

2023-2026 Waste Services Capital Budget Summary

2023-2026 Capital Project Budgets & Approved Profiles Extending Beyond 2027

Lines 1 to 17 indicate the recommended Waste Services Capital Budget for approval, and lines 18 to 24 demonstrate the reconciliation to the capital forecast in Schedule 11 of the 2023-2024 Waste Services Utility Rate Filing (Attachment 1 of CO01380).

| Line # | Capital Projects | Appendix Reference | 2023 | 2024 | 2025 | 2026 | 2023-2026 Total | 2027 & Beyond | Total for Approval |
|--------|--|--------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|--------------------|
| | Branch-wide | | | | | | | | |
| 1 | Waste Services Facilities, Infrastructure & Process Equipment | B1 | \$ 4.23 | \$ 6.79 | \$ 5.28 | \$ 3.11 | \$ 19.41 | - | 19.41 |
| 2 | Waste Services IIS Infrastructure Planning and Design | B2 | 1.08 | 0.89 | 0.18 | 0.12 | 2.27 | - | 2.27 |
| 3 | Waste Services IIS Infrastructure Delivery | B3 | 1.95 | 7.12 | 6.33 | 5.10 | 20.50 | - | 20.50 |
| 4 | | | 7.26 | 14.80 | 11.79 | 8.33 | 42.18 | - | 42.18 |
| | Collection Services Facilities | | | | | | | | |
| 5 | Mayfield (NW) Eco Station <i>(Note 1)</i> | | 6.07 | 6.93 | - | - | 13.00 | - | 13.00 |
| 6 | | | 6.07 | 6.93 | - | - | 13.00 | - | 13.00 |
| | Sustainable Waste Processing Facilities | | | | | | | | |
| 7 | Materials Recovery Facility (MRF) Renewal <i>(Note 1)</i> | | - | - | - | - | - | - | - |
| 8 | Landfill Gas to Renewable Natural Gas (RNG) <i>(Note 1)</i> | B6 | (0.10) | 2.00 | - | - | 1.90 | - | 1.90 |
| 9 | HSADF Digestate Screening and Mixing System | B7 | 5.80 | - | - | - | 5.80 | - | 5.80 |
| 10 | | | 5.70 | 2.00 | - | - | 7.70 | - | 7.70 |
| | Vehicles & Equipment | | | | | | | | |
| 11 | Waste Containers | B4 | 3.38 | 4.02 | 4.23 | 4.50 | 16.13 | - | 16.13 |
| 12 | Waste Services Fleet Assets | B5 | 6.74 | 9.76 | 9.57 | 8.18 | 34.25 | - | 34.25 |
| 13 | Waste Services Fleet Assets (Pre-approved in Sept 2022) | | 5.10 | 5.73 | - | - | 10.83 | - | 10.83 |
| 14 | | | 15.22 | 19.51 | 13.80 | 12.68 | 61.21 | - | 61.21 |
| | Waste Program Changes | | | | | | | | |
| 15 | Three-stream Communal Collection | | 7.32 | 1.52 | 1.55 | - | 10.39 | 18.61 | 29.01 |
| 16 | | | 7.32 | 1.52 | 1.55 | - | 10.39 | 18.61 | 29.01 |
| 17 | Recommended 2023-2026 Capital Budget Approval | | 41.57 | 44.76 | 27.14 | 21.02 | 134.49 | 18.61 | 153.10 |
| | Cash Flow Adjustment | | | | | | | | |
| 18 | Mayfield (NW) Eco Station <i>(Note 1)</i> | | (6.07) | (6.93) | - | - | (13.00) | 13.78 | 0.78 |
| 19 | Materials Recovery Facility (MRF) Renewal <i>(Note 1)</i> | | 4.61 | - | - | - | 4.61 | - | 4.61 |
| 20 | Landfill Gas to Renewable Natural Gas (RNG) <i>(Note 1)</i> | | 9.77 | 1.32 | - | - | 11.09 | - | 11.09 |
| 21 | | | 8.31 | (5.61) | - | - | 2.70 | 13.78 | 16.48 |
| | Profile Pending Approval | | | | | | | | |
| 22 | Energy Transition and Climate Resilience <i>(Note 2)</i> | | 0.25 | 1.17 | 2.67 | 3.18 | 7.27 | - | 7.27 |
| 23 | | | 0.25 | 1.17 | 2.67 | 3.18 | 7.27 | - | 7.27 |
| 24 | Total Forecast Per 2023-2024 Waste Services Utility Rate File | | \$ 50.13 | \$ 40.31 | \$ 29.80 | \$ 24.20 | \$ 144.44 | \$ 32.39 | \$ 176.85 |

*Appendix B references are located in the 2023-2024 Waste Services Utility Rate Filing (Attachment 1 of CO01380).

