Shift Premiums	\$ 104	8122 - Materials Supplies	\$ 2,130
1122 - Shift Premiums	\$ 104	8122 - Materials Supplies	\$ 19,520
1122 - Shift Premiums	\$ 9,270	8122 - Materials Supplies	\$ 5,075
1192 - Full Time Benefits	\$ 16,019	8122 - Materials Supplies	\$ 1,700
1192 - Full Time Benefits	\$ 28,128	8122 - Materials Supplies	\$ 5,000
1192 - Full Time Benefits	\$ 16,356	8132 - Tools	\$ 3,624
1192 - Full Time Benefits	\$ 10,101	8132 - Tools	\$ 3,706
1192 - Full Time Benefits	\$ 13,597	8132 - Tools	\$ 456
1192 - Full Time Benefits	\$ 113,820	8132 - Tools	\$ 1,108
1202 - Part Time- Temporary/Casual Wages	\$ 95,133	8132 - Tools	\$ 700
1212 - Part Time Temporary/Casual Overtime	\$ 4,060	8142 - Uniforms and PPE	\$ 9,564
1212 - Part Time Temporary/Casual Overtime	\$ 1,500	8142 - Uniforms and PPE	\$ 2,500
1212 - Part Time Temporary/Casual Overtime	\$ 100	8212 - Memberships & Association Fees	\$ 515
1212 - Part Time Temporary/Casual Overtime	\$ 384	8212 - Memberships & Association Fees	\$ 320
1292 - Part Time- Temporary/Casual Benefits	\$ 6,659	8222 - Office Supplies	\$ 1,500
1602 - External Training	\$ 2,596	8242 - Custom Business Products	\$ 17,700
1602 - External Training	\$ 12,398	8252 - Postage & Courier	\$ 113,500
1602 - External Training	\$ 2,130	8312 - R&M Community Facilities	\$ 2,790
1602 - External Training	\$ 2,400	8312 - R&M Community Facilities	\$ 5,000
		8312 - R&M Community Facilities	\$ 5,000
		8332 - R&M Equipment	\$ 36,900
		8352 - R&M Infrastructure	\$ 1,000
		8362 - RMR Community Facilities (Lifecycle)	\$ 5,170
		9812 - Utility Administration Fee Expense	\$ 2,837,400
		Total Expenditures	\$ 11,296,780
		Net Expenditures	\$ 10,858,580

⁷ Amortization and interest on debt are not included in the budget, as they are summarized in other sections of the report. Likewise, any items pertaining to other rates (e.g., truck fill operations) have been removed.

Table 6 summarizes the projected net operating expenditures that must be recovered from water utility rates over the review period. Projected expenditures over the rate planning period are based on 2023 baseline costs (adjusted for step increases/decreases, if any) plus inflation of 3.0% inflation per year. Net expenditures are forecast to increase from \$10.86 million in 2023 to \$14.17 million in 2032.

Table 6: Forecast Net Operating and Maintenance Costs

Year	Miscellaneous Recoveries	Expenditures	Net Expenditures
2023	\$ 438,200	\$ 11,296,780	\$ 10,858,580
2024	\$ 451,345	\$ 11,635,683	\$ 11,184,338
2025	\$ 464,886	\$ 11,984,754	\$ 11,519,868
2026	\$ 478,832	\$ 12,344,296	\$ 11,865,464
2027	\$ 493,197	\$ 12,714,625	\$ 12,221,428
2028	\$ 507,993	\$ 13,096,064	\$ 12,588,071
2029	\$ 523,233	\$ 13,488,946	\$ 12,965,713
2030	\$ 538,930	\$ 13,893,614	\$ 13,354,684
2031	\$ 555,098	\$ 14,310,423	\$ 13,755,325
2032	\$ 571,751	\$ 14,739,735	\$ 14,167,984

5.5 Depreciation Expense on Acquired Assets

Depreciation represents the value of assets consumed while in service to ratepayers. A depreciation expense establishes part of the provision used for the rehabilitation and replacement of assets. Under the *utility approach* a depreciation expense is calculated only on acquired assets (contributed assets have not been purchased and therefore no expense can emanate from these assets). The depreciation expense established within the water revenue requirement is calculated on a straight-line basis over the economic life of assets in each asset class (50-year assets, 30-year assets, etc). Table 7 summarizes the depreciation expenses in each year of the rate-planning period.

Table 7: Depreciation Expense ⁸

Description	2023	2024	2025	2026	2027
75 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
50 Year Assets	\$ 771,596	\$ 935,696	\$ 1,043,128	\$ 1,150,124	\$ 1,311,519
45 Year Assets	\$ 181,963	\$ 181,963	\$ 181,963	\$ 135,473	\$ 88,982
40 Year Assets	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602
30 Year Assets	\$ 550,859	\$ 557,424	\$ 564,187	\$ 570,871	\$ 577,763
20 Year Assets	\$ 297,792	\$ 297,792	\$ 296,763	\$ 292,278	\$ 285,041
10 Year Assets	\$ 6,405	\$ 32,647	\$ 61,771	\$ 65,877	\$ 72,202
Total Depreciation	\$ 1,981,216	\$ 2,178,124	\$ 2,320,414	\$ 2,387,225	\$ 2,508,110

Description	2028	2029	2030	2031	2032
75 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
50 Year Assets	\$ 1,499,875	\$ 1,687,336	\$ 1,834,099	\$ 1,971,432	\$ 2,118,330
45 Year Assets	\$ 88,982	\$ 58,693	\$ 28,404	\$ 28,404	\$ 28,404
40 Year Assets	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602
30 Year Assets	\$ 585,153	\$ 592,764	\$ 600,603	\$ 608,642	\$ 616,923
20 Year Assets	\$ 265,554	\$ 242,088	\$ 226,678	\$ 197,613	\$ 170,492
10 Year Assets	\$ 77,303	\$ 77,303	\$ 80,644	\$ 83,985	\$ 82,002
Total Depreciation	\$ 2,689,469	\$ 2,830,786	\$ 2,943,031	\$ 3,062,679	\$ 3,188,753

5.6 Return on Assets in Service

Under the *utility approach*, revenue requirements include returns on water assets that are employed in the provision of service. Determination of returns are based on the capital structure of the utility and are used to meet any borrowing obligations that are incurred in the creation of assets and to rehabilitate and replace the assets when they reach the end of their economic life.

A deemed capital structure of 40% debt and 60% equity is used to calculate returns. The deemed capital structure helps to generate a smooth revenue requirement during periods of abnormally low or high capital construction. Private utilities often utilize a deemed structure comprised of 60% debt; however, the deemed structure used here includes a 40% debt assumption, in alignment with the increased debt constraints placed on municipalities.

There are 4 types of assets in service which earn a rate of return:

1. **Acquired assets that are debt supported:** Acquired assets that are debt supported earn a rate of return that meets average debt interest obligations each year. For example, in year 1 of the review period the return of 4.79% is based on the average interest of all outstanding debentures.

⁸ Depreciation is calculated starting in the year of construction/completion, with the half year rule applied in the first year.

2. **Acquired assets that are equity supported:** Acquired assets that are equity supported earn a rate of return of 8.50% (the Alberta Utility Commission’s (“AUC”) Generic Rate of Return) which approximates the cost of equity capital for water utilities as determined by the AUC.
3. **Working capital:** Determination of average working capital requirements is based on 1½ months of operations and maintenance costs (the “one-eighth” rule). Return on working capital is 8.50% (the AUC Generic Rate of Return).
4. **Contributed assets:** Contributed assets do not earn a rate of return.

To illustrate, *Table 8* summarizes returns for each asset in service in year 1 of the rate planning period. The average return on all assets in service is 4.66%. Forecast returns for each year of the rate planning period are summarized in *Appendix B*.

Table 8: Forecast Returns for Year 1

2023							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 3,092,429	3.80%	5.80%	40.00%	\$ 21,319,206	4.79%	\$ 1,021,190
Equity Portion	\$ 50,205,586	61.71%	94.20%	60.00%	\$ 31,978,809	8.50%	\$ 2,718,199
Total System Acquired	\$ 53,298,015	65.51%	100.00%	100.00%	\$ 53,298,015		\$ 3,739,389
Contributed Assets	\$ 28,065,018	34.49%			\$ 28,065,018	0.00%	\$ -
Total Assets	\$ 81,363,034	100.00%			\$ 81,363,034		\$ 3,739,389
Working Capital	\$ 10,858,580				\$ 1,357,323	8.50%	\$ 115,372
						Total Return	\$ 3,854,761
							4.66%

5.7 Revenue Requirements

Table 9 summarizes the forecast revenue requirements under the *utility approach*. These revenue requirements are based on each of the elements described previously in this section. Water revenue requirements are forecast to increase from \$16.70 million in 2023 to \$24.44 million in 2032.

Table 9: Water Revenue Requirements ⁹

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
O&M costs (Net)	\$10,858,580	\$11,184,338	\$11,519,868	\$11,865,464	\$12,221,428	\$12,588,071	\$12,965,713	\$13,354,684	\$13,755,325	\$14,167,984
Depreciation	\$ 1,981,216	\$ 2,178,124	\$ 2,320,414	\$ 2,387,225	\$ 2,508,110	\$ 2,689,469	\$ 2,830,786	\$ 2,943,031	\$ 3,062,679	\$ 3,188,753
Return										
System Assets - Debt	\$ 1,021,190	\$ 1,145,448	\$ 1,160,241	\$ 1,269,834	\$ 1,386,351	\$ 1,541,587	\$ 1,648,774	\$ 1,722,719	\$ 1,807,398	\$ 1,893,959
System Assets - Equity	\$ 2,718,199	\$ 3,048,949	\$ 3,088,324	\$ 3,380,037	\$ 3,690,183	\$ 4,103,389	\$ 4,388,700	\$ 4,585,526	\$ 4,810,923	\$ 5,041,332
Contributed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital	\$ 115,372	\$ 118,834	\$ 122,399	\$ 126,071	\$ 129,853	\$ 133,748	\$ 137,761	\$ 141,894	\$ 146,150	\$ 150,535
Principal Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$16,694,558	\$17,675,692	\$18,211,245	\$19,028,629	\$19,935,925	\$21,056,264	\$21,971,734	\$22,747,853	\$23,582,474	\$24,442,563

⁹ A principal shortfall is the difference between depreciation and principal debt payment in a given year. If the number is negative, there is a shortfall, and this amount is added to the revenue requirement in that year.

5.8 Comparison of Revenue Requirement: Utility (Full Cost) Approach Versus Cash Needs Approach

As described in *Section 4*, the *utility approach* provides revenue targets for rates that ensure the utility is self-sustaining. Full cost rates not only ensure current costs are covered, but they allow the utility to generate reserves that will be necessary to rehabilitate and replace assets in the future.

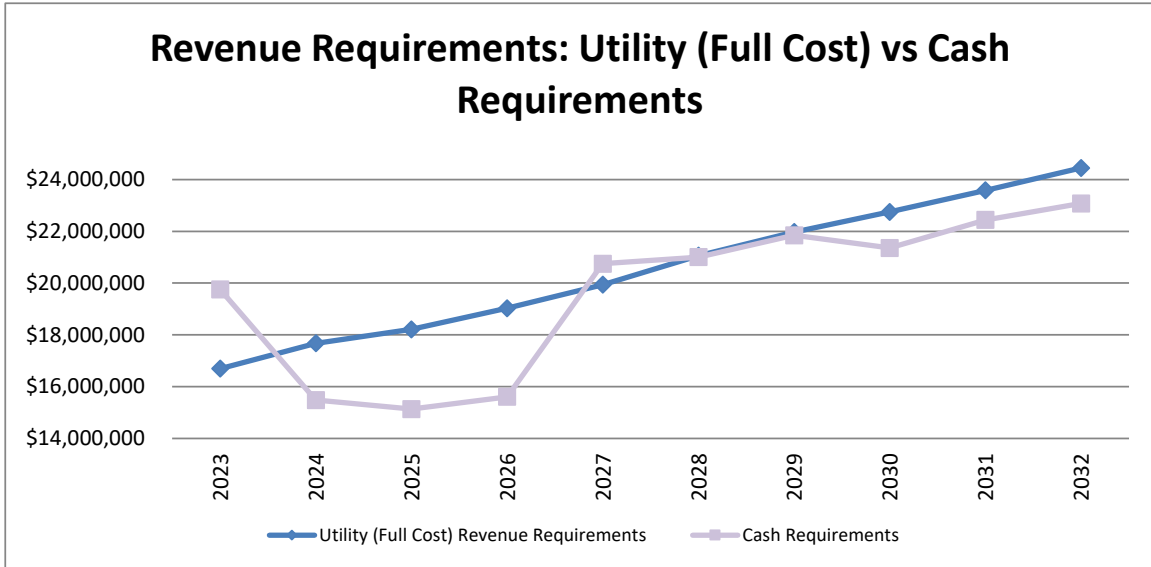
A *cash approach*, on the other hand, only describes the minimum amount of cash the utility must generate to satisfy current costs. Rates which generate revenue less than this minimum will create a utility loss which must be subsidized via other sources such as taxes.

Based on all revenue requirements described in this section, *Table 10* and the accompanying graph compare the City’s revenue requirements under both the *utility approach* (i.e., the ideal/maximum) and the *cash approach*.¹⁰

Table 10: Comparison of Full Cost and Cash Revenue Requirements

Year	Revenue Requirement - Utility (Full Cost)					Revenue Requirement - Cash				
	Net Operating Expenditures	Depreciation	Return	Principal Short Fall	Total Revenue Requirement	Net Operating Expenditures	Debt Charges	Revenue Requirement Before Capital Drawn From Reserve	Capital Drawn From Reserves	Total Revenue Requirement
2023	\$ 10,858,580	\$ 1,981,216	\$ 3,854,761	\$ -	\$ 16,694,558	\$ 10,858,580	\$ 207,005	\$ 11,065,585	\$ 8,689,715	\$ 19,755,300
2024	\$ 11,184,338	\$ 2,178,124	\$ 4,313,230	\$ -	\$ 17,675,692	\$ 11,184,338	\$ 207,005	\$ 11,391,343	\$ 4,089,558	\$ 15,480,901
2025	\$ 11,519,868	\$ 2,320,414	\$ 4,370,963	\$ -	\$ 18,211,245	\$ 11,519,868	\$ 522,803	\$ 12,042,671	\$ 3,092,472	\$ 15,135,143
2026	\$ 11,865,464	\$ 2,387,225	\$ 4,775,941	\$ -	\$ 19,028,629	\$ 11,865,464	\$ 522,803	\$ 12,388,267	\$ 3,221,603	\$ 15,609,870
2027	\$ 12,221,428	\$ 2,508,110	\$ 5,206,387	\$ -	\$ 19,935,925	\$ 12,221,428	\$ 860,117	\$ 13,081,545	\$ 7,664,409	\$ 20,745,954
2028	\$ 12,588,071	\$ 2,689,469	\$ 5,778,724	\$ -	\$ 21,056,264	\$ 12,588,071	\$ 923,983	\$ 13,512,054	\$ 7,491,537	\$ 21,003,591
2029	\$ 12,965,713	\$ 2,830,786	\$ 6,175,235	\$ -	\$ 21,971,734	\$ 12,965,713	\$ 1,151,828	\$ 14,117,541	\$ 7,725,127	\$ 21,842,668
2030	\$ 13,354,684	\$ 2,943,031	\$ 6,450,138	\$ -	\$ 22,747,853	\$ 13,354,684	\$ 1,200,159	\$ 14,554,843	\$ 6,802,354	\$ 21,357,197
2031	\$ 13,755,325	\$ 3,062,679	\$ 6,764,471	\$ -	\$ 23,582,474	\$ 13,755,325	\$ 1,200,159	\$ 14,955,484	\$ 7,482,236	\$ 22,437,720
2032	\$ 14,167,984	\$ 3,188,753	\$ 7,085,826	\$ -	\$ 24,442,563	\$ 14,167,984	\$ 1,200,159	\$ 15,368,144	\$ 7,706,569	\$ 23,074,713

¹⁰ There may be years when significant capital costs result in cash requirements exceeding utility (full cost) requirements.



5.9 Customers/Water Demand

The City currently has approximately 12,960 water customers, the vast majority (98%) of which have a 5/8” water meter, as summarized in *Table 11*. Customers currently utilize approximately 2,840,500 m3 of water. The City estimates that water customers/demand will increase an average of approximately 2.29% per year over the review period.

Table 11: Water Customers

	5/8" (15mm)	3/4" (19mm)	3/4" (20mm)	1" (25mm)	1.5" (37mm)	1.5" (38mm)	2" (50mm)	3" (75mm)	4" (100mm)	6" (150mm)	Total
Jan	12,777	166	-	64	-	35	40	13	3	1	13,099
Feb	12,784	166	-	64	-	35	40	13	3	1	13,106
Mar	12,807	166	-	64	-	35	40	13	3	1	13,129
Apr	12,488	165	-	64	-	35	39	13	3	1	12,808
May	12,522	165	-	63	-	35	39	13	3	1	12,841
Jun	12,511	165	-	64	-	35	39	13	3	1	12,831
Jul	12,552	165	-	64	-	35	39	13	3	1	12,872
Aug	12,564	165	-	64	-	35	39	13	3	1	12,884
Sep	12,616	166	-	64	-	35	39	13	3	1	12,937
Oct	12,666	166	-	64	-	35	39	13	3	1	12,987
Nov	12,671	166	-	64	-	35	39	13	3	1	12,992
Dec	12,708	163	-	64	-	35	40	13	3	1	13,027
Average	12,639	165	-	64	-	35	39	13	3	1	12,959
%	97.53%	1.28%	0.00%	0.49%	0.00%	0.27%	0.30%	0.10%	0.02%	0.01%	100.00%

6 Recommended Rates & Forecast Recoveries

6.1 Recommended Water Rates

The City’s current charge is \$4.31 per cubic meter for water services.¹¹ To achieve full cost revenue requirements would require an increase in the water rate to \$5.58 per cubic meter. This is a significant increase. While this is certainly option, it is recommended the City move gradually toward full cost commencing with a rate of \$4.60 per cubic meter in 2023 gradually increasing to \$6.70 per cubic meter in 2032, as summarized in *Table 12*.

Table 12 Recommended Water Rates

Year	Water Charge Per m3
2023	\$ 4.60
2024	\$ 4.90
2025	\$ 5.20
2026	\$ 5.50
2027	\$ 5.80
2028	\$ 6.10
2029	\$ 6.40
2030	\$ 6.50
2031	\$ 6.60
2032	\$ 6.70

The impact of the recommended rate strategy on customers is summarized in *Appendix A*.

6.2 Forecast Water Recoveries

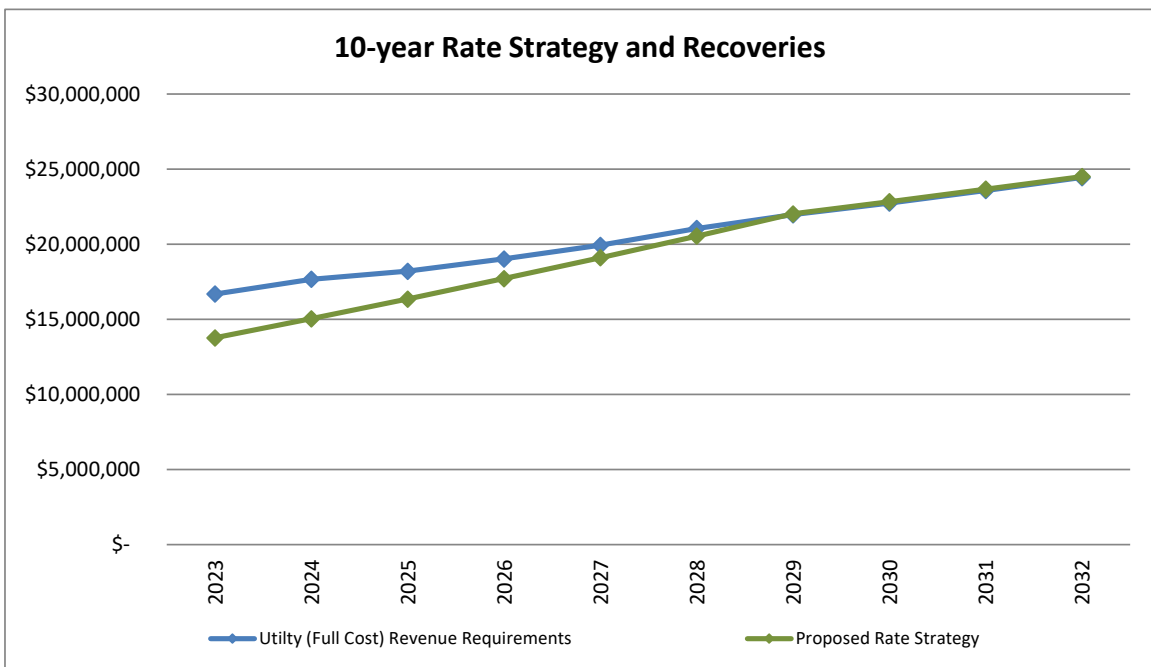
The water rates recommended and summarized in the previous section will ensure the City achieves full cost revenue requirements by 2029 thereby ensuring the sustainability of the water utility and reducing the risk of future tax subsidization.

The forecast revenue generated from the recommended rate structure is summarized in *Table 13* and the accompanying graph ('green' line).

¹¹ The City's current charge is approximately \$6.33 per cubic meter for both water and sewer services. Of this charge, the City estimates that \$4.31 is dedicated to the water utility.

Table 13: Forecast Water Recoveries

Year	Full Cost Revenue Requirement	Actual Revenue Under the Proposed Rate Strategy
2023	\$ 16,694,558	\$ 13,771,211
2024	\$ 17,675,692	\$ 15,042,216
2025	\$ 18,211,245	\$ 16,358,519
2026	\$ 19,028,629	\$ 17,714,476
2027	\$ 19,935,925	\$ 19,111,334
2028	\$ 21,056,264	\$ 20,547,549
2029	\$ 21,971,734	\$ 22,025,860
2030	\$ 22,747,853	\$ 22,840,756
2031	\$ 23,582,474	\$ 23,669,173
2032	\$ 24,442,563	\$ 24,507,764
Total	\$ 188,652,379	\$ 181,817,647



The impact of the recommended rate strategy on the forecast water reserve balance over the 10-year planning period is shown in *Table 14*. In addition to financing several capital projects over the review period, the water reserve is forecast to amass approximately \$5.81 million by 2032.

Table 14: Forecast Water Reserve

Year	Reserve Receipts	Reserves Applied	Reserve Balance
2022	\$ -	\$ -	\$ 6,659,586
2023	\$ 2,705,626	\$ 8,689,715	\$ 675,496
2024	\$ 3,650,873	\$ 4,089,558	\$ 236,812
2025	\$ 4,315,849	\$ 3,092,472	\$ 1,460,188
2026	\$ 5,326,209	\$ 3,221,603	\$ 3,564,795
2027	\$ 6,029,789	\$ 7,664,409	\$ 1,930,175
2028	\$ 7,035,495	\$ 7,491,537	\$ 1,474,133
2029	\$ 7,908,319	\$ 7,725,127	\$ 1,657,325
2030	\$ 8,285,913	\$ 6,802,354	\$ 3,140,883
2031	\$ 8,713,689	\$ 7,482,236	\$ 4,372,336
2032	\$ 9,139,620	\$ 7,706,569	\$ 5,805,388

7 Acknowledgements

CORVUS Business Advisors would like to thank all the City of Spruce Grove staff from Engineering, Planning, and Finance who supported the work of this review.

