

WASTE SERVICES 2026 RATE FILING

Recommendation

1. That the Waste Services 2026 Rate Filing, as set out in Attachment 1 of the November 24, 2025, City Operations report CO03095, be approved.
2. That the Fall 2025 Supplemental Capital Budget Adjustments, as set out in Attachment 2 of the November 24, 2025, City Operations report CO03095, be approved.

Requested Action		Council decision required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		Climate Resilience	
City Plan Values	LIVE. PRESERVE.		
City Plan Big City Move(s)	Greener as we grow	Relationship to Council's Strategic Priorities	Climate adaptation and energy transition Conditions for service success
Corporate Business Plan	Managing the corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • 25-year Waste Strategy • Bylaw 20363 - Waste Services Bylaw • C203D - Debt Management Fiscal Policy • C558C - Waste Services Fiscal Policy 		
Related Council Discussions	<ul style="list-style-type: none"> • November 25, 2022, City Operations report CO01380, Proposed 2023-2026 Waste Services Utility Budget • November 8, 2024, City Operations report CO02415, Waste Services 2025 Rate Filing 		

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Executive Summary

- The Waste Services 2026 Rate Filing presents a three per cent decrease in monthly waste utility rates for Council approval. The monthly waste utility rate for a ratepayer with a 240 litre garbage cart would be \$42.63, \$1.32 less per month than the monthly 2025 waste utility rate.
- Costs to the Waste Services Utility are increasing due to higher personnel costs and general inflation increases, which are offset by lower organics processing costs and in-sourcing work from contractors. However, residential utility customer growth and additional Extended Producer Responsibility (EPR) revenue offsets, allow for a proposed rate reduction in 2026.
- Supplemental capital budget adjustments include the cancellation of an organic waste screening capital profile and scope changes to accelerate the delivery of capital projects in the 2023 to 2026 budget cycle. As the majority of the adjustments are inter-departmental budget transfers, there would be no additional financial impact to ratepayers.

REPORT

The Waste Services Utility (the Utility) is an essential part of The City Plan and supports the ConnectEdmonton goal of Climate Resilience. The Utility provides efficient and effective waste collection and drop-off services to over 450,000 residential households that receive either curbside or apartment and condo collection. Other services help meet necessary environmental liabilities such as landfill management; operate drop-off facilities such as Eco Stations and the Reuse Centre; process waste; transport waste to end markets; educate Edmontonians about waste; and more. The Utility uses both utility rates and user fees to fund these services, each of which are set to reflect the cost of providing these services to ratepayers.

The Utility aims to lead by example by focusing on waste reduction and diversion programs while supporting and encouraging Edmontonians, businesses and institutions in their waste management practices. The following priorities in 2026 will help the Utility contribute to the City's Corporate Outcomes and the 25-year Waste Strategy's goals:

- A residential waste diversion rate target of 40 per cent.
- Presenting the next phase of the Waste Reduction Roadmap, continuing efforts to achieve zero per cent growth in per-person residential waste generation.
- A mandatory source-separation program for approximately 173,000 residential households receiving apartment and condo collection.
- The development of an Industrial, Commercial and Institutional (ICI) sector waste management strategy, currently in public engagement.

Extended Producer Responsibility (EPR)

Extended Producer Responsibility (EPR) is a provincial regulation that transitions responsibility and costs for managing residential recyclable materials and hazardous and special products¹ to producers. As of April 1, 2025, the Utility was no longer responsible for collecting and processing recyclable materials and hazardous and special products. However, the Utility entered into

¹ Includes materials such as chemicals, batteries, and other forms of electronic waste; excludes materials already covered by product stewardship programs such as tires, used oil, and beverage containers.

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multiple contracts with Producer Responsibility Organizations representing waste producers to continue delivering collections, processing, education and drop-off service to Edmontonians. These contracts vary in length and complexity, and the Utility is currently in negotiations for its processing contract, which ends in 2026. This and other shifts to a contractual service delivery model have introduced new risks to the Utility, which are incorporated into the 2026 Rate Filing.

In the first nine months of EPR, there have been minimal service impacts to Edmontonians, primarily involving at-home waste sorting and drop-off at Community Recycling Depots. However, this was a significant change to how the Utility is funded, as it no longer had to collect utility rates from ratepayers to fund recycling and household hazardous waste management.

In 2025, Council approved a 10.7 per cent rate reduction for ratepayers, and the implementation of EPR in Alberta was a significant contributor to this reduction. As EPR will be in effect for a full calendar year in 2026, continued rate reduction impacts were expected and informed the development of the 2026 Rate Filing. The Utility will continue to assess involvement in EPR as it becomes an established provincial program for the best interests of ratepayers and the City.

