

BYLAW 20865 - EPCOR WASTEWATER SERVICES BYLAW

Recommendation

That Bylaw 20865 - EPCOR Wastewater Services Bylaw be referred back to Administration to work with EPCOR Water Services Inc. to update the Bylaw as per the recommendations in Attachment 9 of the October 11, 2024, Financial and Corporate Services report FCS02677, and return to City Council with an updated draft of Bylaw 20865 prior to April 1, 2025.

Purpose

To establish new customer rates and terms and conditions of service for Wastewater services (Treatment and Collection) provided by EPCOR Water Services Inc. (EWSI) for the three year period April 1, 2025, to December 31, 2027.

Readings

Bylaw 20865 is ready for three readings, pending direction provided by Utility Committee at the October 11, 2024 meeting.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree "That Bylaw 20865 be considered for third reading."

REPORT

Proposed Bylaw 20865 - EPCOR Wastewater Services Bylaw replaces the existing Bylaw 19627 - EPCOR Drainage Services and Wastewater Treatment Bylaw, under which customer rates and terms and conditions of service are currently effective until March 31, 2025.

Bylaw 20865 accompanies the October 11, 2024, Financial and Corporate Services report FCS02677, which assesses EWSI's Wastewater Performance Based Regulation (PBR) application to establish new customer rates and terms and conditions of service for Wastewater Collection Services and Wastewater Treatment Services for the period April 1, 2025 to December 31, 2027.

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EWSI provides wastewater collection and wastewater treatment services to the City of Edmonton. The City has franchise agreements with EWSI that grant EWSI the exclusive right to provide these services within the City's boundaries.

As a utility, EWSI is subject to regulation to ensure services are provided at a fair price and that appropriate service levels are maintained. City Council maintains regulatory oversight responsibility for the water, wastewater collection and wastewater treatment services utilities owned and operated by EWSI. The *Public Utilities Act* and *Municipal Government Act* provide City Council with the authority to pass bylaws relating to municipal public utilities, including those owned and operated by municipally controlled corporations, and to set terms, costs, or charges relating to those public utilities within the City's boundaries. As regulator, City Council is expected to balance the interests of the customers (high quality and reliable services at reasonable costs) with the interests of EWSI (financially sustainable utility that provides fair investment returns).

Current EPCOR Drainage Services and Wastewater Treatment Bylaw 19627 was passed by City Council in 2021 for a term effective April 1, 2022 to March 31, 2025. Changes to Bylaw 19627 that would be effective on passing Bylaw 20865 are mainly a result of new proposed rates, as well as changes in terminology by using the term "Wastewater Collection Services" rather than "Drainage Services". A redline of proposed Bylaw 20865 as compared to current Bylaw 19627 is in Attachment 2. The most significant changes to the bylaw are explained in an appendix submitted by EPCOR as part of its PBR application. This summary is specifically found in Attachment 2 of the October 11, 2024 Financial and Corporate Services report FCS02677, EPCOR Water Services 2025-2027 PBR Application for EPCOR Wastewater Treatment and Wastewater Collection.

Community Insight

The public has an opportunity to register to speak at the Utility Committee meeting held on October 11, 2024 regarding the EWSI PBR application, including submissions from Administration and the public. The process for the review and approval of the EWSI application was advertised in the Edmonton Journal and the Edmonton Sun on June 12, 2024 and June 28, 2024. EWSI also completed a stakeholder engagement process as part of the PBR application development to ensure that programs and initiatives aligned with stakeholder expectations. Details on EWSI's stakeholder engagement process are included in the October 11, 2024 Financial and Corporate Services report FCS02677.

Legal Implications

City Council has the authority to pass Bylaw 20865 under section 7 (g) of the *Municipal Government Act*, RSA 2000, c M-26, through the powers to pass bylaws for public utilities and services provided by or on behalf of the municipality. EPCOR Drainage and Wastewater Treatment Bylaw 19627 set out a mechanism for setting and adjusting fees, rates and charges for wastewater treatment and wastewater collection services for a period that expires March 31, 2025. Therefore, a new Bylaw taking effect April 1, 2025 is required to set fees, rates and charges for the next three year term.

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Attachments

1. Bylaw 20865
2. Bylaw 19627 Redline

Others Reviewing the Report

- M. Plouffe, City Solicitor