

Sanitary Servicing Strategy Fund

Committee Terms of Reference

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Sanitary Servicing Strategy Fund

Committee Terms of Reference

City of Edmonton

October 2018



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1 Introduction

1.1 SSSF Background

Sanitary Servicing Strategy

The Sanitary Servicing Strategy (herein the “SSS”) is a long-range servicing plan and funding strategy to provide sanitary servicing for the City of Edmonton (herein “the City”) over the next 75-years.

Approved by City Council on July 21st, 1998 through the Sewers Bylaw No. 9425, the overall purpose of the SSS is to provide a long-term sanitary servicing vision that supports growth in new areas (herein “greenfield development”) allowing the City to meet its population growth and development demands.

Sanitary Servicing Strategy Fund

At the time of SSS development, ongoing developments had utilized most of the available capacity in the existing sewers within the City and surrounding areas. A financial mechanism was established in 1999 to fund the construction of major sanitary trunks to service greenfield development and meet the needs of the SSS.

This financial component of the SSS is the Sanitary Servicing Strategy Fund (herein “SSSF” or the “Fund”) and is based on the guiding principle of “user pay”. As the up-front costs for any major sanitary trunk projects are too large for the City or any individual developer to finance independently, the SSSF acts as a funding mechanism that pool the resources of all “users” to build required trunk sewers. The current definition of “users” includes the City, the building industry, the development industry, and the asset maintainer and owner (EPCOR), as these are the key parties that impact sanitary system flows.

To meet the SSS objective of developing the sanitary serving network, the SSSF selects sanitary trunk projects to be funded. As this is a substantial undertaking with significant cost implications, all “users” are involved in this decision-making process of the Fund, creating the need for a governing body for the SSSF.

The SSSF includes a financial model to guide the Fund’s decision-making processes. A key objective of the financial model is to maintain a positive cash balance in the SSSF. To align with this objective, the SSSF has historically utilized a “just-in-time” servicing model for new developments.

Historically, the SSSF Program was executed by a Program Management team within the City Planning Branch and was governed by two committees consisting of adequate stakeholder representation; the Management Committee and Operational Committee. The Program Management team helped perform day-to-day functions and assisted the governing committees in delivering against the overall needs of the Program.

Document Purpose

The purpose of the Terms of Reference is to outline the accountabilities, roles and responsibilities of the governing bodies that manage the SSSF. This document also provides additional context on the functions, structure, membership, and operational processes of the Committees. Outstanding questions regarding member responsibilities or duties should be directed to the respective Committee Chair for clarification.

1.2 SSSF Operating Principles

The following Fund operating principles are intended to guide overall Fund decision-making, operations and processes for the governing bodies that manage the SSSF and should be used as a reference guide for the decisions and actions of all Committee members.

Fund Operating Principles:

- Transparency – Decisions are clearly articulated, understood and observed by all key stakeholders
- Accountability – Decisions and operations are appropriately stewarded, documented, auditable and defensible for both internal and external stakeholders
- Sustainability – Decisions and operations ensure the long-term sustainability of the Fund and overall sanitary servicing system
- Efficiency – Capital and resources are standard and deployed in an efficient manner
- Collaboration – Appropriate stakeholders are engaged in operations and decisions of the SSSF, and all voices are heard
- Alignment with City Strategy – Operations and decisions consider the broader City strategies (and other “user” strategies as appropriate)

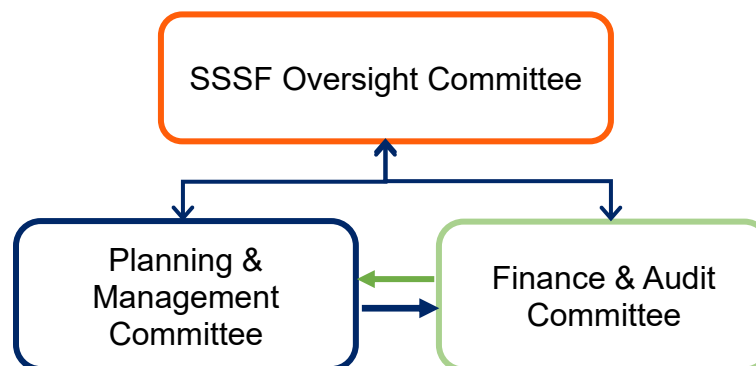
1.3 SSSF Governance Structure

The SSSF is governed through a committee governance structure that makes a clear distinction between the management of the Fund and technical operations. Ensuring appropriate management of the Fund is the Oversight Committee which acts as a strategic decision-making body of the Fund. Sub-committees (Planning & Management Committee and Finance & Audit Committee) support the Oversight Committee with inputs and recommendations and manage aspects of day-to-day Fund activities through the delegation of appropriate authority from the Oversight Committee.

