

BRIEFING NOTE

DECISION

2023 - 2024 CITY OPERATIONS - RATE SUPPORTED OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

ISSUE:

Approval of the 2023-2024 City Operations – Rate Supported Operating & Capital Budget.

RECOMMENDATION:

It will be recommended through the Administrative Committee that City Council approves the:

- a) 2023 - 2024 City Operations Operating Revenue and Expenditure Budget – Rate Supported.
- b) 2023 – 2024 City Operations Capital Budget
- c) Electric Distribution Rates for 2023 and 2024 subject to passing of the Electric Utility Rate Bylaw.
- d) Gas Distribution Rates for 2023 and 2024 subject to passing of the Gas Utility Rate Bylaws.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility & Infrastructure Renewal

The key focus of the proposed 2023-2024 budget is sustainable long-term infrastructure management to effectively deliver natural gas and electric energy to customers within the City service area at competitive rates while meeting or exceeding industry standards.

KEY RISKS:

Health, Safety and Environmental Impact:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on industry best practices, standards, and current provincial and federal regulations to ensure department activities meet all appropriate environmental considerations.

Financial Impact:

Funding Request:	Yes	If yes, amount: As noted below.
Budgeted Item:	Yes	Funding Source: Utility Rates
Funding Explanation:	Utility expenses are recovered through utility rates	
Budget Amendment Form?	No	

ELECTRIC DISTRIBUTION (000's)	2022 Budget	2023 / 2022 Budget Changes	2023 Budget	2023 / 2022 Budget % Changes	2024 / 2023 Budget Changes	2024 Budget	2024 / 2023 Budget % Changes
Revenues	21,211	1,018	22,229	5%	1,523	23,753	8%
Expenses	7,569	271	7,840	4%	368	8,208	5%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITA)	13,642	747	14,389	5%	1,155	15,544	8%
Average Residential Rate Increase (637 kWh / mo.)			\$1.82 / mo.			\$2.08 / mo.	

GAS DISTRIBUTION (000's)	2022 Budget	2023 / 2022 Budget Changes	2023 Budget	2023 / 2022 Budget % Changes	2024 / 2023 Budget Changes	2024 Budget	2024 / 2023 Budget % Changes
Revenues	15,277	-451	14,826	-3%	433	15,259	3%
Expenses	7,630	-15	7,615	0%	247	7,862	19%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITA)	7,647	-436	7,211	-6%	186	7,397	3%
Average Residential Rate Increase (11 GJ / mo.)			\$(0.21) / mo.			\$1.37 / mo.	

Legal / Policy Impact:

Utility Distribution System Rates for 2023 and 2024 subject to passing of the amended Electric and Gas Utility Rate Bylaws.

Public Implications:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on City Council's strategic priorities and in accordance with corporate policies and industry best practices.

Rate impacts will vary by customer class. The average monthly increase for residential customers will be approximately \$1.61 per month in 2023 and \$3.45 per month in 2024.

BACKGROUND:

The 2023 and 2024 Operating Budgets and Tangible Capital Asset Budgets have been prepared based on the City Operations (formerly known as Utility Distribution System) Business Plan that follows sound industry practices, Federal and Provincial regulations, historical activity levels and growth trends. They are in alignment with City Council's strategic priorities.

The financial strategies in the Business Plan and Budgets reflect a continuation of City Council's policy for utilities to be financially sustainable by ensuring that the 2023 and 2024 revenue requirement is based on maintaining the revenue to cost ratio of 1 including a return on capital investment.

The City continues to pursue all opportunities to secure public funding sources to limit the amount of internal capital required.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

Do not adjust utility rates to reflect revenue requirements. This option is not recommended as utility rate revenue adjustments support the long-term financial sustainability of each utility.

IMPLEMENTATION PLAN:

Subject to Council approval, the rates will become effective on January 1, 2023.

PREPARED BY & DATE:	Grayson Mauch, Director, City Operations	October 17, 2022
APPROVED BY & DATE:	Brad Maynes, Managing Director, Energy and Infrastructure	
ATTACHMENTS:	#1: 2023-2024 Electric Distribution Operating Budget (Rate Supported) #2: 2023-2024 Gas Distribution Operating Budget (Rate Supported) #3: 2023-2024 Electric Distribution Tangible Capital Budget #4: 2023-2024 Gas Distribution Tangible Capital Budget #5: Bylaw No. 4726 to amend Bylaw No. 2489 the Gas Utility Bylaw #6: Bylaw No. 4727 to amend Bylaw No. 4688 the Electric Utility	

ATTACHMENT #1

Electric Distribution
2023 - 2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.	2025 FORECAST	2025 BUDGET
Revenue										
Sale of Services	21,184	1,018	22,202	5%	1,523	23,726	7%	1	25,145	27,075
Other Revenue	27	0	27	0%	0	27	0%		27	27
TOTAL REVENUE	21,211	1,018	22,229	5%	1,523	23,753	8%		26,034	27,978
Expenses										
Salaries, Wages & Benefits	6,345	-73	6,271	-1%	305	6,577	5%		6,894	7,224
Contracted Services	1,132	295	1,428	26%	57	1,485	4%	3	1,544	1,606
Materials, Goods & Supplies	24	46	69	195%	3	72	4%		75	78
Other Operating Expenses	68	3	71	5%	3	74	4%		77	80
TOTAL EXPENSES	7,569	271	7,840	4%	368	8,208	5%		15,670	16,322
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION	13,642	747	14,389	5%	1,155	15,544	8%		10,364	11,657
Internal Recovery	2,660	-1,826	834	-69%	14	848	2%	2	862	877
Internal Charges and Transfers	7,516	-861	6,655	-11%	189	6,843	3%	6	7,079	7,333
Net Internal Charges	4,856	965	5,821	20%	175	5,996	3%			
Amortization and Provision for Abandonment	4,636	1,143	5,779	25%	236	6,015	4%	5	6,601	6,925
Interest on Long-term Debt	1,691	178	1,869	11%	1,507	3,376	81%	4	3,225	3,233
NET EXPENSES (REVENUES)	2,459	-1,539	920	-63%	-763	158	-83%			
Contribution to Reserves	1,570	(1,570)	-	-100%	0	-	#DIV/0!		-	-

(4,856) * 35% (5,821) 13% (5,996) 12%

REF NO.	NOTE	\$
1	Sale of services increase is due to revenue requirements as a result of increased operating expenses and increased return on capital investment.	1,018
2	Internal recoveries decrease is due to lower recoveries of the electric owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-1,826
3	Contracted & general services expense increase is due to additional funds for 3rd party repairs, based on historical repairs, and a run to fail	295
4	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	178
5	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	1,143
6	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commissioner and interdepartmental charges to itself.	-861

ATTACHMENT #2

Gas Distribution
2023 - 2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.	2025 FORECAST	2025 BUDGET
Revenue										
Sale of Services	15,272	-451	14,821	-3%	433	15,254	3%	1	15,615	15,999
Other Revenue	5	0	5	0%	0	5	0%		5	5
TOTAL REVENUE	15,277	-451	14,826	-3%	433	15,259	3%		15,730	16,116
Expenses										
Salaries, Wages & Benefits	3,721	-155	3,566	-4%	85	3,651	2%	3	3,738	3,826
Contracted Services	3,465	139	3,603	4%	144	3,748	4%	4	3,897	4,053
Materials, Goods & Supplies	332	13	346	4%	14	359	4%		374	389
Other Operating Expenses	112	-12	100	-11%	4	104	4%		108	112
TOTAL EXPENSES	7,630	-15	7,615	0%	247	7,862	19%		11,623	12,008
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION	7,647	(436)	7,211	-6%	186	7,397	3%		4,108	4,109
Internal Recovery	374	-269	106	-72%	2	108	0	2	110	112
Internal Charges and Transfers	3,752	-495	3,257	-13%	139	3,396	4%	7	3,506	3,627
Net Internal Charges	3,377	-226	3,151	-7%	136	3,288	4%			
Amortization and Provision for Abandonment	1,941	451	2,392	23%	108	2,500	5%	6	2,522	2,498
Interest on Long-term Debt	524	101	626	19%	147	773	24%	5	786	796
NET EXPENSES (REVENUES)	1,804	-762	1,042	-42%	-205	837	-20%			
Contribution to Reserves	1,517	(1,517)	-	-100%	784	784	#DIV/0!		-	-

REF NO.	NOTE	\$
1	Sale of services decrease is due to revenue requirements as a result of reduced internal cost allocations.	-451
2	Internal recoveries decrease is due to lower recoveries of the gas owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-269
3	Salaries and wages expense decrease is due to changes to benefit calculations.	-155
4	Contracted & general services expense increase is due to inflationary increases.	139
5	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	101
6	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	451
7	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commission and interdepartmental charges to itself.	-495



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Electric Distribution - Capital

