

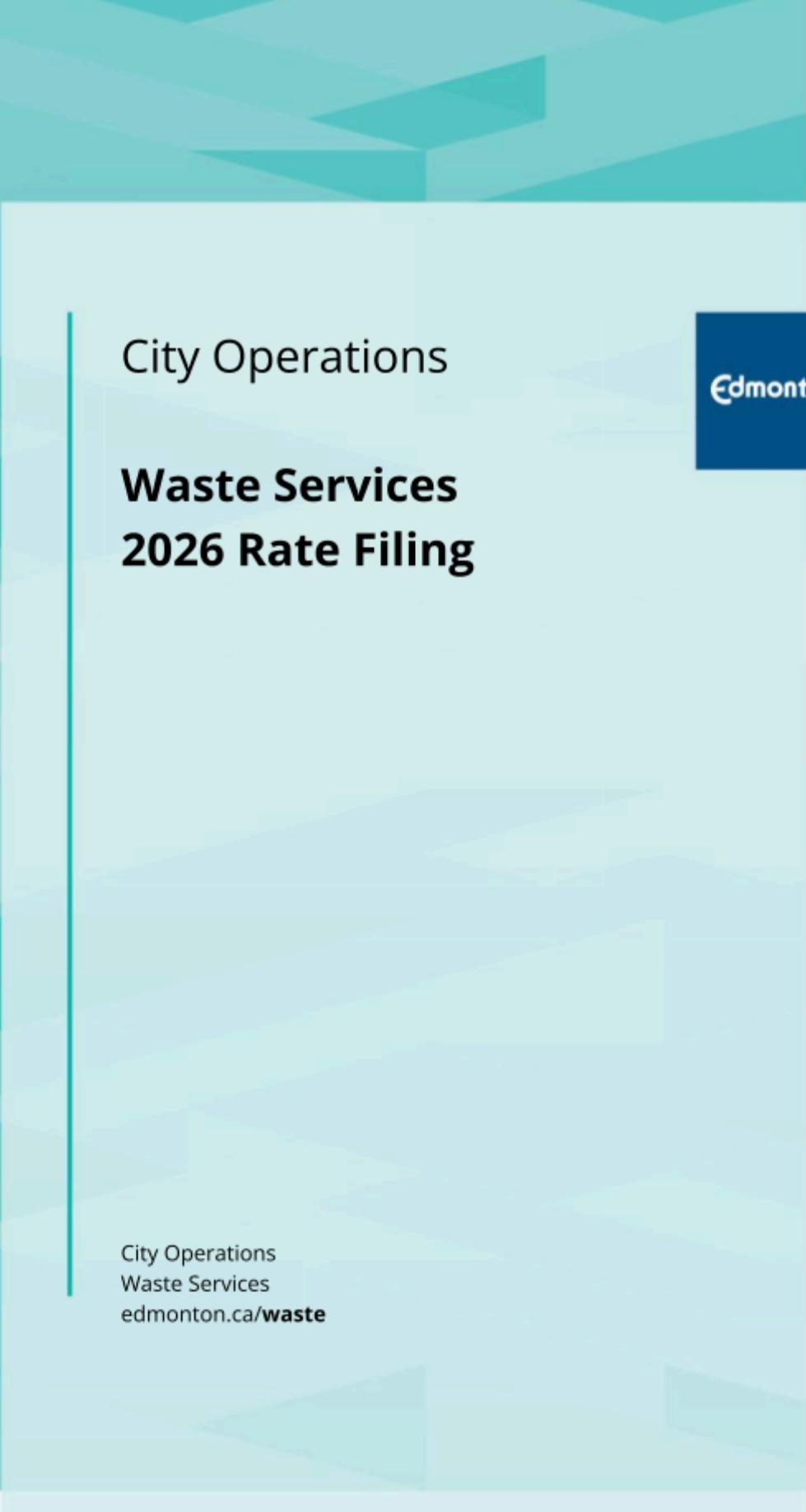


City Operations



Waste Services 2026 Rate Filing

City Operations
Waste Services
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LAND ACKNOWLEDGEMENT

Waste Services acknowledges that our City operates within the traditional land of Treaty 6 Territory, within the Métis homelands and is the home of one of the largest communities of Inuit south of the 60th parallel. We also acknowledge this land as the traditional territories of many First Nations such as the Nehiyaw (Cree), Denesuliné (Dene), Nakota Sioux (Stoney), Anishinaabe (Saulteaux) and Niitsitapi (Blackfoot).

The City of Edmonton owes its strength and vibrancy to these lands and the diverse Indigenous peoples whose ancestors' footsteps have marked this territory, as well as settlers from around the world who continue to be welcomed here and call Edmonton home.

Together we call upon all our collective honoured traditions and spirits to work in building a great city for today and future generations.



EXECUTIVE SUMMARY

The Waste Services utility (the “Utility”) is an essential contributor to the City’s corporate goals, including the City Plan and Climate Resilience. The City leads by example by focusing on waste reduction activities, waste diversion programs, and supporting and encouraging Edmontonians, businesses and institutions in their waste management practices. Programs developed through a Zero Waste Framework contribute to the City’s Corporate Outcomes and the City’s waste diversion goals established in the 25-year Waste Strategy.

Waste Services has recently implemented major projects, in alignment with the 25-year Waste Strategy, like the Edmonton Cart Rollout and three-stream apartment and condo collection program, that have contributed to our waste reduction goals and have helped to increase the residential waste diversion rate to 43 per cent in 2024 from 18 per cent in 2020. Continued inflationary pressures and supply chain disruptions have increased operating costs for the Utility, but continuous improvements and efficiencies to the Utility’s operations have mitigated any significant impact to utility rates. The provincial Extended Producer Responsibility (EPR) regulation has shifted some operations of the Utility while providing a new source of revenue.

Administration is proposing a total utility rate reduction of three per cent for 2026. The full-year impact of the additional revenue provided by the provincial EPR program in 2026 supports this rate reduction, despite increased pressures on the Utility’s revenue requirements including labour, inflation and temporary staff increases. The three per cent reduction lowers the monthly waste utility rate to \$42.63 from \$43.95 for curbside collection customers with a 240L garbage cart, and to \$27.08 from \$27.92 for apartment and condo collection customers. These rate reductions allow the Utility to collect a total 2026 revenue requirement of \$250.19 million.

Table ES1: Customer Rates - change Summary

Residential Collection Service	2025 Current Monthly Rate	2026 Proposed Monthly Rate	Monthly Decrease (\$)	Yearly Decrease (\$)
Curbside collection (120L cart)	\$38.95	\$37.63	(\$1.32)	(\$15.84)
Curbside collection (240L cart)*	\$43.95	\$42.63	(\$1.32)	(\$15.84)
Curbside collection (360L cart)	\$53.95	\$52.63	(\$1.32)	(\$15.84)
Apartment and condo collection*	\$27.92	\$27.08	(\$0.84)	(\$10.08)

* Three per cent rate reduction for 240L curbside collection and apartment and condo collection rates. 120L and 360L curbside collections are -\$5 / +\$10 of 240L rate with varying percentage reductions.

1. INTRODUCTION

The Waste Services utility (the Utility) is an essential part of the City Plan and supports Edmonton's 25-year Waste Strategy. The Utility's goal is to support and encourage Edmontonians, businesses and institutions in their waste management practices. The Utility will support Edmontonians by ensuring utility rates remain stable and consistent, and will lead by example with a strategic focus on waste reduction and diversion.

The Utility continues to implement programs from the 25-year Waste Strategy, provide essential service to Edmontonians while maintaining full cost recovery, and improve the employee and resident experience. The Utility will continue working on the following priorities in 2026:

- Divert over 40 per cent of residential waste from landfill.
- Present the next phase of the Waste Reduction Roadmap for Council approval, continuing efforts to achieve zero per cent growth in per-person residential waste generation.
- Rollout of the source-separation program for approximately 173,000 residential households receiving apartment and condo collection.
- An Industrial, Commercial and Institutional (ICI) sector waste management strategy focused on food and construction and demolition waste.
- Monitor and evaluate participation in the provincial Extended Producer Responsibility program, from a financial, risk and adaptation perspective.

The Utility's operations are continually monitored for improvement, exploring opportunities to deliver services more efficiently and cost effectively through market intelligence and strategic contract renewal, employee engagement and strategic partnerships. In 2025, the Utility improved its cost competitiveness and mitigated risks by bringing former contracted collection services in-house while also engaging in cost-effective service contracts. Waste Services worked closely with Producer Responsibility Organizations (PROs) to execute contracts that helped fully transition Edmonton to the new provincial EPR program while managing corporate risk. The relaunch of a public perception survey provided the Utility with greater insight into resident waste sorting, and will be actioned through new communications and education campaigns in 2026.

Waste Services Utility Fiscal Policy C558C (Appendix C) outlines that the Utility is to be a self-funded enterprise that is financially sustainable over the long term. The Utility should ensure there is a consistent approach year-over-year for the financial planning, budgeting and rate setting. The Utility's guiding principle is to balance the best possible service while incorporating utility rate setting principles in establishing fair customer rates.

2.0 ORGANIZATIONAL STRUCTURE

The organizational structure of Waste Services is fully aligned to the Corporate Business Plan and consists of three sections (Figure 2.1).

Figure 2.1: Waste Services Utility Organizational Structure



Business Integration and Technical Services

Business Integration and Technical Services is responsible for strategic branch initiatives, including the delivery of the 25-year Waste Strategy, and provides oversight for capital projects, day-to-day operations, branch business support and waste education and outreach. This section oversees and coordinates the performance of the branch and its facilities and supports asset and program management, and engineering expertise. Key areas include performance management, analytics, contract management, customer experience, sales and marketing, utility rate filing and billing. This section is also responsible for the Reuse Centre and the Utility's education, outreach and volunteer programs that further resident engagement in sustainable waste practices and waste reduction efforts.

Sustainable Waste Processing

Sustainable Waste Processing receives and sorts residential and non-residential waste at the Edmonton Waste Management Centre (EWMC), a unique collection of advanced processing and research facilities. This integrated site, located on 233 hectares in northeast Edmonton, is designed to handle more than 500,000 tonnes of waste per year. Facilities and operations are either owned and operated by the City or run on a contract basis with private industry partners. The focus of these facilities is to recover valuable resources and to minimize the amount of waste going to landfill. This section is also responsible for landfill management and monitoring the environmental compliance of the Utility.

Waste Collection Services

Waste Collection Services provides safe, efficient and effective waste collection to the residential sector including curbside collection for approximately 273,000 households, and apartment and condo collection for approximately 176,000 households. This section also delivers the Assisted Waste Collection program for residents with mobility restrictions. Residents have access to a number of facilities where various items can be dropped off for recycling or disposal including Eco Stations, Community Recycling Depots and Big Bin Events.

3.0 METHODOLOGY & KEY ASSUMPTIONS

The following subsections provide the methodology and key assumptions for the Waste Services 2026 Rate Filing. The Rate Filing is based on the latest financial forecasts incorporating significant changes up to August 31, 2025. The assumptions used to develop the Rate Filing include forecasts from the City's spring 2025 economic outlook.