Each sub-committee reports into the Oversight Committee; each sub-committee Chair also serves as a member of the Oversight Committee. This connection between committees allows for information-sharing, coordination, and overall transparency for the Fund.

This Committee governance structure will be supported by a Program Management Office from the City that will conduct activities related to the daily tasks of project management, and assist the Oversight and sub-committees deliver against the needs of the Program.

Committee Governance Structure Illustrated:



The following sections outline the roles, responsibilities and accountabilities of each committee. In the event of additional questions regarding any of the topics identified herein, refer to the Oversight Committee Chair for additional guidance and/or clarification.

2 Oversight Committee

2.1 Purpose and Objectives

The purpose of the Oversight Committee is to set the strategic direction and define the long and short-term objectives of the Fund. The objectives of the Oversight Committee include being accountable for decisions with respect to the mandate of the Fund, project selection, system rates, annual reporting, and the overall long-term SSS.

Additionally, the Oversight Committee is tasked with considering the perspective of all key stakeholders in its operations and decisions. The Committee will foster an environment where all stakeholders can provide input into Committee decisions in a fair and equal manner, in accordance with the SSSF Operating Principles.

2.2 Duties and Responsibilities

The Oversight Committee will perform the following duties:

2.2.1 Rates

- Recommend Expansion Assessment and Sanitary Sewer Trunk Charge rates to City Council.

2.2.2 Project Delivery

- Establish criteria for project selection and funding.
- Prioritize and approve proposed construction projects (e.g. scope, schedule and budget).
- Respond to escalated system assessment studies and change orders (as required from the sub-committees).

2.2.3 System Planning

- Update and/or amend the following:
 - a. Sanitary Servicing Strategy;
 - b. Long-term System Plan; and
 - c. SSSF Program Plan.
- Ensure that input from City Planning is appropriately reflected in SSSF System Planning.

2.2.4 Fund Management

- Oversee the revenue generated by the Expansion Assessment fees, Sanitary Sewer Trunk charges, utility contribution and interest income.
- Approve expenditure guidelines for the Fund.
- Authorize expenditures from the Fund.

2.2.5 Communication and Reporting

- Provide regular, frequent, and appropriate communication material to Fund stakeholders.
- Prepare and distribute the SSSF Annual Report which contains:

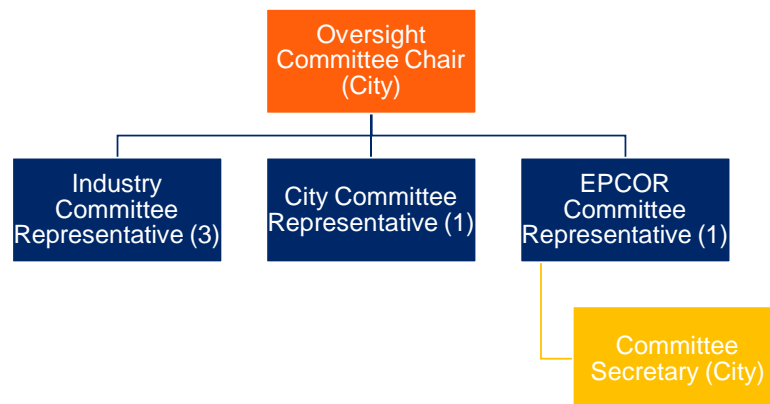
- a. A list of projects constructed;
- b. Status of projects under construction;
- c. Schedule of projects to be constructed in future years;
- d. Statement of current SSSF financial status; and
- e. Projection of the Fund balance for future years.

2.2.6 Committee Governance

- Provide direction in response to escalated issues from the Planning & Management Committee and Finance & Audit Committee (as required).
- Develop, monitor, and manage a risk assessment and mitigation strategy for the Fund.
- Review and assess all identified risks and mitigation strategies for proposed projects to be approved by the Fund.
- Review delegation of authority to sub-committees annually.
- Review the composition, membership, and chair role and responsibilities of the sub-committee annually.
- Review the adequacy of the Committee's Terms of Reference on a bi-annual basis (more frequently if required), including the skills matrix.
- Approve internal controls, processes, and procedures.

