

Summary of Recommended Waste Services 2019 Fall SCBA Adjustments

The following is a high level summary of the total impact of the 2019 Fall SCBA to the Waste Services 2019-2022 Approved Capital Budget of \$270.9 million. Adjustments are broken down by budget adjustment type. This is a summary of the Detailed 2019 Fall SCBA Adjustment Report in Attachment 2.

No.	Budget Adjustment Type	Impact to 2019-2022 Capital Budget (\$ millions)
2.1	New Profiles Recommended for New Funding	\$1.2
2.2	Scope Changes	(\$55.2)
2.3	Recosting	(\$13.6)
2.4	Transfers in Excess of \$2 Million Between Profiles	-
	Total	(\$67.6)

2.1 New Profiles Recommended for Funding

New profiles recommended for funding can be broken down further between profiles requesting new funding, and new stand alone profiles requesting funding from existing composite profiles.

New Profiles Requesting New Funding

2.1-1. 19-81-2050 Advanced Energy Research Facility (AERF) Upgrade

Funding for this stand alone profile is recommended. Alberta Innovates, through its Climate Change Innovation and Technology Framework (CCITF) program, has provided grant funding to the AERF for capital construction and upgrades, which would help to improve the viability and financial sustainability of the AERF. No additional funding from the Utility is anticipated for these upgrades. A stand alone profile for this project is recommended to facilitate and segregate project cost reporting and grant tracking as required by the grantor. Please refer to Appendix B.2 for Capital Profile details.

New Stand Alone Profiles Requesting Funding from Existing Composites

2.1-2. 19-81-2049 Organics Processing Facilities (OPF)

Funding for this new stand alone profile is recommended. This profile supports the development of a Public Private-Partnership (P3) business case for the Organics Processing Facilities Project managed and delivered by IIS. Included in this profile are activities required to advance the development of the P3 business case with the support of the Owner's Engineer and Financial Advisor. Funds required for this new stand alone profile are recommended to be transferred from the approved budget in the Waste Services Planning & Design (IIS) composite CM-81-0005. Please refer to Appendix B.1 for Capital Profile details.

2.1-3. 20-81-2051 Interim Organics Processing Solution

This profile supports the development of an interim organics processing solution to prevent organic material from being sent to landfill due to the closure of the Edmonton Composting Facility. Additional organic waste processing capacity is required until the new Organics Processing Facilities are fully operational, which is anticipated by 2025.

This stand alone capital profile is proposed and included in the 2020 Rate Filing for rate forecasting purposes with reallocation of funding from the Waste Services Project Delivery (IIS) composite profile CM-81-2045. Waste Services will bring forward a detailed business case in spring 2020 for approval where options for an interim solution will be considered. No commitments will be made until approval of the business case. Please refer to Appendix B.3 for Capital Profile details.

2.2 Scope Changes

The following profiles are requesting budget reductions in the current budget cycle resulting from reprioritization of the capital plan and includes budget reductions for projects that are not anticipated to be delivered in the current budget cycle.

2.2-1. CM-81-0005 Waste Services Infrastructure Planning and Design

2.2-2. CM-81-2045 Waste Services Infrastructure Project Delivery (IIS)

These composite profiles provide capital funding for planning and design and for project delivery for projects managed by Integrated Infrastructure Services (IIS). The profiles support concept level planning for major capital initiatives in accordance with the City's Project Development and Delivery Model (PDDM). Proposed budget reductions to these profiles include scope changes for major projects such as the OPF that is not anticipated to be delivered in the current budget cycle.

2.3 Recosting

Recosting adjustments are required when an approved capital project is projected to be over or under budget. This can also occur when tenders on capital projects are well over/under the budgeted projection.

2.3-1. CM-81-2005 Waste Containers

2.3-2. CM-81-2048 Waste Services Equipment Acquisition

Recosting for these two profiles is recommended. The objective of these profiles are to replace existing assets at the end of their useful lives and provide funding for growth assets to support the current market conditions and the changing needs of Waste Services customers. Budget reductions to these profiles are recommended resulting from reprioritization of capital requirements and reallocation of existing assets from the Commercial Collections business line due to planned wind-down.

2.4 Transfers in Excess of \$2 Million Between Profiles

Approved profiles with transfers between them that exceed \$2 million are required to be approved by City Council. The net result is an overall adjustment of \$0 to the 2019-2022 Approved Capital Budget.

2.4-1. 18-33-2033 Groundwater Diversion

This profile was funded and carried forward from the 2015-2018 budget cycle for the construction of a groundwater diversion system servicing the EWMC site to mitigate environmental hazards. Due to unforeseen, adverse ground conditions encountered during trenching of both east and west section, Groundwater Diversion System Replacement project requires additional funding of \$3.2 million for remedial actions, groundwater pumping and related technical works. The additional funds required to complete this project are recommended to be transferred from the Waste Services Project Delivery (IIS) composite profile (CM-81-2045).