8 Disclaimer

CORVUS Business Advisor has relied upon City of Spruce Grove to provide all the data and information used to construct the utility rate model and create the rates, such as TCA's, capital plans and costs estimates, debenture details, and operating budgets etc. As such, CORVUS Business Advisors makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

Appendix A – Customer Impacts

Average Residential Consumption		
Consumption Level m3	20	20
Service Type - 15mm/5/8"	Existing	2023
Consumption Charge	\$ 4.31	\$ 4.60
Total Monthly Billing	\$ 86.22	\$ 92.00
Change from Existing Billing	\$ -	\$ 5.78
Low Residential Consumption (e.g., Senior Citizen)		
Consumption Level m3	10	10
Service Type - 15mm/5/8"	Existing	2023
Consumption Charge	\$ 4.31	\$ 4.60
Total Monthly Billing	\$ 43.11	\$ 46.00
Change from Existing Billing	\$ -	\$ 2.89
High Residential / Small Business Consumption		
Consumption Level m3	35	35
Service Type - 15mm/5/8"	Existing	2023
Consumption Charge	\$ 4.31	\$ 4.60
Total Monthly Billing	\$ 150.89	\$ 161.00
Change from Existing Billing	\$ -	\$ 10.12

Small Business (1 1/2" Service)		
Consumption Level m3	50	50
Service Type - 38mm/1 1/2"	Existing	2023
Consumption Charge	\$ 4.31	\$ 4.60
Total Monthly Billing	\$ 215.55	\$ 230.00
Change from Existing Billing	\$ -	\$ 14.45
Medium Business (2" Service)		
Consumption Level m3	200	200
Service Type - 50mm/2"	Existing	2023
Consumption Charge	\$ 4.31	\$ 4.60
Total Monthly Billing	\$ 862.20	\$ 920.00
Change from Existing Billing	\$ -	\$ 57.80
Large Business (4" Service)		
Consumption Level m3	2500	2500
Service Type - 100mm/4"	Existing	2023
Consumption Charge	\$ 4.31	\$ 4.60
Total Monthly Billing	\$ 10,777.50	\$ 11,500.00
Change from Existing Billing	\$ -	\$ 722.50

Appendix B – Return on Assets

2023							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 3,092,429	3.80%	5.80%	40.00%	\$ 21,319,206	4.79%	\$ 1,021,190
Equity Portion	\$ 50,205,586	61.71%	94.20%	60.00%	\$ 31,978,809	8.50%	\$ 2,718,199
Total System Acquired	\$ 53,298,015	65.51%	100.00%	100.00%	\$ 53,298,015		\$ 3,739,389
Contributed Assets	\$ 28,065,018	34.49%			\$ 28,065,018	0.00%	\$ -
Total Assets	\$ 81,363,034	100.00%			\$ 81,363,034		\$ 3,739,389
Working Capital	\$ 10,858,580				\$ 1,357,323	8.50%	\$ 115,372
						Total Return	\$ 3,854,761
							4.66%
2024							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 2,975,296	3.42%	4.98%	40.00%	\$ 23,913,322	4.79%	\$ 1,145,448
Equity Portion	\$ 56,808,010	65.35%	95.02%	60.00%	\$ 35,869,983	8.50%	\$ 3,048,949
Total System Acquired	\$ 59,783,306	68.77%	100.00%	100.00%	\$ 59,783,306		\$ 4,194,397
Contributed Assets	\$ 27,142,744	31.23%			\$ 27,142,744	0.00%	\$ -
Total Assets	\$ 86,926,050	100.00%			\$ 86,926,050		\$ 4,194,397
Working Capital	\$ 11,184,338				\$ 1,398,042	8.50%	\$ 118,834
						Total Return	\$ 4,313,230
							4.88%
2025							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 7,429,099	7.56%	12.27%	40.00%	\$ 24,222,145	4.79%	\$ 1,160,241
Equity Portion	\$ 53,126,264	54.03%	87.73%	60.00%	\$ 36,333,218	8.50%	\$ 3,088,324
Total System Acquired	\$ 60,555,363	61.59%	100.00%	100.00%	\$ 60,555,363		\$ 4,248,564
Contributed Assets	\$ 37,763,602	38.41%			\$ 37,763,602	0.00%	\$ -
Total Assets	\$ 98,318,966	100.00%			\$ 98,318,966		\$ 4,248,564
Working Capital	\$ 11,519,868				\$ 1,439,983	8.50%	\$ 122,399
						Total Return	\$ 4,370,963
							4.38%

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2026							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 7,208,170	7.01%	10.88%	40.00%	\$ 26,510,094	4.79%	\$ 1,269,834
Equity Portion	\$ 59,067,065	57.42%	89.12%	60.00%	\$ 39,765,141	8.50%	\$ 3,380,037
Total System Acquired	\$ 66,275,235	64.42%	100.00%	100.00%	\$ 66,275,235		\$ 4,649,870
Contributed Assets							
	\$ 36,601,973	35.58%			\$ 36,601,973	0.00%	\$ -
Total Assets	\$ 102,877,207	100.00%			\$ 102,877,207		\$ 4,649,870
Working Capital	\$ 11,865,464				\$ 1,483,183	8.50%	\$ 126,071
						Total Return	\$ 4,775,941
							4.58%
2027							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 11,864,888	11.01%	16.40%	40.00%	\$ 28,942,614	4.79%	\$ 1,386,351
Equity Portion	\$ 60,491,646	56.11%	83.60%	60.00%	\$ 43,413,920	8.50%	\$ 3,690,183
Total System Acquired	\$ 72,356,534	67.11%	100.00%	100.00%	\$ 72,356,534		\$ 5,076,534
Contributed Assets							
	\$ 35,455,374	32.89%			\$ 35,455,374	0.00%	\$ -
Total Assets	\$ 107,811,908	100.00%			\$ 107,811,908		\$ 5,076,534
Working Capital	\$ 12,221,428				\$ 1,527,678	8.50%	\$ 129,853
						Total Return	\$ 5,206,387
							4.76%
2028							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 12,448,404	10.85%	15.47%	40.00%	\$ 32,183,441	4.79%	\$ 1,541,587
Equity Portion	\$ 68,010,197	59.26%	84.53%	60.00%	\$ 48,275,161	8.50%	\$ 4,103,389
Total System Acquired	\$ 80,458,602	70.11%	100.00%	100.00%	\$ 80,458,602		\$ 5,644,975
Contributed Assets							
	\$ 34,308,776	29.89%			\$ 34,308,776	0.00%	\$ -
Total Assets	\$ 114,767,378	100.00%			\$ 114,767,378		\$ 5,644,975
Working Capital	\$ 12,588,071				\$ 1,573,509	8.50%	\$ 133,748
						Total Return	\$ 5,778,724
							4.97%

City of Spruce Grove – Water Utility Rate Review

2029							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 15,373,549	12.89%	17.87%	40.00%	\$ 34,421,177	4.79%	\$ 1,648,774
Equity Portion	\$ 70,679,394	59.28%	82.13%	60.00%	\$ 51,631,766	8.50%	\$ 4,388,700
Total System Acquired	\$ 86,052,943	72.18%	100.00%	100.00%	\$ 86,052,943		\$ 6,037,474
Contributed Assets							
	\$ 33,171,956	27.82%			\$ 33,171,956	0.00%	\$ -
Total Assets	\$ 119,224,899	100.00%			\$ 119,224,899		\$ 6,037,474
Working Capital	\$ 12,965,713				\$ 1,620,714	8.50%	\$ 137,761
						Total Return	\$ 6,175,235
							5.11%
2030							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 15,612,941	12.80%	17.36%	40.00%	\$ 35,964,906	4.79%	\$ 1,722,719
Equity Portion	\$ 74,299,325	60.92%	82.64%	60.00%	\$ 53,947,359	8.50%	\$ 4,585,526
Total System Acquired	\$ 89,912,266	73.72%	100.00%	100.00%	\$ 89,912,266		\$ 6,308,245
Contributed Assets							
	\$ 32,044,916	26.28%			\$ 32,044,916	0.00%	\$ -
Total Assets	\$ 121,957,181	100.00%			\$ 121,957,181		\$ 6,308,245
Working Capital	\$ 13,354,684				\$ 1,669,336	8.50%	\$ 141,894
						Total Return	\$ 6,450,138
							5.22%
2031							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 15,118,114	12.07%	16.03%	40.00%	\$ 37,732,729	4.79%	\$ 1,807,398
Equity Portion	\$ 79,213,709	63.24%	83.97%	60.00%	\$ 56,599,094	8.50%	\$ 4,810,923
Total System Acquired	\$ 94,331,823	75.32%	100.00%	100.00%	\$ 94,331,823		\$ 6,618,321
Contributed Assets							
	\$ 30,917,886	24.68%			\$ 30,917,886	0.00%	\$ -
Total Assets	\$ 125,249,709	100.00%			\$ 125,249,709		\$ 6,618,321
Working Capital	\$ 13,755,325				\$ 1,719,416	8.50%	\$ 146,150
						Total Return	\$ 6,764,471
							5.33%

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2032							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 14,602,446	11.35%	14.77%	40.00%	\$ 39,539,856	4.79%	\$ 1,893,959
Equity Portion	\$ 84,247,193	65.49%	85.23%	60.00%	\$ 59,309,783	8.50%	\$ 5,041,332
Total System Acquired	\$ 98,849,639	76.84%	100.00%	100.00%	\$ 98,849,639		\$ 6,935,291
Contributed Assets							
	\$ 29,790,869	23.16%			\$ 29,790,869	0.00%	\$ -
Total Assets	\$ 128,640,508	100.00%			\$ 128,640,508		\$ 6,935,291
Working Capital	\$ 14,167,984				\$ 1,770,998	8.50%	\$ 150,535
						Total Return	\$ 7,085,826
							5.43%



City of Spruce Grove: Sanitary Sewer Utility Rate Review

Version 1.0 (FINAL)
July 15th, 2022

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Document Information

Revision History

Version Number	Revision Date	Summary of Changes and Author
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1 Introduction

The City of Spruce Grove (“the City”) provides sanitary sewer services to City residents including: collection, transmission, lift stations, etc. Treatment is undertaken by the Alberta Capital Region Wastewater Commission. Customers are billed monthly for sanitary sewer services based upon metered water consumed.

The City initiated this review to ensure sanitary sewer rates are current and reflect the full cost of service provision.

2 Scope of Review

This rate review is focused on metered sanitary sewer variable charges. This review did not assess other sanitary sewer charges such as over strength charges, service connection fees, penalties, etc.

3 Methodology

There are two generally accepted methods for determining the revenue requirements (and rates) for sanitary sewer utility systems. These methods are:

- 1) The Utility (Full Cost) Approach, and
- 2) The Cash Needs Approach.

Though each method provides for short and long-term sanitary sewer system program costs, the *utility (full cost) approach* generally results in greater rate stability. Under the *cash needs approach*, revenue requirements can fluctuate dramatically with cash demands that result from large capital expenditures. The *utility approach*, however, develops revenue requirements not based on what is being spent today but rather on the assets that are consumed in service delivery (i.e., depreciation) and through financial returns on system assets that will sustain the service in the future (i.e., return on the asset base). Depreciation and return represent non-cash provisions that, when placed in reserve, may be used to defray the impact of large capital expenditures or, alternatively, may be drawn upon to cover cash needs when decision makers wish to smooth the impact of rate increases over a number of years.

This study uses the *utility approach* to establish sanitary sewer revenue requirements and rates.

4 Assumptions

Assumptions that are utilized throughout this analysis include:

Assumption	Description
Review Period	Though rates are usually approved on an annual basis, this study examines rate requirements over a 10-year review period from 2023 to 2032, thereby providing the City with insight into potential future rate changes.
Inflation	Inflation of 3.0% per annum was applied to current costs to establish future costs.
Depreciation	Depreciation and amortization are calculated on a straight-line base over the economic life of each asset class. Depreciation and amortization are calculated starting in the year of construction completion using the half-year rule.
Return on Acquired Assets that are Debt Supported	All assets are classified as either “acquired assets” or “contributed assets”, depending on the asset’s nature of origin and financing. Acquired assets that are debt supported are provided a rate of return equivalent to the average interest requirements in a given year.
Return on Acquired Assets that are Equity Supported	All assets are classified as either “acquired assets” or “contributed assets”, depending on the asset’s nature of origin and financing. Acquired assets that are equity supported are provided a rate of return of 8.50% which approximates the cost of equity capital for utilities as determined by the Alberta Utility Commission (i.e., the AUC “Generic Rate of Return” or “Generic Cost of Capital”).
Return on Working Capital	Determination of average working capital requirements is based on 1½ months of operation and maintenance costs in a given year (i.e., the “one-eighth” rule). Return on working capital is 8.50% (i.e., the AUC “Generic Rate of Return” or “Generic Cost of Capital”).

5 Analysis of Revenue Requirements

Revenue requirements are the total costs of the sanitary sewer system that sanitary sewer rates must recover for the utility to be self-sustaining. Each element used to determine the City’s sanitary sewer revenue requirements is described in the sections below.

5.1 Existing Sanitary Sewer Infrastructure

The cost of existing sanitary sewer assets used in the provision of services (i.e., tangible capital assets) is included in the determination of revenue requirements. The City’s sanitary sewer assets are categorized into several categories based on their expected life (i.e., 75-year assets, 50-year assets, 45-year assets, 40-year assets, 30-year assets, 20-year assets, and 10-year assets).¹

Sanitary sewer assets are also classified as either “acquired” assets or “contributed” assets depending on origin and nature of financing. Contributed assets are those that have been provided to the City through grants, local improvements (i.e., developer constructed and financed), third party contributions, and development levies. Acquired and contributed assets earn different rates of return, which is described more fully later in this section. This rate of return is used to make debt payments associated with creation of the infrastructure and to rehabilitate and replace assets when they reach the end of their economic life.

Table 1 summarizes the original and residual book value of assets currently in service. The City’s sanitary sewer assets are, on average, at 33% of their economic life with 67% of life remaining. It is important that reserves be accumulated for future asset rehabilitation and reconstruction.

¹ A municipality’s assets are usually categorized based on their type, such as: sanitary sewer collection system, sanitary sewer transmission system, lift stations, lagoons, sanitary sewage treatment, equipment, computers, and land. However, in some cases City assets within a given category have been assigned different asset life’s, and so data synthesis and analysis using a different approach was required. Moving forward, it is recommended the City establish a singular asset life for each asset type.

Table 1: Net Book Value of Existing Sanitary Sewer Assets ²

Description	Gross Cost	Accumulated Depreciation	Net Book Value	Remaining % of Asset
System Acquired Assets				
75 Year Assets	\$ -	\$ -	\$ -	0%
50 Year Assets	\$ 15,600,329	\$ 6,605,872	\$ 8,994,457	58%
45 Year Assets	\$ -	\$ -	\$ -	0%
40 Year Assets	\$ -	\$ -	\$ -	0%
30 Year Assets	\$ -	\$ -	\$ -	0%
20 Year Assets	\$ 67,342	\$ 8,893	\$ 58,449	87%
10 Year Assets	\$ 379,065	\$ 238,708	\$ 140,357	37%
Total Acquired	\$ 16,046,735	\$ 6,853,474	\$ 9,193,262	57%
Contributed Assets				
75 Year Assets	\$ -	\$ -	\$ -	0%
50 Year Assets	\$ 30,495,295	\$ 8,670,994	\$ 21,824,300	72%
45 Year Assets	\$ -	\$ -	\$ -	0%
40 Year Assets	\$ -	\$ -	\$ -	0%
30 Year Assets	\$ -	\$ -	\$ -	0%
20 Year Assets	\$ -	\$ -	\$ -	0%
10 Year Assets	\$ -	\$ -	\$ -	0%
Total Contributed	\$ 30,495,295	\$ 8,670,994	\$ 21,824,300	72%
Total All Assets	\$ 46,542,030	\$ 15,524,468	\$ 31,017,562	67%

5.2 New Sanitary Sewer Infrastructure (Capital Plan)

Tables 2 and 3 provide details of the capital expenditures that are planned for the City’s sanitary sewer system over 10 years.³ The City’s capital plan totals \$12.74 million in future dollars, of which \$6.23 million is anticipated to be acquired and \$6.50 million is anticipated to be contributed.

These assets are placed into service in the year of construction completion. Similar to existing assets, when capital assets (that are acquired) are placed into service they earn a rate of return to repay any debt obligations that have arisen during their creation, and for the assets eventual rehabilitation and replacement.

² Land values (if any) are shown for information only. Land is not a depreciable asset.

³ The first 10 years of the capital plan are included, consistent with the 10-year outlook of this study.

Table 3: Summary of Capital Plan by Asset Class ⁵

Year	75 Year Assets	50 Year Assets	45 Year Assets	40 Year Assets	30 Year Assets	20 Year Assets	10 Year Assets	Land	Grand Total
2023	\$ -	\$ 141,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,871
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435,181	\$ 435,181
2025	\$ -	\$ 1,830,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,641	\$ 1,887,959
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,480	\$ 24,480
2027	\$ -	\$ 6,936,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,964	\$ 6,994,828
2028	\$ -	\$ 447,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 447,770
2029	\$ -	\$ 491,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,950
2030	\$ -	\$ 506,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,822	\$ 573,530
2031	\$ -	\$ 521,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,909
2032	\$ -	\$ 537,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 537,567
Total	\$ -	\$ 11,414,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 642,088	\$ 12,057,045
System Acquired Assets	\$ -	\$ 4,912,821	\$ -	\$ -	\$ -	\$ 642,088	\$ -	\$ -	\$ 5,554,909
Contributed Assets	\$ -	\$ 6,502,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,502,136
Total	\$ -	\$ 11,414,957	\$ -	\$ -	\$ -	\$ 642,088	\$ -	\$ -	\$ 12,057,045

⁵ The capital plan shown in *Table 3* totals \$12.06 million, which is less than the total reflected in *Table 2*. This is because *Table 2* includes 2022 capital items that are not included in the City's TCA balance.

5.3 Existing and Future Debt Payments

Revenue requirements (and rates) must provide for payments on existing and future debts as summarized in *Table 4*.

Table 4: Existing and Future Debts ⁶

Year	Existing Debt			Future Debt			Total Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 187,588	\$ 22,808	\$ 210,396	\$ -	\$ -	\$ -	\$ 187,588	\$ 22,808	\$ 210,396
2024	\$ 193,047	\$ 17,349	\$ 210,396	\$ -	\$ -	\$ -	\$ 193,047	\$ 17,349	\$ 210,396
2025	\$ 198,665	\$ 11,731	\$ 210,396	\$ -	\$ -	\$ -	\$ 198,665	\$ 11,731	\$ 210,396
2026	\$ 204,446	\$ 5,950	\$ 210,396	\$ 7,576	\$ 16,869	\$ 24,445	\$ 212,022	\$ 22,819	\$ 234,841
2027	\$ 0	\$ (0)	\$ -	\$ 7,943	\$ 16,502	\$ 24,445	\$ 7,943	\$ 16,502	\$ 24,445
2028	\$ 0	\$ (0)	\$ -	\$ 8,328	\$ 16,117	\$ 24,445	\$ 8,328	\$ 16,117	\$ 24,445
2029	\$ 0	\$ (0)	\$ -	\$ 8,731	\$ 15,713	\$ 24,445	\$ 8,731	\$ 15,713	\$ 24,445
2030	\$ 0	\$ (0)	\$ 0	\$ 9,155	\$ 15,713	\$ 24,868	\$ 9,155	\$ 15,713	\$ 24,868
2031	\$ 0	\$ (0)	\$ -	\$ 9,599	\$ 14,846	\$ 24,445	\$ 9,599	\$ 14,846	\$ 24,445
2032	\$ 0	\$ (0)	\$ -	\$ 10,064	\$ 10,064	\$ 20,128	\$ 10,064	\$ 10,064	\$ 20,128
Total	\$ 783,747	\$ 57,837	\$ 841,583	\$ 61,395	\$ 105,824	\$ 167,219	\$ 845,141	\$ 163,661	\$ 1,008,802

5.4 Operating and Maintenance Costs

Table 5 summarizes the operating and maintenance budget for 2023 (i.e., Year 1 of the review period). Total non-utility revenues are forecast at \$33,726, total operating and maintenance expenditures are forecast at \$4.94 million, and net expenditures (expenditures less non-utility revenues) are forecast at \$4.91 million.

⁶ The analysis undertaken herein indicates that the sanitary sewer utility reserve will not be sufficient to fund capital projects to the extent identified in the City’s current capital plan. As such, debenture funding has been used to finance additional projects and whose payments are reflected in Future Debt. Note: the City is not bound to the financing plan shown here...its purpose is solely to determine rates. The City may change or move financing methods as desired to reflect changing circumstances. If/when financing methods change, they will be reflected in future rate updates.

Table 5: Operating and Maintenance Revenues and Costs ^{7, 8}

Non Utility Billing Revenues and Recoveries	
4941 - Sale of other Sewer Services	\$ 33,726
	\$ 33,726
O&M Expenditures	
1102 - Full Time Salaries	\$ 208,484
1112 - Full Time Overtime	\$ 6,644
1122 - Shift Premiums	\$ 219
1192 - Full Time Benefits	\$ 52,121
1212 - Part Time Temporary/Casual	\$ 406
3212 - Contracted and General Serv	\$ 10,413
3212 - Contracted and General Serv	\$ 75,000
3212 - Contracted and General Serv	\$ 644
3212 - Contracted and General Serv	\$ 59,551
3212 - Contracted and General Serv	\$ 549
3212 - Contracted and General Serv	\$ 74,500
3522 - Purchase of Wastewater Ser	\$ 4,425,651
5102 - Insurance	\$ 3,500
5312 - Advertising	\$ 5,100
5432 - DO NOT USE - General Expe	\$ 2,000
8122 - Materials Supplies	\$ 11,566
8122 - Materials Supplies	\$ 3,000
8132 - Tools	\$ 266
8132 - Tools	\$ 853
8332 - R&M Equipment	\$ 609
Operator drainage	\$ -
Total Expenditures	\$ 4,941,075
Net Expenditures	\$ 4,907,349

⁷ Amortization and interest on debt are not included in the budget as they are summarized in other sections of the report.

⁸ A step increase of \$65,388 is added to the budget in 2024 for a drainage operator.

Table 6 summarizes the projected net operating expenditures that must be recovered from sanitary sewer utility rates over the review period. Projected expenditures over the rate planning period are based on 2023 baseline costs (adjusted for step increases/decreases, if any) plus inflation of 3.0% inflation per year. Net expenditures are forecast to increase from \$4.91 million in 2023 to \$6.49 million in 2032.

Table 6: Forecast Net Operating and Maintenance Costs

Year	Miscellaneous Recoveries	Expenditures	Net Expenditures
2023	\$ 33,726	\$ 4,941,075	\$ 4,907,349
2024	\$ 34,738	\$ 5,154,695	\$ 5,119,958
2025	\$ 35,780	\$ 5,309,336	\$ 5,273,556
2026	\$ 36,853	\$ 5,468,616	\$ 5,431,763
2027	\$ 37,959	\$ 5,632,675	\$ 5,594,716
2028	\$ 39,098	\$ 5,801,655	\$ 5,762,558
2029	\$ 40,271	\$ 5,975,705	\$ 5,935,434
2030	\$ 41,479	\$ 6,154,976	\$ 6,113,497
2031	\$ 42,723	\$ 6,339,625	\$ 6,296,902
2032	\$ 44,005	\$ 6,529,814	\$ 6,485,809

5.5 Depreciation Expense on Acquired Assets

Depreciation represents the value of assets consumed while in service to ratepayers. A depreciation expense establishes part of the provision used for the rehabilitation and replacement of assets. Under the *utility approach* a depreciation expense is calculated only on acquired assets (contributed assets have not been purchased and therefore no expense can emanate from these assets). The depreciation expense established within the sanitary sewer revenue requirement is calculated on a straight-line basis over the economic life of assets in each asset class (50-year assets, 30-year assets, etc). Table 7 summarizes the depreciation expenses in each year of the rate-planning period.

Table 7: Depreciation Expense ⁹

Description	2023	2024	2025	2026	2027
75 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
50 Year Assets	\$ 304,899	\$ 304,984	\$ 319,261	\$ 330,710	\$ 329,836
45 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
40 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
30 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
20 Year Assets	\$ 3,367	\$ 3,367	\$ 3,367	\$ 3,367	\$ 3,367
10 Year Assets	\$ 34,540	\$ 53,578	\$ 77,772	\$ 69,746	\$ 60,166
Total Depreciation	\$ 342,806	\$ 361,929	\$ 400,400	\$ 403,823	\$ 393,369

Description	2028	2029	2030	2031	2032
75 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
50 Year Assets	\$ 336,676	\$ 337,873	\$ 338,301	\$ 345,811	\$ 352,341
45 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
40 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
30 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
20 Year Assets	\$ 3,367	\$ 3,090	\$ 2,813	\$ 2,813	\$ 2,813
10 Year Assets	\$ 61,493	\$ 61,493	\$ 64,834	\$ 68,175	\$ 66,192
Total Depreciation	\$ 401,536	\$ 402,456	\$ 405,948	\$ 416,799	\$ 421,346

5.6 Return on Assets in Service

Under the *utility approach*, revenue requirements include returns on sanitary sewer assets that are employed in the provision of service. Determination of returns are based on the capital structure of the utility and are used to meet any borrowing obligations that are incurred in the creation of assets and to rehabilitate and replace the assets when they reach the end of their economic life.

A deemed capital structure of 40% debt and 60% equity is used to calculate returns. The deemed capital structure helps to generate a smooth revenue requirement during periods of abnormally low or high capital construction. Private utilities often utilize a deemed structure comprised of 60% debt; however, the deemed structure used here includes a 40% debt assumption, in alignment with the increased debt constraints placed on municipalities.

There are 4 types of assets in service which earn a rate of return:

1. **Acquired assets that are debt supported:** Acquired assets that are debt supported earn a rate of return that meets average debt interest obligations each

⁹ Depreciation is calculated starting in the year of construction/completion, with the half year rule applied in the first year.

year. For example, in year 1 of the review period the return of 3.83% is based on the average interest of all outstanding debentures.

2. **Acquired assets that are equity supported:** Acquired assets that are equity supported earn a rate of return of 8.50% (the Alberta Utility Commission’s (“AUC”) Generic Rate of Return) which approximates the cost of equity capital for sanitary sewer utilities as determined by the AUC.
3. **Working capital:** Determination of average working capital requirements is based on 1½ months of operations and maintenance costs (the “one-eighth” rule). Return on working capital is 8.50% (the AUC Generic Rate of Return).
4. **Contributed assets:** Contributed assets do not earn a rate of return.

To illustrate, *Table 8* summarizes returns for each asset in service in year 1 of the rate planning period. The average return on all assets in service is 2.10%. Forecast returns for each year of the rate planning period are summarized in *Appendix B*.

Table 8: Forecast Returns for Year 1

2023							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 596,158	1.97%	6.63%	40.00%	\$ 3,596,931	3.83%	\$ 137,610
Equity Portion	\$ 8,396,169	27.79%	93.37%	60.00%	\$ 5,395,396	8.50%	\$ 458,609
Total System Acquired	\$ 8,992,327	29.76%	100.00%	100.00%	\$ 8,992,327		\$ 596,219
Contributed Assets	\$ 21,221,207	70.24%			\$ 21,221,207	0.00%	\$ -
Total Assets	\$ 30,213,534	100.00%			\$ 30,213,534		\$ 596,219
Working Capital	\$ 4,907,349				\$ 613,419	8.50%	\$ 52,141
						Total Return	\$ 648,360
							2.10%

5.7 Revenue Requirements

Table 9 summarizes the forecast revenue requirements under the *utility approach*. These revenue requirements are based on each of the elements described previously in this section. Sanitary sewer revenue requirements are forecast to increase from \$5.90 million in 2023 to \$7.74 million in 2032.

Table 9: Sanitary Sewer Revenue Requirements ¹⁰

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
O&M costs (Net)	4,907,349	5,119,958	5,273,556	5,431,763	5,594,716	5,762,558	5,935,434	6,113,497	6,296,902	6,485,809
Depreciation	342,806	361,929	400,400	403,823	393,369	401,536	402,456	405,948	416,799	421,346
Return										
System Assets - Debt	137,610	156,062	88,666	268,021	200,310	201,474	203,512	207,117	209,545	212,242
System Assets - Equity	458,609	462,345	538,210	518,864	523,929	526,287	530,851	539,398	544,758	550,686
Contributed Assets	-	-	-	-	-	-	-	-	-	-
Working Capital	52,141	54,400	56,032	57,712	59,444	61,227	63,064	64,956	66,905	68,912
Principal Shortfall	-	-	-	-	-	-	-	-	-	-
Total	5,898,515	6,154,693	6,356,864	6,680,183	6,771,768	6,953,081	7,135,317	7,330,916	7,534,909	7,738,994

¹⁰ A principal shortfall is the difference between depreciation and principal debt payment in a given year. If the number is negative, there is a shortfall, and this amount is added to the revenue requirement in that year.

5.8 Comparison of Revenue Requirement: Utility (Full Cost) Approach Versus Cash Needs Approach

As described in *Section 4*, the *utility approach* provides revenue targets for rates that ensure the utility is self-sustaining. Full cost rates not only ensure current costs are covered, but they allow the utility to generate reserves that will be necessary to rehabilitate and replace assets in the future.

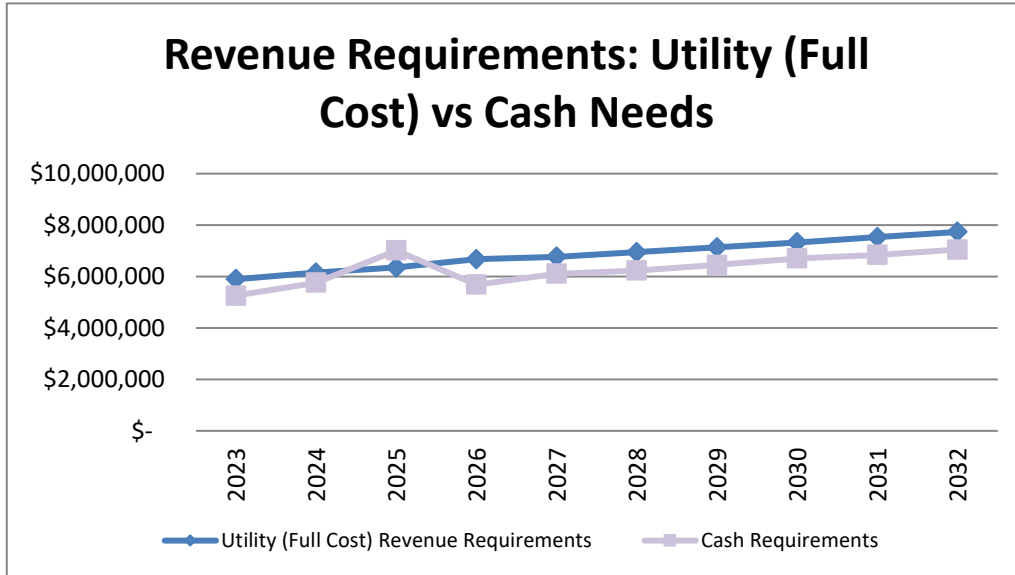
A *cash approach*, on the other hand, only describes the minimum amount of cash the utility must generate to satisfy current costs. Rates which generate revenue less than this minimum will create a utility loss which must be subsidized via other sources such as taxes.