2.3 Composition and Membership

- The Oversight Committee shall be comprised of six voting members, with representation from each key stakeholder group.



- The Committee members include:
 - Oversight Committee Chair (City of Edmonton);
 - Planning & Management Committee Chair (City of Edmonton);
 - Finance & Audit Committee Chair (UDI);
 - Two additional representatives from Industry;
 - One representative from EPCOR; and

- In addition to the six voting members, there will also be an ex officio non-voting member that will hold the role of Secretary. The Secretary for the Oversight Committee will also serve as a Secretary on all sub-committees.
- Each Oversight Committee member is required to be a senior leader from their respective organization and have the authority to make binding decisions on behalf of their organization.
- Committee members will be nominated by their respective organizations based on the skills required. The required skills for Committee members are summarized in Section 2.5.
- Each stakeholder group will provide one named alternate delegate for each of their Committee members. These delegates would represent their stakeholder group when the Committee member is unable to attend.
- Committee members will serve in a volunteer capacity and will not have a defined term limit; however, every two years (at a minimum), each Committee member will be assessed against the skill requirements as outlined in Section 2.5 to ensure Fund needs are being met.

2.4 Member Responsibilities

Membership	Description of Committee Role	Responsibilities
Oversight Committee Chair	Provide oversight and guidance to Oversight Committee	<ul style="list-style-type: none"> • Chair Committee meetings • Sign-off and authorize financial transactions on behalf of the Oversight Committee • Review Committee membership against skill requirements
Sub-Committee Chair Planning & Management and Finance & Audit	Represent the respective sub-committees by sharing updates, data gathered, and key decisions made	<ul style="list-style-type: none"> • Manage the technical requirements of system planning and project management through the sub-committee • Share relevant information with the Oversight Committee • Planning & Management Chair will serve as vice-chair for the Committee.
Committee Members	Represent the respective stakeholder groups with the appropriate decision-making authority to be able to act on behalf of their organization	<ul style="list-style-type: none"> • Represent stakeholders and strategic interests in decision-making • Ensure stakeholder alignment to decisions • Review any pre-read material sent in advance of Committee meetings
Secretary, City of Edmonton	Assist with the overall coordination of meetings including the pre-work and post-work on behalf of the Committee	<ul style="list-style-type: none"> • Compile and distribute meeting agendas and minutes (including voting records) • Prepare and consolidate meeting materials and distribute to members in advance of meetings (e.g. technical assessments)

Membership	Description of Committee Role	Responsibilities
		<ul style="list-style-type: none"> Communicate pertinent information and updates between the Oversight Committee and all sub-committees Compile SSSF Annual Report for Committee review and circulate the approved Report to stakeholders Coordinate all meeting logistics (e.g. room bookings) prior to each meeting Maintain list of named Committee delegates Follow up on any outstanding action-items as required

2.5 Member Skills

Each member of the Committee is required to demonstrate the necessary skills to fulfill the identified duties and responsibilities.

The required skills for Oversight Committee members are summarized below:

Skills Required	Oversight Committee Chair	Planning & Management Committee Chair	Finance & Audit Committee Chair	Committee Members (Industry)	Committee Member (EPCOR)	Secretary
City Planning / Public Policy	✓	✓				✓
Drainage Planning					✓	
Finance		✓	✓		✓	
Building / Development Industry Knowledge				✓		
Respective Stakeholder Group/ Board Intel	✓	✓	✓	✓	✓	
Risk Management	✓	✓	✓	✓	✓	
Leadership / Governance	✓	✓	✓			
Conflict Resolution	✓	✓	✓			
Strategic Planning	✓	✓	✓	✓	✓	✓
Governance Best Practices	✓	✓	✓			✓

2.6 Committee Operations and Decision-Making

2.6.1 Decision-Making Authority

The Oversight Committee will make key decisions based on their Committee duties above which include:

- Recommend rates for Council.
- Approve annual report.
- Oversee system planning including long-term strategy for the Fund.

