



# Off-site Levy Bylaw Review – Water Resources Working Group Stakeholder Consultation Meeting Notes

**Date/Time:** September 8, 2022 / 1:00 – 2:30 pm

**Location:** MS Teams – video conferencing and The Water Centre - 625 25 Avenue SE

**Attendees:**

Internal	External
Chris Tse	Greg Bodnarchuk
Maggie Choi	Jackie Stewart
Quinn Eastlick	Jay German
Angela Sedor	Guy Huntingford
Pam McHugh*	Mark Wynker
Krista Campbell	Chris Ollenberger
	Paul Battistella
Regrets	
	Brian Hahn
	Shameer Gaidhar

\*Note taker

## Agenda

- 1. Welcome, Introductions & Agenda Overview** (Chris Tse)
- 2. Meeting Norms (Hybrid)** (Quinn Eastlick)
- 3. Treatment Methodology** (Chris Tse)
- 4. Next Steps** (Chris Tse)
- 5. Discussion** (Chris Tse)

## Feedback collected:

### General Feedback/Comments

- Can you further explain the loading metric?
- Can you explain the timing of what is forecasted in the Bonnybrook cost for Plant D? Some capacity is online now but some is coming in the future, yes? Is the escalation over a 5-year period and does it account for inflation? You must be using some form of an estimate for Fish Pine Creek
- I am thinking these estimates are ultimately going to be wrong though you try to be close. Buildings built today are tying into an existing system, not something that is coming in the future. Why is there no attempt to try and align with what is coming? We are paying for future use and future costs right now. The capacity being utilized is already there. Buyer today's are



paying for the cost 10 years away. It seems like the EP rate is being driven up. Match the timing of occupancy and use to the treatment plants in a more aligned, closer way.

- Cost should be based on when the expenditure happens, not on when it is budgeted for.
- There is not enough alignment between the City of Calgary and development industry business cycles and time horizons. This might create more issues down the line.
- If we put an expansion in, are we capturing a portion or all that land?
- About the formula, referring to the EP denominator, isn't that based on area? Isn't that the area of the EP?
- Question about cost: For the project that has been completed, are those the costs against the remaining balance? Are these known costs? As an example, if one project was completed 5 years ago, we are paying down principle and interest for five years. Why show total costs? In the model itself, there is a discount to account for what has already been paid against them.
- How do you want to answer BILD's questions to date on this presentation?
- Previously we had on the list, a \$316 million allocation to future wastewater treatment plant and it was unknown. Can you confirm that is not in the model now because it is far enough off on the horizon? This leads back to a previous comment about budget cycles and only looking at costs when they are going to be incurred. Can burden people who are buying homes in 2023/24 who are paying for future infrastructure. It will be good to fully consider how we are incurring costs and when that is happening. In the model, can we incorporate when the design is happening, when construction is happening, etc. A ten-year window seems quite large.
- Is density capped?
- With white papers, what is the plan and how will information be sent out to industry? What is outstanding for WWTPs? Financial models? Will the model sent be like what was sent at Christmas time?
- A lot of questions go to wanting to better understand model inputs? Data around inputs to capacity, the previous response was to focus on rate and formula. Is this still the case? Will the financial model reveal more of these inputs? Will we be discussing the engineering components as part of this process?
- Water Treatment Plant \$500M it will be helpful to have an extra level of detail given the cost. Forecast costs, including interest rate and inflation, will all these things be part of our conversation? When do we get into the adjustment factors?
- In white papers, reference to supply chain issues and standard delivery model. Can you explain these terms or are they part of this? Can The City provide Industry a cost estimate or cost actuals, as an example, in the interest of transparency? We are seeking greater detail. One project example and look at costing line by line.
- When relying on estimates, how is that impacting the rates? Class 5 estimates, as an example, can be very conservative.
- Referring to the original information request, BILD is concerned about excessive contingency. It would be good to see actuals, details and forecast metrics for industry to understand breakdowns and see reasonableness. Plant D expansion does not have enough detail and has potential to erode trust.
- Comment related to infrastructure planning that industry wants to see. Industry is not questioning the planning work; it is more along the line of understanding what the assumptions are so they can talk to their membership about the levies going forward being appropriate. Assurance that development is paying for development. Industry wants to wholly understand



the information, even if some requests seem outside the scope of the consultation. Previous comments were made regarding understanding how we are layering in past council decisions and how previous decisions are not coming back to haunt everyone.

- Capitalization policy for water resources. To clarify, these are all capital and not operating, correct? Are two more sessions enough to cover what is required? If we need extra time to go through the models, that will be added? When will the financial models be circulated?
- In terms of EA levy, will that be part of the next two meetings?
- Did I hear regarding time frames that it is tomorrow's dollars so future value through net present value?
- If you get a 2039 cost, do you inflate current by estimated inflation and then bring it back to a present value? When do you start entering cash flow? You need to estimate based on what we have currently for costs, is that right?
- Are you addressing current capacity in use or capacity being installed and adding to installation based on the current standard?
- Will we be getting the benefit percentages used for allocations? Industry does not feel like it has the background information for this. Determinations that feed into capacity needs, information on internal business cases (at The City), calculation assumptions, leviable land base and the factors that go into that, and variance analysis for what has happened during the past number of years, shortfalls and money to be collected and how this is all reconciled in the new model and when this factors into our discussion.
- Distinction between linear and treatment plants needs to be further clarified. Money to be further collected in the annual report and information to be further collected.
- When will we receive the financial models? At end of September, will we have a session to answer questions on the financial model? Will it be in draft form?