Table 3.1: Forecast Housing Starts and Consumer Price Index

	2025	2026	2027
Housing Starts	12,350	11,792	10,950
Consumer Price Index	2.30%	1.90%	1.90%

Table 3.2: Forecast growth in customer base as a result of housing starts

Customer Type	2023 Actual	2024 Actual	2025 Projected	2026 Proposed	2027 Forecast
120L Cart	24,634	26,914	27,187	27,431	27,788
240L Cart	221,773	232,236	243,269	245,449	248,646
360L Cart ¹	2,325	2,452	2,665	2,689	2,724
Transitional Waste Utility Rates	14,785	6,383	135	135	135
Curbside	263,517	267,985	273,256	275,704	279,158
Apartment and Condo	169,491	170,543	176,898	179,420	181,762
Total	433,008	438,528	450,154	455,124	460,920

The customer counts are based on historical trends and the City's forecast for annual housing starts. The 2024 customer count is the year-end actual, while 2025-2027 are estimated based on a mid-year approach based on housing starts. Transitional Waste Utility Rates includes all classes of customers shifting to curbside collection service from apartment and condo collection service over a five-year period.

- Regulatory Methodology**

The revenue requirement and customer rates are based on the forecast costs required by the Utility to provide its services using a cost of service methodology. The methodology and allocations used in determining the revenue requirement are based on a 2023 Cost of Service Study completed by an independent consultant in 2024. The recent Cost of Service

¹ Available only to qualifying households producing home medical waste or with seven or more people in the household.

Study showed costs continue to be appropriately allocated to customer classes, resulting in no changes to rate allocation between the customer classes in this rate filing.

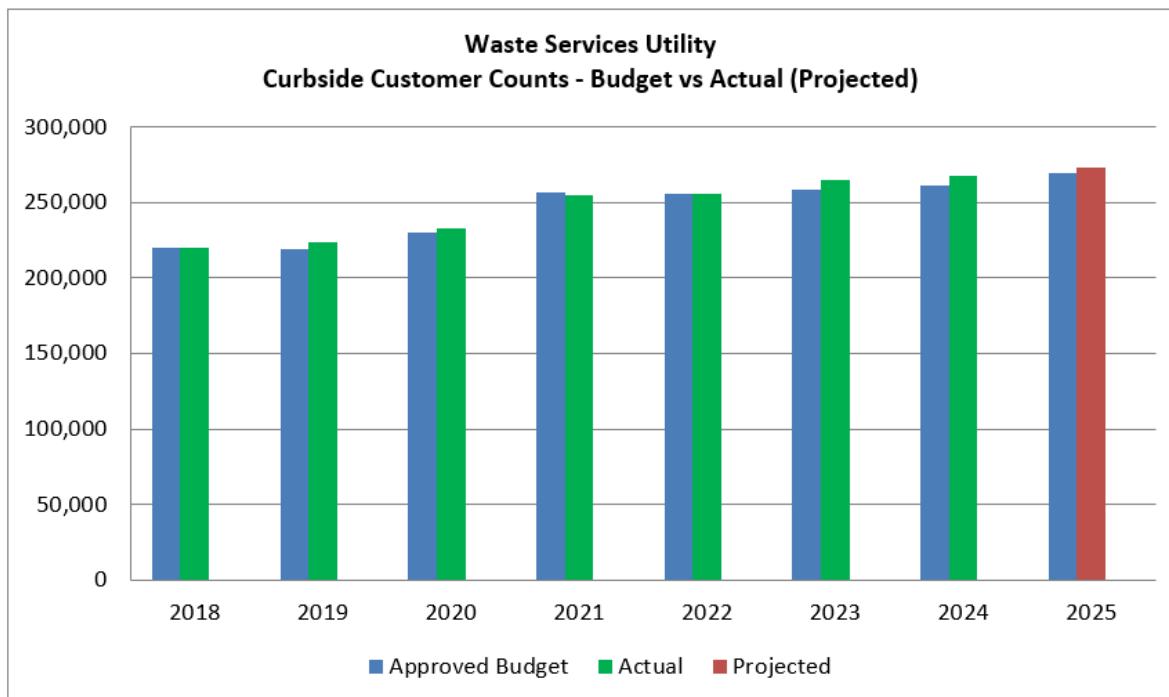
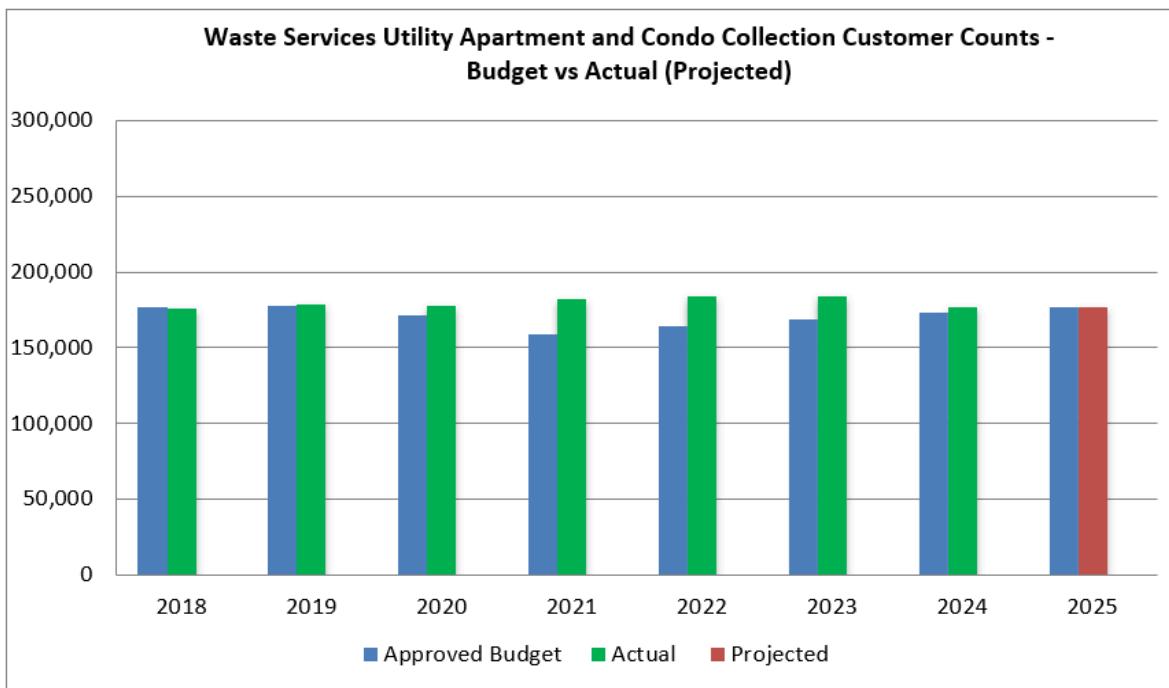
- **Cost of Debt**

Debt servicing calculations are based on actual Government of Alberta (through the Ministry of Treasury Board and Finance) borrowing rates as of the second quarter of 2025. The borrowing rate used in this rate filing is approximately 4.5 per cent for new long-term debt with a 25-year term (as of June 30, 2025).

Other assumptions include the following:

- Apartment and Condo Collection - The 2026 Rate Filing incorporates continued capital and operating requirements to support the implementation of three-stream waste sorting and collection for apartment and condo buildings, which began in 2023.
- Organics Processing - The 2026 Rate Filing implements the next steps described in the previously-approved City Operations report CO02411 Organics Processing Program Path Forward. Decisions are anticipated in 2026 with regard to the final repurposing of the High Solids Anaerobic Digestion Facility and whether or not to proceed with preparing a business case for an outdoor composting site at the EWMC. The financial impacts of these decisions will likely impact future rate filings.

Customer Counts - The following two tables compare the budget customer counts to the actual/projected customer counts for curbside and apartment and condo collection customers. The tables illustrate the historical customer growth.

Table 3.3: Curbside Customer Counts**Table 3.4: Apartment and Condo Collection Customer Counts**

Extended Producer Responsibility

Extended Producer Responsibility (EPR) is an environmental policy approach under which producers are responsible for their products through to the end of the product life cycle. EPR shifts operational responsibility and the cost of managing product waste from municipalities and ratepayers to producers: manufacturers, brand owners and retailers.

On April 1, 2025, [EPR Regulation](#) in Alberta took effect, and the Utility is no longer responsible for collecting or processing recycling and hazardous and special products. This is now the responsibility of producers, and the Utility has signed contracts with Producer Responsibility Organizations (PROs) managing EPR in partnership with producers to continue providing these services to residents.

The implementation of the EPR program added approximately \$24 million in net new revenue for the Utility in 2025, allowing for a 10.7 per cent utility rate reduction in 2025. In 2026, additional revenues forecasted due to the EPR program are expected to be \$37 million, further offsetting utility rates.

As the collection and processing of these waste streams has shifted into a contractual model within the private sector, the Utility has shifted to accommodate the new framework and continuously evaluates its work to improve and optimize service delivery. Under this new framework, PROs have the ability to select any service provider that aligns with their EPR obligations. Successfully executing this new line of business will necessitate continuous oversight of contractual arrangements to ensure long-term stability, adherence to regulatory compliance requirements, and adapting to a new, competitive service delivery landscape.

The current contracts with PROs encompass both processing and collections services and range in both length and complexity. The Utility's contract for recycling processing ends in 2026, and negotiations are ongoing. The shift to a contractual service delivery model within the private sector has introduced new risks to the Utility. The risk associated with potential contract changes has been incorporated into the 2026 Rate Filing. As contracts shift or end, the Utility will adjust operational service delivery accordingly. The Utility will continue to assess involvement in EPR as it becomes an established provincial program for the best interests of ratepayers and the City.

4.0 OPERATIONAL PERFORMANCE

Key Performance Metrics

GOAL	PERFORMANCE MEASURE	ACTUAL	TARGETS			
		2024 Actual	2025 Target	2025 Projected	2026 Target	2027 Target
Customer Excellence	Curbside Organics & Recyclables Collected ²	53%	59%	54%	54%	55%
	Kg/Capita Residential Waste Generated	320 kg / capita ³	385 kg / capita (2020 baseline)	343 kg / capita	385 kg / capita (2020 baseline)	385 kg / capita (2020 baseline)
Operational Excellence	Residential Diversion Rate	43%	40%	41%	40%	40%
	Number of Reportable Environmental Incidents	19	<20	<20	<20	<20
Financial Accountability	Annual Net Income (\$M)	\$5.94	>\$0	\$11.64	\$5.44	\$6.74
	Cash Position (\$M) ⁴	\$65.53	\$49.53	\$62.14	\$47.26	\$45.58
	Debt Service Coverage Ratio	2.21	≥ 1.5	1.99	1.69	2.40
	Debt to Net Assets Ratio	60.8%	50 - 70%	57.3%	54.9%	53.5%
	Rate Increases / (Decreases)	0.9%	-10.7%	-10.7%	-3.0%	1.0%
Organizational Excellence	Employee Satisfaction Rate (Glint Survey) ⁵	73%	71%	71%	71%	71%
	Number of Proactively Reported Near Miss Incidents	107	118	80	10% more than the previous year	
	Lost Time Frequency Rate (Trailing 12 Months)	1.93	2.21	1.80	<3	<3

² This measure will be reviewed internally to ensure it aligns with the implementation of EPR.

³ This number has been updated from 323 kg/capita in the 2024 Annual Report based on the [Summer 2025 Economic Outlook](#) and higher reported population growth in Edmonton.

⁴ The utility's cash position includes cash held to fulfill obligations for PAYG Capital and the Clover Bar Landfill liabilities.