- Manage overall Fund expenditures
- Oversee Program project delivery including schedule, method, and management

2.6.2 Voting Rights

- Each Oversight Committee Member will have an equal voting right.
- Decision items at the Oversight Committee will be made by unanimous consent, with Committee members committed to the timely resolution of disagreements.
- The Committee Secretary will be responsible for recording the results of each decision.
- In the event a unanimous consent cannot be reached, the motion will be attempted to be passed twice, after which it will be halted until decision by unanimous consent can be made.
- A unanimous consent vote is the only way to pass a motion, with no escalation mechanism in place.

2.6.3 Quorum

- All six voting Committee members must be in attendance in order to pass a motion at a Committee meeting.
- If a Committee member cannot attend a meeting, a predetermined, named delegate must represent their stakeholder group on behalf of the Committee member.
- If a named Committee member and their named delegate cannot attend a meeting where a decision item is present, the decision will be deferred, and a special decision-meeting will be called by the Chair at the earliest convenience.
- In pre-determined circumstances, an email voting system may be utilized by the Committee as needed to aid in decision-making. Such circumstances will be decided by the Committee Chair with a minimum one-week voting period. All email-voting efforts will be led by the Secretary.

2.6.4 Meetings

- The Oversight Committee will, at a minimum, meet twice per year in coordination with a meeting schedule created by the Secretary which considers member availability. *Note: See Section 5 – Committee Meetings & Reporting Schedule for a complete schedule for all committees.*
- Special decision-meetings are to be called at the Committee Chair's discretion.
- Meeting agendas will be drafted by the Secretary and approved by the Committee Chair.
- The agenda will be made available to members at least one calendar week in advance of the meeting.

2.6.5 Guests

- Guest members may be invited to Committee meetings, as required, based on the specific nature of a meeting / agenda item.
- Requests for guest attendance should be submitted to the Secretary no less than three business days before a Committee meeting and must be approved by Oversight Committee Chair.

2.6.6 Reporting

- Within one week following each meeting, the Secretary will draft and circulate meeting minutes to all Committee members for review and distribution to key stakeholders.

3 Planning & Management Committee

3.1 Purpose and Objectives

The purpose of the Planning & Management Committee is to manage the technical requirements of system planning and project management for the Fund. This includes managing change order requests, system assessment studies and general day-to-day technical oversight of new and existing projects as delegated by the Oversight Committee.

The Planning & Management Committee will operate to improve Fund decision-making by creating accountability and transparency in the system planning and project management functions of the SSSF. It will also act as a technical sounding board for Oversight Committee decisions.

3.2 Duties and Responsibilities

The Planning & Management Committee will perform the following duties:

3.2.1 Existing System Capacity Planning & Assessment

- Monitor system capacity projections of existing facilities including:
 - a. Flows (average and peak; wet and dry);
 - b. Impact of new flows on the downstream system; and
 - c. Storage used and homes connected.
- Anticipate when capacity in existing facilities will be allocated (requiring future facilities).

3.2.2 Project Selection Recommendations

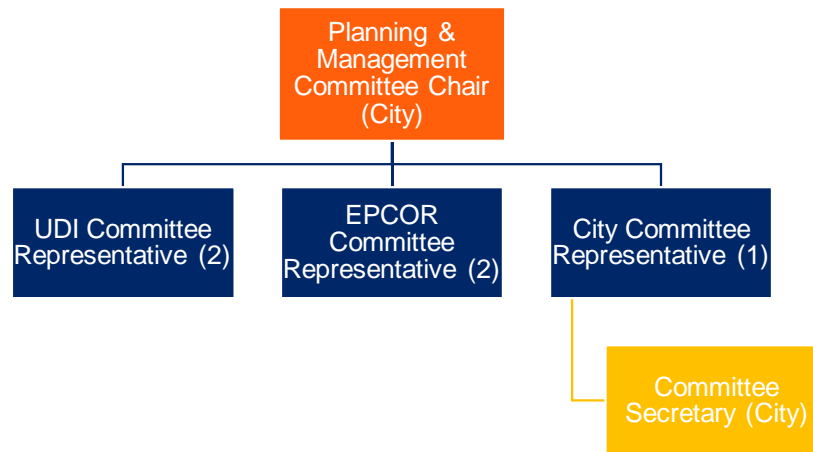
- Gather data on population projections for new development areas.
- Convert projections from traffic district base to drainage basin base.
- Review new construction project cost estimates.
- Recommend Project selection criteria for new Projects.
- Develop segment timing, associated budgets, and recommend overall Program budgets.
- Update the cost estimates for future projects (e.g. engineering, overheads) as necessary.
- Propose a schedule for future project construction and expenditures, taking into account interest, inflation, and construction price index values.

