

BUDGET 2020

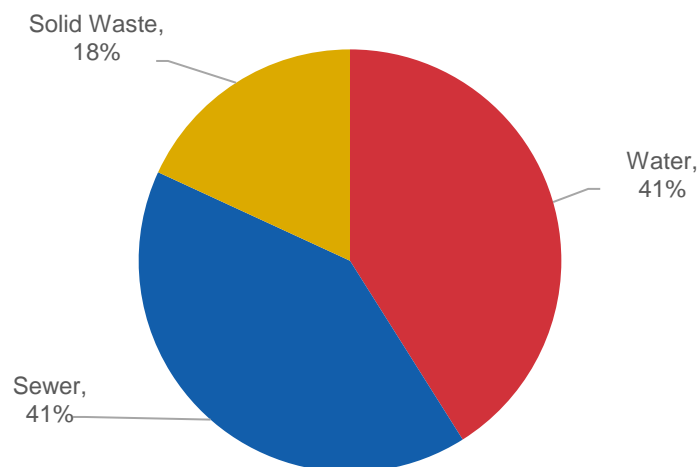
2020 Utilities Overview

Utilities Service Areas

The proposed 2020 Utilities Budget consists of \$19.5M in revenues, \$15.6M in expenses and \$3.9M in other items, which contributes to three key service areas: water distribution, sewer, and solid waste collection. Budget costs for these services include operating costs, funding for capital rehabilitation/replacements, wholesale water supply, sewage treatment, and waste removal costs.

How many? *The City maintains over 9,100 utility accounts.*

UTILITY BUDGET BY SERVICE



Water Distribution

The City purchases potable water from the Capital Region Northeast Water Commission, stores it, then pumps it for domestic, commercial and fire protection purposes through a network comprised of 3 reservoirs and 138.5 km of mains (pipes).

The 2020 budget for water distribution consists of \$7.9M in revenues, \$6.2M in expenses and \$1.7M in other items

How much? *The City estimates it will purchase 2.5 million m³ of water and send 3.9 million m³ of wastewater for treatment in 2020.*

Sewer

Sewage is conveyed through a network of 123 km gravity (pipes) mains, with the assistance of two lift stations in lower lying areas, to the Alberta Capital Region Wastewater Commission system for treatment.

The 2020 budget for sewage collection is consists of \$8.0M in revenues, \$6.2M in expenses and \$1.8M in other items.

Solid Waste Collection

Residential solid waste is collected by a contractor that is hired by the City and taken for processing at appropriate facilities. In 2018, the new residential solid waste collection program began with city-wide implementation of carts for curbside waste and organics, as well as continued collection of recycling in blue bags. The diversion rate since the program implementation is 57%, up from 21% prior to implementation. The solid waste function also includes the operation of the recycle depot and transfer station, as well as events such as toxic round-up, extra yard waste collection, and large item collection.

Why go green? Organics continues to be the most cost-effective waste stream, having the lowest processing cost. The City estimates it will divert 1,100 tonnes of recyclable material and 2,500 tonnes of organics in 2020.

The 2020 budget for solid waste collection consists of \$3.6M in revenues, \$3.2M in expenses and \$0.4M in other items.

Included in the service budgets listed above are costs of capital through the use of reserves and debentures.

Utility Replacement Reserve

Reserves provide a funding source for future projects, upgrades, rehabilitation, and emergencies. They also improve economic sustainability by reducing reliance on debentures, grants and operational funding from increasing utility rates.

Utilities has a 10-year plan in place to increase reserve contributions to assist the City in reaching optimal balance targets that will provide long-term sustainability for infrastructure and minimize impacts on utility rates. Longevity of utilities infrastructure is typically between 75 and 100 years. The reserve transfer supports the 10-year plan and provides for an annual replenishment to sustain the reserve for the future and work towards reaching the optimal balance. The 2020 budget for utility reserve transfers is \$2,808,375.

Debentures

Debt financing is used for capital infrastructure development. Debentures are issued from the Alberta Capital Finance Authority and include principal and interest payments. The 2020 utility debenture budget is \$1,061,022, which includes repayment of debentures of \$919,739 and

interest payments of \$141,283. These debentures are for the 100 Ave water and sewer line rehabilitation, Westpark Reservoir, and the Sewer Reline program.

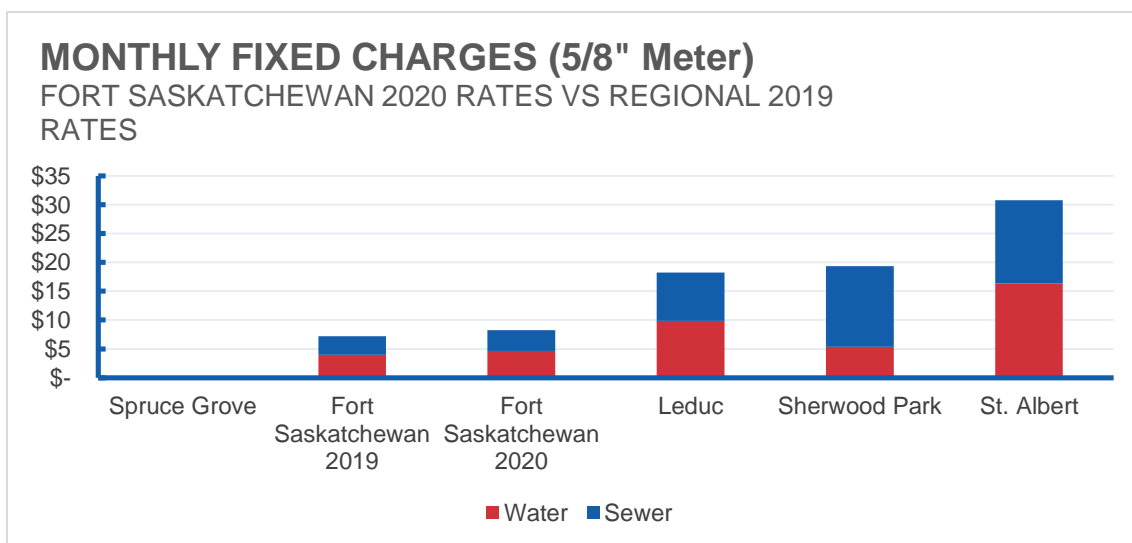
Utility Rates

Utility rates provide a stable and reliable revenue source which funds Utilities' operating and capital costs and allows the City to plan for infrastructure and service needs over the long-term.