⁵ Measure is expected to be updated in 2026 based on new corporate methodologies.

5.0 FINANCIAL RATE IMPACTS

The financial rate impacts for the proposed 2026 utility rates, including historical approved rate impacts for 2024 and 2025 and forecasted rate impacts for 2027, are summarized in Schedule 5.0 below. Schedule 5.0 highlights the different utility rate drivers that result in a proposed utility rate reduction of three per cent for 2026 for an average utility ratepayer (as shown on line 11). For context, an average utility ratepayer is defined as a residential customer who is being provided curbside collection through a 240L garbage cart. For this customer type, monthly rates would be reduced to \$42.63 per month from \$43.95 per month, a decrease of three per cent or \$1.32 (Line 9).

The proposed 2026 utility rate reduction of three per cent is primarily due to the impact of EPR being effective for the full calendar year as well as anticipated increased revenues as a result of an increasing customer base. This results in a reduction of the monthly utility rate, for an average customer, by \$2.86 (line 7) and \$0.87 (line 4) respectively.

This is offset by anticipated increased operating and maintenance costs of \$2.03 (line 1). This is primarily due to higher labour costs as a result of recent union contract settlements as well as implementing the project rollout for three-stream collection at apartment and condo buildings.

Also included in the total rate impact is an increase related to net income. Net income, or return on equity, is required to ensure funding and cash balances are available to fund capital expenditures, provide working capital, and manage potential long term business risks (i.e. EPR). Required net income and cash balances are continually monitored by the Utility to ensure the long-term financial sustainability of the Utility in concert with providing fair and equitable utility rates to customers.

More detailed information on related revenues, operating costs and impacts to different utility customer types are outlined in Section 7.0 Utility Revenue Requirement, Section 8: Operations & Maintenance, Section 9: Amortization & Interest Expense, and Section 10 Utility Rate Revenue.

Schedule 5.0			2024	2025	2026	2027
	Ref.	Approved	Approved	Proposed	Forecast	
Line #						
1	O&M Impacts	\$ 1.18	\$ 1.28	\$ 2.03	\$ 0.62	
2	Amortization & Interest	0.68	(0.17)	(0.08)	0.36	
	Other Impacts					
3	Non-rate revenue	(0.19)	0.44	0.07	(0.19)	
4	Increase Customer Base	(0.83)	(1.33)	(0.87)	(0.55)	
5	Net Income	(0.40)	(0.22)	0.40	0.19	
	SUBTOTAL	(1.42)	(1.11)	(0.40)	(0.55)	
6	Total Operating Impacts	\$ 0.44	\$ (0.00)	\$ 1.54	\$ 0.43	
7	Extended Producer Responsibility	-	(5.24)	(2.86)	-	
	TOTAL RATE IMPACTS	\$ 0.44	\$ (5.24)	\$ (1.32)	\$ 0.43	
8	Existing Rate	\$ 48.75	\$ 49.19	\$ 43.95	\$ 42.63	
9	Total Rate Impact	0.44	(5.24)	(1.32)	0.43	
10	Revised Rate (Sch. 10.0.1 L.8)	\$ 49.19	\$ 43.95	\$ 42.63	\$ 43.06	
11	Utility Rate Increase	0.9%	-10.7%	-3.0%	1.0%	

6.0 FINANCIAL INDICATORS

Four financial indicators are used to monitor the financial health of the Utility as per Waste Services Utility Fiscal Policy C558C: Net Income, Cash Position, Debt Service Coverage Ratio and Debt to Net Assets Ratio. These financial indicators are general measures that need to be interpreted collectively to appropriately assess the Utility's long-term financial sustainability. As such, it may be desirable to have higher or lower results on a short-term basis to balance rate setting principles and long-term financial sustainability. In addition to these financial indicators, a general rate setting principle considers that customer rates will be set based on both the short-term and long-term needs of the Utility to ensure they are as stable and consistent, year-over-year, as possible.

Table 6.0 FINANCIAL INDICATORS Line #	Actual	Approved	Projected	Proposed	Forecast	
	2024	2025	2025	2026	2027	2028
1 Net Income (\$M)	\$ 5.94	\$ 3.63	\$ 11.64	\$ 5.44	\$ 6.74	\$ 5.56
2 Cash Position (\$M)						
Cash Balance (Year-end)	65.53	49.53	62.14	47.26	45.58	48.74
Forecast of Cash Requirements						
Long-term Environmental Liability	12.16	8.70	16.59	7.26	1.49	6.54
Pay As You Go Capital (next year)	19.28	12.66	17.72	11.66	8.37	8.95
Allowance for One Month Working Capital	18.62	18.26	18.55	19.05	17.77	18.28
Total Cash Requirements - Target	50.06	39.62	52.86	37.97	27.63	33.76
Actual Cash Over (Under) Requirements	\$ 15.47	\$ 9.91	\$ 9.28	\$ 9.30	\$ 17.95	\$ 14.98
Target: Cash Over (Under) >= 0	Yes	Yes	Yes	Yes	Yes	Yes
3 Financing of Capital Investments						
Debt Service Coverage Ratio	2.21	1.60	1.99	1.69	2.40	2.36
Target: Greater than 1.5	Yes	Yes	Yes	Yes	Yes	Yes
4 Financing of Capital Investments						
Debt to Net Assets Ratio	60.8%	60.8%	57.3%	54.9%	53.5%	53.0%
Target: Between 50% - 70%; balancing cash	Yes	Yes	Yes	Yes	Yes	Yes

General Comments for Financial Indicators

1. Net Income

The proposed and forecasted years all meet the requirement of generating sufficient net income to cover operating expenses, as well as capital expenditures and ongoing landfill liability maintenance costs.

2. Cash Position

The target cash position for the Utility includes cash on hand to meet future Environmental and Asset Retirement Obligation needs, capital funding to meet Pay-As-You-Go (PAYG) cash capital spending for the next year, as well as a general allowance for working capital. The introduction of EPR, by the Province of Alberta, also introduces new factors and complexities that need to be managed due to the contractual arrangements related to executing this line of business. As a result, the Utility's cash position in 2026 and upcoming years is being forecasted to be above target primarily to address the potential increased risk. This will be continued to be assessed at each future rate filing to effectively manage the Utility's cash position while ensuring residential utility rate increases remain low and stable. Other risk issues that will also need to be managed include potential impacts related to asset decommissioning costs for various assets that are in the early planning phase.

3. Debt Service Coverage Ratio

Debt service coverage measures the ability of the Utility to meet its debt servicing obligations using annual revenues. The debt service coverage ratio indicator is achieved when it is greater than 1.5. Based on the anticipated capital financing requirements for the Utility, the ratio is expected to remain above the target of 1.5 and is forecasted to increase in 2027 due to reduced long-term debt repayments combined with higher net income.

4. Debt to Net Assets Ratio

The Debt to Net Assets Ratio measures the extent that the Utility is debt leveraged. The ratio is calculated by taking the outstanding long-term debt over the total net book value for non-contributed assets. The Utility's target is to maintain a ratio between 50 to 70 per cent. Based on the anticipated capital financing requirements for the Utility, the ratio is expected to remain within this band. The debt ratio is forecast to lower in 2027 due to less planned debt issued.

7.0 UTILITY REVENUE REQUIREMENT

(in millions of dollars)

Schedule 7.0 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
Revenues						
1 Rate Revenue	S.10.0.1 L.28	\$ 220.68	\$ 200.25	\$ 202.24	\$ 198.20	\$ 202.73
2 Projected EPR Revenue	S.3	-	24.00	30.13	37.04	26.50
3 Non-Rate Revenue	S.10.1 L.10	24.84	15.29	14.38	14.95	15.83
4 Total Revenues		245.52	239.54	246.75	250.19	245.06
Costs						
5 Operations and Maintenance	S.8.0 L.14	202.24	195.81	196.58	204.96	196.87
6 Amortization of Non-Contributed Assets	S.9.0 L.1	26.65	29.08	28.24	30.48	32.24
7 Amortization of Regulatory Asset	S.9.1 L.7	3.91	3.91	3.91	3.25	3.25
8 Debt Servicing - Total Interest	S.9.0 L.6	6.79	7.12	6.38	6.06	5.96
9 Subtotal		239.58	235.91	235.11	244.75	238.32
10 Net Income (Return on Rate Base)	S.13.0.2 L.22	5.94	3.63	11.64	5.44	6.74
11 Total Revenue Requirement	L.9 + L.10	\$ 245.52	\$ 239.54	\$ 246.75	\$ 250.19	\$ 245.06

The Utility is proposing to collect a total Revenue Requirement of \$250.19 million for 2026 (Line 11). The Revenue Requirement is made up of total costs of the Utility to run the business (Line 9), as well as Net Income (Return on Rate Base) (Line 10), which is used to raise cash for required capital funding, Environmental and Asset Retirement Obligation funding and general working capital. References to more detailed variance analyses of proposed 2026 costs and revenues are included in the above table.

The Utility operates on a full cost recovery basis, factoring long-term financial projections and sustainability into its modeling.

8.0 OPERATIONS & MAINTENANCE

(in millions of dollars)

Schedule 8.0 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Personnel	S.8.1 L.4	\$ 56.80	\$ 58.30	\$ 62.55	\$ 66.78	\$ 68.78
2 Materials, Goods & Supplies	S.8.2 L.6	2.91	2.42	2.79	2.91	2.96
3 External Services	S.8.3 L.9	83.79	93.47	88.22	91.70	81.88
4 Fleet Services	S.8.4 L.3	16.72	17.41	15.58	17.51	17.84
5 Shared Services	S.8.5 L.11	10.52	10.29	10.29	10.38	10.57
6 Intra-municipal Services	S.8.6 L.8	6.53	5.33	4.72	5.99	6.20
7 Utilities	S.8.7 L.5	4.54	4.67	5.16	5.27	5.00
8 Landfill Liability Required	S.12.0 L.4	18.19	2.60	5.77	2.31	1.50
9 Other Expenses	S.8.9 L.5	3.16	1.65	1.70	2.47	2.51
10 TOTAL O&M EXPENSES		203.17	196.15	196.78	205.31	197.24
11 Intra-municipal Recoveries	S.8.8 L.4	(0.97)	(0.42)	(0.27)	(0.42)	(0.44)
12 Grants		0.04	0.08	0.08	0.08	0.08
13 RECOVERIES		(0.93)	(0.34)	(0.20)	(0.35)	(0.36)
14 NET Operations & Maintanance	S7.0 L.5	\$ 202.24	\$ 195.81	\$ 196.58	\$ 204.96	\$ 196.87

8.1 PERSONNEL

(in millions of dollars)

Schedule 8.1 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Wages		\$ 46.50	\$ 46.87	\$ 50.64	\$ 54.73	\$ 56.37
2 Overtime		1.28	1.49	1.55	1.40	1.44
3 Allowances and Benefits		9.02	9.94	10.36	10.65	10.97
4 TOTAL PERSONNEL	S.8.0 L.1	\$ 56.80	\$ 58.30	\$ 62.55	\$ 66.78	\$ 68.78

Personnel costs include Wages, Overtime, Employment Allowances and Benefits. The City's Capital and Operating Budget System (COBS) utilizes the City's payroll system as the source for personnel budget wage and benefit rates, providing a reliable and consistent source of information. The Utility estimates its full-time equivalent (FTE) staffing requirements to create the 2026 Proposed budget estimate. A four per cent vacancy rate is applied to arrive at the 2026 Proposed personnel cost.