Based on all revenue requirements described in this section, *Table 10* and the accompanying graph compare the City’s revenue requirements under both the *utility approach* (i.e., the ideal/maximum) and the *cash approach*.¹¹

Table 10: Comparison of Full Cost and Cash Revenue Requirements

Year	Revenue Requirement - Utility (Full Cost)					Revenue Requirement - Cash				
	Operating & Maintenance Expenses	Depreciation	Return on Assets	Principal Short Fall	Total Revenue Requirement	Operating & Maintenance Expenses	Debt Charges	Revenue Requirement Before Capital Drawn From Reserve	Capital Drawn From Reserves	Total Revenue Requirement
2023	\$ 4,907,349	\$ 342,806	\$ 648,360	\$ -	\$ 5,898,515	\$ 4,907,349	\$ 210,396	\$ 5,117,745	\$ 141,871	\$ 5,259,616
2024	\$ 5,119,958	\$ 361,929	\$ 672,806	\$ -	\$ 6,154,693	\$ 5,119,958	\$ 210,396	\$ 5,330,354	\$ 435,181	\$ 5,765,535
2025	\$ 5,273,556	\$ 400,400	\$ 682,907	\$ -	\$ 6,356,864	\$ 5,273,556	\$ 210,396	\$ 5,483,952	\$ 1,533,915	\$ 7,017,867
2026	\$ 5,431,763	\$ 403,823	\$ 844,597	\$ -	\$ 6,680,183	\$ 5,431,763	\$ 234,841	\$ 5,666,604	\$ 24,480	\$ 5,691,084
2027	\$ 5,594,716	\$ 393,369	\$ 783,683	\$ -	\$ 6,771,768	\$ 5,594,716	\$ 24,445	\$ 5,619,161	\$ 492,692	\$ 6,111,853
2028	\$ 5,762,558	\$ 401,536	\$ 788,988	\$ -	\$ 6,953,081	\$ 5,762,558	\$ 24,445	\$ 5,787,002	\$ 447,770	\$ 6,234,772
2029	\$ 5,935,434	\$ 402,456	\$ 797,427	\$ -	\$ 7,135,317	\$ 5,935,434	\$ 24,445	\$ 5,959,879	\$ 491,950	\$ 6,451,829
2030	\$ 6,113,497	\$ 405,948	\$ 811,471	\$ -	\$ 7,330,916	\$ 6,113,497	\$ 24,445	\$ 6,137,942	\$ 573,530	\$ 6,711,472
2031	\$ 6,296,902	\$ 416,799	\$ 821,208	\$ -	\$ 7,534,909	\$ 6,296,902	\$ 24,445	\$ 6,321,347	\$ 521,909	\$ 6,843,256
2032	\$ 6,485,809	\$ 421,346	\$ 831,839	\$ -	\$ 7,738,994	\$ 6,485,809	\$ 24,445	\$ 6,510,254	\$ 537,567	\$ 7,047,821

¹¹ There may be years when significant capital costs result in cash requirements exceeding utility (full cost) requirements.



5.9 Customers/Sanitary Sewer Demand

The City currently has approximately 12,960 sanitary sewer customers, the vast majority (98%) of which have a 5/8” water meter, as summarized in *Table 11*. Customers currently utilize approximately 2,840,500 m³ of water. The City estimates that sanitary sewer customers/demand will increase an average of approximately 2.29% per year over the review period.

Table 11: Sanitary Sewer Customers

	5/8" (15mm)	3/4" (19mm)	3/4" (20mm)	1" (25mm)	1.5" (37mm)	1.5" (38mm)	2" (50mm)	3" (75mm)	4" (100mm)	6" (150mm)	Total
Jan	12,777	166	-	64	-	35	40	13	3	1	13,099
Feb	12,784	166	-	64	-	35	40	13	3	1	13,106
Mar	12,807	166	-	64	-	35	40	13	3	1	13,129
Apr	12,488	165	-	64	-	35	39	13	3	1	12,808
May	12,522	165	-	63	-	35	39	13	3	1	12,841
Jun	12,511	165	-	64	-	35	39	13	3	1	12,831
Jul	12,552	165	-	64	-	35	39	13	3	1	12,872
Aug	12,564	165	-	64	-	35	39	13	3	1	12,884
Sep	12,616	166	-	64	-	35	39	13	3	1	12,937
Oct	12,666	166	-	64	-	35	39	13	3	1	12,987
Nov	12,671	166	-	64	-	35	39	13	3	1	12,992
Dec	12,708	163	-	64	-	35	40	13	3	1	13,027
Average	12,639	165	-	64	-	35	39	13	3	1	12,959
%	97.53%	1.28%	0.00%	0.49%	0.00%	0.27%	0.30%	0.10%	0.02%	0.01%	100.00%

6 Recommended Rates & Forecast Recoveries

6.1 Recommended Sanitary Sewer Rates

The City’s current charge is \$2.02 per cubic meter for sanitary sewer services.¹² This rate is sufficient to achieve full costs. Accordingly, it is recommended the City’s sanitary sewer charge remain constant at \$2.02 until 2025, and then gradually increase to \$2.12 per cubic meter in 2032, as summarized in *Table 12*.

Table 12 Recommended Sanitary Sewer Rates

Year	Sanitary Sewer Charge Per m3
2023	\$ 2.02
2024	\$ 2.02
2025	\$ 2.02
2026	\$ 2.07
2027	\$ 2.06
2028	\$ 2.06
2029	\$ 2.07
2030	\$ 2.09
2031	\$ 2.10
2032	\$ 2.12

The impact of the recommended rate strategy on customers is summarized in *Appendix A*.

6.2 Forecast Sanitary Sewer Recoveries

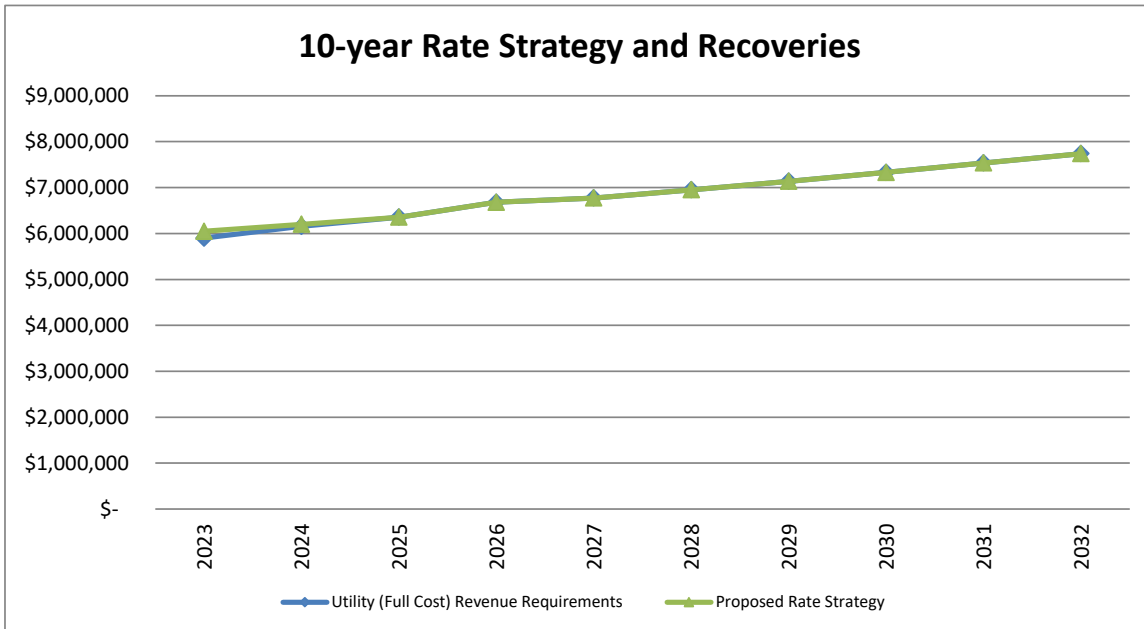
The sanitary sewer rates recommended and summarized in the previous section will ensure the City achieves full cost revenue requirements immediately thereby ensuring the sustainability of the sanitary sewer utility and reducing the risk of future tax subsidization.

The forecast revenue generated from the recommended rate structure is summarized in *Table 13* and the accompanying graph ('green' line).

¹² The City's current charge is approximately \$6.33 per cubic meter for both water and sewer services. Of this charge, the City estimates that \$2.02 is dedicated to the sanitary sewer utility.

Table 13: Forecast Sanitary Sewer Recoveries

Year	Utility (Full Cost) Revenue Requirement	Actual Revenue Under the Proposed Rate Strategy
2023	\$ 5,898,515	\$ 6,047,358
2024	\$ 6,154,693	\$ 6,201,077
2025	\$ 6,356,864	\$ 6,354,656
2026	\$ 6,680,183	\$ 6,680,183
2027	\$ 6,771,768	\$ 6,771,768
2028	\$ 6,953,081	\$ 6,953,081
2029	\$ 7,135,317	\$ 7,135,317
2030	\$ 7,330,916	\$ 7,330,916
2031	\$ 7,534,909	\$ 7,534,909
2032	\$ 7,738,994	\$ 7,738,994
Total	\$ 68,555,240	\$ 68,748,260



The impact of the recommended rate strategy on the forecast sanitary sewer reserve balance over the 10-year planning period is shown in *Table 14*. In addition to financing several capital projects over the review period, the sanitary sewer reserve is forecast to amass approximately \$5.03 million by 2032.

Table 14: Forecast Sanitary Sewer Reserve

Year	Reserve Receipts	Reserve Applied	Reserve Balance
2023	929,613	141,871	187,289
2024	870,723	435,181	622,831
2025	870,703	1,492,915	619
2026	1,003,496	24,480	979,635
2027	1,149,777	492,692	1,636,720
2028	1,163,248	447,770	2,352,198
2029	1,172,608	491,950	3,032,856
2030	1,190,144	573,530	3,649,469
2031	1,210,731	521,909	4,338,291
2032	1,225,910	537,567	5,026,634

7 Acknowledgements

CORVUS Business Advisors would like to thank all the City of Spruce Grove staff from Engineering, Planning, and Finance who supported the work of this review.

8 Disclaimer

CORVUS Business Advisor has relied upon City of Spruce Grove to provide all the data and information used to construct the utility rate model and create the rates, such as TCA's, capital plans and costs estimates, debenture details, and operating budgets etc. As such, CORVUS Business Advisors makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

Appendix A – Customer Impacts

Average Residential Consumption		
Consumption Level m3	20	20
Service Type - 15mm/5/8"	Existing	2023
Consumption Charge	\$ 2.02	\$ 2.02
Total Monthly Billing	\$ 40.40	\$ 40.40
Change from Existing Billing	\$ -	\$ -
Low Residential Consumption (e.g., Senior Citizen)		
Consumption Level m3	10	10
Service Type - 15mm/5/8"	Existing	2023
Consumption Charge	\$ 2.02	\$ 2.02
Total Monthly Billing	\$ 20.20	\$ 20.20
Change from Existing Billing	\$ -	\$ -
High Residential / Small Business Consumption		
Consumption Level m3	35	35
Service Type - 15mm/5/8"	Existing	2023
Consumption Charge	\$ 2.02	\$ 2.02
Total Monthly Billing	\$ 70.70	\$ 70.70
Change from Existing Billing	\$ -	\$ -

Small Business (1 1/2" Service)		
Consumption Level m3	50	50
Service Type - 38mm/1 1/2"	Existing	2023
Consumption Charge	\$ 2.02	\$ 2.02
Total Monthly Billing	\$ 101.00	\$ 101.00
Change from Existing Billing	\$ -	\$ -
Medium Business (2" Service)		
Consumption Level m3	200	200
Service Type - 50mm/2"	Existing	2023
Consumption Charge	\$ 2.02	\$ 2.02
Total Monthly Billing	\$ 404.00	\$ 404.00
Change from Existing Billing	\$ -	\$ -
Large Business (4" Service)		
Consumption Level m3	2500	2500
Service Type - 100mm/4"	Existing	2023
Consumption Charge	\$ 2.02	\$ 2.02
Total Monthly Billing	\$ 5,050.00	\$ 5,050.00
Change from Existing Billing	\$ -	\$ -

Appendix B – Return on Assets

2023							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 596,158	1.97%	6.63%	40.00%	\$ 3,596,931	3.83%	\$ 137,610
Equity Portion	\$ 8,396,169	27.79%	93.37%	60.00%	\$ 5,395,396	8.50%	\$ 458,609
Total System Acquired	\$ 8,992,327	29.76%	100.00%	100.00%	\$ 8,992,327		\$ 596,219
Contributed Assets	\$ 21,221,207	70.24%			\$ 21,221,207	0.00%	\$ -
Total Assets	\$ 30,213,534	100.00%			\$ 30,213,534		\$ 596,219
Working Capital	\$ 4,907,349				\$ 613,419	8.50%	\$ 52,141
						Total Return	\$ 648,360
							2.10%
2024							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 403,111	1.36%	4.45%	40.00%	\$ 3,626,232	4.30%	\$ 156,062
Equity Portion	\$ 8,662,468	29.18%	95.55%	60.00%	\$ 5,439,348	8.50%	\$ 462,345
Total System Acquired	\$ 9,065,580	30.54%	100.00%	100.00%	\$ 9,065,580		\$ 618,407
Contributed Assets	\$ 20,619,178	69.46%			\$ 20,619,178	0.00%	\$ -
Total Assets	\$ 29,684,758	100.00%			\$ 29,684,758		\$ 618,407
Working Capital	\$ 5,119,958				\$ 639,995	8.50%	\$ 54,400
						Total Return	\$ 672,806
							2.22%
2025							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 558,490	1.83%	5.29%	40.00%	\$ 4,221,256	2.10%	\$ 88,666
Equity Portion	\$ 9,994,649	32.69%	94.71%	60.00%	\$ 6,331,883	8.50%	\$ 538,210
Total System Acquired	\$ 10,553,139	34.52%	100.00%	100.00%	\$ 10,553,139		\$ 626,876
Contributed Assets	\$ 20,020,367	65.48%			\$ 20,020,367	0.00%	\$ -
Total Assets	\$ 30,573,506	100.00%			\$ 30,573,506		\$ 626,876
Working Capital	\$ 5,273,556				\$ 659,195	8.50%	\$ 56,032
						Total Return	\$ 682,907
							2.19%

City of Spruce Grove – Sanitary Sewer Utility Rate Review

2026							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 346,468	1.17%	3.41%	40.00%	\$ 4,069,518	6.59%	\$ 268,021
Equity Portion	\$ 9,827,327	33.20%	96.59%	60.00%	\$ 6,104,277	8.50%	\$ 518,864
Total System Acquired	\$ 10,173,796	34.37%	100.00%	100.00%	\$ 10,173,796		\$ 786,884
Contributed Assets							
	\$ 19,427,031	65.63%			\$ 19,427,031	0.00%	\$ -
Total Assets	\$ 29,600,827	100.00%			\$ 29,600,827		\$ 786,884
Working Capital							
	\$ 5,431,763				\$ 678,970	8.50%	\$ 57,712
						Total Return	\$ 844,597
							2.79%
2027							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 338,526	0.95%	3.30%	40.00%	\$ 4,109,248	4.87%	\$ 200,310
Equity Portion	\$ 9,934,593	27.95%	96.70%	60.00%	\$ 6,163,871	8.50%	\$ 523,929
Total System Acquired	\$ 10,273,119	28.90%	100.00%	100.00%	\$ 10,273,119		\$ 724,239
Contributed Assets							
	\$ 25,274,982	71.10%			\$ 25,274,982	0.00%	\$ -
Total Assets	\$ 35,548,101	100.00%			\$ 35,548,101		\$ 724,239
Working Capital							
	\$ 5,594,716				\$ 699,340	8.50%	\$ 59,444
						Total Return	\$ 783,683
							2.16%
2028							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 330,198	0.95%	3.20%	40.00%	\$ 4,127,741	4.88%	\$ 201,474
Equity Portion	\$ 9,989,155	28.64%	96.80%	60.00%	\$ 6,191,612	8.50%	\$ 526,287
Total System Acquired	\$ 10,319,353	29.59%	100.00%	100.00%	\$ 10,319,353		\$ 727,761
Contributed Assets							
	\$ 24,557,362	70.41%			\$ 24,557,362	0.00%	\$ -
Total Assets	\$ 34,876,714	100.00%			\$ 34,876,714		\$ 727,761
Working Capital							
	\$ 5,762,558				\$ 720,320	8.50%	\$ 61,227
						Total Return	\$ 788,988
							2.22%

City of Spruce Grove – Sanitary Sewer Utility Rate Review

2029							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 321,466	0.94%	3.09%	40.00%	\$ 4,163,539	4.89%	\$ 203,512
Equity Portion	\$ 10,087,381	29.45%	96.91%	60.00%	\$ 6,245,308	8.50%	\$ 530,851
Total System Acquired	\$ 10,408,847	30.39%	100.00%	100.00%	\$ 10,408,847		\$ 734,363
Contributed Assets							
	\$ 23,846,292	69.61%			\$ 23,846,292	0.00%	\$ -
Total Assets	\$ 34,255,140	100.00%			\$ 34,255,140		\$ 734,363
Working Capital	\$ 5,935,434				\$ 741,929	8.50%	\$ 63,064
						Total Return	\$ 797,427
							2.28%
2030							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 312,312	0.93%	2.95%	40.00%	\$ 4,230,572	4.90%	\$ 207,117
Equity Portion	\$ 10,264,117	30.44%	97.05%	60.00%	\$ 6,345,857	8.50%	\$ 539,398
Total System Acquired	\$ 10,576,429	31.37%	100.00%	100.00%	\$ 10,576,429		\$ 746,515
Contributed Assets							
	\$ 23,142,859	68.63%			\$ 23,142,859	0.00%	\$ -
Total Assets	\$ 33,719,288	100.00%			\$ 33,719,288		\$ 746,515
Working Capital	\$ 6,113,497				\$ 764,187	8.50%	\$ 64,956
						Total Return	\$ 811,471
							2.35%
2031							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 302,713	0.91%	2.83%	40.00%	\$ 4,272,616	4.90%	\$ 209,545
Equity Portion	\$ 10,378,826	31.33%	97.17%	60.00%	\$ 6,408,923	8.50%	\$ 544,758
Total System Acquired	\$ 10,681,539	32.25%	100.00%	100.00%	\$ 10,681,539		\$ 754,303
Contributed Assets							
	\$ 22,441,645	67.75%			\$ 22,441,645	0.00%	\$ -
Total Assets	\$ 33,123,184	100.00%			\$ 33,123,184		\$ 754,303
Working Capital	\$ 6,296,902				\$ 787,113	8.50%	\$ 66,905
						Total Return	\$ 821,208
							2.42%

City of Spruce Grove – Sanitary Sewer Utility Rate Review

2032							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 292,649	0.90%	2.71%	40.00%	\$ 4,319,104	4.91%	\$ 212,242
Equity Portion	\$ 10,505,111	32.28%	97.29%	60.00%	\$ 6,478,656	8.50%	\$ 550,686
Total System Acquired	\$ 10,797,760	33.18%	100.00%	100.00%	\$ 10,797,760		\$ 762,928
Contributed Assets	\$ 21,743,677	66.82%			\$ 21,743,677	0.00%	\$ -
Total Assets	\$ 32,541,438	100.00%			\$ 32,541,438		\$ 762,928
Working Capital	\$ 6,485,809				\$ 810,726	8.50%	\$ 68,912
						Total Return	\$ 831,839
							2.49%



City of Spruce Grove: Stormwater Utility Rate Review

Version 2.0 (FINAL)
August 31st, 2022

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Document Information

Revision History

Version Number	Revision Date	Summary of Changes and Author
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1 Introduction

The City of Spruce Grove (“the City”) provides stormwater services to City residents including: collection, transmission, storage, pumping, etc. Customers are billed monthly for stormwater services based on the size of water meter: (1) small customers (<1” water service), and (2) large customers (>=1” water service).

The City initiated this review to ensure stormwater rates are current and reflect the full cost of service provision.

2 Scope of Review

This rate review is focused on stormwater fixed charges.

3 Methodology

There are two generally accepted methods for determining the revenue requirements (and rates) for stormwater utility systems. These methods are:

- 1) The Utility (Full Cost) Approach, and
- 2) The Cash Needs Approach.

Though each method provides for short and long-term stormwater system program costs, the *utility (full cost) approach* generally results in greater rate stability. Under the *cash needs approach*, revenue requirements can fluctuate dramatically with cash demands that result from large capital expenditures. The *utility approach*, however, develops revenue requirements not based on what is being spent today but rather on the assets that are consumed in service delivery (i.e., depreciation) and through financial returns on system assets that will sustain the service in the future (i.e., return on the asset base). Depreciation and return represent non-cash provisions that, when placed in reserve, may be used to defray the impact of large capital expenditures or, alternatively, may be drawn upon to cover cash needs when decision makers wish to smooth the impact of rate increases over a number of years.

This study uses the *utility approach* to establish stormwater revenue requirements and rates.

4 Assumptions

Assumptions that are utilized throughout this analysis include:

Assumption	Description
Review Period	Though rates are usually approved on an annual basis, this study examines rate requirements over a 10-year review period from 2023 to 2032, thereby providing the City with insight into potential future rate changes.
Inflation	Inflation of 3.0% per annum was applied to current costs to establish future costs.
Depreciation	Depreciation and amortization are calculated on a straight-line base over the economic life of each asset class. Depreciation and amortization are calculated starting in the year of construction completion using the half-year rule.
Return on Acquired Assets that are Debt Supported	All assets are classified as either “acquired assets” or “contributed assets”, depending on the asset’s nature of origin and financing. Acquired assets that are debt supported are provided a rate of return equivalent to the average interest requirements in a given year.
Return on Acquired Assets that are Equity Supported	All assets are classified as either “acquired assets” or “contributed assets”, depending on the asset’s nature of origin and financing. Acquired assets that are equity supported are provided a rate of return of 8.50% which approximates the cost of equity capital for utilities as determined by the Alberta Utility Commission (i.e., the AUC “Generic Rate of Return” or “Generic Cost of Capital”).
Return on Working Capital	Determination of average working capital requirements is based on 1½ months of operation and maintenance costs in a given year (i.e., the “one-eighth” rule). Return on working capital is 8.50% (i.e., the AUC “Generic Rate of Return” or “Generic Cost of Capital”).

5 Analysis of Revenue Requirements

Revenue requirements are the total costs of the stormwater system that stormwater rates must recover for the utility to be self-sustaining. Each element used to determine the City’s stormwater revenue requirements is described in the sections below.

5.1 Existing Stormwater Infrastructure

The cost of existing stormwater assets used in the provision of services (i.e., tangible capital assets) is included in the determination of revenue requirements. The City’s stormwater assets are categorized into several categories based on their expected life (i.e., 75-year assets, 50-year assets, 45-year assets, 40-year assets, 30-year assets, 20-year assets, and 10-year assets).¹

Stormwater assets are also classified as either “acquired” assets or “contributed” assets depending on origin and nature of financing. Contributed assets are those that have been provided to the City through grants, local improvements (i.e., developer constructed and financed), third party contributions, and development levies. Acquired and contributed assets earn different rates of return, which is described more fully later in this section. This rate of return is used to make debt payments associated with creation of the infrastructure and to rehabilitate and replace assets when they reach the end of their economic life.

Table 1 summarizes the original and residual book value of assets currently in service. The City’s stormwater assets are, on average, at 28% of their economic life with 72% of life remaining. It is important that reserves be accumulated for future asset rehabilitation and reconstruction.

¹ A municipality’s assets are usually categorized based on their type, such as: catch basins and manholes, mains, storm ponds, pump stations, equipment, computers, and land. However, in some cases City assets within a given category have been assigned different asset life’s, and so data synthesis and analysis using a different approach was required. Moving forward, it is recommended the City establish a singular asset life for each asset type.

Table 1: Net Book Value of Existing Stormwater Assets ²

Description	Gross Cost	Accumulated Depreciation	Net Book Value	Remaining % of Asset
System Acquired Assets				
75 Year Assets	\$ 2,923,848	\$ 633,859	\$ 2,289,989	78%
50 Year Assets	\$ 19,255,487	\$ 4,906,402	\$ 14,349,086	75%
45 Year Assets	\$ -	\$ -	\$ -	0%
40 Year Assets	\$ -	\$ -	\$ -	0%
30 Year Assets	\$ -	\$ -	\$ -	0%
20 Year Assets	\$ 302,585	\$ 23,799	\$ 278,786	92%
10 Year Assets	\$ 680,518	\$ 577,921	\$ 102,598	15%
Total Acquired	\$ 23,162,439	\$ 6,141,980	\$ 17,020,459	73%
Contributed Assets				
75 Year Assets	\$ 16,857,920	\$ 3,046,191	\$ 13,811,729	82%
50 Year Assets	\$ 45,839,538	\$ 14,982,182	\$ 30,857,356	67%
45 Year Assets	\$ -	\$ -	\$ -	0%
40 Year Assets	\$ -	\$ -	\$ -	0%
30 Year Assets	\$ -	\$ -	\$ -	0%
20 Year Assets	\$ -	\$ -	\$ -	0%
10 Year Assets	\$ -	\$ -	\$ -	0%
Total Contributed	\$ 62,697,457	\$ 18,028,373	\$ 44,669,084	71%
Total All Assets	\$ 85,859,896	\$ 24,170,353	\$ 61,689,543	72%

5.2 New Stormwater Infrastructure (Capital Plan)

Tables 2 and 3 provide details of the capital expenditures that are planned for the City's stormwater system over 10 years.³ The City's capital plan totals \$9.22 million in future dollars, of which \$9.22 million is anticipated to be acquired and \$0.00 is anticipated to be contributed.

These assets are placed into service in the year of construction completion. Similar to existing assets, when capital assets (that are acquired) are placed into service they earn a rate of return to repay any debt obligations that have arisen during their creation, and for the assets eventual rehabilitation and replacement.

² Land values (if any) are shown for information only. Land is not a depreciable asset.

³ The first 10 years of the capital plan are included, consistent with the 10-year outlook of this study.