The City's Water and Wastewater rate structure consists of two rates—a fixed rate and a variable rate that varies based on resident's consumption. The fixed rate covers a portion of the transfers to reserves to save for replacement, and the variable consumption rate covers the remaining portion of the reserve transfers, all operating costs, and the cost of purchasing water/treating wastewater from the regional commissions.

The Utility Rate Model calculates rates based on balancing revenues and costs. An increase in costs will result in an increase in rates to balance the budget to a zero balance. Historically, the City has applied the same rate increase to both the variable rate and the fixed rate portions. However, the fixed rate does not fully cover the costs of replacing infrastructure. The current fixed revenue covers approximately 55% of future infrastructure replacement and is only 9% of the total revenue generated by utility rates. To ensure financial responsibility and promote long-term sustainability, increases to transfers to reserves are recommended so that critical water and wastewater infrastructure can be replaced in the future.

The 2020 Budget represents a change in the Utility Rate Model, in which a different rate increase will be applied to the fixed rate than to the variable rate. This will bring the fixed rate coverage of future infrastructure replacement to 58% in 2020 and allow the City to gradually increase fixed rates to cover 100% of infrastructure replacement and reduce the impact of these costs to residents. It also brings the fixed revenue to 10% of the total revenue generated by utility rates. Even with this change, the City of Fort Saskatchewan maintains one of the lowest fixed rates in the region. It has become a best practice among municipalities to provide a stable revenue source for essential infrastructure needs.



**The City of Spruce Grove's water and sewer rates are 100% variable*

The Solid Waste rate is a fixed monthly rate with no variable component.

Water Distribution

An increase in the water rates is required due to:

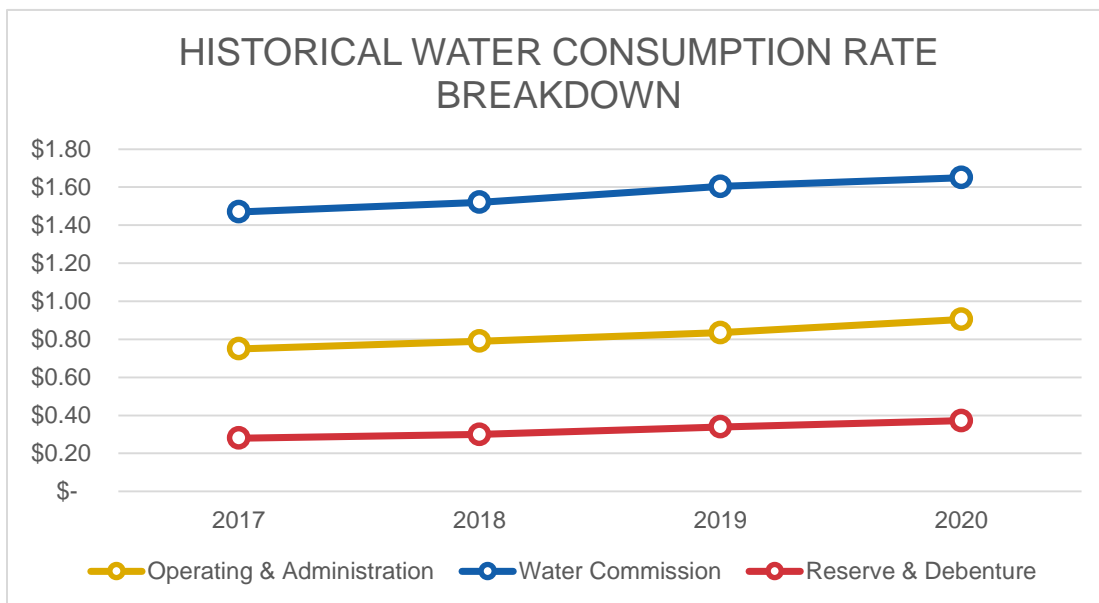
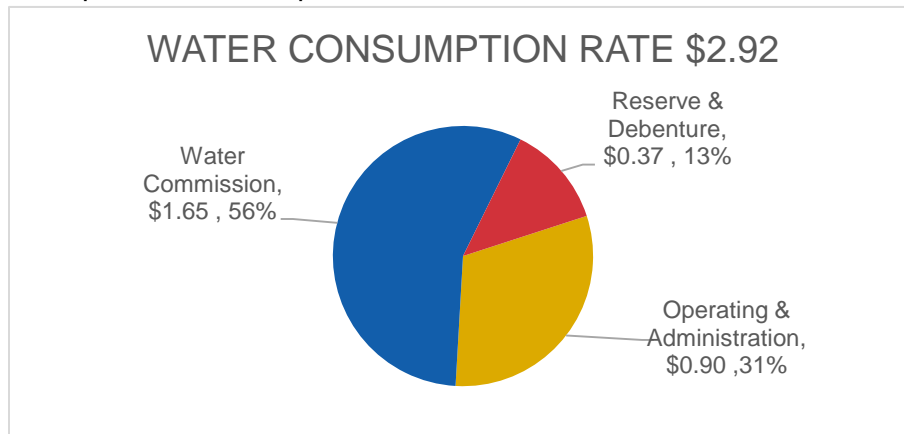
- An increase in wholesale water cost as a result of a water commission rate increase (reflects \$114,800 of the water budget increase). The commission has provided an estimated rate increase of \$0.046/m³. However, this will not be finalized until November 2019. This increase is partially offset by a decrease in forecasted water consumption, which reflects a decrease of \$110,100 in wholesale water cost. The City is experiencing lower than expected consumption patterns and due to that, the budgeted consumption total has been decreased from the 2019 amount. The net result is an increase in Purchases from Other Governments and Agencies of \$4,700.
- The impact of previously committed capital projects, including 18003 Water Meter Reading Enhancement Program and 19010 Medium Industrial Water Main (reflects \$104,650 of the water budget increase).
- An increase in the transfer to the Utility Replacement Reserve (reflects \$61,600 of the water budget increase).
- Proposed compensation adjustments for Utilities staff (reflects \$29,600 of the water budget increase).
- A net increase in other operating expenses due to reallocations between the water and sewer budgets (\$39,800), which is a net zero to the Utilities budget as a whole, and other small adjustments (\$12,049) (reflects \$51,849 of the water budget increase).