			BUDGET REQUEST					BUDGET FORECAST					
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
52610916	COP-ELD-2023-MHS-11 Substation	Growth Capital - TCA	24,000	-	-	-	-	-	-	-	-	-	24,000
52610917	COP-ELD-2023 -2024 extensions and Improvements for 3rd party developers	Growth Capital - TCA	-	-	803	803	-	-	-	-	-	-	1,606
52610918	COP-ELD-2023-2024 New Service Installs	Growth Capital - TCA	385	385	-	-	-	-	-	-	-	-	770
52610919	COP-ELD-2023 - 2024 Cable Replacement	Sustaining Capital - TCA	310	850	-	-	-	-	-	-	-	-	1,160
52610920	COP-ELD-2023 - 30/40/60L Upgrade of transmission line capacity Phase 1	Growth Capital - TCA	2,200	-	-	-	-	-	-	-	-	-	2,200
52610921	COP-ELD-2023-2024 Fuse Coordination	Sustaining Capital - TCA	-	-	51	-	-	-	-	-	-	-	51
52610922	COP-ELD-2023-MHS3 Lightning Protection	Sustaining Capital - TCA	429	-	-	-	-	-	-	-	-	-	429
52610923	COP-ELD-2023-MHS2 Transformer Protection	Sustaining Capital - TCA	513	-	-	-	-	-	-	-	-	-	513
52610924	COP-ELD-2023-MHS3 69kV bus protection	Sustaining Capital - TCA	860	-	-	-	-	-	-	-	-	-	860
52610925	COP-Electric Distribution-2025-30/40/60L Upgrade of transmission line capacity Phase 2	Growth Capital - TCA	-	-	23,300	-	-	-	-	-	-	-	23,300
52610926	COP-ELD-2023 Tower Estates Electric system replacement	Sustaining Capital - TCA	-	-	4,518	-	-	-	-	-	-	-	4,518
52610927	COP-Electric Distribution-2025-2032 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	803	803	803	803	803	803	803	803	6,424
52610928	COP-ELD-2024-Switchgear Replacement	Sustaining Capital - TCA	-	385	-	-	-	-	-	-	-	-	385
52610929	COP-Electric Distribution-2025-2032 Cable Replacement	Sustaining Capital - TCA	-	-	500	500	500	500	500	500	500	500	4,000
52610930	COP-Electric Distribution-2025-2032 New Service Installs	Growth Capital - TCA	-	-	583	583	583	583	583	583	583	583	4,664
52610931	COP-Electric Distribution-2032-MHS10 Transformer Addition	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	5,000	5,000
52610932	COP-Electric Distribution-2031-MHS10 Capacitor Bank	Growth Capital - TCA	-	-	-	-	-	-	-	-	1,500	-	1,500
52610933	COP-Electric Distribution-2032 MHS5 Station Service	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	1,000	1,000
52610934	COP-Electric Distribution-2032-New feeder to Kin Coulee Feeder from MHS11	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	2,000	2,000
52610935	COP-ELD-2023-2024 Energy Modernization	Growth Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
52610936	COP-ELD-2023-MHS3 Station service upgrade	Sustaining Capital - TCA	768	-	-	-	-	-	-	-	-	-	768
52610937	COP-Electric Distribution-2030-Recluser Replacement	Sustaining Capital - TCA	-	-	-	-	-	-	-	110	-	-	110
52610938	COP-Electric Distribution-2025 -2032 Switchgear Replacement	Sustaining Capital - TCA	-	-	250	250	250	250	250	250	250	250	2,000
52610939	COP-Electric Distribution-2031 Underground System Extension Ranchlands	Growth Capital - TCA	-	-	-	-	-	-	-	-	520	-	520
52610940	COP ELD 2023-2024 Control Systems Hardware Upgrades	Sustaining Capital - TCA	245	-	-	-	-	-	-	-	-	-	245
52610941	COP ELD 2023-2024 Commercial Metering Test Set	Sustaining Capital - TCA	60	-	-	-	-	-	-	-	-	-	60
52610943	COP ELD 2023-2024 Six Channel Relay Set	Sustaining Capital - TCA	110	-	-	-	-	-	-	-	-	-	110
52610944	COP ELD 2023-2024 Revenue Meters	Sustaining Capital - TCA	641	-	-	-	-	-	-	-	-	-	641
52610945	COP ELD 2023-2024 Oil Filtration Unit	Sustaining Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
52610946	COP ELD 2023-2024 Surveillant Upgrade	Growth Capital - TCA	-	-	320	-	-	-	-	-	-	-	320
52610947	COP ELD 2023-2024 Critical Substation Equipment Spares	Sustaining Capital - TCA	270	-	-	-	-	-	-	-	-	-	270
52610948	COP ELD 2023-2024 Oil Processing MH13B-T23	Sustaining Capital - TCA	98	-	-	-	-	-	-	-	-	-	98
52610949	COP ELD 2023-2024 Substation HVAC replacement	Sustaining Capital - TCA	-	-	145	-	-	-	-	-	-	-	145
52610950	COP ELD 2023-2024 Tap Changer Controller Upgrade	Sustaining Capital - TCA	120	-	-	-	-	-	-	-	-	-	120
52610951	COP ELD 2023-2024 MHS-03 Duct System Upgrade	Sustaining Capital - TCA	130	-	-	-	-	-	-	-	-	-	130
52610952	COP ELD 2023-2024 MHS-2 Security Camera's	Sustaining Capital - TCA	-	-	231	-	-	-	-	-	-	-	231
52610953	COP ELD 2023-2024 T-11 Power Transformer Falling Bushing Replacement	Sustaining Capital - TCA	168	-	-	-	-	-	-	-	-	-	168
52610954	COP ELD 2023-2024 EOL Power Transformer Bushing Replacement	Sustaining Capital - TCA	456	-	-	-	-	-	-	-	-	-	456
52610955	COP ELD 2023-2024 Control Systems Cyber Requirements	Sustaining Capital - TCA	400	-	-	-	-	-	-	-	-	-	400
52610956	COP ELD 2023-2024 Distribution Fiber System Renewal	Sustaining Capital - TCA	-	-	100	-	-	-	-	-	-	-	100
52610957	COP ELD 2023-2024 Distribution Overhead System Renewal	Sustaining Capital - TCA	3,509	-	-	-	-	-	-	-	-	-	3,509
52610958	COP ELD 2023-2024 Distribution Underground System Renewal	Sustaining Capital - TCA	1,321	-	-	-	-	-	-	-	-	-	1,321
52610959	COP ELD 2025-2032 Distribution Underground System Renewal	Sustaining Capital - TCA	-	-	7,102	-	-	-	-	-	-	-	7,102
52610960	COP ELD 2025-2032 Substation System Renewal	Sustaining Capital - TCA	-	-	7,200	-	-	-	-	-	-	-	7,200
52610961	COP ELD 2025-2032 Distribution Overhead System Renewal	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	-	-
52610962	COP ELD 2025-2032 Distribution Fiber System Renewal	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
52610963	COP ELD 2025-2032 Revenue Meters	Sustaining Capital - TCA	-	-	3,051	-	-	-	-	-	-	-	3,051
52610964	COP ELD 2025-2032 Control Systems Cyber System Renewal	Sustaining Capital - TCA	-	-	2,200	-	-	-	-	-	-	-	2,200
52610965	COP-Electric Distribution-2025-2027 Fuse Coordination	Sustaining Capital - TCA	-	-	195	-	-	-	-	-	-	-	195
52610967	COP-Electric Distribution-2025 - 2032 Energy Modernization	Growth Capital - TCA	-	-	700	700	700	700	700	700	700	700	5,600
52610968	COP-Electric Distribution-2032 New Dunmore Feeder	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	1,115	1,115
52610969	COP-ELD-2023 line protection upgrade	Sustaining Capital - TCA	1,028	-	-	-	-	-	-	-	-	-	1,028
52610970	COP-Electric Distribution-2025 MHS7 digital fault recording installation	Sustaining Capital - TCA	-	-	405	-	-	-	-	-	-	-	405
52610971	COP-Electric Distribution-2027-2032 Substation Upgrades	Growth Capital - TCA	-	-	-	-	24,003	-	-	-	-	-	24,003
52610972	COP-Electric Distribution-2025-2027 Online oil and DGA Monitoring	Sustaining Capital - TCA	-	-	2,543	-	-	-	-	-	-	-	2,543
52610973	COP-Electric Distribution-2026-2029 Protection upgrades	Sustaining Capital - TCA	-	-	-	1,582	-	-	-	-	-	-	1,582
52610974	COP ELD 2023-2024 Customer Power Quality Monitoring Tool	Sustaining Capital - TCA	-	-	20	-	-	-	-	-	-	-	20
DEPARTMENTAL TOTAL			\$ 38,021	\$ 1,620	\$ 55,870	\$ 5,221	\$ 26,839	\$ 2,836	\$ 2,836	\$ 2,946	\$ 4,856	\$ 11,951	\$ 152,996
			BUDGET REQUEST					BUDGET FORECAST					
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES (Cash Flow)													
Debtenture			32,058	-	26,909	2,889	26,089	2,086	2,086	2,086	4,106	10,201	108,510
Operating / Working Capital			5,963	1,620	28,961	2,332	750	750	750	860	750	1,750	44,486
FINANCING TOTAL			\$ 38,021	\$ 1,620	\$ 55,870	\$ 5,221	\$ 26,839	\$ 2,836	\$ 2,836	\$ 2,946	\$ 4,856	\$ 11,951	\$ 152,996



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Gas Distribution - Capital

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST			BUDGET FORECAST							
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
60410592	COP-GSD-2023 TCA-Rural System Upgrades Phase 1	Sustaining Capital - TCA	183	-	-	-	-	-	-	-	-	-	183
60410593	COP-GSD-2023 Rural Replacement	Sustaining Capital - TCA	100	-	-	-	-	-	-	-	-	-	100
60410594	COP-GSD-2023 - 2024 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	350	350	-	-	-	-	-	-	700
60410595	COP-GSD-2023-2024 new services	Growth Capital - TCA	294	294	-	-	-	-	-	-	-	-	588
60410596	COP-GSD-2023-2024 Norwood system upgrades	Sustaining Capital - TCA	608	599	-	-	-	-	-	-	-	-	1,207
60410597	COP-GSD-2023-2024 High Pressure system alterations	Sustaining Capital - TCA	186	173	-	-	-	-	-	-	-	-	359
60410598	COP-Gas Distribution-2025-2032 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	350	350	350	350	350	350	350	350	2,800
60410599	COP-Gas Distribution-2025-2032 new services	Growth Capital - TCA	-	-	446	446	446	446	446	446	446	446	3,568
60410600	COP-GSD-2023 Tower Estates pipeline replacement	Sustaining Capital - TCA	-	-	2,058	-	-	-	-	-	-	-	2,058
60410601	COP-GSD-2023 Station #117 Alterations	Sustaining Capital - TCA	-	-	143	-	-	-	-	-	-	-	143
60410602	COP-Gas Distribution-2025-2031 High Pressure system alterations	Sustaining Capital - TCA	-	-	807	581	240	1,200	-	-	60	-	2,888
60410603	COP-Gas Distribution-2025-2026 Norwood system upgrades	Sustaining Capital - TCA	-	-	622	486	-	-	-	-	-	-	1,108
60410606	COP-Gas Distribution-2027-2030 Crestwood system upgrade	Sustaining Capital - TCA	-	-	-	-	450	450	450	400	-	-	1,750
60410613	COP-Gas Distribution-2031 - 2032 NW Crescent Heights renewal	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	900	-	900
60410614	COP-Gas Distribution-2025-2032 Feeder Valve Replacement Program	Sustaining Capital - TCA	-	-	221	221	221	221	221	221	221	221	1,768
60410615	COP-Gas Distribution-2032 Rural system upgrades Phase 2	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	148	148
60410616	COP GSD 2023-24 Gas Meters	Sustaining Capital - TCA	1,250	-	-	-	-	-	-	-	-	-	1,250
60410617	COP GSD 2025-32 Gas Meters	Sustaining Capital - TCA	-	-	825	-	875	-	890	-	890	-	3,480
60410618	COP-GSD-2032 CL Land farm tap replacement	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	50	50
60410619	COP-Gas Distribution-2032 Replace anode bed	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	266	266
60410620	COP-GSD-2023-2024 Crescent Heights Feeder Main Extension and Riverside upgrade	Sustaining Capital - TCA	1,401	1,369	-	-	-	-	-	-	-	-	2,770
60410621	COP-Gas Distribution-2027 Replace R-7 anode bed	Sustaining Capital - TCA	-	-	-	-	133	-	-	-	-	-	133
60410622	COP-Gas Distribution-2025 Replace anode bed	Sustaining Capital - TCA	-	-	266	-	-	-	-	-	-	-	266
60410623	COP-Gas Distribution-2031 Replace R-9 anode bed	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	133	-	133
60410624	COP-Gas Distribution-2026 Replace R-14 anode bed	Sustaining Capital - TCA	-	-	-	133	-	-	-	-	-	-	133
60410625	COP-Gas Distribution-2025 Replace R-25 anode bed	Sustaining Capital - TCA	-	-	133	-	-	-	-	-	-	-	133
60410626	COP-Gas Distribution-2027 Replace high pressure water crossing	Sustaining Capital - TCA	-	-	-	-	1,334	-	-	-	-	-	1,334
60410627	COP-Gas Distribution-2028 Industrial Ave Redcliff Pipeline upgrade	Sustaining Capital - TCA	-	-	-	-	-	512	-	-	-	-	512
60410628	COP-Gas Distribution-2025-2029 Riverside upgrade	Sustaining Capital - TCA	-	-	1,379	1,369	1,178	1,178	1,178	-	-	-	6,282
DEPARTMENTAL TOTAL			\$ 4,022	\$ 2,435	\$ 7,600	\$ 3,936	\$ 5,227	\$ 4,357	\$ 3,535	\$ 1,417	\$ 3,000	\$ 1,481	\$ 37,010

