

EPCOR WATER SERVICES INC. - 2022 WATER, WASTEWATER AND DRAINAGE SERVICES OPERATIONAL PLAN

RECOMMENDATION

That the March 25, 2022, Financial and Corporate Services report FCS01063, be received for information.

Report Purpose

Information only.

This report informs Utility Committee of the operational initiatives planned for the 2022 calendar year for the Water Services and Drainage Services business units of EPCOR Water Services Inc.

Executive Summary

- This report provides the 2022 Annual Operational Plan for EPCOR Water Services Inc. (EWSI) outlining the major initiatives planned for the Water Services and Drainage Services business units.
- The major initiatives identified in the 2022 Operational Plan are consistent with the programs and initiatives included in the Performance Based Rates applications approved by City Council for Water Services for the 5 year period April 1, 2022, to March 31, 2027, and for Drainage and Wastewater Treatment Services for the three year period April 1, 2022, to March 31, 2025.

REPORT

EWSI presents an Annual Operational Plan to Utility Committee in the first quarter of each year as part of the ongoing monitoring and reporting of the water, wastewater treatment, and drainage services provided by EPCOR Water Services Inc. (EWSI) under performance based regulation. The 2022 Operational Plan is provided in Attachment 1 and includes an overview of the various operational initiatives planned by EWSI for the 2022 calendar year for the Water Services (includes water treatment, distribution and transmission, and wastewater treatment) and Drainage Services business units.

EWSI has presented the 2022 initiatives for both the Water Services and Drainage Services business units within the following six specific strategic areas of focus: Customer Service, Public

EPCOR WATER SERVICES INC. - 2022 WATER, WASTEWATER AND DRAINAGE SERVICES OPERATIONAL PLAN

Health/Environment, Employee and Public Safety, Employee Development, Operational Performance and Growth and Financial Performance.

The major initiatives identified in the 2022 Operational Plan are consistent with the programs and initiatives included in the Performance Based Rates applications approved by City Council for Water Services for the 5 year period April 1, 2022, to March 31, 2027, and for Drainage and Wastewater Treatment Services for the three year period April 1, 2022, to March 31, 2025.

Major initiatives common to both Water Services and Drainage Services, as discussed on pages 6 to 18 of Attachment 1, include:

- continue to enhance and implement the Climate Change Adaptation/River Flooding resiliency plan, which identifies key risks due to climate change for Edmonton's water treatment plants, water transmission and distribution systems and the Gold Bar Wastewater Treatment Plan;
- implement the GHG reduction plan, in which EWSI is moving towards utilizing 100 percent of its electricity consumption within Edmonton from a portfolio of renewable sources including through the development of the E.L. Smith Solar Project and the signing of an agreement to procure wind energy from a new wind farm in southern Alberta; and
- implement the Integrated Watershed Management Strategy for Edmonton to manage total loadings to the North Saskatchewan River from all EPCOR discharges and to ensure drinking water security and source water protection for the Edmonton water supply in one unified watershed management program.

Major initiatives specific to Water Services, as discussed on pages 19 to 27 of Attachment 1, include:

- execute the Lead Mitigation Strategy (presented to Utility Committee on March 26, 2019, in Financial and Corporate Services report CR_6903, EPCOR - Lead Mitigation Strategy Business Case) to reduce the amount of lead in the drinking water in Edmonton to conform to new Health Canada guidelines;
- complete the E.L. Smith Solar Project and Smart Grid System (presented to Utility Committee on May 10, 2019, in Financial and Corporate Services report CR_7055, EPCOR Water Services Inc. - E.L. Smith Solar Project - Update); and
- optimize the meter reading function through the introduction of Advance Metering Infrastructure, with the completion of planning in 2022 and installation of meters beginning in 2023.

Major initiatives specific to Drainage Services, as discussed on pages 28 to 37 of Attachment 1, include:

- execute the Corrosion and Odor Mitigation Strategy (presented to Utility Committee on November 1, 2019, in Financial and Corporate Services report CR_7559 EPCOR Water Services Inc. - Non-Routine Adjustment to Drainage Utility Rates for Corrosion and Odour Reduction Strategy) to help reduce the number of odor issues and complaints

EPCOR WATER SERVICES INC. - 2022 WATER, WASTEWATER AND DRAINAGE SERVICES OPERATIONAL PLAN

related to the sanitary and combined sewer network in Edmonton and to lengthen the life of sewer network assets; and

- execute the Stormwater Integrated Resource Plan (presented to Utility Committee on November 1, 2019, in Financial and Corporate Services report CR_7558 EPCOR Water Services Inc. - Non-Routine Adjustment for Stormwater Integrated Resource Plan), a \$1.6 billion system wide integrated approach implemented over the next 20-30 years to help mitigate the flood risk in Edmonton.

COMMUNITY INSIGHT

EWSI has engaged the general public during the development of a number of its initiatives, including the review and approval of the most recent EWSI Performance Based Rates applications to set new utility rates for Water, Wastewater Treatment and Drainage Services effective April 1, 2022, and during the development of the Corrosion and Odor Reduction Strategy.

EWSI's public engagement initiatives planned in 2022 include;

- improving communication with the City of Edmonton and groups such as the Urban Development Institute and the Infill Development in Edmonton Association;
- fostering relationships with Indigenous neighbors including the Enoch Cree Nation and Metis Association of Alberta;
- educating the public on safety matters, such as the dangers related to accessing stormwater ponds for recreational purposes; and
- engaging stakeholders in respect of a possible revision to the stormwater rate structure to take into account recent changes to deal with flooding and changing home lot sizes.

GBA+

GBA+ specific to this report was not conducted, as the information provided is from EWSI regarding its planned 2022 initiatives for its Water and Drainage Services business units.

ATTACHMENTS

1. EPCOR Water and Drainage Services - 2022 Annual Operational Plan