3.2.3 Project Reporting

- Develop, maintain and provide updates on construction projects including the schedule and expenditures.

3.3 Composition and Membership

- The Planning & Management Committee shall be comprised of six members, with equal representation from each stakeholder group.



- The Committee members include:
 - Planning & Management Committee Chair (City of Edmonton);
 - One additional representative from the City of Edmonton;
 - Two representatives from UDI;
 - Two representatives from EPCOR; and
 - In addition to the six members, there will also be an ex officio member that will hold the role of Secretary. The Secretary for the Planning & Management Committee will also serve as a Secretary on the Oversight Committee and Finance & Audit Committee.
- All Committee members are required to have the technical and management expertise required to identify, interpret and make binding decisions upon information that fulfills the Committee's objectives.
- Committee members will be nominated by their respective organizations based on the skills required and approved by the Oversight Committee. The required skills for Committee members are summarized in Section 3.5.
- Each stakeholder group will provide one named alternate delegate for each of their Committee members. These delegates would represent their stakeholder group when the Committee member is unable to attend.
- Committee members will serve in a volunteer capacity and will not have a defined term limit; however, every two years (at a minimum), each Committee member will be assessed against the skill requirements as outlined in Section 3.5 to ensure Fund needs are being met.

3.4 Member Responsibilities

Membership	Description of Planning & Management Committee Role	Responsibilities
Planning & Management Committee Chair	Provide oversight and guidance to the Planning & Management Committee and make decisions as they relate to the system planning and project management	<ul style="list-style-type: none"> Chair Committee meetings Provide approval on decisions and recommendations on behalf of the Planning & Management Committee and submit to Oversight Committee Chair for sign-off Review Committee membership against skill requirements
Committee Member, EPCOR #1	Represent the respective stakeholder groups with the required technical skills and delegated decision-making authority	<ul style="list-style-type: none"> Provide updates on the progress of projects currently under construction and/or design Identify construction costs for new segments Highlight financials of projects underway including costs to date and projected costs Review any pre-read material sent in advance of Committee meetings
Committee Member, EPCOR #2	Represent the respective stakeholder groups with the required technical skills and delegated decision-making authority	<ul style="list-style-type: none"> Provide recommendations for relevant planning studies Summarize operations of existing facilities flow and requirements Contribute to 4 and 10 Year Capital Plans Review any pre-read material sent in advance of Committee meetings
Committee Member, City of Edmonton	Represent the respective stakeholder groups with the required technical skills and delegated decision-making authority	<ul style="list-style-type: none"> Provide City growth, population and development projections Summarize City Planning data as required Review any pre-read material sent in advance of Committee meetings
Utility Representatives, UDI	Represent the respective stakeholder groups with the required technical skills and delegated decision-making authority	<ul style="list-style-type: none"> Represent and highlight development industry requirements for sanitary servicing Identify construction forecasts, along with development and growth projections Review any pre-read material sent in advance of Committee meetings

Membership	Description of Planning & Management Committee Role	Responsibilities
Secretary, City of Edmonton	Assist with the overall coordination of meetings including the pre-work and post-work on behalf of the Committee	<ul style="list-style-type: none"> Present decision-items to the Committee (e.g. system assessment studies, scope change requests) Compile and distribute meeting agendas and minutes Communicate pertinent information and updates between the Planning & Management Committee, Oversight Committee and Finance & Audit Committee Prepare and consolidate meeting materials and distribute to members in advance of meetings (e.g. technical assessments) Coordinate all meeting logistics (e.g. room bookings) prior to each meeting Maintain list of named Committee delegates Follow up on any outstanding action-items as required

3.5 Member Skills

Each member of the Committee is required to demonstrate the necessary technical skills to fulfill the identified duties and responsibilities.