The Utility is requesting a 0.4 FTE administrative increase to its approved regular permanent full-time complement of 559.6 FTE to 560.0.

Table 8.1: Approved Regular FTE

Proposed FTE Changes in 2026 Rate Filing	FTEs
2025 Approved FTE	559.6
Increase to approved FTE	0.4
2026 Proposed FTE	560.0

Line 1 - Wages

Projected wages in 2026 are trending higher than approved 2025 wages for multiple reasons, including settlement of union agreements retroactive to 2024 (including wage increases and retroactive pay) as well as increased staffing as outlined below:

- Targeting a 50/50 division of labour between City staff and contractors for both collection services has led to in-sourcing more apartment and condo collection work in northeast Edmonton, requiring more staff.

- Additional staff across the Utility are required for the three-stream apartment and condo collection rollout as it moves into new areas of Edmonton, including waste outreach and operational training employees.

Line 2 - Overtime

Overtime is typically used to respond to peak seasonal waste collection and processing demands using existing Utility staff. Overtime costs are strictly monitored to ensure operational and asset utilization efficiency. Overtime for 2026 Proposed is budgeted using an average of prior years inflated actuals.

Line 3 - Allowances and Benefits

Benefits mainly consist of Local Authorities Pension Plan (LAPP), the Canada Pension Plan, Employment Insurance, Major Medical and Dental Plan, Group Life Insurance and Health Care Spending Accounts. The increase in Allowance and Benefits is mainly due to inflation, in addition to collectively bargained increases to health care benefits. Worker compensation benefit premium costs are also forecast to escalate in 2026 due to more claims being made from the City.

8.2 MATERIALS, GOODS & SUPPLIES

(in millions of dollars)

Schedule 8.2 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Collection Services		\$ 0.87	\$ 0.69	\$ 0.92	\$ 0.70	\$ 0.71
2 Organics		0.04	0.04	0.04	0.07	0.07
3 Integrated Processing & Transfer		0.16	0.08	0.12	0.14	0.14
4 Haul and Landfill Operations		0.06	0.06	0.06	0.06	0.06
5 Other		1.78	1.55	1.66	1.94	1.98
6 TOTAL MATERIALS, GOODS & SUPPLIES	S8.0 L.2	\$ 2.91	\$ 2.42	\$ 2.79	\$ 2.91	\$ 2.96

Line 5 - Other

Increases in Other costs are primarily related to increases in computer software licence fees related to facility maintenance and workflow automation as well as increased EWMC site operations costs.

8.3 EXTERNAL SERVICES

(in millions of dollars)

Schedule 8.3 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Waste Collection Services		\$ 30.17	\$ 30.73	\$ 30.71	\$ 33.24	\$ 33.45
2 Materials Recovery Facility		9.34	10.13	7.63	10.17	-
3 Organics		11.29	14.45	14.26	6.76	6.89
4 Integrated Processing & Transfer		11.37	11.72	11.22	12.44	12.68
5 Haul and Landfill Operations		11.61	14.03	12.61	11.70	11.93
6 Customer Billing Services		5.44	5.45	5.63	6.03	6.14
7 Asset Decommissioning		-	1.00	0.36	5.34	4.00
8 Other		4.58	5.96	5.80	6.02	6.78
9 TOTAL EXTERNAL SERVICES	8.0 L.3	\$ 83.79	\$ 93.47	\$ 88.21	\$ 91.70	\$ 81.88

Line 1 - Waste Collection Services

Collection Services' external contracts include collection of residential garbage, recycling, food scraps and seasonal yard waste. It also includes apartment and condo collection of residential garbage, recycling and food scraps, as well as costs for contracted equipment, services at the Eco Stations and other Collection Services programs. Other costs include contracted equipment and programs to provide services to Edmontonians.

External services costs have increased due to higher contract costs due to inflation, service delivery requirements, and population growth, which contribute to larger waste volumes to collect and process. Current contracts are adjusted annually using a cost index that includes Consumer Price Index (CPI), fuel and labour to better reflect annual changes in direct operating costs.

Line 2 - Materials Recovery Facility

The Materials Recovery Facility (MRF) sorts and processes recyclables collected through the blue bag, blue bin and Community Recycling Depot programs. The City's contract with the PRO for processing blue bag materials under EPR is currently set to end September 30, 2026. Proposed costs for 2026 include running the MRF and transitioning processing contracts.

Line 3 - Organics

The 2025 contracted organics costs included operations and maintenance for the High Solids Anaerobic Digestion Facility (HSADF) and third-party processing contracts. Costs are projected to

decrease in 2026 as the Utility pursues a new strategic direction for organics processing, moving to off-site third-party processing and away from active anaerobic digestion at the HSADF.

Line 4 - Integrated Processing and Transfer

Feedstock for waste-to-energy applications is prepared at the Refuse Derived Fuel (RDF) Facility, located within the Integrated Processing and Transfer Facility. The utility pays contractually agreed upon fees to third-party processing facilities for the conversion of feedstock into energy. The fees include a tipping fee for the delivery of acceptable feedstock to the facilities. The forecasted increase in 2026 is due to third-party facilities requiring more feedstock from the RDF Facility.

Line 5 - Haul and Landfill Operations

Haul and Landfill Operations represents the internal and contracted out hauling fees for all Utility operations and landfill tipping fees. The projected decrease in 2026 is due to fewer tonnes trucked to landfill, with the RDF Facility running at full capacity, as well as utilizing more internal trucking to haul material to landfill.

Line 6 - Customer Billing Services

The utility has a contract with EPCOR for the provision of customer billing and collection services. A new contract takes effect in 2026, increasing the projected costs from 2025. The Utility works closely with EPCOR to ensure good value from the new contract for residential customers.

Line 7 - Asset Decommissioning

The 2026 Proposed costs are for removal of digester drums at the former Edmonton Composting Facility Aeration Hall building, which was decommissioned in 2020. There are plans for continued work on various asset decommissioning in 2027 and beyond.

Line 8 - Other

Other external services include the apartment and condo collection program, support for waste characterization studies, Waste System Education and Program Management, Engineering Analysis, Administrative Services, Environmental Monitoring and Compliance, and EWMC facilities including the Advanced Energy Research Facility and the Research & Development Facility. 2026 costs increase higher than 2025 Projected due to the waste characterization study and the Industrial, Commercial and Institutional Waste Roadmap.

8.4 FLEET SERVICES

(in millions of dollars)

Schedule 8.4 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Fuel		\$ 5.11	\$ 5.29	\$ 4.77	\$ 4.77	4.86
2 Direct Charge & Repairs		11.61	12.12	10.81	12.74	12.98
3 TOTAL FLEET SERVICES	S.8.0 L.4	\$ 16.72	\$ 17.41	\$ 15.58	\$ 17.51	\$ 17.84

Fleet Services are managed by the City on behalf of the Utility. As the client, the Utility bases its maintenance and procurement decisions on data and information from Fleet Services. The City manages the procurement of vehicles and equipment based on communicated requirements from the utility, and also handles the fuel contracts.

As Fleet Services recovers 100 per cent of branch costs, a portion of indirect branch overhead is charged to the Utility. The indirect overhead is allocated through work order fees, vendor work charges and fuel surcharges. The remaining overhead costs are recovered through shop rates on shop labour hours. Indirect overhead includes administration, training, engineering, procurement, safety, client relations, and facility and equipment maintenance. Estimates for Fuel and Direct Charge & Repairs are estimated by Fleet Services in consultation with the Utility and aligned with Fleet Services' four-year operating budget for 2023 to 2026. Estimates were reviewed and updated for the Waste Services 2026 Rate Filing. The increase in Direct Charge & Repairs is the result of higher maintenance on collection vehicles as the fleet ages, with fewer unit repairs being completed under warranty.

Funding for the Utility's vehicle and equipment replacements are incorporated into the Utility's Fleet capital program, as described in Section 11.

8.5 SHARED SERVICES

(in millions of dollars)

Schedule 8.5 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Corporate Allocation (Central Management)		\$ 2.09	\$ 2.11	\$ 2.11	\$ 2.13	\$ 2.17
2 Communications & Public Engagement		1.64	1.66	1.66	1.68	1.71
3 Financial Services		1.54	1.56	1.56	1.57	1.60
4 Safety		0.51	0.33	0.33	0.34	0.34
5 Human Resources		0.94	1.13	1.13	1.14	1.16
6 Law		0.35	0.35	0.35	0.35	0.36
7 Corporate Procurement and Supply Services		0.50	0.51	0.51	0.51	0.52
8 Information Technology		1.48	1.48	1.48	1.51	1.53
9 Real Estate & Housing		0.69	0.38	0.38	0.35	0.35
10 Service Innovation & Performance		0.78	0.78	0.78	0.80	0.81
11 TOTAL SHARED SERVICES	\$ 8.0 L5	\$ 10.52	\$ 10.29	\$ 10.29	\$ 10.38	\$ 10.57

The City employs a shared services model where support services required for the operations of all City businesses are provided through centralized areas of expertise. This approach takes advantage of efficiencies gained through economies of scale and opportunities to provide more robust systems and services (e.g. technology-related services). Waste Services Utility Fiscal Policy C558C requires that the Utility operate under a full cost approach, requiring the Utility to pay for its portion of shared services.

In March 2021, a third-party consultant conducted a benchmarking study to validate the reasonableness of shared service costs allocated to the Utility. The scope of this study included a review and comparison of cost allocations, methodologies, policies and procedures to evaluate if the shared services costs allocated to the Utility are on par with comparable municipalities. The six most common service categories provided through central services were selected including: Information Technology, Human Resources, Financial Services, Communications, Law (Legal Services) and Procurement. Overall, the study concluded that the shared services costs allocated to the Utility were reasonable and within an acceptable range.

As part of the City's 2023-2026 budget cycle, shared service costs were reviewed and re-evaluated to update cost requirements. The Utility worked with shared service providers to analyse and develop the shared service budget for the 2026 Rate Filing. The 2026 Proposed is higher than 2025 Projected due to inflationary cost increases.

8.6 INTRA-MUNICIPAL SERVICES

(in millions of dollars)

Schedule 8.6 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Communications & Public Engagement		\$ 0.70	\$ 0.70	\$ 0.53	\$ 0.52	\$ 0.53
2 Human Resources		0.19	0.10	0.10	0.20	0.21
3 Law		0.34	0.34	0.34	0.32	0.33
4 Corporate Procurement and Supply Services		0.33	0.33	0.33	0.35	0.36
5 Transportation Operations		0.02	0.07	0.07	0.04	0.04
6 Facilities and Landscape Infrastructure		2.32	2.38	2.41	2.47	2.51
7 Other		2.65	1.41	0.95	2.08	2.22
8 TOTAL INTRA-MUNICIPAL SERVICES	S.8.0 L.6	\$ 6.53	\$ 5.33	\$ 4.72	\$ 5.99	\$ 6.20

Intra-Municipal Services are charges for on-demand services provided through other City of Edmonton programs which are not incorporated in shared services charges. They are more variable as they are charged over and above fixed Shared Services costs outlined in Section 8.5. For example, a special project may arise requiring more City support, warranting additional charges to the Utility from the City. These are direct charges for services such as dedicated support for communication and engagement initiatives, on-demand building repairs and maintenance, posting vacant positions to external job websites, fleet support and security services for special events.