The impact on water rates are:

RATES	2019	PROPOSED 2020	VARIANCE
Fixed Rate per month	\$ 4.00	\$ 4.64	\$ 0.64
Consumption Rate per m ³	\$ 2.78	\$ 2.92	\$ 0.15
Bulk Water per m³ (Account Rate)	\$3.79*	\$ 3.73	n/a
Bulk Water per m³ (Coin/Non Account Rate)		\$ 4.00	n/a

**In 2019 the bulk water rates were split as Residential Account rates and Coin/Commercial Account rates. To be consistent with municipalities in the region, we are changing the structure in 2020 to be an Account Rate and a Coin Rate.*

The water consumption rate is comprised of:



Sewer Transmission

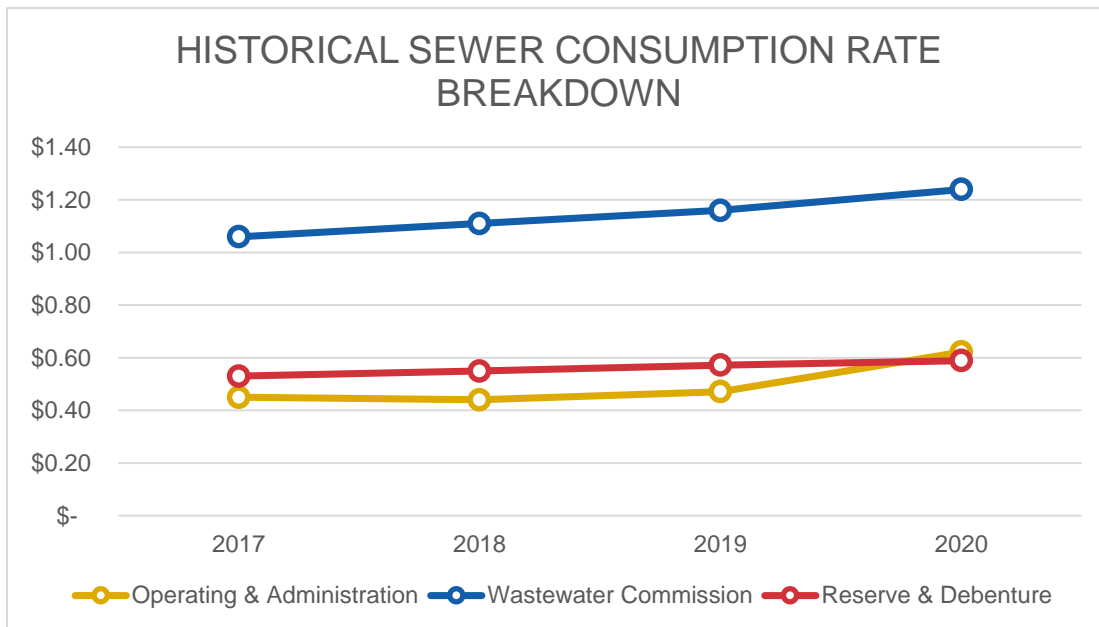
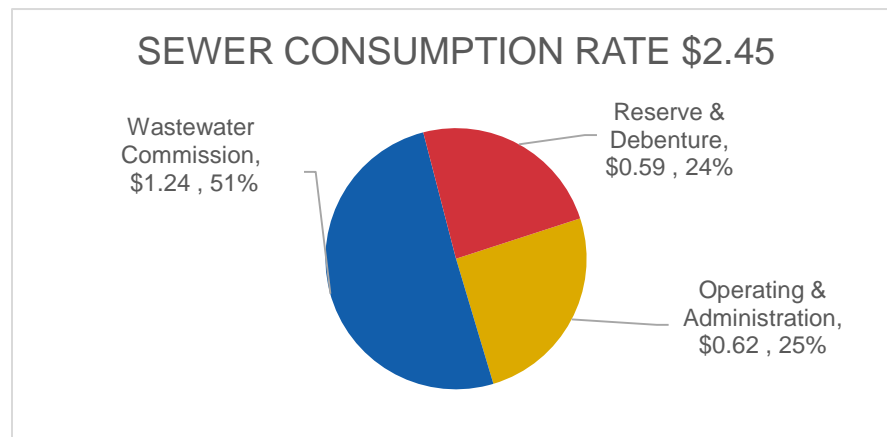
An increase in sewer rates is required due to:

- An increase in wholesale sewage treatment cost as a result of a wastewater commission rate increase (reflects \$314,600 of the sewer budget increase). The commission has provided an estimated rate increase of \$0.08/m³. However, this will not be finalized until late 2019. This amount is partially offset by a decrease in forecast water consumption, which reflects a decrease of \$70,400 in wholesale sewage treatment costs. The net result is an increase in Purchases from Other Governments and Agencies of \$244,300.
- Enhancements to the Sewer System Maintenance Program (reflects \$303,500 of the sewer budget increase).
- An increase in the transfer to the Utility Replacement Reserve (reflects \$72,180 of the sewer budget increase).
- Proposed compensation adjustments for Utilities staff (reflects \$18,100 of the sewer budget increase).
- A net decrease in other operating expenses due to reallocations between the water and sewer budgets (\$39,800), which is a net zero to the Utilities budget as a whole, and other small adjustments (\$13,100) (reflects a reduction of \$26,700 to the sewer budget).