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST			BUDGET FORECAST							
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
Debtenture	1,401	1,369	1,146	1,146	796	796	796	796	796	796	9,838
Operating / Working Capital	2,621	1,066	6,454	2,790	4,431	3,561	2,739	621	2,204	685	27,172
FINANCING TOTAL	\$ 4,022	\$ 2,435	\$ 7,600	\$ 3,936	\$ 5,227	\$ 4,357	\$ 3,535	\$ 1,417	\$ 3,000	\$ 1,481	\$ 37,010

BYLAW NO. 4726

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 2489, the Gas Utility Bylaw.

WHEREAS Council considers it advisable to amend Bylaw No. 2489;

NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:

1. Bylaw No. 2489 is amended as set out in this Bylaw.
2. The table in section 2 of Schedule “A” is deleted and replaced with the following:

“The 2023 rates and charges for services provided by the Gas Utility are as follows:

Rate Class	Administration Charge	Distribution Tariff		Commodity Charge	Environmental Conservation Charge	Municipal Consent & Access Fee (MCAF)
		Service Charge	Delivery Charge			
Rate Class A - Residential	\$0.0890 / day	\$0.7390 / day	\$1.354 / Gj	See Note (1)	\$0.90 / Gj - additional charge for gas in excess of 19 Gjs / Mth	See Note (2)
Rate Class A – Commercial, Industrial and other Non-Residential	\$0.0890 / day	\$0.7390 / day	\$1.354 / Gj	See Note (1)	-----	See Note (2)
Rate Class B –Commercial, Industrial and other Non-Residential	\$2.8790 / day	\$18.09 / day	\$0.618 / Gj	See Note (1)	-----	See Note (2)
Rate Class C –High Pressure Service	-----	\$50.94 / day	\$0.255 / Gj	-----	-----	See Note (2)
Rate Class D –Wheeling High Pressure Service	-----	-----	\$0.255 / Gj	-----	-----	See Note (2)

The 2024 rates and charges for services provided by the Gas Utility are as follows:

Rate Class	Administration Charge	Distribution Tariff		Commodity Charge	Environmental Conservation Charge	Municipal Consent & Access Fee (MCAF)
		Service Charge	Delivery Charge			
Rate Class A - Residential	\$0.0920 / day	\$0.7650 / day	\$1.399 / Gj	See Note (1)	\$0.90 / Gj - additional charge for gas in excess of 19 Gjs / Mth	See Note (2)
Rate Class A – Commercial, Industrial and other Non-Residential	\$0.0920 / day	\$0.7650 / day	\$1.399 / Gj	See Note (1)	-----	See Note (2)
Rate Class B –Commercial, Industrial and other Non-Residential	\$2.7230 / day	\$18.82 / day	\$0.637 / Gj	See Note (1)	-----	See Note (2)
Rate Class C –High Pressure Service	-----	\$52.13 / day	\$0.261 / Gj	-----	-----	See Note (2)
Rate Class D –Wheeling High Pressure Service	-----	-----	\$0.261 / Gj	-----	-----	See Note (2)

3. Section 2 of the Notes in Schedule “A” is deleted and replaced with the following:

“(2) The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The 2023 MCAF is 20.25% of the monthly Distribution Tariff Charge. The 2024 MCAF is 24.00% of the monthly Distribution Tariff Charge.”

4. In subsection 3.7 (b) of Schedule “A”, “\$4.35” is deleted and replaced with “\$5.50”.

5. Schedule “B” is repealed and replaced by the Schedule “B” attached to this Bylaw.

6. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____

READ A SECOND TIME in open Council on _____

READ A THIRD TIME in open Council on _____

SIGNED AND PASSED on _____

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE “B” TO BYLAW 2489**AS AMENDED BY BYLAW NO. 4726
(Effective January 1, 2023)****RECONNECTION, DISCONNECTION AND TRANSFER FEES AND METER
DISPUTE CHARGES****1. RECONNECTION, DISCONNECTION AND TRANSFER FEES**

The Consumer shall pay to the City a fee as follows:

		Effective January 1, 2023	Effective January 1, 2024
1.1	Transfer Fee for Premises Already Connected	\$17.00	\$17.34
1.2	Fee for reconnection where the gas service has been disconnected: (a) reconnection during normal working hours (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$74.11	\$75.27
	(b) Reconnection Fee - after hours	\$110.49	\$112.38
	(c) reconnection if reinstallation of meter and regulator is required.	Actual Cost	Actual Cost
1.3	Fee for disconnection: (a) disconnection during normal working hours (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$74.11	\$75.27
	(b) Disconnection Fee - after hours	\$110.49	\$112.38
1.4	Fee for issuance of disconnect warning notice	\$23.50	\$24.00

An application for reconnection or disconnection to be carried out on the same day as the application is made will be charged the “after normal working hours” fee if the application is received after 10:00 a.m. and overtime work is required to complete the reconnection or disconnection.

2. METER DISPUTE SERVICE CHARGE

The following charge is in reference to Section 25 “Meter Disputes”.

If testing indicates that the Gas meter is outside the accuracy limits acceptable to the government agency having jurisdiction, the billing adjustment will include a refund of the Meter Dispute Service Charge. The service charge includes the government agency’s testing fee and removal/replacement of meter.

		Effective January 1, 2023	Effective January 1, 2024
2.1	Meter Dispute Service Charge: (a) During normal working hours only (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$147.70	\$150.65

3. TERMS OF PAYMENT

Transfer, reconnection and disconnection fees and meter dispute service charge are payable at the time of application. Disconnect warning notice fee is payable upon issuance of the notice.

NOTE: WHEREVER APPLICABLE, THE GOODS AND SERVICES TAX SHALL BE ADDED TO THE FEES, RATES, CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY PURSUANT TO THIS BYLAW (SEE BYLAW NO. 2716).

BYLAW NO. 4727

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 2244, the Electric Utility Bylaw.

WHEREAS Council considers it advisable to amend Bylaw No. 2244;

NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:

- 1) Bylaw No. 2244 is amended as set out in this Bylaw.
- 2) Section 1.1 (s) is repealed and replaced with the following:

““Renewable or alternative energy” means electric energy generated from

 - (i) products having current EcoLogo certification;
 - (ii) solar, if the greenhouse gas intensity of the electric energy produced is less than or equal to 150 kg per MWh, or
 - (iii) projects including wind, hydro, fuel cell, geothermal, biomass or other generation sources, if the greenhouse gas intensity of the electric energy produced and the total energy produced from the simultaneous generation of electric energy and production of thermal energy from the same fuel source has a greenhouse gas intensity of less than or equal to 418 kg per MWh, subject to approval by the CAO on a case by case basis, who shall take into account the following in reaching a decision:
 - (A) constraints on electricity supply in the proposed project area;
 - (B) requirements contained in the the City’s Land Use Bylaw, if applicable;
 - (C) requirements contained in any other applicable statutory plan(s);
 - (D) requirements contained in the City’s Community Noise Standards Bylaw, if applicable; and
 - (E) the forecasted economic benefits to the City resulting from a proposed project.”
- 3) In Schedule A on the first page and Schedule B on the first page, “Effective: January 1, 2022” is deleted and replaced with “Effective: January 1, 2023” and “Rate Approval: Bylaw 4688” is deleted and replaced with “Rate Approval: Bylaw 4723.”
- 4) In Schedule A, E.1.1 and Schedule B, N.1.1:
 - a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,
 - b) The Administration section is amended by deleting “\$0.0917 per day” and replacing with “2023 - \$0.102 per day, 2024 - \$0.0953 per day”,
 - c) The Distribution Access Service section is amended by deleting “\$0.4240 per day” and replacing with “2023 - \$0.44230 per day, 2024 - \$0.4730 per day”,
 - d) The Distribution Access Service section is amended by deleting “\$0.0218 per kWh” and replacing with “2023 - \$0.0228 per kWh, 2024 - \$0.0244 per kWh”,
 - e) The Capacity Charge section is amended by deleting “0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0.02727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 15.25% of the monthly Distribution Access Service Charges in 2023 and 18.00% of the monthly Distribution Access Service Charges in 2024.”

5) In Schedule A, E.2.1 and Schedule B, N.2.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,

- b) The Administration section is amended by deleting “\$0.0886 per day” and replacing with “2023 - \$0.099 per day, 2024 - \$0.0929 per day”,

- c) The Distribution Access Service section is amended by deleting “\$0.6274 per day” and replacing with “2023 - \$0.65530 per day, 2024 - \$0.69960 per day”,

- d) The Distribution Access Service section is amended by deleting “\$0.0099 per kWh” and replacing with “2023 - \$0.0104 per kWh, 2024 - \$0.0111 per kWh”,

- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

6) In Schedule A, E.3.1 and Schedule B, N.3.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,

- b) The Administration section is amended by deleting “\$0.0943 per day” and replacing with “2023 - \$0.1053 per day, 2024 - \$0.0988 per day”,

- c) The Distribution Access Service section is amended by deleting “\$0.6277 per day” and replacing with “2023 - \$0.6547 per day, 2024 - \$0.6984 per day”,

- d) The Distribution Access Service section is amended by deleting “\$0.0202 per kWh” and replacing with “2023 - \$0.0211 per kWh, 2024 - \$0.0225 per kWh”,

- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

7) In Schedule A, E.3.3 and Schedule B, N.3.3:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:
“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,
- b) The Administration section is amended by deleting “\$0.6441 per day” and replacing with “2023 - \$0.7212 per day, 2024 - \$0.67580 per day”,
- c) The Distribution Access Service section is amended by deleting “\$2.6395 per day” and replacing with “2023 - \$2.7566 per day, 2024 - \$2.9411 per day”,
- d) The Distribution Access Service section is amended by deleting “\$5.45 per kVA” and replacing with “2023 - \$5.68 per kVa, 2024 - \$6.08 per kVa”,
- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”,
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