Note 1: For rate filing purposes the 2023-2024 Waste Services Utility Rate Filing (Attachment 1 of CO01380) reflects forecasted capital expenditures, including those for previously approved capital projects, cash flowed over the 2023-2026 time period. This ensures rates are being calculated based on correct timing of expenditures. The budget for previously approved capital profiles reflects cash flows as originally approved by Council.

Note 2: The Energy Transition and Climate Resilience profile, for transitioning the utility's assets to climate resilient infrastructure, is included in the 2023-2024 Utility Rate Filing for the purposes of including its rate impact, however the budget is not requested for approval at this time. Once the projects are more defined, Administration will return to Council in 2023 with a business case for approval of the requested funding.

Line 1 - Waste Services Facilities, Infrastructure & Process Equipment Composite

Funding for this profile is recommended. This composite profile provides capital funding for planning and design and project delivery, which will be managed internally by the Waste Services utility. The scope of the Facilities, Infrastructure and Process Equipment profile includes the capital renewal and upgrade of existing assets due to new or increased waste streams, safety concerns and design improvements that increase the efficiency of the utility's operations.

Lines 2 & 3 - Waste Services Planning and Design and Project Delivery Composite (IIS Managed)

Funding for these two profiles is recommended. These composite profiles provide capital funding for planning and design and for project delivery for projects managed by Integrated Infrastructure Services (IIS). The profiles provide a budget to support concept level planning for major capital initiatives in accordance with the City's Project Development and Delivery Model (PDDM).

Line 5 - Mayfield (NW) Eco Station

This profile is funded and was previously approved by Council. The profile is carried forward from the 2019-2022 budget cycle for development of a new Eco Station to potentially replace the Coronation facility, however options are currently being explored. The original budget proposed facility completion by 2024, however the forecasted cashflow of this profile reflects spending in 2027 and 2028 within the 2023-2024 Utility Rate Filing for rate forecasting purposes. This profile will follow the PDDM model and as such, the business case will be redeveloped at Checkpoint 3 of the PDDM.

Line 7 - Materials Recovery Facility Renewal

This stand-alone profile was approved by Council in October 2020 and supports the replacement of various processing equipment and building components that will extend the life, improve efficiency, and increase the capacity of the Materials Recovery Facility. In the original budget, this profile contemplated completion in 2022, however the forecasted cashflow of this profile reflects completion in 2023 within the 2023-2024 Utility Rate Filing for rate forecasting purposes.

Line 8 - Landfill Gas to Renewable Natural Gas

This stand-alone profile was approved by Council in February 2021 and includes the capital required to collect, process and convert landfill gas into renewable natural gas to manage environmental liabilities associated with the Clover Bar Landfill. A capital budget adjustment is proposed for this profile to adjust funding sources and reduce the profile to the City's funded portion as ownership of the renewable natural gas processing facility is shared with a project partner. This reduction, along with the original cashflow of the project which proposed the majority of the spend in 2022, reflects a temporary negative budget in 2023.

Line 9 - HSADF Digestate Screening and Mixing System

The business case for this stand-alone profile was approved by Council in September 2022 for the removal of non-organic material (garbage) from compost in order to improve compost quality and manage litter issues at the cure site. The capital profile is recommended for approval of the capital funding since this did not accompany the business case in September.

Lines 11 & 12 - Waste Containers and Waste Services Fleet Assets

These composite profiles provide capital funding for waste containers and mobile equipment. The objective of these profiles is to replace existing assets at the end of their useful lives and provide funding for growth assets to support ongoing operations. Funding for these two profiles is recommended.

Lines 13 - Waste Services Fleet Assets (approved in September 2022)

As a result of detailed reviews of equipment replacement needs and delays in delivery lead times due to supply chain challenges, \$10.83 million of equipment required for 2023 and 2024 delivery was approved by Council in September 2022. This provided the funding necessary to expedite financial commitments for fleet assets that are required to support operations over the next budget cycle.

Line 15 - Three-stream Communal Collection

This profile was approved by Council in April 2021 and provides funding for vehicles and containers to support changes to the current waste collection program offered to households receiving communal collection for the three-stream separation of waste (garbage, recycling and organics). There are no recommended changes to this profile.