Table 2: Capital Plan & Financing ⁴

Addition Description	Current Cost	Inflation		Allocation of Cost			System Acquired Financing		Contributed Assets		
		Year	3.00%	Future Cost	System Acquired	Contributed	Debt	Reserves	Grants	Developer	Other
Detailed engineering design for 7 High Risk ponds	\$ 125,000	2023	\$ 128,750	\$ 128,750	\$ -	\$ -	\$ 128,750	\$ -	\$ -	\$ -	
Pond 15/39 Harvest Ridge Ponds	\$ 800,000	2024	\$ 848,720	\$ 848,720	\$ -	\$ 350,000	\$ 498,720	\$ -	\$ -	\$ -	
Pond 4 (Fairway Park), 57 (Tim Hortons)	\$ 200,000	2025	\$ 218,545	\$ 218,545	\$ -	\$ -	\$ 218,545	\$ -	\$ -	\$ -	
Pond 27 (Spruce Ridge Pond)	\$ 250,000	2026	\$ 281,377	\$ 281,377	\$ -	\$ -	\$ 281,377	\$ -	\$ -	\$ -	
Pond 1 (Heatherglen – no design needed), Pond 23 (Century Crossing), Pond 5 (Vannderbuilt)	\$ 125,000	2027	\$ 144,909	\$ 144,909	\$ -	\$ -	\$ 144,909	\$ -	\$ -	\$ -	
Detailed engineering design for the remaining 5 High Risk Ponds and 2 Med. Risk Ponds	\$ 100,000	2028	\$ 119,405	\$ 119,405	\$ -	\$ -	\$ 119,405	\$ -	\$ -	\$ -	
Pond 18 (Jubilee Pond), Pond 55 (Pioneer Pond), Pond 35 (N City Centre)	\$ 150,000	2029	\$ 184,481	\$ 184,481	\$ -	\$ -	\$ 184,481	\$ -	\$ -	\$ -	
Pond 30 (PW Yard), Pond 8 (Longview)	\$ 120,000	2030	\$ 152,012	\$ 152,012	\$ -	\$ -	\$ 152,012	\$ -	\$ -	\$ -	
Pond 37 (Fairway Park), Pond 10 (Links Golf Hole 8)	\$ 100,000	2031	\$ 130,477	\$ 130,477	\$ -	\$ -	\$ 130,477	\$ -	\$ -	\$ -	
Detailed engineering design for 7-10 ponds.	\$ 125,000	2032	\$ 167,990	\$ 167,990	\$ -	\$ -	\$ 167,990	\$ -	\$ -	\$ -	
Storm Network Master Plan	\$ 150,000	2023	\$ 154,500	\$ 154,500	\$ -	\$ -	\$ 154,500	\$ -	\$ -	\$ -	
Hotsy Steamer/Pressure Washer Trailer	\$ 38,500	2022	\$ 38,500	\$ 38,500	\$ -	\$ -	\$ 38,500	\$ -	\$ -	\$ -	
Hydro Vac Drying Pad Facility (Water 20%/Sewer 15%/Drainage 65%)	\$ 243,750	2022	\$ 243,750	\$ 243,750	\$ -	\$ -	\$ 243,750	\$ -	\$ -	\$ -	
Equipment Lifecycle Replacement Plan - 2014 5T Tandem Flusher (Water 10%/Sewer 60%/Drainage 30%)	\$ 181,500	2024	\$ 192,553	\$ 192,553	\$ -	\$ -	\$ 192,553	\$ -	\$ -	\$ -	
Equipment Lifecycle Replacement Plan - Unit357Caterpillar450F Backhoe (Water 20%/Sewer 20%/Drainage 60%)	\$ 141,600	2024	\$ 150,223	\$ 150,223	\$ -	\$ -	\$ 150,223	\$ -	\$ -	\$ -	
Support to City Center ARP - McLeod Avenue and Main Street	\$ 697,564	2022	\$ 697,564	\$ 697,564	\$ -	\$ 697,564	\$ -	\$ -	\$ -	\$ -	
Greenbury Dewatering Install Phase 1	\$ 20,000	2022	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 250,000	2022	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	
Support to City Center ARP - McLeod Avenue and Main Street	\$ 168,143	2023	\$ 168,143	\$ 168,143	\$ -	\$ -	\$ 168,143	\$ -	\$ -	\$ -	
Greenbury Dewatering Install Phase 1	\$ 350,000	2023	\$ 360,500	\$ 360,500	\$ -	\$ -	\$ 360,500	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 262,000	2023	\$ 269,860	\$ 269,860	\$ -	\$ -	\$ 269,860	\$ -	\$ -	\$ -	
Westgrove, Aspenglen, Millgrove, Deer Park, Fairway Dr.	\$ 400,000	2023	\$ 412,000	\$ 412,000	\$ -	\$ -	\$ 412,000	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 262,000	2024	\$ 277,956	\$ 277,956	\$ -	\$ -	\$ 277,956	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 262,000	2025	\$ 286,294	\$ 286,294	\$ -	\$ -	\$ 286,294	\$ -	\$ -	\$ -	
Woodhaven Linkside	\$ 800,000	2025	\$ 874,182	\$ 874,182	\$ -	\$ -	\$ 874,182	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 275,000	2026	\$ 309,515	\$ 309,515	\$ -	\$ -	\$ 309,515	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 275,000	2027	\$ 318,800	\$ 318,800	\$ -	\$ -	\$ 318,800	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 275,000	2028	\$ 328,364	\$ 328,364	\$ -	\$ -	\$ 328,364	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 290,000	2029	\$ 356,663	\$ 356,663	\$ -	\$ -	\$ 356,663	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 290,000	2030	\$ 367,363	\$ 367,363	\$ -	\$ -	\$ 367,363	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 290,000	2031	\$ 378,384	\$ 378,384	\$ -	\$ -	\$ 378,384	\$ -	\$ -	\$ -	
Storm Sewer Rehab (Catch Basins)	\$ 290,000	2032	\$ 389,736	\$ 389,736	\$ -	\$ -	\$ 389,736	\$ -	\$ -	\$ -	
	\$ 8,302,160		\$ 9,221,516	\$ 9,221,516	\$ -	\$ 1,047,564	\$ 8,173,952	\$ -	\$ -	\$ -	

⁴ The analysis undertaken herein indicates that the stormwater utility reserve will not be sufficient to fund capital projects to the extent identified in the City’s current capital plan. As such, debenture funding has been used to finance additional projects. Note: the City is not bound to the financing plan shown here...its purpose is solely to determine rates. The City may change or move financing methods as desired to reflect changing circumstances. If/when financing methods change, they will be reflected in future rate updates.

Table 3: Summary of Capital Plan by Asset Class ⁵

Year	75 Year Assets	50 Year Assets	45 Year Assets	40 Year Assets	30 Year Assets	20 Year Assets	10 Year Assets	Land	Grand Total
2023	\$ 128,750	\$ 1,210,503	\$ -	\$ -	\$ -	\$ 154,500	\$ -	\$ -	\$ 1,493,753
2024	\$ 848,720	\$ 277,956	\$ -	\$ -	\$ -	\$ -	\$ 342,776	\$ -	\$ 1,469,452
2025	\$ 152,012	\$ 367,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519,375
2026	\$ 218,545	\$ 1,160,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,379,021
2027	\$ 281,377	\$ 309,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,892
2028	\$ 144,909	\$ 318,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 463,709
2029	\$ 119,405	\$ 328,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 447,769
2030	\$ 184,481	\$ 356,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 541,144
2031	\$ 130,477	\$ 378,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 508,861
2032	\$ 167,990	\$ 389,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 557,726
Total	\$ 2,376,666	\$ 5,097,760	\$ -	\$ -	\$ -	\$ 154,500	\$ 342,776	\$ -	\$ 7,971,702
Acquired Assets	\$ 2,376,666	\$ 5,097,760	\$ -	\$ -	\$ -	\$ 154,500	\$ 342,776	\$ -	\$ 7,971,702
Contributed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,376,666	\$ 5,097,760	\$ -	\$ -	\$ -	\$ 154,500	\$ 342,776	\$ -	\$ 7,971,702

⁵ The capital plan shown in *Table 3* totals \$7.97 million, which is less than the total reflected in *Table 2*. This is because *Table 2* includes 2022 capital items that are not included in the City's TCA balance.

5.3 Existing and Future Debt Payments

Revenue requirements (and rates) must provide for payments on existing and future debts as summarized in *Table 4*.

Table 4: Existing and Future Debts ⁶

Year	Existing Debt			Future Debt			Total Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 91,423	\$ 51,429	\$ 142,852	\$ 14,926	\$ 33,237	\$ 48,163	\$ 106,349	\$ 84,666	\$ 191,015
2024	\$ 93,892	\$ 48,960	\$ 142,852	\$ 23,139	\$ 49,190	\$ 72,328	\$ 117,031	\$ 98,150	\$ 215,180
2025	\$ 96,428	\$ 46,424	\$ 142,852	\$ 24,260	\$ 48,068	\$ 72,328	\$ 120,688	\$ 94,492	\$ 215,180
2026	\$ 99,032	\$ 43,820	\$ 142,852	\$ 25,436	\$ 46,892	\$ 72,328	\$ 124,468	\$ 90,712	\$ 215,180
2027	\$ 101,706	\$ 41,146	\$ 142,852	\$ 26,669	\$ 45,659	\$ 72,328	\$ 128,375	\$ 86,805	\$ 215,180
2028	\$ 104,453	\$ 38,400	\$ 142,852	\$ 27,962	\$ 44,366	\$ 72,328	\$ 132,415	\$ 82,766	\$ 215,180
2029	\$ 107,273	\$ 35,579	\$ 142,852	\$ 29,317	\$ 43,011	\$ 72,328	\$ 136,591	\$ 78,590	\$ 215,180
2030	\$ 110,170	\$ 32,682	\$ 142,852	\$ 30,738	\$ 41,590	\$ 72,328	\$ 140,909	\$ 74,272	\$ 215,180
2031	\$ 113,145	\$ 29,707	\$ 142,852	\$ 32,228	\$ 40,100	\$ 72,328	\$ 145,374	\$ 69,806	\$ 215,180
2032	\$ 116,201	\$ 26,651	\$ 142,852	\$ 22,854	\$ 25,309	\$ 48,163	\$ 139,055	\$ 51,960	\$ 191,015
Total	\$ 1,033,724	\$ 394,798	\$ 1,428,522	\$ 257,530	\$ 417,420	\$ 674,950	\$ 1,291,253	\$ 812,218	\$ 2,103,472

5.4 Operating and Maintenance Costs

Table 5 summarizes the operating and maintenance budget for 2023 (i.e., Year 1 of the review period). Total non-utility revenues are forecast at \$0, total operating and maintenance expenditures are forecast at \$1.58 million, and net expenditures (expenditures less non-utility revenues) are forecast at \$1.58 million.

⁶ The analysis undertaken herein indicates that the stormwater utility reserve will not be sufficient to fund capital projects to the extent identified in the City’s current capital plan. As such, debenture funding has been used to finance additional projects and whose payments are reflected in Future Debt. Note: the City is not bound to the financing plan shown here...its purpose is solely to determine rates. The City may change or move financing methods as desired to reflect changing circumstances. If/when financing methods change, they will be reflected in future rate updates.

Table 5: Operating and Maintenance Revenues and Costs ⁷

Non Utility Billing Revenues and Recoveries	
	\$ -
O&M Expenditures	
1102 - Full Time Salaries	\$ 361,474
1112 - Full Time Overtime	\$ 6,260
1122 - Shift Premiums	\$ 603
1192 - Full Time Benefits	\$ 90,369
1202 - Part Time- Temporary/Casual Wages	\$ 46,634
1212 - Part Time Temporary/Casual Overtime	\$ 116
1292 - Part Time- Temporary/Casual Benefits	\$ 3,264
1602 - External Training	\$ 1,015
1602 - External Training	\$ 1,218
1602 - External Training	\$ 3,045
1602 - External Training	\$ 508
1702 - DO NOT USE - Travel & Subsistence - Staff	\$ 1,015
1702 - DO NOT USE - Travel & Subsistence - Staff	\$ 1,015
1702 - DO NOT USE - Travel & Subsistence - Staff	\$ 2,030
1702 - DO NOT USE - Travel & Subsistence - Staff	\$ 508
3212 - Contracted and General Services	\$ 163,910
3212 - Contracted and General Services	\$ 52,867
3212 - Contracted and General Services	\$ 1,000
3212 - Contracted and General Services	\$ 52,867
3212 - Contracted and General Services	\$ 77,609
3212 - Contracted and General Services	\$ 500,000
5312 - Advertising	\$ 5,000
5602 - Professional Fees	\$ 50,000
8022 - Vehicle/Equipment Rental	\$ 31,976
8122 - Materials Supplies	\$ 7,101
8122 - Materials Supplies	\$ 90,197
8132 - Tools	\$ 1,200
8132 - Tools	\$ 2,363
8142 - Uniforms and PPE	\$ 1,100
8142 - Uniforms and PPE	\$ 2,200
8142 - Uniforms and PPE	\$ 511
8142 - Uniforms and PPE	\$ 1,100
8242 - Custom Business Products	\$ 1,800
8252 - Postage & Courier	\$ 12,000
8352 - R&M Infrastructure	\$ 2,750
8352 - R&M Infrastructure	\$ 2,750
Total Expenditures	\$ 1,579,374
Net Expenditures	\$ 1,579,374

⁷ Amortization and interest on debt are not included in the budget as they are summarized in other sections of the report.

Table 6 summarizes the projected net operating expenditures that must be recovered from stormwater utility rates over the review period. Projected expenditures over the rate planning period are based on 2023 baseline costs (adjusted for step increases/decreases, if any) plus inflation of 3.0% inflation per year. Net expenditures are forecast to increase from \$1.58 million in 2023 to \$2.06 million in 2032.

Table 6: Forecast Net Operating and Maintenance Costs

Year	Miscellaneous Recoveries	Expenditures	Net Expenditures
2023	\$ -	\$ 1,579,374	\$ 1,579,374
2024	\$ -	\$ 1,626,755	\$ 1,626,755
2025	\$ -	\$ 1,675,558	\$ 1,675,558
2026	\$ -	\$ 1,725,825	\$ 1,725,825
2027	\$ -	\$ 1,777,600	\$ 1,777,600
2028	\$ -	\$ 1,830,928	\$ 1,830,928
2029	\$ -	\$ 1,885,855	\$ 1,885,855
2030	\$ -	\$ 1,942,431	\$ 1,942,431
2031	\$ -	\$ 2,000,704	\$ 2,000,704
2032	\$ -	\$ 2,060,725	\$ 2,060,725

5.5 Depreciation Expense on Acquired Assets

Depreciation represents the value of assets consumed while in service to ratepayers. A depreciation expense establishes part of the provision used for the rehabilitation and replacement of assets. Under the *utility approach* a depreciation expense is calculated only on acquired assets (contributed assets have not been purchased and therefore no expense can emanate from these assets). The depreciation expense established within the stormwater revenue requirement is calculated on a straight-line basis over the economic life of assets in each asset class (50-year assets, 30-year assets, etc). Table 7 summarizes the depreciation expenses in each year of the rate-planning period.

*Table 7: Depreciation Expense*⁸

Description	2023	2024	2025	2026	2027
75 Year Assets	\$ 39,843	\$ 46,359	\$ 53,475	\$ 56,807	\$ 59,649
50 Year Assets	\$ 394,344	\$ 409,028	\$ 421,166	\$ 433,455	\$ 437,365
45 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
40 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
30 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
20 Year Assets	\$ 15,129	\$ 23,449	\$ 31,768	\$ 31,768	\$ 31,768
10 Year Assets	\$ 27,145	\$ 33,895	\$ 33,895	\$ 31,922	\$ 26,460
Total Depreciation	\$ 476,462	\$ 512,731	\$ 540,304	\$ 553,952	\$ 555,242

Description	2028	2029	2030	2031	2032
75 Year Assets	\$ 61,411	\$ 63,437	\$ 65,681	\$ 67,564	\$ 69,554
50 Year Assets	\$ 441,222	\$ 443,285	\$ 444,109	\$ 449,486	\$ 457,159
45 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
40 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
30 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
20 Year Assets	\$ 31,510	\$ 31,251	\$ 31,251	\$ 31,251	\$ 31,251
10 Year Assets	\$ 22,972	\$ 22,972	\$ 19,211	\$ 15,450	\$ 15,450
Total Depreciation	\$ 557,115	\$ 560,946	\$ 560,252	\$ 563,752	\$ 573,414

5.6 Return on Assets in Service

Under the *utility approach*, revenue requirements include returns on stormwater assets that are employed in the provision of service. Determination of returns are based on the capital structure of the utility and are used to meet any borrowing obligations that are incurred in the creation of assets and to rehabilitate and replace the assets when they reach the end of their economic life.

A deemed capital structure of 40% debt and 60% equity is used to calculate returns. The deemed capital structure helps to generate a smooth revenue requirement during periods of abnormally low or high capital construction. Private utilities often utilize a deemed structure comprised of 60% debt; however, the deemed structure used here includes a 40% debt assumption, in alignment with the increased debt constraints placed on municipalities.

There are 4 types of assets in service which earn a rate of return:

- 1. Acquired assets that are debt supported:** Acquired assets that are debt supported earn a rate of return that meets average debt interest obligations each year. For example, in year 1 of the review period the return of 4.79% is based on the average interest of all outstanding debentures.

⁸ Depreciation is calculated starting in the year of construction/completion, with the half year rule applied in the first year.

2. **Acquired assets that are equity supported:** Acquired assets that are equity supported earn a rate of return of 8.50% (the Alberta Utility Commission’s (“AUC”) Generic Rate of Return) which approximates the cost of equity capital for stormwater utilities as determined by the AUC.
3. **Working capital:** Determination of average working capital requirements is based on 1½ months of operations and maintenance costs (the “one-eighth” rule). Return on working capital is 8.50% (the AUC Generic Rate of Return).
4. **Contributed assets:** Contributed assets do not earn a rate of return.

To illustrate, *Table 8* summarizes returns for each asset in service in year 1 of the rate planning period. The average return on all assets in service is 2.08%. Forecast returns for each year of the rate planning period are summarized in *Appendix B*.

Table 8: Forecast Returns for Year 1

2023							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,881,117	4.68%	15.97%	40.00%	\$ 7,215,100	4.79%	\$ 345,603
Equity Portion	\$ 15,156,633	24.62%	84.03%	60.00%	\$ 10,822,650	8.50%	\$ 919,925
Total System Acquired	\$ 18,037,750	29.29%	100.00%	100.00%	\$ 18,037,750		\$ 1,265,529
Contributed Assets	\$ 43,536,007	70.71%			\$ 43,536,007	0.00%	\$ -
Total Assets	\$ 61,573,757	100.00%			\$ 61,573,757		\$ 1,265,529
Working Capital	\$ 1,579,374				\$ 197,422	8.50%	\$ 16,781
						Total Return	\$ 1,282,309
							2.08%

5.7 Revenue Requirements

Table 9 summarizes the forecast revenue requirements under the *utility approach*. These revenue requirements are based on each of the elements described previously in this section. Stormwater revenue requirements are forecast to increase from \$3.34 million in 2023 to \$4.03 million in 2032.

Table 9: Stormwater Revenue Requirements ⁹

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
O&M costs (Net)	\$ 1,579,374	\$ 1,626,755	\$ 1,675,558	\$ 1,725,825	\$ 1,777,600	\$ 1,830,928	\$ 1,885,855	\$ 1,942,431	\$ 2,000,704	\$ 2,060,725
Depreciation	\$ 476,462	\$ 512,731	\$ 540,304	\$ 553,952	\$ 555,242	\$ 557,115	\$ 560,946	\$ 560,252	\$ 563,752	\$ 573,414
Return										
System Assets - Debt	\$ 345,603	\$ 363,934	\$ 380,004	\$ 380,712	\$ 378,958	\$ 376,863	\$ 376,483	\$ 375,700	\$ 374,648	\$ 374,348
System Assets - Equity	\$ 919,925	\$ 968,718	\$ 1,011,493	\$ 1,013,377	\$ 1,008,708	\$ 1,003,132	\$ 1,002,122	\$ 1,000,037	\$ 997,238	\$ 996,438
Contributed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital	\$ 16,781	\$ 17,284	\$ 17,803	\$ 18,337	\$ 18,887	\$ 19,454	\$ 20,037	\$ 20,638	\$ 21,257	\$ 21,895
Principal Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,338,145	\$ 3,489,423	\$ 3,625,161	\$ 3,692,202	\$ 3,739,395	\$ 3,787,491	\$ 3,845,444	\$ 3,899,059	\$ 3,957,599	\$ 4,026,820

⁹ A principal shortfall is the difference between depreciation and principal debt payment in a given year. If the number is negative, there is a shortfall, and this amount is added to the revenue requirement in that year.

5.8 Comparison of Revenue Requirement: Utility (Full Cost) Approach Versus Cash Needs Approach

As described in *Section 4*, the *utility approach* provides revenue targets for rates that ensure the utility is self-sustaining. Full cost rates not only ensure current costs are covered, but they allow the utility to generate reserves that will be necessary to rehabilitate and replace assets in the future.

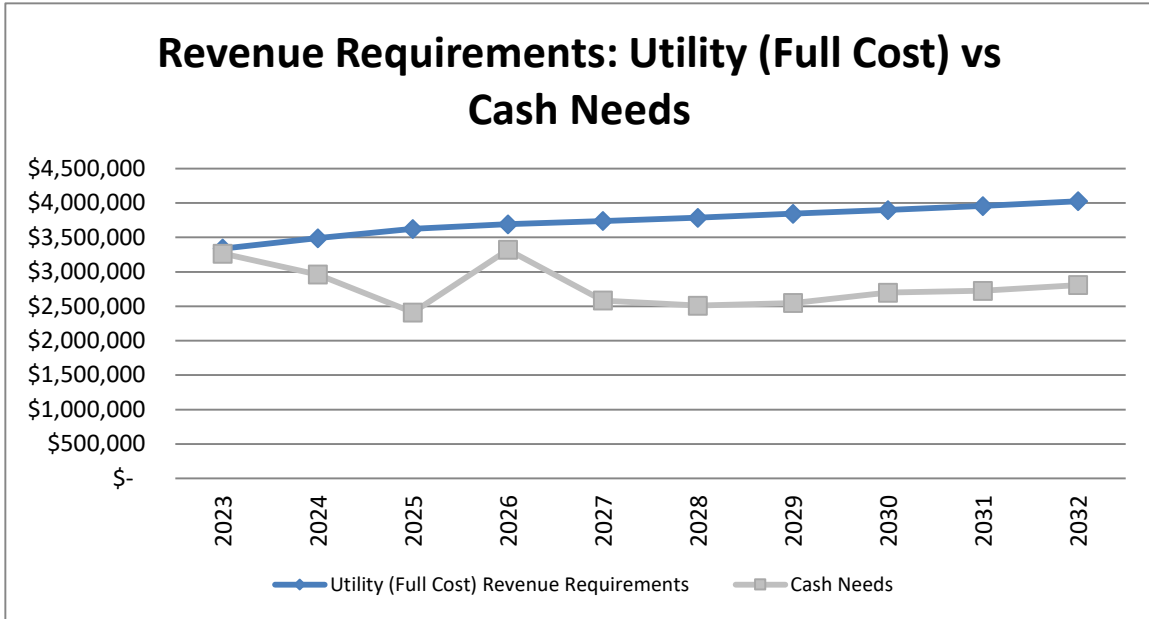
A *cash approach*, on the other hand, only describes the minimum amount of cash the utility must generate to satisfy current costs. Rates which generate revenue less than this minimum will create a utility loss which must be subsidized via other sources such as taxes.

Based on all revenue requirements described in this section, *Table 10* and the accompanying graph compare the City’s revenue requirements under both the *utility approach* (i.e., the ideal/maximum) and the *cash approach*.¹⁰

Table 10: Comparison of Full Cost and Cash Revenue Requirements

Year	Revenue Requirement - Utility (Full Cost)					Revenue Requirement - Cash				
	Operating & Maintenance Expenses	Depreciation	Return on Assets	Principal Short Fall	Total Revenue Requirement	Operating & Maintenance Expenses	Debt Charges	Revenue Requirement Before Capital Drawn From Reserve	Capital Drawn From Reserves	Total Revenue Requirement
2023	\$ 1,579,374	\$ 476,462	\$ 1,282,309	\$ -	\$ 3,338,145	\$ 1,579,374	\$ 191,015	\$ 1,770,389	\$ 1,493,753	\$ 3,264,142
2024	\$ 1,626,755	\$ 512,731	\$ 1,349,936	\$ -	\$ 3,489,423	\$ 1,626,755	\$ 215,180	\$ 1,841,936	\$ 1,119,452	\$ 2,961,388
2025	\$ 1,675,558	\$ 540,304	\$ 1,409,299	\$ -	\$ 3,625,161	\$ 1,675,558	\$ 215,180	\$ 1,890,738	\$ 519,375	\$ 2,410,113
2026	\$ 1,725,825	\$ 553,952	\$ 1,412,425	\$ -	\$ 3,692,202	\$ 1,725,825	\$ 215,180	\$ 1,941,005	\$ 1,379,021	\$ 3,320,026
2027	\$ 1,777,600	\$ 555,242	\$ 1,406,553	\$ -	\$ 3,739,395	\$ 1,777,600	\$ 215,180	\$ 1,992,780	\$ 590,892	\$ 2,583,672
2028	\$ 1,830,928	\$ 557,115	\$ 1,399,448	\$ -	\$ 3,787,491	\$ 1,830,928	\$ 215,180	\$ 2,046,108	\$ 463,709	\$ 2,509,817
2029	\$ 1,885,855	\$ 560,946	\$ 1,398,642	\$ -	\$ 3,845,444	\$ 1,885,855	\$ 215,180	\$ 2,101,036	\$ 447,769	\$ 2,548,805
2030	\$ 1,942,431	\$ 560,252	\$ 1,396,376	\$ -	\$ 3,899,059	\$ 1,942,431	\$ 215,180	\$ 2,157,611	\$ 541,144	\$ 2,698,755
2031	\$ 2,000,704	\$ 563,752	\$ 1,393,144	\$ -	\$ 3,957,599	\$ 2,000,704	\$ 215,180	\$ 2,215,884	\$ 508,861	\$ 2,724,745
2032	\$ 2,060,725	\$ 573,414	\$ 1,392,681	\$ -	\$ 4,026,820	\$ 2,060,725	\$ 191,015	\$ 2,251,740	\$ 557,726	\$ 2,809,466

¹⁰ There may be years when significant capital costs result in cash requirements exceeding utility (full cost) requirements.



5.9 Customers/Stormwater Demand

The City currently has approximately 12,417 stormwater customers, the vast majority (99%) of which are designated “small” customers (water service <1”), as summarized in *Table 11*. The City estimates that stormwater customers/demand will increase an average of approximately 2.29% per year over the review period.

Table 11: Stormwater Customers

	Small Customers (<1")	Large Customers (>=1")	Total
Jan	12,397	140	12,537
Feb	12,414	141	12,555
Mar	12,435	141	12,576
Apr	12,146	140	12,286
May	12,178	139	12,317
Jun	12,174	138	12,312
Jul	12,186	140	12,326
Aug	12,196	140	12,336
Sep	12,245	140	12,385
Oct	12,301	140	12,441
Nov	12,322	139	12,461
Dec	12,336	140	12,476
Average	12,278	140	12,417
%	98.87%	1.13%	100.00%

6 Recommended Rates & Forecast Recoveries

6.1 Recommended Stormwater Rates

The City’s current stormwater charge is \$11.50 per month for “small” customers. This rate is not sufficient to achieve full costs. In 2020 when the City implemented a stormwater charge, the rate strategy that was adopted would see the City gradually increase rates to achieve full cost within a few years. It is recommended the City maintain this gradual approach. Accordingly, in 2023 it is recommended the City establish a monthly stormwater charge of \$14.55 for small customers, and \$58.20 for large customers. And these rates should increase gradually to \$21.65 for small customers and \$86.60 for large customers in 2026. From 2027 onward, rates can decrease gradually, assuming there are no adjustments to capital and operating cost inputs, as summarized in *Table 12*.

Table 12 Recommended Stormwater Rates

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Small Customers (<1")	\$ 14.55	\$ 16.50	\$ 20.50	\$ 21.65	\$ 21.40	\$ 21.20	\$ 21.05	\$ 20.90	\$ 20.80	\$ 20.70
Large Customers (>=1")	\$ 58.20	\$ 66.00	\$ 82.00	\$ 86.60	\$ 85.60	\$ 84.80	\$ 84.20	\$ 83.60	\$ 83.20	\$ 82.80

The impact of the recommended rate strategy on customers is summarized in *Appendix A*.