8) In Schedule A, E.4.1 and Schedule B, N.4.1:

- a) The Administration section is amended by deleting “\$11.8924 per day” and replacing with “\$13.30910 per day, 2024 - \$12.3548 per day”,
- b) The Distribution Access Service section is amended by deleting “\$2.5671 per day” and replacing with “2023 - \$2.68020 per day, 2024 - \$2.8635 per day”,
- c) The Distribution Access Service section is amended by deleting “\$4.93 per kVA” and replacing with “2023 - \$5.15 per kVA, 2024 - \$5.50 per kVA”,
- d) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

9) In Schedule A, E.5.1 and Schedule B, N.5.1:

- a) The Administration section is amended by deleting "\$57.7534 per day" and replacing with "2023 - \$65.375 per day, 2024 - \$61.2052 per day",
- b) The Distribution Access Service section is amended by deleting "\$2.4789 per day" and replacing with "2023 - \$2.5874 per day, 2024 - \$2.7638 per day",
- c) The Distribution Access Service section is amended by deleting "\$4.89 per kVA" and replacing with "2023 - \$5.11 per kVA, 2024 - \$5.46 per kVA",
- d) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0.2727 per kWh",
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

10) In Schedule A, E.6.1 and Schedule B, N.6.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:
"pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.",
- b) The Administration section is amended by deleting "\$0.1189 per day" and replacing with "2023 - \$0.1332 per day, 2024 - \$0.1244 per day",
- c) The Distribution Access Service section is amended by deleting "\$0.2882 per day" and replacing with "2023 - \$0.3007 per day, 2024 - \$0.3212 per day",
- d) The Distribution Access Service section is amended by deleting "\$0.0122 per kWh" and replacing with, "2023 - \$0.01270 per kWh, 2024 - \$0.01360 per kWh",
- e) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0.2727 per kWh", and
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

11) In Schedule A, E.7 and Schedule B, N.7:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:
"pay an Energy Charge for electrical energy consumption of \$0.130 per kWh."
- b) The Administration section is amended by deleting "\$0.1189 per day" and replacing with "2023 - \$0.13360 per day, 2024 - \$0.12430 per day",

- c) The Distribution Access Service section is amended by deleting "\$0.1665 per day" and replacing with "2023 - \$0.1737 per day, 2024 - \$0.186 per day",
- d) The Distribution Access Service section is amended by deleting "\$0.0086 per kWh" and replacing with "2023 - \$0.00890 per kWh, 2024 - \$0.0095 per kWh",
- e) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh",
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

12) In Schedule A, E.8 and Schedule B, N.8:

- a) The Administration section is amended by deleting "\$0.0151 per day" and replacing with "2023 - \$0.017 per day, 2024 - \$0.0159 per day",
- b) The Distribution Access Service section is amended by deleting "\$0.1542 per day" and replacing with "2023 - \$0.161 per day, 2024 - \$0.1719 per day",
- c) The Distribution Access Service section is amended by deleting "\$0.0075 per kWh" and replacing with "2023 - \$0.0079 per kWh, 2024 - \$0.0084 per kWh",
- d) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh", and
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

13) This Bylaw shall come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

BRIEFING NOTE

DECISION

2023 – 2024 ENVIRONMENTAL UTILITIES OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

ISSUE:

Approval of the 2023-2024 Environmental Utilities Operating & Capital Budget.

RECOMMENDATION:

It is recommended through the Administrative Committee that City Council approves the:

- a) 2023-2024 Environmental Utilities Operating Revenue and Expenditure Budget
- b) 2023-2024 Environmental Utilities Capital Budget
- c) Environmental Utilities Rates for 2023 and 2024 subject to passing of the Water, Sewer, and Solid Waste Rate Bylaws.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility & Infrastructure Renewal

The Energy & Infrastructure division supports fiscal responsibility through sustainable rates that ensure full cost recovery as well as a regulated return on capital investment. In addition to fiscal responsibility, the division has implemented a comprehensive risk-based asset management plan across all asset classes with a view to balance investment with operational efficiencies and costs.

KEY RISKS:

Health, Safety and Environmental Impact:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on industry best practices, standards and current provincial and federal regulations to ensure department activities meet all appropriate environmental considerations.

Financial Impact:

Funding Request:	Yes	If yes, amount: See Below
Budgeted Item:	Yes	Funding Source: Utility Rates
Funding Explanation:	Utility expenses are recovered through utility rates	
Budget Amendment Form?	No	

WATER (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	28,789	(1,063)	27,726	(4%)	1,376	29,102	5%
Expenses	16,247	(117)	16,130	(1%)	301	16,431	2%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	12,542	(946)	11,596	(8%)	1,075	12,671	9%
Average Residential Rate Increase (15 m3 / mo)				\$2.75 / mo			\$2.19 / mo

SEWER (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	22,821	877	23,698	4%	638	24,336	3%
Expenses	11,414	719	12,133	6%	288	12,421	2%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	11,407	158	11,565	1%	350	11,915	3%
Average Residential Rate Increase				\$1.04 / mo			\$1.06 / mo

SOLID WASTE (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	12,667	552	13,218	4%	512	13,731	4%
Expenses	11,332	5	11,337	0%	287	11,624	3%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	1,335	547	1,881	41%	225	2,107	12%
Average Residential Rate Increase				\$0.60 / mo			\$0.63 / mo

Legal / Policy Impact:

Environmental Utilities Rates for 2023 and 2024 subject to passing of the amended Water, Sewer, and Solid Waste Rate Bylaws.

Public Implications:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on City Council's strategic priorities and in accordance with corporate policies and industry best practices.

Rate impacts will vary by customer class. The average monthly increase for residential customers will be approximately \$4.39 per month in 2023 and \$3.88 per month in 2024.

BACKGROUND:

The Operating Budgets and Tangible Capital Asset Budgets have been prepared based on the City Assets and Medicine Hat Power and Water (formerly known as Environmental Utilities) Business Plans that follows sound industry practices, Federal and Provincial regulations, historical activity levels and growth trends. They are in alignment with City Council's strategic priorities.

The financial strategies in the Business Plan and Budgets reflect a continuation of City Council's policy for utilities to be financially sustainable by ensuring that the 2023 and 2024 revenue requirement is based on maintaining the revenue to cost ratio of 1 including a return on capital investment.

The City continues to pursue all opportunities to secure public funding sources to limit the amount of internal capital required.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

Do not adjust utility rates to reflect revenue requirements. This option is not recommended as utility rate revenue adjustments support the long-term financial sustainability based on Council's policy to achieve full cost recovery within each budget cycle.

IMPLEMENTATION PLAN:

Subject to Council approval, the rates will become effective on January 1, 2023.

PREPARED BY & DATE:	Pat Bohan, Director, City Assets Boyd Mostoway Director, Medicine Hat Power & Water	October 31, 2022
APPROVED BY & DATE:	Brad Maynes, Managing Director, Energy and Infrastructure	
ATTACHMENTS:	#1: 2023-2024 Environmental Utilities Operating Budget (Rate Supported) #2: 2023-2024 Environmental Utilities Capital Budget (Rate Supported) #3: Bylaw No. 4715 to amend Bylaw No. 1541, the Sewer Bylaw #4: Bylaw No. 4716 to amend Bylaw No. 1805, the Waste Bylaw #5: Bylaw No. 4717 to amend Bylaw No. 2379, the Water Service Bylaw	

Water Utility
2023-2024 OPERATING PLAN
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenue								
Municipal Taxes	114	0	114	0%	0	114	0%	
Sale of Services	23,466	1,370	24,836	6%	1,258	26,094	5%	1
Other Revenue	137	10	147	8%	0	147	0%	
Internal Recovery	5,072	-2,443	2,629	-48%	117	2,747	4%	2
TOTAL REVENUE	28,789	-1,063	27,726	-4%	1,376	29,102	10%	
Expenses								
Salaries, Wages & Benefits	5,780	685	6,465	12%	190	6,656	3%	3
Contracted Services	817	313	1,130	38%	-177	953	-16%	4
Materials, Goods & Supplies	1,447	227	1,674	16%	73	1,747	4%	4
Provision for Allowances	38	-1	38	-1%	0	38	0%	
Interest on Long-term Debt	2,944	217	3,161	7%	27	3,188	1%	5
Amortization and Provision for Abandonment	5,084	276	5,360	5%	259	5,619	5%	6
Internal Charges and Transfers	8,165	-1,343	6,822	-16%	215	7,037	3%	2
TOTAL EXPENSES	24,275	375	24,650	2%	588	25,238	2%	
NET REVENUES (EXPENSES)	4,514	(1,438)	3,076	-32%	788	3,864	26%	
Contribution to Reserves	1,108	(1,108)	-	-100%	0	-		

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	1,370
2	Decrease in internal charges and transfers as a result of the new cost allocation methodology; allocations now go directly to Sewer, Solid Waste, WTP and WWTP that were historically charged to Water.	-1,100
3	Salaries increased due to positions moved between Sewer and Water departments. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	685
4	Contracted Services and Materials increased due to repairs required at the Water Treatment Plant.	541
5	Interest on long term debt increased as a result of more debt funding for capital projects.	217
6	Amortization increase due to current projects expected to be completed in 2022.	276

Sewer Utility
2023-2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenue								
Municipal Taxes	113	0	113	0%	0	113	0%	
Sale of Services	22,508	1,036	23,544	5%	639	24,183	3%	1
Other Revenue	193	-152	41	-79%	-1	40	-1%	2
Internal Recovery	7	-7	0	-100%	0	0		
TOTAL REVENUE	22,821	877	23,698	4%	638	24,336	1%	
Expenses								
Salaries, Wages & Benefits	4,984	-615	4,369	-12%	100	4,470	2%	3
Contracted Services	475	86	561	18%	23	585	4%	
Materials, Goods & Supplies	1,251	397	1,648	32%	72	1,720	4%	4
Provision for Allowances	32	0	32	0%	0	32	0%	
Interest on Long-term Debt	2,826	359	3,185	13%	131	3,316	4%	5
Other Operating Expenses	5	0	5	4%	0	5	4%	
Amortization and Provision for Abandonment	5,053	209	5,262	4%	23	5,285	0%	6
Internal Charges and Transfers	4,667	850	5,517	18%	92	5,609	2%	7
TOTAL EXPENSES	19,293	1,286	20,579	7%	444	21,022	0	
NET REVENUES (EXPENSES)	3,528	(409)	3,119	-12%	195	3,314	6%	
Contribution to Reserves	853	(853)	-	-100%	0	-	-	

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	1,036
2	Other Revenue decreased due to a change in services related to sewer clearing. The City now charges for this service and as such, is seeing a decrease in service requests from the public.	-152
3	Salaries decreased due to positions moved between Sewer and Water departments. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	-615
4	Materials, Goods & Supplies increased as a result of inflation as well as budgeting for equipment usage to align with historic actual expenses.	397
5	Interest on long term debt increased as a result of more debt funding for capital projects.	359
6	Amortization increase due to current projects expected to be completed in 2022.	209
7	Increase in internal charges and transfers as a result of the new cost allocation project.	850