The required skills for the Planning & Management Committee members are summarized below:

Skills Required	Planning & Management Committee Chair (City)	Committee Member (City)	Committee Member (UDI / Industry)	Committee Member (UDI / Industry)	Committee Member (EPCOR)	Committee Member (EPCOR)	Secretary
City Planning / Public Policy	✓	✓					✓
Drainage Planning					✓	✓	
Development Industry Knowledge			✓	✓			
Construction Management		✓	✓	✓	✓	✓	
Project & Program Management	✓	✓	✓	✓	✓	✓	✓
System Planning	✓	✓	✓		✓		
Technical Knowledge	✓	✓	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓	✓
Financial Analysis	✓	✓	✓	✓	✓	✓	✓

3.6 Committee Operations and Decision-Making Authority

3.6.1 Decision-Making Authority

- The Planning & Management Committee will provide agreed-upon recommendations based on their job duties and responsibilities to the Oversight Committee.
- The Planning & Management Committee will make key decisions within the Committee's authority (e.g. up to \$250,000). This approval authority is associated with the following items:
 - a. Change orders under the delegated authority amount; and
 - b. Additional Studies and /or system assessments required under the delegated amount.
- If an identified decision item exceeds the financial threshold of the Planning & Management Committee, the decision will be escalated with a recommendation to the Oversight Committee.

3.6.2 Voting Rights

- Each Committee member will have an equal voting right.
- Decision items appearing in front of the Planning & Management Committee will be made by unanimous consent.
- In the event a unanimous consent cannot be reached, it will be the responsibility of the Planning & Management Committee Chair to escalate the issue to the Oversight Committee.

3.6.3 Quorum

- All six voting Committee members must be in attendance in order to pass a motion at a Committee meeting.
- If a Committee member cannot attend a meeting, a predetermined, named delegate must represent their stakeholder group on behalf of the Committee member.
- If a named Committee member and their named delegate cannot attend a meeting where a decision item is present, the decision will be deferred, and a special decision-meeting will be called by the Chair at the earliest convenience.
- In pre-determined circumstances, an email voting system may be utilized by the Committee as needed to aid in decision-making. Such circumstances will be decided by the Committee Chair with a minimum one-week voting period. All email-voting efforts will be led by the Secretary.

3.6.4 Meetings

- The Planning & Management Committee will meet six times per year, in coordination with a meeting schedule created by the Secretary which considers member availability. *Note: See Section 5: Committee Meetings & Reporting Schedule for a complete schedule for all committees.*
- Special decision-meetings are to be called at the Committee Chair's discretion.
- Meeting agendas will be drafted by the Secretary and approved by the Committee Chair.
- The agenda will be made available to members at least one calendar week in advance of the meeting.

3.6.5 Guests

- Guest members may be invited to Committee meetings, as required, based on the specific nature of a meeting / agenda item.
- Requests for guest attendance can be submitted to the Secretary no less than three business days before a Committee meeting and must be approved by Planning & Management Committee Chair

3.6.6 Reporting

- Within one week following each meeting, the Secretary will draft and circulate meeting minutes to all Committee members for review and distribution to key stakeholders.

4 Finance & Audit Committee

4.1 Purpose and Objectives

The purpose of the Finance & Audit Committee is to provide oversight and transparency to the financial management of the Fund and support rate development. This is accomplished by assisting the Oversight Committee and Planning & Management Committee in producing effective and transparent financial reporting, internal controls and financial risk management.

4.2 Duties and Responsibilities

The Finance & Audit Committee will perform the following duties:

4.2.1 Rates

- Provide recommendations on Expansion Assessment and SSTC rates.

4.2.2 Financial Reporting

- Support the Oversight Committee and Planning & Management Committee in meeting its financial reporting requirements.
- Review quarterly aggregate invoices paid by the Fund and financial forecasts.
- Summarize forecast-to-completion for all Fund projects.
- Ensure the adequacy and effectiveness of financial reporting for the Fund.
- Review and submit the quarterly financial statements for approval.
- Provide a report on the results of its review at the Oversight Committee meetings.
- Present Fund data on performance and future projections.
- Review and submit the annual financial statements of the Fund.
- Assist the Oversight Committee in preparing the financial reporting elements of the Annual Report.

4.2.3 Fund Financial Model

- Monitor the Fund's financial performance and provide recommendations to the Oversight

Committee to ensure long-term financial viability.

- Review the forecasts, revenue reports, reserves, financial policies and process and accounting policies and processes annually for accuracy and fairness.
- In conjunction with the City of Edmonton, develop and maintain the Financial Model.