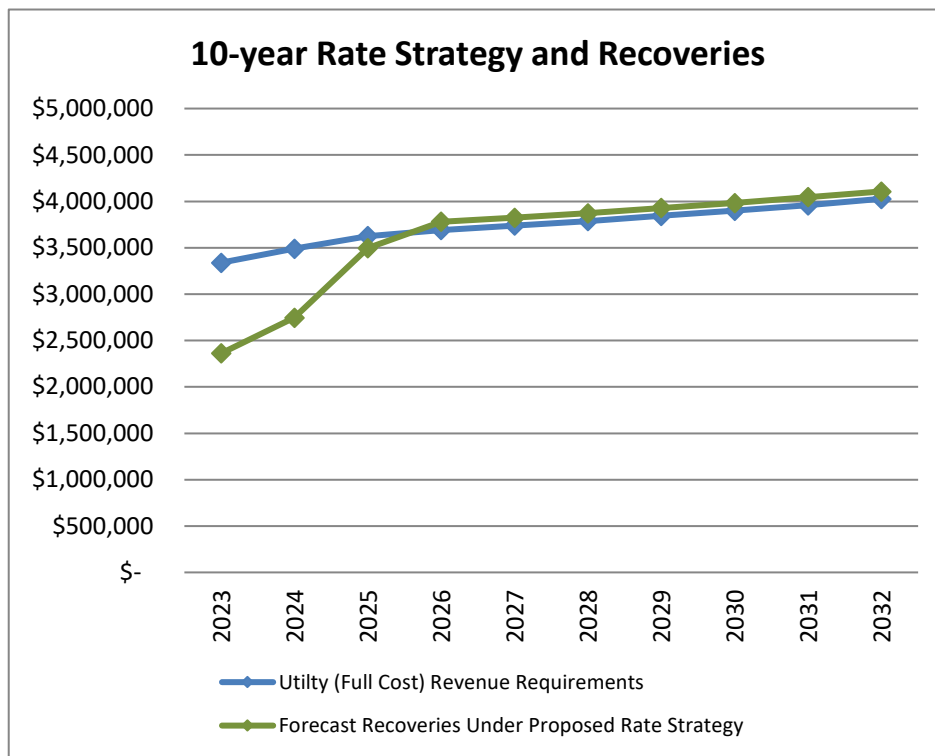
6.2 Forecast Stormwater Recoveries

The stormwater rates recommended and summarized in the previous section will ensure the City achieves full cost revenue requirements immediately thereby ensuring the sustainability of the stormwater utility and reducing the risk of future tax subsidization.

The forecast revenue generated from the recommended rate structure is summarized in *Table 13* and the accompanying graph (‘green’ line).

Table 13: Forecast Stormwater Recoveries ¹¹

Year	Utility (Full Cost) Revenue Requirement	Actual Revenue Under the Proposed Rate Strategy
2023	\$ 3,338,145	\$ 2,362,224
2024	\$ 3,489,423	\$ 2,746,904
2025	\$ 3,625,161	\$ 3,497,343
2026	\$ 3,692,202	\$ 3,781,527
2027	\$ 3,739,395	\$ 3,824,023
2028	\$ 3,787,491	\$ 3,872,664
2029	\$ 3,845,444	\$ 3,928,699
2030	\$ 3,899,059	\$ 3,982,788
2031	\$ 3,957,599	\$ 4,045,258
2032	\$ 4,026,820	\$ 4,106,227
Total	\$ 34,062,594	\$ 33,785,432



The impact of the recommended rate strategy on the forecast stormwater reserve balance over the 10-year planning period is shown in *Table 14*. In addition to financing

¹¹ Even though rates remain the same from 2025 onward, full cost revenue requirements are surpassed on the assumption that the number of customers increase at the pace anticipated by the City. If the number of customers increases more than anticipated, the City can consider implementing a gradual rate decline commencing in 2027 (on the assumption that other cost inputs remain the same).

several capital projects over the review period, the stormwater reserve is forecast to amass approximately \$9.44 million by 2032.

Table 14: Forecast Stormwater Reserve

Year	Reserve Receipts	Reserve Applied	Reserve Balance
2023	\$ 591,835	\$ 1,493,753	\$ 223,959
2024	\$ 904,968	\$ 1,119,452	\$ 9,475
2025	\$ 1,606,605	\$ 519,375	\$ 1,096,705
2026	\$ 1,840,522	\$ 1,379,021	\$ 1,558,206
2027	\$ 1,831,243	\$ 590,892	\$ 2,798,557
2028	\$ 1,826,556	\$ 463,709	\$ 4,161,404
2029	\$ 1,827,663	\$ 447,769	\$ 5,541,298
2030	\$ 1,825,176	\$ 541,144	\$ 6,825,330
2031	\$ 1,829,374	\$ 508,861	\$ 8,145,842
2032	\$ 1,854,487	\$ 557,726	\$ 9,442,604

7 Acknowledgements

CORVUS Business Advisors would like to thank all the City of Spruce Grove staff from Engineering, Planning, and Finance who supported the work of this review.

8 Disclaimer

CORVUS Business Advisor has relied upon City of Spruce Grove to provide all the data and information used to construct the utility rate model and create the rates, such as TCA's, capital plans and costs estimates, debenture details, and operating budgets etc. As such, CORVUS Business Advisors makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

Appendix A – Customer Impacts

Small Customers (<1")		
	Existing	2023
Stormwater Utility Charge	\$ 11.50	\$ 14.55
Total Monthly Billing	\$ 11.50	\$ 14.55
Change from Existing Billing		\$ 3.05
Large Customers (>=1")		
	Existing	2023
Stormwater Utility Charge	\$ 46.00	\$ 58.20
Total Monthly Billing	\$ 46.00	\$ 58.20
Change from Existing Billing		\$ 12.20

Appendix B – Return on Assets

2023							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,881,117	4.68%	15.97%	40.00%	\$ 7,215,100	4.79%	\$ 345,603
Equity Portion	\$ 15,156,633	24.62%	84.03%	60.00%	\$ 10,822,650	8.50%	\$ 919,925
Total System Acquired	\$ 18,037,750	29.29%	100.00%	100.00%	\$ 18,037,750		\$ 1,265,529
Contributed Assets	\$ 43,536,007	70.71%			\$ 43,536,007	0.00%	\$ -
Total Assets	\$ 61,573,757	100.00%			\$ 61,573,757		\$ 1,265,529
Working Capital	\$ 1,579,374				\$ 197,422	8.50%	\$ 16,781
						Total Return	\$ 1,282,309
							2.08%
2024							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,764,087	4.50%	14.55%	40.00%	\$ 7,597,788	4.79%	\$ 363,934
Equity Portion	\$ 16,230,385	26.43%	85.45%	60.00%	\$ 11,396,683	8.50%	\$ 968,718
Total System Acquired	\$ 18,994,471	30.94%	100.00%	100.00%	\$ 18,994,471		\$ 1,332,652
Contributed Assets	\$ 42,403,523	69.06%			\$ 42,403,523	0.00%	\$ -
Total Assets	\$ 61,397,994	100.00%			\$ 61,397,994		\$ 1,332,652
Working Capital	\$ 1,626,755				\$ 203,344	8.50%	\$ 17,284
						Total Return	\$ 1,349,936
							2.19%
2025							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,643,399	4.33%	13.33%	40.00%	\$ 7,933,275	4.79%	\$ 380,004
Equity Portion	\$ 17,189,790	28.13%	86.67%	60.00%	\$ 11,899,913	8.50%	\$ 1,011,493
Total System Acquired	\$ 19,833,189	32.45%	100.00%	100.00%	\$ 19,833,189		\$ 1,391,497
Contributed Assets	\$ 41,277,678	67.55%			\$ 41,277,678	0.00%	\$ -
Total Assets	\$ 61,110,866	100.00%			\$ 61,110,866		\$ 1,391,497
Working Capital	\$ 1,675,558				\$ 209,445	8.50%	\$ 17,803
						Total Return	\$ 1,409,299
							2.30%

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2026							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,518,931	4.20%	12.68%	40.00%	\$ 7,948,051	4.79%	\$ 380,712
Equity Portion	\$ 17,351,197	28.90%	87.32%	60.00%	\$ 11,922,077	8.50%	\$ 1,013,377
Total System Acquired	\$ 19,870,128	33.10%	100.00%	100.00%	\$ 19,870,128		\$ 1,394,088
Contributed Assets							
	\$ 40,158,959	66.90%			\$ 40,158,959	0.00%	\$ -
Total Assets	\$ 60,029,087	100.00%			\$ 60,029,087		\$ 1,394,088
Working Capital							
	\$ 1,725,825				\$ 215,728	8.50%	\$ 18,337
						Total Return	\$ 1,412,425
							2.34%
2027							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,390,556	4.06%	12.09%	40.00%	\$ 7,911,438	4.79%	\$ 378,958
Equity Portion	\$ 17,388,039	29.56%	87.91%	60.00%	\$ 11,867,157	8.50%	\$ 1,008,708
Total System Acquired	\$ 19,778,595	33.62%	100.00%	100.00%	\$ 19,778,595		\$ 1,387,666
Contributed Assets							
	\$ 39,047,255	66.38%			\$ 39,047,255	0.00%	\$ -
Total Assets	\$ 58,825,850	100.00%			\$ 58,825,850		\$ 1,387,666
Working Capital							
	\$ 1,777,600				\$ 222,200	8.50%	\$ 18,887
						Total Return	\$ 1,406,553
							2.38%
2028							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,258,141	3.92%	11.48%	40.00%	\$ 7,867,699	4.79%	\$ 376,863
Equity Portion	\$ 17,411,107	30.22%	88.52%	60.00%	\$ 11,801,549	8.50%	\$ 1,003,132
Total System Acquired	\$ 19,669,249	34.14%	100.00%	100.00%	\$ 19,669,249		\$ 1,379,994
Contributed Assets							
	\$ 37,943,278	65.86%			\$ 37,943,278	0.00%	\$ -
Total Assets	\$ 57,612,527	100.00%			\$ 57,612,527		\$ 1,379,994
Working Capital							
	\$ 1,830,928				\$ 228,866	8.50%	\$ 19,454
						Total Return	\$ 1,399,448
							2.42%

City of Spruce Grove – Stormwater Utility Rate Review

2029							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 2,121,551	3.75%	10.80%	40.00%	\$ 7,859,779	4.79%	\$ 376,483
Equity Portion	\$ 17,527,896	31.02%	89.20%	60.00%	\$ 11,789,668	8.50%	\$ 1,002,122
Total System Acquired	\$ 19,649,447	34.78%	100.00%	100.00%	\$ 19,649,447		\$ 1,378,605
Contributed Assets							
	\$ 36,853,451	65.22%			\$ 36,853,451	0.00%	\$ -
Total Assets	\$ 56,502,898	100.00%			\$ 56,502,898		\$ 1,378,605
Working Capital							
	\$ 1,885,855				\$ 235,732	8.50%	\$ 20,037
						Total Return	\$ 1,398,642
							2.47%
2030							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 1,980,642	3.58%	10.10%	40.00%	\$ 7,843,428	4.79%	\$ 375,700
Equity Portion	\$ 17,627,928	31.82%	89.90%	60.00%	\$ 11,765,142	8.50%	\$ 1,000,037
Total System Acquired	\$ 19,608,570	35.40%	100.00%	100.00%	\$ 19,608,570		\$ 1,375,737
Contributed Assets							
	\$ 35,782,590	64.60%			\$ 35,782,590	0.00%	\$ -
Total Assets	\$ 55,391,160	100.00%			\$ 55,391,160		\$ 1,375,737
Working Capital							
	\$ 1,942,431				\$ 242,804	8.50%	\$ 20,638
						Total Return	\$ 1,396,376
							2.51%
2031							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 1,835,268	3.38%	9.39%	40.00%	\$ 7,821,472	4.79%	\$ 374,648
Equity Portion	\$ 17,718,411	32.65%	90.61%	60.00%	\$ 11,732,207	8.50%	\$ 997,238
Total System Acquired	\$ 19,553,679	36.03%	100.00%	100.00%	\$ 19,553,679		\$ 1,371,886
Contributed Assets							
	\$ 34,717,877	63.97%			\$ 34,717,877	0.00%	\$ -
Total Assets	\$ 54,271,556	100.00%			\$ 54,271,556		\$ 1,371,886
Working Capital							
	\$ 2,000,704				\$ 250,088	8.50%	\$ 21,257
						Total Return	\$ 1,393,144
							2.56%

City of Spruce Grove – Stormwater Utility Rate Review

2032							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Deemed Rate Base
System Acquired Assets							
Debt Portion	\$ 1,417,338	2.66%	7.25%	40.00%	\$ 7,815,196	4.79%	\$ 374,348
Equity Portion	\$ 18,120,653	34.07%	92.75%	60.00%	\$ 11,722,795	8.50%	\$ 996,438
Total System Acquired	\$ 19,537,991	36.73%	100.00%	100.00%	\$ 19,537,991		\$ 1,370,785
Contributed Assets							
	\$ 33,653,190	63.27%			\$ 33,653,190	0.00%	\$ -
Total Assets	\$ 53,191,181	100.00%			\$ 53,191,181		\$ 1,370,785
Working Capital	\$ 2,060,725				\$ 257,591	8.50%	\$ 21,895
						Total Return	\$ 1,392,681
							2.61%

City of Spruce Grove

Utility Rates Review

September 2022

Agenda

- ▶ Scope
- ▶ Methodology
- ▶ Water
 - ▶ Key Inputs
 - ▶ Revenue Requirements
 - ▶ Updated Rates
- ▶ Sewer Revenue Requirements & Updated Rates
- ▶ Stormwater Revenue Requirements & Updated Rates
- ▶ Solid Waste Rates
- ▶ Rate Change & Rate Comparison
- ▶ Q&A. **Please Hold Questions Until The End**

Scope and Methodology

Scope

- ▶ Establish updated full cost “consumption” rate strategies for in boundary customers of the City’s water, sewer, stormwater, and solid waste utilities.
- ▶ Separate the City’s water and sewer rate into independent rates in alignment with leading practices.
- ▶ Other tertiary rates are beyond the scope of this review (e.g., unmetered charges, bulk water charges, sustainability charges, meter rental, service connection fees, penalties, water shutoffs, irrigation, dumping charges, beyond boundary rates, etc.)
- ▶ 10-year rate review period from 2023-2032.

Methodology

Two accepted methods for determining revenue requirements of utility systems:

1. The Cash Needs Approach

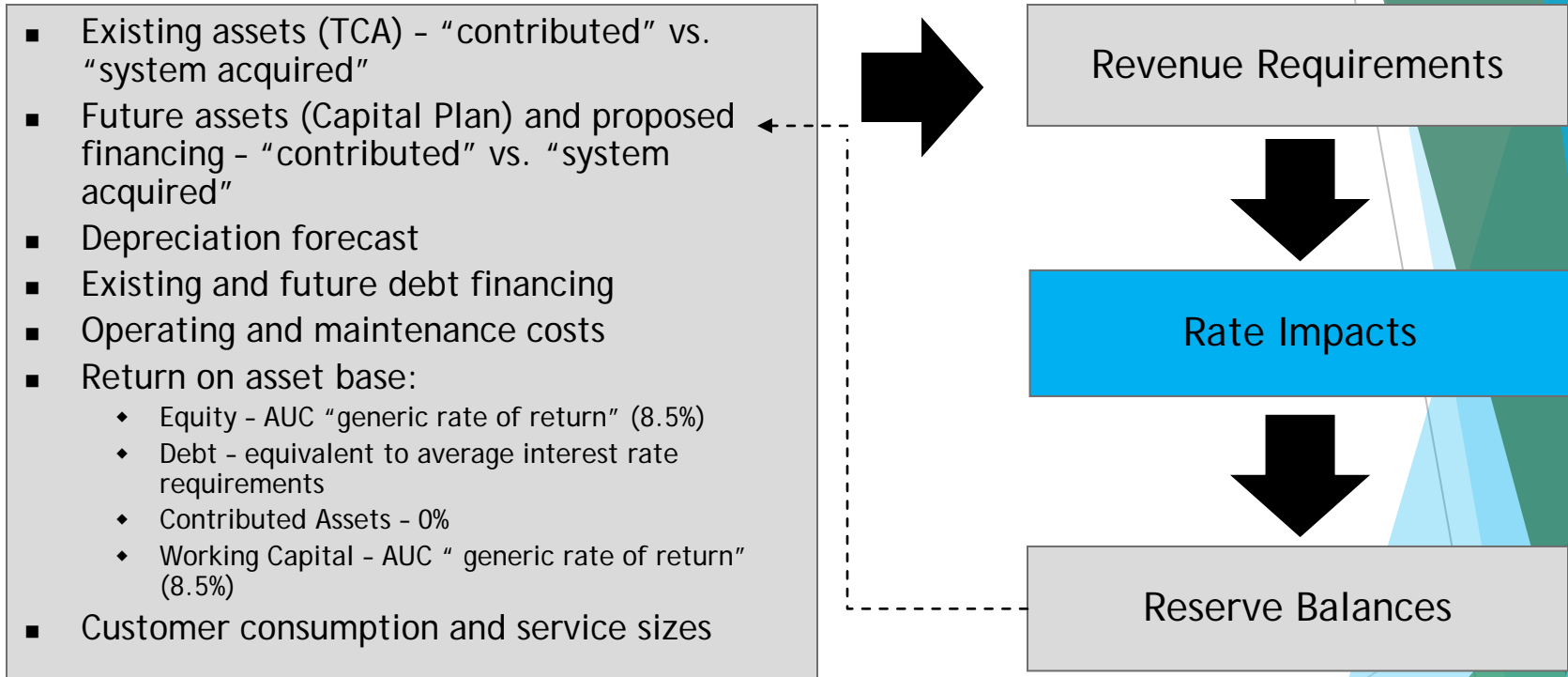
- ▶ Includes: (1) O&M, (2) debt, and (3) capital requirements
- ▶ Develops revenue requirements based upon what is being spent today
- ▶ Con: Revenue requirements can fluctuate dramatically with cash demands that result from large capital expenditures.

2. The Utility (Full Cost) Approach

- ▶ Includes: (1) O&M, (2) depreciation on capital assets in service, and (3) a return on assets in service.
- ▶ Develops revenue requirements based upon on the assets that are consumed in service delivery (depreciation) and through financial returns on the asset base that will sustain the service in the future.
- ▶ Pro: Results in greater water and sewer rate stability (not a volatile / subject to rate swings) and enables the utility to rehab/replace assets at the end of their life.

Rate Model

- ▶ Water and sewer rate model comprised of the following key inputs and outputs:



✓ The quality of information we received from City staff was very good.

Water Revenue Requirements & Rates

Water Revenue Requirements: Existing Water Infrastructure

- ▶ The City has ~\$120.3 Million of water infrastructure in service. Assets are (on average) at 38% of their book-life (62% remaining).
- ▶ It is important that reserves be accumulated for future asset rehabilitation and reconstruction.
- ▶ As shown later in this presentation, current water rates are not generating reserves for future asset replacement.

Description	Gross Cost	Accumulated Depreciation	Net Book Value	Remaining % of Asset
System Acquired Assets				
75 Year Assets	\$ -	\$ -	\$ -	0%
50 Year Assets	\$ 34,331,961	\$ 12,738,790	\$ 21,593,171	63%
45 Year Assets	\$ 9,558,306	\$ 8,090,581	\$ 1,467,726	15%
40 Year Assets	\$ 11,802,166	\$ 6,294,536	\$ 5,507,631	47%
30 Year Assets	\$ 18,050,960	\$ 3,286,656	\$ 14,764,303	82%
20 Year Assets	\$ 5,955,836	\$ 2,740,488	\$ 3,215,347	54%
10 Year Assets	\$ 64,046	\$ 22,707	\$ 41,339	65%
Total Acquired	\$ 79,763,275	\$ 33,173,759	\$ 46,589,517	58%
Contributed Assets				
50 Year Assets	\$ 12,326,477	\$ 4,688,679	\$ 7,637,799	62%
45 Year Assets	\$ 14,238,112	\$ 3,922,788	\$ 10,315,324	72%
40 Year Assets	\$ 9,744,045	\$ 3,248,499	\$ 6,495,545	67%
30 Year Assets	\$ 4,231,654	\$ 949,630	\$ 3,282,024	78%
20 Year Assets	\$ -	\$ -	\$ -	0%
10 Year Assets	\$ -	\$ -	\$ -	0%
Total Contributed	\$ 40,540,288	\$ 12,809,596	\$ 27,730,692	68%
Total All Assets	\$ 120,303,564	\$ 45,983,355	\$ 74,320,209	62%

Water Revenue Requirements: Water Capital Plan (Part 1)

Description	Current Cost	Inflation Year	3.00%	Allocation of Cost		System Acquired Financing		Contributed Financing	
			Future Cost	System Acquired	Contributed	Debentures	Reserves	Grants	Developers
Water Main 400mm - Ball Diamond & South of Hwy 16A	\$ 3,960,000	2025	\$ 4,327,199	\$ -	\$ 4,327,199	\$ -	\$ -	\$ -	\$ 4,327,199
Water Main 400mm - Diamond Ave in South Industrial	\$ 5,280,000	2025	\$ 5,769,599	\$ -	\$ 5,769,599	\$ -	\$ -	\$ -	\$ 5,769,599
Pressure Reducing Valves - 13	\$ 300,000	2025	\$ 327,818	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ 327,818
Pressure Reducing Valves - 14	\$ 300,000	2025	\$ 327,818	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ 327,818
Pressure Reducing Valves - 15	\$ 180,000	2025	\$ 196,691	\$ -	\$ 196,691	\$ -	\$ -	\$ -	\$ 196,691
Pressure Reducing Valves - 10	\$ 300,000	2025	\$ 327,818	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ 327,818
Pressure Reducing Valves - 6, 7, 8, 9	\$ 1,200,000	2023	\$ 1,236,000	\$ -	\$ 1,236,000	\$ -	\$ -	\$ -	\$ 1,236,000
Pressure Reducing Valves - 11, 12	\$ 360,000	2025	\$ 393,382	\$ -	\$ 393,382	\$ -	\$ -	\$ -	\$ 393,382
Industrial WM and Surface Rehab- Diamond Avenue and Century Road	\$ 2,782,900	2023	\$ 2,866,387	\$ 2,866,387	\$ -	\$ -	\$ 2,866,387	\$ -	\$ -
Industrial WM and Surface Rehab - Diamond Avenue to Water Reservoir	\$ 1,657,100	2023	\$ 1,706,813	\$ 1,706,813	\$ -	\$ -	\$ 1,706,813	\$ -	\$ -
Industrial WM and Surface Rehab - Madison Crescent	\$ 3,840,000	2024	\$ 4,073,856	\$ 4,073,856	\$ -	\$ 4,073,856	\$ -	\$ -	\$ -
Industrial WM and Surface Rehab - Alberta Avenue and Yellowhead Road	\$ 2,520,000	2026	\$ 2,836,282	\$ 2,836,282	\$ -	\$ 200,000	\$ 2,636,282	\$ -	\$ -
Industrial WM and Surface Rehab - Shep Street and South Avenue (Golden Spike Rd to 2021 limit)	\$ 3,180,000	2027	\$ 3,686,492	\$ 3,686,492	\$ -	\$ 925,000	\$ 2,761,492	\$ -	\$ -
Industrial WM and Surface Rehab - Diamond Avenue and Oswald Drive	\$ 4,440,000	2028	\$ 5,301,592	\$ 5,301,592	\$ -	\$ 3,300,000	\$ 2,001,592	\$ -	\$ -
Industrial WM and Surface Rehab - Oswald Drive	\$ 1,920,000	2029	\$ 2,361,358	\$ 2,361,358	\$ -	\$ 700,000	\$ 1,661,358	\$ -	\$ -
Support to City Center ARP - McLeod Avenue and Main Street	\$ 893,754	2022	\$ 893,754	\$ 893,754	\$ -	\$ -	\$ 893,754	\$ -	\$ -
Support to City Center ARP - Jespersen (King to Queen and 16A)	\$ 1,250,000	2022	\$ 1,250,000	\$ 1,250,000	\$ -	\$ 1,113,866	\$ 136,134	\$ -	\$ -
Support to City Center ARP - Calahoo (South Ave to First Ave)	\$ 750,000	2023	\$ 772,500	\$ 772,500	\$ -	\$ -	\$ 772,500	\$ -	\$ -
Support to City Center ARP - Lanes (South McLeod Ave to north of McLeod Ave)	\$ 530,000	2023	\$ 545,900	\$ 545,900	\$ -	\$ -	\$ 545,900	\$ -	\$ -
Support to City Center ARP - Lanes (north McLeod Ave from Queen Street for 200m)	\$ 300,000	2023	\$ 309,000	\$ 309,000	\$ -	\$ -	\$ 309,000	\$ -	\$ -
Support to City Center ARP - McLeod Avenue and Main Street	\$ 209,159	2023	\$ 215,433	\$ 215,433	\$ -	\$ -	\$ 215,433	\$ -	\$ -
Support to City Center ARP - Main Street (1st Avenue)	\$ 209,159	2023	\$ 215,433	\$ 215,433	\$ -	\$ -	\$ 215,433	\$ -	\$ -
Support to City Center ARP - Calahoo (First Ave to Mohr)	\$ 1,500,000	2023	\$ 1,545,000	\$ 1,545,000	\$ -	\$ -	\$ 1,545,000	\$ -	\$ -
Support to City Center ARP - Mohr Ave (from Queen to Calahoo)	\$ 873,840	2024	\$ 927,057	\$ 927,057	\$ -	\$ 500,000	\$ 427,057	\$ -	\$ -
Support to City Center ARP - Church Road (Queen to Calahoo via lane north of Andrews Crescent)	\$ 688,480	2024	\$ 730,408	\$ 730,408	\$ -	\$ -	\$ 730,408	\$ -	\$ -
Support to City Center ARP - Church Road (King to Queen)	\$ 635,520	2024	\$ 674,223	\$ 674,223	\$ -	\$ -	\$ 674,223	\$ -	\$ -
Support to City Center ARP - McPherson (Queen to Main)	\$ 635,520	2024	\$ 674,223	\$ 674,223	\$ -	\$ -	\$ 674,223	\$ -	\$ -
Support to City Center ARP - Main Street	\$ 476,640	2024	\$ 505,667	\$ 505,667	\$ -	\$ -	\$ 505,667	\$ -	\$ -
Support to City Center ARP - 1st Ave, Mohr and Lanes	\$ 2,279,000	2025	\$ 2,490,325	\$ 2,490,325	\$ -	\$ -	\$ 2,490,325	\$ -	\$ -
Support to City Center ARP - King Street	\$ 4,163,000	2026	\$ 4,685,493	\$ 4,685,493	\$ -	\$ 4,685,493	\$ -	\$ -	\$ -
Water Meter Replacement Program	\$ 232,000	2022	\$ 232,000	\$ 232,000	\$ -	\$ -	\$ 232,000	\$ -	\$ -
Water Meter Replacement Program	\$ 309,900	2023	\$ 319,197	\$ 319,197	\$ -	\$ -	\$ 319,197	\$ -	\$ -
Water Meter Replacement Program	\$ 310,000	2024	\$ 328,879	\$ 328,879	\$ -	\$ -	\$ 328,879	\$ -	\$ -
Water Meter Replacement Program	\$ 309,900	2025	\$ 338,636	\$ 338,636	\$ -	\$ -	\$ 338,636	\$ -	\$ -
Water Meter Replacement Program	\$ 309,900	2026	\$ 348,795	\$ 348,795	\$ -	\$ -	\$ 348,795	\$ -	\$ -
Water Meter Replacement Program	\$ 309,900	2027	\$ 359,259	\$ 359,259	\$ -	\$ -	\$ 359,259	\$ -	\$ -
Water Meter Replacement Program	\$ 309,900	2028	\$ 370,037	\$ 370,037	\$ -	\$ -	\$ 370,037	\$ -	\$ -
Water Meter Replacement Program	\$ 309,600	2029	\$ 380,769	\$ 380,769	\$ -	\$ -	\$ 380,769	\$ -	\$ -
Water Meter Replacement Program	\$ 309,700	2030	\$ 392,319	\$ 392,319	\$ -	\$ -	\$ 392,319	\$ -	\$ -
Water Meter Replacement Program	\$ 309,600	2031	\$ 403,958	\$ 403,958	\$ -	\$ -	\$ 403,958	\$ -	\$ -
Water Meter Replacement Program	\$ 309,500	2032	\$ 415,942	\$ 415,942	\$ -	\$ -	\$ 415,942	\$ -	\$ -