Solid Waste Utility
2023-2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenue								
Sale of Services	9,889	334	10,223	3%	255	10,478	2%	1
Other Revenue	346	-346	0	-100%	0	0		2
Internal Recovery	2,432	563	2,995	23%	257	3,253	9%	3
TOTAL REVENUE	12,667	551	13,218	4%	513	13,731	11%	
Expenses								
Salaries, Wages & Benefits	2,882	-177	2,705	-6%	82	2,787	3%	4
Contracted Services	2,620	167	2,787	6%	111	2,898	4%	5
Materials, Goods & Supplies	99	29	128	29%	5	133	4%	
Provision for Allowances	17	-1	17	-3%	0	17	0%	
Bank Charges & Short Term Interest	1	1	2	56%	0	2	4%	
Interest on Long-term Debt	39	-5	34	-12%	-5	30	-13%	
Amortization and Provision for Abandonment	914	-165	749	-18%	-38	711	-5%	6
Other Asset Adjustments	90	0	90	0%	0	90	0%	
Internal Charges and Transfers	5,623	-14	5,609	0%	88	5,698	2%	
TOTAL EXPENSES	12,285	-165	12,120	-1%	244	12,364	2%	
NET REVENUES (EXPENSES)	382	716	1,098	187%	269	1,367	24%	
Contribution to Reserves	438	1,157	1,595	264%	226	1,821		

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	334
2	Other Revenue decreased as a result in a reporting change to carbon credit revenue. This was historically reported as other revenue, however, starting in 2023, it will be recorded as an internal recovery as these will be transferred to Electric Generation.	-346
3	Internal Recovery increased as a result of the reporting change to carbon credit revenue and a marginal increase in the tipping fee at the landfill.	563
4	Salaries decreased due to positions moves within the department. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	-177
5	Contracted Services increased due to inflation.	167
6	Amortization decrease due to a capital projects in 2022 being cancelled and completed under budget.	-165



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Water Utility - Capital

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST					BUDGET FORECAST					
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
20610567	PLT MHPW WTP - 2023 BUILDING CARD ACCESS	Growth Capital - TCA	-	-	-	94	-	-	-	-	-	-	94
20610568	PLT MHPW WTP - 2023 12PH BACKFLUSH REPURPOSING	Growth Capital - TCA	-	-	128	-	-	-	-	-	-	-	128
20610570	PLT MHPW WTP - 2024 PLANT 3 AIR SCOUR PIPING REPLACEMENT	Sustaining Capital - TCA	-	-	189	-	-	-	-	-	-	-	189
20610571	PLT MHPW WTP - 2023-2024 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	-	400	-	-	-	-	-	-	400
20610572	PLT MHPW WTP - 2025-2032 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	1,200	-	-	-	-	-	-	-	1,200
20610573	PLT MHPW WTP - 2026 LED LIGHTING UPGRADE	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	-	-
20610574	PLT MHPW WTP - 2026 PLANT 4 FILTER VAVLES REPLACEMENT	Sustaining Capital - TCA	-	-	-	473	-	-	-	-	-	-	473
20810614	CAS-EU-2023/24-TCA-Water-Miscellaneous Water Distribution Upgrades Program	Sustaining Capital - TCA	500	-	-	-	-	-	-	-	-	-	500
20810615	CAS-EU-2027/28-TCA-Water-South Reservoir Expansion - Pump#6	Growth Capital - TCA	-	-	-	-	650	-	-	-	-	-	650
20810616	CAS-EU-2025-TCA-Water-Booster Station Electrical Upgrades	Sustaining Capital - TCA	-	-	150	-	-	-	-	-	-	-	150
20810617	CAS-EU-2027-TCA-Water-Deep Well Anode Beds Cathodic Protection	Sustaining Capital - TCA	-	-	-	-	300	-	-	-	-	-	300
20810618	CAS-EU-2029/32-TCA-Water-Automated Meter Infrastructure AMI Water Meter replacements program	Sustaining Capital - TCA	-	-	-	-	-	-	250	3,500	3,500	3,500	10,750
20810619	CAS-EU-2024-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	1,200	-	-	-	-	-	-	-	-	1,200
20810620	CAS-EU-2025-2030-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	-	350	1,400	300	1,400	400	1,900	-	-	5,750
20810621	CAS-EU-2025-TCA-Water-North Reservoir Main Twinning	Growth Capital - TCA	-	-	8,400	-	-	-	-	-	-	-	8,400
20810622	CAS-EU-2026-TCA-Water-Kipling St SE Main Twinning	Sustaining Capital - TCA	-	-	-	5,200	-	-	-	-	-	-	5,200
20810623	CAS-EU-2023-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	3,000	-	-	-	-	-	-	-	-	-	3,000
20810624	CAS-EU-2025-2032-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	-	5,000	5,000	6,000	6,000	6,000	7,000	7,000	7,000	49,000
20810625	CAS-EU-2025-TCA-Water-Main Reservoir Upgrades	Growth Capital - TCA	-	-	7,100	-	-	-	-	-	-	-	7,100
20810626	CAS-EU-2025-2026-TCA-Water-College Ave SE Main Twinning	Growth Capital - TCA	-	-	800	3,200	-	-	-	-	-	-	4,000
20810627	CAS-EU-2026-2027-TCA-Water-Airport Booster Station Main Twinning	Growth Capital - TCA	-	-	-	400	1,800	-	-	-	-	-	2,200
20810628	CAS-EU-2026-2027-TCA-Water-Harlow Park Transmission Main Interconnect	Sustaining Capital - TCA	-	-	-	250	950	-	-	-	-	-	1,200
20810629	CAS-EU-2025-2026-TCA-Water-Ranchlands Pressure Reducing Valves	Growth Capital - TCA	-	-	450	-	-	-	-	-	-	-	450
20810630	CAS-EU-2031-2032-TCA-Water-Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	Growth Capital - TCA	-	-	-	-	-	-	-	-	3,500	13,700	17,200
20810631	CAS-EU-2032-TCA-Water-NW Booster Station Expansion Pump #4	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	100	100
20810632	CAS-EU-2029-2030-TCA-Water-North Reservoir Expansion Cell #2	Growth Capital - TCA	-	-	-	-	-	-	700	2,700	-	-	3,400
20810633	CAS-EU-2027-2028-TCA-Water-Main Reservoir Expansion Cell #3	Growth Capital - TCA	-	-	-	-	1,500	7,500	-	-	-	-	9,000
20810634	CAS-EU-2027/31-TCA-Water-Water Valves Replacement Program	Sustaining Capital - TCA	-	-	-	-	500	-	-	-	500	-	1,000
20810635	CAS-EU-2025/32-TCA-Water-Miscellaneous Water Distribution Upgrades program	Sustaining Capital - TCA	-	-	2,000	-	-	-	-	-	-	-	2,000
20810636	CAS-EU-2025/32-TCA-Water Meters Program	Sustaining Capital - TCA	-	-	1,600	-	-	-	-	-	-	-	1,600
20810637	CAS-EU-2027/32-TCA-Water-Booster Station Electrical Upgrades program	Sustaining Capital - TCA	-	-	-	-	400	-	-	-	-	-	400
20810638	CAS-EU-2024-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	4,275	-	-	-	-	-	-	-	-	4,275
20810639	CAS-EU-2023-TCA- Water- Condition Assessment of 1050mm Transmission Main River crossing	Sustaining Capital - TCA	475	-	-	-	-	-	-	-	-	-	475
20810640	CAS-EU-2026-TCA-Water- Police Point Park Aquifer Pump House and Wells Upgrades	Growth Capital - TCA	-	-	-	1,700	-	-	-	-	-	-	1,700
20810641	CAS-EU-2023-TCA-Water-Critical Facility Site Security Upgrades	Sustaining Capital - TCA	350	-	-	-	-	-	-	-	-	-	350
20810642	CAS-EU-2025-TCA-Water-SW Sector Servicing Strategy	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
20810643	CAS-EU-2025/26-TCA-Water Meters Program	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
DEPARTMENTAL TOTAL			\$ 4,325	\$ 5,475	\$ 27,967	\$ 18,117	\$ 12,400	\$ 14,900	\$ 7,350	\$ 15,100	\$ 14,500	\$ 24,300	\$ 144,434

	BUDGET REQUEST					BUDGET FORECAST					
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES											
Debtenture	3,000	5,475	17,078	5,394	2,450	-	-	-	-	-	33,397
Offsite Levies	-	-	-	-	1,500	7,500	700	2,700	3,500	13,800	29,700
Operating / Working Capital	1,325	-	10,889	12,723	8,450	7,400	6,650	12,400	11,000	10,500	81,337
FINANCING TOTAL	\$ 4,325	\$ 5,475	\$ 27,967	\$ 18,117	\$ 12,400	\$ 14,900	\$ 7,350	\$ 15,100	\$ 14,500	\$ 24,300	\$ 144,434