Utility Rates

Rate filings address the Utility's yearly cost to provide service and set proposed monthly waste utility rates for residential ratepayers. Administration balances the Utility's goals and service obligations with the rate change required to meet the Utility's yearly revenue requirement.

In 2026, the combined cost impacts of maintaining current service levels and executing approved projects with EPR offsets result in a three per cent utility rate decrease for most ratepayers. For most curbside collection customers, this is a \$1.32 decrease per month or \$15.84 per year. The proposed monthly rates for collection services² in 2026 are listed below.

Residential Waste Collection Service	2025 Current Monthly Rate (January 1, 2025 to December 31, 2025)	2026 Proposed Monthly Rate (January 1, 2026 to December 31, 2026)	Monthly Rate Decrease (\$)	Yearly Rate Decrease (\$)
Curbside collection (120L garbage cart)	\$38.95	\$37.63	(\$1.32)	(\$15.84)
Curbside collection (240L garbage cart) ³	\$43.95	\$42.63	(\$1.32)	(\$15.84)
Curbside collection (360L garbage cart) ⁴	\$53.95	\$52.63	(\$1.32)	(\$15.84)
Apartment and condo collection ⁵	\$27.92	\$27.08	(\$0.84)	(\$10.08)

² Changes to transitional waste utility rates are included in Attachment 1 and are not included in the report for brevity.

³ Three per cent rate reduction applies to curbside collection (240L) and apartment and condo collection. Percentage rate reduction for 120L and 360L curbside collection varies.

⁴ 360L garbage cart available only to qualifying households with seven or more people or producing non-hazardous home healthcare waste.

⁵ Apartment and condo collection is referred to as "communal collection" in Bylaw 20363.

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Cost pressures increasing the yearly revenue requirement include:

- Higher personnel costs due to:
 - Additional staff required for three-stream apartment and condo collection rollout
 - Wage increases and retroactive payments as negotiated in CSU 52 and CUPE 30 collective agreements
- Decommissioning work at the former Edmonton Composting Facility
- General inflation

Factors reducing the yearly revenue requirement include:

- In-sourcing of more operations and reducing external costs, including long haul waste transfer and apartment and condo collection
- Organic waste processing costs, repurposing the High Solids Anaerobic Digestion Facility and pursuing more cost-effective processing opportunities
- Residential customer growth
- Debt servicing costs

Internal adjustments to the utility rate are further impacted by EPR. The proposed utility rate adjustment for 2026 includes the final transition for the EPR implementation process.

The net proposed 2026 utility rate reduction of three per cent balances the internal cost pressures and operational efficiencies to the Utility (3.4 per cent rate increase) with the offsetting impacts of EPR (6.4 per cent rate decrease).

Supplemental Capital Budget Adjustments

As composite capital profiles approach the end of the 2023-2026 budget cycle, Administration is able to reassess if budgets will be sufficient to complete projects to the end of the term and manage the funds as needed. The Utility seeks approval for three capital profile Scope Changes with an associated Funding Source Adjustment, and two Recosting adjustments as outlined in Attachment 2.

Scope Change - Cancellation of Organics Screening & Mixing

This standalone profile was originally approved to implement two screens and two mixers in the High Solids Anaerobic Digestion Facility (HSADF) to remove garbage from the compost prior to outdoor windrowing at the Edmonton Waste Management Centre. On September 3, 2024, City Operations report CO02411 Organics Processing Program Path Forward was presented to Utility Committee. In alignment with the 25-year Waste Strategy, Administration recommended updating the organics processing program to move away from actively processing organic waste at the HSADF and pursue more financially and operationally efficient processing methods. As a result, the screening and mixing project will no longer be necessary, leading to the cancellation of the 23-81-3060 Organics Screening and Mixing System profile. The \$5.78 million of Retained Earnings funding from this profile would be repurposed to CM-81-2048 Waste Services Fleet Assets (\$4.50 million), CM-81-0005 Waste Services IIS Planning & Design (\$1.0 million), and

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CM-81-2047 Waste Services Facilities & Infrastructure (\$0.28 million), and to support projects and vehicle procurement in the current budget cycle. No funding source adjustments related to these transfers are required and there is no overall impact to rates, as the budget is fully re-purposed.