Water Revenue Requirements: Water Capital Plan (Part 2)

Water Rehabilitation Program - Grove Meadows Neighbourhood	\$ 3,643,000	2027	\$ 4,223,235	\$ 4,223,235	\$ -	\$ -	\$ 4,223,235	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 4,099,443	2028	\$ 4,894,949	\$ 4,894,949	\$ -	\$ -	\$ 4,894,949	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 4,432,399	2029	\$ 5,451,292	\$ 5,451,292	\$ -	\$ -	\$ 5,451,292	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 4,818,991	2030	\$ 6,104,554	\$ 6,104,554	\$ -	\$ -	\$ 6,104,554	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 5,236,511	2031	\$ 6,832,459	\$ 6,832,459	\$ -	\$ -	\$ 6,832,459	\$ -	\$ -	\$ -
Water Rehabilitation Program - Millgrove (Morel & Mathias areas) and Millgrove Dr.	\$ 5,236,511	2032	\$ 7,037,433	\$ 7,037,433	\$ -	\$ -	\$ 7,037,433	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2022	\$ 188,400	\$ 188,400	\$ -	\$ -	\$ 188,400	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2023	\$ 194,052	\$ 194,052	\$ -	\$ -	\$ 194,052	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2024	\$ 199,874	\$ 199,874	\$ -	\$ -	\$ 199,874	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2025	\$ 205,870	\$ 205,870	\$ -	\$ -	\$ 205,870	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2026	\$ 212,046	\$ 212,046	\$ -	\$ -	\$ 212,046	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2027	\$ 218,407	\$ 218,407	\$ -	\$ -	\$ 218,407	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2028	\$ 224,959	\$ 224,959	\$ -	\$ -	\$ 224,959	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2029	\$ 231,708	\$ 231,708	\$ -	\$ -	\$ 231,708	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2030	\$ 238,659	\$ 238,659	\$ -	\$ -	\$ 238,659	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2031	\$ 245,819	\$ 245,819	\$ -	\$ -	\$ 245,819	\$ -	\$ -	\$ -
Water Meters Growth Plan	\$ 188,400	2032	\$ 253,194	\$ 253,194	\$ -	\$ -	\$ 253,194	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydro Vac Drying Pad Facility (Water 20%/Sewer 15%/Drainage 65%)	\$ 75,000	2022	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - Chev Equinox Meter Reader (Finance)	\$ 38,000	2027	\$ 44,052	\$ 44,052	\$ -	\$ -	\$ 44,052	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2012 Ford 1 ton chassis with attached body- Water 50%/Sewer 50%	\$ 39,665	2022	\$ 39,665	\$ 39,665	\$ -	\$ -	\$ 39,665	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2015 Ford 3/4 Ton 4x4 with tool boxes (Water 50%/Sewer 50%)	\$ 21,000	2025	\$ 22,947	\$ 22,947	\$ -	\$ -	\$ 22,947	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2016 Ford 3/4 Ton 4x4 with tool boxes (Water 50%/Sewer 50%)	\$ 21,750	2026	\$ 24,480	\$ 24,480	\$ -	\$ -	\$ 24,480	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - F150 with Tool Box (Water 50%/Sewer 50%)	\$ 19,500	2027	\$ 22,606	\$ 22,606	\$ -	\$ -	\$ 22,606	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 1 Ton Truck with Hydraulic Dump Box (Water 50%/Sewer 50%)	\$ 30,500	2027	\$ 35,358	\$ 35,358	\$ -	\$ -	\$ 35,358	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2015 F350 (Water 50%/Sewer 50%)	\$ 31,750	2025	\$ 34,694	\$ 34,694	\$ -	\$ -	\$ 34,694	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2020 Ford F150 (Water 50%/Sewer 50%)	\$ 21,250	2030	\$ 26,919	\$ 26,919	\$ -	\$ -	\$ 26,919	\$ -	\$ -	\$ -
Vehicle Lifecycle Replacement Plan - 2020 F450 4x2 Chassis CA (Water 50%/Sewer 50%)	\$ 31,500	2030	\$ 39,903	\$ 39,903	\$ -	\$ -	\$ 39,903	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Lifecycle Replacement Plan - 2014 5T Tandem Flusher (Water 10%/Sewer 60%/Drainage 30%)	\$ 60,500	2024	\$ 64,184	\$ 64,184	\$ -	\$ -	\$ 64,184	\$ -	\$ -	\$ -
Equipment Lifecycle Replacement Plan - Unit357Caterpillar450F Backhoe (Water 20%/Sewer 20%/Drainage 60%)	\$ 47,200	2024	\$ 50,074	\$ 50,074	\$ -	\$ -	\$ 50,074	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hypercon Pipe Diver Line Inspection	\$ 410,000	2024	\$ 434,969	\$ 434,969	\$ -	\$ -	\$ 434,969	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ 81,330,841	\$ 81,028,748	\$ 12,906,325	\$ 15,498,215	\$ 65,530,533			\$ 12,906,325

- ▶ The City's water capital plan totals \$93.94 million in the year of construction.
- ▶ \$12.9 million will be contributed by way of developers and other contributions
- ▶ Of the remainder, the bulk (~\$65.5 million) will be financed by way of the water utility reserve.
- ▶ We estimate that debentures of ~\$15.5 million will be required to finance the rest (City currently planning for ~\$1.1 million).

Water Revenue Requirements: Existing and Future Debt Payments

- ▶ Principal and interest payments during the 10-year period will be ~\$8.0 Million.

Year	Existing Debt			Future Debt			Total Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 93,299	\$ 36,800	\$ 130,099	\$ 23,834	\$ 53,072	\$ 76,906	\$ 117,133	\$ 89,872	\$ 207,005
2024	\$ 95,064	\$ 35,035	\$ 130,099	\$ 24,989	\$ 51,917	\$ 76,906	\$ 120,053	\$ 86,952	\$ 207,005
2025	\$ 96,861	\$ 33,238	\$ 130,099	\$ 124,068	\$ 268,635	\$ 392,704	\$ 220,930	\$ 301,873	\$ 522,803
2026	\$ 98,693	\$ 31,406	\$ 130,099	\$ 130,082	\$ 262,621	\$ 392,704	\$ 228,775	\$ 294,028	\$ 522,803
2027	\$ 100,559	\$ 29,540	\$ 130,099	\$ 240,924	\$ 489,094	\$ 730,018	\$ 341,483	\$ 518,634	\$ 860,117
2028	\$ 102,460	\$ 27,639	\$ 130,099	\$ 272,395	\$ 521,488	\$ 793,884	\$ 374,856	\$ 549,127	\$ 923,983
2029	\$ 104,398	\$ 25,702	\$ 130,099	\$ 356,210	\$ 665,519	\$ 1,021,729	\$ 460,608	\$ 691,220	\$ 1,151,828
2030	\$ 106,372	\$ 23,728	\$ 130,099	\$ 388,455	\$ 681,605	\$ 1,070,060	\$ 494,827	\$ 705,332	\$ 1,200,159
2031	\$ 108,383	\$ 21,716	\$ 130,099	\$ 407,285	\$ 662,775	\$ 1,070,060	\$ 515,668	\$ 684,491	\$ 1,200,159
2032	\$ 110,432	\$ 19,667	\$ 130,099	\$ 427,028	\$ 643,032	\$ 1,070,060	\$ 537,460	\$ 662,699	\$ 1,200,159
Total	\$ 1,016,520	\$ 284,471	\$ 1,300,991	\$ 2,395,272	\$ 4,299,759	\$ 6,695,030	\$ 3,411,792	\$ 4,584,229	\$ 7,996,022

Water Revenue Requirements: Operating and Maintenance Costs

- ▶ O&M costs increase from ~\$10.9 Million to \$14.2 Million during the 10-year planning period.

Year	Miscellaneous Recoveries	Expenditures	Net Expenditures
2023	\$ 438,200	\$ 11,296,780	\$ 10,858,580
2024	\$ 451,345	\$ 11,635,683	\$ 11,184,338
2025	\$ 464,886	\$ 11,984,754	\$ 11,519,868
2026	\$ 478,832	\$ 12,344,296	\$ 11,865,464
2027	\$ 493,197	\$ 12,714,625	\$ 12,221,428
2028	\$ 507,993	\$ 13,096,064	\$ 12,588,071
2029	\$ 523,233	\$ 13,488,946	\$ 12,965,713
2030	\$ 538,930	\$ 13,893,614	\$ 13,354,684
2031	\$ 555,098	\$ 14,310,423	\$ 13,755,325
2032	\$ 571,751	\$ 14,739,735	\$ 14,167,984

*In establishing net expenditures, the City's 2023 O&M budget for water was normalized by removing principal and interest payments (managed elsewhere in the model), amortization, and costs pertaining to other operations (e.g., truck fill costs pertain to bulk water rates).

**Miscellaneous recoveries include permit and inspection charges, sale of water meters, etc.

Water Revenue Requirements: Depreciation Expense on Acquired Assets

- ▶ Depreciation averages ~\$2.6 million per year over the 10-year review period.

Description	2023	2024	2025	2026	2027
75 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
50 Year Assets	\$ 771,596	\$ 935,696	\$ 1,043,128	\$ 1,150,124	\$ 1,311,519
45 Year Assets	\$ 181,963	\$ 181,963	\$ 181,963	\$ 135,473	\$ 88,982
40 Year Assets	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602
30 Year Assets	\$ 550,859	\$ 557,424	\$ 564,187	\$ 570,871	\$ 577,763
20 Year Assets	\$ 297,792	\$ 297,792	\$ 296,763	\$ 292,278	\$ 285,041
10 Year Assets	\$ 6,405	\$ 32,647	\$ 61,771	\$ 65,877	\$ 72,202
Total Depreciation	\$ 1,981,216	\$ 2,178,124	\$ 2,320,414	\$ 2,387,225	\$ 2,508,110

Description	2028	2029	2030	2031	2032
75 Year Assets	\$ -	\$ -	\$ -	\$ -	\$ -
50 Year Assets	\$ 1,499,875	\$ 1,687,336	\$ 1,834,099	\$ 1,971,432	\$ 2,118,330
45 Year Assets	\$ 88,982	\$ 58,693	\$ 28,404	\$ 28,404	\$ 28,404
40 Year Assets	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602	\$ 172,602
30 Year Assets	\$ 585,153	\$ 592,764	\$ 600,603	\$ 608,642	\$ 616,923
20 Year Assets	\$ 265,554	\$ 242,088	\$ 226,678	\$ 197,613	\$ 170,492
10 Year Assets	\$ 77,303	\$ 77,303	\$ 80,644	\$ 83,985	\$ 82,002
Total Depreciation	\$ 2,689,469	\$ 2,830,786	\$ 2,943,031	\$ 3,062,679	\$ 3,188,753

Water Revenue Requirements: Return on Assets in Service

- ▶ Under the Full Cost approach, system acquired assets earn a rate of return, called the Generic Rate of Return (or Generic Cost of Capital). This is set by the AUC and is currently 8.5%.
- ▶ Returns are based on a deemed capital structure of 40% debt and 60% equity. A deemed capital structure helps smooth revenue requirement during periods of abnormally low or high capital construction.
- ▶ For water utility, this yields a return on assets in service of ~\$3.9 Million in Year 1 of the 10-year reporting period. The average return on all assets is 4.7%.

2023							
Description	Actual Capital In Service	% Actual Capital Structure	% Actual System Acquired Asset Structure	Deemed % System Acquired Asset Structure	Deemed Rate Base	Rate of Return	Return on Rate Base
System Acquired Assets							
Debt Portion	\$ 3,092,429	3.80%	5.80%	40.00%	\$ 21,319,206	4.79%	\$ 1,021,190
Equity Portion	\$ 50,205,586	61.71%	94.20%	60.00%	\$ 31,978,809	8.50%	\$ 2,718,199
Total System Acquired	\$ 53,298,015	65.51%	100.00%	100.00%	\$ 53,298,015		\$ 3,739,389
Contributed Assets	\$ 28,065,018	34.49%			\$ 28,065,018	0.00%	\$ -
Total Assets	\$ 81,363,034	100.00%			\$ 81,363,034		\$ 3,739,389
Working Capital	\$ 10,858,580				\$ 1,357,323	8.50%	\$ 115,372
Page 260 of 314						Total Return	\$ 3,854,761 4.66%

Water Revenue Requirements: Summary of Revenue Requirements

- ▶ The water utility's revenue requirement grows from \$16.7 million in year 1 to \$24.4 million in year 10.

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
O&M costs (Net)	\$10,858,580	\$11,184,338	\$11,519,868	\$11,865,464	\$12,221,428	\$12,588,071	\$12,965,713	\$13,354,684	\$13,755,325	\$14,167,984
Depreciation	\$ 1,981,216	\$ 2,178,124	\$ 2,320,414	\$ 2,387,225	\$ 2,508,110	\$ 2,689,469	\$ 2,830,786	\$ 2,943,031	\$ 3,062,679	\$ 3,188,753
Return										
System Assets - Debt	\$ 1,021,190	\$ 1,145,448	\$ 1,160,241	\$ 1,269,834	\$ 1,386,351	\$ 1,541,587	\$ 1,648,774	\$ 1,722,719	\$ 1,807,398	\$ 1,893,959
System Assets - Equity	\$ 2,718,199	\$ 3,048,949	\$ 3,088,324	\$ 3,380,037	\$ 3,690,183	\$ 4,103,389	\$ 4,388,700	\$ 4,585,526	\$ 4,810,923	\$ 5,041,332
Contributed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital	\$ 115,372	\$ 118,834	\$ 122,399	\$ 126,071	\$ 129,853	\$ 133,748	\$ 137,761	\$ 141,894	\$ 146,150	\$ 150,535
Principal Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$16,694,558	\$17,675,692	\$18,211,245	\$19,028,629	\$19,935,925	\$21,056,264	\$21,971,734	\$22,747,853	\$23,582,474	\$24,442,563

*Principal Shortfall: If depreciation is insufficient to cover the principal debt payment, then there is a principal shortfall and this amount is added to the revenue requirements.

Customers

- ▶ The City currently has approximately 12,960 water customers, the vast majority (98%) of which have a 5/8" water meter.

	5/8" (15mm)	3/4" (19mm)	3/4" (20mm)	1" (25mm)	1.5" (37mm)	1.5" (38mm)	2" (50mm)	3" (75mm)	4" (100mm)	6" (150mm)	Total
Jan	12,777	166	-	64	-	35	40	13	3	1	13,099
Feb	12,784	166	-	64	-	35	40	13	3	1	13,106
Mar	12,807	166	-	64	-	35	40	13	3	1	13,129
Apr	12,488	165	-	64	-	35	39	13	3	1	12,808
May	12,522	165	-	63	-	35	39	13	3	1	12,841
Jun	12,511	165	-	64	-	35	39	13	3	1	12,831
Jul	12,552	165	-	64	-	35	39	13	3	1	12,872
Aug	12,564	165	-	64	-	35	39	13	3	1	12,884
Sep	12,616	166	-	64	-	35	39	13	3	1	12,937
Oct	12,666	166	-	64	-	35	39	13	3	1	12,987
Nov	12,671	166	-	64	-	35	39	13	3	1	12,992
Dec	12,708	163	-	64	-	35	40	13	3	1	13,027
Average	12,639	165	-	64	-	35	39	13	3	1	12,959
%	97.53%	1.28%	0.00%	0.49%	0.00%	0.27%	0.30%	0.10%	0.02%	0.01%	100.00%

*Water customers/demand will increase an average of 2.29% per year over the review period.

Updated Water Rates

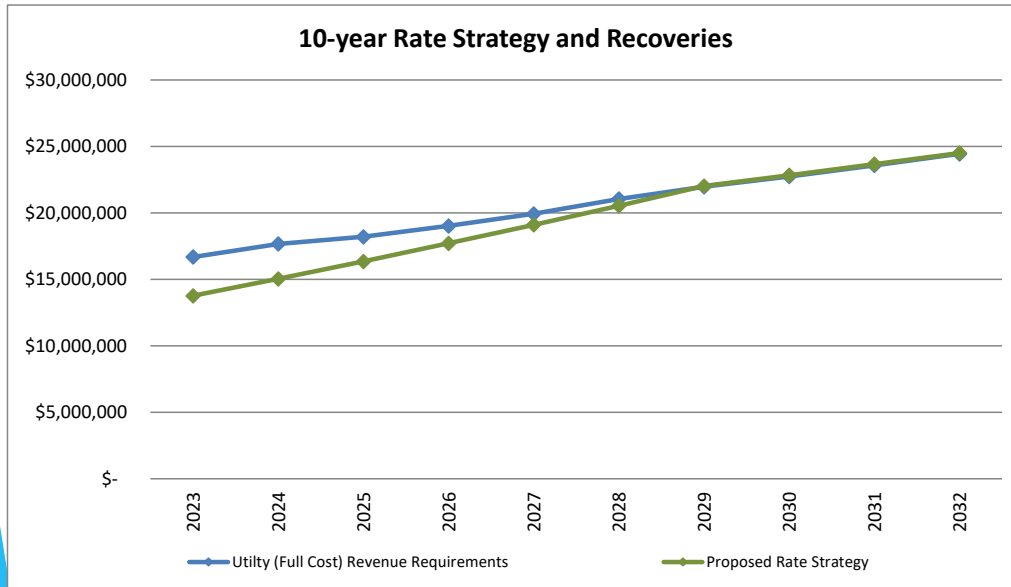
- ▶ The City currently charges \$6.331/m³ for both water and sewer services. Of this charge, the City estimates that \$4.31/m³ are dedicated to the water utility. This rate is generating revenues that are below the revenue needed to achieve full cost requirements.
- ▶ To meet the water utility's the full cost revenue requirements in 2023 will require a charge of \$5.58/m³. To jump to this rate immediately would mean significant impacts on customers. Accordingly, we recommend the City gradually increase rates over a number years—with a rate gradually increasing from \$4.60/m³ in 2023 to \$6.70/m³ in 2032.

Year	Water Charge Per m3
2023	\$ 4.60
2024	\$ 4.90
2025	\$ 5.20
2026	\$ 5.50
2027	\$ 5.80
2028	\$ 6.10
2029	\$ 6.40
2030	\$ 6.50
2031	\$ 6.60
2032	\$ 6.70

* It is recommended municipalities approve rate increases 1 year at a time, thereby allowing for rate adjustments as inputs change (e.g., capital plan).

Updated Water Rate Strategy: Path Toward Self Sustainability

- ▶ The proposed rate strategy will enable the City to meet cash requirements in year 3 and reach full cost requirements in 2029.
- ▶ At the end of the 10-year review period, the water utility will have generated a reserve of \$5.8 million, to be used for future rehabilitation and maintenance of the water system.



Year	Reserve Receipts	Reserves Applied	Reserve Balance
2022	\$ -	\$ -	\$ 6,659,586
2023	\$ 2,705,626	\$ 8,689,715	\$ 675,496
2024	\$ 3,650,873	\$ 4,089,558	\$ 236,812
2025	\$ 4,315,849	\$ 3,092,472	\$ 1,460,188
2026	\$ 5,326,209	\$ 3,221,603	\$ 3,564,795
2027	\$ 6,029,789	\$ 7,664,409	\$ 1,930,175
2028	\$ 7,035,495	\$ 7,491,537	\$ 1,474,133
2029	\$ 7,908,319	\$ 7,725,127	\$ 1,657,325
2030	\$ 8,285,913	\$ 6,802,354	\$ 3,140,883
2031	\$ 8,713,689	\$ 7,482,236	\$ 4,372,236
2032	\$ 9,139,620	\$ 7,706,569	\$ 5,805,388

Note: moving forward the utility reserve should be separated into 4...one for each utility.

Sewer Revenue Requirements & Rates

Sewer Revenue Requirements: Summary of Revenue Requirements

- ▶ The sewer utility's revenue requirement grows from \$5.9 million in year 1 to \$7.7 million in year 10.

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
O&M costs (Net)	4,907,349	5,119,958	5,273,556	5,431,763	5,594,716	5,762,558	5,935,434	6,113,497	6,296,902	6,485,809
Depreciation	342,806	361,929	400,400	403,823	393,369	401,536	402,456	405,948	416,799	421,346
Return										
System Assets - Debt	137,610	156,062	88,666	268,021	200,310	201,474	203,512	207,117	209,545	212,242
System Assets - Equity	458,609	462,345	538,210	518,864	523,929	526,287	530,851	539,398	544,758	550,686
Contributed Assets	-	-	-	-	-	-	-	-	-	-
Working Capital	52,141	54,400	56,032	57,712	59,444	61,227	63,064	64,956	66,905	68,912
Principal Shortfall	-	-	-	-	-	-	-	-	-	-
Total	5,898,515	6,154,693	6,356,864	6,680,183	6,771,768	6,953,081	7,135,317	7,330,916	7,534,909	7,738,994

*Principal Shortfall: If depreciation is insufficient to cover the principal debt payment, then there is a principal shortfall and this amount is added to the revenue requirements.

Updated Sewer Rates

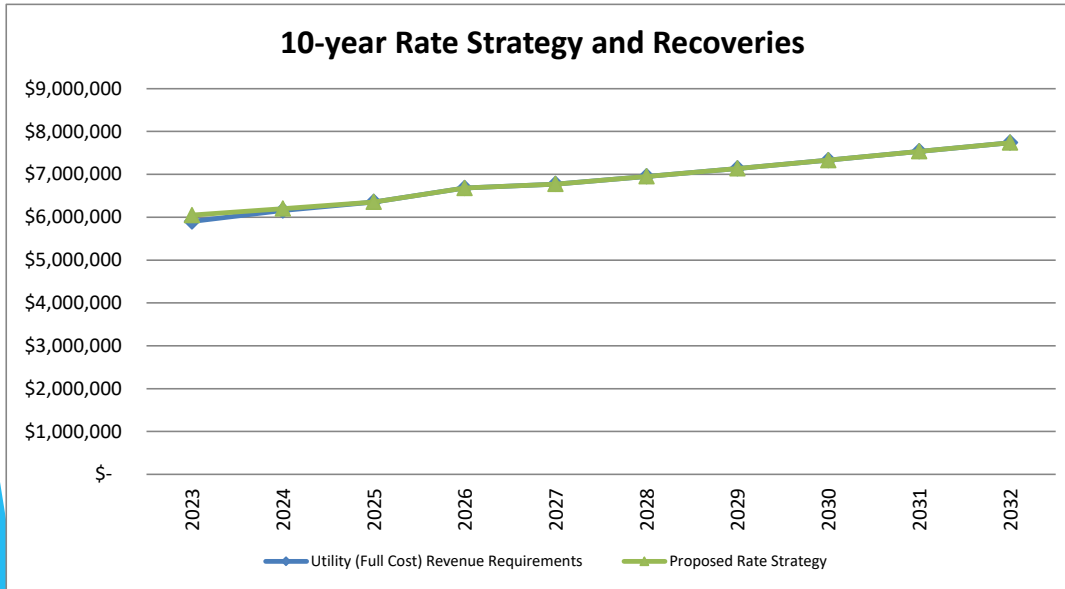
- ▶ The City currently charges \$6.331/m³ for both water and sewer services. Of this charge, the City estimates that \$2.02/m³ is dedicated to the sewer utility. This rate is generating revenues that meet full cost requirements.
- ▶ To meet the sewer utility's the full cost revenue requirements in 2023 we recommend the City maintain the current rate of \$2.02/m³ in 2023 and increasing minimally to \$2.07/m³ in 2026 and then increasing to \$2.12/m³ in 2032 .

Year	Sanitary Sewer Charge Per m3
2023	\$ 2.02
2024	\$ 2.02
2025	\$ 2.02
2026	\$ 2.07
2027	\$ 2.06
2028	\$ 2.06
2029	\$ 2.07
2030	\$ 2.09
2031	\$ 2.10
2032	\$ 2.12

* It is recommended municipalities approve rate increases 1 year at a time, thereby allowing for rate adjustments as inputs change (e.g., capital plan).

Updated Sewer Rate Strategy: Path Toward Self Sustainability

- ▶ The proposed rate strategy will enable the City to meet the full cost requirement through out the 10-year period.
- ▶ At the end of the 10-year review period, the sewer utility will have generated a reserve of \$5.0 million, to be used for future rehabilitation and maintenance of the sewer system.



Year	Reserve Receipts	Reserve Applied	Reserve Balance
2022		684,485	(600,453)
2023	929,613	141,871	187,289
2024	870,723	435,181	622,831
2025	870,703	1,492,915	619
2026	1,003,496	24,480	979,635
2027	1,149,777	492,692	1,636,720
2028	1,163,248	447,770	2,352,198
2029	1,172,608	491,950	3,032,856
2030	1,190,144	573,530	3,649,469
2031	1,210,731	521,909	4,338,231
2032	1,225,910	537,567	5,026,634

Stormwater Revenue Requirements & Rates

Stormwater Revenue Requirements: Summary of Revenue Requirements

- ▶ The stormwater utility's revenue requirement previously grew from \$3.3 million in year 1 to \$3.8 million in year 10. Revenue requirements are now \$3.3 million in year 1 to \$4.0 million in year 10.

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
O&M costs (Net)	\$ 1,579,374	\$ 1,626,755	\$ 1,675,558	\$ 1,725,825	\$ 1,777,600	\$ 1,830,928	\$ 1,885,855	\$ 1,942,431	\$ 2,000,704	\$ 2,060,725
Depreciation	\$ 476,462	\$ 512,731	\$ 540,304	\$ 553,952	\$ 555,242	\$ 557,115	\$ 560,946	\$ 560,252	\$ 563,752	\$ 573,414
Return										
System Assets - Debt	\$ 345,603	\$ 363,934	\$ 380,004	\$ 380,712	\$ 378,958	\$ 376,863	\$ 376,483	\$ 375,700	\$ 374,648	\$ 374,348
System Assets - Equity	\$ 919,925	\$ 968,718	\$ 1,011,493	\$ 1,013,377	\$ 1,008,708	\$ 1,003,132	\$ 1,002,122	\$ 1,000,037	\$ 997,238	\$ 996,438
Contributed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital	\$ 16,781	\$ 17,284	\$ 17,803	\$ 18,337	\$ 18,887	\$ 19,454	\$ 20,037	\$ 20,638	\$ 21,257	\$ 21,895
Principal Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,338,145	\$ 3,489,423	\$ 3,625,161	\$ 3,692,202	\$ 3,739,395	\$ 3,787,491	\$ 3,845,444	\$ 3,899,059	\$ 3,957,599	\$ 4,026,820

* Principal Shortfall: If depreciation is insufficient to cover the principal debt payment, then there is a principal shortfall and this amount is added to the revenue requirements.