2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Sewer Utility - Capital

			BUDGET REQUEST		BUDGET FORECAST								
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
21410620	CAS-EU-2023/24-TCA-Sewer-Micellaneous Collection System Upgrades program	Sustaining Capital - TCA	500	-	-	-	-	-	-	-	-	-	500
21410621	CAS-EU-2024-TCA-Sewer- River Ridge Lift Station Upgrades	Sustaining Capital - TCA	-	500	-	-	-	-	-	-	-	-	500
21410622	CAS-EU-2025/2030-TCA-Sewer- Lift Station Electrical & Mechanical Upgrades program	Sustaining Capital - TCA	-	-	550	-	-	-	-	-	-	-	550
21410623	CAS-EU-2028-TCA-Sewer-Sewer Effluent Monitoring Station	Sustaining Capital - TCA	-	-	-	-	-	100	-	-	-	-	100
21410624	CAS-EU-2025-TCA-Sewer-IXL Lift Station Pump	Sustaining Capital - TCA	-	-	650	-	-	-	-	-	-	-	650
21410625	CAS-EU-2025/26-TCA-Sewer-Parkview Siphon Sewer - Headworks Rehabilitation	Sustaining Capital - TCA	-	-	550	-	-	-	-	-	-	-	550
21410626	CAS-EU-2027/28-TCA-Sewer-Northlands Lift Station Refurbishment	Sustaining Capital - TCA	-	-	-	-	780	-	-	-	-	-	780
21410627	CAS-EU-2025/26-TCA-Sewer-Harlow Lift Station Generator & Building Upgrade	Sustaining Capital - TCA	-	-	930	-	-	-	-	-	-	-	930
21410628	CAS-EU-2027-TCA-Sewer-River Ridge Lift Station Replacement	Sustaining Capital - TCA	-	-	-	-	2,500	-	-	-	-	-	2,500
21410629	CAS-EU-2025/32-TCA-Sewer-Miscellaneous Collection System Upgrades program	Sustaining Capital - TCA	-	-	2,000	-	-	-	-	-	-	-	2,000
21410630	CAS-EU-2023-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	3,000	-	-	-	-	-	-	-	-	-	3,000
21410631	CAS-EU-2025-2032-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	-	5,000	5,000	6,000	6,000	6,000	7,000	7,000	7,000	49,000
21410632	CAS-EU-2024-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	1,200	-	-	-	-	-	-	-	-	1,200
21410633	CAS-EU-2025-2028-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	-	350	1,400	300	1,400	-	-	-	-	3,450
21410634	CAS-EU-2023-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	5,400	-	-	-	-	-	-	-	-	-	5,400
21410635	CAS-EU-2025-2027-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	-	3,700	300	1,500	-	-	-	-	-	5,500
21410636	CAS-EU-2031-2032-TCA-Sewer-Box Springs Lift Station	Growth Capital - TCA	-	-	-	-	-	-	-	-	900	3,400	4,300
21410637	CAS-EU-2031-2032-TCA-Sewer-Box Springs Force Main	Growth Capital - TCA	-	-	-	-	-	-	-	-	4,800	19,200	24,000
21410638	CAS-EU-2029-2030-TCA-Sewer-Strachan Rd / Dunmore Rd SE Sanitary Sewer Upgrades	Growth Capital - TCA	-	-	-	-	-	-	1,900	7,700	-	-	9,600
21410639	CAS-EU-2026-2027-TCA-Sewer-10th Ave SW Trunk Expansion	Growth Capital - TCA	-	-	-	60	240	-	-	-	-	-	300
21410640	CAS-EU-2029-2030-TCA-Sewer-Coulee Ridge Lift Station / Forcemain Expansion	Growth Capital - TCA	-	-	-	-	-	-	900	3,400	-	-	4,300
21410641	CAS-EU-2025-TCA-Sewer-Southlands 7 Lift Station	Growth Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
21410642	CAS-EU-2025-TCA-Sewer-Southlands 7 Forcemain	Growth Capital - TCA	-	-	800	-	-	-	-	-	-	-	800
21410643	CAS-EU-2024-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	4,275	-	-	-	-	-	-	-	-	4,275
21410644	CAS-EU-2024-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	600	-	-	-	-	-	-	-	-	600
21410645	CAS-EU-2026-TCA-Sewer-Southlands 7 Lift Station	Growth Capital - TCA	-	-	-	1,300	-	-	-	-	-	-	1,300
21410646	CAS-EU-2026-TCA-Sewer-Southlands 7 Forcemain	Growth Capital - TCA	-	-	-	3,100	-	-	-	-	-	-	3,100
21610557	PLT MHPW WWTP - 2023-2024 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	-	300	-	-	-	-	-	-	300
21610558	PLT MHPW WWTP - 2023 AUTOMATIC FRONT GATE	Growth Capital - TCA	129	-	-	-	-	-	-	-	-	-	129
21610559	PLT MHPW WWTP - 2024 SOUTH RIVER BANK IMPROVEMENTS	Sustaining Capital - TCA	-	-	-	5,083	-	-	-	-	-	-	5,083
21610560	PLT MHPW WWTP - 2023 3RD UV CHANNEL INSTALLATION	Growth Capital - TCA	143	-	-	-	-	-	-	-	-	-	143
21610561	PLT MHPW WWTP - 2025-2032 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	1,200	-	-	-	-	-	-	-	1,200
21610562	PLT MHPW WWTP - 2025 PRIMARY SLUDGE HANDLING ALTERNATIVES	Growth Capital - TCA	-	-	2,175	-	-	-	-	-	-	-	2,175
21610563	PLT MHPW WWTP - 2025 HEADWORKS SCREENS UPGRADE	Growth Capital - TCA	-	-	1,500	-	-	-	-	-	-	-	1,500
21610564	PLT MHPW WWTP - 2025 HEADWORKS GRIT REMOVAL UPGRADE	Growth Capital - TCA	-	-	920	-	-	-	-	-	-	-	920
21610565	PLT MHPW WWTP - 2025 TRICKLING FILTER RECIRCULATION IMPROVEMENTS	Growth Capital - TCA	-	-	485	-	-	-	-	-	-	-	485
21610566	PLT MHPW WWTP - 2025 SOLIDS CONTACT BLOWER REPLACEMENT	Growth Capital - TCA	-	-	102	-	-	-	-	-	-	-	102
21610568	PLT MHPW WWTP - 2026 DAMAGED TUNNEL REPAIR	Sustaining Capital - TCA	-	-	-	414	-	-	-	-	-	-	414
21610569	PLT MHPW WWTP - 2026 LED LIGHTING UPGRADE	Growth Capital - TCA	-	-	-	243	-	-	-	-	-	-	243
DEPARTMENTAL TOTAL			\$ 9,172	\$ 6,575	\$ 21,312	\$ 17,200	\$ 11,320	\$ 7,500	\$ 8,800	\$ 18,100	\$ 12,700	\$ 29,800	\$ 142,279

	BUDGET REQUEST			BUDGET FORECAST								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL	
FUNDING SOURCES												
Debtenture	8,400	5,475	5,182	243	-	-	-	-	-	-	19,300	
Offsite Levies	-	-	1,200	4,460	240	-	2,800	11,100	5,700	22,600	48,100	
Operating / Working Capital	772	1,100	14,930	12,497	11,080	7,500	6,000	7,000	7,000	7,000	74,879	
FINANCING TOTAL	\$ 9,172	\$ 6,575	\$ 21,312	\$ 17,200	\$ 11,320	\$ 7,500	\$ 8,800	\$ 18,100	\$ 12,700	\$ 29,800	\$ 142,279	

2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Solid Waste Utility - Capital

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
22210526	CAS-EU-2023-TCA-Collections Carts & Bins Program	Sustaining Capital - TCA	80	-	-	-	-	-	-	-	-	-	80
22210527	CAS-EU-2024-TCA-Collection Carts & Bins Program	Sustaining Capital - TCA	-	80	-	-	-	-	-	-	-	-	80
22210528	CAS-EU-2025-2032-TCA-Collection Carts & Bins program	Sustaining Capital - TCA	-	-	80	80	80	80	80	80	80	80	640
22410528	CAS-EU-2023-TCA-SWL-Landfill Airspace Optimization SE Cell	Growth Capital - TCA	-	-	10,000	-	-	-	-	-	-	-	10,000
22610517	CAS-EU-2023-TCA-SWD-Food Waste Organics Composting Facility	Growth Capital - TCA	-	-	8,000	-	-	-	-	-	-	-	8,000
DEPARTMENTAL TOTAL			\$ 80	\$ 80	\$ 18,080	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 18,800

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Debtenture	-	-	18,000	-	-	-	-	-	-	-	18,000
Operating / Working Capital	80	80	80	80	80	80	80	80	80	80	800
FINANCING TOTAL	\$ 80	\$ 80	\$ 18,080	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 18,800

BYLAW NO. 4715

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 1541, a bylaw of the City of Medicine Hat regulating the use of Public and Private Sewers and Drains and the Disposal of Sewage and the Discharge of Waters and Waste into the Medicine Hat Sewer System.

WHEREAS City Council considers it advisable to amend Bylaw No. 1541;

NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:

1. Bylaw No. 1541 is hereby amended.
2. Section 506 is amended by deleting section 701(c) and replacing with Schedule "A".
3. Section 511 is amended by deleting section 701 and replacing with Schedule "A".
4. Section 701 is repealed and replaced with the following:

"All persons owning or occupying property connected with the sewage system of the City shall pay sewerage charges as set out in Schedule "A" of this Bylaw."
3. Schedule "A" attached hereto is hereby added.
4. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE "A" TO BYLAW NO. 1541
AS AMENDED BY BYLAW NO. 4715 – DECEMBER X, 2022
(EFFECTIVE JANUARY 1, 2023)

**THE PUBLIC AND PRIVATE SEWERS AND DRAINS AND THE DISPOSAL OF SEWAGE
AND THE DISCHARGE OF WATERS AND WASTE INTO THE MEDICINE HAT SEWER
SYSTEM BYLAW OF THE CITY OF MEDICINE HAT**

1. RATES FOR SEWER SERVICE CHARGE:

Sewer Service Charge – Based on water meter size charged at a daily rate of:

<u>Meter Size (mm)</u>	<u>Meter Size (inches)</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
15	5/8	\$1.7692	\$1.8134
20	3/4	\$1.7692	\$1.8134
25	1	\$1.7692	\$1.8134
40	1 ½	\$1.7692	\$1.8134
50	2	\$1.7692	\$1.8134
75	3	\$1.7692	\$1.8134
100	4	\$1.7692	\$1.8134
150	6	\$1.7692	\$1.8134
200	8	\$1.7692	\$1.8134
250	10	\$1.7692	\$1.8134

2. RATES FOR RESIDENTIAL SEWAGE CHARGE

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed*	\$0.00	\$0.00

**Winter sewage volume for residential customers – sewage volumes billed between November 1st to March 31st will be equal to water usage in cubic meters.*

Summer sewage volume billed between April 1st to October 31st inclusive, shall be equal to the winter peak sewage volume during the immediate previous winter period.

The winter peak sewage volume shall be determined by the peak water usage recorded during the five monthly utility statements that were billed November 1st to March 31st inclusive. For purposes of this calculation, all monthly water usage figures of less than 7 cubic meters shall be replaced with 7 cubic meters prior to averaging.

3. RATES FOR NON-RESIDENTIAL SEWAGE CHARGE

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed	\$1.8480	\$1.8942

4. RATES FOR PROPERTIES CONNECTED TO THE CITY'S WASTEWATER SYSTEM BUT SERVED IN WHOLE OR IN PART WITH WATER FROM A SOURCE OTHER THAN THE CITY:

Provided the waste or sewage is within the limits set out in section 506, the charge is to follow the table below. The customer shall, at their own expense, install and maintain an approved meter upon which the sewage charge shall thereupon be determined.

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed	\$1.8480	\$1.8942

5. RATES FOR SEWAGE DISCHARGE EXCEEDING ANY OR ALL LIMITS SET OUT IN SECTION 506 SHALL BE CHARGES AS FOLLOWS:

N x NON-RESIDENTIAL SEWAGE CHARGE

Where $N = 1 \text{ plus } (A / 2100) + (B / 1200) + (C / 300)$

- 'A' is the difference between the actual B.O.D. in parts per million and the allowable B.O.D. in parts per million.
- 'B' is the difference between the actual suspended solids in parts per million and the allowable suspended solids in parts per million.
- 'C' is the difference between the actual fat, oil or grease in parts per million and the allowable fat, oil or grease in parts per million.