4.2.4 Fund Expenditure

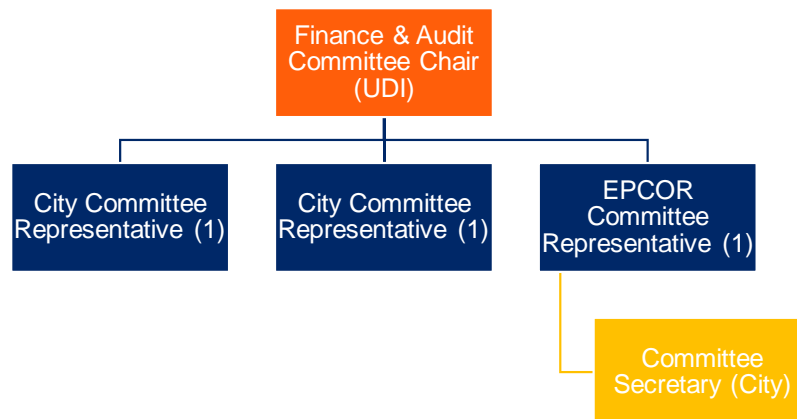
- Develop and recommend Fund expenditures guidelines.

4.2.5 Audit

- Conduct periodic audits of SSSF projects to ensure competitiveness and efficiency of the Fund's procurement practices, project management and strategic alignment.
- Review and report on the state of the Fund's internal control systems including, but not limited to, the adequacy of those internal control systems addressing the legal, ethical, regulatory and financial reporting requirements of the Fund.

4.3 Composition & Membership

- The Finance & Audit Committee shall be comprised of four members.



- The Committee members include:
 - Finance & Audit Committee Chair (UDI)
 - Two representatives from the City of Edmonton (e.g. Finance representative, Audit representative)
 - One representative from EPCOR
 - In addition to the four members, there will also be an ex officio member that will hold the role of Secretary. The Secretary for the Finance & Audit Committee will also serve as a Secretary on the Oversight Committee and Planning & Management Committee.
- All Committee members should hold finance and/or accounting related positions within their organizations and/or have a strong financial acumen/aptitude and must be able to contribute to the fulfillment of the Committee's objectives.
- The Committee members will be nominated by their respective organizations based on the skills required and approved by the Oversight Committee. The required skills for the Committee members are summarized in Section 4.5.

- Each stakeholder group will provide one named alternate delegate for each of their Committee members. These delegates would represent their stakeholder group when the Committee member is unable to attend.
- Committee members will serve in a volunteer capacity and will not have a defined term limit; however, every two years (at a minimum), each Committee member will be assessed against the skill requirements as outlined in Section 4.5 to ensure Program needs are being met.

4.4 Member Responsibilities

Membership	Description of Finance & Audit Committee Role	Responsibilities
Finance & Audit Committee Chair	Provide oversight and guidance to the Finance & Audit Committee and make recommendations as they relate to the financial system planning and project management	<ul style="list-style-type: none"> • Chair Committee meetings • Gather recommendations on behalf of the Finance & Audit Committee and present to Oversight Committee for approval • Present Fund data on performance and future projections • Select projects for competitiveness studies • Review Committee membership against skill requirements
Finance Representative, EPCOR	Represent the respective sub-committees by sharing updates, data gathered, and key recommendations made	<ul style="list-style-type: none"> • Provide updates on the budget status of projects currently under construction and/or design • Highlight financials of projects underway including costs to date and projected costs • Present construction costs for new segments • Review any pre-read material sent in advance of Committee meetings
Finance Representative, City of Edmonton	Represent the respective stakeholder group with the required financial skills	<ul style="list-style-type: none"> • Assist with gathering data on up-to-date Fund financials • Provide input into the Financial Model and analysis • Act as a subject-matter-expert on general City of Edmonton finance protocols and practices • Review any pre-read material sent in advance of Committee meetings
Audit Representative, City of Edmonton	Represent the respective stakeholder group with the required audit skills	<ul style="list-style-type: none"> • Act as a subject-matter expert and internal audit resource for the Committee

Membership	Description of Finance & Audit Committee Role	Responsibilities
		<ul style="list-style-type: none"> Assist in the review of EPCOR project contracts for the Fund Provide perspective on the Fund's internal control systems addressing the legal, ethical, regulatory and financial reporting requirements of the Fund Review any pre-read material sent in advance of Committee meetings
Secretary, City of Edmonton	Assist with the overall coordination of meetings including the pre-work and post-work on behalf of the Committee	<ul style="list-style-type: none"> Compile and distribute meeting agendas and minutes Prepare and consolidate meeting materials and distribute to members in advance of meetings (e.g. financial reports) Communicate pertinent information and updates between the Finance & Audit Committee, Oversight Committee and Planning & Management Committee Coordinate all meeting logistics (e.g. room bookings) prior to each meeting Maintain list of named Committee delegates Follow up on any outstanding action-items as required

4.5 Member Skills

All members of the Committee will be financially literate, with each member having accounting or related financial expertise. Members will be authorities in finance and/or financial controls and have the authority to provide recommendations on behalf of the organization they represent.