Updated Stormwater Rates

- ▶ The City currently charges \$11.50/mo for base/small customers. Small customers have water meters <1" and make up 99% of the City's total customers. The City currently charges \$46.00/mo for large customers. Large customers have water meters =>1" and make up just 1% of the City's total customers. On average, large customers utilize 4X the stormwater system capacity than small customers, hence the price differential.
- ▶ To meet the stormwater utility's full cost revenue requirements in 2023 will require a charge of \$20.98/mo for base/small customers. Rather than moving toward the new rate in one leap, we recommended the City stay on the path of gradual rate in alignment with the rate plan adopted in 2020, with some adjustments. Accordingly, we recommend the City establish a small/large monthly rate of \$14.55/\$58.20 in 2023 increasing gradually to \$21.85/\$86.60 in 2026. From 2026 onward, rates decrease gradually to \$20.70/82.80, assuming capital plan requirements remain as is.

Previous Rate Strategy:

\$ 7.30	\$ 11.50	\$ 14.55	\$ 16.50	\$ 20.50
\$ 37.20	\$ 46.00	\$ 58.20	\$ 66.00	\$ 82.00

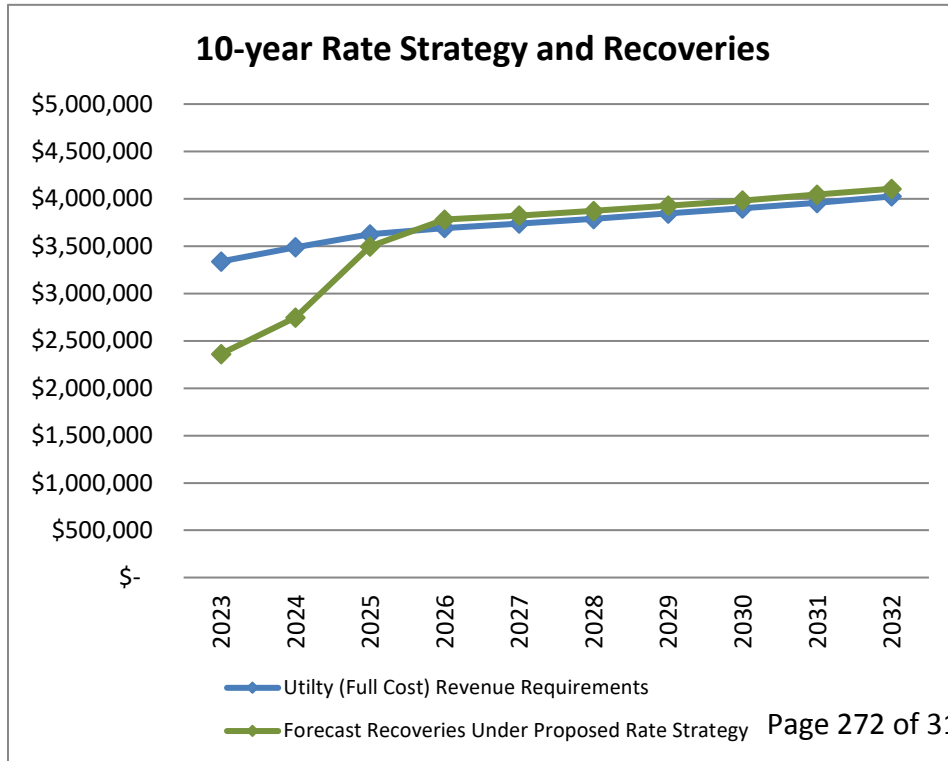
Updated Strategy:

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Small Customers (<1")	\$ 14.55	\$ 16.50	\$ 20.50	\$ 21.65	\$ 21.40	\$ 21.20	\$ 21.05	\$ 20.90	\$ 20.80	\$ 20.70
Large Customers (>=1")	\$ 58.20	\$ 66.00	\$ 82.00	\$ 86.60	\$ 85.60	\$ 84.80	\$ 84.20	\$ 83.60	\$ 83.20	\$ 82.80

It is recommended municipalities approve rate increases 1 year at a time, thereby allowing for rate adjustments as inputs change (e.g., capital plan).

Updated Stormwater Rate Strategy: Path Toward Self Sustainability

- ▶ The proposed rate strategy will enable the City to reach full cost requirements in 2025, which is 3 years sooner than originally planned when the utility strategy was adopted in 2020.
- ▶ Previously, the reserve was forecast to grow to \$10.9 million. Now, at the end of the 10-year review period the stormwater utility will have generated a reserve of \$9.4 million, to be used for future rehabilitation and maintenance of the stormwater system.



Year	Reserve Receipts	Reserve Applied	Reserve Balance
2022		\$ 552,250	\$ 1,125,877
2023	\$ 591,835	\$ 1,493,753	\$ 223,959
2024	\$ 904,968	\$ 1,119,452	\$ 9,475
2025	\$ 1,606,605	\$ 519,375	\$ 1,096,705
2026	\$ 1,840,522	\$ 1,379,021	\$ 1,558,206
2027	\$ 1,831,243	\$ 590,892	\$ 2,798,557
2028	\$ 1,826,556	\$ 463,709	\$ 4,161,404
2029	\$ 1,827,663	\$ 447,769	\$ 5,541,298
2030	\$ 1,825,176	\$ 541,144	\$ 6,825,330
2031	\$ 1,829,374	\$ 508,861	\$ 8,145,842
2032	\$ 1,854,487	\$ 557,726	\$ 9,442,604

Solid Waste Rates

Solid Waste Utility Rates

- ▶ The solid waste utility was reviewed. However, Administration anticipates potentially significant changes stemming from the solid waste contract re-tendering in spring 2023.
- ▶ Accordingly, Administration recommends rates remain unchanged pending confirmation of contract re-tendering.

Rate Change & Rate Comparison

Rate Comparison

	2022 Rates									2023
	City of Edmonton	Town of Stony Plain	City of Spruce Grove	City of Fort Sask	City of St. Albert	Parkland County	City of Leduc	City of Beaumont	Strathcona County	City of Spruce Grove
RESIDENTIAL WATER										
Consumption Charge (/m3)	\$ 2.24	\$ 3.71	\$ 4.31	\$ 2.95	\$ 1.85	\$ 3.02	\$ 2.62	\$ 2.10	\$ 2.78	\$ 4.60
Fixed Charge	\$ -	\$ -	\$ -	\$ -	\$ 11.75	\$ 23.33	\$ 10.32	\$ -	\$ -	\$ -
Capacity Charge:										
16mm (5/8")	\$ 15.05	\$ -	\$ -	\$ 6.64	\$ -	\$ -	\$ -	\$ 15.25	\$ 5.36	\$ -
19mm/20mm (3/4")	\$ 22.58	\$ -	\$ -	\$ 9.56	\$ -	\$ -	\$ -	\$ 15.25	\$ 6.12	\$ -
25mm (1")	\$ 37.63	\$ -	\$ -	\$ 17.00	\$ -	\$ -	\$ -	\$ 24.27	\$ 7.01	\$ -
37mm/38mm/40mm (1 1/2")	\$ 75.27	\$ -	\$ -	\$ 38.25	\$ -	\$ -	\$ -	\$ 33.77	\$ 11.90	\$ -
50mm (2")	\$ 120.43	\$ -	\$ -	\$ 67.99	\$ -	\$ -	\$ -	\$ 39.02	\$ 15.30	\$ -
80mm (3")	\$ 225.80	\$ -	\$ -	\$ 152.99	\$ -	\$ -	\$ -	\$ 41.91	\$ 35.85	\$ -
100mm (4")	\$ 376.35	\$ -	\$ -	\$ 271.97	\$ -	\$ -	\$ -	\$ 53.51	\$ 55.13	\$ -
150mm (6")	\$ 752.69	\$ -	\$ -	\$ 611.94	\$ -	\$ -	\$ -	\$ -	\$ 96.10	\$ -
200mm (8")	\$ 1,204.30	\$ -	\$ -	\$ 1,087.90	\$ -	\$ -	\$ -	\$ -	\$ 171.10	\$ -
250mm (10")	\$ 1,731.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426.10	\$ -
300mm (12")	\$ 2,541.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESIDENTIAL SEWER										
Consumption Charge (/m3)	\$ 1.25	\$ 3.06	\$ 2.02	\$ 2.62	\$ 2.08	\$ 1.74	\$ 2.05	\$ 1.85	\$ 1.90	\$ 2.02
Fixed Charge	\$ -	\$ -	\$ -	\$ 5.60	\$ 13.76	\$ 23.76	\$ 8.50	\$ 9.64	\$ 14.88	\$ -
Capacity Charge:										
16mm (5/8")	\$ 10.65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19mm/20mm (3/4")	\$ 19.18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25mm (1")	\$ 29.83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37mm/38mm/40mm (1 1/2")	\$ 57.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50mm (2")	\$ 78.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80mm (3")	\$ 162.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100mm (4")	\$ 303.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150mm (6")	\$ 573.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
200mm (8")	\$ 915.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
250mm (10")	\$ 2,272.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300mm (12")	\$ 2,272.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STORMWATER										
Residential Stormwater	\$ 34.37	\$ 17.85	\$ 11.50	\$ 5.00	\$ 18.00	tax supported	\$ 5.00	\$ 6.48	\$ -	\$ 14.55
RESIDENTIAL SOLID WASTE										
Small Bin Pick-up (120L)	\$ 43.32	\$ 25.84	\$ 25.25	\$ 26.81	\$ 27.47	n/a	\$ 24.53	\$ 25.02	\$ 25.45	\$ 25.25
Large Bin Pick-up (240L)	\$ 48.32	\$ 25.84	\$ 28.50	\$ 26.81	\$ 32.62	n/a	\$ 24.53	\$ 25.02	\$ 25.45	\$ 28.50
	1	2	3	4	5	6	7	8	9	
Average Household Monthly Bill (5/8", 20m3, Large Bin)	\$ 178.14	\$ 179.13	\$ 166.60	\$ 155.45	\$ 154.73	\$ 142.29	\$ 141.75	\$ 135.39	\$ 139.29	
Forecast 2023 Rate (3% Inflation)	\$ 183.49	\$ 184.51		\$ 160.11	\$ 159.37	\$ 146.56	\$ 146.00	\$ 139.45	\$ 143.47	\$ 175.45

Q&A....

Thank-you

CORVUS Business Advisors

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REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Solid Waste Service Levels

DIVISION: Planning & Infrastructure

SUMMARY:

Administration is requesting Council confirm service levels to be delivered for the City's residential curbside solid waste program in advance of tendering for solid waste collection and disposal services in early 2023.

The 2022-2025 Strategic Plan has an objective to "enable residents and businesses to reduce their environmental impact" and an action to "provide recommendations on waste management options".

PROPOSED MOTION:

THAT Administration be directed to procure contracted services for curbside solid waste services to March 31, 2026, and that existing service levels be maintained except for the elimination of extra organics collection.

BACKGROUND / ANALYSIS:

The current levels of solid waste service are listed below:

Service	Volume	Service Frequency
Household Garbage	240 Litre Black Cart/120 Litre Black Cart	Weekly
Organics	240 L Green Cart	Weekly from Mid-April to Mid-November & Monthly from December to March
Extra Organic Waste	Unlimited paper or compostable bags	Weekly from Mid-April to Mid-November & Monthly from December to March
Recyclables	Blue Bag (No limit)	Weekly
Large Item Collection	3 Large Items	Annual
Shred-4-Free	All listed paper items	Annual
E-roundup	All listed electronic items	Annual

In November of 2021, as part of finalizing the 2022-24 Corporate Plan, Council made the decision to maintain existing curbside solid waste service levels for one year and requested Administration bring a report back to Council in 2022. Administration negotiated rates and extended all solid waste contracts until March 31, 2023.

The business case that Administration put forward for Council’s consideration in November 2021 recommended the shift to every other week garbage collection, every other week blue bag collection and every other week organics collection in the winter. Organics collection in the summer was to continue on a weekly schedule.

Every other week garbage collection is intended to reduce the waste that ends up in the landfill by providing an incentive for residents to use recycling or organics more frequently. It is the most common model in the Edmonton Metro Region and has reduced the cost of collection in other municipalities. At the City, cost reductions associated with moving to bi-weekly collection for the garbage stream were projected to be relatively low based on the last contract tender. The potential savings on a single account paying \$28.50 per month would be approximately \$1.28 per month, or 4.5% of \$28.50. This level of savings is because many contractor costs are fixed and the solid waste fee charged to residents encompasses several utility expenses including the collection and landfilling of garbage, the collection and processing of recyclables, the collection and processing of organics, the large item program, and the expenses related to utility administration and Eco Centre operations. There are minimal savings when reducing one type of expense (collection). In addition, over the years, the City has initiated community conversations and surveys and the resident reaction to bi-weekly garbage collection has been

mixed. Another risk of bi-weekly garbage collection is that increased contamination across waste streams can occur if not managed properly.

In June 2022, the City’s Residential Waste Audit found that approximately 40% (by weight) of the material in the garbage could be composted instead of sent to landfill. Overall, residential diversion rates have remained relatively unchanged over 2016, 2019, and 2022 audits. June 2022’s audit showed that most garbage carts were full and most organic carts were half full. Less than half of residents set out recycling bags. On the positive side, the City currently enjoys a low contamination rate in recyclables and has improved from 17% in 2016 to 8.3% in 2022. Contamination in organics is very low - ranging between 0.6% and 1.2% over the last three years.

Proposed levels of solid waste service:

Service	Volume	Service Frequency
Household Garbage	240 Litre Black Cart	Weekly
Organics	240 L Green Cart	Weekly from Mid-April to Mid-November & Monthly from December to March
Extra Organic Waste	Resident provided compostable bags	Discontinue in 2023
Recyclables	Blue Bag (No limit)	Weekly
Large Item Collection	3 Large Items	Annual
Shred-4-Free	All listed paper items	Annual
E-roundup	All listed electronic items	Annual

Administration is recommending that the City discontinue the practice of collecting extra organics. This service has proven to be expensive (approximately \$180,000/year) and provides issues for an automated curbside program within a utility that seeks to be equitable (equal service for all account holders by volume) while encouraging diversion. Extra organics placed for collection are typically yard waste and are not helpful with diversion issues related to food waste. Residents who produce a large amount of yard waste have options to reduce their waste through mulching (grass cycling), reserving waste and placing in carts during subsequent collections, or taking excess yard waste to the Eco Centre.

Past educational campaigns and the “Trim your Trash” App have intended to be helpful on “what goes where” and made some progress but have had a limited impact on overall diversion. In the future, the City could increase resident engagement with targeted messaging to key in on areas with greatest potential to improve diversion rates. Food wastes currently account for 24% of landfilled (black cart) waste.

- a. Communicate success stories and make residents aware of how they are making a difference. For example, the capture rate for compostable paper has increased from less than 30% in 2016 to almost 60% in 2022. In addition, the single-use plastic item reduction bylaw has more than halved the number of single use items in the 2022 audit as compared to the 2019 audit.
- b. Communicate areas for improvement according to the waste audit, with a focus on organics.

The Extended Producer Responsibility (EPR) system implementation is still uncertain and dynamically changing, as are the final details of the EPR Regulation. Organics are not part of the schedule, and not typically part of EPR as it is difficult to pin-point the “producer”. EPR is part of a movement to a circular economy, but in itself, is not a “silver bullet” for all waste reduction issues.

Multiple levels of government are considering both place-based (local) and overarching strategies to reduce waste and move toward a more circular economy. In addition to citizen awareness campaigns, policy options often include a mixture of bans and bylaws, incentives, technology, labelling, and other fiscal tools.

In addition, an effective way to increase diversion is through education and resident engagement programs. Building resident knowledge about the goals and benefits of diversion through engagement while developing strong waste sorting habits and sustainable behaviors has long been part of the path to higher diversion rates.

OPTIONS / ALTERNATIVES:

Council could consider moving to bi-weekly waste collection, which would enable residents to reduce their environmental impact. Administration recommends this option proceed when sufficient advance public engagement, education, and communication has taken place.

CONSULTATION / ENGAGEMENT:

Over the years, the City has initiated community conversations and surveys on a small scale. Reaction to bi-weekly waste collection has been mixed.

IMPLEMENTATION / COMMUNICATION:

Any changes to curbside solid waste services are to be implemented on April 1, 2023. Pending the results of the tendering process, administration may bring back an earlier review (spring 2023) on solid waste utility rates rather than through the newly established annual utility rate review process (fall 2023) as part of the annual corporate plan development.

IMPACTS:

Properly sorted waste materials translate to a reduction of landfill use and carbon footprint. Currently, landfilled organic waste contributes 2.4 per cent of the City's total GHG emissions (currently estimated at 4 MtCO₂eq and projected to grow).

FINANCIAL IMPLICATIONS:

The current cost of delivering the curbside program (residential garbage, organics, and recycling collection and disposal) is approximately \$2.2 Million.

The utility offers a service with a small garbage cart (120 L) for \$25.25 per month and a service with a large garbage cart (240 L) for \$28.50 per month. Exchange of a large cart for a small cart is offered at no charge.

The financial implications for the utility of the upcoming tendering process are uncertain but a review of utility costs will be conducted post-tender to determine if there is an opportunity to reduce the fees for the 120L black cart service by as much as 20% to further incentivize waste sorting and improve diversion rates. If Council approves, this work would be included in the 2023 Utility Rates review and updates.

Costs for organics processing and disposal have increased from \$60/tonne to \$90/tonne due to the closure of the Cleanit Greenit facility, increasing the projected costs of organics disposal to approximately \$300,000 from \$200,000. GFL has now taken over the procurement of processing, in addition to the collection of organics. The collected organics must now be hauled a greater distance for processing at this increased cost.

Eliminating expenses incurred to collect and process extra seasonal organics would save the utility approximately \$180,000/year.

Business Case Summary

Bi-Weekly Waste Collection

Stage: Planning Review 1
2022 - Operating

Business Case Name	Bi-Weekly Waste Collection	Business Case Number	CP_CE1506
Department	Sustainability & Transit	Owner	Caitlin Van Gaal
Total Project Cost	500,000		
Start Date	2022-01-01		
Completion Date	2022-12-31		

Description

Administration is proposing three changes to the waste collection system to be implemented in 2022 with the signing of the new waste contract. The proposed changes are:

- every other week garbage collection
- every other week recycling collection
- every other week organics collection during the winter months (summer weekly collection to continue)

These changes are being proposed to align with the Edmonton Region municipalities and more specifically the town of Stony Plain. These changes will also help to address the City's landfill diversion rates, which have stagnated over the past 5+ years when compared to other communities in the region who have every other week garbage collection. Every other week garbage collection has proven to be an effective strategy to increase diversion rates, lower overall waste volumes and reduce GHG emissions. This proposed collection frequency encourages greater recycling and organics participation rates by restricting the volume of garbage allowed to be placed at the curb.

The City's current waste contract expires in March of 2022. We are proposing that shortly after the new contract start the City transitions to every other week garbage and recycling collection. Both landfill waste and recycling are inert waste that can last for two weeks with minimal odour issues. Material that may rot and create odour will be placed in the green organics cart and collected weekly during the summer months. We are also proposing every other week organics collection during the winter months to help capture the organic waste that was typically disposed of during the weekly garbage collection. Roughly 50% of all waste sent to landfill is organic waste is Spruce Grove. By decreasing the collection of garbage and increasing the collection of organics it will encourage residents to properly sort their waste.

To accompany this transition, a more detailed look into the Utility billing rate should be completed. A review of how this change in collection frequency impacts the user rates should be completed and accurately communicated to the public.

A business case was submitted for this in 2021, under the reference code CP_CE1506. Annual ongoing costs of \$50,000/year.

Business Case Summary

Bi-Weekly Waste Collection

Stage: Planning Review 1
2022 - Operating

Business Need

Sending organics to landfill accounts for 2.4% of the Community's overall GHG emissions. This does not take into consideration the emissions as a result of the trucks driving around the City every week.

Spruce Grove has had an organics program for the past roughly 15 years, over that time the usage of the green organics cart for anything more than yard waste has been extremely low. Especially when compared to other communities in the region. Municipalities in the Edmonton region who have every other week garbage collection are seeing diversion rates of 60%, Spruce Grove's diversion rate has been between 35% and 40% for the past 5+ years.

There is a clear behavioural change linked to collection frequency. In the absence of a change to collection frequency, residents do not voluntarily change their behaviour to properly sort their waste. By changing the frequency, residents no longer have the option to throw all waste in one bin, they are required to sort their waste. This will lower the City's overall impact on the environment.

The concept of every other week garbage collection was initially presented to Council in 2018. On October 22, 2018 Council made a motion to "maintain weekly curbside garbage collection in spring 2019 with the tendering of the new contract and consider a transition to bi-weekly collection within the life of the contract". Changing the collection frequency in 2022 will align with the signing of the new contract. During 2018 the City also conducted a public survey where 82% of residents stated that diverting waste from landfill was somewhat to very important.

Moving recycling to every other week is an idea that some municipalities are beginning to adopt. Collecting every second week lowers the amount to times the truck needs to drive around collecting material. This reduces the GHG emissions and wear and tear on the roads.

Increasing organics collection to every other week during the winter months allows residents more flexibility with their waste disposal. By encouraging residents to divert from the landfill as a result of the black garbage cart being collected less frequently, there needs to be some way to capture the organic material. The City is already receiving request to increase winter collection frequencies.

Options

Keep collection frequency the same, continue to see low diversion rates and not see progress towards the City's GHG reduction targets.

Risk Analysis

Residents complaints as this may be viewed as a reduction in service. Some residents who have developed habits of using the black garbage cart as the only way to dispose of waste may struggle to learn how to properly sort their waste. The City has a waste app in place to help residents properly sort their waste.

Dependencies

This will help support the Climate Change Action Plan target and goals of overall community GHG reduction. This will also help support the mandate of the EMRB Waste Collaborative and the Edmonton Region Waste Advisory Committee.

Impact If Not Implemented

The City will continue to see low diversion rates and not see progress towards the City's GHG reduction targets. The City will be out of alignment with the Edmonton region, which is a key focus of the Tri-Region and the EMRB Waste Collaborative.

Strategic Portfolios

Investing in Our Growth and Prosperity

Investing In Our Service Supports

Investing in Our Interconnectivity

Outcomes & Benefits

Outcome/Benefit	Success Measures
Increase in waste diversion from landfill	Evident through regular waste audits
Reduction in GHG emissions	Evident through regular GHG inventories and audits
Alignment with the greater Edmonton Region	Same collection services across all municipalities

Business Case Summary

Bi-Weekly Waste Collection

Stage: Planning Review 1
2022 - Operating

Stakeholder & Impact

Stakeholder	Impact
Residents	High - Lower collection frequency, potential for cost reduction
Waste Hauler and Disposal	Medium - Better use of all collection streams resulting in more diversion
Staff	High - Increase in phone calls/complaints as the City transitions collection schedule

Staffing Resources

Department	Position Type	Name of Position	Effort Required
75 - Sustainability & Transit	Existing		High >200 hours
74 - Public Works	Existing		High >200 hours
12 - Corporate Communications	Existing		High >200 hours
52 - Finance	Existing		Medium 51-200 hours

Key Milestones

Key Milestone	Target Date
Tender new waste contract with pricing for proposed collection changes	2022-03-31
Complete review of Utility rate with the new contracted services rate for the proposed changes	2022-06-30
Transition collection schedule to every other week garbage and recycling	2022-09-05
Transition to every other week winter organics collection	2022-11-14

Operating Budget Details

GL Account	Position	AA Code	2022 Budget	2023 Budget	2024 Budget
Expenses					
Waste					
Professional Fees		CP_CE1506	35,000	35,000	35,000
Materials & Supplies		CP_CE1506	15,000	15,000	15,000
Total Waste			50,000	50,000	50,000
Total Expenses			50,000	50,000	50,000
Total			50,000	50,000	50,000
Net Total			50,000	50,000	50,000

Total FTE Request: 0.0

Solid Waste Service Levels



2022-2025 Strategic Plan Goal 7

- “Enable residents and businesses to reduce their environmental impact” and
- “Provide recommendations on waste management options”

Background - Timeline

- 2016 – 1st Waste Audit
- 2018 – Option for bi-weekly garbage - Council Review & Consultations - mixed public reaction, deferred Council decision
- 2021 – Maintain existing service levels for one year, deferred Council decision on biweekly garbage - contracts extended 1 year.
- 2022 – CCAP - GHG = 4 MtCo₂ eq (and projected to grow)
- 2022 – 3rd Waste Audit (June) shows waste diversion rate remains relatively unchanged since 2016
- 2023 – New waste contract
- 2025 – EPR implementation - packaging, packaging, etc

Waste Audit June 2022

Key conclusions:

- Overall residential waste diversion rate has stagnated since 2016
- 40 percent (by weight) of the material in the garbage could be composted instead of sent to landfill - mostly food waste
- Contamination rates of recycling and organics are improving
- # of single use plastic items halved after the bylaw was introduced

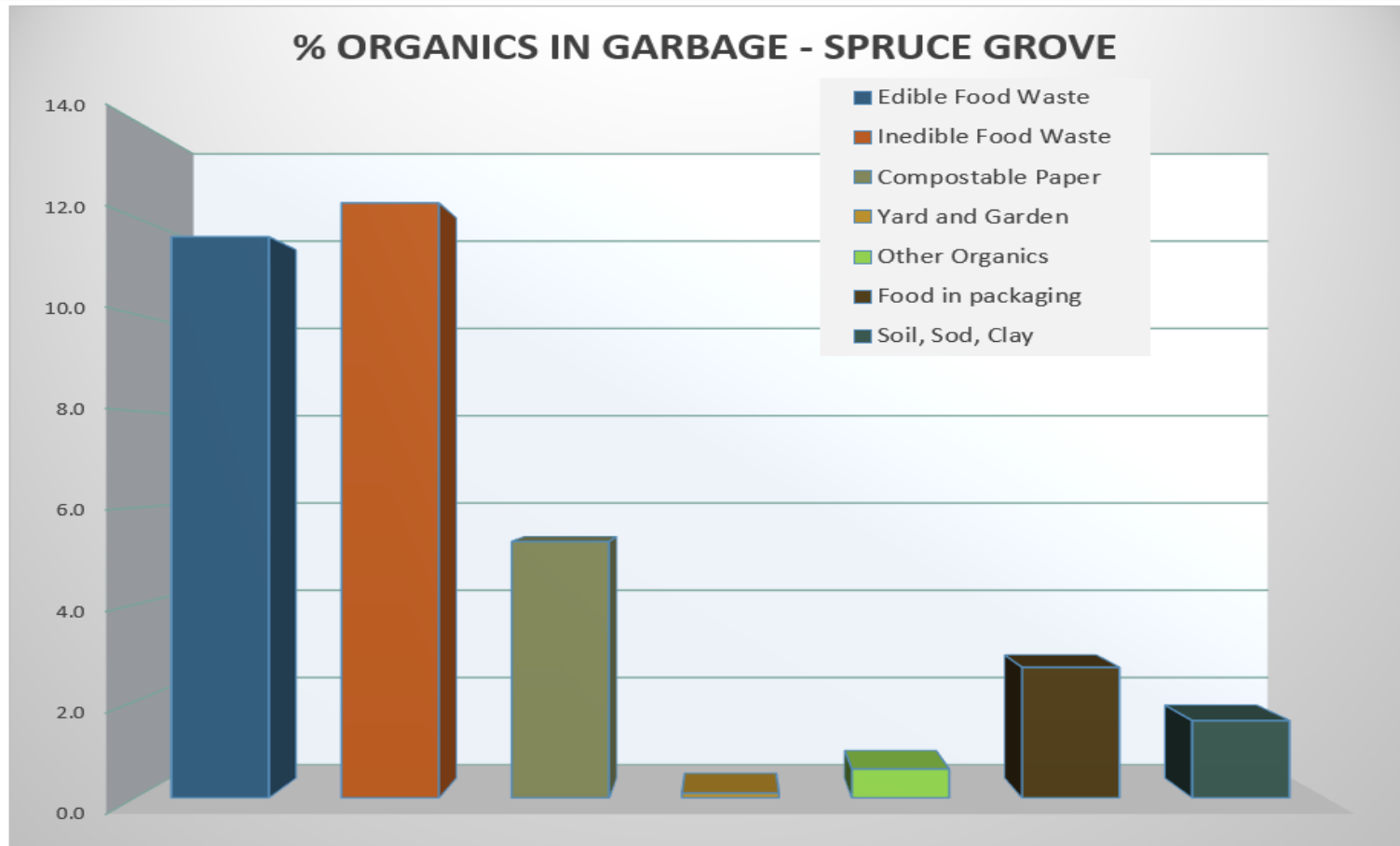
CURRENT LEVELS OF SERVICE

Service	Volume	Service Frequency
Household Garbage	240 Litre Black Cart/120 Litre Black Cart	Weekly
Organics	240 L Green Cart	Weekly from Mid-April to Mid-November & Monthly from December to March
Extra Organic Waste	Unlimited paper or compostable bags	Weekly from Mid-April to Mid-November & Monthly from December to March
Recyclables	Blue Bag (No limit)	Weekly
Large Item Collection	3 Large Items	Annual
Shred-4-Free	All listed paper items	Annual
E-roundup	All listed electronic items	Annual