The impact on sewer rates are:

RATES	2019	PROPOSED 2020	VARIANCE
Fixed Rate per month	\$ 3.17	\$ 3.60	\$ 0.43
Consumption Rate per m ³	\$ 2.20	\$ 2.45	\$ 0.25

The sewer consumption rate is comprised of:



Solid Waste Collection

An decrease in solid waste rates is required due to:

- An increase in waste collection and disposal cost as a result of inflationary increases from both the disposal processors and contractors providing collection service (reflects \$19,000 of the solid waste budget). These increases are offset by a reduction in disposal tonnage

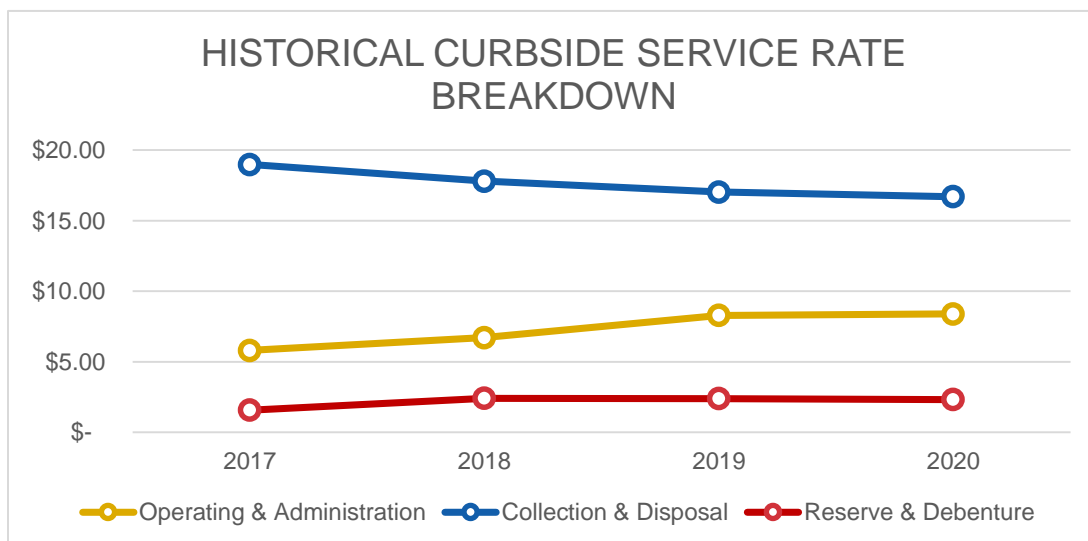
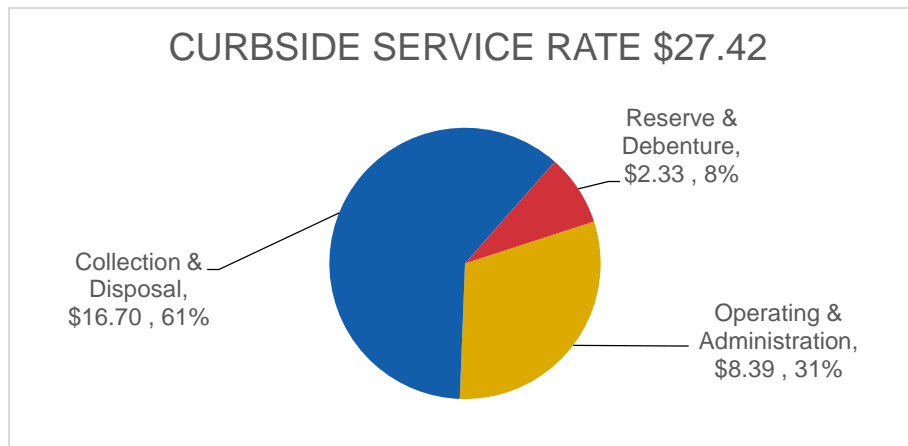
estimates of \$31,501. With the new collection program having been in place for a full year, a better diversion rate estimate is available for 2020. This represents a net decrease to the solid waste budget of \$12,501.

- The implementation of the organics program at multi-unit residential properties (reflects \$19,200 of the solid waste budget).
- Prior commitment for staff costs made in the 2019 budget (reflects \$12,000 of the solid waste budget).
- Proposed compensation adjustments for Utilities staff (reflects \$18,900 of the solid waste budget).
- A 2.3% Consumer Price Index (CPI) increase for fees and charges at the Transfer Station (reflects a decrease to the solid waste budget of \$11,700).

The impact on solid waste rates are:

RATES	2019	PROPOSED 2020	VARIANCE
Curbside Service per month	\$ 27.72	\$ 27.42	-\$ 0.31
Front-Load Service per month	\$ 16.63	\$ 16.45	-\$ 0.18

The curbside service rate is comprised of:



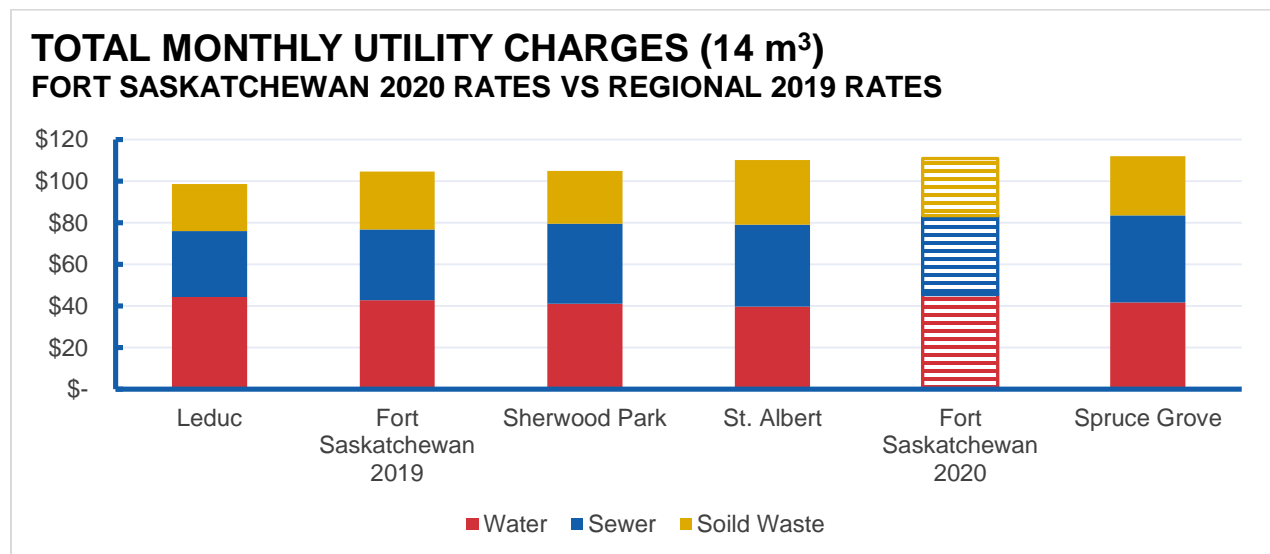
Regional Comparison

The average utility bill for 2020 will increase 6.1% compared to 2019.

RATES	2019	PROPOSED 2020	INCREASE	
Water *	\$ 42.85	\$ 45.55	\$ 2.69	6.3%
Sewer *	\$ 34.02	\$ 37.92	\$ 3.90	11.5%
Solid Waste	\$ 27.72	\$ 27.42	-\$ 0.31	-1.1%
TOTAL	\$ 104.60	\$ 110.88	\$ 6.29	6.0%

**Monthly charges for a typical dwelling unit consuming 14m³ with a 5/8" meter*

As shown in the chart below, Fort Saskatchewan would continue to be competitive in the region. This comparison is based on posted 2019 utility rates for neighbouring municipalities and reflects single-detached dwellings.



Programs We Manage

Utilities

Notes	Programs	2019 Budget	2020 Budget	Variance
1	Water Treatment and Supply	\$ 4,103,250	\$ 4,114,589	\$ 11,339
2	Water Distribution	\$ 604,164	\$ 751,953	\$ 147,789
3	Water Hydrant Maintenance	\$ 180,909	\$ 193,419	\$ 12,510
	Water Meter Reading and Meter Maintenance	\$ 302,878	\$ 311,306	\$ 8,428
	Bulk Water Station	\$ (52,900)	\$ (48,270)	\$ 4,631
4	Sanitary Sewer Transmission and Treatment	\$ 4,662,454	\$ 4,908,148	\$ 245,694
5	Sanitary Sewer Collection	\$ 601,460	\$ 484,299	\$ (117,161)
6	Sanitary Sewer Services Maintenance	\$ 107,700	\$ 412,173	\$ 304,473
	Water and Sanitary Sewer Infrastructure Lifecycle	\$ 120,205	\$ 126,424	\$ 6,219
7	Curbside Waste Collection & Disposal (Residential)	\$ 1,825,211	\$ 1,819,134	\$ (6,077)
8	Multi-Unit Collection & Disposal	\$ 304,273	\$ 326,329	\$ 22,057
	Waste Collection Events	\$ 87,994	\$ 90,758	\$ 2,764
	Transfer Station Drop-Off & Disposal	\$ 244,836	\$ 238,948	\$ (5,888)
	Household Hazardous Waste Drop-Off & Disposal	\$ 141,718	\$ 148,473	\$ 6,756
	Yard Waste Drop-Off & Processing	\$ 59,242	\$ 63,742	\$ 4,500
	Waste Infrastructure Lifecycle	\$ 34,513	\$ 36,918	\$ 2,404
9	Utility User Rates	\$ (17,849,597)	\$ (18,738,371)	\$ (888,774)

Program costs include both revenue and expenses.

Significant Adjustment Notes

1	Water Treatment and Supply Increased cost of purchasing water due to Annexation - Municipal Services (request 61-0054, pg. 05-11)	\$	7,100
2	Water Distribution One time cost for Water Distribution Master Plan (request 41-0021, pg 09-17) Reallocation of Utility staff from Sanitary Sewer Collection Reallocation for uncollectible accounts for waivers of fees during neighbourhood rehab construction	\$	100,000 27,958 20,000
3	Water Hydrant Maintenance Reallocation of Utility staff Sanitary Sewer Collection	\$	10,243
4	Sanitary Sewer Transmission and Treatment Increased cost of treating wastewater from the Alberta Capital Region Wastewater Commission	\$	244,300
5	Sanitary Sewer Collection Reallocation of Utility staff to Water Distribution, Water Hydrant Maintenance, and Bulk Water Station Remove 2019 one-time cost for flow monitoring program Increase in repairs and maintenance due to growth	\$	(29,752) (100,000) 9,500
6	Sanitary Sewer Services Maintenance Sewer System Maintenance Program Enhancement (request 42-0011, pg 09-19)	\$	303,500
7	Curbside Waste Collection & Disposal (Residential) Increased cost of waste collection and disposal due to Annexation - Municipal Services (request 61-0054, pg 05-11) Reduction in disposal tonnage estimates due to new waste program	\$	11,600 (24,101)
8	Multi-Unit Collection & Disposal Multi Family Organics Implementation (request 43-0016, pg. 09-21)	\$	19,200