Line 1 - Communication & Public Engagement

The 2026 Proposed decrease is due to reduced staff support needed for public engagement.

Line 2 - Human Resources

The increase in direct charges from the 2025 projection is related to costs for Waste Services staffing requirements in 2026.

Line 7 - Other

The increase in the 2026 Other Services budget is directly tied to the discontinuation of the Aggregates Recycling Program. The 2025 Projected includes a one-time positive credit generated by the program's final inventory sale as it wound down. The absence of this temporary credit in 2026 means the budget line reflects the expected, higher net operating expense.

8.7 UTILITIES

(in millions of dollars)

Schedule 8.7 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Power		\$ 2.63	\$ 2.29	\$ 2.77	\$ 2.70	\$ 2.50
2 Natural Gas		1.54	1.93	1.88	2.10	2.02
3 Water		0.09	0.09	0.09	0.09	0.09
4 Other		0.28	0.36	0.42	0.36	0.38
5 TOTAL UTILITIES	S.8.0 L.7	\$ 4.54	\$ 4.67	\$ 5.16	\$ 5.27	\$ 5.00

Power, natural gas and water estimates are provided by the City's Urban Planning and Economy department's Economic and Environmental Sustainability branch. Estimates are based on historical consumption and future forecasted rates for current service levels. Service level changes are applied to the estimates to determine the budget numbers for each utility.

8.8 INTRA-MUNICIPAL RECOVERIES

(in millions of dollars)

Schedule 8.8 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Litter Collection Recovery		\$ (0.21)	-	-	-	-
2 Landfill Disposal Fees		(0.94)	(0.94)	(0.94)	(0.94)	(0.96)
3 Other		0.18	0.52	0.67	0.52	0.52
4 TOTAL INTRA-MUNICIPAL RECOVERIES	S.8.0 L.11	\$ (0.97)	\$ (0.42)	\$ (0.27)	\$ (0.42)	\$ (0.44)

Intra-Municipal Recoveries are billings to other areas within the City for services provided by the Utility. These recoveries include direct charges such as charges to other City areas for disposal of waste at the EWMC. Effective April 1, 2024, litter collection was transferred to Fleet and Facility Services as part of the City-wide cost and delivery efficiency consolidation project.

Line 3 - Other

The decrease in 2026 is mainly due to a reduction in internal hauling charges as the Coronation Eco Station expansion project is scheduled to shut down the Eco Station in 2026, resulting in less demand for hauling services.

8.9 OTHER EXPENSES

(in millions of dollars)

Schedule 8.9 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Insurance		\$ 0.86	\$ 0.60	\$ 0.60	\$ 0.88	\$ 0.90
2 Bad Debt		1.55	0.92	1.06	1.35	1.38
3 Gain/Loss on Disposal of Assets		0.37	-	(0.07)	-	-
4 Other		0.38	0.13	0.11	0.24	0.24
5 TOTAL OTHER EXPENSES	S.8.0 L.9	\$ 3.16	\$ 1.65	\$ 1.70	\$ 2.47	\$ 2.51

Other expenses primarily include insurance premiums associated with waste collection and processing facilities at the EWMC and Eco Stations, bad debt expense related to residential utility billing, and service charges for credit/debit card processing at the EWMC Scalehouse and Eco Stations. The Increase to 2026 Proposed is due to using an updated three-year average of historical costs.

9.0 AMORTIZATION, INTEREST EXPENSE & LONG-TERM DEBT

(in millions of dollars)

Schedule 9.0 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Amortization of Non-Contributed Assets	S.7.0 L.6	\$ 26.65	\$ 29.08	\$ 28.24	\$ 30.48	\$ 32.24
2 Amortization of Contributed Assets		1.18	1.10	1.11	1.08	1.08
3 TOTAL AMORTIZATION OF ASSETS		\$ 27.84	\$ 30.18	\$ 29.35	\$ 31.56	\$ 33.32
4 Long-Term Interest - Existing Borrowing		\$ 6.79	\$ 5.85	\$ 6.19	\$ 5.28	\$ 4.57
5 Long-Term Interest - Proposed Borrowing		0.00	1.26	0.19	0.78	1.39
6 TOTAL INTEREST EXPENSE	S.7.0 L.8	\$ 6.79	\$ 7.12	\$ 6.38	\$ 6.06	\$ 5.96
7 Long-Term Debt Principal Repayment - Existing Borrowing		\$ 21.04	\$ 21.49	\$ 21.67	\$ 21.56	\$ 13.66
8 Long-Term Debt Principal Repayment - Proposed Borrowing		0.00	0.44	0.02	0.49	1.11
9 TOTAL PRINCIPAL REPAYMENTS		\$ 21.04	\$ 21.93	\$ 21.69	\$ 22.04	\$ 14.78
10 Long-Term Debt Balance - Existing Borrowing		\$ 180.98	\$ 174.55	\$ 165.74	\$ 157.92	\$ 159.50
11 Long-Term Debt Balance - Proposed Borrowing		7.02	16.99	13.65	16.35	11.91
12 TOTAL LONG-TERM DEBT BALANCE		\$ 188.00	\$ 191.54	\$ 179.39	\$ 174.27	\$ 171.40
13 MID-YEAR LONG-TERM DEBT BALANCE		\$ 195.00	\$ 194.01	\$ 183.70	\$ 176.83	\$ 172.84

Line 1 - Amortization of Non-Contributed Assets

Amortization expense represents the amount of asset life used during a given operating period. The rate of amortization is dependent upon the asset class, each with a predetermined estimated useful life based upon historical experience. The Utility's assets are divided into 46 different classes, with useful lives varying between three and 60 years. Amortization expense is calculated using the straight-line method, which incurs a half-year of expenses in the first and last year of the asset's life.

Increases in amortization are due to upcoming asset commissioning related to vehicle and container purchases, as well as the EWMC Water Distribution System Upgrade, Coronation Eco Station Expansion, Three-stream Communal Collection, Greenhouse Gas Mitigation Energy Transition Portfolio projects, and various EWMC site infrastructure and facilities projects. The majority of existing Waste Services assets are in good operating condition and are not

approaching the end of their asset lifecycle. The Utility also continually reviews assets that are no longer in service and assesses the costs and timing of decommissioning activities which would be attributed as operating expenses separate from amortization.

Line 6 - Total Interest Expense

Interest expense is incurred from Government of Alberta (formerly the Alberta Capital Financing Authority) debentures related to capital projects, as outlined in Section 11.2. Projected rates are based on recent Government of Alberta rates and economic conditions (Section 3.0).

Line 12 - Total Long-Term Debt

Projected Long-Term Debt decreases in 2026 due to total repayments of debt being higher than new debt required for the 2026 Capital Plan, as indicated in Capital Financing Schedule 11.2, Line 2. This is mainly due to the completion of a significant 25-year debt servicing term.

9.1 DEFERRAL ACCOUNT BALANCES

(in millions of dollars)

Schedule 9.1 Line #	Reference	Recovery Period (Years)	2024	2025	2025	2026	2027
			Actual	Approved	Projected	Proposed	Forecast
1 Opening Deferral Balance (Regulatory Asset)			\$ 18.24	\$ 14.33	\$ 14.33	\$ 10.42	\$ 7.18
2 Deferral Additions During the Year			-	-	-	-	-
Amortization of Regulatory Asset							
3 2017 Impairment		12	1.31	1.31	1.31	1.31	1.31
4 2019 Impairment		8	0.63	0.63	0.63	0.63	0.63
5 ECF Deconstruction		8	1.31	1.31	1.31	1.31	1.31
6 2020 Impairment		5	0.66	0.66	0.66	-	-
7 Total Amortization of Regulatory Asset	S7.0 L.7		\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.25	\$ 3.25
8 Closing Deferral Balance (Regulatory Asset)			\$ 14.33	\$ 10.42	\$ 10.42	\$ 7.18	\$ 3.93

The deferral account is a rate-regulated accounting mechanism, allowing the Utility to minimize rate volatility for ratepayers by recovering approved cost over a period of time compared to when the costs are actually incurred. This results in the Utility recording a regulatory asset for the deferral account balances, which is amortized over a reasonable time period to allow the Utility to recover costs from ratepayers while ensuring rate stability. The existing deferral account balances are primarily related to asset write-down cost and demolition cost resulting from the structural failure of the Edmonton Composting Facility, which was approved to be deferred and recovered from ratepayers in the Utility's 2019 Rate Filing. There are no additions to the deferral account for the 2026 Rate Filing.

Lines 3-7: Amortization of Regulatory Asset

The amortization of the regulatory asset represents the annual amount of the deferral balance recovered through utility rates. The amortization period used for the regulatory asset closely matches the remaining useful life of the original asset, and in the case of decommissioning costs a reasonable time period was selected that minimizes rate impact while balancing intergenerational equity. On average, the deferral amortization period on the existing balance is approximately nine years with a final expense year of 2031.

10.0 UTILITY RATE REVENUE

Curbside Collection Utility Rate

The following table outlines the proposed cart rates for 2026, forecasts for 2027 and the percentage of curbside collection customers selecting each garbage cart size. A monthly \$1.32 decrease in waste utility rates is proposed for all curbside collection customers. The 240L garbage cart size is the default size and was used to determine the base three per cent utility rate decrease.

Table 10A: 2026 Curbside Collection Monthly Utility Rates

Garbage Cart Size (litres)	2024 Approved	2025 Approved	2026 Proposed	2027 Forecast	Customer Adoption *
120L	\$44.19	\$38.95	\$37.63	\$38.06	9%
240L	\$49.19	\$43.95	\$42.63	\$43.06	90%
360L ⁶	\$59.19	\$53.95	\$52.63	\$53.06	1%

* Customer Adoption refers to the % of customers that use each size Cart

Apartment and Condo Collection Utility Rate

Most customers in multi-unit households, such as apartments and condominiums, receive apartment and condo collection, where waste is disposed of in shared containers. The rollout of three-stream sorting to apartment and condo collection is in progress, and is projected to be complete in 2027. A three per cent monthly utility rate decrease, or \$0.84 per month, for apartment and condo collection is proposed in 2026.

Table 10B: 2026 Apartment and Condo Collection Monthly Utility Rates

2024 Approved	2025 Approved	2026 Proposed	2027 Forecast
\$31.25	\$27.92	\$27.08	\$27.35

Transitional Waste Utility Rates

Transitional waste utility rates are used to bridge the impact of rate increases to specific classes of ratepayers moving to curbside collection service from apartment and condo collection service. These rates are typically implemented when properties are more suited for carts, but are receiving apartment and condo collection service. Curbside collection service begins as soon as possible, while

⁶ Available only to qualifying households producing home medical waste or with seven or more people in the household.

the transitional waste utility rates are adjusted over a four-year period to reduce rate shock. Ratepayers moving to apartment and condo collection from curbside collection are transferred to the apartment and condo rate whenever feasible, as this would be a rate reduction.

