



Alberta Capital Region Wastewater Commission

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File: 1.5.7



Mayor Rod Shaigec
Parkland County
53109A Highway 779
Parkland, AB T7Z 1R1

Dear Mayor Shaigec:

Re: ACRWC access to grant funding

Thank you for your letter of February 27th, 2012 outlining Parkland County's concerns with the ACRWC's strategy to access additional grant funding. As noted in your letter, it is not the ACRWC's intention to interfere with our member's ability to access grant funding.

To that end, we have revised our *Backgrounder* to remove reference to MSI, AMIP and the Federal Gas Tax programs. We also attach a revision to our original draft motion. Bear in mind that this is only a proposed motion. Parkland County is certainly at liberty to propose alternate wording that they are comfortable with.

If you require more information to ensure your Council has the information it needs to render its decision, please contact our General Manager, Mike Darbyshire, at (780) 467-8655.

Regards,

**ALBERTA CAPITAL REGION
WASTEWATER COMMISSION**

Tom Hutchison
Chair

Encl.
c.c. Councillor Darrell Hollands

Members:

Beaumont
Bon Accord
Gibbons
Fort Saskatchewan
Leduc
Leduc County
Morinville
Parkland County
St. Albert
Spruce Grove
Stony Plain
Strathcona County
Sturgeon County

Backgrounder: Accessing grant funding

Current Structure:

The Alberta Capital Region Wastewater Commission (ACRWC) is a legally established commission under provincial regulation, falling into the category of Regional Service Commission.

The ACRWC provides wastewater services to its 13 member municipalities. It constructs and maintains wastewater facilities to serve over 200,000 people.

The ACRWC generates the majority of its revenue on a cost-recovery basis by charging a rate to its member municipalities for its services. The ACRWC is required to charge all municipalities the same rate.

The Issue:

The ACRWC must build large capital projects from time to time and incorporates those project costs into its rate. These capital requirements contribute significantly to rate increases.

The number of grants available to the ACRWC is limited.

- The ACRWC is eligible for grant funding under the *Alberta Municipal Water & Wastewater Partnership* program. As the population in the Capital Region increases, eligibility decreases.
- The ACRWC cannot receive grants directly from Provincial grant programs directed at municipalities.
 - The only way for this grant money to get to the ACRWC is for member municipalities to apply for it and then redirect those funds to the ACRWC.
 - It is often difficult for municipal governments to reach consensus on how, or even if, to divert these grant funds to the ACRWC.
 - Because the ACRWC is not a municipality, it is ineligible to apply for these grants on their own.
- Federal and Federal/Provincial grant programs often do not recognize regional services commissions as separate entities. The ACRWC must rely on its members to sponsor projects and apply on their behalf.

The Solution:

Change the regulations and make the ACRWC a recognized entity to give us the opportunity to apply for grants targeted at the environment on their own merit. As a result, the ACRWC will be able to:

- Continue to fulfill its legal mandate while keeping rates as low as possible
- Ensure money is available when government changes environmental standards but doesn't provide funding to make the necessary upgrades

The Benefits:

With access to these grants, a portion of the cost of capital projects doesn't need to be passed along to their members and their ratepayers.

- Approximately \$3,000,000 in grant funding on a project would reduce the ACRWC utility rate by one cent per cubic meter annually.

Enclosure 2: Proposed Council motion

WHEREAS the Alberta Capital Region Wastewater Commission provides an essential service to its member municipalities; and

WHEREAS the Alberta Capital Region Wastewater Commission as a Regional Services Commission is limited in terms of accessing grant revenues to help pay for capital upgrades, and

WHEREAS the Alberta Capital Region Wastewater Commission does not wish to limit its member municipalities' access to grant funding,

NOW THEREFORE BE IT RESOLVED THAT (community) supports the efforts of the Alberta Capital Region Wastewater Commission to solicit grant funding from other orders of government as a separate entity provided they do not negatively affect their member municipalities' access to grants or funding allocations.