Scope Change - Increase for Waste Services IIS Managed Infrastructure Projects

Excess funds of \$2.50 million from CM-81-2005 Waste Containers, primarily due to use of in-stock inventory, extension of asset life through refurbishment and conversion of container type, as well as procurement and contract delays, is proposed to be transferred to CM-81-2045 Waste Services IIS Infrastructure Delivery to complete projects such as Edmonton Waste Management Centre site paving and Ambleside Eco Station egress in the 2023-2026 budget cycle. This Self-Liquidating Debt funded transfer would not impact Utility rates.

Scope Change and Funding Source Adjustment - Increase for Waste Services Fleet Assets

Excess funds of \$2.70 million from CM-81-2005 Waste Containers, primarily due to use of in-stock inventory, extension of asset life through refurbishment and conversion of container type, as well as procurement and contract delays, is proposed to be transferred to CM-81-2048 Waste Services Fleet Assets. This will cover increased contract costs related to loader vehicles and trailers, and will not result in any new net funding requests to the Utility.

This transfer would require a funding source adjustment to convert \$2.70 million of Self-Liquidating Debt to Retained Earnings, for the purpose of transferring Retained Earnings budget to CM-81-2048 Waste Services Fleet Assets. The Fleet Assets profile has been typically financed with retained earnings due to their lower useful life relative to infrastructure projects. The Utility plans to use existing cash to cover this change in funding source, which would not result in any impact to the rates.

Recosting - Close out of Refuse Derived Fuel Facility Enhancements

The 20-81-2052 Refuse Derived Fuel Facility Enhancements profile was confirmed to be fully completed in Q4 2024 following expiration of the warranty phase. As a result, the remaining budget of \$0.05 million will be released to complete the project close out process.

Recosting - Reduction to Coronation Eco Station Expansion

This adjustment is proposed to reduce the 25-81-2055 Coronation Eco Station Expansion profile by \$0.49 million. The profile is being updated to reflect payments from Parks and Roads Services (PARS) for their portion of the Coronation land originally purchased by the Utility as part of the expansion project. This adjustment will align the capital profile to the \$16.27 million budget originally approved for the Coronation Eco Station Expansion.

Budget/Financial Implications

Rate filings are required to set utility rates based on the cost of providing service. They are made in alignment with the four-year budget cycle and reflect changing costs to the Utility. City Policy C558C - Waste Services Utility Fiscal Policy allows the Utility to set rates for up to four years at a time.

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Legal Implications

If approved, 2026 utility rates would be amended under Bylaw 21349 - Waste Services Bylaw 20363, Amendment No. 3. Bylaw 21349 is scheduled to be presented at the December 1, 2025 City Council - Budget meeting for final approval. Bylaw 20363 authorizes the City Manager to determine the collection service type for each residential property in the City's boundaries, and can change the service type based on operational considerations.

Community Insight

Waste Services is funded through a utility model, and the monthly utility rate appears on a customer's EPCOR bill. No funding comes from the tax levy. An explanation of how Waste Services funds its services is accessible at edmonton.ca/WasteRates. Rates fund services identified as priorities by residents, businesses and other organizations in the guiding 25-year Waste Strategy, which was supported by the Future of Waste public engagement in 2018 and 2019. Public engagement for the next phase of the Waste Reduction Roadmap was done in 2025.

A Summer 2025 survey assessing satisfaction with City services identified respondents perceive waste collection as a very or somewhat important civic service (94 per cent), are very or somewhat satisfied with their waste services (69 per cent) and believe the current investments in waste should remain the same (66 per cent)⁶.

GBA+

Waste Services sets equitable utility rates for residential customers based on the collection service provided. These rates fund services accessible to all ratepayers, including drop-off facilities, waste reduction and outreach programs, and environmental management. A particular program, Assisted Waste Collection, helps Edmontonians who have difficulty moving waste to the designated set-out location with assistance from City staff and waste collectors. This service is offered at no extra charge, as the cost is subsidized by all ratepayers.

Administration developed a variable utility rate for curbside collection customers, encouraging ratepayers to choose a garbage cart size and utility rate aligned with their needs. Three garbage cart sizes (120L, 240L, 360L) are available to customers based on the amount of waste they produce, and are assigned to reflect the cost of providing service while encouraging waste reduction. The 360L cart is only available to households producing home medical waste or with seven or more people in the home.

Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

⁶ City of Edmonton Service Satisfaction Survey - Summer 2025, November 24, 2025 Financial and Corporate Services report FCS03158 Fall 2025 Supplemental Operating Budget Adjustment - 2023-2026 Operating Budget, Attachment 8

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Attachments

1. Waste Services 2026 Rate Filing
2. Waste Services Fall 2025 Supplemental Capital Budget Adjustments
3. Utility Advisor Review