Table 10C: 2026 Transitional Waste Utility Rates

Transitional Waste Utility Rate	2024 Approved	2025 Approved	2026 Proposed	2027 Forecast
Curbside Service Transition Rate Year 1	\$34.84	\$31.13	\$30.19	\$30.49
Curbside Service Transition Rate Year 2	\$38.43	\$34.33	\$33.30	\$33.63
Curbside Service Transition Rate Year 3	\$42.02	\$37.54	\$36.41	\$36.77
Curbside Service Transition Rate Year 4	\$45.60	\$40.74	\$39.52	\$39.92

Calculation of Utility Rate Revenue

Schedule 10.0.1 illustrates the Rate Revenue at the existing 2025 Rates (Line 28 = \$204.36 million), the percentage change due to the one-time EPR revenue adjustment (-6.4 per cent), the utility rate increase required for services (3.4 per cent) and the net total required to arrive at the 2026 Proposed Rate Revenue of \$198.20 million (-3.0 per cent).

Rate Revenues shown on Schedule 10.0.1, Line 28 are carried to the Utility Revenue Requirement Schedule, Line 1 in Section 7.0: Utility Revenue Requirement.

(in millions of dollars)

Summary of Customers, Rates and Revenue

10.1 NON-RATE REVENUE

(in millions of dollars)

Schedule 10.1 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Program Revenues - Tip Fees		\$ 3.20	\$ 3.73	\$ 3.73	\$ 3.60	\$ 3.67
2 Program Revenues - C&D Waste		0.16	0.21	0.21	0.17	0.17
3 Program Revenues - Materials Recovery Facility		2.22	0.52	0.52	0.40	1.00
4 Program Revenues - Corporate Facilities Collection		2.02	2.01	2.01	2.07	2.11
5 Program Revenues - Eco Stations		3.58	3.38	3.81	3.66	3.72
6 Program Revenues - Landfill Gas, Greenhouse Gas		6.12	-	-	-	-
7 Program Revenues - Other		3.79	2.68	1.64	2.53	2.58
8 Investment Earnings		3.74	2.44	2.44	2.10	2.14
9 Grants		-	0.30	0.00	-	-
10 TOTAL NON-RATE REVENUE	S7.0 L3	\$ 24.84	\$ 15.29	\$ 14.38	\$ 14.95	\$ 15.83

Line 1 - Tip Fees Revenue

Tip Fee Revenues are generated from private commercial haulers disposing waste materials at the EWMC. 2026 program revenues have been adjusted for expected volumes.

Line 2 - Construction and Demolition (C&D) Waste Revenue

The Construction and Demolition Waste Facility is operated by a third-party. Revenues are forecasted on royalties received from the third-party operator. The decrease in 2026 Proposed from 2025 Approved is due to using a three-year average of actuals to forecast for 2026.

Line 3 - Materials Recovery Facility Revenue

Materials Recovery Facility revenues from the sale of recyclable materials are highly influenced by both the Canadian commodities market and the US exchange rate. The term of the current EPR processing contract is set to end on October 1, 2026. The Utility is currently in negotiations with the PRO on future utilization of the Materials Recovery Facility. Various scenarios for future operations of the Material Recycling Facility will be reviewed in 2026.

Line 4 - Corporate Facilities Collection Revenue

Corporate Facilities Collection Revenue is obtained solely from waste collection and disposal at City facilities. Billing for this service is done by City's billing provider EPCOR, which is provided to the Utility as revenue and not as an interdepartmental recovery.

Line 5 - Eco Station Revenue

Eco Station revenue updated to reflect expected volume in 2026.

Line 6 - Landfill and Greenhouse Gas Revenue

Landfill and Greenhouse Gas Revenue is generated from the sale of emission reduction credits.

The 2024 actual revenue included landfill Greenhouse Gas (GHG) credit revenue for offset credits from 2018 to 2023. Existing landfill and composting offsets projects have reached the end of their crediting period, and there will not be new revenue from GHG offset sales in 2026 or 2027.

Line 7 - Other Program Revenue

Other Program Revenue includes revenues generated from third-parties operating at the EWMC, which includes sharing of third-party sales revenues. 2026 Proposed revenue is higher than 2025 due to rental revenue at the Advanced Energy Research Facility, which did not have any third-party tenants in 2025.

Line 8 - Investment Earnings

Investment earnings include interest payments received on existing cash balances. Interest earned is expected to decrease due to a decrease in the Utility's cash position in 2026.

10.2 CALCULATION OF RATE BASE

(in millions of dollars)

Schedule 10.2 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
Investments in Tangible Capital Assets						
1 Gross Book Value - Non Contributed		\$ 636.84	\$ 678.11	\$ 669.05	\$ 703.69	\$ 738.95
2 Gross Book Value - Contributed		33.54	33.54	33.54	33.54	40.54
3 Gross Book Value - All Assets		670.38	711.65	702.58	737.22	779.49
4 Accumulated Depreciation - Non Contributed		327.47	363.09	355.72	386.19	418.42
5 Accumulated Depreciation - Contributed		15.17	16.24	16.27	17.36	18.44
6 Accumulated Depreciation - All Assets		342.64	379.34	371.99	403.55	436.86
7 Net Book Value - Non Contributed		309.37	315.02	313.33	317.50	320.53
8 Net Book Value - Contributed		18.37	17.29	17.26	16.18	22.10
9 Net Book Value - All Assets		\$ 327.74	\$ 332.31	\$ 330.59	\$ 333.67	\$ 342.63
10 Mid-Year Non-Contributed Assets		309.60	314.94	311.35	315.41	319.01
Cash Flow Requirement						
11 One Month Operations		18.62	18.26	18.55	19.05	17.77
12 RATE BASE AT MID YEAR	S.10.3 L.1	\$ 328.22	\$ 333.20	\$ 329.90	\$ 334.46	\$ 336.78

10.3 CAPITAL STRUCTURE & RETURN ON RATE BASE

(in millions of dollars)

Schedule 10.3 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Mid-Year Rate Base	\$10.2 L.12	\$ 328.22	\$ 333.20	\$ 329.90	\$ 334.46	\$ 336.78
Mid-Year Capital Structure						
2 Debt		59.4%	56.2%	55.7%	52.9%	51.3%
3 Equity		40.6%	43.8%	44.3%	47.1%	48.7%
Cost Rates						
4 Debt	L.6/(L.1xL.2)	3.5%	3.8%	3.5%	3.4%	3.5%
5 Equity	L.7/(L.1xL.3)	4.5%	2.5%	8.0%	3.5%	4.1%
Weighted Average Cost of Capital		3.9%	3.2%	5.5%	3.4%	3.8%
Return on Rate Base						
6 Debt	\$7.0 L.8	6.79	7.12	6.38	6.06	5.96
7 Equity	\$7.0 L.10	5.94	3.63	11.64	5.44	6.74
Total Return		\$ 12.74	\$ 10.74	\$ 18.03	\$ 11.50	\$ 12.70

Mid-Year Capital Structure

The Capital Structure is trending towards higher equity due to debenture expiry. In addition, the Utility has had higher spending on fleet replacement assets in this budget cycle, which are selected to be funded with Pay-As-You-Go (cash) due to their lower useful lives.

11.0 CAPITAL BUDGET & FORECAST PLAN

11.1 CAPITAL PROJECT SUMMARY

As part of the 25-year Waste Strategy and business planning process, the Utility has placed greater emphasis on delivering strategic program changes through implementing its capital plan. Aligned with the City's Project Development and Delivery Model (PDDM), a comprehensive program and project management process was developed and is used from project initiation, justification (business case development), prioritization, budget development and expenditure tracking, to project delivery and close-out. Emphasis is placed on ensuring sustainability and growth in assets, and to meet the regulatory requirements through proper program planning and delivery.

The Utility's approved 2023-2026 Capital Budget is \$157.9 million, which includes \$35.1 million in approved capital expenditures for projects with completion dates beyond 2026 for Coronation Eco Station Expansion, Landfill Gas to Renewable Natural Gas, EWMC Water Distribution Upgrade, and Three-stream Communal Collection. Budgeted expenditures for 2023-2026 total \$122.8 million which has been allocated to nine capital profiles. This includes funding for significant, multi-year, key profiles such as Waste Services Facilities, Infrastructure and Process Equipment, Waste Services Fleet Assets, and Three-stream Communal Collection. Schedule 11.1 shows a 2023-2030 total of \$265.0 million, including the Utility's \$157.9 million 2023-2026 approved budget and \$107.1M additional planned capital for infrastructure and equipment composite profiles to be proposed in the 2027-2030 Budget Cycle.

Through PDDM, these projects are being continually assessed throughout their development and design lifecycle, assessing their long-term financial and strategic impacts and if other opportunities exist to reduce capital spending.

The Utility will continue to follow the developed best practices that appropriately balance growth, process efficiency improvements, rehabilitation and regulatory requirements. An asset management philosophy focused on safety, reliability and risk management has been incorporated into future capital planning by implementing a percentage of asset replacement value into the capital plan. This ensures proactive maintenance and repair based on asset condition assessment, safety, security and environmental requirements.

Schedule 11.1 2023-2030 Capital Project Summary⁷ (in millions of dollars)

Line #	Capital Projects	Current Budget Cycle				Forecast				2023-2030 Total	
		2023	2024	2025	2026	Total	2027	2028	2029		
1	Branch-wide										
1	Waste Services Facilities, Infrastructure & Process Equipment	\$ 4.22	\$ 7.18	\$ 5.69	\$ 2.85	\$ 19.94	\$ 4.00	\$ 4.08	\$ 4.40	\$ 4.25	\$ 36.66
2	Waste Services IIS Infrastructure Planning and Design	0.77	0.64	1.05	0.97	3.43	0.60	0.55	0.50	0.35	5.43
3	Waste Services IIS Infrastructure Delivery	4.89	(0.29)	2.08	2.18	8.86	4.70	5.30	5.20	5.02	29.08
4		9.88	7.52	8.82	5.99	32.22	9.30	9.93	10.10	9.61	71.17
5	Collection Services Facilities										
5	Coronation Eco Station Expansion	-	3.30	0.55	1.77	5.62	4.90	5.75	-	-	16.27
6		-	3.30	0.55	1.77	5.62	4.90	5.75	-	-	16.27
7	Sustainable Waste Processing Facilities										
7	Materials Recovery Facility (MRF) Renewal	3.59	(0.03)	-	-	3.56	-	-	-	-	3.56
8	Landfill Gas to Renewable Natural Gas (RNG)	-	-	-	-	-	9.68	3.69	-	-	13.37
9	EWMC Water Distribution System Upgrade	-	0.48	0.84	5.57	6.89	4.78	5.59	-	-	17.25
10	Various minor projects	(0.73)	0.02	-	-	(0.71)	-	-	-	-	(0.71)
11		2.86	0.47	0.84	5.57	9.74	14.46	9.28	-	-	33.47
12	Vehicles & Equipment										
12	Waste Containers	1.79	1.67	1.89	1.80	7.15	1.92	1.93	1.95	1.97	14.92
13	Waste Services Fleet Assets	13.10	10.35	15.64	16.50	55.58	8.48	7.82	8.45	10.59	90.92
14	Greenhouse Gas Mitigation Energy Transition	-	-	0.76	1.93	2.69	2.54	2.26	1.85	1.80	11.14
15		14.89	12.02	18.29	20.22	65.42	12.94	12.01	12.25	14.36	116.97
16	Waste Program Changes										
16	Three-stream Communal Collection	1.79	3.24	3.70	1.08	9.81	0.67	-	-	-	10.48
17		1.79	3.24	3.70	1.08	9.81	0.67	-	-	-	10.48
18	Total Recommended Profiles	29.42	26.56	32.21	34.64	122.82	42.27	36.97	22.35	23.97	248.36
19	Profile Pending Approval										
19	Provision for Future Capital Projects	-	-	-	-	-	-	-	8.25	8.42	16.67
20		29.42	26.56	32.21	34.64	122.82	42.27	36.97	30.60	32.39	265.04

To supplement the above capital schedule, a detailed appendix has been prepared to outline the purpose of the capital profile, any scope and timing changes, significant issues, and a completion plan for each profile. The Utility is now including this information in Appendix A to serve as regulatory justification for the capital plan, which also includes a summary and timeline of the historical adjustments that have been approved by Administration & City Council. Original business cases for active profiles are also included in Appendix B.