The minimum charge shall remain at the non-residential sewage charge per cubic metre of water consumed. To determine the rate charged each month, the City will run tests of the sewage being discharged into its sewer system by each industry at varying times during the year and the charges will be based on an average of the readings of such tests. The test will be conducted in accordance with standard tests defined in section 510.

BYLAW NO. 4716

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 1805, The Waste Bylaw.

WHEREAS it is considered advisable to amend rates and charges imposed pursuant to The Waste Bylaw;

NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:

1. Bylaw No. 1805, The Waste Bylaw, is hereby amended.
2. Schedule "A" to Bylaw No. 1805 is repealed and replaced by Schedule "A" attached to this Bylaw.
3. Schedule "B" to Bylaw No. 1805 is repealed and replaced by Schedule "B" attached to this Bylaw.
4. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE "A" TO BYLAW NO. 1805
AS AMENDED BY BYLAW NO. 4716 – DECEMBER X, 2022
(Effective January 1, 2023)

All rates and charges set out in this Schedule are payable by the customers to whom they apply, irrespective of the volume of waste (if any) generated at a given time, or over a period of time, by the customer for pick-up and disposal by the City.

1. RATES FOR RESIDENTIAL WASTE REMOVAL:

(A) Basic residential rate (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.5544	\$0.5655

(Note: This rate applies to detached single family homes, duplexes, triplexes and fourplexes. All other buildings used in whole or in part for residential occupancy will be charged on the basis of the centralized pick-up rate, where applicable, or at commercial/industrial rates based on the number and capacity of bins, and frequency of service.)

(B) Rate for centralized collection (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.4652	\$0.4745

(Note: This rate applies to residential buildings containing more than four dwelling units where all Residential Waste Carts and Yard Waste Carts are placed in a centralized location for collection. If more than one collection per week is required, the amount charged will be the monthly rate per unit multiplied by a factor equal to the number of collections per week, on average.). A customer whose Residential Waste or Residential Recyclables is collected in the manner described in this paragraph, shall comply with the provisions of this Bylaw pertaining to Residential Waste collection or Residential Recyclables collection, as the case may be, including the set out standards established by the CAO from time to time.

(C) Additional Residential Waste Cart rate (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.5544	\$0.5655

(D) Residential Recycle Cart rate (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.2694	\$0.2775

2. RATES FOR COMMERCIAL/INDUSTRIAL WASTE REMOVAL:**(A) Rate for customers without bins (per day):**

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.8611	\$0.8783

(Note: This rate applies to commercial/industrial premises that are not included in arrangements with the Solid Waste Utility for centralized pick-up. Where such arrangements have been made the rate/unit/month will be the same as the rate for centralized pick-up at residential premises, and will be subject to the same provisions for an increased charge if more than one pick-up per week is required.)

(B) Rates for customers with 3 yd³ capacity bins:

For each weekly pick-up (per bin / per day)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$3.4747	\$3.5442

(C) Rates for customers with 1.5 yd³ capacity bins:

For each weekly pick-up (per bin / per day)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$1.7374	\$1.7721

(D) Rate for extra bin pickup (per bin / per pickup)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$26.43	\$26.96

- (E) A customer who requests the City to unlock a commercial bin or to open a gate in order to access a bin shall be charged a fee at the rate of \$7.50 per five minutes of additional driver time, or portion thereof, for each pick-up pursuant to paragraph 2(B), 2(C) or 2(D). The fee for each customer shall be based on the City's estimate of the additional driver time required in order to access the bin.

3. TIPPING FEE FOR WASTE DISPOSAL AT SANITARY LANDFILL SITE

Landfill Disposal Rates (per tonne):

<u>Waste Type</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
(A) Basic Sanitary Waste	\$85.00	\$90.00
(B) Non-Residential Yard Waste	\$25.00	\$25.00
(C) Clean Wood	\$25.00	\$25.00
(D) Clean Drywall	\$25.00	\$25.00
(E) Metal	\$25.00	\$25.00
(F) Asbestos <i>*Plus Waste Requiring Special Handling Fee</i>	\$170.00*	\$175.00*
(G) Appliances Containing Chlorofluorocarbon (CFC)	\$20.00/item	\$20.00/item
(H) Bulky items (mattress, sofa, etc.)	\$15.00/item	\$15.00/item
(I) Waste Requiring Special Handling	\$60.00	\$65.00

The minimum tipping fee shall be \$8.00 per vehicle.

A surcharge of \$20.00 will be placed on any load that is not properly secured.

4. OTHER FEES AND CHARGES

- | | | |
|-----|------------------------------------|-------------|
| (A) | Customer requested Service Change | \$50.00 |
| (B) | Replacement of lost or stolen cart | actual cost |
| (C) | Repairs to damaged cart | actual cost |

(Note: The customer will be charged for repairs or replacement if the cart was lost, stolen or damaged due to the customer's neglect, as determined by the CAO.)

SCHEDULE "B" TO BYLAW NO. 1805
AS AMENDED BY BYLAW NO. 4716 – DECEMBER X, 2022
(Effective January 1, 2023)

WASTE DIVERSION CHARGE

1. Subject to Section 2 of this Schedule, the waste diversion charge, pursuant to Section 6.1(3) of this Bylaw, is:

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.0809 per day	\$0.0826 per day

2. Where the owners or occupants of residential premises within a building containing more than one residential premises do not receive utility bills, the person receiving monthly utility bills for the building in which the residential premises are located will pay the waste diversion charge and, in addition, pay the waste diversion charge multiplied by the number of residential premises in the building.

BYLAW NO. 4717

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 2379, the Water Service Bylaw.

WHEREAS it is considered advisable to amend certain fees, rates and charges set out in Schedule "A" to the Water Service Bylaw No. 2379.

NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:

1. Bylaw No. 2379, the Water Service Bylaw, is hereby amended.
2. Schedule "A" is repealed and replaced by Schedule "A" attached to this Bylaw.
3. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE "A" TO BYLAW NO. 2379
AS AMENDED BY BYLAW NO. 4717 – DECEMBER X, 2022
(EFFECTIVE JANUARY 1, 2023)

THE WATER SERVICE BYLAW OF THE CITY OF MEDICINE HAT

1. CLASS "A" RATES FOR METERED SERVICES (OTHER THAN AQUIFER):

Water Service Charge – Based on Water Meter Size charged at a daily rate of:

<u>Meter Size (mm)</u>	<u>Meter Size (inches)</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
15	5/8	\$1.000	\$1.0450
20	3/4	\$1.000	\$1.0450
25	1	\$1.000	\$1.0450
40	1 ½	\$1.000	\$1.0450
50	2	\$1.000	\$1.0450
75	3	\$1.000	\$1.0450
100	4	\$1.000	\$1.0450
150	6	\$1.000	\$1.0450
200	8	\$1.000	\$1.0450
250	10	\$1.000	\$1.0450

In addition to the Water Service Charge, the amount payable by each Consumer per cubic metre of water used is:

<u>Usage Rate</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
In-City Consumer	\$1.2216	\$1.2766
Non-Resident Consumer* (\$ per cubic metre)	\$1.4620	\$1.5278

* The term "non-resident Consumer" means the Cypress County, the Green Valley Water Association and the Roytal Water Users' Association, regardless of whether the water purchased by these Consumers is used inside or outside the corporate boundaries of the City of Medicine Hat, and any other Consumer purchasing water for use outside the corporate boundaries of the City of Medicine Hat.

2. CLASS "B" TEMPORARY USE RATE:

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$2.2140 per day	\$2.3026 per day

3. CLASS "C" INSTALLATION AND REMOVAL CHARGE FOR SEASONAL METER INSTALLATION:

<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
15mm (5/8") Service	\$70.42	\$73.59
20mm (3/4") Service	\$70.42	\$73.59
25mm (1") Service	\$70.42	\$73.59
32mm (1 1/4") Service	\$79.27	\$82.84
38mm (1 1/2") Service	\$95.85	\$100.16
50mm (2") Service	\$95.85	\$100.16
75mm (3") Service	\$119.73	\$125.11
100mm (4") Service	\$119.73	\$125.11

4. CLASS "D" STANDBY CHARGE:

Applicable to all buildings situated on City Water Lines but not connected to them.

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.0266 per square metre of building area per day	\$0.0277 per square metre of building area per day

5. CLASS “E” SERVICE CHARGE PER DAY FOR FIRE SPRINKLER SYSTEMS:

<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
50mm (2”) System	\$0.3454	\$0.3609
75mm (3”) System	\$0.4611	\$0.4818
100mm (4”) System	\$0.5790	\$0.6051
150mm (6”) System	\$0.6925	\$0.7237
200mm (8”) System	\$0.8120	\$0.8485
250mm (10”) System	\$0.9182	\$0.9595
300mm (12”) System	\$1.0752	\$1.1236
Individual Fire Hydrants (on private property)	\$0.6356	\$0.6642

6. CLASS “F” AQUIFER RATE

For all water drawn from the “Police Point Aquifer” (Reference: Licence #07997, File #16713-2 under the *Water Act*) the rate is:

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.4084 per cubic metre	\$0.4268 per cubic metre

7. MISCELLANEOUS FEES, RATES AND CHARGES

<u>BYLAW SECTION</u>	<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
10(b)(i)	Deposit for use of hydrant	\$445.00	\$465.00
10(b)(v)	Minimum charge for use of hydrant	\$127.00	\$133.00
13(e)	Private Fire Service per day	\$0.6356	\$0.6642
16	Disconnection of service in pavement	\$3,126.00	\$3,267.00
16	Disconnection of service other than pavement	\$2,260.00	\$2,362.00

<u>BYLAW SECTION</u>	<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
21(a)	Thawing frozen service (per hour)	\$119.00	\$124.00
22(a)	Meter repair or replacement costs for meters shall be billed at cost of labour and materials	Actual Cost	Actual Cost
22(d)(iii)	20mm water meter initial installation	\$110.00	\$115.00
22(d)(iii)	20mm water meter replacement	\$132.00	\$138.00
22(d)(iii)	25mm water meter initial installation	\$170.00	\$178.00
22(d)(iii)	25mm water meter replacement	\$187.00	\$195.00
31	Dispute Meter Test Residential*	\$175.00	\$175.00
31	Dispute Meter Test Commercial*	\$225.00	\$225.00
34	Deposit for temporary water supply	\$69.00	\$72.00
35(b)	Disconnection of Service	\$71.00	\$74.00

<u>BYLAW SECTION</u>	<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
35(b)	Reconnection of Service	\$71.00	\$74.00
36	Application Fee	\$15.00	\$15.00
41(b)	Disconnection warning notice	\$20.00	\$20.00
41(c)	Disconnection of Service	\$71.00	\$74.00
41(c)	Reconnection of Service	\$71.00	\$74.00
41.1	Non-attendance after appointment has been scheduled	\$81.00	\$85.00

*If the meter is tested by a third party, the fee shall be the cost of the third-party test plus shipping, if applicable.