9 **Utility User Rates**

Water user rates and charges were adjusted based on the updated utility rate model. Details of the rate increase can be found in the Utility Overview on pg. 09-4	\$	(245,299)
Sewer user rates and charges were adjusted based on the updated utility rate model. Details of the rate increase can be found in the Utility Overview on pg. 09-5	\$	(611,380)
Solid Wast user rates and charges were adjusted based on the updated utility rate model. Details of the rate increase can be found in the Utility Overview on pg. 09-6	\$	(13,395)
Annexation - Municipal Services (61-0054, pg. 05-11)	\$	(18,700)

Water

2020 Proposed Operating Budget

	2020 Base Budget	2020 Proposed Budget	\$ Change	Notes
Operating Revenue				
Utility User Rates & Charges	\$ 7,242,300	\$ 7,494,699	\$ 252,399	1
Fines and Penalties	30,000	30,000	-	
User Fees & Charges	415,574	375,061	(40,513)	2
Total Operating Revenue	7,687,874	7,899,760	211,886	
Operating Expenses				
Salaries, Wages, and Benefits	1,039,880	1,120,930	81,050	3
Purchases from Other Governments and Agencies			-	
Water Supply Services	4,094,500	4,099,200	4,700	4
Contracted Services	246,500	336,100	89,600	5
Utilities	306,900	99,270	(207,630)	6
Materials and Supplies	265,600	297,000	31,400	7
Interest on Long Term Debt	45,355	33,733	(11,622)	8
Service Maintenance Contracts	26,800	26,800	-	
Advertising and Printing	21,800	21,800	-	
Training and Development	22,060	24,335	2,275	
Insurance	26,393	26,393	-	
General Administration	74,500	74,500	-	
Other Expenses	11,000	31,000	20,000	9
Total Operating Expenses	6,181,288	6,191,061	9,773	
Other Items				
Repayment of Long Term Debt	197,777	209,399	11,622	8
Transfers to Reserves	1,195,309	1,548,800	353,491	10
Transfers from Reserves	-	(100,000)	(100,000)	11
Internal Allocations Between Funds	113,500	50,500	(63,000)	12
Total Other Items	1,506,586	1,708,699	202,113	
Net (Surplus)/Deficit	\$ -	\$ -	\$ -	

Notes For Changes

- Note 1: Utility User Rates & Charges were adjusted based on the updated utility rate model. Details of the rate increase can be found in the Utility Overview on page 09-03.
- Note 2: User Fees & Charges increased \$4k due to inflation adjustment however, this was offset by a reduction of \$45k due to a decrease in sales at the bulk water station.
- Note 3: Salaries, Wages, and Benefits increased due to salary grid adjustment as per policy [FIN-024-C](#) (\$11k), the reallocation of Utility staff wages from Sewer (\$40k), and compensation adjustment placeholders (\$30k, refer to Personnel Overview, pg. 04-3)
- Note 4: Increased due to inflation forecasted in purchasing cost of water from the Capital Region Northeast Water Services Commission \$115k, \$7k for purchasing water for annexation properties (Annexation - Municipal Services 61-0054, pg 05-13) and offset by a reduction in forecasted consumption based on trends \$117k.
- Note 5: Contracted Services increased due to one time cost of \$100k for Water Distribution Master plan (41-0021, pg. 09-17) and a reduction of \$11k due to a budget adjustment to align with actual spending.
- Note 6: Decrease of \$210k due to costs for water sales at the bulk water station reallocated to Material and Supplies and increase of \$4k for capital impact from the 2019 approved Bulk Water Station Modernization project.
- Note 7: Increase of \$210k due to the reallocation of water costs at the bulk water station from Utilities to Material and Supplies, offset by \$130k reduction due to cost of meter materials temporarily transferred to reserves during the Water Meter project and \$47k reduction due to decreased demand at the bulk water station.
- Note 8: Changed due to reallocation of principal and interest amounts to match debenture payment schedule.
- Note 9: Increase for uncollectible accounts as Utility accounts are waived during the neighbourhood rehabilitation project. Customers are not billed during infrastructure construction.

- Note 10: Transfer to Reserves increased \$82k due to the capital impact of Water Meter Lifecycle Replacement project 18003, \$62k due to Infrastructure Lifecycle Reserves Contribution for future needs (12-0161, pg 24-05), \$130k due to a temporary transfer from Materials & Supplies during the Water Meter Lifecycle Replacement project, \$63k due to interest revenue earned on Utility reserves balance, and committed operating impact from Medium Industrial Water Main Project 19010 (\$20k).*
- Note 11: Changed due to \$100k one time funding for Water Distribution Master plan (41-0021, pg. 09-17).*
- Note 12: Allocation for interest revenue earned on utility reserve balances*

Sewer

2020 Proposed Operating Budget

	2020 Base Budget	2020 Proposed Budget	\$ Change	Notes
Operating Revenue				
Utility User Rates & Charges	\$ 7,383,362	\$ 7,994,742	\$ 611,380	1
Fines and Penalties	10,000	10,000	-	
User Fees & Charges	15,420	15,420	-	
Total Operating Revenue	7,408,782	8,020,162	611,380	
Operating Expenses				
Salaries, Wages, and Benefits	535,854	517,754	(18,100)	2
Purchases from Other Governments and Agencies				
Wastewater Management Services	4,691,600	4,935,900	244,300	3
Contracted Services	18,900	116,900	98,000	4
Utilities	38,600	38,600	-	
Materials and Supplies	11,000	11,000	-	
Interest on Long Term Debt	124,528	107,550	(16,978)	5
Service Maintenance Contracts	250,000	450,000	200,000	6
Advertising and Printing	800	5,800	5,000	6
Insurance	2,093	2,093	-	
General Administration				
Postage & Courier	20,000	20,000	-	
Telecommunications	6,000	6,000	-	
Memberships & Subscriptions		10,000	10,000	6
Other Expenses	2,250	2,250	-	
Total Operating Expenses	5,701,625	6,223,847	522,222	
Other Items				
Repayment of Long Term Debt	693,362	710,340	16,978	5
Transfers to Reserves	946,995	1,019,175	72,180	7
Internal Allocations Between Funds	66,800	66,800	-	
Total Other Items	1,707,157	1,796,315	89,158	
Net (Surplus)/Deficit	\$ -	\$ -	\$ -	

