

**Unbudgeted Expenditure – Alberta Capital Region Wastewater Commission (ACRWC) Wastewater Line Repairs****Report Purpose**

To seek Council approval for unplanned repair work required to meet Strathcona County's obligations under the operation and maintenance contract with the Alberta Capital Region Wastewater Commission (ACRWC).

**Recommendation**

THAT an additional revenue in the amount of \$7.6 million and an additional expenditure in amount of \$7.5 million to enable emergency repair work for the Alberta Capital Region Wastewater Commission (ACRWC) be approved.

**Council History**

December 4, 2017: Council approved the 2018 Consolidated Operating Budget.

**Strategic Plan Priority Areas**

**Economy:** Regional assets are leveraged for mutual benefit throughout the Capital Region.

**Governance:** n/a

**Social:** n/a

**Culture:** n/a

**Environment:** Safe conveyance and treatment of wastewater ensures waterways are protected.

**Other Impacts**

**Policy:** GOV-001-024: Authorization and Verification of Unbudgeted Expenditures.

**Legislative/Legal:** n/a

**Interdepartmental:** Corporate Finance, Corporate Planning, Utilities.

**Summary**

In 2016 Strathcona County and ACRWC signed an agreement to manage all operations and maintenance (including repairs) of linear assets. Any costs incurred by the County are reimbursed and a minimal project management fee is charged. The County has always been able to manage any repair costs for the ACRWC through the approved operating budget.

This year there are large scale repairs required on one line for the ACRWC. The cost is significantly higher than anything Strathcona County has done over the last five years. In order to meet the obligations in the operations and maintenance contract with the ACRWC, Administration requires Council approval to complete these unplanned repairs required to ensure the ACRWC can continue to provide wastewater conveyance services to the region. From a County budget perspective the outcome is favourable.

These revenues and costs do not impact the 2018 utility fees or charges to Strathcona County residents as all costs are covered by the ACRWC. The difference (\$100,000) between the revenue and expenses will go to the RU1 Utility Rate Stabilization and Contingency Reserve.