The required skills for the Finance & Audit Committee members are summarized below:

Skills Required	Finance & Audit Committee Chair (UDI)	Committee Member (City)	Committee Members (EPCOR)	Secretary
City Planning / Public Policy		✓		✓
Finance / Budgeting	✓	✓	✓	
Accounting / Audit	✓	✓	✓	
Investment	✓		✓	
Governance / Controls	✓	✓	✓	
Risk Management	✓	✓	✓	

4.6 Committee Operations and Decision-Making Authority

4.6.1 Decision-Making Authority

- The Finance & Audit Committee is voting on recommendations to be made to the Oversight and Planning & Management Committee based on their Committee duties.
- No official decision-making authority is maintained by this Committee as it is an advisory based Committee.

4.6.2 Voting Rights

- The Finance & Audit Committee will only act in an advisory capacity to both the Oversight Committee and the Planning & Management Committee, supporting the achievement of responsibilities and duties assigned to each Committee.
- The Finance & Audit Committee does not have any voting rights to make any decisions on behalf of the Fund.
- Voting is unanimous consent on recommendations for the Oversight and Planning & Management Committee (e.g. rates).

4.6.3 Quorum

- All four Committee members must attend scheduled meetings to obtain meeting quorum.
- If a Committee member cannot attend a meeting, a predetermined, named delegate must represent their stakeholder group on behalf of the Committee member.
- If a named Committee member and their named delegate cannot attend a meeting where a decision item is present, the decision will be deferred, and a special decision-meeting will be called by the Chair at the earliest convenience.

4.6.4 Meetings

- The Finance & Audit Committee will meet four times per year, in coordination with member availability, with special decision-meetings to be called at the Chair's discretion. *Note: See Section 5: Committee Meetings & Reporting Schedule for a complete schedule for all committees.*
- Meeting agendas will be drafted by the Secretary and approved by the Committee Chair.
- The agenda will be made available to members at least one calendar week in advance of the meeting.

4.6.5 Guests

- Guest members may be invited to Committee meetings, as required, based on the specific nature of a meeting / agenda item.
- Requests for guest attendance can be submitted no less than three business days before a Committee meeting to the Secretary and must be approved by the Finance & Audit Committee Chair.

4.6.6 Reporting

- Within one week following each meeting, the Secretary will draft and circulate meeting minutes to all Committee members for review and distribution to key stakeholders.

5 Committee Meetings & Reporting Schedule

Committee Schedule												
	January	February	March	April	May	June	July	August	September	October	November	December
Oversight Committee				■				■				
Project & Planning Committee		▲		▲	▲		▲		▲		▲	
Finance & Audit Committee				●		●			●			●
Reporting												
Project Management Reports	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Progress Reports	*			*			*			*		

■ Oversight Committee Meetings
 ▲ Project & Planning Committee Meetings
 ● Finance & Audit Committee

The Committee meeting & reporting schedule will be published and maintained annually by the Secretary. The below meeting schedule will be used as a guideline to achieve key Fund milestones:

5.1.1 Oversight Committee

The meeting schedule will follow the annual timing below (unless otherwise defined by the Oversight Committee Chair):

- April – Approve annual report, five-year construction forecast, updates to long-term system plan, new / annual construction schedule for the following year, escalated change orders / system assessment studies, etc.
- August – Review and approve rates to provide to City Council, review current year construction schedule, review financial adjustments, escalated change orders / system assessment studies, etc.
- Decision meetings – as required (e.g. critical decisions/escalation from the sub-committees)

5.1.2 Planning & Management Committee

The meeting schedule will typically follow the annual timing below:

- February
- Early April – Joint meeting with Finance & Audit Committee to identify rate assumptions
- May
- July – Update current year construction schedule
- September
- November
- Decision meetings – as required (e.g. critical decisions/escalation)

5.1.3 Finance & Audit Committee

The meeting schedule will typically follow the annual timing below:

- March
- June
- September
- December
- Decision meetings – as required (e.g. critical escalations)