Notes For Changes

- Note 1: Utility User Rates & Charges were adjusted based on the updated utility rate model. Details of the rate increase can be found in the Utility Overview on page 09-03.
- Note 2: Salaries, Wages, and Benefits increased due to salary grid adjustments as per policy [FIN-024-C](#) (\$40k) and compensation adjustment placeholders (\$18k, refer to Personnel Summary pg. 04-3). These are offset by a reallocation of utility staff wages to Water.
- Note 3: Purchased from Other Governments increased due to forecasted inflation costs from the Alberta Capital Region Wastewater Commission for the treatment of wastewater (\$315k) offset by a reduction in forecasted water consumption (\$70k).
- Note 4: Contracted Services increased \$88k due to Sewer System Maintenance Program Enhancement (42-0011, pg. 09-19) and \$9k for growth in utility infrastructure.
- Note 5: Reallocation of principal and interest amounts to match debenture payment schedule.
- Note 6: Increased due to Sewer System Maintenance Program Enhancement (42-0011, pg. 09-19) for sewer flushing and inspection.
- Note 7: Transfers to Reserves increased due to Infrastructure Lifecycle Reserves Contribution Increases (12-0161, pg 24-05).

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Solid Waste

2020 Proposed Operating Budget

	2020 Base Budget	2020 Proposed Budget	\$ Change	Notes
Operating Revenue				
Utility User Rates & Charges	\$ 3,223,935	\$ 3,248,930	\$ 24,995	1
Fines and Penalties	9,600	9,600	-	
User Fees & Charges	292,204	291,404	(800)	2
Government Operating Grants	10,000	10,000		
Total Operating Revenue	3,535,739	3,559,934	24,195	
Operating Expenses				
Salaries, Wages, and Benefits	770,334	801,234	30,900	3
Contracted Services	149,400	39,900	(109,500)	4
Utilities	3,600	3,600	-	
Materials and Supplies	20,500	20,500	-	
Service Maintenance Contracts	2,103,901	2,191,100	87,199	5
Advertising and Printing	39,900	51,400	11,500	6
Training and Development	13,500	21,000	7,500	7
Insurance	2,500	2,500	-	
General Administration	45,400	45,400	-	
Other Expenses	2,000	2,000	-	
Total Operating Expenses	3,151,035	3,178,634	27,599	
Other Items				
Transfers to Reserves	306,804	303,400	(3,404)	
Internal Allocations Between Funds	77,900	77,900	-	
Total Other Items	384,704	381,300	(3,404)	
Net (Surplus)/Deficit	\$ -	\$ -	\$ -	

Notes For Changes

- Note 1: Utility User Rates & Charges were adjusted based on the updated utility rate model. Details of the rate increase can be found in the Utility Overview on pg. 09-03.
- Note 2: User Fees & Charges increased due to inflation adjustment of \$11.7k. This was offset by the conclusion of the formal agreement with Strathcona County for the transfer station (\$12.5k). Residents of both municipalities are able to freely use the recycle/transfer station in either jurisdiction.
- Note 3: Salaries, Wages, and Benefits increased due to salary grid adjustments as per policy [FIN-024-C](#) (\$12k) and compensation adjustment placeholders (\$19k, refer to Personnel Summary on pg. 04-3).
- Note 4: Contracted Services decreased due to the reallocation of \$100k to Service Maintenance Contracts for collection services at the transfer station.
- Note 5: Service Maintenance Contracts increased due to a reallocation of \$100k from Contracted Services due to the 2018 chart of accounts reclassification initiative. Inflation adjustments for collection and disposal costs also added \$19k to the budget, there was an increase of \$9k for Multi Family Organics Implementation (43-0016, pg. 09-21) and \$12k for waste collection and disposal costs due to Annexation - Municipal Services (61-0054, pg 05-13). The costs were offset by a reduction in tonnage estimates from the new program of \$43k and a reduction of waste collected at the Transfer Station of \$10k.
- Note 6: Advertising and Printing increased due to \$5k in printing materials for Multi Family Organics Implementation (43-0016, pg 09-21) and Solid Waste promotional items (\$5k).
- Note 7: Reallocation from Contracted Services for management leadership training.

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2020 OPERATIONS BUDGET REQUEST

41-0021 - Water Distribution Master Plan Utilities

Type of request: New initiative
Challenge/community need: <p>The City completed its last Water Distribution Master Plan in 2009. Since that time, the City's population has grown approximately 60%. Growth has placed significant demands on infrastructure. An update to the plan is required to provide accurate information and data on the current functional capacity of the City's water system, including flow rates and storage needed for fire services.</p>
Initiative description: <p>An update of the Water Distribution Master Plan will provide a review of the existing water infrastructure network to identify any constraints or necessary updates for sustainable long-term operation. The study will identify undersized water mains or other limitations, verify capacity of the water network for growth, and outline best practices for water storage and flow rates.</p>

Alignment

Department Business Plan: <p>Goal 2—Manage resources wisely by reducing waste in landfill and upgrading water, drainage and parks infrastructures.</p> <p>Goal 4—Review and update plans, bylaws, policies and procedures.</p>
2018 – 2022 City of Fort Saskatchewan Strategic Plan: <p>Positioned for Growth—Strategically plan, prepare and manage responsible and sustainable growth for our residents and businesses.</p> <p>Excellence in Government—Continuous improvement, constantly looking for ways to improve our services through planning, innovation, collaboration and consultation.</p> <p>Well Planned and Maintained Municipal Infrastructure—Strategically manage, invest, and plan for sustainable municipal infrastructure.</p>
Program costing: Water Distribution
Other City reports, plans or studies: 2009 Water Distribution Master Plan

Financial Information

Cost: \$100,000
Funding source: Utilities Infrastructure Reserve
Future operating impacts: Future operating budgets will address needs identified and prioritized through the study.
Budget analysis: No reoccurring surpluses exist to support this initiative, and there are no other services or activities that can be eliminated to provide a source of funding.