Line 1 - Waste Services Facilities, Infrastructure & Process Equipment Composite

This composite profile provides capital funding for facility and infrastructure planning and design and project delivery, which is managed internally by the Utility. Projects anticipated to be undertaken in 2026 include, but are not limited to:

- EWMC Cure Site Upgrades
- Kennedale Security Fence

⁷ Forecasts in table may include unspent budget carried forward from the 2019-2022 budget cycle.

- Waste Collection Digitization Tablets
- EWMC Fiber Optic Network Upgrade

Lines 2 & 3 - Waste Services Planning and Design and Project Delivery Composite (IIS Managed)

These composite profiles provide capital funding for planning and design and for project delivery for projects managed by Integrated Infrastructure Services (IIS). Projects anticipated to be undertaken in 2026 include, but are not limited to:

- EWMC Site Paving
- Ambleside Eco Station West Egress
- Compost School Refresh

Line 5 - Coronation Eco Station Expansion

This profile was approved by Council in early 2025 and the majority of the project was funded by the cancelled capital profile 15-33-2011 Mayfield Eco Station (NW). This project will upgrade and expand the existing Coronation site to improve site operations and customer experience with land purchased from EPCOR.

Line 8 - Landfill Gas to Renewable Natural Gas

This standalone profile was approved by Council in February 2021 and includes the capital required to collect, process and convert landfill gas into renewable natural gas to manage environmental liabilities associated with the Clover Bar Landfill and generate beneficial byproducts such as renewable natural gas and saleable environmental attributes. The landfill gas collection system is funded through the Utility's landfill liability and is under construction. However, the renewable natural gas conversion project component has been pushed out to 2027-2028, as the Utility will be completing a feasibility study and new business case for Council approval in early 2026.

Line 9 - EWMC Water Distribution System Upgrade

This new standalone profile was approved by Council in late 2024. This project adds or upgrades water system infrastructure at the EWMC, making the system more resilient in the event of fire, improving the environmental compliance of facilities and adding contingency to the overall system.

Lines 12 & 13 - Waste Containers and Waste Services Fleet Assets

These composite profiles provide capital funding for waste containers and mobile equipment. The objective of these profiles is to replace existing assets at the end of their useful lives and provide funding for growth assets to support ongoing operations.

Line 14 - Greenhouse Gas Mitigation Energy Transition Portfolio

This project was approved by Council in late 2024 to transition the Utility's assets to climate resilient infrastructure, reducing GHG emissions and supporting the City's environmental initiatives in alignment with the City's Greenhouse Gas Management Plan 2019-2030 for Civic Operations.

Line 16 - Three-stream Communal Collection

This profile was approved by Council in April 2021 and provides funding for vehicles and containers to support changes to apartment and condo collection for the three-stream separation of waste (garbage, recycling and food scraps).

Line 19 - Provision for Future Capital Projects

Although detailed capital plans for the period 2027 to 2030 have yet to be developed, the Utility anticipates that future additional capital outlays will be required.

11.2 CAPITAL PROJECT FINANCING SUMMARY

(in millions of dollars)

Line #	Source of Financing	Current Budget Cycle				2023-2026 Total	Forecast				2023-2030 Total
		2023	2024	2025	2026		2027	2028	2029	2030	
1	Self Liquidating Debentures	\$ 0.10	\$ 11.60	\$ 13.08	\$ 16.93	\$ 41.70	\$ 11.92	\$ 14.30	\$ 21.65	\$ 21.45	\$ 111.00
2	Pay As You Go Requirement	28.30	14.95	19.13	17.72	80.10	11.66	8.37	8.96	10.94	120.03
3	Existing Cash	-	-	-	-	-	11.70	14.30	-	-	26.00
4	Provincial Grants & Partnership Funding	1.02	-	-	-	1.02	7.00	-	-	-	8.02
Total Capital Project Financing		\$ 29.42	\$ 26.56	\$ 32.21	\$ 34.64	\$ 122.82	\$ 42.28	\$ 36.97	\$ 30.60	\$ 32.39	\$ 265.05

Line 1 - Self Liquidating Debentures

Self Liquidating Debentures are coordinated through the City and drawn from the Government of Alberta (formerly the Alberta Capital Financing Authority) in accordance with the City's Debt Management Fiscal Policy C203D. The cost of debt varies according to economic conditions and length of term (see Section 3.0). Details on debt servicing costs are provided in Section 9.0.

Line 2 - Pay-As-You-Go Requirement

As per Waste Services Utility Fiscal Policy C558C, Pay-As-You-Go (PAYG) requirements are incorporated into the Utility's cash forecast as shown in Section 6.0: Financial Indicators. This term is used to identify the portion of a given capital project which is funded by cash (equity). The PAYG Requirement for the following year is used in calculating a given year's target cash position.

Line 3 - Existing Cash

To ensure long-term financial sustainability while also balancing the ability to charge fair and equitable utility rates, the Utility has the option to finance additional capital project costs, when appropriate, using its current cash on hand to manage its overall cash balance. If this method is employed (as is shown for 2027 and 2028), it will lead to a reduction in future debt issuance and, consequently, a decrease in interest expenses.

Line 4 - Provincial Grants & Partnership

The \$7 million grant in 2027 is projected to be received from Emissions Reduction Alberta towards the capital portion of the Landfill Gas to Renewable Natural Gas project.

12.0 LANDFILL CLOSURE & RELATED LIABILITIES

The Utility's landfills include a Class II and Class III landfill, which are currently being prepared for complete closure and reclamation in accordance with the operating approval from Alberta Environment and Protected Areas. The Clover Bar Landfill (Class II) opened in 1975 and was Edmonton's first engineered sanitary landfill, featuring groundwater diversion, leachate treatment and environmental monitoring. The landfill, which lasted 20 years longer than expected due to recycling programs starting in 1988 preserving landfill space, reached full capacity and was closed in August 2009. The Class III landfill, originally established for the 1987 tornado debris, ceased operations in 2008 and was closed in 2022.

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the Utility is required to fund the closure of the landfill and provide for post-closure care of the site. Closure and post-closure activities include the final cover, landscaping, surface and groundwater monitoring, leachate control, landfill gas management and visual inspection. The minimum period for post-closure care is 25 years after final regulatory closure. The landfill closure and post-closure care plans are based on engineering assessment of current ground conditions, leachate levels, geology, and various other environmental and regulatory conditions.

The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. These costs are reported as a liability within the City's financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS). The landfill liability is reviewed at regular intervals to ensure the balance is sufficient with the latest review performed for the 2026 Rate Filing in September 2025. Future events, such as changes to regulatory requirements, and/or changes in ground conditions, leachate levels, etc., may result in changes to the estimated cost and will be recognized prospectively as an adjustment to the reported liability, when applicable.

The following table summarizes the estimated liability and expected disbursements required to complete closure activities.

Schedule 12.0 Line #	Reference	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast	2028 Forecast
1 Reported Landfill Liability - Opening Balance		\$ 53.01	\$ 42.71	\$ 46.77	\$ 40.40	\$ 26.12	\$ 20.36
2 Less: Disbursements During the Year		(24.44)	(13.60)	(12.13)	(16.59)	(7.26)	(1.49)
3 Liability Balance after Disbursements		28.58	29.11	34.63	23.81	18.86	18.87
4 Liability Increase/(Decrease) Required	S.8.0 L.8	18.19	2.60	5.77	2.31	1.50	1.17
5 Expected Landfill Liability at Year End		\$ 46.77	\$ 31.71	\$ 40.40	\$ 26.12	\$ 20.36	\$ 20.03

The Utility anticipates closure activities such as design and construction of stormwater management, leachate collection, landfill gas collection, final cover, landscaping, etc. to be completed by 2027 for the Class II Clover Bar Landfill. From the time of final regulatory closure, the minimum period for post-closure care is expected to be 25 years, and includes operating and maintenance activities such as (but not limited to) final cover inspection and maintenance, landfill gas collection and flare system maintenance, and leachate monitoring, treatment and disposal. Significant changes to cost estimates in the future may result in an adjustment to the landfill liability and subsequently the annual landfill provision.

The liability for the Clover Bar Landfill closure and post-closure care is reported in the Consolidated Financial Statements of the City of Edmonton as of December 31, 2024 at a value of \$46.77 million. An adjustment is required in 2025 to increase the liability by \$5.77 million. This increase is primarily associated with higher than previously anticipated costs required to construct the slurry wall and leachate management system. After disbursements of \$12.13 million for 2025, the liability is estimated to be \$40.40 million by the end of 2025. Post-closure care and maintenance is scheduled to begin in 2028.

The landfill closure costs are funded on an ongoing basis through Utility rates. The annual Revenue Requirement includes net income to raise cash to meet the upcoming future expenditures (as well as other cash needs such as PAYGO capital etc.). The cash balance is monitored and forecasted to ensure we have a sufficient balance to meet the obligations required. See section 6.0 Financial indicators (Line 2) for a breakdown of expected cash requirements.

13.0 SEGMENTED REPORTING - PROGRAM REVENUES & EXPENSES

(in millions of dollars)

WASTE COLLECTION SERVICES

Schedule 13.0.1	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
Line #					
1 Personnel	\$ 34.12	\$ 35.30	\$ 37.46	\$ 39.93	\$ 41.12
2 Materials, Goods & Supplies	1.39	1.22	1.50	1.33	1.35
3 External Services	33.76	35.11	35.03	40.37	40.33
4 Fleet Services	9.76	9.78	9.22	10.69	10.89
5 Intra-municipal Services	1.96	1.96	1.96	1.96	1.96
6 Utilities	0.66	0.72	0.52	0.68	0.70
7 Other Expenses	1.45	1.57	1.35	1.88	1.92
8 SUBTOTAL	83.08	85.65	87.04	96.83	98.26
9 Intra-municipal Recoveries	0.34	0.73	0.45	0.55	0.55
10 TOTAL O&M EXPENSES	83.43	86.37	87.49	97.37	98.81
11 Amortization of Non-Contributed Assets	9.85	11.19	11.16	12.47	13.30
12 Debt Interest	1.44	1.93	1.44	1.58	1.76
13 TOTAL EXPENSES	94.71	99.49	100.09	111.42	113.86
14 Program Revenues	8.24	6.97	7.27	7.38	7.52
15 Rate Revenues	86.48	92.52	92.82	104.04	106.34
16 NET INCOME/(NET LOSS)	-	-	-	-	-

Note: Program and Rate Revenues sufficient to achieve a net income of zero are transferred from Waste Collection Services to Sustainable Waste Processing. The net income for the Waste Services Utility is wholly contained within Sustainable Waste Processing.

