

STORMWATER MANAGEMENT FACILITY TRANSFER TO EPCOR

Recommendation

That the agreement between the City of Edmonton and EPCOR Water Services Inc., for the transfer of land, as outlined in Attachment 2 of the September 18, 2024, Financial and Corporate Services report FCS01855, be approved, and that the agreement be in form and content acceptable to the City Manager.

Requested Action	Executive Committee decision required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Regional Prosperity		
City Plan Values	LIVE.		
City Plan Big City Move(s)	N/A	Relationship to Council's Strategic Priorities	Conditions for service success
Corporate Business Plan	Managing the corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> Section 35 of Bylaw 16620 - City Administration Bylaw 		
Related Council Discussions	<ul style="list-style-type: none"> April 12, 2017, report CR_4436, EPCOR Proposal for Drainage Transfer - Letter of Intent 		

Executive Summary

- This report seeks approval for the transfer of stormwater management facilities and engineered wetlands at below market value to EPCOR Water Services Inc. (the "Buyer").
- The stormwater management facilities and engineered wetland parcels to be transferred are new functioning drainage assets that were created after the 2017 Asset and Liability Transfer Agreement (ALTA) of drainage utilities was approved by City Council.

Stormwater Management Facility Transfer To EPCOR

- The parcels of land contained in Attachment 1 (the “Transfer Lands”) all have new stormwater management facilities on them and these parcels were transferred from developers to the City as part of the drainage utility network developed to support new communities.

REPORT

Council approved the transfer of the Drainage Utility assets and liabilities from the City of Edmonton to EPCOR on April 12, 2017. Upon Council approval, the City of Edmonton and EPCOR entered into the Drainage Asset & Liability Transfer Agreement (ALTA). The ALTA supported the transfer of Drainage Utility assets and liabilities that existed at that time from the City to EPCOR.

Following approval of the ALTA in 2017, Administration transferred Drainage Utility assets and liabilities identified in the ALTA to EPCOR. A Land Management Working Committee composed of staff from both the City of Edmonton and EPCOR was created to oversee the 2017 ALTA, enabling the transfer of drainage utility assets from the City to EPCOR.

Since 2017, Edmonton has experienced significant new development in suburban areas. Private developers have constructed new stormwater management facilities as part of the subdivision development process. These new assets are dedicated to the City as Public Utility Lots once the subdivision plans are registered. The stormwater management facilities and engineered wetlands identified for this report (Attachment 1) could not be included in the drainage assets transferred from the City to EPCOR as they were developed after 2017.

The June 25, 2021, Financial and Corporate Services report FCS00626, Review of the Drainage Utility Transfer from the City of Edmonton to EPCOR, provided a review and update on the utility transfer through the independent assessment completed by Grant Thornton. In its assessment, Grant Thornton provided recommendations for five elements related to the Drainage transfer that were still outstanding or needed to be addressed further. One of those recommendations addressed next steps for Wet Ponds/Stormwater Management Facilities (SMWFs) and was for EPCOR to retain ownership of SWMFs due to their interrelated nature as drainage infrastructure. In 2024, Administration and EPCOR entered into a service level agreement for the operations and maintenance around this infrastructure. Three other elements have been resolved and the fifth element (Drainage Planning Roles and Responsibilities) is currently under discussion.

The Land Management Working Committee monitors new SWMFs and engineered wetlands and has developed a process supporting annual transfers of new drainage assets to EPCOR after the construction completion and final acceptance certificates are issued for each new asset.

Legal Implications

Under Bylaw 16620 - City Administration Bylaw and delegation authority, the transfer of these assets requires Executive Committee approval as the proposed transfers of the subject lands are for below market value, and are therefore outside of Administration’s delegated authority.

As per section 70(2)(a) of the *Municipal Government Act*, the proposed below market transfer is exempt from advertising as the Transfer Lands are to be used by EPCOR for the purposes of supplying a public utility.

Stormwater Management Facility Transfer To EPCOR

Budget/Financial Implications

As the Transfer Lands were assembled to be transferred to EPCOR, they were not recorded within the City asset ledger. The transfer to EPCOR will have no budget or financial implications.

Per the Service Level Agreement, the City will continue to be responsible for landscaping maintenance of the facility above the water surface. This ongoing work is being managed utilizing the approved operating budgets.

Community Insight

Additional community insight for this recommendation was not sought as the facilities will remain the same in appearance and function from a public perspective

GBA+

The transfer of these SWMF parcels from the City to EPCOR will not affect the public's right to access or use the transferred land, so there are no changes for groups generally considered within GBA+.

Attachments

1. Stormwater Management and Engineered Wetland parcels to be transferred
2. Sales Agreement Terms and Conditions