NOTE: WHEREVER APPLICABLE, THE GOODS AND SERVICES TAX SHALL BE ADDED TO THE FEES, RATES, CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY PURSUANT TO THE PROVISIONS OF THIS BYLAW (SEE BYLAW NO. 2716)

RATE SUPPORTED UTILITIES

2023-2024 Rate Impacts

**City Council
November 7, 2022**



Rate Supported Utilities 2023-2024 Rate Impacts

Agenda

1. Which utilities are rate supported
2. Understanding utility rates (what they fund and how they are calculated)
3. Comparison of average monthly rates to other municipalities
4. Rate changes for 2023-2024
5. Rate supported budget 2023-2024
6. Budget recommendation
7. Bylaw recommendation

Which utilities are rate supported

Rate supported areas of operation
(not funded by municipal taxes)

Environmental Utilities

- Water
- Sewer
- Solid waste

City Operations

- Electric distribution
- Gas distribution

Understanding rate supported utility rates

What do these rates fund?

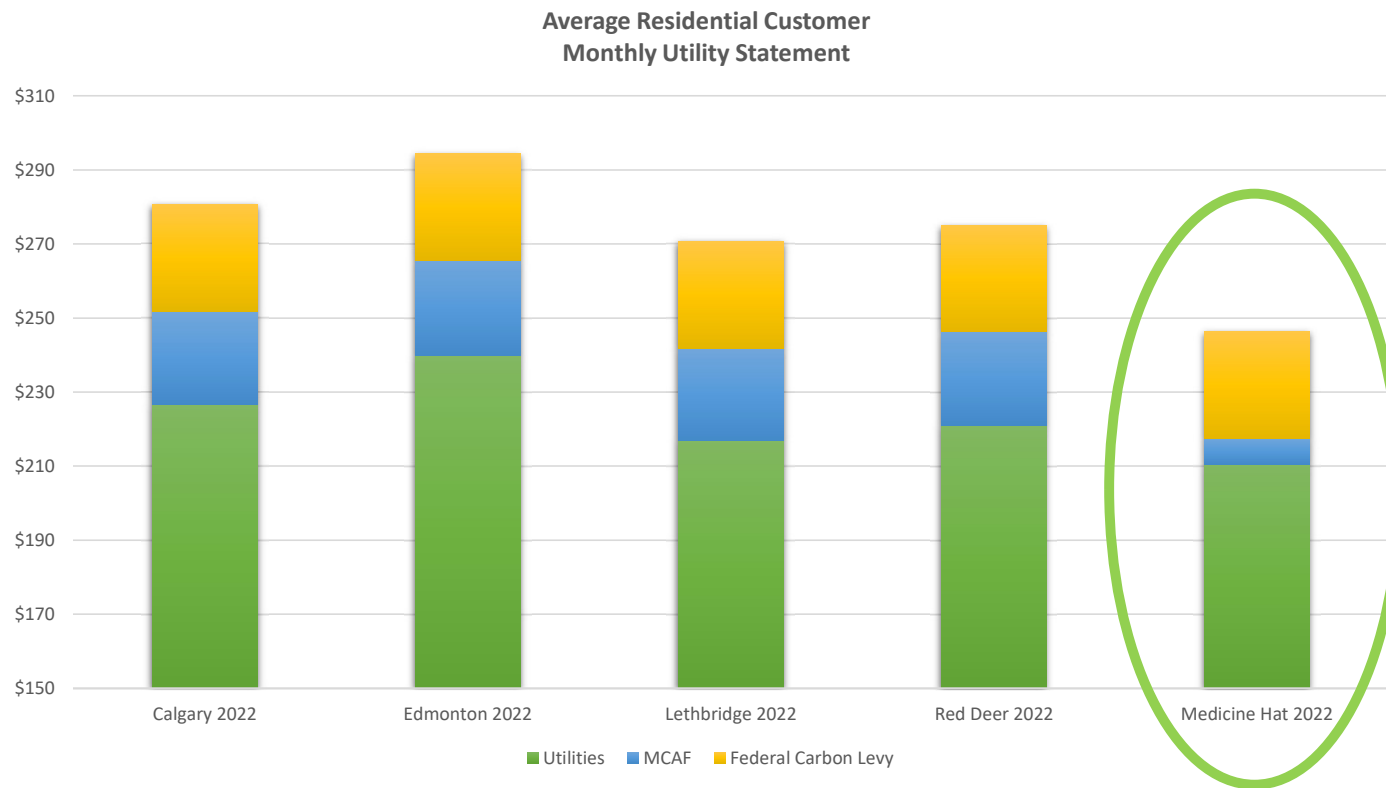
- These charges pay for building, maintaining, administering, operating and replacing utility infrastructure and related services (not the electricity or natural gas that is used).
- These revenues ensure sustainable funding for utility services into the future.
- This rate design allows recovery of actual costs through time and a regulated return on invested capital.
- The City focuses on cost containment to minimize costs to the ratepayer.

Understanding rate supported utility rates

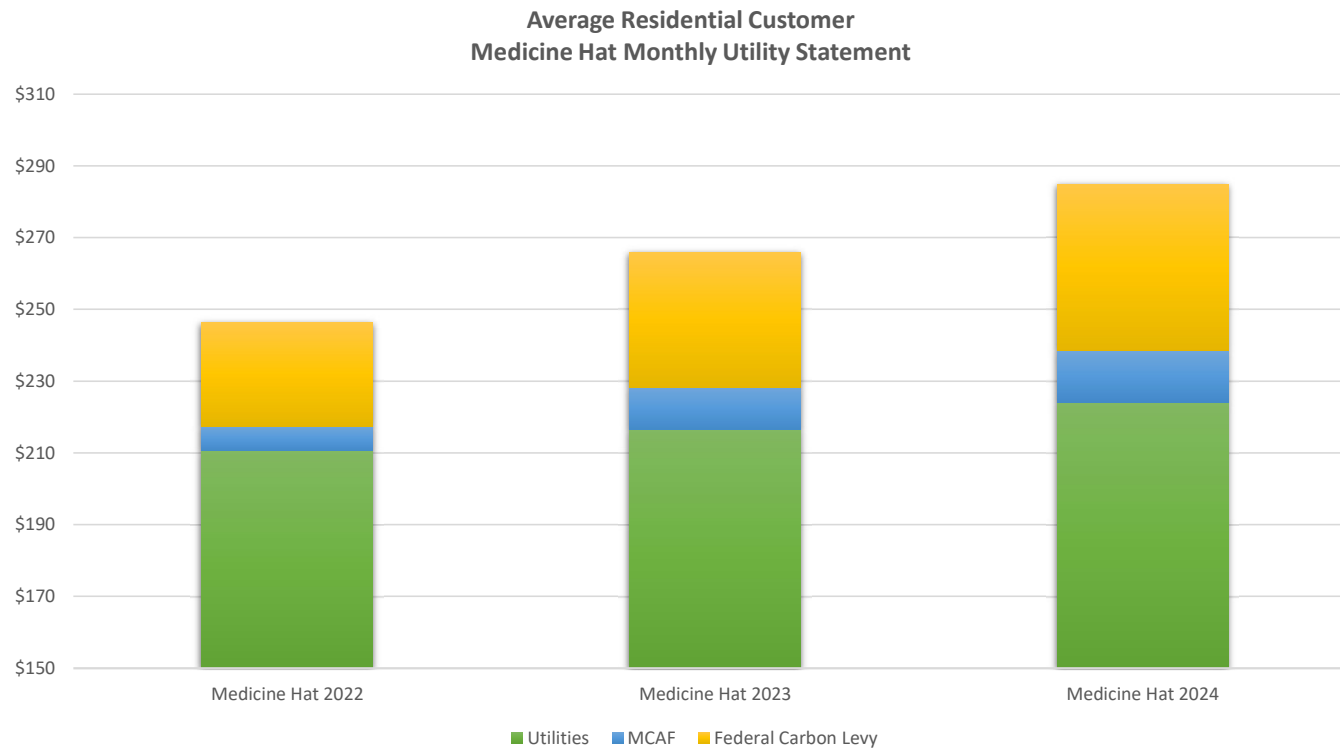
How are the rates calculated?

- Rate increases are driven by:
 - Inflation of goods and services;
 - Regulatory changes;
 - Aging infrastructure replacement;
 - Capital investment in climate resilient infrastructure;
 - Changes in customer consumption levels.
- The City calculates rates based on regulated rate design principles to achieve a revenue to cost ratio equal to one.

Comparison of average monthly rates



Medicine Hat averages from 2022-2024



2023-2024 Impacts on rate supported utility rates

(average residential per month)

*excludes natural gas and electric commodity charges

Utility	2022 Bill Estimate	2023 Bill Estimate	% Change	2024 Bill Estimate	% Change
Electric Distribution*	\$46.07	\$47.89	3.9%	\$49.96	4.3%
Natural Gas Distribution*	\$39.94	\$39.73	(0.5%)	\$41.10	3.4%
Water	\$45.94	\$48.69	6.0%	\$50.88	4.5%
Sewer	\$52.04	\$53.08	2.0%	\$54.40	2.5%
Solid Waste	\$26.54	\$27.14	2.3%	\$27.77	2.5%
Sub Total	\$210.58	\$216.53	2.8%	\$224.11	3.5%
MCAF	\$6.91	\$11.75	70.0%	\$14.55	23.8%
TOTAL	\$217.49	\$228.28	5.0%	\$238.66	4.5%

Rate Supported Utilities Budget 2023-2024

Earnings before taxes, interest, taxes, depreciation, amortization (EBITDA)

CAD \$ (in thousands)	2023 Budget	2024 Budget
Water Utility	11,596	12,671
Sewer Utility	10,149	10,652
Solid Waste Utility	1,882	2,107
Electric Distribution	14,389	15,544
Gas Distribution	7,211	7,397
Total Rate Base Utilities	45,227	48,371

*EBITDA funds to be used largely for future capital expenditures and repayment of debt.

Rate Supported Utilities Budget 2023-2024

Capital budget

CAD \$ (in thousands)	2023 Budget	2024 Budget
Water Utility	\$ 4,325	\$ 5,475
Sewer Utility	\$ 9,172	\$ 6,575
Solid Waste Utility	\$ 80	\$ 80
Electric Distribution	\$38,021	\$1,620
Gas Distribution	\$4,022	\$2,435
Total Tangible Capital Assets	\$55,620	\$16,185

Budget Recommendations

That City Council approve:

- 2023-2024 Environmental Utilities – Rate Supported Operating and Capital Budget
- 2023-2024 Electric and Gas Distribution – Rate Supported Operating Budget

Bylaw Recommendations

That City Council approve:

- 2023-2024 Water, Sewer and Solid Waste rates subject to passing of the Rate Bylaws
- 2023-2024 Electric Distribution rates subject to passing of the Rate Bylaws
- 2023-2024 Gas Distribution rates subject to passing of the Rate Bylaws

Thank You