SUSTAINABLE WASTE PROCESSING

Schedule 13.0.2 Line #	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
1 Personnel	\$ 22.68	\$ 22.99	\$ 25.09	\$ 26.85	\$ 27.66
2 Materials, Goods & Supplies	1.51	1.20	1.30	1.58	1.61
3 External Services	50.04	58.36	53.19	51.34	41.55
4 Fleet Services	6.97	7.64	6.35	6.82	6.95
5 Shared Services	10.52	10.29	10.29	10.38	10.57
6 Intra-municipal Services	4.58	3.37	2.77	4.03	4.24
7 Utilities	3.88	3.95	4.63	4.58	4.30
8 Landfill Liability Required	18.19	2.60	5.77	2.31	1.50
9 Other Expenses	1.75	0.16	0.42	0.66	0.67
10 SUBTOTAL	120.12	110.57	109.81	108.56	99.05
11 Intra-municipal Recoveries	(1.32)	(1.14)	(0.73)	(0.97)	(0.99)
12 TOTAL O&M EXPENSES	118.80	109.42	109.09	107.59	98.06
13 Amortization of Non-Contributed Assets	16.81	17.89	17.09	18.00	18.93
14 Amortization of Regulatory Asset	3.91	3.91	3.91	3.25	3.25
15 Debt Interest	5.35	5.19	4.94	4.48	4.20
16 TOTAL EXPENSES	144.87	136.41	135.02	133.32	124.45
17 Grant Revenue	0.00	0.30	0.00	0.00	0.00
18 Program Revenues	16.60	8.02	7.11	7.57	8.31
19 Projected EPR Revenue	0.00	24.00	30.13	37.04	26.50
20 Rate Revenues	134.22	107.72	109.42	94.15	96.38
21 NET INCOME/(NET LOSS)	\$ 5.94	\$ 3.63	\$ 11.64	\$ 5.44	\$ 6.74

Note: Program and Rate Revenues sufficient to achieve a net income of zero are transferred from Collection Services to Sustainable Waste Processing. The net income for the Waste Services Utility is therefore wholly contained within Sustainable Waste Processing.

13.1 REVENUES & EXPENSES BY REGULATED AND NON-REGULATED PROGRAM

(in millions of dollars)

REGULATED PROGRAMS

Schedule 13.1.1	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
Line #					
1	Personnel	\$ 54.48	\$ 57.33	\$ 61.48	\$ 65.41
2	Materials, Goods & Supplies	2.75	2.38	2.76	2.87
3	External Services	80.98	89.65	85.54	89.99
4	Fleet Services	15.68	16.35	14.52	16.58
5	Shared Services	10.52	10.29	10.29	10.38
6	Intra-municipal Services	6.08	5.32	4.72	5.98
7	Utilities & Others	7.45	6.21	6.74	7.65
8	Landfill Liability Required	18.19	2.60	5.77	2.31
9	SUBTOTAL	196.12	190.14	191.82	201.16
10	Intra-municipal Recoveries	(0.57)	(0.09)	(0.16)	(0.71)
11	O & M EXPENSES	195.56	190.05	191.66	200.45
12	Amortization of Non-Contributed Assets	26.10	28.53	27.71	29.93
13	Amortization of Regulatory Asset	3.91	3.91	3.91	3.25
14	Debt Interest	6.60	6.95	6.17	5.86
15	TOTAL EXPENSES	232.16	229.44	229.44	239.49
16	Grant Revenue	0.00	0.30	0.00	0.00
17	Program Revenues	18.64	8.53	7.96	9.10
18	Projected EPR Revenue	-	24.00	30.13	37.04
19	Rate Revenues	220.69	200.24	202.24	198.20
20	NET INCOME/(LOSS)	\$ 7.18	\$ 3.63	\$ 10.89	\$ 4.84
					\$ 5.98

Regulated Programs are core activities and services provided by Waste Services that are focused on waste collection, processing, and disposal activities for residential customers (e.g. curbside collection and "self-haul" performed by residential customers to Eco Stations and Community Recycling Depots); and services that the City can provide given rights enabled by the *Municipal Government Act* (i.e., that other providers are not permitted to provide).

NON-REGULATED PROGRAMS

Schedule 13.1.2	2024 Actual	2025 Approved	2025 Projected	2026 Proposed	2027 Forecast
Line #					
1 Personnel	\$ 2.32	\$ 0.96	\$ 1.07	\$ 1.37	\$ 1.41
2 Materials, Goods & Supplies	0.16	0.04	0.03	0.04	0.04
3 External Services	2.82	3.82	2.68	1.71	1.57
4 Fleet Services	1.04	1.06	1.06	0.93	0.95
5 Intra-municipal Services	0.45	0.00	0.00	0.01	0.01
6 Utilities	0.29	0.19	0.19	0.16	0.16
7 SUBTOTAL	7.08	6.08	5.03	4.22	4.14
8 Intra-municipal Recoveries	(0.40)	(0.33)	(0.11)	0.29	0.29
9 TOTAL O&M EXPENSES	6.68	5.75	4.92	4.51	4.42
10 Amortization of Non-Contributed Assets	0.55	0.55	0.53	0.55	0.60
11 Debt Interest	0.19	0.16	0.22	0.20	0.18
12 TOTAL EXPENSES	7.42	6.46	5.66	5.26	5.20
13 Program Revenues	6.19	6.46	6.42	5.85	5.97
14 NET INCOME/(NET LOSS)	\$ (1.23)	\$ 0.00	\$ 0.75	\$ 0.59	\$ 0.77

Non-Regulated Programs include City of Edmonton Corporate Facilities Waste Collection, Construction and Demolition waste service, self-haul of waste to the landfill, and Aggregates recycling and sales.

13.2 REGULATED ACTIVITIES EXPENSE CHANGES

(in millions of dollars)

2026 Regulated Activities										Activities	
Schedule 13.2 Line#	Reference	2025 Projected	Customer			One Time Expense (Note 1)	No Longer Required (Note 2)	2026 Proposed			
			Growth	Consumption	Inflation						
1 Personnel		\$ 61.48	\$ -	\$ 2.07	\$ 1.86	\$ -	\$ -	\$ 65.41			
2 Materials, Goods & Supplies		2.76	0.01	0.05	0.05	-	-			2.87	
3 External Services		85.54	0.96	5.86	1.65	4.98	(9.00)			89.99	
4 Fleet Services		14.52	-	1.76	0.31	-	-			16.58	
5 Shared Services		10.29	-	-	0.09	-	-			10.38	
6 Intra-municipal Services		4.72	-	1.26	-	-	-			5.98	
7 Landfill Liability Required		5.77	-	(3.46)	-	-	-			2.31	
8 Utilities & Other Expenses		6.74	-	0.79	0.12	-	-			7.65	
SUBTOTAL		191.82	0.97	8.33	4.08	4.98	(9.00)			201.16	
9 Intra-municipal Recoveries		(0.16)	-	(0.55)	-	-	-			(0.71)	
O & M EXPENSES	13-1-1 L11	\$ 191.66	\$ 0.97	\$ 7.78	\$ 4.08	\$ 4.98	\$ (9.00)			200.45	

Line 1 - Personnel

The increase in wages from the 2025 Projected to 2026 Proposed includes inflationary based wage escalations for current staff. Consumption includes increased hiring of temporary staff for collections and operations work as the three-stream apartment and condo collection rollout moves to new areas of Edmonton. Some work in apartment and condo collection work in northeast Edmonton, which was previously contracted out, has been in-sourced and requires more staff. Additional staff are required on the Operational Training and Waste Education and Outreach teams to educate residents and staff on three-stream apartment and condo collection.

Line 2 - Materials, Goods & Supplies

Increased costs are related to customer growth, computer software licence fees, direct material needs to assist in closure of the High Solids Anaerobic Digestion Facility and inflation in 2026.

Line 3 - External Services

One-time costs include the removal of digester drums at the former Edmonton Composting Facility aeration hall building, which was decommissioned in 2020. Activities no longer required include transitioning away from active anaerobic digestion at the High Solids Anaerobic Digestion Facility. Consumption includes additional costs index increase on current contracts and contamination removal for the Coronation Eco Station expansion, third-party facilities requiring more feedstock from the Refuse Derived Fuel Facility, updated contractual rates for

customer billing and costs related to the waste characterization study and ICI Roadmap.

Line 4 - Fleet Services

Consumption costs in 2026 reflect growth in direct charges and repairs due to increased fleet units as a result of taking back more collection services from contractors.

Line 5 - Shared Services

Shared Services costs include an increase for inflation to cover rising costs.

Line 6 - Intra-municipal Services

The increase in consumption cost in 2026 is directly tied to the discontinuation of the Aggregates Recycling Program. The 2025 Projected includes a one-time positive credit generated by the program's final inventory sale as it wound down.

Line 7 - Landfill Liability Required

Consumption costs in 2026 reflect the disbursements to complete closure activities on the Class II and Class III landfill.

Line 8 - Utilities & Other Expenses

Higher consumption is related to expected increase in insurance premiums associated with waste collection and processing facilities and bad debt expenses in 2026.

Line 9 - Intra-municipal Recoveries

Increased net recoveries for transportation of materials for other City departments.

14.0 HISTORICAL TRENDS

(in millions of dollars)

Schedule 14.0 Line #	Reference	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Proposed	2027 Forecast
1 Operations and Maintenance	S.8.0 L.10	\$ 166.72	\$ 168.72	\$ 185.02	\$ 203.17	\$ 196.78	\$ 205.31	\$ 197.24
2 Amortization of Non-Contributed Assets	S.9.0 L.1	23.24	25.13	25.71	26.65	28.24	30.48	32.23
3 Debt Interest	S.9.0 L.6	8.24	8.29	7.55	6.79	6.38	6.06	5.96
4 Intra-municipal Recoveries	S.8.8 L.5	(1.10)	(1.13)	(1.31)	(0.97)	(0.27)	(0.42)	(0.44)
5 Grants	S.8.0 L.16	-	0.05	(4.60)	0.04	0.08	0.08	0.08
Amortization of Regulatory Asset	S.8.0 L.13	3.91	3.91	3.91	3.91	3.91	3.25	3.25
TOTAL EXPENSES		201.01	204.97	216.29	239.59	235.11	244.74	238.31
7 Non-Rate Revenue	S.7.0 L.3	22.75	16.20	22.18	24.84	14.38	14.95	15.83
8 Projected EPR Revenue	S.7.0 L.2	-	-	-	-	30.13	37.04	26.50
9 Rate Revenue	S.7.0 L.1	199.15	204.15	215.04	220.68	202.24	198.20	202.73
TOTAL REVENUES		221.90	220.34	237.23	245.52	246.75	250.18	245.05
NET INCOME/(LOSS)	S.13.0.2 L.22	\$ 20.89	\$ 15.38	\$ 20.93	\$ 5.93	\$ 11.64	\$ 5.44	\$ 6.74

Table 14A: Waste Services Utility Customer Counts

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Proposed	2027 Forecast
Curbside	236,304	255,493	263,517	267,985	273,256	275,704	279,158
Apartment and Condo	182,246	183,843	169,491	170,543	176,898	179,420	181,762
Total	418,550	439,336	433,008	438,528	450,154	455,124	460,920

Note: The table above includes the reclassification of 12,572 customers from Multi-unit (Communal) to Single Unit (Curbside) in 2021.

All 2019-2024 customer counts shown represent December 31 actual balances. For 2025-2027 forecast purposes, the utility rates are calculated using a phased-in increase to customer counts over a given year to ensure that consistent growth is represented. As a result, mid-year customer counts are used in these calculations.