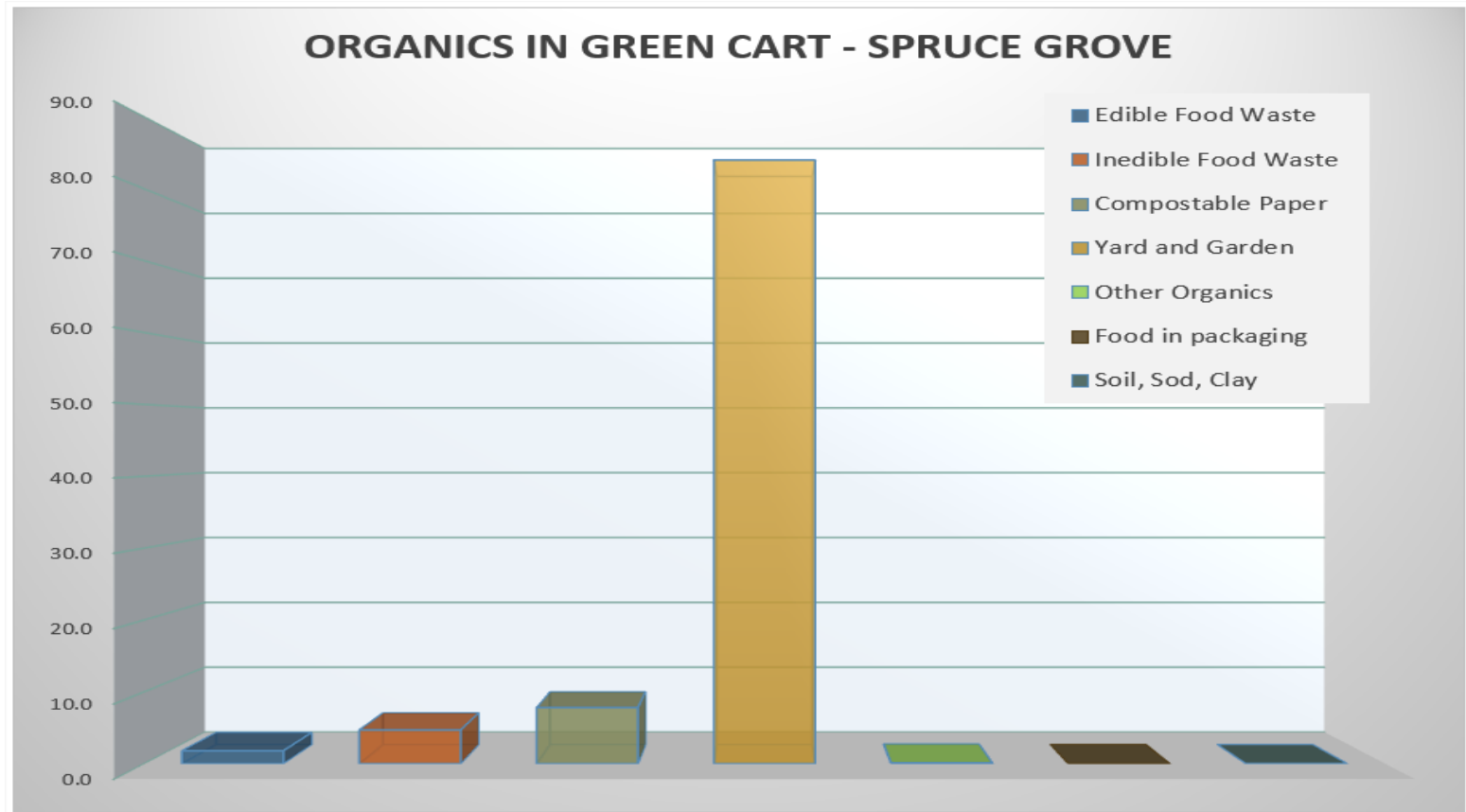
PROPOSED LEVELS OF SERVICE

Service	Volume	Service Frequency
Household Garbage	240 Litre Black Cart	Weekly
Organics	240 L Green Cart	Weekly from Mid-April to Mid-November & Monthly from December to March
Extra Organic Waste	Resident provided compostable bags	Discontinue in 2023
Recyclables	Blue Bag (No limit)	Weekly
Large Item Collection	3 Large Items	Annual
Shred-4-Free	All listed paper items	Annual
E-roundup	All listed electronic items	Annual

% of Organics in Garbage by weight



Organics in Green Cart (% by type & weight)



Some pathways to reduce residential waste

- Bi-weekly garbage (reduce or divert waste)
- Increase education and promote “Trim your Trash” App
- Provide an increased financial incentive to residents who use smaller garbage cart (reduce or divert waste)
- Increase organics collection in the winter
- Bans and bylaws (e.g., single use item bylaw)
- EPR/advocate for economies of scale/regional solutions

Recommendations

- Increase citizen awareness and engagement
- Promote the use of smaller garbage carts and further incentivize their use with a lower rate for residents
- Discontinue curbside “extra organics” bags for lawn and yard waste
- Continue to advocate for EPR/economies of scale/regional solutions

Questions?



REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Council Contingency Reallocation - McLaughlin/Nelson Homestead

DIVISION: Planning & Infrastructure

SUMMARY:

At the August 23, 2021 Regular Council Meeting, Council approved the motion “THAT an art mural be supported on the McLaughlin/Nelson Homestead on Nelson Drive at a cost of up to \$4,000 and that the funds be allocated from 2021 council contingency”.

PROPOSED MOTION:

THAT \$4,000 previously approved from Council Contingency for a mural project on the McLaughlin/Nelson Homestead be reallocated towards the purchase of entrance signage for the historical home located at 200 Nelson Drive.

BACKGROUND / ANALYSIS:

In August 2021 a request was made to Council to fund a McLaughlin/Nelson Farm Tribute through mural art. The project was to be located on private land within the McLaughlin/Nelson Farmstead (198 Nelson Drive) and was to be commissioned by the family to complete. The request of Council was for support of the project through a matching grant or through full funding of the \$4,000 project. Council approved \$4,000 to complete the project.

Due to inclement weather throughout the fall of 2021, and the artist not being able to reschedule until the Spring of 2022, it was requested that the \$4,000 be carried over into 2022. This was approved by Council at the December 13, 2021 Regular Council Meeting.

The pending sale of the centre parcel of land on the McLaughlin/Nelson Farmstead (198 Nelson Drive) has created uncertainty as to the ability to fulfill the mural project. The original request

to Council from the family has been modified to request a reallocation of the \$4,000 towards historical signage at both entrances to the Heritage Home, which is located at 200 Nelson Drive as well as 21 Meadowgrove Lane.

OPTIONS / ALTERNATIVES:

The options for the historical signage at the Heritage Home are as follows:

- Reallocate the \$4,000 from council contingency to fully fund the sign initiative
- Not fund the initiative

CONSULTATION / ENGAGEMENT:

The request has been submitted by the Nelson's to reallocate the funds towards a new project for entrance signage.

IMPLEMENTATION / COMMUNICATION:

The results of the Council decision this evening will be shared with the resident that has made the request.

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

There are no financial implications as this funding was previously approved through Council Contingency by Council for the murals, and Council approved the carry-forward of the funding to 2022.



REQUEST FOR DECISION

MEETING DATE: September 26, 2022

TITLE: Various Board and Committee Meeting Minutes and Reports - September 26, 2022

DIVISION: Corporate Services

SUMMARY:

Internal and external reports and / or board and committee minutes and reports are provided to Council for information.

PROPOSED MOTION:

A motion is not required.

BACKGROUND / ANALYSIS:

n/a

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a

STRATEGIC VISION ELEMENT:

n/a

RELATED GOAL:

n/a

INTER-CITY FORUM ON SOCIAL POLICY
May 27, 2022, 9:00am - 2:30pm
Virtual - Microsoft Teams

Time	Topic	Presenter	Outcomes
9:00am - 9:30am	Call to Order Agenda/ Amendments/ Adoption Approval of Minutes January 28, 2022 Ice Breaker Activity	Chair Tina Petrow	Carried
9:30am - 10:00am	Updates: Alberta Municipalities FCM	Kelly Santarossa Councillor Taneen Rudyk	For Information
10:00am - 10:15am	Updated Terms of Reference	Chair Tina Petrow	Carried
10:15am - 10:30am	BREAK		
10:30am - 11:00am	Survey Results	Chair Tina Petrow	For Information
11:00am - 11:45pm	Priority Setting	Chair Tina Petrow	For Decision
11:45pm - 12:15pm	Questions	Chair Tina Petrow	For Discussion
12:15pm - 1:00pm	LUNCH		
1:00pm - 2:00pm	Presentation & Questions	Kim Titus Thumbs Up	For Information & Discussion
2:00pm - 2:30pm	Next Meeting Date September 20, 2022 Closing Remarks Adjournment	Chair Tina Petrow	For Discussion

MEETING MINUTES

CALL MEETING TO ORDER

- Chair Tina Petrow called the meeting to order and gave the Treaty 6, 7, and 8 territories acknowledgement

AGENDA AMENDMENTS & ADOPTION

- Motion to approve the agenda as amended by Jo-Anne Wright - carried
- Motion to approved meeting minutes from January 28, 2022, meeting by Jan Gillet – carried

INTRODUCTION

Councillor Marissa Wardrop Joins us from Brooks. Councillor Wardrop is a high school humanities teacher. Originally from Brooks, Councillor Wardrop has also lived in Calgary and Lethbridge. A 2nd generation ICFSP member, Councillor Wardrop has a passion for social policy and is excited to be involved with the ICFSP.

Airdrie:	Councillor Tina Petrow Clay Aragon Manager Recreation Culture and Social Planning Barbara Reddaway Executive Assistant Alexa Cooke Executive Assistant
Beaumont:	Councillor Catherine McCook Kim Williston FCSS Director
Brooks:	Councillor Marissa Wardrop
Calgary:	Melanie Husker Director of Community Strategies Sonia Shalen Executive Assistant
Camrose:	Councillor Joy-Anne Murphy Lyndel Kasa Executive Director Camrose and District Support Services (FCSS)
Chestermere:	Danielle Fermin - Manager of Community Support Services.
Cold Lake:	Councillor Chris Vining Kim Schmitz FCSS Manager
Edmonton:	Councillor Jo-Anne Wright Judy Smith Director of Community Resources Christopher Lawson Lead Community Infrastructure and Program Development
Grand Prairie:	Councillor Grant Berg Angela Sutherland Manager of Social Development
Leduc:	Amanda Ulrickson FCSS Manager
Lloydminster:	Mayor Gerald Aalbers Patrick Lancaster Manager of Social Programs and Services
Medicine Hat:	Councillor Alison Van Dyke Leah Prestayko Director of Community Development
Red Deer:	Councillor Cindy Jefferies Ryan Veldkamp Support Supervisor Safe & Healthy Communities
Spruce Grove:	Councillor Jan Gillett
St Albert:	Councillor Shelley Biermanski Connie Smigielski Manager of Community Services
Strathcona County	Councillor Katie Berghofer Councillor Corey-Ann Hartwick Bree Claude Director of FCSS

GUEST SPEAKERS

Alberta Municipalities
FCM
Thumbs Up

Kelly Santarossa
Councillor Taneen Rudyk
Kim Titus

Senior Policy Analyst
FCM President
Founder

UPDATES

ALBERTA MUNICIPALITIES Kelly Santarossa – Senior Policy Analyst with Alberta Municipalities

First concern: the demand for affordable housing and for permanent supportive housing. Alberta Municipalities is advocating that the Province shift its focus to the Housing Accelerator Fund. Alberta Municipalities are presenting to the standing committee about the Housing Accelerator Fund at the beginning of June, reiterating that the municipalities are not getting access to the funding required to construct new housing to increase supply, as well as keep people housed when they are transitioning out of homelessness.

Second concern: long term care and continuing care. For decades there has been significant neglect and underinvestment by the Province into long term care and the health system. This neglect and underinvestment has been brought to light with the pandemic. The Province has been talking a lot about transformation. What does that look like? What does access to long term care look like? What does aging in place look like?

Third concern: is mental health and addiction. Alberta Municipalities is seeing an increase in drug consumption. For example, there are drugs on the LRT. The Province has stopped the funding of the supervised consumption sites. This has contributed to the concern, so Alberta Municipalities continues to advocate for more support and reopening of the supervised consumption sites.

FCM Taneen Rudyk – Councillor Town of Vegreville, FCM President

FCM recently held its first ever National Housing Summit

President Taneen Rudyk presented some of the critical findings including the need for:

- streamlining policy, delivery of money
- quality housing – current lack of quality housing across the country, across the population: homeless, first-time homebuyers, those changing jobs, retirees
- larger investment in the Housing Accelerator Fund
- to build more responsibly and more sustainably, including respect of:
 - panel construction
 - build off site
 - increase jobs for youth in trades
 - hemp building materials
- housing that has/is:
 - proximity to transit
 - inclusionary zoning
 - climate resilience
 - barrier free; and
 - senior's housing (bungalows)
- the requirement, for 30% deeply affordable, and indexed housing
- energy efficiency requirements
- affordability requirements
- municipal leadership to talk about what their municipality needs because it is different in each community.

Question has come up in transferring ownership of affordable housing as properties change ownership; how do you still ensure that there is still supporting those that are in highest need?

TERMS OF REFERENCE Chair Tina Petrow (see attachment)

- Joy-Anne Murphy moved to approve the amended terms of reference - carried

SURVEY RESULTS

- Affordable housing is a top concern across the province
- Moving forward we will be using a hybrid meeting approach alternating between Calgary and Le Duc due to the proximity to the airports
- Unless we are combining with another meeting, we will continue with full day Friday meetings, 3 times a year (January/February, April/May/June, and Fall)
- We are looking at collaborating on some issues rather than trying to tackle the issues individually
- The idea of presenting to the different municipalities and to the Alberta Municipalities Board regarding what the ICFSP does using a slide show, video, or webpage was introduced

PRIORITY SETTING

- We have identified housing, drug use, and mental health as concerns across the province.
- The province has approached the things we have identified as top issues. They have committees, and they have written action plans.
- Following discussion, it was decided that the Chair would send out a document to each municipality who would report back regarding what subject matter experts they currently have in place and what they are currently working on to improve the areas of concern so that the efforts were not duplicated.
- It was also discussed that one-page letters on the top three identified concerns (housing, drug use and mental health) could be prepared by this group (as a whole or as sub committees) that are easy to digest and could be presented to municipal elected officials to advocate to the Province with consistent messaging.
- Support was requested from Edmonton and Wetaskiwin as they are putting forth a motion this fall to the Alberta Municipalities Convention in advocating to the Province for more support to address the rising drug crisis coupled with rising homeless and mental health and addiction challenges come together to elevate the voice around **the issues they are facing**.

MUNICIPAL HIGHLIGHTS

AIRDRIE

SOCIAL WELL BEING SURVEY will be rolled out in 2 phases starting this summer

BEAUMONT

Will be opening a COMBINED THRIFT STORE/FOOD BANK supported by council

BROOKS

Global Village Center Association has developed a program called the JOHN WARE YOUTH EMPOWERMENT PROGRAM. Combines community, mentorship, and skill building. Helping youth define career goals and find resources. It is modelled around John Ware, who was a who was born in the US. He was a slave and he settled around the Brooks area.

CALGARY

COMMUNITY SAFTY INVESTMENT FRAMEWORK \$16 million partnership with Calgary Police Service to change the crisis response system

MENATL HEALTH AND ADDICTION STRATEGY created last March which links addictions and mental health with three pillars: Being Well (prevention), Getting Help (services), and Staying Safe (crisis response).

EDMONTON

COMMUNITY SAFETY AND WELLBEING FRAMEWORK passed by Edmonton City Council The police have a help team, a transit teams, a cultural outreach team, peace officers who have specifically been trained, especially in the indigenous culture. We have developed shelter strategies. In the past months we also passed an anti-racism policy.

GRAND PRAIRIE

STREET OUTREACH CENTRE established and funded by the local Rotary club.

LLOYDMINISTER

Undertaking a SECOND SOCIAL NEEDS ASSESSMENT in the last 5 years and is currently in the data gathering phase.

RED DEER

SOCIAL DIVERSION TEAM created to divert calls away from emergency service providers and provide intervention to individuals in a time of crisis that do not necessarily require an emergency response. Council has agreed to provide that ongoing funding.

SPRUCE GROVE

LATE NIGHT CAFÉ Addressing homelessness in Spruce Grove through winter. A collaborative group with local churches, organizations, the police, taxi companies, and hosted at a local church.

STRATHCONA COUNTY

PARENTS EMPOWERING PARENTS SOCIETY- PEPS pepsociety.ca

Nonprofit association works with parents dealing with addition issues in their youth.

New violence trauma and suicide prevention protocol designed to integrate all the different committees: Alberta Health Services, child youth and family services, Elk Island Catholic and public schools, the royal, the RCMP, emergency services, family, and community services, as well as safe place –

THUMBS UP Kim Titus (see attachment)

Kim Titus presented to the Committee on the Thumbs Up Foundation. The Foundation ran a pilot project in 2017 and has had very high success rates with their Harmonized Health Model. Where traditional treatment models focus on one treatment method in a controlled environment, the thumbs up model focuses on a blend of knowledge, assessment, treatment, resiliency, recovery, support, and continuing care from the community and family. They acknowledge the essential elements of biology and family in mental health. As well as ownership, accountability, and responsibility for self.

PROPOSED NEXT MEETING

Hybrid in person and virtual meeting the evening of September 20 or the morning of September 21, 2022, in Calgary to join with the Alberta Municipalities conference

CLOSING REMARKS

Chair Tina Petrow thanked everyone for all their hard work and great conversation.

ADJOURN

Meeting was adjourned at 2:21 pm

**Tri Municipal Leisure Facility Corporation Board Meeting
June 16, 2022
Holiday Inn Express (Tri Village Room)**

ADOPTED

Present

Jerry George	Chair, Public Rep, Town of Stony Plain
Brenda Buchko	Vice-Chair, Public Rep, Parkland County (via Teams)
Pat Hansard	Town of Stony Plain
Sally Kucher-Johnson	Parkland County
Daniel Beaton	Public Rep, City of Spruce Grove
Todd Haist	Public Rep, Town of Stony Plain
Jay Granley	Public Rep, City of Spruce Grove
Rob Hagg	Public Rep, Parkland County
Reid MacDonald	City of Spruce Grove (Alternate)

Absent

Erin Stevenson	City of Spruce Grove
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Others Present

Lenny Richer	General Manager
Kathy Sadek	Finance Supervisor
Shayne Beeler	Grants/Community Funding Coordinator, Parkland Pirates
Ryan MacDonald	Head Coach, Parkland Pirates

CALL TO ORDER

Call to Order

J. George called the June 16, 2022 board meeting to order at 6:06 PM.

01/06/2022

Adoption of Agenda

ADOPTION OF AGENDA

Administration provided an update to the agenda that In-Camera Item 6.1 was deferred to a future meeting.

Motion: 2022-34

Moved by R. Hagg that the Board of Directors adopt the June 16, 2022 Meeting Agenda as amended.

CARRIED

02/06/2022

Adoption Minutes of Meeting

ADOPTION OF MINUTES

Moved by J. Granley that the Board of Directors adopt the May 12, 2022 Minutes as presented.

Motion: 2022-35

CARRIED

BUSINESS

4.1 Parkland Pirates Aquatic Club Presentation

03/06/2022

Item 4.1 Parkland Pirates
Aquatic Club Presentation

S. Beeler and R. MacDonald presented the Parkland Pirates request for funding support.

Motion: 2022-36

Moved by B. Buchko that the Board of Directors accepts the Parkland Pirates presentation as information.

CARRIED

04/06/2022

Item 4.2 2021 Annual Report

4.2 2021 Annual Report

L. Richer presented the final draft of the 2021 Annual Report.

Motion: 2022-37

Moved by T. Haist that the Board of Directors approves 2021 Annual Report as presented.

CARRIED

05/06/2022
Item 4.3 B-001 Board Member
Conflict of Interest

Motion: 2022-38

4.3 B-001 Board Member Conflict of Interest

L. Richer presented the B-001 Board Member Conflict of Interest

Moved by J. Granley that the Board of Directors approves the B-001 Board Member Conflict of Interest as presented.

CARRIED

06/06/2022
Item 4.4 B-BA Board of
Directors, Officials and Officers

Motion: 2022-39

4.4 B-BA Board of Directors, Officials and Officers

L. Richer presented the B-BA Board of Directors, Officials and Officers and recommended that the policy be dissolved.

Moved by S. Kucher-Johnson that the Board of Directors dissolves Policy B-BA Board of Directors, Officials and Offers.

CARRIED

07/06/2022
Item 4.5 2023 Corporate Plan
and Budget - Draft

Motion: 2022-40

4.5 2023 Corporate Plan and Budget - Draft

L. Richer presented the draft 2023 Corporate Plan and Budget for review and discussion.

Moved by P Hansard that the Board of Directors accepts the 2023 Draft Corporate Plan including Operating, Capital and Infrastructure Budgets as presented and directs administration to forward those documents to the municipal administrative representatives for review.

CARRIED

08/06/2022
Item 4.6 2023 Fees and
Charges

Motion: 2022-41

4.6 2023 Fees and Charges

L. Richer presented the 2023 Fees and Charges for review and discussion.

Moved by D. Beaton that the 2023 Fees and Charges be approved as presented.

CARRIED

09/06/2022
Item 4.7 2022 – 2026
Strategic Plan

Motion: 2022-42

4.7 2022 – 2026 Strategic Plan

L. Richer presented the 2022 - 2026 Strategic Plan for the Board's review and approval.

Moved by R. Hagg that the 2022 – 2026 Strategic Plan be approve as presented.

CARRIED

INFORMATION

10/06/2022
FI: GM Update

5.1 GM Update

L. Richer presented the GM Update for information.

11/06/2022
FI: Department Report

5.2 Department Report

L Richer presented the Department Report for information.

12/06/2022
FI: Financial Report

5.3 Financial Report

K. Sadek presented the Financial Report for information.

5.4 Action Log

13/06/2022
FI: Action Log

L. Richer presented the Action Log for information.

5.5 Forward Planning

14/06/2022
FI: Forward Planning

L. Richer presented Forward Planning for information.

Motion: 2022-43

Moved by R. Hagg that the board accepts Items 5.1-5.5 as information.

CARRIED

REPORTING IN AND OUT

Reporting In and Out

Board members indicated there was nothing substantial to report.

ADJOURNMENT

Adjournment

Meeting adjourned at 8:37 PM.



Jerry George, Chair

**Meridian Housing Foundation Board Of Directors
Regular Board Meeting Minutes
June 23, 2022**

PRESENT: Chairman, Member at Large Randy Dubord
Vice Chairman, Member at Large Ken Dobransky
Councillor Rob Wiedeman, Parkland County
Councillor Stuart Houston, City of Spruce Grove
Councillor Harold Pawlechko (alternate) Town of Stony Plain
Member at Large Jopie Belder
Member at Large Yvan Boutin

STAFF: Lori-Anne St. Arnault, Executive Director
Kevin Capowski, Director of Operations
Doreen Engelhardt, Controller
Virginia Mayer, Recording Secretary

*Regrets: Mayor William Choy, Town of Stony Plain
Guests: Evan Woolley, Colliers Project Leaders (via zoom)*

1. Call To Order

The Chairman called the Board Meeting of June 23, 2022 to order at 9:05 am.

2. Addition To / Adoption Of Agenda

RESOLUTION #039/2022

Moved by Member at Large Jopie Belder, to adopt Meridian Housing Foundation agenda as presented.

Carried Unanimously

3. Minutes

RESOLUTION #040/2022

Moved by Member at Large Ken Dobransky to accept the May 26, 2022 regular board meeting minutes as presented.

Carried Unanimously

4. Reports of Officers, Board, Standing Committees

- 4.1 Executive Director Report
- 4.2 Financial Review
- 4.3 Compliance Attestation
- 4.4 Correspondence
 - None

RESOLUTION #041/2022

Moved by Member at Large Yvan Boutin, that the board received and filed all report items as presented.

Carried Unanimously

5. Unfinished Business and General Orders

5.1 Spruce Grove Lodge

Executive Director Lori-Anne St. Arnault continues to have meetings with the province regarding funding opportunities.

Derek Weiss, Independent Consultant is working on completing the CMHC funding application for the Spruce Grove Lodge.

5.2 Affordable Housing Tax Exemption

Discussion was held regarding the land taxes for Folkstone Manor apartment in Stony Plain.

RESOLUTION #042/2022

Moved by Councillor Stuart Houston that administration seek legal opinion on the subject.

Carried Unanimously

5.3 2021 Annual Report

The board reviewed the 2021 Annual Report presented by administration.

RESOLUTION #043/2022

Moved by Councillor Rob Wiedeman that the board approves the 2021 Annual Report as presented.

Carried Unanimously

5.4 2023 – 2025 Strategic Plan

Evan Woolley, Colliers Project Leaders presented the 2023 – 2025 Strategic Plan. A questions and answer period followed. (Via Zoom 9:08am – 9:45am)

RESOLUTION #044/2022

Moved by Member at Large Ken Dobransky that the board approves the 2023 – 2025 Strategic Plan as presented.

Carried Unanimously

6. New Business

6.1 2023 - 2025 Business Plan

Administration presented the 2023 – 2025 Business Plan to the board for approval. Executive Director Lori-Anne St. Arnault will submit the approved Business Plan to Alberta Seniors & Housing.

RESOLUTION #045/2022

Moved by Member at Large Jopie Belder that the board approves the 2023 – 2025 Business Plan as presented.

Carried Unanimously

6.2 Member at Large Reappointment

Tabled until August 25, 2022 board meeting.

6.3 Office Reserve

RESOLUTION #046/2022

Moved by Councillor Rob Wiedeman that the board approves the transfer of \$256,407.00 from the office reserve for administration building renovations.

Carried Unanimously

7. Closed Session

- No Closed Session

8. Date, Time And Place Of Next Meeting

Monthly board meeting will be held on August 25, 2022 @ 9:00 am at the Meridian Housing Foundation administration office.

9. Adjournment

The Chairman, Member at Large Randy Dubord declared the meeting adjourned at 12:50 pm.

These minutes were approved on the 25 day of Aug, 2022.



Chairman of the Board



Vice-Chairman