Service Level Impacts

Other City departments impacted by the initiative: Fleet, Facilities and Engineering—the department will provide input to the study. Fire Services—the department relies on water availability for service delivery and will provide input to the study.
Service level comparison: It is a municipal best practice to establish water distribution master plans.

2020 OPERATIONS BUDGET REQUEST

42-0011 - Sewer System Maintenance Program Enhancement Utilities

Type of request: New initiative

Challenge/community need:

Over the last ten years, the City's population has grown approximately 60%. Growth has placed significant demands on the City's sanitary sewer infrastructure. Also over the last ten years, the number of problem-causing "flushable" products has increased significantly, wreaking havoc on many municipal sewer infrastructure systems. The City has experienced issues related to sewer backups and it is clear that to maintain due diligence, the City must enhance routine maintenance to keep the aging system at optimal performance.

Initiative description:

The Sewer System Maintenance Program Enhancement consists of three components:

- 1) Increasing monitoring and maintenance of the sewer system—Currently, the system is flushed and inspected once every five years. This initiative will increase the maintenance program to two flushes and one inspection within a five-year cycle. This will prevent debris buildup and give the City a better understanding of the status of each line to proactively maintain the flow of wastewater through the system. Increasing the frequency of flushing reduces the effort required for each flush and reduces the overall volume of solid materials in the system, which will help the City to meet more stringent effluent standards being imposed by the regional commission.
- 2) The installation of alarmed monitoring systems—Alarms will provide early warning in areas identified with a history of sewer backup or higher risk for sewer backup. This will help the City to prevent or mitigate issues as they arise.
- 3) Education—Backflow prevention for homes and a "flushables" education campaign will help to reduce the amount of materials that should not be flushed into the City's sewer infrastructure causing issues and potential for mainline blockages. Proactive communication will inform citizens on best practices and assist the City with improving the functionality of the sewer system.

The initiative will lower potential future costs by offsetting the cost of emergency responses. This preventative approach will result in a longer lifespan for sewer infrastructure assets and produce savings for residents and positive implications for insurance.

Alignment

Department Business Plan:

Goal 2—Manage resources wisely by reducing waste in landfill and upgrading water, drainage and parks infrastructures.

2018 – 2022 City of Fort Saskatchewan Strategic Plan:

Excellence in Government—Continuous improvement, constantly looking for ways to improve our services through planning, innovation, collaboration and consultation.

Well Planned and Maintained Municipal Infrastructure—Strategically manage, invest, and plan for sustainable municipal infrastructure.

Program costing: Sanitary Sewer Services Maintenance

Other City reports, plans or studies: N/A

Financial Information

Cost: \$303,500 (one-time cost of \$62,500 for monitors and education and \$24,000 for ongoing operating costs)

Funding source: Sewer Rates

Future operating impacts:

Future operating budgets will support ongoing maintenance of sanitary sewer infrastructure.

Budget analysis:

No reoccurring surpluses exist to support this initiative, and there are no other services or activities that can be eliminated to provide a source of funding.

Service Level Impacts

Other City departments impacted by the initiative:

Communications—the department will assist with the design and implementation of the education component for backflow prevention and “flushables”.

Service level comparison:

It is a municipal best practice to perform regular maintenance on water and sewer infrastructure.

2020 OPERATIONS BUDGET REQUEST

43-0016 - Multi Family Organics Implementation Utilities

Type of request: New initiative

Challenge/community need:

The City is dedicated to reducing and diverting waste and keeping collection costs down, for both environmental and financial purposes. The curbside organics collection program was implemented for single-unit curbside customers in 2018 and the program has been very successful. The waste diversion rate since implementation has more than doubled.

A service level review identified that the next implementation phase of the organics program is multi-unit collection. Multi-unit residents have shown interest in the opportunity to divert waste. There are a variety of these customers in the community that should be provided the same level of service, including apartment buildings and condominiums.

Initiative description:

This initiative will expand on the current organics program to include multi-unit collection for customers receiving front-load bin service. This will provide equitable access to this service and make Fort Saskatchewan a leader in waste diversion by mandating collection at these properties. Collection will follow the current service schedule and streamline into the program.

This will encourage more people to participate in the program, increase the City's waste diversion rate and keep collection costs down.

Alignment

Department Business Plan:

Goal 2—Manage resources wisely by reducing waste in landfill and upgrading water, drainage and parks infrastructures.

2018 – 2022 City of Fort Saskatchewan Strategic Plan:

Excellence in Government—Continuous improvement, constantly looking for ways to improve our services through planning, innovation, collaboration and consultation.

Program costing: Multi-Unit Collection & Disposal

Other City reports, plans or studies: 2019 Waste Collection Service Level Review

Financial Information

Cost: \$19,200
Funding source: Solid waste rates (\$9,200) and reallocation from service maintenance contracts (\$10,000)
Future operating impacts: Future budgets will support the ongoing collection program. Rate adjustments will be estimated when there is an understanding of program participation rates.
Budget analysis: The department was able to reallocate costs in the waste budget to recover some of the costs of this program.

Service Level Impacts

Other City departments impacted by the initiative: Communications—the department will assist with the education component for the collection program.
Service level comparison: Fort Saskatchewan is a leader in organics collection, being the first community in the region to mandate multi-unit organics collection.